

NEWS RELEASE

Eurohold's energy division, owning Electrohold Group, successfully completes ca. EUR 500 million debt refinancing at better terms

Sofia, 18 June 2024 - Eastern European Electric Company B.V. (EEEC) and Eastern European Electric Company II B.V. (EEEC II), the subsidiaries through which **Eurohold Bulgaria** AD owns Electrohold Group's units, have successfully refinanced ca. EUR 500 million of existing debt raised for the acquisition of CEZ Group's business in Bulgaria in 2021, its subsequent development and investments in the energy business.

EEEC B.V. and EEEC II B.V. have successfully completed a financing transaction for a new EUR 460 million 5-year syndicated secured loan and additional EUR 65 million 5.25-year term loan, respectively. Use of proceeds of the new funding is to refinance existing EUR 360 million syndicated loan at the level of EEEC B.V. and another EUR 125 million loan at the level of EEEC II B.V. as well as for capital expenditure within the energy subsidiaries in preparation for the electricity market liberalization.

The new financing has achieved better terms, including savings on the interest expense, until its maturity in 2029. It also provides for a smoother debt repayment schedule with lighter covenants, tailored to the energy group's operations and recognising its good performance achieved in the past few years following Eurohold's acquisition. The requirement for guarantees, provided by Eurohold, the parent company, has also been removed.

The newly arranged financing also includes EUR 15 million of capital expenditure (CAPEX) financing, provided by the European Bank for Reconstruction and Development (EBRD) for EDG West EAD, the group's distribution subsidiary, for the upgrade and development of the power distribution network that will accelerate the company's investment program in view of the upcoming liberalization of the electricity market.

J.P. Morgan SE, which structured the acquisition financing for the CEZ Group in 2021, acted as initial mandated lead arranger and bookrunner on the new debt financing. Eight other leading banks and financial institutions participated in the bank syndicate - the **EBRD, Eurobank Private Bank Luxembourg, Bank of China Luxembourg, Postbank (Eurobank Bulgaria), Unicredit Bulbank, Raiffeisenbank International, UBB, and DSK Bank. Euro-Finance AD**, Eurohold's investment division, also took part in structuring the financial operation.

Morrison & Foerster, Linklaters LLP, Loyens & Loeff, STZ Law, Boyanov & Co participated in the transaction as legal advisors. The **Bank of New York Mellon, the BNY Mellon Corporate Trustee Services** and **GLAS Trust Corporation Limited** were among the other financial advisors.

“By securing the new syndicated loan facility, Eurohold has ensured stable long-term financing resources and the required financial means to realize its development strategy and program

for its energy business. The issuance demonstrates our standing as a high quality issuer. We see this transaction as a confirmation of our successful strategy for development of our energy business. We will continue to invest actively in our energy business and to integrate state-of-the-art technologies, modernizing the power distribution network, and ensuring secure, quality and reliable services while adhering to sustainable aspects of operations,” commented Vasil Stefanov, Head of Eurohold’s M&A division.

Eurohold Bulgaria AD

Eurohold Bulgaria AD is a leading energy and financial group operating in Central, Eastern and Southeastern Europe. It is listed on the Bulgarian and Warsaw Stock Exchange. Eurohold owns Electrohold, a leading energy group in Bulgaria and owner of the largest power distributor, supplier and trader in the country that has 3000 employees and serves more than 3 million consumers. Eurohold also owns Euroins Insurance Group AD (EIG), one of the largest insurance groups in the region. EIG provides a full range of insurance products, serves over 4 million customers in 11 countries and has over 2000 employees.

www.eurohold.bg; www.eig.bg; www.electrohold.bg