

Internal Information

ČEZ finally takes over ŠKODA JS, a major Czech company, primarily operating in nuclear servicing and engineering

Yesterday, the ČEZ Energy Group became the 100% owner of ŠKODA JS, a traditional Czech company operating in the field of nuclear energy. With the purchase, ČEZ solved the problem of its major supplier, which several years ago became part of the Russian engineering group OMZ, controlled by Gazprombank. This put the company at risk of sanctions, which had a potential impact on securing key supplies for the ČEZ Group's nuclear power plants. The agreement was concluded in June this year with the shares temporarily held by WOOD & Company pending the antitrust authorities' transaction approval .

The transaction was approved by four antitrust authorities in the Czech Republic, Hungary, Slovakia and Ukraine.

“Škoda JS is our key supplier and by gaining control of this company we have significantly strengthened our energy security. The antitrust proceedings were not easy, especially in view of the state of war in Ukraine. We are pleased that we have successfully completed the transaction,” said Bohdan Zronek, Director of the ČEZ Nuclear Power Division.

Škoda JS is an original Czech company and supplier of key components of nuclear parts for a number of power plants with domestic employees and unique domestic know-how, with which ČEZ has been cooperating for a long time, especially in the field of nuclear fuel and primary circuit maintenance of nuclear power plants. Together with Škoda JS (including 100% shares in company Middle Estates, s.r.o.), ČEZ will also acquire further shares in the scientific research facility ÚJV Řež, which Škoda JS currently owns. The ČEZ Group's ÚJV Řež shareholding will therefore increase from 52.46% to 69.85%.

ČEZ implemented this complex transaction in cooperation with WOOD & Company, a major financial and investment group with a leading position on the Central European market, which held the shares until the antitrust authorities' transaction approval. This procedure ensured that sanctions ceased to threaten Škoda JS as soon as the agreement was signed, rather than after the antitrust authorities had given the ČEZ Group approval to take full control, as would normally be the case.

ŠKODA JS a.s. is one of Europe's leading engineering and manufacturing companies with experience in the construction and servicing of nuclear power plants. The original company was founded in 1859, and the history of today's ŠKODA JS begins in 1956. Since then it has been working in the field continuously. Over the course of its existence, the company has supplied complete industrial plants, equipment and services for nuclear power plants, research reactors and storage facilities for spent nuclear fuel in Central and Eastern Europe, Scandinavia, France, Germany, USA, Austria, Finland, Belgium, China, Armenia and other

countries. ŠKODA JS a.s. has manufactured and delivered 21 complete VVER 440 and three VVER 1000 nuclear reactors. Since the 1990s, it has also focused on Western markets and technologies. It cooperates with global leaders in the field. Engineering, production and servicing currently equally contribute to the company's revenues, with exports accounting for approximately half of the company's turnover. The company achieves annual sales of around CZK 3.5–4 billion. Nearly half of its sales are in equipment and service export. It employs over 1,000 highly-qualified professionals.

WOOD & Company is a major financial and investment group with a leading position on the Central European market. The group focuses on providing transaction consultancy, corporate finance consultancy, securities trading and asset management services. Founded in 1991, the company has offices in seven European cities, including its headquarters in Prague and an experienced investment banking department in Bratislava.

For more information on WOOD & Company, visit wood.com