

The Arbitration Tribunal has almost entirely rejected the claim for damages of ČEZ and they have obliged the company from Prague to pay 310.000 EUR to the respondents, the “Electric Power Industry of the Republic of Srpska” (EPIRS) and the Mine and Thermal Power Plant “Gacko”, for the costs of the arbitration procedure, the Management of EPIRS confirmed.

The Arbitration Tribunal has made the final arbitration award in the arbitration procedure conducted in Vienna, and the claim of ČEZ has been rejected in the percentage of 96%. The Management of EPIRS has confirmed that the Arbitration Tribunal obliged EPIRS to conduct the agreed “put option”, whereby this mixed holding will take over the share of ČEZ in the company “New Plants of the Republic of Srpska” (NPRS), Gacko, at the price of their direct investment of 2.039.522 EUR, and that the Tribunal obliged EPIRS to compensate ČEZ for the cost of 1.913.449 EUR resulting from certain exchange rate differentials.

- The arbitration award of the Tribunal is final and binding for all parties - participants in the arbitration procedure - the Management of EPIRS say in their statement, adding that they consider this arbitration award an extraordinary success of EPIRS and “Gacko”, considering the initial position and the expectations of ČEZ.

EPIRS reminded that, in the arbitration procedure, ČEZ had demanded the conclusion of the Agreement on Transfer of Shares (“put option”) in NPRS at a purchase price of 2.039.522 EUR.

- The share price is based on the direct investments of ČEZ in NPRS from which the preparation of the Feasibility Study and all research activities necessary for the Study was financed - it has been said in the statement.

EPIRS emphasizes that, according to the Implementation Agreement, the “put option” includes the sale of the share of ČEZ in the capital of NPRS (amounting to 51%) to EPIRS, as the second founder, and they stress that this has never been in dispute for EPIRS, but that, from the beginning of the arbitration, ČEZ had been conditioning the sale of their share in NPRS with an extra payment of additional 56.349.000 EUR as the compensation for damages and lost profits, to which EPIRS and “Gacko” did not agree, because such claim was unfounded which has also been determined by the arbitration award.

- By purchasing the share of ČEZ in NPRS, EPIRS will become a 100% owner of all the Studies and technical documentation which is the result of extensive research and analyses performed within this pilot project, therefore the project implementation will continue without interruptions - it has been said in EPIRS.

This company states that the Arbitration Tribunal has almost entirely, i.e. in the percentage of 96.6%, rejected the claim for compensation of ČEZ amounting to 58.388.522 EUR and therefore the Tribunal has obliged ČEZ to pay 310.000 EUR to EPIRS and “Gacko” as the compensation for the costs of the arbitration procedure, which is exactly the consequence of the big failure of “ČEZ” with their arbitration claim.

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- This means that, in this arbitration procedure, ČEZ a.s. Prague were successful with only 3.4% of their claim, and the respondents EPIRS and M&TPP "Gacko" with 96.6% - it has been emphasized in EPIRS.