

For the acquisition of Bulgarian assets owned by Czech energy company CEZ, Eurohold Bulgaria has received approval from the Commission for Energy and Water Regulation (KEVR).

Head of M&A at Eurohold Bulgaria Vasil Stefanov said that the company obtained approvals from both competition and energy regulator and now it can proceed with the financing and the completion of the transaction. Eurohold will finance the acquisition through a combination of equity and borrowed capital.

Last October, Eurohold Bulgaria announced that the Bulgarian Commission for the Protection of Competition (CPC) has granted the company the permission to acquire CEZ' assets. The acquisition permit is acquired through the specially created Eastern European Electric Company B.V. (EEEC), 100 % owned by Eurohold. In June 2019, Eurohold announced that it has agreed with Czech energy company CEZ to purchase its assets in Bulgaria for a sum of 335 million euros. The acquisition will be financed through both equity and debt financing, and has already mandated two global investment banks to arrange the funding for the transaction. However, in October same year, CPC announced that it did not approve the acquisition of Bulgarian assets of CEZ by Eurohold Bulgaria. The statement from the regulator said that it decided to forbid the proposed acquisition because combining the experience of the economic resources and market positions of the two groups in the electricity and insurance sector creates prerequisites for the notified deal to lead to the establishment or strengthening of dominant position. If concluded, the deal would lead to considerable advantage for the participants in the concentration which would hamper effective competition on the respective markets. In July 2020, the Sofia Administrative Court cancelled a decision by the CPC to forbid the sale of the local assets of CEZ to Eurohold. The court returned the case to the regulator and requested it to conduct a new probe into the proposed deal in line with the court-prescribed guidelines. Previously, CEZ agreed to sell its Bulgarian assets to local company Inercom, but the CPC forbade the sale.