

Montenegro: Accumulated loss to be covered from EPCG's capital

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The General Shareholders' Meeting of Montenegrin power utility EPCG adopted the financial report for the previous year and decided to cover the accumulated loss of 157 million euros from the company's capital and premiums.

According to the decision, 8.6 million euros will be covered from premiums and 148.4 million euros from the company's capital. It was also decided that the unallocated assets of some 51 million euros will be transferred to this year as undistributed profit.

CFO of EPCG Branislav Perovic said that favorable hydrological conditions in the previous year led to the increase in the production of hydropower plants Perucica and Piva. According to him, the company managed to significantly reduce distribution losses and achieved savings of 529,000 euros due to decreasing the number of employees by 60. Perovic added that capital investments amounted to 27.1 million euros.

The Government of Montenegro owns 57 % of the shares in EPCG, while Italian A2A has 41.75 % stake in the company. On 1 July, following the expiration of shareholders agreement, A2A has offered its stake in power utility EPCG to the Montenegrin Government for 250 million euros. A2A submitted the put option notice in which it informs the Government that it intends to sell its entire stake in EPCG for 250 million euros. The amount is to be paid in seven annual installments starting at 1 May 2018.