

Romania: CEZ Group dept to equity deal with wind farms companies

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Date : April 18, 2016

Czech energy group CEZ decided on February 19 to increase the capital of one of its local subsidiaries which operates wind farms in Romania, Tomis Team SA, through conversion into shares of a debt amounting to 153, EUR 5 million .

The amount by which the share capital will be increased is part of a loan totaling EUR 185.1 million granted by Tomis Team CEZ, through a contract signed 10 days before, on February 9.

"For the avoidance of doubt, the amount used in order to increase the share capital of Tomis Team SA includes only the principal amount borrowed under the contract, with the explicit exclusion of any interest on it", says the decision of Tomis Team SA of 19 February.

CEZ Group directly controls almost entirely Tomis Team, with over 99.9% of shares, the rest being held by subsidiary CEZ Poland Distribution.

At the same CEZ Group also decided to increase the capital of another subsidiary CEZ Romania with wind energy production operations, MW Team Invest SRL in the amount of 40.4 million euros, representing a part of a credit 57.4 million for MW Team Invest SRL in 2008 by Tomis Team, associated with the debtor company.

CEZ Romania operates wind farms in Dobrogea Cogealac and Fantanele, through subsidiaries Tomis Team and Ovidiu Development MW Team Invest. The two parks have a total installed capacity of 600 MW.

Operating profit of CEZ in Romania fell last year by 10.8% to 3.3 billion Czech crowns (120.9 million euro) from 3.7 billion kronor in 2014. Increased sales of electricity and lower costs distribution losses were not sufficient to cover the loss of 600 million kronor (22 million) caused mainly by the suspension of allocation of green certificates for the park at Cogealac and higher provisions for taxes additional Czech group would could pay for wind farms owned in Romania .

Therefore, the suspension of allocation of green certificates for the park at Cogealac period October 2014 - September 2015 had a negative impact of 400 million crowns (14.66 million) in the financial results of CEZ, partially mitigated by the contribution of 100 million kronor (3.66 million euros) of green certificates allocated from September 2015 to Fantanele park.

Also, CEZ has set aside additional 300 million kronor (11 million euros) for potential new taxes they might pay the Romanian state for wind farms, according to the 2015 report of the Czech group.

The financial exposure of the Czech Romania fell last year to 4.2 billion kroner (153.8 million euros), primarily by reducing the share capital of CEZ Distribution with 578.62 million lei (130.6 million euros). Transmits Serbia-energy.eu