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PRESS RELEASE

KKCG BUYS INTO AEC AND CLEVERLANCE ENTERPRISE SOLUTIONS

Prague, February 8, 2019 – Executives from the KKCG investment group and the owners of the Cleverlance Group yesterday signed an agreement under which KKCG will buy majority stakes in AEC and Cleverlance Enterprise Solutions. The transaction paves the way for the establishment of a unique provider of ICT services that will operate under KKCG's management in the Czech Republic, with consolidated revenues in excess of CZK 5 billion, EBITDA over CZK 300 million, and more than 1,800 employees. The transaction is subject to merger clearance by the anti-monopoly authority. Until clearance has been obtained, Cleverlance Enterprise Solutions and AEC will act as an independent business entities.

"By acquiring majority stakes in AEC and Cleverlance Enterprise Solutions (CES), KKCG is pursuing its long-term strategy aimed at creating an ICT holding that will bring together specialized firms capable of offering clients a comprehensive portfolio of ICT products and services," said KKCG's Investment Director Michal Tománek in commenting on this year's first major ICT transaction on the Czech market. KKCG buys a seventy percent stake in CES and a fifty-five percent stake in AEC. KKCG's involvement in the ICT sector began in 2017, when the group acquired a majority stake in AUTOCONT Holding, the largest independent provider of ICT services in the Czech Republic. The group's ICT portfolio also includes DataSpring and SafeDX data centers, Conectart, and startups acquired by the Springtide Ventures fund in the Czech Republic and Israel. *"Our goal is to develop the business of all of the companies in our portfolio. The main objectives include securing access to foreign markets and supporting the dynamic development of proprietary SW services and solutions. Most customers are undergoing digital transformation, a fact that provides a major opportunity for growth,"* explained Tománek.

"We are happy to be a part of KKCG's ambitious plan to build an undertaking that will be the Central European leader in the segment of ICT and SW solutions. Already now, KKCG's technology pillar includes leading firms specializing in ICT services, HW and SW infrastructure, and cloud services. By adding AEC and Cleverlance Enterprise Solutions to its portfolio, KKCG will strengthen its position in the enterprise segment that focuses on application development and ICT security," revealed Jiří Bíba, CEO and Member of the Board of Directors at the Cleverlance Group. According to him, a positive role in negotiating the strategic partnership was played by the successful collaboration of KKCG's and the Cleverlance Group's experts two years ago when the Springtide Ventures fund bought into ThreatMark, a startup into which the Cleverlance Group had formerly made an angel investment. *"I am convinced that the partnership with KKCG is a step in the right direction that will usher Cleverlance into a new era of growth during which we will grow from a strong local firm into a major regional player, a strategic ICT partner to our customers and an employer of choice capable of offering new challenges for the professional development of our employees,"* explained Bíba.

AEC CEO Tomáš Strýček added, *"KKCG has been able to see the quality of our company's work during several domestic projects. Likewise, from our viewpoint, it was evident that security is given appropriate consideration. We hope that being a part of such a major group as KKCG will provide us with access to new foreign markets. To date, AEC has successfully completed reference projects in 28 countries around the world."*

KKCG will purchase majority stakes in AEC and Cleverlance Enterprise Solutions (CES) from the Cleverlance Group for an undisclosed sum. The Cleverlance Group will retain a minority share in the joint venture, and its executives Jiří Bíba, Vít Urbanec, and Petr Štros will continue to take part in the management of CES. Likewise, minority shareholder Tomáš Strýček, will participate in the management of AEC. The management of the operations of KKCG's new ICT holding will be the responsibility of Milan Sameš. This transaction was financed by ČSOB and Česká spořitelna.

Cleverlance Group

The Cleverlance Group brings together Czech IT companies providing consulting, solutions, and services with a focus on finance, telecommunications, utilities, and public administration. Members of the Cleverlance Group operate internationally and include Cleverlance Enterprise Solutions, AEC, TrustPort, CTS TRADE IT, and Cleverlance H2B.

With organic growth at an annual rate of 12-15%, the Cleverlance Group has made investments into such new products and technologies as ThreatMark, CleverBus, Multichannel Banking, People@Work, the CleverBSS telecommunications bundle, and CleverBin smart garbage containers. The Cleverlance Group is currently completing the initial implementations of virtual reality solutions and the Empeena empathic chatbot.

KKCG Investment Group

KKCG manages leading corporations with an aggregate book value in excess of EUR 5.2 billion. KKCG and companies owned by the group have more than 3,500 employees and conduct business in 19 countries in various parts of the world. KKCG holds stakes in such corporations as the MND Group, the SAZKA Group, US Methanol, the FISCHER Travel Group, and others.

KKCG companies conducting business in the information technology sector include AUTOCONT, Conectart, DataSpring, and SafeDX. AUTOCONT is the largest independent provider of ICT services in the Czech Republic. Conectart offers an all-inclusive portfolio of contact centers. DataSpring provides professional cloud and ICT services with a focus on data analysis and processing, business intelligence consulting, and proprietary software development. DataSpring operates a Tier III-certified data center. SafeDX is a joint venture of KKCG and the technology giant Foxconn, providing cloud services and ICT operations outsourcing using infrastructure located in the company's own data centers. Springtide Ventures is a venture capital fund specializing in the identification of high-potential startups. To date, Springtide Ventures has acquired stakes in the Israeli companies Bio-Nexus and SpotInst and in such Czech firms as cloud4com, Geewa, Techloop, and ThreatMark. KKCG's portfolio also includes Jazz Venture Partners, a Silicon Valley-based investment fund specializing in human enhancement and neuroscience technologies.

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