



AUTOCONT

PRESS RELEASE

KKCG Investment Group Buys into AutoCont

Prague, 19 October 2017 – The KKCG investment group owned by entrepreneur Karel Komárek has acquired a majority stake in AutoCont Holding, the largest independent provider of IT services in the Czech Republic. The transaction is this year's most important acquisition in the Czech information technology sector. An agreement between the two partners was signed yesterday.

Under the deal, KKCG becomes a shareholder of AutoCont Holding owning a 70% stake. The remaining 30% will remain to be held by AutoCont's current management. Following 27 years of prosperous performance on the market, AutoCont is now entering a new era as a member of one of the largest investment companies in the Czech Republic. The transaction is subject to merger clearance by the anti-monopoly authorities in both the Czech Republic and Slovakia. Until clearance has been obtained, AutoCont will act as an independent business entity.

"Our long-term vision is to build a strong business pillar that will focus on information technologies. Our portfolio includes attractive domestic and foreign IT companies, and we have a partnership with the technology giant Foxconn. Buying into AutoCont is another step on the road to fulfilling this vision. On the one hand, the deal will provide AutoCont with new interesting business opportunities, and on the other, it will help the KKCG Group achieve an important advance in the IT sector," explained Michal Tománek, KKCG's Investment Director responsible for new technologies.

AutoCont is the number one on the market for IT services for medium and large clients. The company supplies corporate infrastructure and corporate information systems, develops software, and offers IT outsourcing and cloud services in the Czech Republic and Slovakia.

"Throughout its existence, AutoCont has been able to respond to market developments and adapt not only its services, but also its overall business functioning to customers' needs," said Martin Grigar, Chairman of the Board of Directors of AutoCont Holding. *"During our last debate about the firm's strategic development, we agreed that the time has come to take AutoCont's business to the next level. The result is today's announcement of a*

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partnership with an investor who we expect will provide support for the development of AutoCont and its growth in high-potential segments in the Czech Republic and Slovakia as well as elsewhere in the world," he added.

KKCG's IT strategy is based on the fact that more and more companies are changing the way in which they use IT services. The no less than revolutionary changes in the IT sector are due to the growing popularity of cloud services as well as the increasing need to deal with IT security risks and the more and more pressing necessity to transform traditional industries into digital form. AutoCont's goal is to become a leader in providing IT services of new generation because this strategy is the only way of meeting customers' needs in a comprehensive manner. In acquiring a majority stake in AutoCont, KKCG has obtained valuable know-how represented by the expertise about 1,000 specialists employed by the company. On the market, AutoCont has a reputation of employing highly competent and loyal professionals. *"The fact that AutoCont has a unique corporate DNA was a very important consideration in the making of our decision to invest into the firm,"* mentioned Tománek.

AutoCont Holding

AutoCont Holding a.s. is a private Czech holding conducting business in the Czech Republic and in Slovakia. The largest and most important part of the holding is **AutoCont CZ**. In addition, AutoCont Holding comprises **AutoCont SK**, a Slovakia-based company that conducts business in similar segments as AutoCont CZ, and **CAD Studio**, a leading Czech provider of CAD solutions and services based on Autodesk technologies.

Last year, AutoCont Holding companies had a combined headcount of about 1,000 employees, and their consolidated revenues amounted to over CZK 4 billion.

AutoCont has been providing goods, services, and solutions for the information and communication technologies sector since 1990. During the first decade after its establishment, the company developed rapidly thanks to the manufacture of personal computers under the firm's proprietary brand and thanks to the systematic building of a large network of sales and

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servicing outlets. In the second decade of its corporate life, AutoCont focused on comprehensive IT solutions and services for corporate clients and the public administration, gradually becoming one of the most important contractors for complex large-scale ICT projects.

Thanks to systematic long-term focus on building professional competences, in-depth monitoring of customers' needs, and, no less importantly, fine-tuning the internal corporate structure, AutoCont is currently the largest and most important Czech provider of information and communication technologies.

KKCG Investment Group

KKCG companies responsible for information technologies include Conectart, DataSpring, and SafeDX.

The successor of the former 1188 Information Service, Conectart offers a comprehensive portfolio of contact centers. At present, Conectart is enjoying dynamic growth in the segment of business process outsourcing.

According to the Deloitte Technology Fast 50 survey, DataSpring is the fastest growing technology firm in the Czech Republic. It provides professional cloud and IT services, specializing in data analysis and processing, business intelligence consulting, and proprietary software development. DataSpring runs a Tier III-certified data center.

SafeDX is a joint venture of KKCG and the technology giant Foxconn. It provides IT outsourcing and cloud services using infrastructure located in data centers built and operated by the company. SafeDX focuses on Central and Eastern Europe and Asia.

An integral part of the KKCG Group, Springtide Ventures is a venture capital fund specializing in search for high-potential startups. Funds to the tune of EUR 60 million have been allocated to the fund for investments of this type. To date, Springtide Ventures has acquired stakes in the Israeli companies Bio-Nexus and SpotInst, and in such Czech firms as cloud4com, Cleerio, Geewa, and most recently ThreatMark.

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KKCG is an international investment group with assets worth EUR 4.8 billion and more than 2,500 employees. The group's long-term investment strategies focus on crude oil and natural gas production, lotteries, tourism, and information technologies. KKCG holds shares in more than 25 Czech and foreign corporations, including MND Group, SAZKA Group, VÍTKOVICE, FISCHER Travel Group, and all the abovementioned IT companies. KKCG operates in 10 countries worldwide.

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