

MND Issues Bonds in size over CZK 2.2 Billion

Prague, 2 November 2017 – MND (Moravské naftové doly) has successfully completed the first issue of bonds on the Czech capital market in the size of CZK 2.202 billion. The five years unsecured notes were issued on 13 November 2017 and will mature in November 2022. The floating rate notes were priced at 2,48% p.a. over 6M PRIBOR and they will be traded on the regulated market of the Prague Stock Exchange. With order book value reaching the CZK 2.9 billion mark, the issue has been placed primarily among domestic institutional investors.

The transaction is MND's first bond issue, which will provide the corporation with access to capital markets beyond the framework of its current bank financing arrangements. "The high interest among investors in our bonds has underscored the market's trust in MND's management and strategy. MND has recently launched widespread expansion on the retail market for energy to complement its successful performance in the wholesale and gas storage segments. The number of contracts for specialized drilling services is growing, and, no less importantly, crude oil and natural gas production in South Moravia has been stabilized," explained Miroslav Jestřabík, Member of the Board of Directors of MND.

The transaction was arranged by Komerční banka which acted as the lead manager, sole bookrunner and administrator of the issue. UniCredit Bank acted as a co-manager and Československá obchodní banka as a passive bookrunner. The legal advisor for the transaction was the law firm PRK Partners.

"More than a dozen of leading domestic and foreign institutional investors took part in the transaction. It was one of the most successful and most important issues of corporate bonds on the Czech capital market this year," commented Jan Brabec, Head of Corporate Finance at Komerční banka.

MND Group

MND a.s. supplies natural gas (marketed under the MND Firsthand Gas brand) and electric power to residential customers in the Czech Republic. The company is a member of the MND Group, the largest Czech corporation specializing in crude oil and natural gas exploration and production, drilling and support services, and the storage and trading of electricity and natural gas. Apart from the Czech Republic, MND operates in such countries as Germany, Hungary, Italy, and Ukraine. For more information, visit www.mnd.cz. MND is one of the most important companies owned by the KKCG Investment Group.

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