



Marguerite



MM Capital Partners

JOINT PRESS RELEASE

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**Marguerite signs SPA with MM Capital Infrastructure Fund 1
to divest its interests in AS Conexus Baltic Grid**

***Luxembourg / Tokyo, 05/12/2019* – Marguerite has signed a Sale Purchase agreement with Marubeni-backed MM Capital Infrastructure Fund 1 regarding the divestment of the Marguerite Fund’s 29.06% interest in AS Conexus Baltic Grid, the unified natural gas transmission and storage operator in Latvia.**

Following a competitive sales process, MM Capital Infrastructure Fund 1 agreed to acquire the 29.06% shareholding in AS Conexus Baltic Grid (“CBG”) of the Marguerite Fund’s wholly owned subsidiary Marguerite Gas I S.à.r.l., subject to conditions in the Energy and National Security Laws of Latvia.

In January 2016 the Marguerite Fund acquired a 28.97% stake in AS Latvijas Gāze (“LG”), from Uniper Ruhrgas International GmbH (formerly E.ON Ruhrgas International GmbH) which remained a shareholder in LG with an 18.26% stake. With this transaction Marguerite became the second largest shareholder in LG, the vertically integrated gas company in charge of the transmission, distribution, storage, and supply of natural gas in Latvia. AS Conexus Baltic Grid was set up in December 2016 when LG was split into two independent structural entities ahead of the liberalization of the Latvian gas market in April 2017, and in line with the EU’s principles of regulated market (EU Gas Directive). As a consequence, the unified natural gas transmission system and Inčukalns underground gas storage, the third largest storage facility in the EU, were transferred to AS Conexus Baltic Grid.

Macquarie Capital acted as financial adviser to Marguerite.

The Purchaser, MM Capital Infrastructure Fund 1, is managed by MM Capital Partners, which was formed in 2018 by Marubeni Corporation, Mizuho Bank, Ltd. and Asset Management One Co., Ltd. for the purpose of operating and managing funds specialized in equity investments in overseas infrastructure assets.

Marubeni Corporation is a Japanese trading and investment firm, engaged in a broad range of global business activities including infrastructure, energy, metals and mineral resources, chemicals and food. It already invested in a number of natural gas related infrastructure assets in several countries. MM Capital Infrastructure Fund 1, after becoming a shareholder of CBG, intends to utilize Marubeni’s knowledge and expertise from existing investments in order to contribute to successful operation of CBG. MM Capital Partners can also offer to support CBG in procuring a long-term financing by leveraging its relationship with Japanese financial institutions.

Ernst and Young acted as financial advisor to MM Capital Partners.

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Marguerite

Marguerite, established in 2010 with offices in Luxembourg and Paris, is an alternative investment fund manager licensed in Luxembourg. It is independently owned by its partners and manages three investment funds:

- Marguerite Fund, a EUR 710m infrastructure fund raised in 2010 and now fully invested
- Marguerite Pantheon SCSp, an investment vehicle owning stakes in renewables and transport assets in Europe
- Marguerite II SCSp, a EUR 745m infrastructure fund raised in 2017 with commitments from EIB, KfW, CDC, CDP, BGK, and ICO.

www.marguerite.com

Media contact (external):

Véronique Sant

M. : +44 (0)78 18 53 21 84

v.sant@positive-alpha.com

MMCP

MM Capital Partners was formed by the sponsor shareholders mainly by Marubeni Corporation. The mission of the infrastructure fund that we have established and manage is to offer investors opportunities to invest in overseas infrastructure assets. We are committed to managing the fund in a way that makes full use of the networks and expertise that sponsors have built up through their global infrastructure businesses, fund management and investments. At MM Capital Partners, we aim to realize a better society and brighter future through our participation in infrastructure businesses throughout the world.

www.mmcp.co.jp/en

Media contact (external):

Naoki Abe

M. : +81 3 5542 1025

ABE-N@mmcp.co.jp

Reference:

Announcement regarding the Establishment of a Fund & Management Company specialized in Equity Investment in Overseas Infrastructure Assets (January 25th, 2019)

<https://www.marubeni.com/en/news/2019/release/00009.html>