



Smart Meter Assets 1 Ltd

29 April 2021

Arcus and GLIL announce the acquisition of Smart Meter Assets 1 Ltd

London, United Kingdom (29 April 2021) - Arcus Infrastructure Partners (“Arcus”) and GLIL Infrastructure (“GLIL”) are pleased to announce that a consortium comprised of Arcus European Infrastructure Fund 2 (“AEIF2”) and GLIL have signed an agreement to acquire 100% of Smart Meter Assets 1 Ltd (“SMA” or the “Company”), an energy infrastructure provider in the UK, from BUUK Infrastructure No. 2 Ltd (“BUUK” or the “Seller”).

SMA is the fifth largest meter asset provider (“MAP”) in the UK electricity and gas markets, financing and leasing smart meters to energy suppliers under long-term contracts. SMA has an installed meter portfolio of c.1.6m meters and is expected to achieve a total roll-out of over 2m smart meters.

The Company has two primary customers, OVO Energy and Utility Warehouse, and contracts in place with most domestic energy suppliers, resulting in 90% contracted coverage of SMA’s meter portfolio. Over time, SMA is expected to sign contracts with additional customers increasing contracted cashflows and diversify its customer base, whilst continuing to strengthen relationships with OVO Energy and Utility Warehouse.

Stefano Brugnolo, the Arcus Partner responsible for the SMA acquisition, commented: *“Having reviewed the European smart metering landscape since 2015, we are extremely pleased to acquire SMA, our second investment in this sector. SMA is one of the largest MAPs in the UK smart metering market, with a complementary opportunity set to Horizon Energy Infrastructure. We look forward to working with both businesses as they play a leading role in the evolving UK energy landscape.”*

Arcus is coinvesting alongside GLIL, the £2.5bn infrastructure fund backed by Local Pensions Partnership and Northern LGPS.

Katya Romashkan at GLIL, who is joining the board of SMA, said: *“Energy assets like SMA are a critical part of the country’s future infrastructure and key to building a sustainable economy. We look forward to working with SMA and Arcus, who share our long-term investment horizon and sustainable investment objectives, and to providing stable, inflation-linked returns for our members.”*

Ian Harding, Arcus Co-Managing Partner and Head of Origination, stated: *“This newest investment demonstrates our continued conviction in the merits of investing in energy infrastructure and the UK market, areas where the Arcus team has deep sectoral knowledge. SMA falls neatly within Arcus’ mid-market investment strategy as an energy business providing integral infrastructure and services, with strong cash flow generation that is part of the transition to a resilient and decarbonised energy system. This investment into SMA will transform our UK metering platform into two strong businesses with expected synergies that will provide attractive, risk-adjusted returns for our investors into the future.”*

This is Arcus’ second investment in the energy infrastructure sector, having acquired Horizon Energy Infrastructure in November 2019, and the sixth asset in their latest fund, AEIF2.

In April 2021, GLIL announced its appointment as an infrastructure investment partner for Government-established workplace pension provider, Nest. Among GLIL's ten investments since its inception in 2015 are several other investments that are supporting the energy transition in the UK.

Arcus and GLIL were advised by Jefferies (M&A and financing), PwC (commercial, financial and tax), and Pinsent Masons (legal).

About Arcus

Arcus Infrastructure Partners is an independent fund manager focused solely on long-term investments in European infrastructure. Arcus invests on behalf of institutional investors through discretionary funds and special co-investment vehicles and, through its subsidiaries, currently manages investments with an aggregate enterprise value in excess of €19bn (as of 31 December 2020). Arcus targets mid-market, value-add infrastructure investments, with a particular focus on businesses in the transportation, energy and telecommunications sectors.

For further information: www.arcusip.com

About GLIL Infrastructure

GLIL is an Alternative Investment Fund with £2.475bn of committed capital. The fund was established in April 2015 by Greater Manchester Pension Fund and the London Pensions Fund Authority. It was relaunched in 2018 as an Alternative Investment Fund to invest in infrastructure projects and is now supported by a number of UK Local Government Pension Funds, including Greater Manchester, Merseyside and West Yorkshire Pension Funds, which are known collectively as Northern LGPS, and Lancashire County Pension Fund, Royal County of Berkshire Pension Fund and the London Pensions Fund Authority, which form Local Pensions Partnership. In March 2021, GLIL was appointed as an infrastructure investment partner for Nest, the Government-established workplace pension provider.

For further information: www.glil.co.uk

Note to editors:

Please contact the below with any questions:

Media Contacts:

Arcus

Debbie Johnston

E: debbie@sprenghomson.com

T: +44 7532 183811

Callum Spreng

E: callum@sprenghomson.com

T: +44 7803 970103

GLIL Infrastructure

Justin Moll

E: justin.moll@citypress.co.uk

T: +44 (0)203 773 9544