

Press release

Contract signing:

VNG acquires Gas-Union

Frankfurt/Leipzig, 3 July 2020. The energy group VNG AG has won a Europe-wide bidding competition to acquire the shares in Gas-Union GmbH and will take over the company based in Frankfurt am Main. The previous shareholders had started the sale process via an EU-wide announcement in March 2020 and are now selling their shares to the international energy group headquartered in Leipzig.

Gas-Union has been active in the natural gas business for over 55 years and acts as a wholesaler and service provider in the market. With the acquisition, VNG intends to further bolster its gas business as one of the leading German players in the natural gas industry. The purchase agreement was signed on Friday, 3 July 2020, in Frankfurt am Main. The transaction is subject to approval by the respective Boards and the competition authorities.

At the signing of the purchase agreement, the Chairman of the Board of Management of the largest shareholder Mainova AG Dr. Constantin H. Alsheimer stated: “We firmly believe that VNG, with its high level of core expertise in the natural gas business, is the ideal partner to consistently develop Gas-Union’s business in a challenging market environment.”

Ulf Heitmüller, Chairman of the Executive Board of VNG AG, said: “We are delighted that we were able to come out on top in a tough bidding process. “Gas-Union is an established company that has earned a good reputation within the industry and especially in the trading and sales sector due to its strong customer focus.”

The closing of the transaction is scheduled for the end of 2020. For the shareholders of Gas-Union, the sale process is being led by

Clifford Chance as the legal adviser and by Kearney as transaction adviser. VNG is receiving legal advice from Latham & Watkins and its own lawyers. The transaction adviser is HKCF Corporate Finance GmbH.

Gas-Union supplies regional and local utilities, industrial customers and power plants throughout Germany. Gas-Union's natural gas transport system has a total length of 544 kilometres. Storage capacities at four sites with a total working gas volume of 3.42 terawatt hours (TWh) complete the portfolio.

The largest shareholder of Gas-Union is currently Mainova AG with 34.27 per cent. Further shareholders are: RGE Holding GmbH (23.57 per cent), Kraftwerke Mainz-Wiesbaden AG (15.91 per cent), Städtische Werke AG (9.18 per cent), Stadtwerke Göttingen AG (6.12 per cent), Stadtwerke Essen AG (4.55 per cent), Energie- und Wasserversorgung Mittleres Ruhrgebiet GmbH (4.55 per cent). These shares will be transferred to VNG AG after finalisation of the transaction. To date, Gas-Union GmbH itself holds 1.85 per cent of its own shares in the company.

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About Mainova AG

Mainova AG, headquartered in Frankfurt am Main, is Hesse's largest energy provider and supplies more than one million people with electricity, gas, heat and water. In addition, it has numerous corporate clients throughout Germany. With its 2,700 employees, the company achieved a turnover of around EUR 2.3 billion in 2019. Mainova subsidiary NRM Netzdienste Rhein-Main GmbH ensures a reliable supply in Frankfurt and the Rhine-Main region with its energy and water network covering more than 14,000 km. Mainova Servicedienste GmbH offers award-winning services for customers and drives the energy transition by installing smart meters. SRM Straßenbeleuchtung Rhein-Main GmbH provides reliable street lighting in Frankfurt and other concession municipalities. The largest shareholders in Mainova AG are Stadtwerke Frankfurt am Main Holding (75.2 per cent) and Munich-based Thüga (24.5 per cent). The remaining shares (0.3 per cent) are in free float.

About VNG AG

VNG is a group of over 20 companies active in the European energy industry with a broad, future-oriented portfolio of products and services in gas and infrastructure, and more than 60 years of experience in the energy market. Headquartered in Leipzig, the Group has a workforce of some 1,200 and generated billed revenue of approximately EUR 10.5 billion in the 2019 financial year. VNG concentrates on four links in the gas value chain: Trading & Sales, Transport, Storage and Biogas. Building on its core expertise in the gas business, the Group's 'VNG 2030+' strategy places a growing focus on new business fields. These include green gases and digital infrastructure.