



## **Information for mass media**

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**Riga, Latvia**

## **The consortium Kekava ABT, consisting of ACB, Binders and TIIC, concludes the PPP Contract and financial closing for Kekava Bypass, the first major PPP project in Latvia**

**TIIC 2 (SCA), SICAR, A.C.B. Group and Binders, the two largest road construction companies in Latvia, are pleased to announce that the availability-based public-private partnership (PPP) Contract the Kekava Bypass project has been signed today with the Latvian Ministry of Transport and VSIA Latvijas Valsts Ceļi (SLLC Latvian State Roads), and financial close has been reached with the EIB and NIB. The PPP project provides for the design, building, financing and maintenance (DBFM) of a 17.5-km road section in the south of Riga, bypassing the village of Kekava.**

The new bypass will be a part of the TEN-T network ensuring the most efficient road connection between Riga and the neighbour country Lithuania. Kekava Bypass will become a part of VIA Baltica (E67) – a 1,722 km length road joining 6 countries from Prague (CH) to Helsinki (FI).

The Project represents the first major PPP initiative for Latvia, which will allow to capitalize on the benefits of private involvement in the implementation of public projects, by ensuring availability of financing and management of risks as well as post-construction maintenance.

The Project will be developed over a maximum 23-year period, including 3 years maximum of construction and 20 years of maintenance. Construction works are planned to begin in 4Q 2021 and be completed by October 2023, to be performed by a joint venture of ACB Group and Binders. Maintenance will also be performed by a joint venture of ACB Group and Binders.

The Project will ease the daily life and entrance into Riga for thousands of inhabitants working in Riga, as well as bypass the busy village of Kekava, that is now being transited by the existing road. The traffic volume has been strongly increasing in the region during the last 15 years, now exceeding 17,000 vehicles per day, and the cargo transportation capacity of the existing road has been exceeded approximately three times.

The European Investment Bank (EIB) and the Nordic Investment Bank (NIB), will co-finance the project through a long-term project financing facility.



Manuel Cary, CEO of TIIC added: “We are happy to expand the geography of our PPP project portfolio with this new high priority investment in Latvia, which will significantly improve the transportation network to the benefit of road users, local communities and the environment. The project is rooted in our strong experience in road infrastructure projects and will be implemented in accordance with our ESG policy. We are proud to be working with highly professional Latvian partners and international institutional lenders, who share our approach in implementing modern and sustainable infrastructure projects.”

Armands Sviķis, COO of ACB Group and Board Member of AS Kekava ABT, says: “The development of this PPP project forms a unique experience for the Latvian construction industry as it combined the highest level knowledge in planning, construction, maintenance, finance and project management. It also needs to be noted, that the PPP project will create a significant amount of new jobs both directly – during the construction and road maintenance period, and indirectly, taking into account the importance of such infrastructure projects for the entire economy.”

Juris Fridmanis, Member of the Board of Binders: “It is safe to say that this will be a project that will allow raising the Latvian transport infrastructure construction industry to a new level of quality. The consortium formed by us will be responsible for the successful operation of this facility for the next 23 years, therefore the design, construction and maintenance of the facility must be approached with the utmost responsibility. For the first time in the history of Latvia, we will use the most modern road quality monitoring system, which will control the weather conditions, the quality of the road surface, the traffic flow and other important things in the online mode, taking care of the comfort of road users. I believe that this project will be a good example for the Private-Public Partnership of other future projects, where all parties will prove their professionalism and ability to work together for the common good.”

Advisers to the consortium are Callidus Capital (financial), KPMG (model and tax), Loyens & Loeff and Sorainen (legal) and Marsh Latvia (insurance broker).

Advisers to the lenders are Linklaters and Cobalt (legal), Currie & Brown (technical), Marsh Portugal (insurance) and EY (model audit). Aether Financial Services acts as an Agent in the project. Luminor will be the account bank.

**For more information, please contact:**

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Binders



TIIC

### **ABOUT TIIC**

TIIC is a pan-European infrastructure firm investing into mid-market infrastructure projects in both the transportation and social sectors. TIIC invests in greenfield and early brownfield assets, i.e. projects that are in an early stage of operation or projects requiring additional investment to improve the performance of the asset. TIIC was established in 2008 by the management team together with Edmond de Rothschild Group.

TIIC operates from two offices in Lisbon and Paris and currently manages two infrastructure funds pursuing a high absolute return investment strategy. Please visit [www.tiic.pt](http://www.tiic.pt) for further information.

### **ABOUT ACB GROUP**

Established in 1992, The A.C.B. Group is comprised of companies whose main operating directions are road and bridge construction, reconstruction and production of building raw materials. The group of companies was formed to unite building constructors with a joint goal: to create a quality, sustainable and contemporary end product. The Group of companies currently employs 918 people, including a certified road, bridge, railway, water supply and sewerage systems, building and telecommunications construction engineers and designers.

### **ABOUT BINDERS**

Binders is one the largest road construction companies in Latvia. Established in 1993, over the years Binders has performed countless building and reconstruction projects of infrastructure objects. Company is primarily engaged in provision of road, street and square construction services, but in parallel has developed strong competences and tract record in development of water and sewage networks, railways, tram lines, airfields and development of military infrastructure. Together with it's subsidiaries Binders employs more than 600 people over the season for the last 3 years.