

KGAL ESPF 5 completes acquisition of a solar park cluster in Saxony-Anhalt with a total capacity of 120 megawatts

Grünwald, 09.09.2024 - The renewable energy fund KGAL ESPF 5 is investing in two further solar parks near Magdeburg, Calvörde West and Grauingen. The two plants complement the Calvörde Ost solar park acquired at the beginning of 2023, which will soon go into operation. The Calvörde cluster has a total capacity of 120 megawatts. KGAL has already secured attractive long-term feed-in tariffs for the majority of the capacity.

The two solar parks Calvörde West (40 MW) and Grauingen (20 MW) near Magdeburg further enhance the KGAL ESPF 5 portfolio. Both photovoltaic project developments are scheduled to go into operation in autumn 2025 and are expected to generate predictable yields. Calvörde Ost (60 MW), on the other hand, has already been completed. It is the second solar park of KGAL ESPF 5 to be connected to the grid following successful development by KGAL. "Thanks to its very good positioning at the upper end of the price range in the latest EEG auctions, the entire Calvörde cluster has guaranteed attractive cash flows for the next 20 years," says Carsten Haubner, portfolio manager at KGAL.

The Calvörde Ost solar park still has free generation capacity that is not covered by the EEG auction. KGAL will shortly participate in the Federal Network Agency's innovation tender for utility-scale solar power plants with battery storage.

The Calvörde cluster is another important milestone for the successful KGAL ESPF 5. "Shortly before the final closing of our impact fund, 93 per cent of the EUR 351 million equity has been allocated. At the same time, the first distributions are already flowing back to investors, with an attractive double-digit target return (net IRR) for the portfolio," says Jonathan May, Head of Institutional Business International at KGAL. To date, the fund has invested in nine solar, wind and battery storage projects and three development platforms. The investments cover six European countries and have a total capacity of 1.1 gigawatts. The development pipeline totals a further 2 gigawatts.

KGAL ESPF 5 has its final close in October 2024. The Article 9 fund invests in renewable energy generation through photovoltaics and wind power, as well as storage technologies, using a core-plus strategy that has been tried and tested over many years for European institutional investors.

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KGAL is a leading independent investment and asset manager with an investment volume under management of around 16 billion euros. Its investments focus on long-term real capital investments for institutional and private investors in real estate, sustainable infrastructure and aviation. The group, which operates throughout Europe, was founded 56 years ago and is based in Grünwald near Munich. 363 employees contribute to achieving sustainably stable returns, taking into account return and risk aspects (as at 31 December 2023).

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