

## KGAL continues its successful growth

Climate strategy successfully implemented – climate neutral since the beginning of the year.

**Grünwald, 18.02.2021 – The KGAL Group successfully executed new business of €1.3 billion across its Real Estate, Infrastructure and Aviation asset classes during 2020. Within the real estate sector, lucrative properties were acquired both within KGAL’s home market and abroad, while the company also successfully entered the Polish renewable energies market. The independent asset and investment manager, which has been climate-neutral since the beginning of the year, also made significant progress in its ESG activities which, among other things, was reflected by a very strong UN PRI Assessment rating.**

"Our business model is largely based on trust. I am very pleased that, despite the limited opportunities for personal interaction last year, we were able to implement a number of attractive opportunities for existing clients", comments Gert Waltenbauer, CEO of KGAL GmbH & Co. "We believe this reflects the authentic, credible and transparent way we have approached communicating with clients over the years."

### Real Estate – Green Building Perlach Plaza acquired

In 2020, the Real Estate team completed a total of 31 property transactions worth €1.3 billion, almost half of which were outside the domestic German market. In addition to transactions in Germany, acquisitions were also made in Ireland, the Netherlands, Poland and Austria. The occupancy rate across the whole portfolio – which is invested in residential, office, local shopping centres and retail parks – stands at 98.4%. Active assets under management rose to over €5 billion, while the investment volume under management is now over €7 billion.

A particular highlight in 2020 was a Club Deal for the acquisition of "Perlach Plaza" in Munich for around €250 million, one of the largest mixed-use developments in Germany, which is scheduled for completion by the end of 2022.

With a return of 3.7 per cent in the past financial year (as of 31 October 2020), KGAL immoSUBSTANZ ranks among the top open-ended mutual property funds in Germany. The independent rating agency Scope has assessed that "the properties in the portfolio are suitable to meet this return target" of 3.2 - 3.5 percent annually.

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**Infrastructure – AuM breaks the three-billion-euro mark**

The Infrastructure team significantly increased assets under management in 2020, and currently manages approximately €3.2 billion. Investments were made for the first time in Poland, a key growth market, with KGAL entering the Polish PV sector through a joint venture with a local project developer, accounting for projects with a total output of more than 50 MWp. Additional investments were made in two wind farm project developments with a total output of almost 50 MW.

Despite the difficulties caused by the pandemic, KGAL also completed its first fully self-developed renewable energy project with the Sardegna solar park near Cagliari, Sardinia. The solar park is the largest and most powerful photovoltaic plant in KGAL's portfolio, with 135,000 modules across a 85 hectare area – the equivalent of 120 football pitches – and an output of around 53 megawatts. Annual electricity production will amount to around 95 GWh in the first years of operation, covering the electrical energy consumption of almost 70,000 people. In reaching this milestone, KGAL has gained valuable additional experience across all stages of the value chain, which will further benefit investors.

**Aviation – New opportunities explored**

While 2020 was the darkest year in the history of aviation, there were a number of positive developments within the aviation asset class, even despite the challenging environment. KGAL and GOAL German Operating Aircraft Leasing GmbH, the joint venture between KGAL GmbH & Co. KG and Deutsche Lufthansa AG, acquired a new Airbus A350-900 for a KGAL institutional fund, thereby adding one of the most modern long-haul jets to its portfolio. The aircraft was leased to Deutsche Lufthansa AG.

Lufthansa Leasing GmbH, another joint venture between Deutsche Lufthansa AG and KGAL GmbH & Co. KG, also secured three Japanese operating leases for Lufthansa. These are an Airbus A320ceo and two Airbus A321neo. These successes show that the Japanese market remains open with good opportunities. In total, Aviation assets under management amount to approximately €1.8 billion as of 31 December 2020.

**Equity Partners**

Through its wholly owned subsidiary, KGAL Equity Partners, KGAL has recently begun to provide institutional clients with exposure to high-yield investments in

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private equity transactions involving real estate and infrastructure-related companies. The increased volatility in markets due to the effects of the coronavirus crisis offers a particularly promising environment for this asset class.

**Significant ESG progress at company and product level**

Activities undertaken by the KGAL Group in 2020 resulted in CO2 emissions of 1,151.2 tonnes, a reduction of 32% compared to the previous year. This can be attributed predominantly, but not only, to the limited mobility of employees due to the coronavirus crisis, but also due reduced consumption of paper and catering, and forms the basis of targets to offset the company’s carbon footprint in the coming year. In the climate strategy that it adopted last year, the KGAL Group committed to becoming, among other things, carbon neutral.

Since 1 January 2021, we have been offsetting our carbon footprint by supporting a forest conservation project in Brazil, ([www.climatepartner.com/1056](http://www.climatepartner.com/1056)), confirming our commitment to being a climate-neutral asset manager. The open-ended mutual property fund, KGAL immoSUBSTANZ, has also been climate neutral for one year since 1 October 2020, with a climate protection project in Papua New Guinea also supported in partnership with ClimatePartner ([www.climatepartner.com/1032](http://www.climatepartner.com/1032)).

**Personnel**

COVID-19 had a strong influence on the activities of KGAL personnel in 2020. Mobile working, which had been introduced across the whole business in 2019, proved successful and ensured a smooth transition of work processes from the first day of lockdown in March 2020. Tools such as Microsoft Teams have provided a strong platform for collaboration, and a focus on digitalisation will continue in 2021.

Please credit KGAL GmbH & Co. KG. when using the pictures.

KGAL is a leading independent investment and asset manager with assets under management of around €11.2 billion and assets under administration of €4.0 billion. The firm’s focus is on long-term real asset investments for institutional and private investors in real estate, infrastructure and aircraft. The group, which operates throughout Europe, was founded more than 50 years ago and is headquartered in Grünwald near Munich. 345 employees contribute to achieving sustainably stable earnings, taking into account return and risk aspects (as of 31 December 2020).

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