

Green Energy Fund KGAL ESPF 4 completes investment phase with EUR 1.3 billion. Successor ESPF 5 increases return forecast.

Grünwald, 20.07.2023 – Independent investment and asset manager KGAL has invested a total of EUR 1.3 billion – of which EUR 750 million is equity – for its KGAL ESPF 4 fund. The portfolio is distributed across 33 European wind and solar parks, as well as investing in a project developer. As a core-plus fund, KGAL ESPF 4 typically gets involved at the beginning of the life cycle in order to participate in a large part of the value creation. With most of the investments in the portfolio have now successfully completed the project or construction phase, the fund is performing strongly.

KGAL ESPF 4's diversified portfolio consists of offshore and onshore wind farms in Germany, Poland and Sweden, as well as solar plants in Bulgaria, Italy, Poland, Portugal and Spain. With a combined capacity of 2.2 gigawatts, these plants make a significant contribution to the expansion of renewable energies in Europe, and to achieving climate targets. Further solar parks with a total capacity of 500 Megawatt are still under construction. Michael Ebner, Managing Director of KGAL Investment Management, says: "What I am particularly pleased about is that most of our projects went through the phases up to commercial operation almost without a hitch. There were only minimal investment losses and disruptions, as well as some delays. This is exceptionally smooth sailing for projects of this magnitude." KGAL has proven that it can manage the risks of greenfield investments and achieve returns well above the brownfield range. "KGAL ESPF 4's results to date have far exceeded our own expectations," says Ebner.

Highlights in the portfolio include one of the largest solar parks in Italy, with 150 MWp, and the Swedish wind farm, Bäckhammar, with a capacity of 130 MW. The fund also has stakes in the 400-megawatt Veja Mate offshore wind farm in the North Sea, and in the successful project developer GP Joule Projects.

KGAL ESPF 5 is on the same successful track

The successor KGAL ESPF 5, which is classified as an impact fund under Article 9 SFDR, seamlessly continues the successful core-plus strategy of its predecessor. "Of the EUR 320 million in equity committed to date, more than 80 percent has already been allocated to seven projects, including three development platforms," explains Florian Martin, Managing Director of KGAL Investment Management. "KGAL ESPF 5 is already showing an exceptionally solid

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performance, which has led us to significantly increase the return forecast." A further closing is planned for the fourth quarter.

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KGAL is a leading independent investment and asset manager with a managed investment volume of more than €16 billion. The focus of its investments is on long-term real capital investments for institutional and private investors in real estate, sustainable infrastructure and aviation. The pan-European group was founded 55 years ago and is headquartered in Grünwald near Munich. 353 employees contribute to achieving sustainably stable earnings, taking into account return and risk aspects (as of 31 December 2022).

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