

KGAL acquires majority stake in Polish solar and wind project pipeline

Grünwald, 09/05/2023 – KGAL Investment Management is establishing a joint venture with Polish project developer Lasuno for its KGAL ESPF 5 impact fund, for the purpose of developing four solar parks with a total capacity of more than 200 megawatts (MW). The pipeline will be expanded in the coming years to include additional solar and wind projects. The first solar parks are expected to reach Ready-to-Build (RTB) status by the end of 2025.

Poland has recently achieved remarkable success in promoting energy transition through regulatory and financial support mechanisms. The share of lignite and hard coal in electricity generation – currently more than 70 percent – is falling. In turn, the solar PV market is growing faster than in almost any other European country, with capacity increasing from just 0.2 gigawatts to 10.7 gigawatts in the last six years. “KGAL has been active in Poland since 2019 because of the attractive framework conditions for renewable energy. First, the potential returns in Poland are above average, and second, we can achieve a particularly large impact with our solar and wind power plants by replacing GHG-intensive electricity generation,” says Michael Ebner, Managing Director of KGAL Investment Management.

Competitive advantages in grid connection

To prevail in the race for Poland's limited grid connection capacities requires international renewables expertise as well as experienced local partners. Michael Ebner comments: “We know from our excellent cooperation on previous projects that our Polish partner Lasuno is ideally positioned in this respect.” KGAL ESPF 5 will hold a majority stake in the joint venture, while Lasuno will be responsible for the development and management of the projects. Wojciech Kawecki, founder and managing director of Lasuno, adds: “With KGAL we have found a financially strong partner that is already successfully driving similar joint ventures in the solar and wind sectors in several European countries.”

The Polish pipeline currently consists of four large solar projects, which are in the early stages of development, in the north and west of the country. Three of the sites are also suitable for wind farms. The joint venture will develop these and other projects to RTB status and selected projects can be added to the KGAL ESPF 5 portfolio.

Platform investments as a success factor

The joint venture with Lasuno is KGAL ESPF 5's fourth platform investment, in which the fund invests in an entire pipeline, rather than acquiring a single asset. In

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this way, KGAL ESPF 5 gains access to a large number of projects with just one transaction, and participates in the value creation right from the start of the development phase.

“KGAL ESPF 5’s platform investments to date in Germany, Italy and Spain have played an important role in ensuring that our impact fund has significantly exceeded its return expectations since its launch at the end of 2021,” says Florian Martin, Managing Director of KGAL Investment Management. “The fund concept also has investors convinced, and at least one further closing is planned for KGAL ESPF 5 this year.”

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KGAL is a leading independent investment and asset manager with a managed investment volume of more than €16 billion. The group sources, executes and manages long-term real asset investments for institutional and private investors in real estate, sustainable infrastructure and aviation. KGAL, which operates throughout Europe, was founded 55 years ago and is headquartered in Grünwald near Munich. Our 353 employees are dedicated to achieving sustainable, stable investment performance, taking into account return and risk criteria. (as of 31 December 2022)

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