



INFRASTRUCTURE



RENEWABLE ENERGIES: A GROWTH MARKET

The global annual increase in renewable energies is forecast to double from 150 GW in 2015, to 300 GW in 2040. A total of \$12.2 billion is expected to be invested in setting up new power generation capacity by 2040, 65 % of which is expected to be put into renewable energies. However, in addition to the sharply increasing need for investment in emerging market countries, significant growth in renewable energies is also expected in developed markets such as Europe.

Increasing electrification in transport and the heat sector will further support this trend.

FOCUS ON EUROPE

KGAL focuses its investments primarily on European locations. This is firstly because the renewable energies market is particularly well-developed here. Experienced stakeholders along the entire value chain make an important contribution to risk minimisation in renewable energies projects. This applies not only for the development and manufacturing of the technology, but also for project development, construction, technical management, and plant maintenance. Secondly, western Europe

4

Hydroelectric power plants

54

Wind parks

70

Photovoltaic plants

€2.8

*billion
investment volume
(12/2018)*

in particular is economically stable, and most of its countries have a good credit rating. This – in combination with liquid debt markets and the dominating single currency – simplifies investment financing. Not least, the strong political commitment to renewable power generation is supported by legally binding national action plans (National Renewable Energy Action Plans, NREAPs) and a regulatory framework, which drives the transition from fossil fuels and nuclear power to renewable energies further.

INVESTMENT FOCUS

KGAL relies on the composition of diversified portfolios of renewable energy projects in the wind power, photovoltaic, and hydropower sectors in Europe. As a result of declining returns for investments in “turnkey” plants (“brownfield”), the company is targeting an entry point for renewable energy projects (“greenfield” or “value-add”) earlier or later along the value chain, in order to generate additional value. As part of active risk management, its portfolio composition targets a broad set-up across regions, technologies and project partners.

MANY YEARS OF EXPERTISE

50 employees in KGAL Group alone work in the infrastructure segment securing market access, developing attractive offers for investment in renewable energies, managing commitments with various financing and investment concepts, and making it possible to always react to market developments at an early stage. Constant market observation and analysis support KGAL

in determining its primary investment strategy regarding the location and technology of infrastructure assets. Investment is currently focused on Europe, and with respect to technology, is concentrated primarily on investment in on-shore wind power, photovoltaics, and hydropower.



“Renewable energies have undergone the transition from a subsidized to a competitive technology and should belong to every sustainable portfolio.” Michael Ebner

WIND POWER

KGAL Group’s success in the renewable energies sector is based on many years of asset expertise and the ability to manage portfolios right down to the level of each individual investment object.

- 2003 first investments in wind energy
- 54 wind parks in Germany, France, Finland and Sweden
- 654 MW of total output
- Investment volume of €1.4 billion

TOTAL KGAL GROUP RENEWABLE ENERGIES PORTFOLIO



- Investments in wind power €1.4 billion
- Investments in photovoltaics €1.4 billion
- Investments in hydropower €13 million

Active investment volume in renewable energies since 2003

REFERENCES

Already placed: European Sustainable Power Funds 1 - 3

- **ESPF 1-3**
 - diversified portfolio of wind and solar power
 - Total Investment capital: €1.6 billion

In placement: KGAL ESPF 4

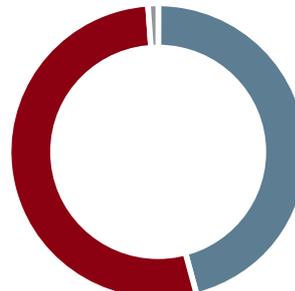
- **ESPF 4**
 - diversified portfolio of wind, hydro and solar power
 - Target volume: €500 million
 - 2. Closing over €382 million in April 2018
 - Target clients: institutional investors (Europe)

PHOTOVOLTAICS

KGAL Group, one of the first providers of solar funds, has acquired an extensive portfolio of photovoltaic plants for private and institutional investors.

- 2005 first investment in the photovoltaics sector
- 70 solar farms across Bulgaria, France, Germany, Italy, Spain and the UK
- 455 MW of total output
- Investment volume of €1.4 billion

ENERGY SOURCES WITH % IN THE PORTFOLIO BY TIC*



- Wind power 46 %
- Photovoltaics 53 %
- Hydropower 1 %

*Total investment costs

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