

KGAL and EIT InnoEnergy establish strategic cooperation in green hydrogen sector

Grünwald, 14/12/2022 – Together, investment and asset manager KGAL and EIT InnoEnergy will invest in European hydrogen projects and drive their development. With around 180 portfolio companies, EIT InnoEnergy, supported by the EU's European Institute of Innovation and Technology (EIT), is one of the world's largest investors in innovation to accelerate the transition to a net zero economy. KGAL brings 20 years of experience in renewable energy asset management and investor capital to the partnership.

The key role of green hydrogen in achieving climate targets is becoming increasingly evident – more than 350 hydrogen projects have been announced in Europe alone. According to Roland Berger, the electrolysis capacities to produce this versatile molecule will increase sevenfold by 2025. This means that green hydrogen is also gaining immense importance for KGAL, the pioneer in renewable energy investments for institutional investors.

"An important factor for investment success is access to promising projects, which is why this cooperation is so valuable for us," explains Michael Ebner, Managing Director of Sustainable Infrastructure at KGAL Investment Management. "With its more than 1,200 partners from industry, politics, finance, research and education, EIT InnoEnergy maintains one of the largest and most relevant 'ecosystems' for climate technologies worldwide. We are also impressed by the high success rate of investments from our partner's portfolio."

EIT InnoEnergy has supported more than 500 companies and projects to date. According to current forecasts, the portfolio companies will generate around €73 billion in sales in 2030 and help save up to 1.1 gigatonnes of CO₂ equivalent by that time.

KGAL joins after the early stage

KGAL will invest in selected hydrogen projects from the EIT InnoEnergy portfolio that have already successfully progressed through the early stage. KGAL will contribute fresh capital and its expertise in greenfield investments, and work together with EIT InnoEnergy to develop the projects to the point of commercial operation. "KGAL has many years of project experience and has demonstrated time and again that it can bring developments to completion as planned. What is more, KGAL's Energy Transition team, led by Thomas Engelmann, is made up of proven hydrogen experts," explains Christian Müller, member of the EIT

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InnoEnergy management board and CEO for the DACH region. "Our strengths in bringing breakthrough climate technologies to the market perfectly complement KGAL's strengths in the later stages of the life cycle."

With this strategic partnership, KGAL is underlining its commitment to accelerating green hydrogen/energy transition investment in 2023.

With the support of Breakthrough Energy, EIT InnoEnergy has founded the European Green Hydrogen Acceleration Center (EGHAC) with the specific aim of establishing a European value chain for green hydrogen. This supports industrial projects for green hydrogen with a variety of services, including funding.

The project partners were legally advised by the law firm Noerr.

Photograph (from left to right): Thomas Engelmann, Michael Ebner (both KGAL) and Christian Müller (EIT InnoEnergy)

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About KGAL

KGAL is a leading independent investment and asset manager with a managed investment volume of more than €16.5 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 more than 50 years ago and is headquartered in Grünwald near Munich. Our 338 employees are dedicated to achieving sustainable, stable investment performance, taking into account return and risk criteria. (as of 31 December 2021)

About EIT InnoEnergy

EIT InnoEnergy operates at the centre of the energy transition and is the leading innovation engine in sustainable energy, bringing the technology and skills required to accelerate decarbonization goals. Recognized globally as the most active sustainable energy investor and one of the largest climate tech and renewable energy tech investors in 2020, EIT InnoEnergy backs innovations across a range of areas. These include energy storage, transport and mobility, renewables and sustainable buildings and cities – leveraging its trusted ecosystem of 1200+ partners and 29 shareholders. The +180 portfolio companies are on track to generate €72.8 billion in revenue and save 1.1G tons of CO2e annually by 2030. EIT InnoEnergy is the driving force behind three strategic European initiatives which include the European Battery Alliance (EBA), the European Green Hydrogen Acceleration Centre (EGHAC), and the European Solar Initiative (ESI). EIT InnoEnergy was created in 2010 and is supported by the European Institute of Innovation and Technology (EIT), an independent EU body set up in 2008 to drive innovation and entrepreneurship across Europe. Today, EIT InnoEnergy has offices across Europe and in Boston, US. www.innoenergy.com

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