

KGAL: Transaction volume exceeds one billion euros again in 2024, and well positioned for 2025

Grünwald near Munich, 13 March 2025 – In yet another challenging market environment, KGAL concluded new transactions with a total volume of more than €1 billion across the Sustainable Infrastructure, Aviation and Real Estate asset classes in 2024. And 2025 is looking positive.

In KGAL's almost 60-year history, 2024 was one of the more challenging years in terms of general conditions. "At the same time, excellent purchasing opportunities arose on the asset side, which we actively exploited – both in the renewable energy sector and on the property markets," says Florian Martin, Co-CEO of KGAL. "Right now, there are opportunities that we won't see again so soon. With active portfolio management across all asset classes, we can generate returns above plan, sometimes in the double-digit range," adds André Zücker, also Co-CEO of KGAL.

Overall, institutional investors remain cautious when it comes to reallocating equity. Many investors are still waiting to see the effects on their portfolios of the interest rate turnaround. Nevertheless, in the first year under the new dual leadership of Florian Martin and André Zücker, KGAL was able to invest over €1 billion in the Sustainable Infrastructure, Aviation and Real Estate asset classes. The company's broad positioning in terms of asset classes and investor groups ensured a high level of resilience. "We are more than just a fund house. Our customised solutions, such as club deals or single accounts for large institutional investors, are very well received on the market. In 2024, for example, we were able to acquire a special foundation mandate in the hundreds of millions," comments Florian Martin. André Zücker adds: "We also offer investors customised solutions and are therefore planning to generate a new business volume in the billions again in 2025 with new investment strategies."

The organisation took important decisions in 2024. For example, there was increased investment in further digitalisation and the expansion of artificial intelligence to support data-based processes, and customer service was optimised with a new sales management team.

Renewable energies and transition: tapping into new investment fields

"For more than 20 years, we have been offering investors successful strategies in the field of renewable energies, and thus also supporting the energy transition with market-driven solutions," says Florian Martin. Primarily with the ESPF fund series – an institutional portfolio of solar and wind parks totalling €3.7 billion, with a total capacity of almost 1.7 GW – has been established across Europe in recent years. Six projects with a total capacity of 377 MW were connected to the

grid across Europe in 2024 alone. Investors in the ESPF 5 fund, which closed last year, can potentially expect double-digit annual returns.

At the same time, KGAL has opened up new future fields for investors in the area of green hydrogen and battery storage. KGAL ESPF 6, which is open for subscription, is involved in the production and transport of green hydrogen in Europe via flagship projects such as the Baltic Sea port of Lubmin. KfW's PtX development fund, which KGAL manages on behalf of KfW and which supports international green hydrogen projects, awarded its first two grants to projects in Egypt and Morocco last year.

Since 2024, private investors have also been able to participate in the energy transition via the open-ended infrastructure fund, KGAL klimaSUBSTANZ. The fund has made its first investments in Germany and will further diversify its portfolio in 2025.

For the third consecutive year, KGAL was recognised as the best asset manager winning a Scope Award in the "New Energy Equity" category.

Real Estate: Selective market opportunities and active portfolio management

KGAL has also made selective use of market opportunities as a buyer in the property sector, both for the institutional residential fund KGAL Core 5 and in the office segment, with five transactions in Europe with a total volume of €225 million. This brings the total real estate assets up to €7.8 billion. "We have also focused on the active asset management of our extensive portfolio and increased the occupancy rate to around 96 percent. This enables us to secure continuous cash flows for investors," says André Zücker.

The KGAL immoSUBSTANZ open-ended real estate mutual fund once again achieved an above-average result compared to the market, with growth of almost 4 percent in 2024.

Aviation: Higher market demand

KGAL and its subsidiary GOAL Aircraft Leasing, the long-standing joint venture between KGAL and Deutsche Lufthansa AG, are benefiting from the significant increase in air passenger numbers and the need for ever more efficient aircraft. In 2024, a total of five new leasing agreements were concluded, and 12 aircraft from previously concluded leasing agreements were handed over to airlines. The total portfolio in the aircraft sector now totals almost €2.8 billion.

Well positioned for investors in the topics of the future

The outlook for the year ahead is positive, despite continuing difficulties in the economic situation overall. "The European energy transition is absolutely essential. Energy independence and a favourable energy supply are top priorities because they make economic sense and are sustainable at the same time," Florian Martin is convinced. At the same time, it is important to think about the energy transition in terms of property. "A dominant topic for 2025 and beyond will be reducing CO₂ in existing properties. As a specialist asset manager, we are in a position to ensure compliance with increasing regulatory requirements, aligned with rising ESG imperatives. We

see that these issues continue to take centre stage for investors,” adds André Zücker. “By advancing the broad digitalisation of KGAL, we are creating the necessary framework conditions to continue offering our attractive investment solutions.”

KGAL is a leading independent investment and asset manager with an investment volume of over 15 billion euros under management. Its investments focus on long-term real capital investments for institutional and private investors in real estate, sustainable infrastructure and aviation. The group, which operates throughout Europe, was founded 56 years ago and is based in Grünwald near Munich. 396 employees contribute to achieving sustainably stable returns, taking into account return and risk aspects (as at 31 December 2024).

Contact Person:

KGAL GMBH & Co. KG

Tölzer Str. 15
82031 Grünwald

Markus Lang

Head of Marketing & Communication
T +49 89 64143-307
markus.lang@kgal.de

Daniel Evensen

Communication Manager
T +49 89 64143-555
daniel.evensen@kgal.de

www.kgal.de