

Commerz Real and Ingka Group with over 400-million Euro investment in North-Sea offshore wind farm Veja Mate

- **Buyer consortium of Commerz Real, Ingka Group, wpd invest and KGAL**
- **Total investment of more than two billion euros**
- **Second-largest German offshore wind farm with 67 turbines and a capacity of 402 megawatts**

As the largest stakeholders in a consortium, Commerz Real and Ingka Group have acquired a stake of more than 200 million euros each in the project company for the Veja Mate offshore wind park in the North Sea. With a total of 67 wind turbines and a total installed capacity of 402 megawatts Veja Mate is the second-largest German offshore wind park and ranks among the ten largest in the world. In total the consortium, which also includes funds from German investment companies wpd invest and KGAL Group, takes up approximately 80 per cent of the shares in the wind farm company. Together with the debt financing the transaction volume totals approx. 2.3 billion euros. The sellers of the wind farm, which has been in operation since 2017, are the project developers and owners to date, Highland Group Holdings and Copenhagen Infrastructure Partners, as well as Siemens Financial Services. The latter continues to hold the remaining 20 per cent stake and Siemens Gamesa Renewable Energy acts as the technical partner in the framework of a full-service agreement.

Veja Mate is located in Germany's exclusive economic zone in the North Sea about 95 kilometres to the North West of the island of Borkum and covers a total area of 51 square kilometres. The mean wind speed there is more than 10 metres per second. The rotor diameter of the 180 metres high turbines is 154 metres. The foundations have a diameter of 7.8 metres and are as much as 84.5 metres long, making them the largest of their type to be manufactured to date. The turbines are designed for an operating period of 25 years. The maintenance agreement with Siemens has initially been concluded for 15 years. In accordance with Germany's Renewable Energy Act (EEG 2014) a 20-year promotional period through to 2037 is foreseen for the feed-in tariff. The operation of the wind park will lead to a reduction in carbon dioxide emissions of some 950,000 tonnes per year.

"Veja Mate has an optimum risk-return ratio," explains Johannes Anschott, a member of the board of managing directors of Commerz Real. "A future technology that is already very well established was commissioned on schedule and to budget; it produces stable cash flows and also makes an effective contribution to achieve the climate protection targets." Commerz Real plans to contribute its stake in Veja Mate to a special AIF (alternative investment fund) in the form of a closed asset administration investment company. The product portfolio for institutional investors currently has a special fund for German onshore wind farms as well as an infrastructure fund which invests in energy generation and energy networks in addition to other energy infrastructure.

"With this 25% stake, we make another step towards our 2020 target about renewable energy production exceeding our energy consumption. It supports our sustainability targets, where renewable energy and energy independence play an important role. Investing in wind farms is part of our activities to support the financial strength of the company and contributes to our climate positive ambition." says Krister Mattsson, Head of Ingka Investments, Ingka Group (formerly IKEA Group, the largest IKEA franchisee with 367 IKEA stores in 30 markets).



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“We are very happy that we succeeded in putting together this consortium, now successfully closing the second offshore wind transaction and putting to work more than 250 million euros for our investors in the first year of its inception”, comments Georg Obert, managing director of wpd invest.

“Veja Mate will stabilize the performance of KGAL’s current institutional infrastructure fund ESPF4 due to its stable, regulated cash-flows,” says Michael Ebner, spokesman for the board of KGAL Investment Management GmbH & Co. KG. KGAL is building a European portfolio of renewable energy assets for KGAL ESPF 4 and has already committed more than 250 million euros of equity to RE-projects across Europe.

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Commerz Real AG

The Commerzbank Group company has been committed to the renewable energies' asset class since 2006 and currently has some 50 solar power stations and 11 onshore wind parks with a total capacity of more than 500 megawatts under management.

Commerz Real is a subsidiary of Commerzbank AG with more than 46 years of market experience and approximately 31 billion euros in assets under management. The company combines comprehensive know-how in asset management and a broad-based structuring expertise to deliver its signature range of services of fund products focused on tangibles and bespoke financing solutions. The fund spectrum includes the open-ended real estate fund hausInvest, institutional investment products as well as entrepreneurial participations in real estate, aircraft, regenerative energy and ships. In its role as leasing company of Commerzbank Group, Commerz Real offers tailored equipment leasing concepts along with bespoke financing arrangements for assets such as real estate, big-ticket equipment and infrastructure projects. www.commerzreal.com

Ingka Investments

Ingka Investments is part of Ingka Group and secures purposeful investments for long term growth. By August 2018, in total Ingka Group owned 441 wind turbines across 13 countries. This is in addition to 900,000 rooftop solar panels that Ingka Group has installed on its IKEA stores and warehouses. Ingka Group is a strategic partner and the largest IKEA franchisee, owning and operating 367 IKEA stores and digital touch points in 30 markets. Ingka Group has three business areas: IKEA Retail, Ingka Investments and Ingka Centres. Ingka Group operates business under the IKEA vision - to create a better everyday life for the many people. www.ingka.com

KGAL:

The KGAL Group is a leading independent asset and investment manager with an investment volume of €20.5 billion. The investments focus on long-term capital investments for institutional and private investors in the real estate, infrastructure and aviation asset classes. The Group, founded more than 50 years ago, operates across Europe and has its registered office in Grünwald near Munich. Taking into account aspects of revenue and risk, around 370 employees help achieve stable yields on a sustainable basis (As at 31/12/2018).

wpd invest:

wpd invest GmbH belongs to the wpd Group, one of Europe's largest industrial players in the renewable energy sector with over 20 years of experience and active in 18 countries with 32 offices. The group has built over 4,400 MW, whereof it holds over 1,600 MW on its own balance sheet.

wpd invest acts as an advisor for several funds in Luxembourg which pool institutional investors as well as for several managed account mandates from German insurances. With sufficient funds available, wpd invest looks to grow its offshore wind portfolio in the coming years by at least two to three projects for its investors Alte Leipziger – Hallesche ("Alte Leipziger") and for Green Return Fund 3 SICAV-RAIF, which it has set up in mid-2018 and which it advises exclusively.