

Commerz Real issues second special fund for renewable energies

- **As many as 10 assets planned with a total volume of as much as 500 million euros**
- **Onshore and offshore wind farms as first investments**

Commerz Real is issuing an additional special fund for renewable energies through its Luxembourg-based company CR Fund Management S.à r.l.. "Commerz Real Institutional Renewable Energies Fund II", with a maximum term of 25 years, intends to invest in as many as ten onshore and offshore wind farms, solar farms and other assets. To this end Commerz Real will acquire as much as approx. 500 million euros from institutional investors. The first investments have been made with the acquisition of a wind farm near Parchim in Mecklenburg-West Pomerania and a shareholding in the second-largest German offshore wind farm, Veja Mate.

"With our second renewable energies special fund we are offering international investors above all the possibility to enter a rapidly growing future market, and thus allowing them to profit from our asset management experience which goes back more than twenty years in this segment," explains Johannes Anschott, the member of the board of management of Commerz Real responsible for institutional business. The fund is structured as an SICAV-RAIF (SICAV = Société d'investissement à capital variable, investment company with variable capital; RAIF = reserved alternative investment fund) in the legal form of an SCA (Société en commandite par actions, partnership limited by shares). In geographical terms the investment focus is on Europe. As much as 25 per cent of the investments can also be made in other OECD countries. While the risk profile is geared to 75 per cent towards core / core plus, as much as 25 per cent may be invested in the risk classes value added / opportunistic.

The "Parchim V" wind farm was erected in 2015 to 2016 and encompasses five Vestas wind energy turbines with a cumulative output of 17.25 megawatts, whereby it is assumed that the remaining service life will be 23 years. The seller is the UKA Group, which is domiciled in Meissen (Saxony), with an investment sum of Commerz Real just under 40 million euros. Since the wind farm was commissioned it has benefitted from a feed-in tariff based on Germany's Renewable Energies Act and a calculated term of 20 years. UKB Umweltgerechte Kraftanlagen Betriebsführung GmbH is responsible for the technical operations management of the wind farm. Parchim V is already the fifth joint project on the part of Commerz Real with the UKA Group. For the portfolio of its first renewable energies fund Commerz Real had already acquired four wind farms in Brandenburg for which UKB is responsible for the technical operations management.

The stake in Veja Mate amounts to approx. 30 million euros of equity capital. At the beginning of 2019 Commerz Real had already acquired what is the total largest individual stake in the offshore wind farm. Veja Mate is located about 95 km northwest of the island of Borkum in Germany's exclusive economic zone in the North Sea and covers an area of 51 square kilometres. In this area the average wind speed is more than 10 metres per second. The turbines are designed for a service life of 25 years, the service and maintenance agreement with Siemens is initially valid for 15 years. Under the Renewable Energies Act the feed-in tariff is guaranteed for a period of 20 years, through to 2037. Each year the operation of the wind farm leads to savings of approx. 950,000 tonnes in carbon dioxide emissions according to the operator.

In total Commerz Real has more than 40 years' experience on the energy market and 13 years' experience in the renewable energies segment. In addition to the latest acquisitions it manages 50 brownfield solar farms with an installed capacity of 380 megawatts, twelve onshore wind parks with an installed capacity of approx. 171 megawatts and an offshore wind park with

some 402 megawatts. Furthermore, Commerz Real has held a stake of 74.9 per cent in the supergrid operator Amprion on behalf of institutional investors since 2011.

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Commerz Real AG

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