

Press Release

MEAG, together with the European Investment Bank, invests in energy efficiency projects through the Solas Sustainable Energy Fund

- **MEAG, the asset manager of Munich Re and ERGO, is financing projects to reduce energy consumption in the building sector through the Solas Sustainable Energy Fund ICAV (SSEF), a fund advised by Solas Capital AG.**
- **The investment is made through bonds, which provide regular distributions.**
- **The SSEF is supported by the Irish Sovereign Wealth Fund (ISIF) as well as the European Investment Bank (EIB) and the European Commission, which provide a project-level default guarantee through the Life programme.**

Munich/Zurich, 2 March 2022.

The Solas Sustainable Energy Fund ICAV (SSEF), an EU-focused fund targeting energy efficiency investments, has secured a significant institutional investor in MEAG, the asset manager of Munich Re and ERGO. MEAG will contribute a substantial amount to the SSEF on behalf of the Munich Re Group and other institutional investors. The funds will be used to implement energy-saving measures in the building sector.

MEAG's investment in the SSEF enables them to make bundled investments in comparatively small-scale energy efficiency projects. This is otherwise difficult for larger institutional investors, such as insurance companies, pension funds or provident funds. The fund is advised by Solas Capital AG, an investment advisor specializing in the energy efficiency sector. Solas Capital is working with a wide range of energy service companies, project developers, equipment manufacturers and public institutions in the EU to help them access tailored financing and to enable energy efficiency investment.

Solas Capital has structured a bond purchase program for MEAG's participation in the SSEF. This ensures a regular flow of payments, which is important for insurance companies and similarly structured investors, as they place a high priority on predictable repayments from their capital investments.

Other anchor investors include the Ireland Strategic Investment Fund (ISIF) and the European Investment Bank (EIB). As one of the largest providers of climate finance, the EIB supports projects that contribute to the EU's climate goals. SSEF also benefits from the Private Finance for Energy Efficiency (PF4EE) support programme, a joint initiative of the European Commission and the EIB. One of the goals of PF4EE is to encourage private institutional investors, such as insurers and pension funds, to invest in European energy efficiency infrastructure projects. The project guarantees associated with this programme enable even risk-averse investors to enter this sector.

The SSEF will provide funding for energy-saving business models that focus on renovating existing infrastructure, especially buildings, with proven and reliable energy-efficient technologies such as heating and cooling systems, combined heat and power, rooftop solar, building materials and LED lighting. The fund will support projects in both the public and private sectors, including the SME sector, which can be more difficult to finance due to its smaller scale. Given the EU's ambitious climate goals, this market offers high growth rates for a long time to come.

Holger Kerzel, Managing Director and Global Head of Illiquid Assets at MEAG, says: "In the current low interest rate environment, this fund allows institutional investors to participate in an innovative and promising sector alongside Munich Re. The PF4EE programme of the EU and the EIB makes a significant contribution to achieving risk-adjusted returns above those of corresponding bonds in the long term. At the same time, the fund contributes to achieving the EU's climate targets."

European Investment Bank Vice-President Thomas Östros, who is responsible for energy financing said: "As Europe's climate bank, the EIB is proud to be a cornerstone investor in the Solas Sustainable Energy Fund, which will help bridge the major financing gap for energy efficiency projects. Reducing the energy use in buildings is crucial to achieving a carbon-neutral economy in Europe by 2050. We believe that our commitment in this fund will catalyse further investments to meet the immense building renovation challenge."

"Following the commitments of the EIB and ISIF, the participation of such a renowned private investor demonstrates confidence in the SSEF's strategy ", said Sebastian Carneiro, co-founder and managing partner of Solas Capital. "This shows that the SSEF can bridge the gap between institutional investor capital and the many small-scale energy efficiency projects."

About Solas Capital

Solas Capital is a specialist investment advisory firm founded and managed by professionals from the energy efficiency financing sector. Through the development of innovative financing solutions Solas Capital's mission is to support the move to a carbon neutral society. By understanding both the funding needs of energy efficiency projects and the requirements of institutional investors, Solas Capital bridges the gap between investors and projects. Solas Capital is the investment advisor to the Solas Sustainable Energy Fund, which is supported by the European Investment Bank and the LIFE-programme of the European Commission.

About MEAG

MEAG manages the assets of Munich Re and ERGO. MEAG is active in Europe, Asia and North America and offers its comprehensive know-how to institutional investors and private clients. In total, MEAG manages investments currently worth €339bn, of which €65bn relates to business with institutional investors and private clients.

About the EIB

The European Investment Bank (EIB) is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals. In 2021, the bank provided €14.3 billion for energy-related projects, of which €4.7 billion for energy efficiency and €5.7 billion for renewables. The EIB Group recently adopted its Climate Bank Roadmap to deliver on its ambitious agenda to support €1 trillion of climate action and environmental sustainability investments in the decade to 2030 and to allocate more than 50% of its financing to climate action and environmental sustainability by 2025. As part of the Roadmap, all new EIB Group operations have also been aligned with the goals and principles of the Paris Agreement since early 2021.

Press contacts

Thomas Luber, media@solascapital.ch, tel.: +49 171 83 11 216

Dr. Thomas Wild, jwild@meag.com, tel: +49 89 24 89 2072