



New €500m "Climate Endowment Hydropower Fund" launched by European hydropower experts to tackle the climate crisis. Invest into hydropower plants with very low CO₂ emissions, real assets with a life cycle of up to 100 years and sound long-term returns

Munich/Berlin, Oct 6, 2020. The Climate Endowment Group, a climate-focused investment company employing the multi-asset class endowment style pioneered by Yale and Harvard universities, and eHydro500, an interdisciplinary team of hydropower experts with unique market access have created the "Climate Endowment Hydropower Fund", an institutional investment fund focused on investing in midsized hydropower plants across Europe. The fund will give institutional investors better and direct access to hydropower energy, foster the refurbishment of existing and the construction of new medium-sized hydropower plants, and thereby contribute to achieving the climate targets set in the Paris COP-21 agreement within the United Nations Framework Convention on Climate Change (UNFCCC).

The Climate Endowment Hydropower Fund is a climate impact fund that aims to both achieve sound long-term returns and CO₂ emission savings. It focuses on investments in medium-sized European hydroelectric power plants, with an installed capacity of 10 to 50 megawatts each, diversified between the construction of new plants (Greenfield) and the acquisition and modernization of existing plants (Brownfield).

The open-ended fund is part of the Luxembourg Impact Investment Fund platform initiated by Munich-based Nixdorf Kapital AG, a Luxembourg "Regulated Alternative Investment Manager" (RAIF), managed by Hauck & Aufhäuser, Private bankers since 1796. It can be subscribed to by professional investors only.

In addition to a stable return potential, medium-sized European hydroelectric power plants offer a significant reduction in operational CO₂ emissions. They emit only 1/100th of CO₂ per kWh compared to the average EU electricity production mix and 1/1000th compared to a coal power plant. Medium-sized projects have - as one of their main advantages - a much lower environmental impact compared to larger projects: no large dams nor severe changes of the landscape. Globally, hydropower is the most important renewable energy source. It accounts for 62% [i] of electricity production from renewables and for 16% of total global electricity production [ii]. For institutional investors hydropower has so far been just a niche market - only large electricity utilities tend to have the necessary expertise in this field.

The Climate Endowment Hydropower Fund (CEHF) aims to raise €500m to create, over several years, a portfolio based on an identified project pipeline, that is suited for institutional investors. The investment team consists of experienced capital market investors, entrepreneurs and engineers, including hydropower experts Dr Günther Rabensteiner, former member of the Managing Board of the Verbund Group, and Dr Gilbert Frizberg, the former Chairman of the Supervisory Board of the Verbund Group, as well as Wolfgang Kröpfl, the CEO of enso GmbH, a European hydropower asset manager, and Jürgen Jelly, the founder of itom invest GmbH, an

M&A boutique focusing on renewable energies. The team is complemented by experienced international investors Stephen Blyth, former CEO of the Harvard Endowment, Philippe Desfossés, former CEO of ERAFP, the largest French pension fund and Vice President of the International Investor Group on Climate Change, Jochen Wermuth, climate impact investor serving on the investment committee of Germany's Sovereign Wealth Fund KENFO founder of the Green Growth Funds and family office Wermuth Asset Management GmbH, Markus Bodenmeier, a successful serial entrepreneur, and Patrick Horend who previously worked for ADIC, a large middle-east sovereign wealth fund also committed to long-term, endowment-style investments.

Dr. Rabensteiner says that "Hydropower is the most sustainable and mature renewable energy, a growing niche product worldwide for investors with impeccable CO₂ balances. The long life of hydropower plants is an enormous advantage for investors".

"Investors like pension funds have to invest the capital of maturing high-interest bearing bonds they bought in the 80's and 90's." states Philippe Desfossés, CEO at Climate Endowment Group. "When 'new monetary policy' has led to very low interest rates - sometimes negative - bonds do not appear like an interesting investment proposition. The CE Hydropower fund aims at delivering regular cash flows and a sound return with a much lower volatility than long term bonds (whose price falls with rising interest rates)".

Dagmar Nixdorf, Chairwoman of the Supervisory Board, Nixdorf Kapital AG adds: "With the fund, we are making a pragmatic contribution to reducing CO₂ emissions in particular. We systematically enable investments in key renewable energy technologies. These are effective instruments in the fight against global warming".

Main advantages of the fund and the underlying asset class are, from an investor's point of view:

- acquisition of very durable fixed assets (up to 100 years),
- crisis-resilience: hydropower is considered a systemically important infrastructure,
- positive climate impact: established form of renewable energy with ~ 100 times less CO₂ emissions than the regular EU electricity production mix,
- attractive, solid long-term returns,
- long-term stable dividend payments from operating business

Diversified risk profile:

- focus on stable regions (75% of investments in Europe),
- broad diversification: > 20 medium-sized power plants (10 - 50 MW) and
- a balanced mix of operational and new power plants

Renewable energies are key for a clean, healthy and better future. The Fund will help to reduce man-made CO₂ emissions, the main cause of global warming.

We invite institutional investors and high-net worth individuals to co-invest with us into a secure and environmentally friendly future. Once fully invested, the Fund may seek a listing, allowing retail investor access at that point in time, too.

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About Climate Endowment GmbH & Co. KG

Climate Endowment is a climate-focused investment company employing the multi-asset class endowment style, pioneered by Yale and Harvard. We aim to achieve solid long-term risk-adjusted returns and a significant reduction of global CO2 emissions.

It was launched by experienced investment professionals and entrepreneurs as a response to the Climate Crisis and to European voters' demand for a Green Revolution.

We seek lower risk and lower return investments than most of the private equity industry, with the risk profile of more conservative investors in mind. Climate Endowment focuses on investments in scalable platforms with infrastructure / hard asset characteristics based on proven technologies with significantly lower CO2 emissions.

About eHydro500 GmbH

eHydro500 is an investment advisor specializing in hydropower. Its team consists of experienced hydropower specialists around founder Dr Gilbert Frizberg, whose family has been involved in hydropower for 119 years. Building on the core team of enso GmbH, the AIFM and asset manager of an institutional 2012-vintage hydropower fund, Dr Gilbert Frizberg, former chairman of the supervisory board of Verbund AG (second largest hydropower operator in Europe) and Dr Günther Rabensteiner, former COO / CTO and long-time board member of Verbund AG, lead a team of multidisciplinary experts for investments in renewable energies, with a focus on the hydropower asset class.

About NIXDORF KAPITAL AG

NIXDORF Kapital AG is an initiator in the area of impact investing. The company develops fund concepts and investment strategies both for third parties and for funds initiated by the company itself. As a social impact investor, NIXDORF Kapital AG concentrates on investments that make an understandably positive contribution to the common good. With these value-oriented financial vehicles, the focus is not only on the financial return but, above all, on also achieving a social and environmental return. Thus NIXDORF Kapital develops measurement systems to identify and track the impact. In this way, NIXDORF Kapital AG would like to make a decisive contribution to supporting other companies in their transformation towards a sustainable way of doing business.