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PRESS RELEASE

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Solas Sustainable Energy Fund (SSEF), an energy efficiency fund advised by Solas Capital, reaches final close with €220 million of institutional investor commitments

- **SSEF, backed by its cornerstone investors including MEAG (the asset manager of Munich Re and ERGO) and the EIB, and supported by the EU LIFE Programme, is providing financing for much-needed energy efficiency and behind-the-meter renewable energy projects across the European Union.**
- **SSEF's investments will generate energy savings of roughly 600 GWh per year and help reach the European Union's climate goals and tackle the European energy crisis.**
- **The fund has exceeded its target size of €200 million and is classified as a Dark Green or Article 9 Fund, meaning that it is aligned with the highest sustainability requirements under the European Union's Sustainable Finance Disclosure Regulation.**

The Solas Sustainable Energy Fund ICAV (SSEF), an EU-focused fund advised by Solas Capital AG targeting energy efficiency and behind-the-meter renewable energy investments, has reached final close with investment commitments of €220 million. A recent additional €80 million commitment from investors follows [the launch of the fund with €140 million in February 2022](#). MEAG, the asset manager of Munich Re and ERGO, has contributed a substantial amount to SSEF on behalf of the Munich Re Group and other institutional investors.

SSEF delivers a unique financing solution for energy service companies (ESCOs) across the European Union, supporting energy-saving business models focusing on the renovation of existing infrastructure, particularly buildings, by using established and reliable energy efficient technologies such as rooftop solar photovoltaic panels, LED lighting, heat pumps, combined heat and power units and building fabric. The fund finances projects in both the public and private sectors, including smaller projects within the small and medium-sized enterprise (SME) sector, where companies often find it more difficult to secure finance.

By end of 2022, SSEF expects to have signed financing agreements worth €50 million to support energy efficiency projects across the European Union. Pipeline projects will deliver estimated energy savings of 150 GWh per year and will reduce greenhouse gas emissions by around 42 000 tonnes CO₂e per year. These energy savings translate into real cost reductions for individuals, small business owners and larger corporates across Europe.

The fund has recently deployed financing to the following energy service companies:

- An Ireland-based energy service company, supporting a portfolio of LED lighting retrofit projects with an integrated financing solution, allowing their SME and corporate customers to pay a fixed monthly payment for the provision of lighting-as-a-service (LaaS). These retrofits significantly reduce energy costs, reduce CO₂ emissions and improve lighting quality for customers.
- A German energy service company, supporting a range of energy efficient renovations, including combined heat and power and LED lighting for a European industrial client. These improvements have led to reductions of approximately 3 270 tonnes CO₂e per year, helping the industrial client to achieve their goal of becoming carbon neutral by 2050.

Further deployments are planned for the end of 2022, and throughout 2023.

SSEF's cornerstone investors are prominent institutions from both the public and private sectors, including the European Investment Bank (EIB), Ireland Strategic Investment Fund (ISIF), and MEAG, the asset manager of the Munich Re Group. The EIB committed a €30 million investment at the launch of the fund, backed by the European Fund for Strategic Investments (EFSI), the main pillar of the Investment Plan for Europe.

The fund is also supported by the Private Finance for Energy Efficiency (PF4EE) initiative, a financial instrument funded through the EU LIFE Programme and set up by the EIB and the European Commission. PF4EE facilitates investment into energy efficiency technology in buildings and, in particular, enables the provision of long-term debt financing for SMEs and public bodies.

The current energy crisis, triggered by Russia's unprovoked war of aggression in Ukraine, is impacting energy markets and ballooning energy prices, increasing pressure on European countries to reduce their reliance on fossil fuels. The [REPowerPlan](#), presented by the European Commission in May 2022 aims to fast forward the green transition by accelerating the roll-out of renewable energy to replace fossil fuels in homes, industry and power generation and by pushing for more energy-saving measures and actions in the short, medium and long term. It has proposed to raise the 2030 target for the renewable share in final EU energy consumption from 40% to 45% and to increase the binding energy efficiency target from 9% to 13% under the [Fit for 55 package](#). These ambitious goals require rapid and flexible investment solutions such as SSEF.

European Commissioner for Energy **Kadri Simson** said: "Investing in energy efficiency is always a good idea, but it makes even more sense when energy prices are high. Initiatives like the Solas Sustainable Energy Fund help to make sure that we have the necessary funding for these investments. The more efficient we become, the more we can reduce energy consumption and energy bills, decrease our greenhouse gas emissions, and phase out our dependence on Russian fossil fuels."

EIB Vice-President **Thomas Östros**, who is responsible for energy financing, added: "The European Union is committed to improving energy efficiency to tackle both the current energy crisis and the ongoing climate crisis. As part of this commitment, we need to ensure that financing reaches the projects that need it the most. We are therefore delighted to support the Solas Sustainable Energy Fund. We are convinced that, by supporting this initiative, we will contribute to accelerating the energy transition and create new job opportunities across the European Union. At a time when global leaders and financiers gather at COP27 to accelerate international action against climate change, solutions like this fund are timely and relevant."

Managing Director and Global Head of Illiquid Assets at MEAG **Holger Kerzel** said: "This fund allows institutional investors to participate in an innovative and promising sector alongside Munich Re. The PF4EE programme of the European Union and the EIB contributes to the EU's climate targets at the same time as offering attractive returns to investors. We strive to achieve both: sustainable investments with a real world impact and sustainable returns in our portfolios."

"This additional investment from major institutional investors demonstrates both their confidence in Solas Capital's expertise and their strong commitment to contributing to the energy transition. SSEF has an important role in this transition, working with energy service companies to facilitate energy efficiency projects, which are essential to countering the energy crisis and reaching EU climate goals," concluded Co-founder and Managing Partner of Solas Capital **Sebastian Carneiro**.

Background information

About Solas Capital AG

Solas Capital is a specialist investment advisory firm founded and managed by professionals from the energy efficiency financing sector. Its mission is to support the move to a carbon neutral society through the development of innovative financing solutions. By understanding both the funding needs of energy efficiency projects and the requirements of institutional investors, it bridges the gap between investors and projects. Solas Capital is the investment advisor to the Solas Sustainable Energy Fund, which is supported by the EIB 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 €339 billion, €65 billion of which is connected with business with institutional investors and private clients.

About 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, €4.7 billion of which was for energy efficiency and €5.7 billion for renewables. The EIB Group has adopted a 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. Find an overview of EIB at COP27 on our dedicated [website](#).

About PF4EE

PF4EE is a joint EIB-European Commission financial instrument to promote debt financing for energy efficiency. Each PF4EE partner financial institution benefits from the instrument's two key components — the Risk Sharing Facility and the Expert Support Facility — which may be combined with an EIB loan to pass on the EIB's favourable refinancing costs. SSEF is the first investment fund to be supported by PF4EE.

About EFSI

The European Fund for Strategic Investments (EFSI) is the main pillar of the Investment Plan for Europe. It provides first loss guarantees enabling the EIB Group to invest in riskier projects, which encourages private finance providers to participate in projects. The projects and agreements approved for financing under EFSI have so far mobilised €524.3 billion in investment, benefiting over 1.4 million SMEs.

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