



# Fourth Annual Meeting of the San Giorgio Group

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# Low interest rates are a potential driver for RE-investments

## PensionDanmark's investment criteria

### Overall Objective: **Stable and non-cyclical cash flows**

#### Investment characteristics

- > Long term investment horizon (+10 years)
- > Maximum equity stake of 50 per cent
- > Minimum ticket size of EUR 100m

#### Risk Profile

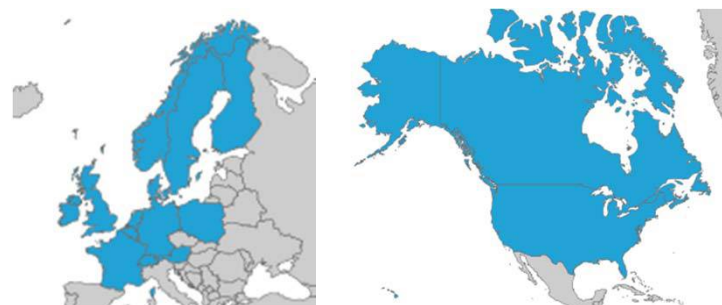
- > Limited regulatory and political risk
- > Low demand risk
- > Low correlation to the business cycle
- > No/negligible construction risk
- > Limited pricing risk (e.g. fixed power price)

#### Capital Structure

- > Flexibility to participate in all layers of the capital structure
- > Not necessarily preference for leverage
- > Partnering with experienced industrial player + alignment of interest

#### Geography

- > Northern Europe and North America

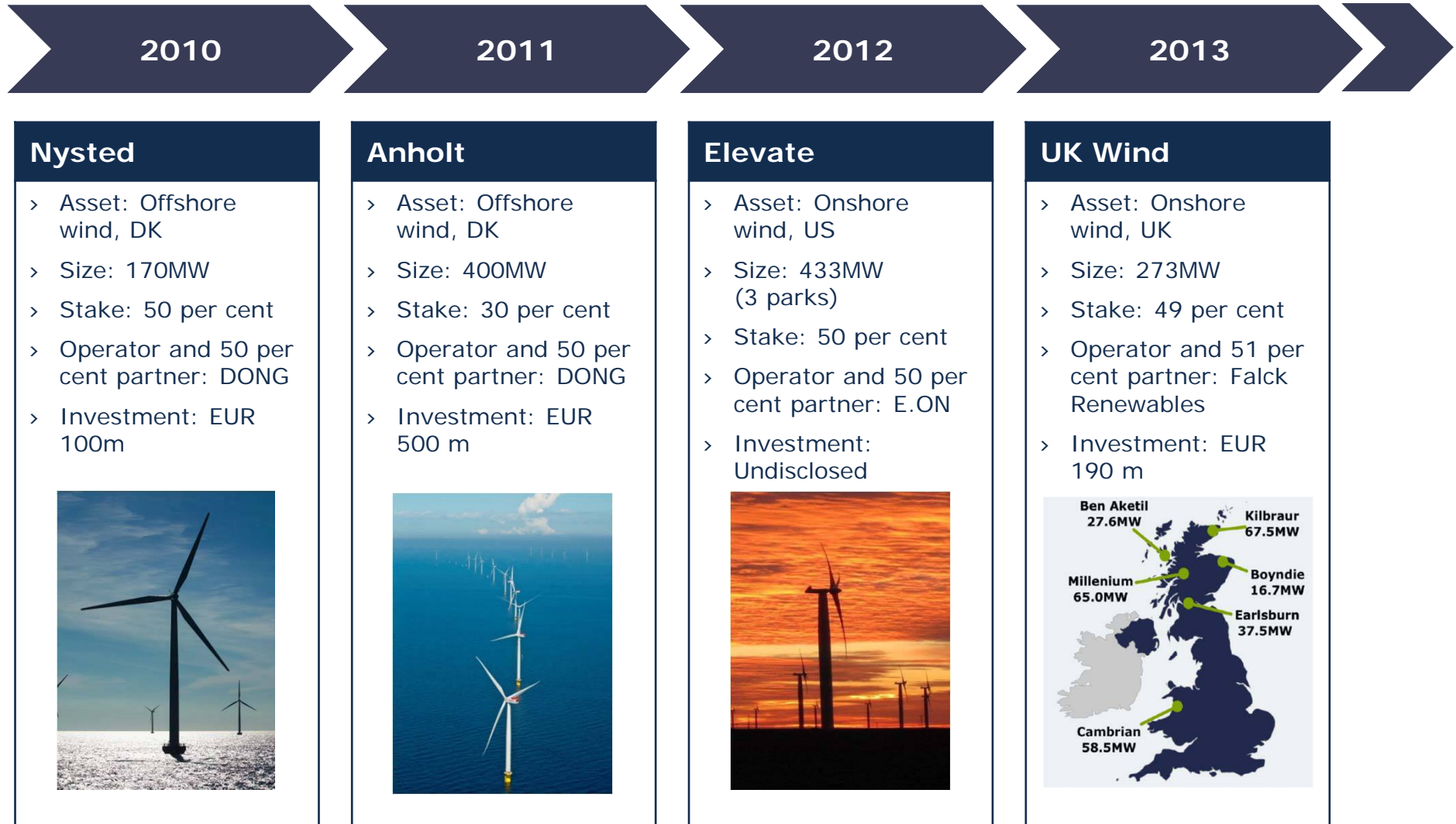


#### Potential Asset Classes

- > Renewable energy (wind, solar, biomass, waste-to-energy)
- > Distribution and transmission networks and pipelines
- > Regulated utilities and assets
- > Transportation infrastructure
- > Availability based infrastructure
- > PPPs

# Main new infrastructure investments

On- and offshore wind farms with 1.700 MW...



# Main new infrastructure investments

...and now also investments in biomass and transmission

2013

## Brigg

- › Asset: Biomass power plant, UK
- › Size: 40MW
- › Stake: 80 per cent in preference shares and debt
- › Operator and 20 per cent partner: BWSC
- › Investment: EUR 160 m



2013

## NGT

- › Asset: Gas Transmission, NL
- › Size: 450km
- › Stake: 40 per cent
- › Operator and 38 per cent partner: GDF-Suez
- › Investment: EUR 164m



2014

## Cape Wind

- › Asset: Offshore wind, US
- › Size: 454MW
- › Stake: Mezz loan
- › Partners: Siemens EMI, Marubeni
- › Investment: EUR 160 m



2014

## DoIWin 3

- › Asset: offshore grid connection for North Sea wind farms
- › Size: 900 MW
- › Stake: 49%
- › Partners: TenneT
- › Investment: EUR 400 m

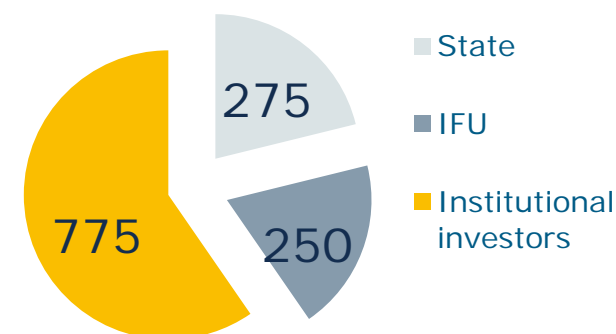


# Mobilising climate investments in emerging markets

## Danish Climate Investment Fund (DCIF)

- › PPP with blended finance
  - › Between the Danish Government, IFU and institutional investors
  - › Operates on commercial terms
  - › Government involvement limits investment risks for investors in emerging markets
  - › Returns are distributed in a waterfall model
- › Investment strategy
  - › Active minority investor
  - › Equity focus
  - › Investment size DKK 10m to DKK 100m
  - › Pre-agreed exit strategy
- › DCIF can invest in
  - › RE energy projects, e.g. wind, solar or hydro
  - › Energy efficient projects
  - › Production of energy saving material

Capital structure



Investment in DKKm

