

Press release

Project financing completed

Veja Mate offshore wind farm to start construction

Hamburg, 29 June 2015 –Highland Group Holdings Ltd. [HGHL], Siemens Financial Services and Copenhagen Infrastructure II, a fund managed by Copenhagen Infrastructure Partners are pleased to announce that they arranged the successful financing of the 400 MW Veja Mate offshore wind farm project, for a total project investment of EUR 1.9 billion.

The Veja Mate offshore wind farm will operate 95 km North West from the island of Borkum and will be connected to the power grid via the existing Borwin 2 offshore sub-station managed by TenneT, the grid operator. With a production of roughly 1.6 TWh per year, the offshore wind farm will be amongst the largest in the world, meeting the annual electricity needs of approximately one million people.

The project, which was acquired in September 2014 by investment firm Highland Group Holdings Ltd, is now owned by a consortium including Highland, Copenhagen Infrastructure II, a fund managed by Copenhagen Infrastructure Partners, and Siemens Financial Services. The three parties will contribute the total equity requirements of the project, in the form of share capital and mezzanine loans.

A “non-recourse” financing in an amount of EUR 1,275 million, the largest of its kind in Germany to date, was signed with a consortium of 8 financial institutions, including the KfW programme for offshore wind, Danish export credit agency Eksport Kredit Fonden and 6 mandated lead arrangers: Commerzbank, Deutsche Bank, KfW IPEX-Bank, Natixis, Santander and SMBC. The debt amount represents 67% of the investment budget and has a maturity of 12 years post-construction of the wind farm, matching the duration of the elevated tariff the project is entitled to under the existing German law for renewable energy.

“We are very pleased to see Veja Mate reach financial close less than a year after its acquisition. This underlines the quality of the work done by the project team and the strength of the German regulatory framework for offshore wind. We are very pleased to have been joined by two highly experienced parties in the sector and look forward to working with them to ensure the project is built to highest standards,” said Lord Laidlaw of Rothiemay, owner of Highland Group Holdings Ltd.

Wolfgang Bischoff, Head of EMEA Energy Finance at Siemens Financial Services commented: “The offshore wind sector has matured considerably in recent years and the close of Veja Mate is yet another significant step forward in its development, highlighting the bankability of well-structured projects at the construction stage. In this case, the speed at which we achieved financial close demonstrates the strong market confidence in Siemens’ technical and financial experience in this sector.”

“Veja Mate is a fully developed and procured offshore wind project, with a grid connection on the BorWin2 platform, which from 2017 will deliver stable returns for many years. We are very satisfied with this investment which benefits from the strong German regulatory framework, and look forward to contributing our competence and experience in cooperation with our partners”, says Christina G. Sørensen, Senior Partner in Copenhagen Infrastructure Partner.

The project has engaged with experienced suppliers: Siemens (turbine supply and installation), FICG (a consortium consisting of Cofely Fabricom, CG Holdings and Iemants) (offshore substation supply and installation), OWF a consortium consisting of Boskalis and Volker Stevin (foundations supply and installation) and Siem (cable supply and installation) and expected to be completed in 2017.

Veja Mate was advised by CMS Hasche Sigle, (legal advisor), Green Giraffe (financial advisor), K2 Management (technical), Ernst & Young (tax & accounting), JCRA (hedging) and Marsh (risk

management and insurance). The lenders were advised by Benatar & Co Ltd (insurance), Ernst & Young (model audit), Sgurr Energy (technical) and Watson Farley & Williams (legal). Additionally, EKF was advised by Kromann Reumert (legal).

Copenhagen Infrastructure II was advised by Hengeler Mueller (legal) and FIH Partners (financial advisor).

About Laidlaw Capital

Highland Group Holdings Ltd. is an investment vehicle owned by Lord Laidlaw of Rothiemay. Highland invests in both liquid and illiquid assets and is managed by Laidlaw Capital Management under the responsibility of Steffen Dietel as investment director.

About Siemens Financial Services

Siemens Financial Services (SFS) provides business-to-business financial solutions. SFS helps facilitate investments, providing commercial finance, project and structured finance with specific asset expertise in the growth fields of electrification, automation and digitalization. Employing more than 3,000 employees worldwide, SFS supports Siemens as well as other companies with their capital needs and acts as an expert manager of financial risks within the Siemens company. For more information, visit: www.siemens.com/finance.

About CIP

Copenhagen Infrastructure Partners (CIP) is a management company founded in 2012. CIP is owned and managed by the five Senior Partners, Jakob Baruel Poulsen, Rune Bro R  in, Torsten Lodberg Smed, Christian Skakkeb  k and Christina Grumstrup S  rensen. The partners have extensive expertise within infrastructure investments and mergers & acquisitions. Copenhagen Infrastructure Partners was founded in October 2012 in connection with the establishment of the fund, Copenhagen Infrastructure I K/S. In addition to Copenhagen Infrastructure I K/S, CIP manages the fund CI Artemis K/S and the newly established fund Copenhagen Infrastructure II K/S. Copenhagen Infrastructure I K/S and CI Artemis K/S have PensionDanmark as their sole investor while Copenhagen Infrastructure II K/S has a number of Danish and international investors. Copenhagen Infrastructure II K/S is open for commitments until the end of Q2 2015.

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