

21 July 2022

First ever UK-German energy link moves ahead as £2.4bn/€2.8bn NeuConnect project reaches Financial Close

- **Work to begin later this year on new interconnector connecting two of Europe's largest energy markets for the first time**
- **NeuConnect's investors meet with UK Energy Minister Greg Hands and German Ambassador to the UK Miguel Berger to mark Financial Close milestone**

The £2.4bn/€2.8bn NeuConnect project - a vital new energy link between two of Europe's largest energy markets – reached Financial Close today, paving the way for work to start later this year on the first direct link between the UK and German energy markets.

Led by global investors [Meridiam](#) (France), [Allianz Capital Partners](#) on behalf of Allianz insurance companies (Germany) and [Kansai Electric Power](#) (Japan), NeuConnect is a privately-financed interconnector - following significant interest from the international financial community, the project today reached Financial Close with a consortium of more than 20 national and international banks and financial institutions including the UK Infrastructure Bank, European Investment Bank (EIB), and Japan Bank for International Cooperation (JBIC) - please see Notes to Editors for a full list.

With Financial Close now reached and a series of [major contracts recently awarded](#), NeuConnect will begin early works later this year on what will become one of the world's largest interconnector projects at 725km in length. NeuConnect will be operational by 2028, helping to deliver:

- **Greater energy resilience, security of supply and consumer benefits** – NeuConnect will form an 'invisible energy highway' with subsea cables allowing up to 1.4GW of electricity to flow in either direction between the UK and Germany, enough to power up to 1.5 million homes over the life of the project. It will help to deliver a more secure and resilient energy supply, with [independent analysis](#) showing the project will create over £1.7bn in UK consumer benefits over 25 years
- **A significant reduction in CO2, supporting net zero goals** – by integrating renewable energy sources in the UK and Germany, [independent analysis](#) shows that the project could deliver a net reduction in carbon emissions of over 13MtCO2 over 25 years. Given the project's environmental objectives and commitment to sustainable development, NeuConnect's financing framework is considered by Moody's ESG Solutions as being aligned with the four core components of the LMA's Green Loan Principles 2021
- **The single-largest Anglo-German infrastructure project and an important symbolic link** - Along with creating an important new piece of energy infrastructure, NeuConnect will represent an important symbolic link between the British and German economies

To help mark NeuConnect reaching Financial Close, the project's investors met with the UK Government's Energy and Climate Change Minister Greg Hands and German Ambassador to the UK Miguel Berger.

Energy and Climate Change Minister Greg Hands said:

"Putin's illegal invasion of Ukraine shows it is more important than ever that we strengthen close energy bonds with European partners who are rapidly moving away from using Russian gas. When it comes online, NeuConnect will open new opportunities for the UK to export clean, and cheaper, renewable energy and reduce our exposure to volatile global fossil fuel prices."

Secretary of State for International Trade Anne-Marie Trevelyan MP said:

“Investment creates jobs and is crucial for helping us meet our climate change targets as we work towards a cleaner, greener future. NeuConnect’s commitment underlines the huge investor confidence in the UK economy and the strength of working with our European partners on the road to net zero.”

Miguel Berger, German Ambassador to the United Kingdom, affirmed:

“Both countries Germany and the United Kingdom aim to accelerate their energy transition and to boost energy security. As a champion in offshore wind the UK is a crucial partner for us as we work towards our common goals. NeuConnect will allow our energy grids to share excess power – making sure renewable energy is not wasted.

“NeuConnect is a groundbreaking project that underpins our ever-increasing energy cooperation. With 1.4GW capacity and £2.4bn of private investment, NeuConnect is the single largest Anglo-German infrastructure project. It will boost direct trade between our countries and provide a secure source of cheap renewable energy.”

Julia Prescott, Chair of the NeuConnect Board and co-founder of lead investor Meridiam, said:

“NeuConnect will create a vital new energy link at a time when sustainable, resilient connections across Europe have never been more important. Delivering innovative, highly complex projects is in our DNA at Meridiam, so as NeuConnect’s lead investor, we are proud to reach Financial Close on one of the world’s largest interconnector projects - a significant milestone that brings the first direct energy link between the UK and Germany an important step closer.”

Christoph Holzer, Managing Director at Allianz Capital Partners said:

“In view of the continued strong expansion of renewable energies in the future and the associated need to strengthen the grid infrastructure, NeuConnect is making a very significant contribution to the success of the energy transition. As one of the world’s largest infrastructure investors, we are particularly delighted to have helped develop the project from the outset on behalf of our insurance customers and now, after four years, to bring it to a successful implementation. As a sustainable project that once again underlines the cohesion in Europe regardless of its borders, it will contribute to securing the future energy supply of millions of people with renewable energies.”

Mikio Matsumura, Senior Executive Vice President of Kansai Electric Power Co., said:

“NeuConnect is an iconic project that will significantly contribute to the de-carbonization of electric power while ensuring security of supply. We are pleased to be working with such strong partners and are committed to supporting the project with our own technological expertise cultivated over a long history as a major power utility in Japan. As an organization, Kansai has set clear and proactive goals, such as those detailed in our ‘Zero Carbon 2050’ strategy and our ‘Medium-term Management Plan’, in order to help lead the global shift toward clean energy and a zero-carbon society. For us, the NeuConnect project represents an invaluable part of this long-term commitment.”

NeuConnect Britain Ltd was first established in 2018 and in just 4 years, has progressed from a newly set-up company to reaching Financial Close on one of the world’s largest interconnector projects. A summary of key milestones achieved on the NeuConnect project over the last 4 years is available [here](#).

The NeuConnect interconnector will see two new substations built on the Isle of Grain in Kent, England and the Wilhelmshaven region in Lower Saxonia, northern Germany, connected by over 700km of subsea cables travelling through British, Dutch and German waters. Works will start on site in the UK and Germany later this year, with major construction to lay subsea cables and build substations starting in 2023.

- Ends -

Notes to Editors:

- The full consortium of banks and financial institutions involved in NeuConnect's Financial Close is: *AIB, Bank of China, BayernLB, Caixa, CIC, DZ Bank, EIB, JBIC, Lloyds, Mizuho, Nippon Life, Norinchukin, NordLB, Rabobank, Société Générale, Shinsei, Siemens Financial Services through Siemens Bank, SMBC, SMTB, Talanx Group represented by Ampega Asset Management, UK Infrastructure Bank*
- For further information on the NeuConnect project, please visit neuconnect-interconnector.com

About Meridiam

Meridiam was founded in 2005 by Thierry Déau, with the belief that the alignment of interests between the public and private sector can provide critical solutions to the collective needs of communities. Meridiam is an independent investment Benefit Corporation under French law and an asset manager. The firm specializes in the development, financing, and long-term management of sustainable public infrastructure in three core sectors: sustainable mobility, critical public services and innovative low carbon solutions. With offices in Addis Ababa, Amman, Dakar, Istanbul, Johannesburg, Libreville, Luxembourg, New York, Paris, Toronto, and Vienna, Meridiam currently manages US\$18 billion and more than 100 projects to date. Meridiam is certified ISO 9001: 2015, Advanced Sustainability Rating by VigeoEiris (Moody's), ISO 37001 Anti-Corruption certification by AFNOR and applies a proprietary methodology in relation to ESG and impact based on United Nations' Sustainable Development Goals (SDGs).

About Allianz Group

The Allianz Group is one of the world's leading insurers and asset managers with 126 million* private and corporate customers in more than 70 countries. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing around 767 billion euros on behalf of its insurance customers. Furthermore, our asset managers PIMCO and Allianz Global Investors manage nearly 1.9 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we are among the leaders in the insurance industry in the Dow Jones Sustainability Index. In 2021, over 155,000 employees achieved total revenues of 148.5 billion euros and an operating profit of 13.4 billion euros for the group. Allianz Capital Partners is one of Allianz Group's asset managers for alternative equity investments and is part of Allianz Global Investors. Investment focus is on private equity, infrastructure and renewable energy. *Including non-consolidated entities with Allianz customers. *Data as at 31 March 2021.

About Kansai Electric Power Co., Inc.

Kansai Electric Power Company Inc. (Kansai) was established in 1951 and the second largest electric power utility in Japan which delivers electricity to Osaka and surrounding prefectures. Kansai owns vertically integrated electric power system including generation of nuclear, hydropower and thermal, transmission and distribution, with consolidated total assets of c. USD 72B. Kansai expands its overseas electric power business as well as diversifying into Gas and communication business in Japan. Kansai announced its Zero Carbon Vision 2050 in 2021 to commit zero carbon emissions and create hydrogen-based society in 2050. <https://www.kepcoco.jp/english/>