

## Erste Group finances first private wind project in North Macedonia

- **51 million euros in project financing led by Erste Group**
- **Completion of Bogoslovec wind park targeted for 2023**
- **Country aims to lift its national renewables capacity to 50% by 2024**

**Financing totaling 51 million euros has been arranged for North Macedonia's first private wind energy project, "Bogoslovec", which will have an aggregate capacity of 36 MW. Acting as the sole mandated lead arranger, major senior lender and agent, Erste Group arranged and structured the transaction and invited local banks, including Sparkasse Bank Makedonija, to be among the institutions providing financing with a 17-year tenor.**

This approach also contributes to developing the long-term lending capacity that private sector banks active in North Macedonia have for renewables in general. The total debt package for Bogoslovec also includes a junior debt tranche of 10 million euros from Oesterreichische Entwicklungsbank AG (OeEB), the development bank of the Republic of Austria.

*"We at Erste Group are grateful that we had the opportunity to arrange financing for North Macedonia's first significant private wind energy project. The Bogoslovec wind park marks another important contribution to the transition to greener energy in the West Balkans. We will continue supporting that transition across our core markets,"* said Ingo Bleier, Chief Corporates & Markets Officer at Erste Group.

### A milestone in North Macedonia's shift to green energy

The wind power project, the total cost of which amount to 61 million euros, will be built 80 kilometers southeast of Skopje near the village of Bogoslovec in North Macedonia. The project is scheduled to be completed in early 2023. Siemens Gamesa will manufacture and install eight wind turbines at the site. Propelled by rotors with a diameter of 145 meters at a hub height of 102.5 meters, these turbines will have an aggregate capacity of 36 MW once active.

Bogoslovec is only the second wind park project in North Macedonia, following the Bogdanci project commissioned by the state utility ESM in 2015. Bogoslovec is among the last wind park installations in North Macedonia that will sell its power at a feed-in tariff under a 20-year power purchase agreement with the state market operator; North Macedonia has in the meantime introduced competitive auctions for market premiums. This project makes an important contribution to North Macedonia's ambitious goals to shift its national power generation, which is still dominated by brown coal (lignite), to green sources. The country aims to lift its national renewables capacity to above 50% by 2024, which translates into additional 400 MW and 160 MW of solar and wind power, respectively.

### Green project draws on cross-regional expertise and resources

A majority (65%) of the shares in the Bogoslovec project is held by BNB Kompani d. o. o., a local family holding that operates five small hydro power plants and has developed the project up to the permitting stage. BNB has teamed up with the 35% minority investor, Green for Growth (GGF), an impact investment fund that mitigates climate change and promotes sustainable economic growth in Eastern Europe, the MENA region and the Caucasus. Prague-based Curo Energy acts as the project's financial advisor and serves as an experienced construction and operations manager.

*“BNB Kompani is proud to be part of the first private wind farm to be built in North Macedonia. We will produce clean energy for more than 20,000 households in our country, while exercising demanding ecological and social practices,”* said Blashko Lazarevski, CEO of Thor Impex, the project company developing Bogoslovec. *“We have great gratitude for the club of lenders and for the financial institutions that provided help on the equity side as well. Investing during Covid made the process more difficult, but perseverance in this case proved to be a critical key to success.”*

### **Erste Group supports development of wind energy throughout CEE**

The Bogoslovec project also adds to Erste Group’s track record in aiding the energy transition in the West Balkans. Erste Group has been supporting the development of wind energy in its core markets in CEE with long-term project financing for more than a decade. Among its recent transactions in this sphere, Erste Group lead arranged the financing of Kovacica (a 105 MW wind power plant in Serbia, commissioned in 2019) and Selac (a wind project of equal size in Kosovo, which is scheduled to become operational this year).

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