



APG, PGGM deliver 31 sustainable battery trains through Alpha Trains for the Berlin metropolitan region

Alpha Trains, a leasing company for passenger trains and locomotives in which both APG (for pension fund ABP) and PGGM (for, among others, Pensioenfonds Zorg en Welzijn) have an interest, has concluded a contract for the delivery of 31 battery electric trains. The project will directly improve the sustainability of train traffic on ten lines for the East Brandenburg concession between Berlin and the Polish border. The project includes a lease contract with Niederbarnimer Eisenbahn (NEB), which means that NEB can replace diesel trains for passenger transport on this route from 2024.

The shareholders of Alpha Trains see this as an important contribution to the sustainability of train traffic in Europe. APG owns half of Alpha Trains, PGGM Infrastructure Fund has a significant minority interest.

Utilisation of the 31 Siemens Mireo battery electric trains is expected to save 4.4 million litres of diesel annually. This translates into a CO₂ reduction of 11,000 tonnes per year, equivalent to the annual consumption of more than 16,000 Dutch households.

Following the developments of battery technology in transport, the practical application of battery trains has become increasingly effective. The state-of-the-art trains draw the electricity needed to charge their lithium-ion batteries from the overhead lines along the electrified sections of the track and from three newly created charging points in outer districts of the routes. The power drawn from the electrified lines and the charging stations will be generated entirely from renewable sources and the trains will run on a carbon-neutral basis.

In addition, the energy from braking is captured and re-used. On parts of the route where there is no overhead line, the train switches to the batteries. This allows the trains to cover a distance of approximately 90 kilometres. On routes where the track is only partially electrified, battery trains are a direct alternative to diesel trains. The Siemens Mireo trains offer 128 seats, including standing room for approximately 180 passengers per train.

The battery trains have now been ordered from Siemens Mobility. The lease agreement with German Niederbarnimer Eisenbahn is valid for twenty-four years. The acquisition involves a significant investment, partly financed with equity and partly with debt provided by a banking group including the European Investment Bank.

Viktor Filipan, Senior Portfolio Manager at APG: "When APG acquired Alpha Trains, we set the goal to achieve strong growth with the company as promoting sustainable transport is a focal point for APG and its pension fund clients. Winning this tender for battery electric trains contributes significantly to this goal and also provides appropriate returns over a long period. In addition to further projects with battery trains, we also hope to add hydrogen trains and locomotives to the Alpha Trains fleet in the coming years. Due to the energy transition and continuous liberalization of rail transport in Europe we see on an increasing basis that Alpha Trains' offering is the best solution for customers, passengers and the climate."

Erik van de Brake, Head of Infrastructure at PGGM: "This is a great example to enable long-term pension capital to support the growing demand for sustainable ways of transport in Europe. It also fits very well in PGGM's ambition to invest in climate solutions that contribute to a fossil free world in the long run. Alpha Trains demonstrates a strong focus on ESG and will continue to be one of the key players in the



European rolling stock market to promote and contribute to the concept of green mobility. We expect more to come, as the European Commission presented this month its ambitious Action Plan to boost long-distance and cross-border passenger rail services as part of the EU Fit for 55 package aiming for a Net Zero European economy in 2050.”

With operations in more than 17 European countries, Alpha Trains is the market leader in leasing passenger trains and locomotives in Europe. The fleet consists of more than 900 passenger trains and locomotives. Most of the fleet is electric. This makes Alpha Trains the market leader in the transition to clean energy in European rail. In 2019, APG took over an interest in Alpha Trains from a fund managed by Arcus Infrastructure Partner on behalf of pension fund client ABP. In 2020, an additional stake of AMP Capital was acquired. Viktor Filipan and Thijs Beudeker are involved in this investment on behalf of APG. PGGM acquired an interest in Alpha Trains from PSP Investments in early 2021. Henry Chung and Alberto Moretto are involved in asset management of Alpha Trains on behalf of PGGM.

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About APG

As the largest pension provider in the Netherlands APG looks after the pensions of 4.7 million participants. APG provides executive consultancy, asset management, pension administration, pension communication and employer services. We work for pension funds and employers in the sectors of education, government, construction, cleaning, housing associations, sheltered employment organizations, medical specialists, and architects. APG manages approximately €627 billion (November 2021) in pension assets. With approximately 3,000 employees we work from Heerlen, Amsterdam, Brussels, New York, Hong Kong, Shanghai and Beijing.

www.apg.nl

About PGGM

PGGM is a not-for-profit cooperative pension fund service provider. As a pensions administrator, asset manager and advisor to pension fund boards, it executes its social mandate: to provide for good old-age incomes for 4.4 million participants in the Netherlands. On December 31, 2022 PGGM managed long-term pension capital of EUR 291 billion worldwide. Rooted firmly in the Dutch healthcare sector, PGGM develops innovative provisions for labour market issues in this sector, alone or with strategic partners. Our member organisation PGGM&CO supports 764,000 workers and pensioners with a background in healthcare.

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