A Nordic bank with a global reach

- London
- St Petersburg
- Geneva
- Hong Kong
- Shanghai
- New Delhi
- Beijing
- São Paulo
- Singapore
- New York
- Lisbon
- Moscow
- Moscow
- Kiev
- Dublin
- London
- Luxembourg
- Germany
- Warsaw
- Lithuania
- Latvia
- Estonia
- Sweden
- Norway
- Finland
- Denmark
- Iceland

- 3,000 Corporates & Institutions
- 400,000 SMEs
- 4 million private individuals
New Investments in Renewables
2015 a record year with USD 286bn in investments, but 21% decline in Europe y-o-y

1) Source: UNEP, Bloomberg New Energy Finance
Megatrend for renewables set to continue
Not easy to find yield in fixed income anymore
Increasingly complex market conditions for investors

2013 MARKET INCENTIVES AND ENABLERS

- FEED IN TARIFFS, 70%
- RPS AND SIMILAR QUOTA-BASED SCHEMES, 3%
- DIRECT SUBSIDIES AND TAX BREAKS, 16%
- PURE COMPETITIVE PV, 4%
- SELF-CONSUMPTION AND SELF-CONSUMPTION OR NET-METERING, 3%
- INCENTIVIZED FIT WITH TENDER, 4%

SOURCE: IEA PVPS.
Norway has comparably low subsidies for renewables
## So, why Norway?

### Power market attract interest…
- Renewable assets
- Mature technology
- Long term infrastructure like assets
- Good prospects for yield with possibilities to hedge price risks
- Favourable wind resources (“offshore conditions onshore”)
- Levelized cost of energy

### …and country risk perceived low
- Nordic power market among the world’s most developed/transparent
- AAA-rated country with limited regulatory risk
- NOK weak (currently) – most investors EUR/USD based
- Low population density limits “not in my backyard” problem

### Some concerns…
- Low yield/return in current price environment
- Power/certificate price risk
- Political/regulatory uncertainty in long term prices for electricity certificates
- Grid capacity
- Liquidity of assets

### …and some long term opportunities
- Increasing grid transfer capacity to Europe
- Increasing gas/coal prices and costs for carbon emissions?
- Climate trends, more wind and precipitation?
- Europe’s “green” battery – wind good complement to hydro
- Possibilities for repowering and/or phase 2 development?
# Financial sponsors

Private equity and institutional investors

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<tr>
<th>Buyer type</th>
<th>Commentary</th>
<th>Example of investors</th>
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| Infrastructure funds & private equity | • Active vs passive ownership  
• Several investors with strong operational track-record.  
• Most requires financing, debt capacity key to investment case  
• Return requirement for PE relatively high (>10% equity IRR) and somewhat lower for infra funds (7-12%)  
• Yield important to most but not critical to all  
• Investment horizon typically 3-5y (PE) / 5-15y (Infrafunds) | ![Example of investors](image1.png) |
| Institutional investors | • More passive, often prefer to invest alongside a strategic investor or via a manager.  
• Typically do not have same level of operational expertise  
• Some invest with equity only  
• Return requirements lower (5-7% project return)  
• Focus on yield – matching long term liabilities with  
• Horizon often 10 years plus, many investors are evergreen | ![Example of investors](image2.png) |
Challenging European landscape and plenty of liquidity available for investments

- Huge investments for renewables needed globally
- Changing subsidy schemes and fierce competition for return
- Lot of liquidity and low interest rate environment
- Norway can build renewable capacity at a low cost
- Price risks and return outlook key hurdles
Case Studies
Fosen Wind Farm

The Company/Transaction
Project financing of Nordic Wind Power’s 40% ownership share in the Fosen Wind development. The Fosen Wind project is the largest in Europe with planned capacity of 1,000MW. The wind farm is situated along the coast outside Trondheim in central Norway. Construction will be carried out over a 48-month period. The site will be equipped with 278 Vestas turbines and set to be in full production in 2020. The target for full year production is 3,400 GWh which corresponds to annual consumption of 213,000 households.

SEB is the only commercial bank involved in financing of the Credit Suisse led consortium (40% of total project). SEB provided 1/3 of the financing and 2/3 was funded by AP Pension with a guarantee from EKF. The financing was partly based on a 20year corporate PPA with Norsk Hydro.

Transaction information
- Senior Debt: EUR 228 million
- Tenor: Long

SEB’s Role
- Mandated Lead Arranger
- Lender
- Hedging Bank
- Facility and Security Agent
The Company/Transaction

Project financing of the Hamnefjell Wind Farm with Finnmark Kraft and Ardian Infrastructure as Sponsors on a 51/49 basis. The wind farm is situated in one of Europe’s best onshore wind locations in Finnmark in Northern Norway, 500 kilometers north of the polar circle. Construction will be carried out over an 18-month period. The site will be equipped with 15 Vestas 3.45MW turbines and set to be producing energy from Q4-2017. The target for full year production is 186 GWh which corresponds to annual consumption of 12,000 households.

SEB act as sole arranger and lender for the project financing of the Hamnefjell wind farm. The wind farm is Ardian’s first investment in Scandinavia, but the sponsor is an experienced investor within the renewable power sector in Europe, US and Asia with some USD 50bn in assets managed or advised. Finnmark Kraft is the original developer and a regional power producer owned by 7 utilities and the local landowner in Finnmark.

Transaction information

| Senior Debt   | NOK 335 million |
| Gurantee Fac. | EUR 32 million  |
| Tenor         | 10 years        |

SEB’s Role

- Sole Arranger and Lender
- M&A Advisor
The Company/Transaction
Financing of Aquila Capital’s acquisition of Småkraft AS (owner and operator of Norway’s largest portfolio of small scale hydropower assets) from the four Norwegian utilities Statkraft, Agder Energi, BKK and Skagerak Energi. Småkraft’s portfolio of 45 operating run-of-river hydropower plants is generating over 500 GWh annually in addition to a substantial development project portfolio. Assets are well spread over the country mitigating variation in precipitation levels.

Aquila Capital is part of the Aquila Group, which manages assets of over EUR 8bn for a global investor base. Aquila Capital is a significant investor in the Norwegian hydropower sector through its ownership in Norsk Grønnkraft AS (100%), Tinfos AS (36%) and Jæropoland Kraft AS (33%).

Transaction information

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<tr>
<td>Amount</td>
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<td>Tenor</td>
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SEB’s Role

- Mandated Lead Arranger
- Facility & Security Agent