Nomura Sustainability Day 2023

Infrastructure and Power Finance (IPF)

Vinod Mukani
Global Head of Infrastructure and Power Finance
Nomura Securities International, Inc.

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Established in 2017, the Infrastructure and Power Finance business provides financial and intellectual capital solutions for buildout & operations of infrastructure, power, telecom and other hard assets.

Today, with a strong presence globally, the Infrastructure and Power team is on track to represent $150m+ of revenue and through leveraging global outreach has the potential for becoming a $250m+ business in the coming year.

Unlocking Liquidity to Finance Infrastructure and Power Assets Globally

1. **Hard Asset Focus**
   - A wide array of infrastructure and sustainable assets across different sectors

2. **Full Service Product Offering**
   - Private and complex financing solutions to our clients

3. **Full Spectrum Risk Analysis**
   - Ability to evaluate complex risk, up and down the capital structure and through full asset lifecycle

4. **Diverse Client Base**
   - Client base spanning many verticals including sponsors, institutions and bank investors

**GLOBAL INFRASTRUCTURE REVENUE ($USM)**

- **FY2017/18**: $0
- **FY2022/23**: $100
- **Mid-Term Target**: ~$250
**Competitive Advantages**

- **One-stop shop:** providing creative and complex financing with the ability to underwrite across capital structures, and unlock liquidity to meet growing needs of markets

- **Focused on capital structuring and financing:** for development, construction, operation, maintenance, and/or acquisition & sale of real economy assets

<table>
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<th>Nomura’s Strengths</th>
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<td><strong>Innovative Solutions</strong></td>
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<td><strong>Structuring, arranging &amp; underwriting</strong> on wide range of asset-level risk profiles from IG senior secured to more bespoke structurings</td>
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<td><strong>Experienced Team</strong></td>
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<td>~100 years Team is comprised of experienced individuals across sectors and financing structures</td>
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~ 50%+ of IPF’s total commitments have supported renewable energy and energy security since the inception

~$7.5bn (~50%) of total facilitated commitments provided by IPF for renewables

Of which, ~$2bn has been in Japan (~1 GW)

Full engagement to support Nomura in achieving its ambitious ESG targets

Active collaboration with GII & other groups at Nomura to generate growth and revenues
Case Study: First Deal as a Proof of Concept

**Deal’s Dynamic**

**Client:** Leading developer approaches Nomura to refinance operating solar PV assets in Ontario, Canada

**Issue:** Optimize cost of funding and execution while building credibility with initial mandate

**Solution:** Focus on the distribution strategy to unlock liquidity in order to optimize the financing

**Validation of Business Concept**

**First Mover:** Demonstrating an early positioning towards sustainable financing, with strong execution capabilities

**Collaboration:** Engage with various external & internal functions to put the right structure and create liquidity

**Validation:** Created franchise recognition and proof of concept

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**A client-focus and solution oriented-franchise**

1. **Portfolio financing for optimal efficiency**

2. IPF’s structuring expertise resulting in superior execution

3. **Originate to distribute model supported by global distribution network**

4. **Leveraging Nomura’s platform to provide client solutions**
In its buildout and growth, IPF maintained diversity of investment while focusing on Japan’s growth.

IPF’s Sustainability Journey

DIVERSIFIED ASSET MIX TO DATE

> $7bn

IN RENEWABLE COMMITMENT

IPF FINANCED ASSETS

~ $230M

(FY17/18)

Portfolio of Solar Asset

Jan 2018

IPF’s 1st Deal

CAD 233,540,000

Refinancing of 7 Solar Power Plants

MLA, Sole Bookrunner

2019:

First Japan Deal

2020:

¥10.5bn construction financing for a portfolio of wind projects in Japan

¥10.4bn construction financing for solar project in Japan

2021:

¥24.5bn construction financing for a solar project in Japan

¥23.6bn construction financing for solar projects in Japan

$350m mezz financing for a portfolio of solar assets in Australia, US and Japan

2022:

¥25.5bn construction financing for an onshore wind asset in Japan

¥32.9bn construction financing for 3 solar projects in Japan

¥23bn financing for greenfield onshore and offshore wind assets in Japan

100+ Transactions across significantly expanded asset types

Battery Storage
Data Centers
District Energy
Midstream
Offshore Wind
Onshore Wind
Renewables
Solar
Telecom
Transitional Energy
Transportation
Waste Management

Portfolio of Solar Asset

$7bn

In RENEWABLE COMMITMENT
Leveraging our experience in Global Infrastructure, IPF structured an innovative, multi-jurisdictional capital solution with top developer, AMP Energy, with assets across three countries.

**Amp Energy** is a leading energy transition platform and renewable energy developer with assets operating in North America, Australia, Japan, Spain, the UK, and India.

+7GW Global Portfolio of solar, wind, and storage infrastructure assets in construction or under contract.

With +3,500 projects to date, AMP is actively seeking financing to support the construction of renewable assets.

**Transaction overview**

**Problem**
Sponsor plans to utilize construction financing to develop multi-jurisdictional portfolio evidencing global investment need related to sustainable investments.

**Solution**
Leverage IPF’s structuring expertise and global syndication network to create a tailored structure for customer’s unique portfolio.

**Result**
Closed $350m cross-border Holdco debt facility across the US, Japan, and Australia (total ~600 MW). Served as important opportunity for IPF to continue to grow its sustainable leadership in accordance with strategy.

**Success Factors**

- **A** Strong Sponsors
  - Significant operating experience of renewable energy assets. Sponsor was one of the first investors in utility scale solar, building assets as early as 2009

- **B** Significant ESG Attributes
  - All assets support the de-carbonization of power generation infrastructure

- **C** Global Syndication
  - The combination of Nomura’s structuring expertise and institutional reach allowed it to work with various leading investors to provide liquidity to Amp.

**Industry Recognition**

**Portfolio Deal of the Year**
North America
USD 350,000,000 Sole Lead Arranger

“Amp is very pleased to partner with such experienced and top-tier institutional investors at attractive terms to accelerate the build-out of our wholly-owned assets at scale”

– Dave Rogers, Founder, CEO & President of Amp
Identified tailwinds supporting global scalability

Significant Capital Needs Globally

- IPF continues to see energy and infrastructure as a pivotal asset class, uniquely capable of capturing industry tailwinds occurring on a global level
- Energy is tasked with providing an investment product capable of providing risk adjusted returns with tangible sustainable benefits

Global ESG Commitment To Realize Net Zero*

By 2030, investment in ESG forecasted globally > $30tn

*BNEF New Energy Outlook 2022

US Climate Bills to be Catalytic across Sectors

- Through the Inflation Reduction Act ("IRA") and Bipartisan Infrastructure Bill, the US government has made an unprecedented long-term commitment to drive the clean energy and domestic manufacturing sectors
- Total support will amount to +$370 billion from 2022 – 2031

IRA:
$260bn

Bipartisan Infra. Bill:
$80bn

Includes: CCUS/Clean Hydrogen Tax Credit, Hydrogen Hubs

Includes: Clean Vehicles/Refueling/Recharging/Biofuels, Charging infrastructure

Includes: Residential Efficiency, Energy Improvements

Includes: Wind/Solar/Storage/Manufacturing/Nuclear Tax Credits

Items:
- Industry recycling
- Heat pumps
- EVs
- Fossil fuel industry
- CCS
- Hydrogen
- Power - grid
- Power - capacity

Transport 29%

Industry 23%

Agriculture 10%

Commercial 7%

Residential 6%

Power 26%
Nomura IPF is well positioned to capture energy transition financing opportunities in Japan

- Leveraging **deep expertise** and significant **market experience**, IPF and Nomura are well-positioned to support the evolving opportunities in Japan and serve our clients

### Net Zero Mission

**Base Case: Economic Transition**

**Bull Case: Net Zero**

#### 2030 Diversification of Assets and Continued Impact of Wind and Solar Energy

- **BNEF forecasts**
  - Renewables will account for **40%** of Japan 2030 energy mix given current market and sociopolitical conditions (business-as-usual scenario)

- **IPF Track Record in Japan**

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<tr>
<th>Year</th>
<th>Wind Commitment</th>
<th>Solar Commitment</th>
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<td>2019</td>
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<td>To Date</td>
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- **Base Case: Economic Transition**
  - Policy and System Development is rapidly changing with transfer from FIT to FIP policy
  - Supply and Demand adjustment market in operation from 2021
  - De-carbonized power supply auction starting from FY 2023

- **Bull Case: Net Zero**
  - Investments in offshore wind reach record level of $1.6bn, increasing 10-fold from 1H2022
    - **1.8GW** tendered in pipeline for 2023-2024
  - Grid-scale batteries are expected to increase from 1,076 MWh in 2022 to 6,356 MWh in 2030

- **Supporting Policy Environment**
  - Policy and System Development is rapidly changing with transfer from FIT to FIP policy
  - Supply and Demand adjustment market in operation from 2021
  - De-carbonized power supply auction starting from FY 2023

- **Subsector Growth**
  - Investments in offshore wind reach record level of $1.6bn, increasing 10-fold from 1H2022
    - **1.8GW** tendered in pipeline for 2023-2024
  - Grid-scale batteries are expected to increase from 1,076 MWh in 2022 to 6,356 MWh in 2030

- **Leveraging Platform**
  - Successfully collaborate with NCI/NSC and leverage their connections with project finance lenders throughout Japan
  - Add value to investors and sponsors while accommodating the evolving market

* BAU = Business As Usual; CCS = carbon capture and storage; FIT = Feed-in-Tariff; FIP = Feed-in-Premium
Sources: BNEF, IPF, Ministry of Economy, Trade and Industry of Japan (METI)
In keeping with its aim to Drive Sustainability, Nomura is committed to helping resolve social issues and creating a more sustainable future. By supporting clients’ sustainability initiatives and the transition to a decarbonized society, Nomura will continue to deliver high added value towards the creation of a truly prosperous society.
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