



Nordic Investment Bank

Financing green maritime solutions – what are investors looking for?

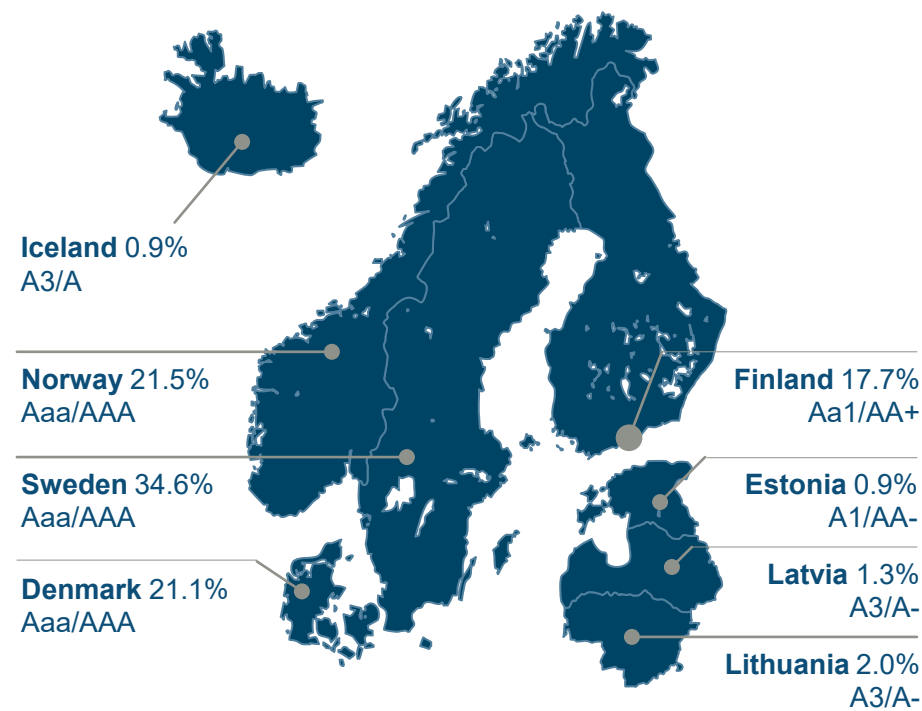
NIB is a long-term financing partner

How we see NIBs and the banks role in the naval fleet green transformation in line with the EU requirements

This is NIB

- ▶ Founded in 1975 by the Nordic governments to increase capital availability and regional development
- ▶ Target increased productivity and later also a sustainable Nordic-Baltic region
- ▶ More than 10 years of sustainability focus
- ▶ NIB possesses know how and we are expanding our role in the green transition

NIB's ownership structure



(*) International Financial Institution, governed by statutes approved by the parliaments of NIB's owners

Financing green maritime solutions – what are investors looking for?

- ▶ The world needs a fleet renewal = large investment
- ▶ For short sea, electrification is key – for deep sea, there no clear single fuel technology
- ▶ Scaling of new fuels (ammonia, methanol, hydrogen - all needs to be green) is a key hurdle
- ▶ **Investments in the fleet + investments in new fuels = huge capital need**
- ▶ Banks are looking for frontrunners and the right risk sharing
- ▶ Public-Private partnerships needs scaling. This means increased public engagement:
 - ▶ Export Credit Agencies are key
 - ▶ Regional investment banks like NIB and EIB has a clear mandate but scaling is needed
 - ▶ The Nordic and Baltic Governments could give NIB a stronger role to support the development without triggering direct costs

What would investment bankers look for? Green or sustainability linked loans



Targets



Indicators



Reporting



Verification

Ambitious sustainability strategy and transition targets

- with benchmarks, a credible timeline and planned measures

KPIs to address material issues

- Climate: targets related to CO₂ emissions
- Business specific: e.g. energy/fuel consumption

Performance reporting against set targets and achieved impact required

3rd party performance verification

Who would politicians and banks support first?

- Those with ambitious targets
- Those with the most material KPIs
- Those with state of art reporting
- Those with acknowledge verification

What would investment bankers look for?

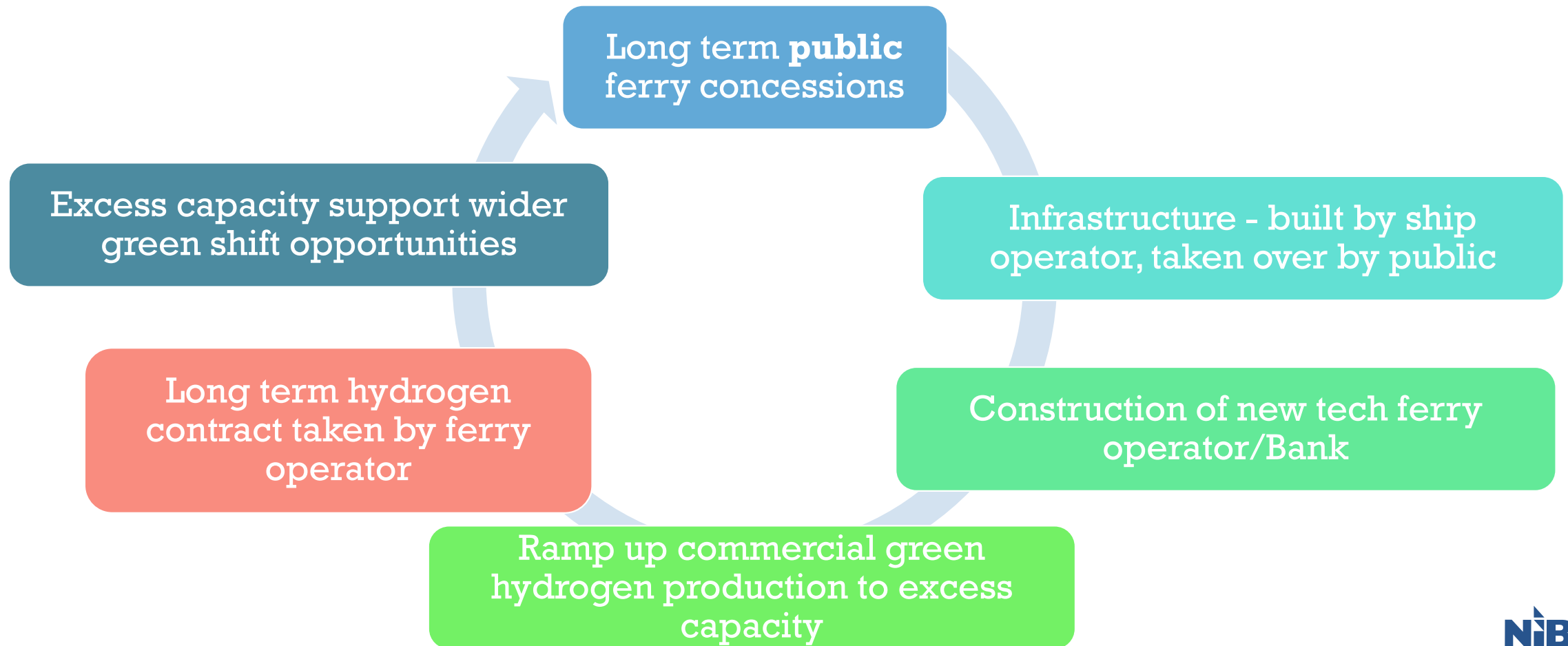
Example Torghatten Hydrogen (hybrid)

Bodø - Lofoten

- ▶ **Ferry company Torghatten will run on Hydrogen (hybrid) between Bodø and Lofoten**
- ▶ Public contribution: 15 years concession from Road Authorities
- ▶ Commercial production of hydrogen:
 - ▶ Nordkraft, Shell and Linde will produce green hydrogen in Fauske
 - ▶ Gasnor and Sogn og Fjordane Energi will produce in Gildeskål. And there are others
 - ▶ For banks to finance
- ▶ Public-Privat partnerships needs scaling. This means increased public engagement:
 - ▶ Export Credit Agencies are key
 - ▶ Regional investment banks like NIB and EIB has a clear mandate but scaling is needed
 - ▶ The Nordic and Baltic Governments could give NIB a stronger role to support the development without triggering direct costs

What would investment bankers look for?

Public sector – private investors - banks



What would investment bankers look for?

Green or sustainability linked loans

	Green loans	Sustainability linked loans
Use of funds	Predefined projects i. a. a vessel	General corporate i. a. for a hydrogen factory
Focus	Impact of the specific vessel	The factory's overall impact
Commitment to	A one-off shift in emissions (i. a. from replacement of diesel with EI)	Continuous improvement in emissions (linked to a KPI). Volume of green fuels produced
Target	A permanent shift. No adjustments	Continuous improvements (i. a. annual) and final target
Impact/outcome	Shift to Green achieved from investment in an asset (i. a. a vessel)	Transition to Green over time

What would investment bankers look for?

Conclusions

- ▶ **Investments in the fleet + investments in new fuels = huge capital need**
- ▶ Free flow of capital and financing is key to reach climate targets
- ▶ International acknowledged frameworks and predictable authorities is needed
- ▶ This is a combat – we need to solve together (Public Private Partnership Tech/Finance to build clusters)
- ▶ Public sector must provide infrastructure for large scale production. Private sector to commit to long term contracts
- ▶ Banks need others to take the risk in the technology. There is not enough private venture capital
- ▶ Public-Private partnerships needs scaling. This means increased public engagement:
 - ▶ Export Credit Agencies are key
 - ▶ Regional investment banks like NIB and EIB has a clear mandate but scaling is needed

The background of the slide features a photograph of the Helsinki Cathedral, a large white neoclassical building with a prominent central dome and several smaller domes. The building is set against a clear sky. The image is partially obscured by dark blue geometric shapes: a large triangle on the left and a smaller one on the right.

NIB

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Thanks for your attention

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