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Financing offshore wind

Lessons learned from Europe and Asia

By EKF Denmark's Export Credit Agency



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About EKF

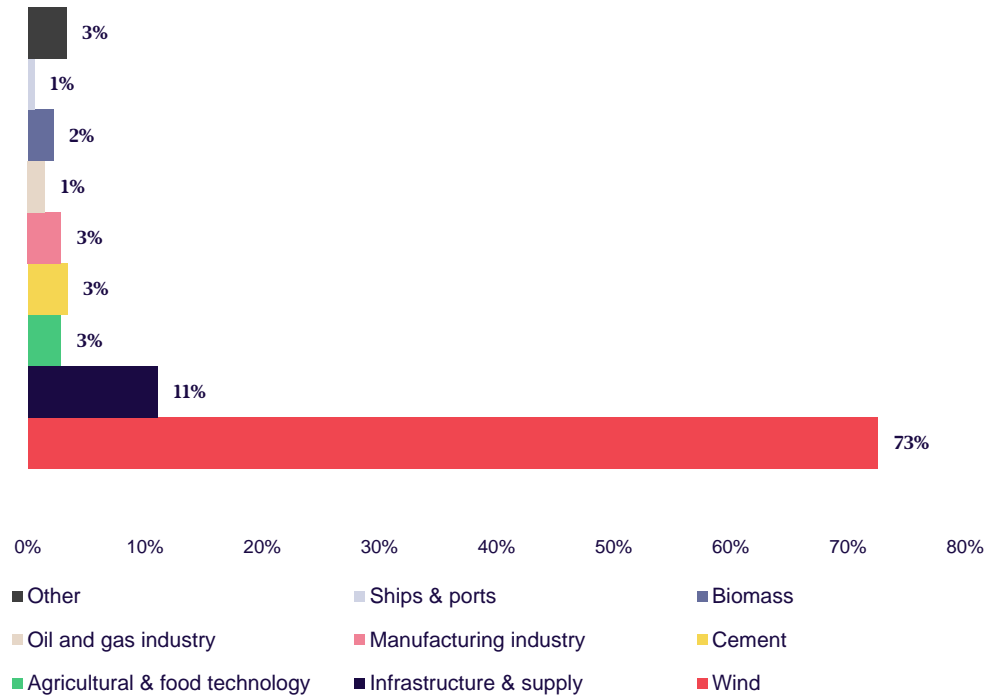
- › Denmark's official export credit company
- › Owned and guaranteed by the Danish state
- › Nearly 100 years of experience
- › Operates on commercial terms



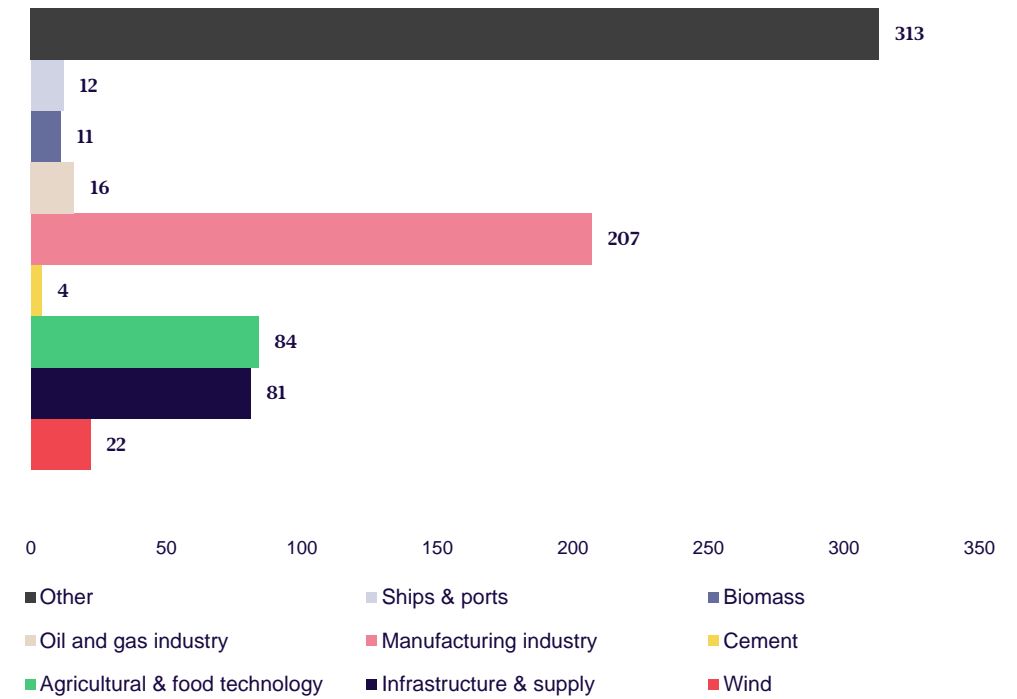
EKF's sectors



Guarantee & Loan Exposure



Number of customers



**Almost 1/3 of
the world's
total offshore
wind capacity
has EKF as
financing
partner!**



Installed Projects co-
financed by EKF:

6.6 GW

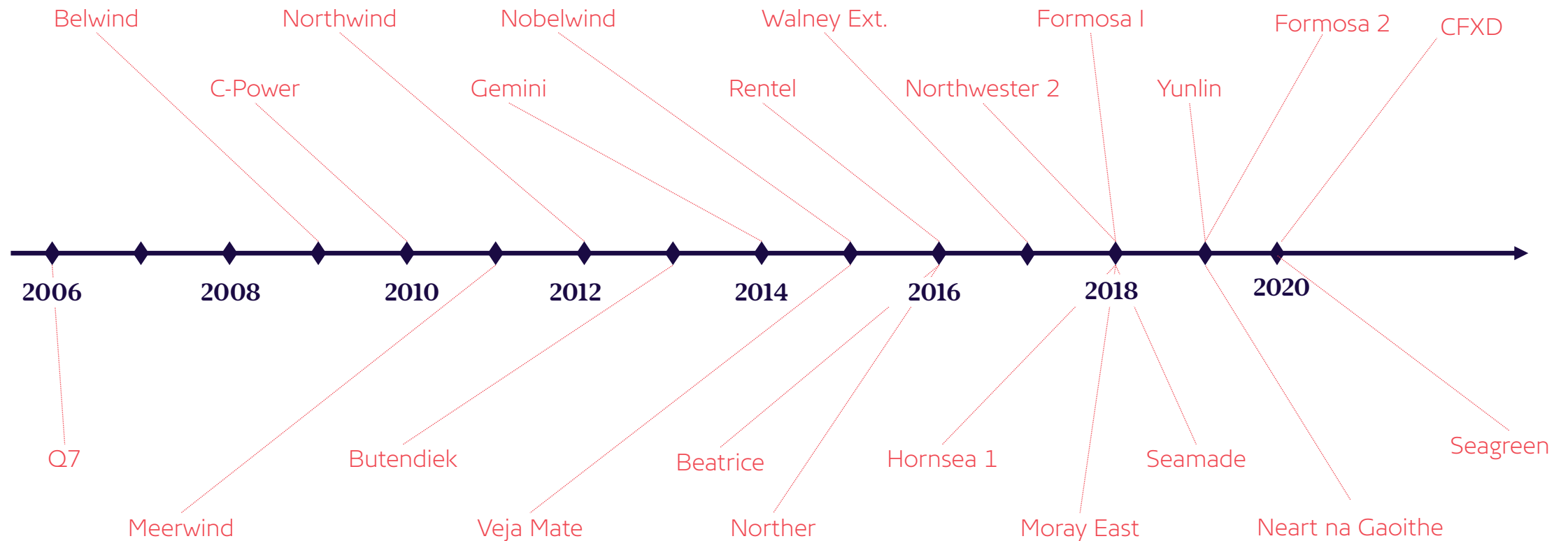
Total Globally
installed capacity,
excl. China:

22.3 GW*

Projects under
construction co-
financed by EKF:

4.9 GW

14 years of offshore wind experience



What is project finance?

› In Project Finance

- the credit assessment is done on future cash flow and not on an existing balance sheet.
- the asset of the project (SPV) generates the cash flow to repay the loan.
- the debt is non-recourse.



North America Risks – different to the North Sea

- › Changing weather
- › Tax equity
- › Other endangered species
- › Local opposition and litigations
- › Strong demand for localization
vs. low cost of energy

STAY AGILE AND BE READY FOR CHANGES!



Important challenges - and how we solved them? – page 1

- › Vessel defects
- › Delays due to design changes
- › Supplier defaults
- › Operational accident
- › Construction accident



Important challenges - and how we solved them? – page 2

- › PPAs non-bankable
- › Legal issues, e.g. corporate structures
- › Multi-contracting
- › Contingency
- › Local opposition, e.g. from fishermen or the community





**What can EKF
bring to offshore
wind in the US?**

What we bring

- › Great experience in offshore project finance: **flexible**, reliable and well connected
- › Max share 80% of senior debt – in offshore typically **25-50%** of senior debt
- › Max. exposure per transaction – approx. **USD 800 million**
- › EKF can guarantee loans or fund in **USD**
- › Market pricing
- › EKF accepts **documentation risk**



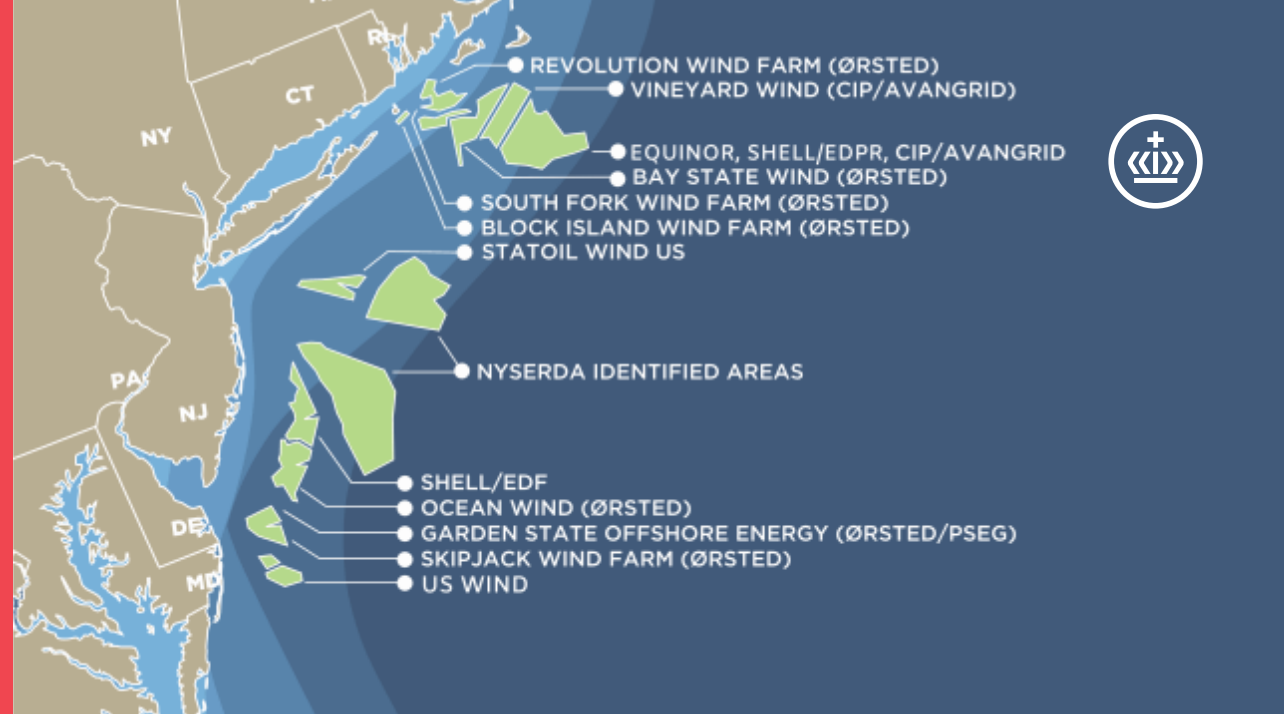
EKF – General requirements

- › Danish economic interest
- › Complying with the OECD Arrangement on Officially Supported Export Credits
- › Pro rata and pari passu with financing parties
- › Risk sharing with all parties
- › Full due diligence including assessment of environmental and social aspects
- › Reputational risk



Conclusions

- › EKF has long and extensive experience from financing of offshore wind.
- › We believe US may become the next major market in the world for offshore wind energy, both fixed bottom and later floating.
- › EKF aims to be a part of the financing of future US offshore wind energy projects long term.
- › Offshore wind energy will play an important role for a greener, more sustainable world.





Thank you!



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