

BNP PARIBAS ASSET MANAGEMENT

INFRASTRUCTURE DEBT KEY MARKET TRENDS IN A POST-COVID ENVIRONMENT

KAREN AZOULAY / VINCENT GUILLAUME
OCTOBER 2021



BNP PARIBAS
ASSET MANAGEMENT

The sustainable investor for a changing world

Executive Summary

SPEAKERS



Karen Azoulay, Head of Infrastructure Debt

Karen Azoulay has been Head of Infrastructure Debt at BNP Paribas Asset Management since joining the company in September 2017.

She has over 21 years of experience in project and structured finance as advisor or lead arranger.



Vincent Guillaume, Investment Director

Vincent Guillaume has been Investment Director at BNP Paribas Asset Management since joining the company in October 2017.

He has over 15 years of experience in project and structured finance as advisor and lead arranger.

CONTENT



Climate impact investing and digital infrastructure



Benefits of integrating ESG in infrastructure debt



BNPP AM infrastructure expertise and capabilities

Source: BNP Paribas Asset Management, October 2021.

Infrastructure is a key pillar in the Energy Transition



RENEWABLES

Significant **ramp-up of renewable energy** and huge **pipeline**

Consolidation trend in photovoltaic and onshore wind

Emergence of **corporate Power Purchase Agreements (PPAs)**



UTILITIES

Urgency to decarbonize the energy mix / coal phase-outs

Strong capex plan to meet ambitious European net zero objectives

Emergence of new energy solutions such as **green hydrogen, battery storage and smart grids/meters**



CLEAN MOBILITY

Acceleration of **clean and fast public transportation** solutions (electric locomotives, hydrogen buses, etc...)

Significant ramp-up of electric vehicle will lead to **EV Charging deployment boom**

Emergence of giga factories for **batteries production**

Source: BNP Paribas Asset Management, October 2021.

Digitalization is key to move towards a low carbon economy



ESSENTIAL SERVICES

Digital infrastructure proved **critical to business continuity** and social connection

Acceleration of home working, e-commerce, e-entertaining leading to an **explosion in data usage**



FAVOURABLE DEMAND DRIVERS

Digital transition: cloud services, teleworking, energy efficiency

Engagement from governments to enhance connectivity in less dense areas

Acceleration of **fiber roll-out, hyperscale data centers, telecom towers**



INCREASING ESG FOCUS

Fiber networks are cleaner than legacy copper networks

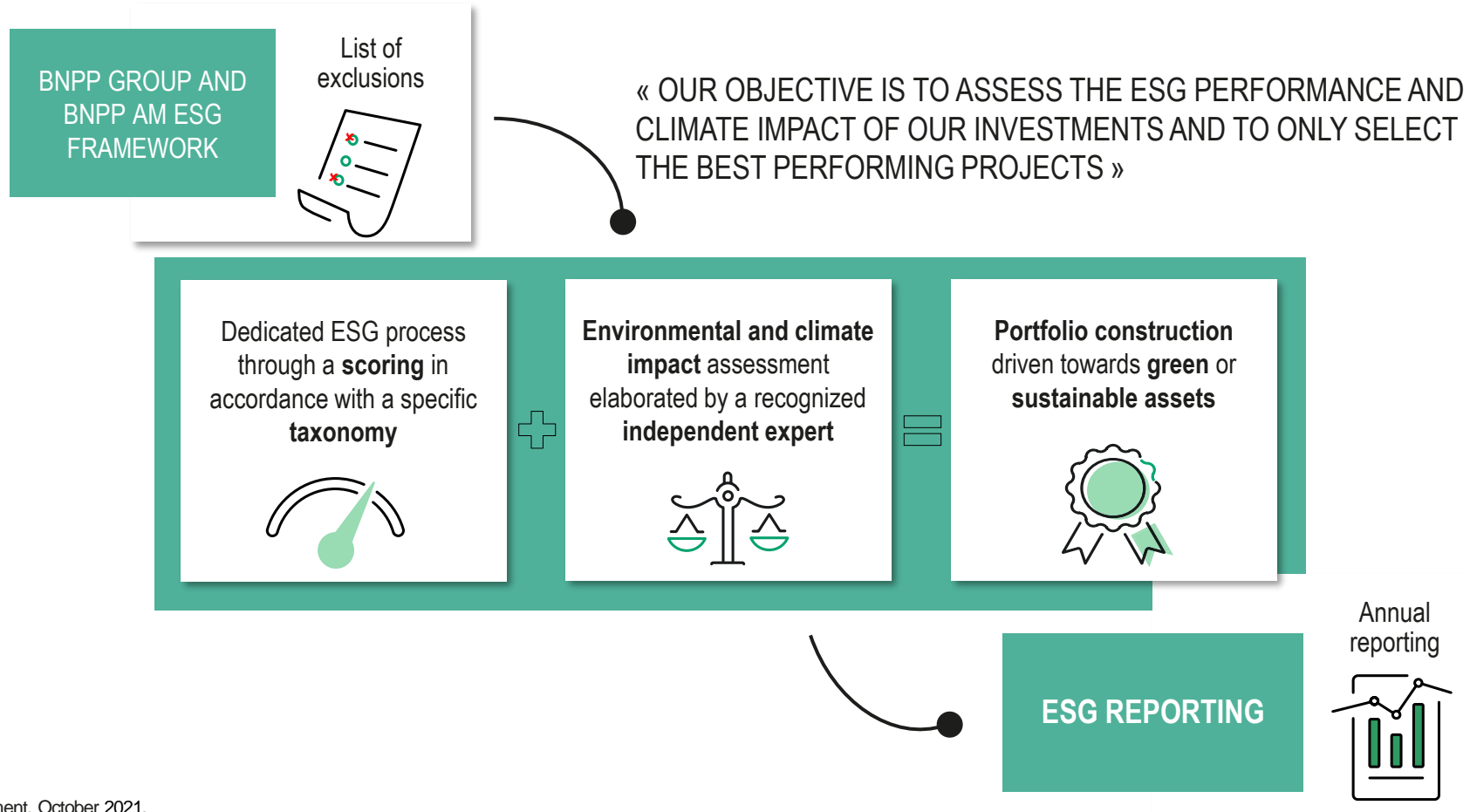
Renewable energy capacities become key to reduce data center costs

Focus is on **efficiency gains** (power density, efficient cooling systems)

Source: BNP Paribas Asset Management, October 2021.

ESG integration and its benefits

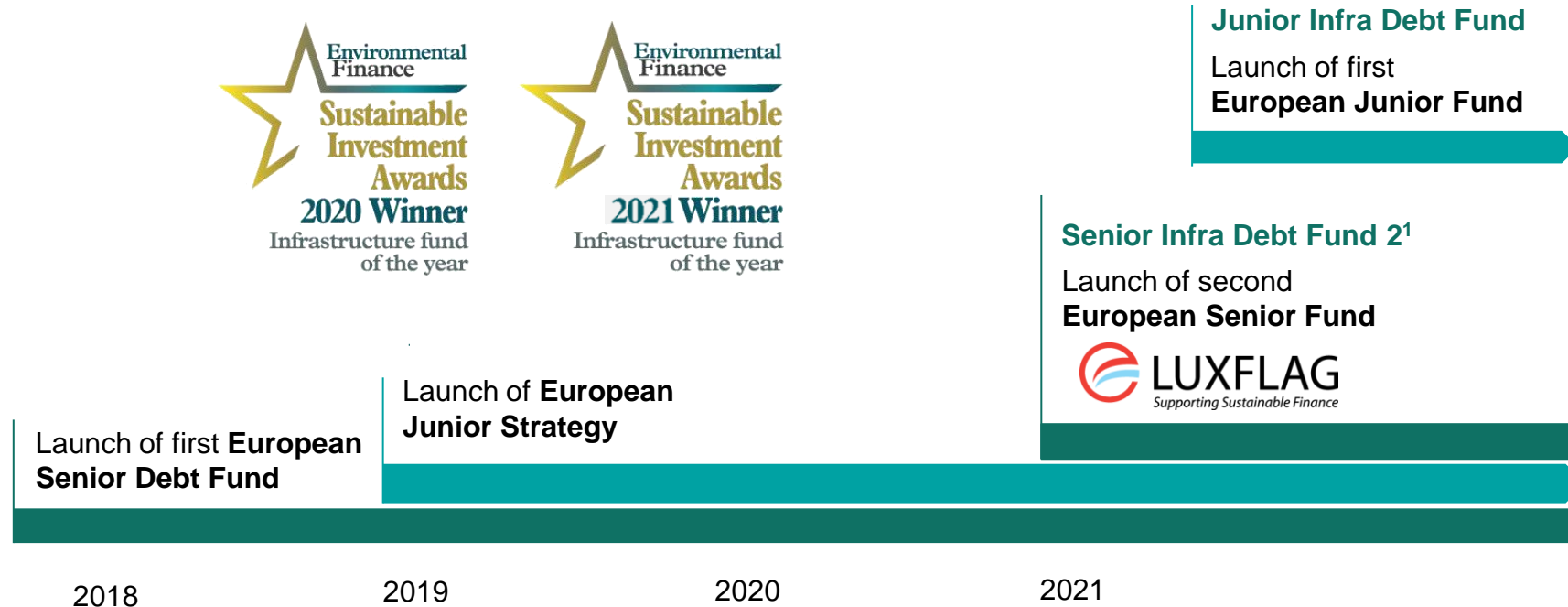
APPLYING A SUSTAINABLE APPROACH DELIVERS A POSITIVE IMPACT



Source: BNP Paribas Asset Management, October 2021.

Our Infrastructure Debt capabilities

ROOTED IN EXPERTISE, CREDIBILITY, SUSTAINABILITY, INNOVATION



Highlights

> EUR 1.3bn capital raised

> EUR 920m invested

> 25 investments

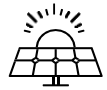
> 70% of Senior Fund I portfolio aligned with our green taxonomy

¹ LUXFLAG Applicant Fund Status (Environmental Label): valid for the period ending December 2021.

Source: BNP Paribas Asset Management, October 2021. The investments in the funds are subject to market fluctuations and the risks inherent in investments in securities. The value of investments and the income they generate September go down as well as up and it is possible that investors will not recover their initial outlay, the funds described being at risk of capital loss. Past performance is not an indication of future performance. Trademark, copyrights and other intellectual property rights are and remain the property of their respective owners.

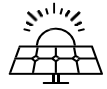
Illustration of transactions implemented in our portfolios

Energy transition



Solar, Brownfield, Spain (3 projects)

Refinancing of 3 portfolios (53.2MWh, 13.35MWh and 10.2MWh) of ground-mounted PV solar plants



Solar, Brownfield, Italy (2 projects)

Refinancing of 2 portfolios (15.6MWp and 7.2MWp) of ground-mounted PV solar plants



District Heating, Brownfield, Finland / Sweden

Acquisition financing of a municipal and industrial district heating company operating in Finland and Sweden



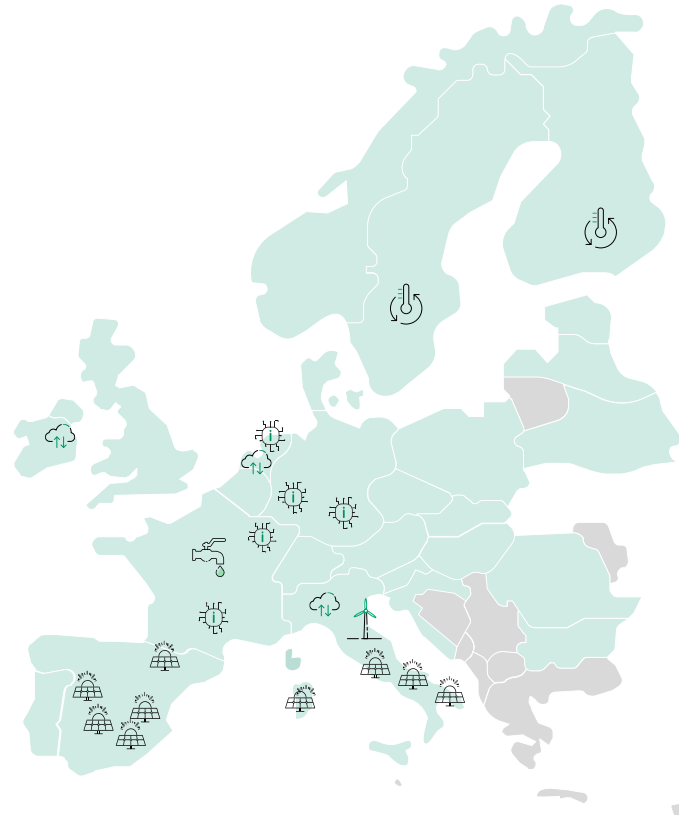
Utilities, Brownfield, France

Acquisition financing of a majority stake of a French water services company



Wind, Brownfield, Italy

Refinancing of a portfolio of 8 onshore wind farms with a total installed capacity of 141.8MW



Digital assets



Broadband telecom, Greenfield, Netherlands

Financing for a greenfield glass-fiber broadband roll-out of 1 million FttH connections



Broadband telecom, Brownfield, Germany

Refinancing of existing debt and financing of the company's FttH network roll-out



Data Center, Brownfield, Italy

Refinancing and additional capex financing of an Class IV data centre in Milan



Broadband telecom, Greenfield, France

Financing of a fiber optic network deployment and operation



Broadband telecom, Greenfield, Germany

Financing of a full-fiber FttH network deployment and operation connecting underserved municipalities

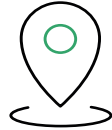
Source: BNP Paribas Asset Management, October 2021.

Our Infrastructure Debt capabilities



Seasoned investment team

- Asset management & investment banking expertise
- Complementary skills in advising, originating and structuring
- Strong track record across all infrastructure sectors



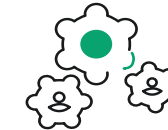
Strong origination capacity

- Extensive origination network with key market players
- Privileged access to BNP Paribas Group's infrastructure franchise
- Live pipeline of opportunities in the infrastructure debt segment



Sustainable Investment

- Full integration of sustainability factors in the investment process
- ESG¹ performance assessment of each project
- Environmental and climate impact assessment



Private Debt Platform

- 50 private debt investment professionals managing €11bn in assets²
- Dedicated support teams (Research, Legal, Middle Office)
- Shared investment philosophy across the platform

¹ ESG: environmental, social and governance, ² as of October 2021

Source: BNP Paribas Asset Management, October 2021. Past performance is not an indication of future performance. Trademark, copyrights and other intellectual property rights are and remain the property of their respective owners.

Disclaimer

BNP PARIBAS ASSET MANAGEMENT UK Limited, “the investment company”, is authorised and regulated by the Financial Conduct Authority. Registered in England No: 02474627, registered office: 5 Aldermanbury Square, London, England, EC2V 7BP, United Kingdom.

This material is produced for information purposes only and does not constitute:

an offer to buy nor a solicitation to sell, nor shall it form the basis of or be relied upon in connection with any contract or commitment whatsoever or investment advice.

This material makes reference to certain financial instruments authorised and regulated in their jurisdiction(s) of incorporation.

No action has been taken which would permit the public offering of the financial instrument(s) in any other jurisdiction, except as indicated in the most recent prospectus and the Key Investor Information Document (KIID) of the relevant financial instrument(s) where such action would be required, in particular, in the United States, to US persons (as such term is defined in Regulation S of the United States Securities Act of 1933). Prior to any subscription in a country in which such financial instrument(s) is/are registered, investors should verify any legal constraints or restrictions there September be in connection with the subscription, purchase, possession or sale of the financial instrument(s).

Investors considering subscribing to the financial instrument(s) should read carefully the most recent prospectus or offering documents and/or Key Investor Information Document (KIID) and consult the financial instrument(s)' most recent financial reports. These documents are available on the website.

Opinions included in this material constitute the judgement of the investment company at the time specified and September be subject to change without notice. The investment company is not obliged to update or alter the information or opinions contained within this material. Investors should consult their own legal and tax advisors in respect of legal, accounting, domicile and tax advice prior to investing in the financial instrument(s) in order to make an independent determination of the suitability and consequences of an investment therein, if permitted. Please note that different types of investments, if contained within this material, involve varying degrees of risk and there can be no assurance that any specific investment September either be suitable, appropriate or profitable for an investor's investment portfolio.

Given the economic and market risks, there can be no assurance that the financial instrument(s) will achieve its/their investment objectives. Returns September be affected by, amongst other things, investment strategies or objectives of the financial instrument(s) and material market and economic conditions, including interest rates, market terms and general market conditions. The different strategies applied to financial instruments September have a significant effect on the results presented in this material. Past performance is not a guide to future performance and the value of the investments in financial instrument(s) September go down as well as up. Investors September not get back the amount they originally invested.

Gross of fees performance included in this material do not reflect the deduction of commission, fees and other expenses incurred. Returns will be reduced after the deduction of such fees.

This document is directed only at person(s) who have professional experience in matters relating to investments (“relevant persons”). Any investment or investment activity to which this document relates is available only to and will be engaged in only with Professional Clients as defined in the rules of the Financial Conduct Authority. Any person who is not a relevant person should not act or rely on this document or any of its contents.

All information referred to in the present document is available on www.bnpparibas-am.com

As at October 2021.

BNP PARIBAS ASSET MANAGEMENT
14, RUE BERGÈRE
75009 PARIS
BNPPARIBAS-AM.COM



INVESTORS' 「corner」



BNP PARIBAS
ASSET MANAGEMENT

The sustainable investor for a changing world