

# 3Q 2024 Operational Updates

23 October 2024



# Outline

➤	3Q 2024 Highlights	3
➤	Business Updates	6
➤	Divestment of Philippine Coastal	11
➤	Finance and Capital Management	13
➤	Additional Information	19

## Constituent of:

MSCI



MSCI Singapore  
Small Cap Index



FTSE ST Large  
& Mid-Cap Index

## Awards and Accreditations<sup>1</sup>:

Signatory of:



1. Keppel Infrastructure Fund Management Pte. Ltd. is a signatory to the United Nations-supported Principles for Responsible Investment, under the membership of Keppel Fund Management & Investment. The use of any MSCI ESG Research LLC or its affiliates (“MSCI”) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Keppel Infrastructure Fund Management Pte. Ltd. by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided ‘as is’ and without warranty. MSCI names and logos are trademarks or service marks of MSCI.



# 3Q 2024 Highlights



Ventura

# 3Q 2024 Highlights

Underpinned by contributions from new acquisitions and KMC

## Defensive cash flows supported by portfolio of critical assets and businesses

Operating performance underpinned by new acquisitions



- 9M 2024 Distributable Income (DI) was \$106.1m versus 9M 2023 DI of \$266.1m which included a special distribution of \$131.2m
- Adjusting for one-offs and timing differences, 9M 2024 DI would be \$124.0m<sup>1</sup>, 11.2% lower y-o-y
- Positive contribution from new acquisitions of \$20.8m was offset by lower contribution from Senoko WTE (\$6.4m) and lower fuel cost over-recovery at City Energy (\$9.3m); remaining variance was due to higher growth capex of \$20.2m

Strong platform for continued growth, active portfolio management



- Contribution from Ventura and German Solar Portfolio (Phases 1 to 4), resumption of KMC distribution post CTA extension and capital restructuring
- Incremental growth capex of \$20.2m mainly for tank builds at Ixom on back of stronger demand
- Divestment of Philippine Coastal to align with long term strategy to focus on lower carbon energy transition segment

Optimised capital structure with healthy balance sheet



- Issued \$200m 4.90% perpetual securities and raised \$200m via placement, fully repaying Ventura term loan
- Optimised capital structure with healthy net gearing of 40.1% as at 30 Sep 2024, comfortable debt headroom to support growth



1. 9M 2024 DI would be \$124.0m after adjusting for performance fee (\$13.0m) and upfront financing fee (\$6.5m) net of PCSPC loan drawdown for capex (\$1.1m) and base fees (\$0.5m). 9M 2023 DI would be \$139.7m after adjusting for BKR2 debt repayment (\$22.4m), upfront financing fee (\$13.1m), capital optimisation (\$131.2m) and base fees (\$14.0m).

# Driving Portfolio Growth through Acquisitions and Value Creation

Well-positioned for growth

2023-2024 milestones

Expanded into transportation infrastructure

Acquisition of Ventura

Made 1st solar investment

German Solar Portfolio

Concession and CTA extended

Senoko WTE Plant and KMC

Crystallised value creation

Ixom and City Energy

Feb 2019

Acquired 100% stake in Ixom



Jan 2021

Acquired 50% interest in Philippine Coastal



Feb 2022

Acquired 49% stake in Aramco Gas Pipelines Company as part of a consortium



Jun 2022



Acquired remaining 30% stake in the SingSpring Desalination Plant

Sep 2022



Acquired 13.4% interest in a European Onshore Wind Platform, with three wind farms across Norway and Sweden

Oct 2022



Acquired 52% interest in EMK, an integrated waste platform in South Korea

Dec 2022



Acquired 20.5% interest in BKR2, an offshore wind farm in Germany

Dec 2023



Acquired 13.4% interest in Fäbodliden II, an onshore wind farm in Sweden

Jan 2024



Acquired 45% interest in a German solar portfolio<sup>1</sup>

Jun 2024



Acquired 97.7% interest in Ventura, a leading transportation business in Australia

Pro forma  
AUM: \$8.7b

1. Completed first three closings of the German Solar Portfolio acquisition in 1H 2024, with the fourth closing completed on 26 Jul 2024. A fifth closing is expected in 4Q 2024.
2. Assets under Management (AUM). Based on independent valuation conducted by Ernst & Young. Represents KIT's equity stake in the enterprise value of its investments plus cash held at the Trust. Excluding first phase of German Solar Portfolio acquisition, AUM would be \$7.4b as at 31 Dec 2023.



# Business Updates



Ixom

# Business Updates: Energy Transition

Supports the transition to a low-carbon economy and furthers KIT's decarbonisation roadmap

## City Energy: Building new growth engines



- 1.2% y-o-y growth in commercial & industrial segment with base of more than 907,000 customers
- Exclusive rights to extend EV charging services to more than 23,000 carpark lots in private residential and mixed developments

### Strategic Growth plans

- Position City Energy as a key importer for green hydrogen; accelerate transition to green hydrogen
- Grow new businesses: EV charging, solar and LPG business
- Increase gas water heating segment market share

## Continued performance of investments



### Renewables Portfolio



European Onshore Wind Platform



German Offshore Wind Farm (BKR2)



German Solar Portfolio

- Completed acquisition of German Solar Portfolio<sup>1</sup>
- BKR2: continued progress in increasing output capacity to maximum allowable 486MW



### Transition Assets



Keppel Merlimau Cogen Plant (KMC)



Aramco Gas Pipelines Company (AGPC)

- KMC achieved 100% contractual plant availability in 3Q 2024

1. Completed first three closings in 1H 2024, with the fourth closing completed on 26 Jul 2024. A fifth closing is expected in 4Q 2024.

# Business Updates: Environmental Services

Provides the essential services that protect human health and safeguard the environment

## EMK: Driving business performance



- Maintained high availability and full utilisation of incineration capacity
- Expansion of waste treatment solutions: Commencement of asbestos treatment business, new plastics recycling business has also commenced with volumes secured from pre-sales activities
- Preserving landfill capacity due to low prices; prices remain soft but are expected to improve gradually

## Strategic Growth plans

- Drive growth through bolt-on acquisitions
- Expand recycling business and improve waste mix
- Expand into niche waste streams with high margins
- Secure designated waste licenses to improve pricing

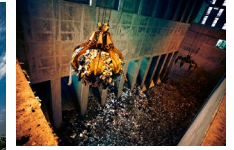
## Stable contributions from concession assets



### Singapore waste and water assets



Senoko Waste-to-Energy (WTE) Plant



Keppel Seghers Tuas WTE Plant



Keppel Seghers Ulu Pandan NEWater Plant



SingSpring Desalination Plant

- Fulfilled contractual obligations with high availability



# Business Updates: Distribution & Storage

Supporting and driving economic growth



## Ventura: Platform of scale to capture growth

- Secured early extension of bus service contracts to 2028<sup>1</sup> on achievement of key performance targets
- Availability-based revenue that does not fluctuate with passenger volume nor fares collected
- Defensive cash flows with cost indexation and capital reimbursement

## Strategic Growth plans

- Network expansion within and beyond Victoria
- Electrification to further drive savings, potential for third-party revenue
- Grow chartering business to add on non-government revenue
- Unlock ancillary revenues, such as on-demand bus service, and in-house bus assembly

1. Metropolitan Bus Service Contracts ("MBSCs") are long term (8+2 years) contracts entered into in 2018 for 8 years till 2026, with an automatic 2-year extension up to 2028 if certain key performance targets are achieved.

# Business Updates: Distribution & Storage

Supporting and driving economic growth

## Ixom: Sharpen business for growth



- Strong performance by Australia and New Zealand Water segments, supported by Mining and Bitumen segments.
- New Zealand Dairy segment contributed consistent performance, with Industrial segment performing well
- Market leading position with the ability to manage cost inflation
- Incremental growth capital expenditure of \$13.0m mainly for tank builds, to meet demand for various products

### Strategic Growth plans

- Sharpen business; continue to seek bolt-on opportunities
- Leverage strategic assets to grow market share
- Enhance value proposition to customers

## Philippine Coastal: Capacity expansion completed



- High tank utilisation rate of 94.7% as at end-Sep 2024
- Optimisation of existing capacity with new contracts
- Capacity expansion of first tank completed, second tank on track for completion by 4Q 2024
- Divestment announced on 23 Oct 2024



# Divestment of Philippine Coastal

Philippine Coastal Storage &  
Pipeline Corporation





# Divestment of Philippine Coastal

- Entered into a sale and purchase agreement for the sale of KIT's entire equity interest of 50% in Philippine Coastal Storage & Pipeline Corporation (PSCPC); expected completion by early 2025.
- Divestment of Philippine Coastal for an enterprise value of US\$460m (S\$598m)<sup>1</sup>; KIT to realise gain of US\$21.1m (S\$27.5m)<sup>1,2</sup>.
- Align with long term strategy to focus on lower carbon energy transition segment, strengthening KIT's balance sheet and enhancing financial flexibility to pursue other growth initiatives, including accretive acquisitions.

## Pro forma Financial Effects

### Net Gearing<sup>3</sup>

▼ **2.2pp**

From 39.8% as at 31 Dec 2023 to 37.6% *pro forma* post Divestment

### Net Asset Value (S\$ cents)<sup>4</sup>

▲ **3.2%**

From 15.8 cents as at 31 Dec 2023 to 16.3 cents *pro forma* post Divestment

### Funds from Operations<sup>5,6</sup>

▼ **1.8%**

From S\$287.9m<sup>7</sup> in FY 2023 to S\$282.8m *pro forma* post Divestment

1. Illustrative exchange rate of USD1:SGD1.3 prevailing as of 19 October 2024.
2. Compared to the book value as of 30 Sep 2024 of KIT's investment in the PCSPC Group.
3. Assuming the transaction had been completed and the net transaction proceeds had been applied to reduce the KIT Group's debt as of 31 Dec 2023. Net gearing is calculated as net debt of the KIT Group divided by the total assets of the KIT Group.
4. Assuming the transaction had been completed as of 31 Dec 2023.
5. Assuming the transaction had been completed and the net transaction proceeds had been applied to reduce the KIT Group's debt as of 1 Jan 2023.
6. The distributable income per KIT Unit (DIPU) for FY 2023 was 4.03 Singapore cents (excluding the effects of the Ixom capital optimisation, which had been distributed as special distribution to KIT Unitholders). Assuming the transaction had been completed as of 1 Jan 2023, the *pro forma* DIPU adjusted for the transaction would be 4.01 Singapore cents, representing a change of approximately -0.5%.
7. Excluding the effects of the Ixom capital optimisation, which had been distributed as a special distribution to KIT unitholders.



# Finance and Capital Management

City Energy



# 9M 2024 Distributable Income (DI) (1/2)

## Contribution from new acquisitions and resumption of KMC DI

SS'000	9M 2024	9M 2023	+/(-) %	Remarks
<b>Energy Transition</b>	<b>109,933</b>	<b>106,998</b>	<b>2.7</b>	
- City Energy	<b>34,565</b>	44,245	(21.8)	Lower fuel cost over-recovery due to timing of fuel cost passthrough (\$9.3m).
- Transition Assets (KMC and AGPC)	<b>59,721</b>	36,503	63.6	Resumption of KMC's DI after capital restructuring (\$26.8m) in 9M 2024. Lower contribution from AGPC due to a marked to market gain from unwinding of interest rate swaps at AGPC in 9M 2023 net of higher 9M 2024 throughput volume (\$3.6m).
- Renewables Portfolio (wind farms)	<b>918</b>	26,250	(96.5)	<ul style="list-style-type: none"> <li>BKR2's 9M 2024 debt repayment was \$47.3m vs \$25.8m in 9M 2023 (\$21.5m).</li> <li>Accounting classification resulted in higher 9M 2023 DI (\$7.9m). Remaining variance due to higher production net of unscheduled maintenance for grid infrastructure (\$4.1m).</li> </ul>
- German Solar Portfolio	<b>14,709</b>	-	N.M.	Contribution from first to fourth close of the acquisition.
<b>Environmental Services</b>	<b>48,209</b>	<b>57,661</b>	<b>(16.4)</b>	
- Singapore Waste and Water Assets	<b>47,343</b>	53,419	(11.4)	Lower contribution from Senoko (\$2.7m) and extension capex (\$3.7m) incurred.
- EMK	<b>866</b>	4,242	(79.6)	Due to phased retrofitting works undertaken for plastic recycling business.
<b>Distribution &amp; Storage</b>	<b>29,852</b>	<b>45,614</b>	<b>(34.6)</b>	
- Ixom	<b>17,544</b>	39,393	(55.5)	Higher maintenance and growth capex (\$20.3m) and higher incremental interest expense (\$19.6m) in 9M 2024 net of one-off upfront financing fee paid in 9M 2023 (\$10.7m). Remaining variance driven by better operating performance (\$1.6m) and lower tax paid (\$5.8m).
- Philippine Coastal	<b>6,179</b>	6,221	(0.7)	9M 2024 includes loan drawdown for capex due to tank storage expansion completion (\$1.1m) and one-off upfront financing cost (\$2.2m).
- Ventura	<b>6,129</b>	-	N.M.	Contribution since completion of acquisition on 3 Jun 2024.
<b>Asset Subtotal</b>	<b>187,994</b>	<b>210,273</b>	<b>(10.6)</b>	



# 9M 2024 Distributable Income (DI) (2/2)

## Contribution from new acquisitions and resumption of KMC DI

S\$'000	9M 2024	9M 2023	+ / (-) %	Remarks
<b>Energy Transition</b>	<b>109,933</b>	106,998	2.7	Please refer to slide 14 for the variance analysis.
<b>Environmental Services</b>	<b>48,209</b>	57,661	(16.4)	Please refer to slide 14 for the variance analysis.
<b>Distribution &amp; Storage</b>	<b>29,852</b>	45,614	(34.6)	Please refer to slide 14 for the variance analysis.
<b>Asset Subtotal</b>	<b>187,994</b>	210,273	(10.6)	
<b>Corporate</b>	<b>(81,863)</b>	(75,367)	8.6	Comprises Trust's expenses and distribution paid/payable to securities holders, management fees and financing costs.
<b>Capital Optimisation</b>	<b>-</b>	131,164	N.M.	Special distribution in 9M 2023 of \$131.2m
<b>Distributable Income</b>	<b>106,131</b>	266,070	(60.1)	
<b>Distributable Income (after adjusting for one-offs and timing differences)</b>	<b>124,016</b>	139,685	(11.2)	<ul style="list-style-type: none"> <li>9M 2024 DI would be \$124.0m after adjusting for performance fee (\$13.0m) and upfront financing fee (\$6.5m) net of PCSPC loan drawdown for capex due to tank storage completion (\$1.1m) and base fees (\$0.5m).</li> <li>9M 2023 DI would be \$139.7m after adjusting for BKR2 debt repayment (\$22.4m), upfront financing fee (\$13.1m), capital optimisation (\$131.2m) and base fees (\$14.0m).</li> <li>Positive contribution from new acquisitions of \$20.8m was offset by lower contribution from Senoko WTE (\$6.4m) and lower fuel cost over-recovery at City Energy (\$9.3m); remaining variance was due to higher growth capex of \$20.2m.</li> </ul>

# Balance Sheet

Building a strong balance sheet to support growth

Balance Sheet (S\$m)	30 Sep 2024	31 Dec 2023
Cash	459.8	482.6
Borrowings	2,945.8	2,717.0
Net debt	2,486.0	2,234.4
Total assets	6,194.0	5,617.2
Total liabilities	4,307.5	3,828.2



## Net gearing

40.1%<sup>1</sup>



## Fixed and hedged debt

~73.5%<sup>2</sup>



## Net Debt/EBITDA

5.5x<sup>3</sup>



## Foreign currency distributions hedged

~71.5%



## Undrawn committed credit facilities

\$611m



## Interest Coverage Ratio

11.9x



## Weighted average interest rate

4.57%



## Weighted average term to maturity

Approx. 4.0 years

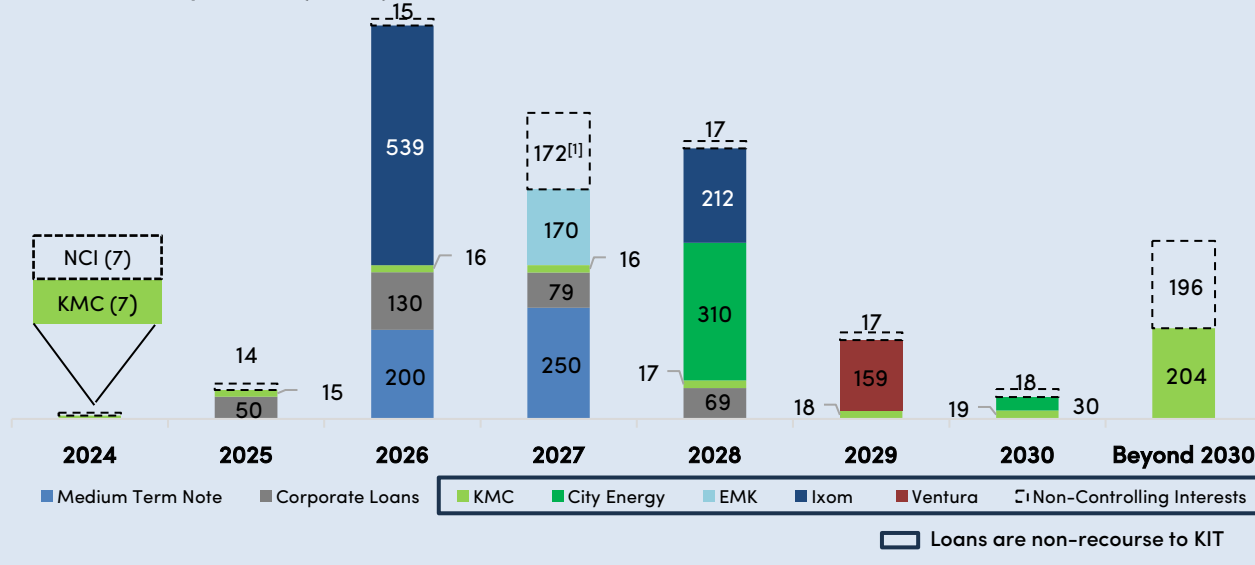
1. Unlike REITs, there are no gearing restrictions on Business Trusts.
2. A 25bps change in interest rate would have a ~1.4% impact on 9M 2024 Distributable Income.
3. Based on 12 months trailing EBITDA including EBITDA contribution from completed phases of German Solar Portfolio, and Ventura from 3 Jun 2024.

# Capital Management

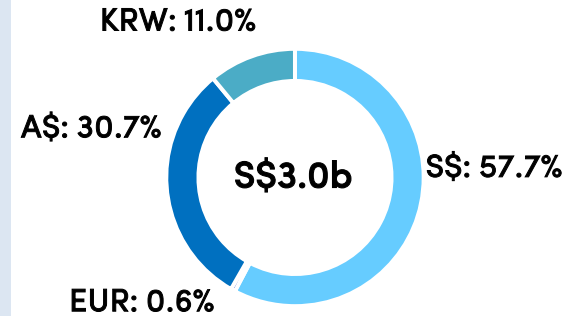
## Well-spread debt maturity profile with healthy capital management metrics

- Successfully raised \$200m from placement to new and existing investors.
- Optimised KIT's capital structure with issuance of \$200m 4.90% perpetual securities.
- Fully repaid the term loan drawn to acquire Ventura with proceeds from the issuance of perpetual securities and placement.

Debt Maturity Profile  
as at 30 Sep 2024 (S\$'m)



Debt Breakdown by Currency  
as at 30 Sep 2024



1. NCI debt value of S\$172m in year 2027 consists of NCI-KMC of S\$16m and NCI-EMK of S\$156m.



# Thank You

[www.kepinfratrust.com](http://www.kepinfratrust.com)

Connect with us on: 

Borkum Riffgrund 2



# Additional Information



# Voluntary Independent Portfolio Valuation

Portfolio AUM of \$8.7b with new acquisitions and value creation initiatives

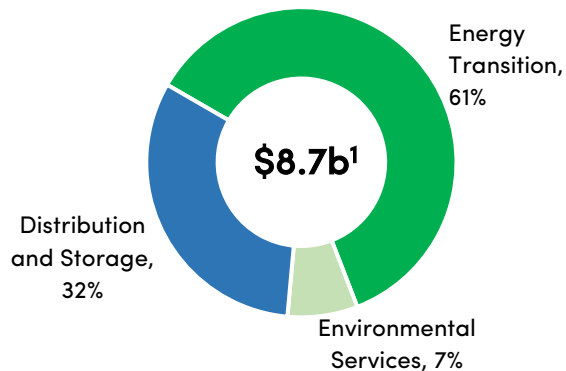
- Improve transparency and better reflect asset values which are largely recognised at cost in statutory reports
- Higher y-o-y AUM of \$8.7b driven by new acquisitions and growth in existing businesses

A resilient and diversified portfolio..

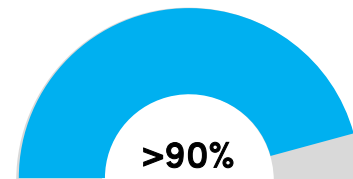
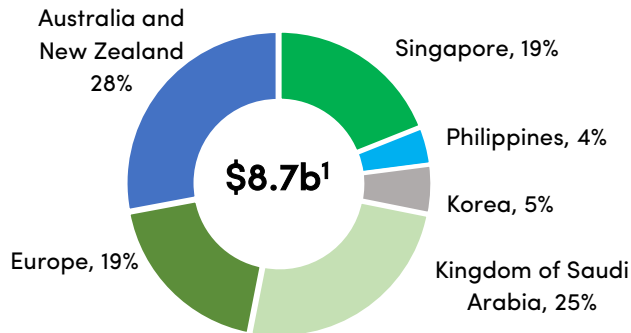
... that is well insulated from inflation

## Assets under Management (AUM)

### By Business and Assets



### By Geography









~70% of portfolio with costs pass through mechanisms / CPI-linked;  
>20% in businesses with market-leading position

1. Assets under Management (AUM). Based on independent valuation conducted by Ernst & Young (except the German Solar Portfolio and Ventura). Represents KIT's equity stake in the enterprise value of its investments plus cash held at the Trust.








# Portfolio Overview as at 30 Sep 2024

		Description	Customer	Revenue model	Total Assets <sup>1</sup> (S\$m)
Energy Transition		<b>City Energy</b> Sole producer and retailer of piped town gas; expanded into LPG business, as well as EV charging and smart home solutions	> 900,000 commercial and residential customers	Fixed margin per unit of gas sold, with fuel and electricity costs passed through to consumers	2,993.2
		<b>Keppel Merlimau Cogen</b> 1,300MW combined cycle gas turbine power plant	Capacity Tolling Agreement with Keppel Electric until 2040 (land lease till 2035, with 30-year extension)	Fixed payments for meeting availability targets	
		<b>Aramco Gas Pipelines Company</b> Holds a 20-year lease and leaseback agreement over the usage rights of Aramco's gas pipelines network	20 years quarterly tariff from Aramco, one of the largest listed companies globally (A1 credit rating)	Quarterly tariff payments backed by minimum volume commitment for 20 years with built-in escalation	
		<b>European Onshore Wind Platform</b> Four wind farm assets in Sweden and Norway with a combined capacity of 275 MW	Local grid	Sale of electricity to the local grid	
		<b>BKR2</b> A 465 MW operating offshore wind farm located in Germany	20-year power purchase agreement with Ørsted till 2038	Operates under the German EEG 2014 with attractive Feed-in-Tariff and guaranteed floor price till 2038	
		<b>German Solar Portfolio</b> ~60,000 bundled solar PV systems <sup>2</sup> with a projected combined generation capacity of 585 MW	20-year lease contracts with German households	Receive fixed monthly rental fees for rental of solar PV systems	

1. Based on book value as at 30 Sep 2024.




2. Including systems under development.

# Portfolio Overview as at 30 Sep 2024

		Description	Customer	Revenue model	Total Assets <sup>1</sup> (\$\$'m)
Environmental Services		<b>Senoko WTE Plant</b> Waste-to-energy plant with 2,310 tonnes/day waste incineration concession	NEA, Singapore government agency - concession until 2027 with option for up to 1-year extension (Singapore - AAA credit rating)	Fixed payments for availability of incineration capacity	1,095.4
		<b>Tuas WTE Plant</b> Waste-to-energy plant with 800 tonnes/day waste incineration concession	NEA, Singapore government agency - concession until 2034 (Singapore - AAA credit rating)	Fixed payments for availability of incineration capacity	
		<b>Ulu Pandan NEWater Plant</b> One of Singapore's largest NEWater plants, capable of producing 162,800m <sup>3</sup> /day	PUB, Singapore government agency - concession until 2027 (Singapore - AAA credit rating)	Fixed payments for the provision of NEWater production capacity	
		<b>SingSpring Desalination Plant</b> Singapore's first large-scale seawater desalination plant, capable of producing 136,380m <sup>3</sup> /day of potable water	PUB, Singapore government agency - concession until 2025 (land lease till 2033) (Singapore - AAA credit rating)	Fixed payments for availability of output capacity	
		<b>EMK</b> Leading integrated waste management services player in South Korea	Variety of customers including government municipalities and large industrial conglomerates	Payments from customers for delivery of products and provision of services based on agreed terms	

1. Based on book value as at 30 Sep 2024.

# Portfolio Overview as at 30 Sep 2024

		Description	Customer	Revenue model	Total Assets <sup>1</sup> (S\$m)
Distribution & Storage		<b>Ixom</b> Manufacturer and distributor of water treatment chemicals, industrial and specialty chemicals in Australia and New Zealand	Over 17,000 business and municipal customers, and over 35,000 retail customers	Payments from customers for delivery of products and provision of services based on agreed terms	2,068.9
		<b>Philippine Coastal</b> Largest independent petroleum products storage facility in the Philippines, located in Subic Bay	Blue-chip customers	USD-denominated "take-or-pay" contracts	
		<b>Ventura</b> Largest bus operator in Victoria, Australia, providing essential transport services in Melbourne	Public and private entities including government, school and businesses	Majority of revenues from long-term, fixed-fee cost-indexed government contracts	

1. Based on book value as at 30 Sep 2024.



# Important Notice

The information contained in this presentation is for information purposes only and does not constitute or form part of, and should not be construed as, any offer or invitation to sell or issue or any solicitation of any offer or invitation to purchase or subscribe for any units ("Units") in Keppel Infrastructure Trust ("KIT") or rights to purchase Units in Singapore, the United States or any other jurisdiction. This presentation is strictly confidential to the recipient, may not be reproduced, retransmitted or further distributed to the press or any other person, may not be reproduced in any form and may not be published, in whole or in part, for any purpose to any other person with the prior written consent of the Trustee-Manager (as defined hereinafter). This presentation should not, nor should anything contained in it, form the basis of, or be relied upon in any connection with any offer, contract, commitment or investment decision whatsoever and it does not constitute a recommendation regarding the Units.

The past performance of KIT is not necessarily indicative of its future performance. Certain statements made in this presentation may not be based on historical information or facts and may be "forward-looking" statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar businesses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business. Such forward-looking statements speak only as of the date on which they are made and KIT does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking statements.

Prospective investors and unitholders of KIT ("Unitholders") are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel Infrastructure Fund Management Pte. Ltd. (as trustee-manager of KIT) ("Trustee-Manager") on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. The information is subject to change without notice, its accuracy is not guaranteed, has not been independently verified and may not contain all material information concerning KIT. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, KIT, the Trustee-Manager or any of its affiliates and/or subsidiaries. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

The information contained in this presentation is not for release, publication or distribution outside of Singapore (including to persons in the United States) and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

This presentation is not for distribution, directly or indirectly, in or into the United States. No Units are being, or will be, registered under the U.S. Securities Act of 1933, as amended ("Securities Act"), or the securities laws of any state of the U.S. or other jurisdiction and no such securities may be offered or sold in the U.S. except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. No public offering of securities is being or will be made in the U.S. or any other jurisdiction.