Thursday, 7 May 2020

The Manager
Company Announcements
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Spark Infrastructure Presentation – Macquarie Investor Conference - 7 May 2020

Please find attached Spark Infrastructure's presentation to the Macquarie Investor Conference on 7 May 2020.

Yours faithfully,

Alexandra Finley
Company Secretary

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MACQUARIE CONFERENCE PRESENTATION

7 MAY 2020

SPARK INFRASTRUCTURE – AT A GLANCE

ASX-listed owner of leading essential services infrastructure

$3.3bn MARKET CAPITALISATION(1) **S&P/ASX 100**

$6.5bn REGULATED AND CONTRACTED ASSET BASE (PROPORTIONAL)

$18bn TOTAL ELECTRICITY NETWORK ASSETS(2)

SUPPLYING **5.0m+** HOMES AND BUSINESSES

OVER **5,300** EMPLOYEES

Distribution

Victoria Power Networks and SA Power Networks

49% SPARK INFRASTRUCTURE OWNERSHIP

$10.68bn REGULATED ASSET BASE

SKI PROPORTIONAL ASSET BASE(3)

Transmission

TransGrid

15% SPARK INFRASTRUCTURE OWNERSHIP

$7.13bn REGULATED AND CONTRACTED ASSET BASE

SKI PROPORTIONAL ASSET BASE(3)

Renewables

Bomen Solar Farm

100% SPARK INFRASTRUCTURE OWNERSHIP

$0.19bn CONTRACTED ASSET BASE AT COMPLETION

SKI PROPORTIONAL ASSET BASE(3)

(1) As at 4 May 2020. Balance sheet and other information as at 31 December 2019 (2) Spark Infrastructure has proportional interests in $18bn of total electricity network and contracted generation assets (3) Pro forma

FY2020 DISTRIBUTION GUIDANCE RECONFIRMED

Strong cash flow from high quality network businesses

Look-through net operating cash flow[(1)]

$379m

Up 15.7%

FY2019 Distribution

15cps

Regulated asset base[(2)]

$6.2bn

Up 2.9%

Contracted asset base[(3)]

$260m

Up 301.2%

FY2020 Distribution guidance reconfirmed[(4)]

13.5cps

at least

Growth capital expenditure[(5)]

$368m

Up 85.8%

FFO/ Net debt[(6)]

13.5%

Up 0.5%

(1) Includes repayment of shareholder loans and adjusted to exclude tax paid relating to periods other than FY18 and Bomen Solar Farm one-off costs
(2) On an aggregated proportional basis to Spark Infrastructure
(3) Includes Bomen Solar Farm and TransGrid CAB on a proportional basis to Spark Infrastructure
(4) Subject to business conditions
(5) Represents increase in RCAB and Bomen Solar Farm acquisition and construction costs
(6) Funds From Operations (FFO)/ Net debt on a look-through basis

COVID-19 UPDATE

Focus of businesses is health and safety of employees while maintaining essential services to customers

Health, Safety & Service	• Priority is health and safety of thousands of staff, millions of customers and the wider community • Each business has enacted respective Crisis Management Frameworks and made changes to operations to ensure continuity in energy supply and safety of their staff and community • Government authorities across Australia acknowledge each of our businesses as essential. Majority of scheduled maintenance activities including inspections and asset replacements have continued using revised work practices to comply with social distancing and safety standards
Operational Update	• Some higher opex due to adapted ways of working; lower capex resulting in lower labour recoveries. Largely offset by lower opex in other parts of the businesses including consultants and external service providers • Energy demand across the National Electricity Market (NEM) has also seen a decline, with March figures indicating reductions of 6.6% in NSW, 6.8% in Victoria and 11.1% in South Australia[1]: Reduction in volume related revenue expected to be recovered in subsequent periods under revenue cap arrangements • Energy Networks Australia (ENA) announced Network Relief Package[2] at the beginning of April to be offered by privately held networks in South Australia, Victoria and NSW to customers affected by COVID-19[3] • For customers impacted by COVID-19, the Relief Package waives network charges for residential customers of small retailers and small business customers and defers payment of network charges for residential customers of large retailers for the period 1 April 2020 to 30 June 2020

(1) Morgan Stanley Analyst Rob Koh (The Australian Financial Review April 27, 2020 - https://www.afr.com/companies/energy/nsw-coal-power-lowest-for-five-years-20200426-p54nai)
(2) https://www.energynetworks.com.au/miscellaneous/covid-19-electricity-and-gas-network-relief-package/.
(3) Small business customers who consume less than 40MWh per annum (based on 2019) and use less than 25% of historical average consumption for the period. Residential customers not in arrears or receiving government benefits before 1 March 2020 but are after 1 April 2020.

LIQUIDITY AND REFINANCING RISKS ARE LOW

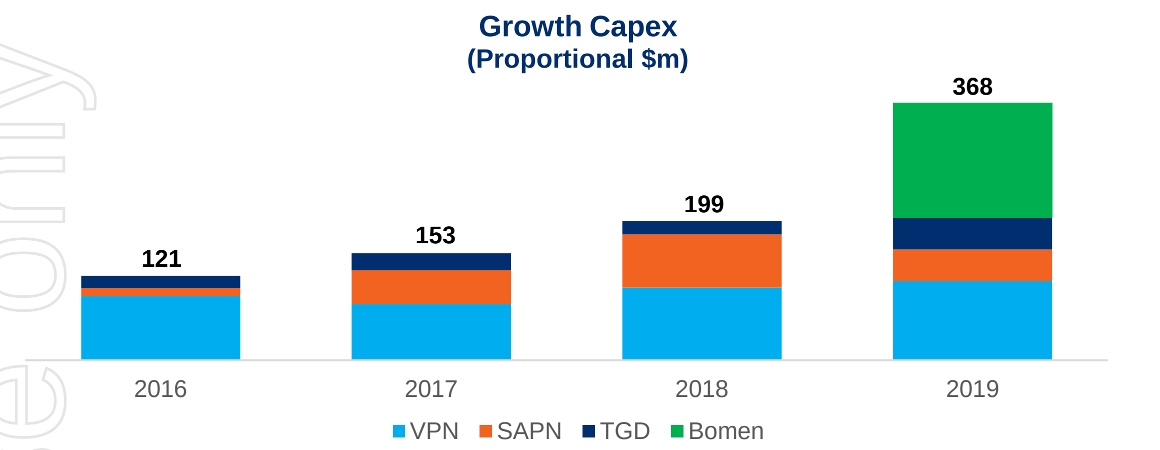
	Rating (S&P / Moody's)	Undrawn Debt	Drawn Debt	Total Debt		Next Maturity	
				Amount	Avg. Maturity	Amount	Date
VPN[1]	A- / n/a	$445m	$4,555m	$5,000m	5.4 years	$278m	June 2020
SAPN[1]	A- /n/a	$225m	$3,262m	$3,487m	6.9 years	$53m	June 2022
TransGrid[1]	n/a / Baa2[3]	$676m	$5,846m	$6,522m	5.1 years	$1,550m	June 2021
Corporate[2]	n/a / Baa1	$360m	$40m	$400m	3.0 years	$400m	February 2023

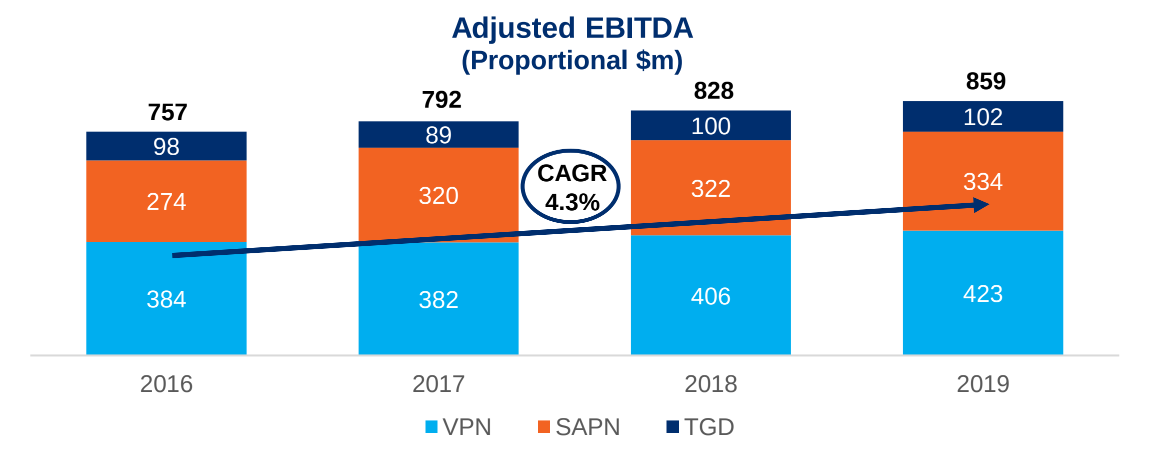
- Substantial undrawn and committed facilities
- Investment grade credit ratings
- Access to multiple sources of debt
- Long weighted average maturities
- Minimal short-term refinancing requirements
- Victoria Power Networks and TransGrid likely to utilise bank market in the short term

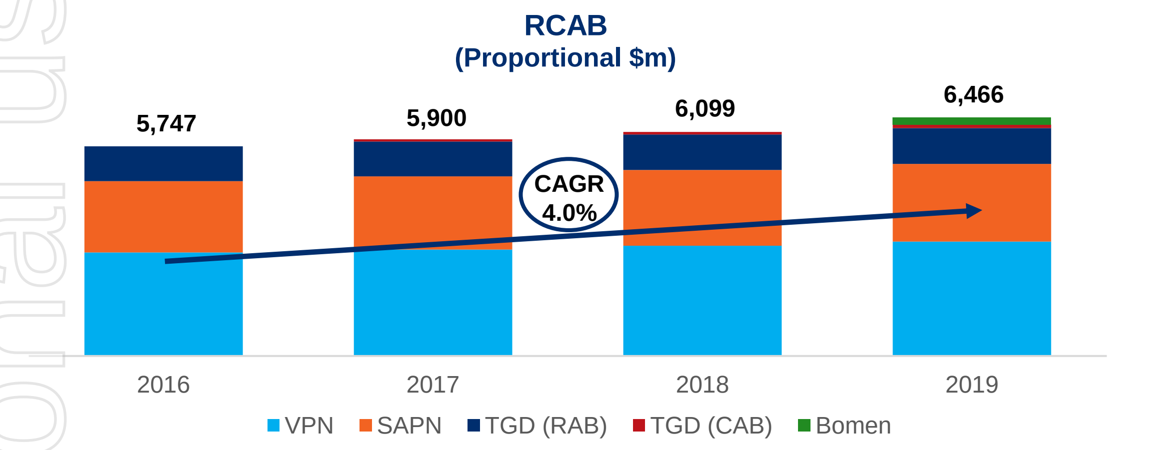
(1) As at 31 December 2019
(2) As at 25 February 2020
(3) Relates to the Obligor Group

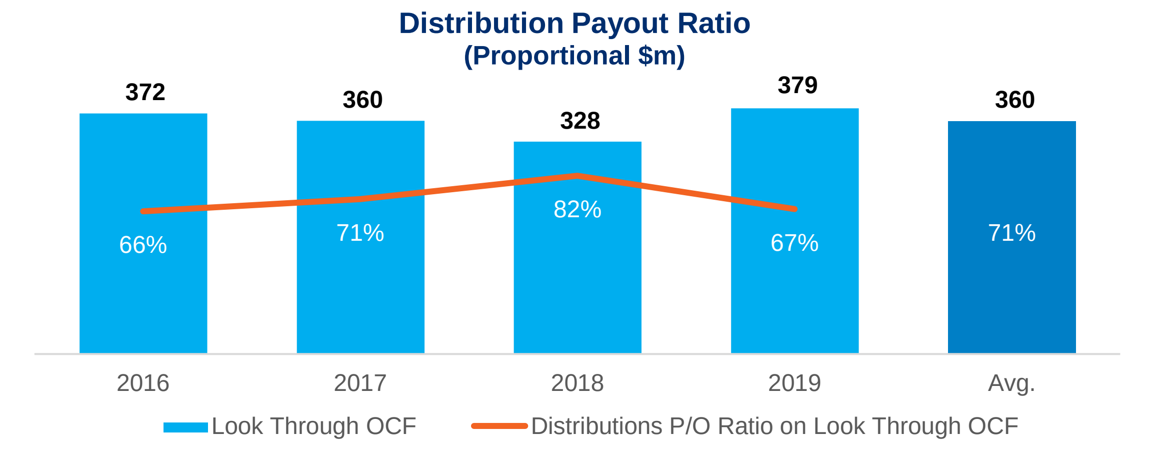
GROWTH IN EBITDA AND RCAB

As measured across the last four years









71% average look-through net operating cash flow payout ratio over the last four years

OUTLOOK AND DISTRIBUTIONS

Capital growth and distributions underpinned by strong operational cash flows

Outlook	• Growth agenda for TransGrid is substantial, but still subject to regulatory hurdles:
	  • VNI contingent project application (totalling ~$90m) being assessed by AER
	  • QNI contingent project application (totalling ~$230m) approved 28 April 2020
	  • PEC RIT-T approved in Jan 2020, contingent project application likely to be submitted mid-2020
	  • A further $3bn+ priority projects expected to advance in planning and approvals during 2020
	• SAPN (May 2020) and VPN (April 2021) regulatory determinations will deliver certainty for next 5 years
	• Bomen Solar Farm mechanically complete and commissioning underway. Expected to commence commercial operations in Q2 2020
	• Continuing to monitor developments and opportunities in contracted renewables generation
	• VPN tax appeal was due to be heard by full Federal Court in May, timing currently uncertain due to COVID-19

Distribution guidance	• Board has reconfirmed distribution guidance for FY2020 of at-least 13.5cps: • 7.0cps for 1H20; and at least 6.5cps for 2H20, subject to business conditions • Distributions expected to be covered by look-through net operating cash flows • Achieved an average payout ratio of 71% of look-through net operating cash flows over the last four years

STRATEGY & GROWTH

LONG-LIFE ASSETS WITH GROWTH THROUGH CAPITAL INVESTMENT INSTRUMENTAL TO THE TRANSITION TO RENEWABLES

STRATEGIC VISION AND PRIORITIES

OBJECTIVE

Delivering long-term value through capital growth and distributions to Securityholders from our portfolio of high-quality, long-life essential services infrastructure businesses

By building sustainable businesses and harnessing their evolving growth potential we will continue to create long-term value for Securityholders

ELECTRICITY NETWORKS

RENEWABLE ENERGY

ELECTRICITY STORAGE

GAS NETWORKS / GAS STORAGE

WATER NETWORKS / WATER STORAGE

BUSINESS MODEL

Value Enhance

Managing our portfolio for performance and organic growth through efficient investment

Value Build

Developing adjacent business platforms

Value Acquire

Growing through disciplined acquisitions

AUSTRALIA’S ENERGY MARKET IS IN TRANSITION

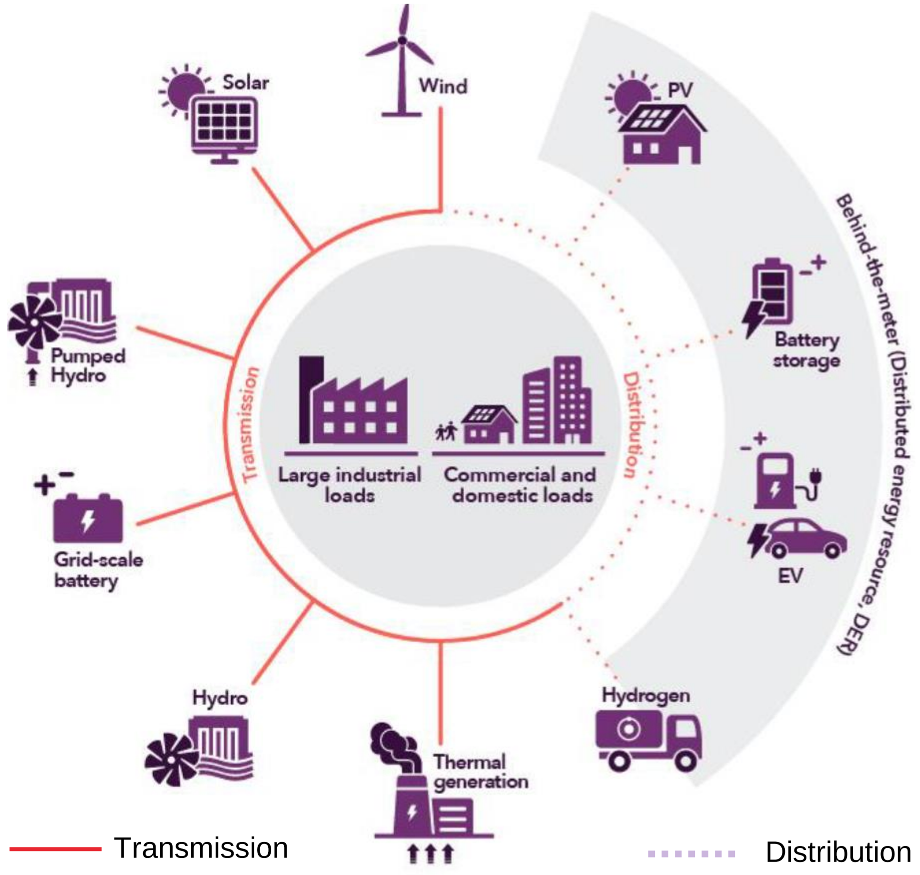
The Australian Energy Market Operator’s (AEMO) Draft 2020 Integrated System Plan (ISP) identifies nationally significant and essential investments in the electricity system

Key market requirements in the Draft 2020 ISP(1)

- More than 15 transmission projects including seven near term critical projects with a combined estimated capital cost of approximately $11bn(2)
- Targeted grid investment needed to balance resources across States and unlock Renewable Energy Zones (REZs)
- More than 30 GW of new large-scale renewable energy
- Up to 21 GW of new dispatchable resources to back up renewables
- Rooftop solar expected to more than double (to ~25 GW), supplying 22% of total energy by 2040

“If essential investments are delayed or aborted, domestic and industrial consumers will face increased costs and risks” - AEMO, Draft 2020 Integrated System Plan

Networks are critical enablers of the market’s transition



Source: AEMO, Draft 2020 Integrated System Plan

(1) Optimal development path
(2) Mid-range of AEMO’s Draft 2020 ISP estimates

TRANSMISSION INVESTMENT IS A PREREQUISITE

Substantial and sequential investment in the transmission network is required to deliver energy security and reliability, support proposed generation connections, unlock renewable energy resources and reduce total system costs to customers

Approx. $11bn[1] of network investment
More than 50 GW of new generation

AEMO ISP Group 1
Priority transmission projects

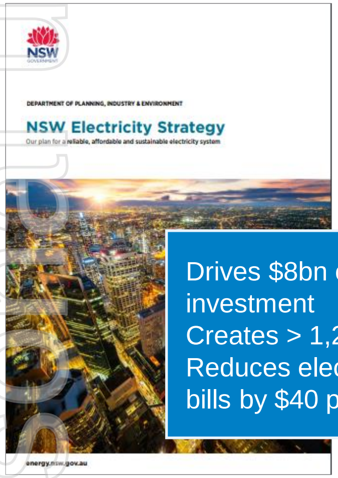
- Critical to address cost, security and reliability issues
- Should be either underway or commencing soon

AEMO ISP Group 2
Near-term transmission projects

- AEMO recommends action be taken during 2020 and 2021
- Seeks to reduce costs, and enhance system resilience and optionality

AEMO ISP Group 3
Explore future transmission projects

- Includes valuable options for Australia's future energy system
- No final decision required until at least the 2022 ISP
- Potential investments identified to reinforce network and support REZ development



Drives $8bn of private investment
Creates > 1,200 jobs
Reduces electricity bills by $40 per year

NSW Electricity Strategy

- NSW Government will seek to legislate the requirement for ISP priority projects to proceed
- Projects can proceed ahead of RIT-T
- NSW Electricity Strategy includes a pilot 3 GW REZ

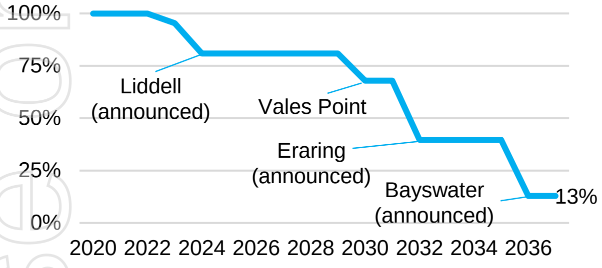
(1) Mid-range of AEMO's Draft 2020 ISP estimates

GENERATION AND STORAGE WILL FOLLOW

ISP providing a roadmap for changing generation mix

Coal-fired generation is retiring

NSW Coal-fired generation

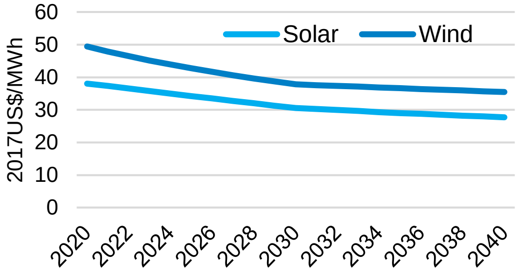


Source: AEMO Draft ISP dataset (reproduced)

- Existing coal generation becoming less reliable and more costly to operate
- Over 8 GW of coal generation expected to retire by 2032, largely in NSW
- Replacement renewable generation required well ahead of retirements

Renewables cost reduction potential slowing

LCOE projection(1)

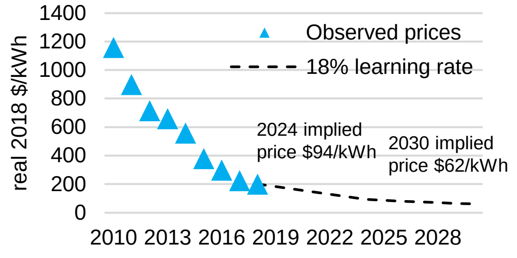


Source: NREL, 2019 Annual Technology Baseline

- Site specific characteristics now more relevant to overall project economics
- High quality utility-scale wind and solar projects have good energy resources, good grid access and access to attractive regions of the NEM

Storage costs continue to decline

Lithium-ion battery price outlook



Source: Bloomberg NEF (reproduced)

- Batteries expected to play a significant role in the transition of the energy market
- Batteries and pumped hydro to create a demand source for renewables
- Battery storage can capture arbitrage opportunities, provide network ancillary services and firm renewable output

Channels to market evolving

Westpac

flow power

- Greater corporate PPA appetite
- Offtaker may bear more risk
- Appetite for longer tenor
- Premium pricing to support physical or financial firming
- Re-contracting opportunities will emerge during market cycles enabling PPA tenor extension where desirable

(1) Average prices of all scenarios published

TRANSGRID MAJOR PROJECTS IN DELIVERY

TransGrid is delivering major network upgrades that will create hundreds of jobs and ensure access to reliable, lowest cost energy

Powering Sydney's Future (PSF)

- Inner Sydney is a critical section of the electricity network in NSW
- PSF secures reliable electricity supply for more than 500,000 people living and working in Sydney's CBD
- Approved by the Australian Energy Regulator (AER)
- Provides 140 jobs
- Installation of a new 20 kilometre 330kV underground circuit from Potts Hill to Alexandria and upgrades to substations at Potts Hill, Alexandria and Picnic Point
- Preliminary works are underway, with construction due to commence in July 2020
- Completion expected in 2022
- Approved cost of ~$235m

Queensland-NSW Interconnector (QNI)

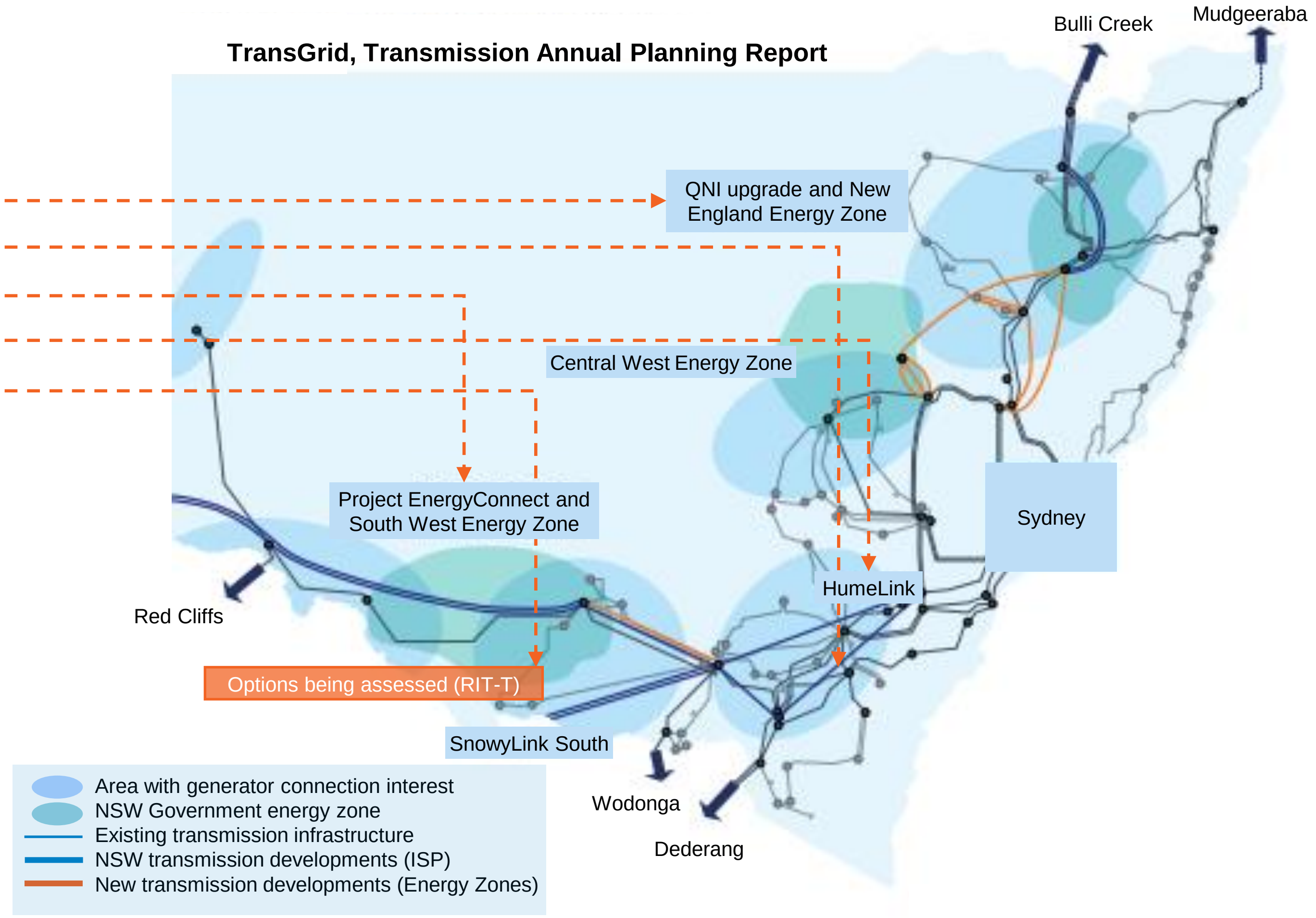
- On 28 April 2020, the AER approved the final stage in the regulatory process for the QNI upgrade project
- Enables increase in transfer of electricity between NSW and Queensland and provide customers with access to reliable, lowest cost energy
- Involves upgrades to substations, transmission towers and lines, is expected to provide net benefits of $170m(1) to electricity customers and producers
- Provides 150 jobs
- Construction forecast to commence in May 2020
- Completion expected in Q3 2021
- Underwritten by NSW government to help accelerate project and increase capacity ahead of Liddell Power Station closure
- CPA approved cost of ~$230m

(1) The Regulatory Investment Test for Transmission (RIT-T) Project Assessment Conclusions Report (PACR) for the QNI Project found that the preferred option for the QNI Project is expected to deliver approximately $170m in net benefits over the assessment period to 2044-45 (in present value terms).

TRANSGRID OPPORTUNITIES

From mid-2020 under the National Electricity Rules there will be a regulatory requirement to progress the regulatory process and preparatory work for actionable ISP projects

TransGrid network opportunities	Total project indicative cost(1)	Delivery target
2018-2023 capex allowance	**$1.2bn**	**N/A**
ISP Group 1		
QNI upgrade	(2)$0.2bn	2021-22
VNI upgrade	(3)$0.1bn	2022-23
Project EnergyConnect	(3)$1.5bn	2023-24
HumeLink	(3)$1.4bn	2024-25
VNI West (Option 7)	$1.9bn	2026-27
Total Group 1	**$5.1bn**	
ISP Group 2		
QNI medium	**$1.5bn**	2028-29
ISP Group 3		
QNI large	$0.7-1.3bn	**N/A**
NSW grid reinforcements	$2.4-4.1bn	**N/A**
REZ expansions		**N/A**
Total Group 3	**$3.1-5.4bn**	**N/A**



(1) Estimated costs in June 2019 dollars from 2020 Draft ISP Transmission Outlook Summary. Point estimates are the average of the indicative range provided by AEMO. Note in April 2020 AEMO foreshadowed an increase in transmission interconnection costs of 30% (2) Contingent Project Application (CPA) Approved 28 April 2020 (3) CPA expected to be lodged in 2020

TRANSGRID VALUE

Market valuations do not reflect Spark Infrastructure's 15.01%

Wren House Infrastructure (WHI) stake

- Process to sell WHI stake in TransGrid commenced in early 2020
- Spark Infrastructure has elected not to exercise pre-emptive rights
- If completed, the price offered by WHI reflects TransGrid's high quality business with significant contracted asset base and once in a generation RAB and contracted growth pipeline
- If completed, we would expect a re-rating of Spark Infrastructure's investment in TransGrid

Price premium reflects RAB and CAB growth emanating from ISP

- Regulated assets have transacted at a range of RAB / RCAB premia due to unique asset parameters
- Regulated asset transactions have averaged an EV / RAB of 1.40x since 2007
- Pipeline of growth opportunities is expected to double TransGrid's RAB in the current decade
- CAB is a material component of the EV; CAB is currently $637m (FY2019 growth of 47.7%); continued growth in CAB expected to be driven by connections of new large-scale renewable projects
- Including CAB and valuing growth in RAB and CAB substantially adds to the headline RAB premium

RENEWABLES UPDATE

Bomen Solar Farm construction complete with hold point testing underway. Target Commercial Operations Date Q2 2020. Actively looking at new opportunities

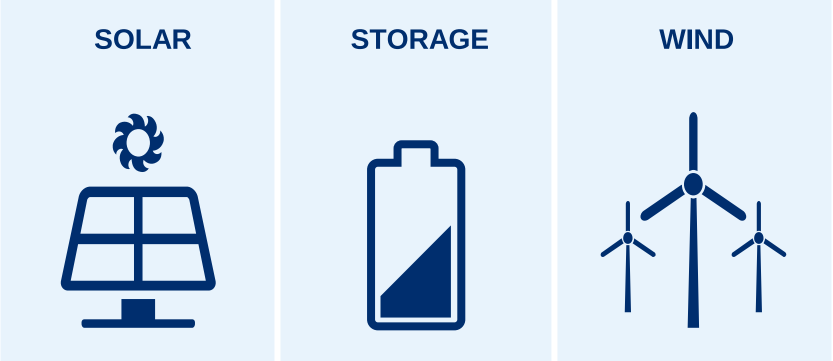
Bomen Solar Farm – key metrics and update

Capacity	~120 MW_{DC} (~100 MW_{AC})
Location	Bomen, NSW (near Wagga Wagga)
Capacity Factor	~28%
Annual output at node (P50)	~219 GWh
PPA counterparties (tenor yrs.)	Westpac (10) & Flow Power (10,7,5)
Total cost at completion	~$188m(1)
Expected Revenue (P50)	~$13.5m p.a. for first 5 years(2)
Target gearing on completion	65-70%
MLF for 2020/21	0.9417

- Construction complete early February 2020
- Registration with AEMO obtained March 2020
- Commenced Hold Point (HP) testing – currently at HP1
- Project still on track for Q2 commercial operations date

Growth opportunities

- Assessing the business case for adding up to 20MW/40MWh of battery storage to Bomen Solar Farm
- Considering expansion opportunities for Bomen Solar Farm
- Actively exploring new opportunities in the renewables sector as part of our Value Build strategy
- Greenfield development projects (wind and solar) in NSW, QLD and Victoria are of particular interest
- COVID-19 impacts (including new FIRB restrictions) position Spark Infrastructure uniquely to provide certainty to developers looking to exit from development projects



(1) Includes purchase of land, construction costs, construction of dedicated transmission line and capitalised interest during construction
(2) Average annual revenue considering PPA agreements, loss factors and plant output on P50 forecast

CAPITAL MANAGEMENT

DELIVERING ATTRACTIVE YIELD AND GROWTH IN ASSET BASE

RETURN ON EQUITY

Current yield and growth rates greatly exceed expected risk adjusted returns

	Risk Free Rate[4]	Equity Risk Premium	Cost of Equity
Avg. Broker Forecast[1]	~2.4%	~4.3%[6]	~6.7%
Transaction Equity IRR[2]	0.85-1.68%	4.9%	5.8-6.6%
DUET Scheme Booklet[3]	0.85-1.68%	4.4-4.6%	5.3-6.3%
CAPM[2]	0.85-1.68%	4.2%	5.1-5.9%

- Current distribution yield = 7.0%[5]
- Equivalent to gross yield of ~8% including franking attributable
- ~4% compound RCAB growth since 2016; expected to continue through 2024 based on growth pipeline
- Growth is accretive to value over the life of the assets
- Funding achieved through:
  - retention of look through operating cash flow (avg. payout = 71% over last 4 years)
  - successful DRP in March 2020; 36.3% participation raising new equity of ~$46.2m
  - Increased flexibility enabled through increased corporate debt facilities

No new equity anticipated to support current business plans; supporting TransGrid ISP growth may utilise DRP

(1) Source: broker forecasts as at 25-26 February 2020
(2) Source: Bloomberg
(3) Source: https://www.asx.com.au/asxpdf/20170308/pdf/43gn81yhwywqg1.pdf. Risk free rate has been updated
(4) Range represents 10-year to 30-year Australian Government Bond Rates
(5) As at 4 May 2020
(6) ERP is derived

VALUE THROUGH GROWTH AND YIELD

Investing in core growth opportunities and delivering attractive distributions

1 **Electricity market transition is happening**	• AEMO's ISP identifies nationally significant and essential investment • From 1 July 2020 the development and implementation of ISP will be a regulated requirement(1)
2 **Network augmentation is the enabler**	• More than 15 transmission projects identified, including seven near term critical projects, costing approximately $11bn(2) • Supports new connections and unlocks renewable energy resources to enable security and reliability
3 **Network investment will grow TransGrid's RAB**	• ~$5bn of Priority transmission projects expected to be delivered by mid 2020s • Project EnergyConnect has satisfied RIT-T (Jan 2020)
4 **Connection and renewable opportunities**	• Further unregulated opportunities for contracted new connection and renewables investment • Further network augmentation to unlock Renewable Energy Zones enabling the >50 GW of required new renewables and flexible generation to connect to the grid
5 **Spark Infrastructure positioned to capture regulated and unregulated growth opportunities**	• Portfolio of high-quality, long-life essential infrastructure with substantially regulated revenue • Disciplined capital allocation to reflect risk adjusted returns on investment opportunities • Prudent and flexible capital management • Delivering long-term value through capital growth and attractive distributions

Essential services infrastructure businesses with increasing growth potential

(1) Actionable ISP Rule changes finalised in April 2020 with effect from 1 July 2020.
(2) Mid-range of AEMO's Draft 2020 ISP estimates; note that in April 2020 AEMO foreshadowed increases in transmission interconnection costs of 30% for final ISP

APPENDIX

PERFORMANCE SUMMARY

Adjusted Proportional Results ($m)(1)	2019	2018	Change
Distribution and transmission revenue	998.1	963.5	3.6%
Other revenue	150.1	143.0	5.0%
Total Revenue	**1,148.2**	**1,106.5**	**3.8%**
Operating costs	(317.3)	(301.6)	5.2%
Beon margin	5.5	4.9	12.2%
Enerven margin	11.2	7.5	49.3%
TransGrid unregulated EBITDA	11.5	10.9	5.5%
Adjusted EBITDA	**859.1**	**828.2**	**3.7%**
Net external finance costs	(182.8)	(181.1)	0.9%
Adjusted EBTDA	**676.3**	**647.1**	**4.5%**

Proportional FY2018 EBITDA	**$828.2m**
Change in VPN EBITDA(1)	$16.9m
Change in SAPN EBITDA(1)	$12.2m
Change in TransGrid EBITDA	$1.8m
Proportional FY2019 EBITDA	**$859.1m**
VPN revaluation adjustment(1)	($7.4m)
SAPN revaluation adjustment(1)	$4.9m
Statutory Proportional FY2019 EBITDA	**$856.6m**

(1) Normalising non-cash adjustments:

VPN: FY 2019: excludes $6.7m negative revaluation adjustment to employee entitlements provisions and $0.2m gain in a credit valuation hedge accounting adjustment
- FY 2018: excludes $0.8m positive revaluation adjustment to employee entitlements provisions and $0.7m loss in a credit valuation hedge accounting adjustment

SAPN: FY 2019: excludes $3.4m public lighting provision release and $0.8m positive revaluation adjustment to employee entitlements provisions and $0.7m loss in a credit valuation hedge accounting adjustment
- FY 2018: excludes $4.9m public lighting provisions and $1.3m positive revaluation adjustment to employee entitlements provisions and $3.4m gain in a credit valuation hedge accounting adjustment. FY 2018 also excludes release of excess December 2016 storm provisions ultimately not required $3.0m

Spark Infrastructure adjusted proportional EBITDA has increased by 3.7%

LOOK-THROUGH CASH FLOW SUMMARY

Spark Infrastructure share ($m)	Victoria Power Networks	SA Power Networks	TransGrid	Spark Infrastructure	2019	2018	Change
EBITDA from operations	415.9	338.5	102.2	-	856.6	828.4	3.4%
less corporate costs	-	-	-	(14.8)	(14.8)	(15.8)	-6.3%
less net finance charges	(82.0)	(62.0)	(32.3)	1.2	(175.0)	(174.6)	0.2%
less net reg depreciation/maint. capex (1)	(128.9)	(120.7)	(26.7)	-	(276.3)	(257.6)	7.3%
less tax paid(2)	-	(1.3)	-	(16.9)	(18.1)	-	n/m
Working capital/non cash movements	15.3	2.0	(10.4)	-	6.9	(52.6)	n/m
Net operating cash flows	**220.3**	**156.5**	**32.9**	**(30.4)**	**379.3**	**327.8**	**15.7%**
Growth capex(3)	(112.9)	(45.2)	(45.5)	(164.2)	(367.8)	(198.0)	85.8%
Other	(6.8)	(29.2)	1.6	-	(34.4)	(25.2)	36.5%
Investing cash flows	**(119.7)**	**(74.4)**	**(43.9)**	**(164.2)**	**(402.2)**	**(223.3)**	**80.1%**

Look-through net operating cash flows increased by $51.5m (15.7%) and growth capex increased by $169.8m (85.8%)

(1) Net regulatory depreciation is a proxy for maintenance capex. It is calculated as regulatory depreciation net of actual CPI uplift on RAB
(2) Corporate tax paid related to FY18 of $16.9m. Corporate tax paid related to other periods of $21.8m has been excluded for annualised net operating cash flow purposes
(3) Represents increase in RCAB and Bomen Solar Farm acquisition and construction costs

STANDALONE NET OPERATING CASH FLOW

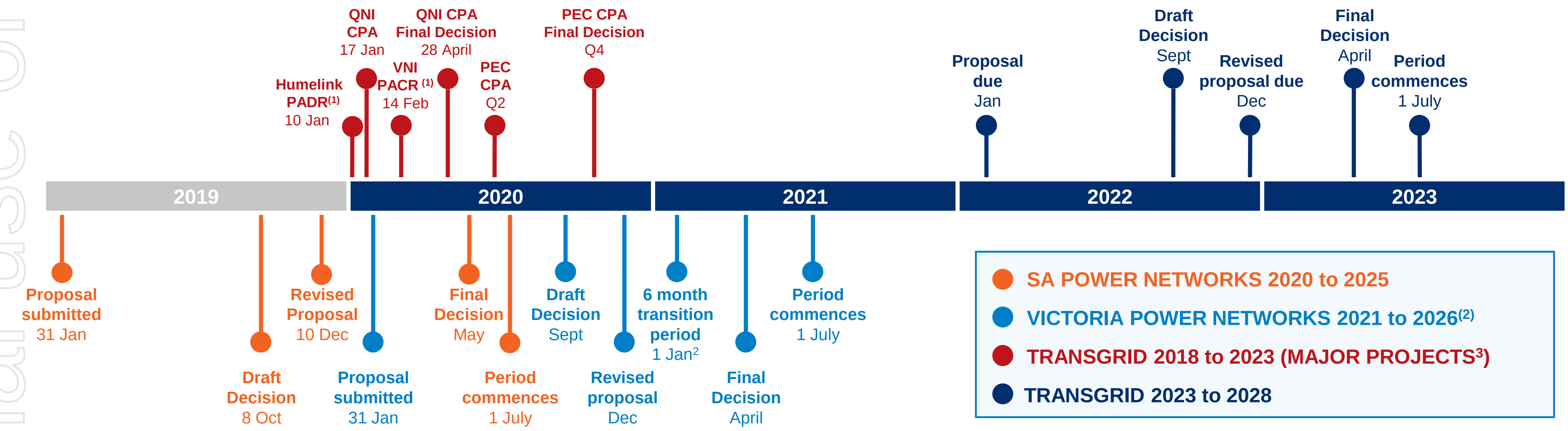
Net Operating Cash Flow ($m)	2019	2018	Change
Investment Portfolio Distributions			
Victoria Power Networks(1)	159.5	156.9	1.7%
SA Power Networks	116.2	115.2	0.9%
TransGrid	36.8	33.0	11.5%
Total Investment Portfolio Distributions	**312.5**	**305.1**	**2.4%**
Net interest received	1.2	0.9	33.3%
Corporate expenses	(14.8)	(15.8)	-6.3%
Tax paid(2)	(16.9)	-	n/m
Underlying Net Standalone OCF	**282.0**	**290.2**	**-2.8%**
Underlying Standalone OCF per Security	16.7 cps	17.3 cps	-3.5%
Operating costs - Bomen related(3)	(1.2)	-	n/m
Transaction bid costs - Bomen related(3)	(2.6)	-	n/m
Other tax paid(2)	(21.8)	-	n/m
Standalone Net OCF	**256.4**	**290.2**	**-11.6%**
Spark Infrastructure Distribution per Security	15.0 cps	16.0 cps	-6.3%
Underlying Pay-out ratio	90%	92%	
Underlying Effective Tax Rate	5.7%	n/a	

Cumulative underlying pay-out ratio for the last four years (2016 – 2019) is 89%

(1) Victoria Power Networks distributions include both interest on and repayment of shareholder loans. Repayments of loan principal are classified as investing activities for statutory reporting purposes
(2) Tax paid of $16.9m in 2019 represents the full 2018 tax liability for the SIH2 (SA Power Networks holding company) tax group. Other tax paid of $21.8m has been excluded for net operating cash flow purposes
(3) Bomen costs have been excluded for underlying net standalone operating cashflow purposes

REGULATORY TIMELINES

Determinations for SA Power Networks and Victoria Power Networks will incorporate lower returns from the AER's 2018 decisions on the Rate of Return Instrument (RORI) and tax but revenue will be certain for the five year regulatory periods



Regulatory processes to support delivery of Major Projects are underway in 2020

(1) The Regulatory Investment Test Transmission (RIT-T) and contingent project application (CPA) processes are expected to occur throughout 2020 (2) 6 month transition period will occur between 1 January 2021 and 30 June 2021 as a result of the Victorian Government decision to change the regulatory period cycle to a 1 July commencement date. A 5 year regulatory period will commence from 1 July 2021 (3) Revenue will be adjusted in the current regulatory period to incorporate the AER's decisions on CPA's – Dates subject to change.

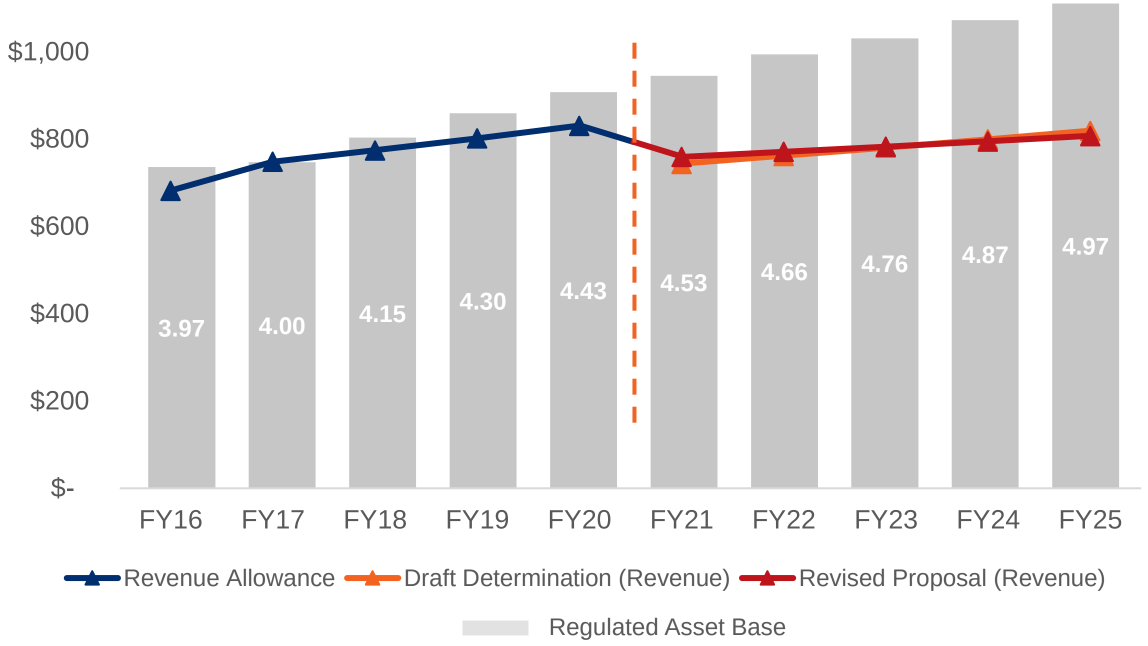
SAPN 2020-25 REVISED REGULATORY PROPOSAL

AER Final Decision delayed to end of May 2020; will establish revenue certainty until 2025

Regulatory proposal metric	2015-20 Allowance[(1)]	2020-25 Draft Determination[(2)]	2020-25 Revised Proposal[(2)]
Capex ($2020)	$2,009m	$1,263m	$1,712m
Opex ($2020)	$1,363m	$1,466m	$1,442m[(4)]
WACC	6.17%	4.95%	4.79%
Risk-free Rate	2.96%	1.32%	0.96%
Gamma	0.4	0.585	0.585
Revenue ($2020)	$3,882m	$3,905m	$3,916m

The revenue proposed in the Revised Proposal is aligned with the AER's Draft Determination

Standard Control Services Revenue ($m)[(1)(2)] and RAB ($bn)[(3)]



The risk-free rate will be updated for the AER's Final Determination

(1) AER: SA Power Networks – Final Decision 2015-2020 updated to $2020 (2) SA Power Networks – Revised Proposal 2020-2025, 10 Dec 2019 (3) RAB values from RAB roll-forward mode (RFM) and post-tax revenue model (PTRM) submitted with SA Power Networks revised regulatory proposal on 10 December 2019 (4) On 10 February SAPN submitted an additional Opex step change for increases in insurance premiums for bushfires of $16.3m.

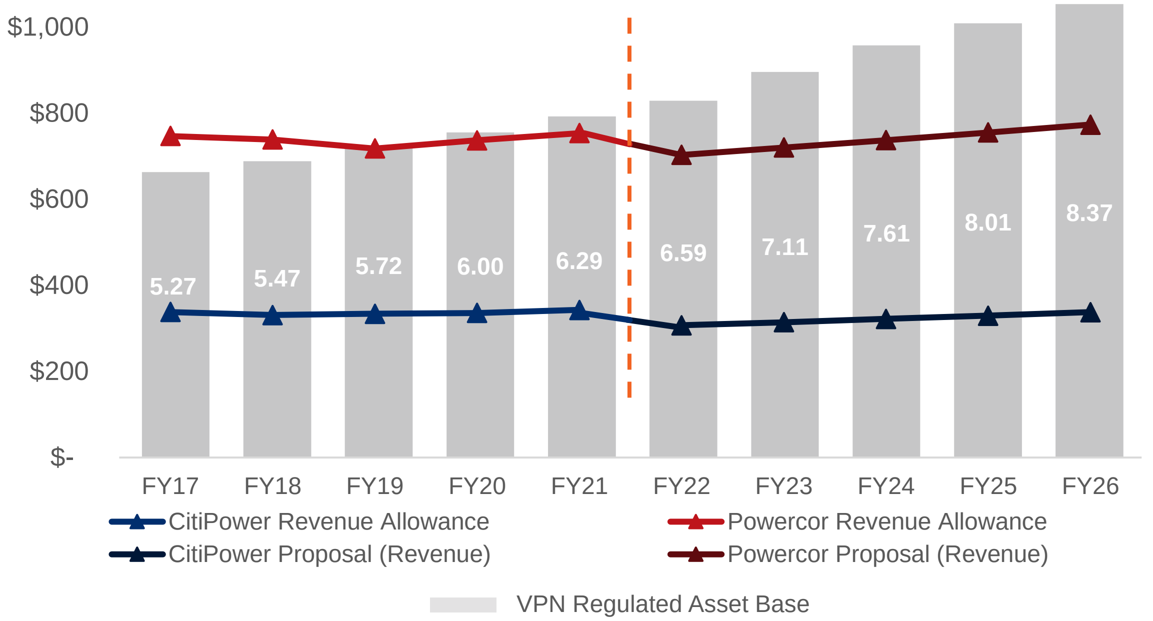
VPN 2021-26 REGULATORY PROPOSAL

Final Risk-free Rate to be updated prior to the final decision in April 2021

Regulatory proposal metric	2016-20 CitiPower (CP) Allowance(1)	2021-26 CP Regulatory Proposal(1)	2016-20 Powercor (PC) Allowance(2)	2021-26 PC Regulatory Proposal(2)
Capex ($2021)	$852m	$852m	$1, 624m	$2,140m
Opex ($2021)	$472m	$569m	$1,181m	$1,537m
WACC	6.11%	4.52%	6.11%	4.52%
Risk-free Rate	2.48%	1.32%	2.48%	1.32%
Gamma	0.4	0.585	0.4	0.585
Revenue(3) ($2021)	$1,681m	$1,599m	$3,694m	$3,695m

VPN's Regulatory Proposal maintains revenue and continued RAB growth

Standard Control and Metering Revenue ($m)(1)(2)(5) and RAB ($bn)(4)



A transition period will apply between 1 January 2021 and 30 June 2021 to give effect to the Victorian Government's intent to delay the 5 year regulatory period

(1) CitiPower, Regulatory Proposal 2021-2026, 31 January 2020 (2) Powercor, Regulatory Proposal 2021-2026, 31 January 2020 (3) Includes metering revenue (4) RAB values from RAB roll-forward mode (RFM) and post-tax revenue model (PTRM) submitted with CitiPower and Powercor regulatory proposals on 31 January 2020 (5) AER: CitiPower – Final Decision 2016-2020 updated to $2021 and AER: Powercor – Final Decision 2016-2020 updated to $2021

NETWORK BUSHFIRE IMPACT

Not expected to have a material impact upon the businesses

	Victorian Power Networks (VPN)	SA Power Networks (SAPN)	TransGrid (TGD)
Major Events	• No significant fires across the network over the summer bushfire period • Extreme weather conditions during this period did result in storms and strong wind events leading to line faults and outages	• Damage was recorded to assets on Kangaroo Island with up to 600km of overhead lines impacted • The Adelaide Hills and Yorke Peninsula also recorded damage	• Damage was recorded to assets in the northern and southern parts of NSW • Interruptions were recorded on the Queensland to NSW interconnector (QNI) and the Victoria and NSW Interconnector (VNI)

Coverage

- The priority for each of the businesses directly impacted was to restore safe and reliable power supply to those affected areas
- SA Power Networks were able to repair damaged infrastructure and re-connect customer installations (that were deemed safe to re-connect) within seven days of the Adelaide Hills fire starting. They have also completed the majority of repair and restoration work on Kangaroo Island.
- TransGrid were able to maintain load throughout the fire season which officially ended on 2 March 2020.
- Both SAPN and TransGrid will undertake further asset and vegetation inspections in the coming months which will determine potential further remediation work
- Both TransGrid and SAPN regulatory determinations include cost pass throughs for “natural disaster events” which covers bushfire
- The National Electricity Rules (NER) require that the event must meet a materiality threshold being 1% of the maximum allowed revenue (MAR) for the relevant year (the threshold is therefore $7.6m for TransGrid and $8.3m for SA Power Networks)
- TransGrid expects to meet the threshold and have requested from the AER (who have approved) an extension of time from 90 to 180 business days from the end of the fires (2 March 2020) to submit the application.
- SA Power Network’s estimations do not indicate the damage will reach the pass through threshold
- TransGrid and SA Power Networks also have liability insurance policies that cover bushfire events
- In the event the conditions for the approved cost pass through’s not met and / or either business is not able to cover losses through insurance, the cost will be managed within the current opex and / or capex programs

TAX LITIGATION AND EFFECTIVE TAX RATE

Federal court judgement was that “gifted assets” and cash contributions should be treated as assessable income

Context

- In February 2019, the Federal Court handed down its judgement with effect that:

  Assets transferred to VPN from customers (i.e. gifted assets) should be treated as assessable income to VPN; and
  For assets constructed by VPN whereby the customer contributes to the cost of construction of such assets, the cash contribution should be treated as assessable income

- VPN has appealed both matters, the appeal was due to be heard by Full Federal Court in May 2020; timing currently uncertain due to COVID-19

Spark Infrastructure Impact

- Impact to Spark Infrastructure due to investment in SAPN was recognition of $68.8m tax liability in respect of 2015-18, 50% of which has been paid
- Should decision be upheld by Full Federal Court, Spark Infrastructure will continue to be a taxpayer on a go forward basis
  - Effective cash tax rate approximately 13% of distributions from 2020(1)
  - Distributions will contain franking credits to the maximum extent possible

Tax Payable	$m
2015-18 Tax Payable	34.4
2019 Tax Payable	34.4
Tax Provision at 31/12/2019	**68.8**

- Should VPN be successful on either or both matters:
  - Effective cash tax rate on a go forward basis expected to reduce by up to approximately 6%
  - Up to $34.4m (i.e. the tax paid in FY19) will be recovered
  - Other impacts not expected to be material: if tax deferred at VPN level, Spark Infrastructure will pay tax on incremental unfranked dividends received

(1) 2020 effective tax rate of ~13.0% based on 2019 tax payable of $34.4m and 2020 distribution of 13.5cps.

DISCIPLINED CAPITAL ALLOCATION AND MANAGEMENT

Value Enhance
(Operating assets)

- Workforce Capability and Culture
- Maximise Performance Incentives
- Extract Cost Efficiencies including through Technology
- Optimise Cost of Debt
- Prudent and Efficient Capex programs
- Extract Unregulated Revenues through Adjacencies

Maximise NOCF | **Maximise RAB multiple**

YIELD AND VALUE

Retained cash flow

Distributions

Key Metrics
- ✓ Sustainable distribution payout ratio to Spark Infrastructure shareholders considering the look-through NOCF over regulatory cycle
- ✓ Maintenance of capital expenditure regulatory depreciation
- ✓ Maintain investment grade credit ratings

PORTFOLIO GROWTH

Value Enhance
- RAB growth
- Contracted network infrastructure
- Core expertise
- ✓ Actionable ISP projects
- ✓ New connections
- ✓ Renewable Energy Zones

Value Build
- Late development stage
- Internal experience and capability
- Spark Infrastructure as an attractive counterparty for third parties
- ✓ Renewable generation
- ✓ Battery storage
- ✓ Renewable Energy Zones

Value Acquire
- Identify complementary asset opportunities
- Prioritise assets with organic growth options
- Utilise Spark Infrastructure capabilities and attractiveness as counterparty for third parties
- ✓ Pre-emptive rights on existing assets
- ✓ Sustainable, long-term essential infrastructure assets

CAPITAL ALLOCATION

EVALUATION

Strategic fit
- Low Risk, Long Life
- Regulated or highly contracted revenues
- Strong business capabilities at asset and ownership level
- Portfolio fit and weight

Asset considerations
- Specific risks e.g. construction
- Financing risks e.g. refinancing maturity
- Embedded optionality
- Exit / deferral options

DELIVERY

Financial modelling
- Value accretion; IRR; RAB and EBITDA multiple
- Sensitivity analysis
- Scenario testing: e.g. regulatory cycle

Securityholders
- Share price
- Impact on distribution including franking

CAPITAL MANAGEMENT SOLUTION

Sources
- Retained Cash
- Dividend Reinvestment Plan
- AssetCo Debt; HoldCo Corporate Debt

Key Metrics
- ✓ Long-term Shareholder value
- ✓ Maintain investment grade credit ratings

Sources
- Dividend Reinvestment Plan
- AssetCo Debt; HoldCo Debt
- Corporate/Project level: Bank/Capital Markets

Key Metrics
- ✓ Long-term Shareholder value
- ✓ Maintain investment grade credit ratings

Sources
- Placement; Rights Issue; Share Placement Plan (SPP)
- Convertible/Hybrid/Other
- AssetCo Debt; HoldCo Debt

Key Metrics
- ✓ Long-term Shareholder value
- ✓ Maintain investment grade credit ratings

Balanced portfolio with risk-adjusted returns exceeding WACC

DISCLAIMER AND SECURITIES WARNING

Investment company financial reporting - Adjustments are made to distribution and transmission revenues to defer/accrue for amounts in excess of/under the regulated revenue cap to reflect that these amounts will be returned to/recovered from electricity consumers in future periods via adjustments to tariffs.

The financial reporting is based on TransGrid's special purpose financial statements for the year ended 30 June 2019 and half year ended 31 December 2019. Results have been adjusted by Spark Infrastructure to reflect the 12month period to 31 December 2019.

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