

Thursday, 15 July 2021

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

Dear Sir / Madam

**SPARK INFRASTRUCTURE RECEIVES
CONDITIONAL AND NON-BINDING INDICATIVE PROPOSAL**

Please find attached Spark Infrastructure's announcement relating to a conditional and non-binding indicative proposal received from Ontario Teachers' Pension Plan Board and Kohlberg Kravis Roberts & Co. L.P.

Yours sincerely,



Jenny Faulkner
Head of Legal and Company Secretary

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15 July 2021

**SPARK INFRASTRUCTURE RECEIVES
CONDITIONAL AND NON-BINDING INDICATIVE PROPOSAL**

In response to market speculation and the trading halt in its securities, Spark Infrastructure RE Limited (ACN 114 940 984) (in its capacity as responsible entity of Spark Infrastructure Trust (ARSN 116 870 725)) ("Spark Infrastructure") advises that it recently received a conditional and non-binding indicative proposal (the "Proposal") from Ontario Teachers' Pension Plan Board ("OTPP") and Kohlberg Kravis Roberts & Co. L.P. ("KKR"), on behalf of certain of its affiliated infrastructure investment funds, vehicles and entities managed and/or advised by it or its affiliates (the "KKR Funds"), together the Consortium (the "Consortium").

Under the initial Proposal, the Consortium would acquire all of the ordinary stapled securities in Spark Infrastructure by way of a scheme for all cash consideration of A\$2.70 per stapled security, to be reduced to the extent that Spark Infrastructure pays or declares a distribution to its securityholders prior to the implementation of the proposed transaction. Following the announcement of Spark Infrastructure's 1H2021 distribution of A\$0.0625 per stapled security on 1 July 2021, the implied consideration under the initial Proposal is A\$2.6375 per stapled security.¹

Following careful consideration, and consultation with its advisers, the Board of Spark Infrastructure, unanimously concluded that the price undervalued Spark Infrastructure, and was not at a level at which Spark Infrastructure was prepared to grant access to due diligence.

Spark Infrastructure then received a revised proposal ("Revised Proposal") from the Consortium, on the same basis as the initial Proposal, for an all cash consideration of A\$2.80 per stapled security, to be reduced to the extent that Spark Infrastructure pays or declares a distribution to its securityholders prior to the implementation of the proposed transaction. Following the announcement of Spark Infrastructure's 1H2021 distribution of A\$0.0625 per stapled security on 1 July 2021, the implied consideration under the Revised Proposal is A\$2.7375 per stapled security.²

The Revised Proposal is subject to a number of pre-conditions including due diligence, Foreign Investment Review Board approval, a unanimous recommendation by the Spark Infrastructure Board and approval of the OTPP Investment Committee and Board and the KKR Infrastructure Investment Committee.

Following careful consideration, and consultation with its advisers, the Board of Spark Infrastructure again unanimously concluded that the price undervalued Spark Infrastructure. Whilst not granting access to due diligence, in order to be constructive, the Board of Spark Infrastructure informed the Consortium that it was prepared to provide limited information on Spark Infrastructure's business and its prospects. This engagement, which has not yet occurred, is conditional on the signing of a Confidentiality Agreement.

The Board notes that there is no certainty that the engagement between Spark Infrastructure and the Consortium will result in a further revised proposal from the Consortium.

¹ To the extent any further distribution is paid or declared prior to implementation of any proposed transaction, the implied consideration under the initial Proposal would be further reduced for this amount.

² To the extent any further distribution is paid or declared prior to implementation of any proposed transaction, the implied consideration under the Revised Proposal would be further reduced for this amount.

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The Board is focused on maximising securityholder value and will carefully consider any proposal that is consistent with this objective.

Irrespective of whether the engagement between Spark Infrastructure and the Consortium results in further revised proposals, the Board considers that Spark Infrastructure has a highly attractive future and is well positioned to continue to deliver an attractive yield now with franking credits coupled with strong growth in its underlying high quality asset base, and has strong ESG credentials given its important role in supporting the multi-decade energy transition to a lower carbon future.

Spark Infrastructure is being advised by Goldman Sachs and Herbert Smith Freehills.

Spark Infrastructure makes this statement, and will continue to keep the market informed, in accordance with its continuous disclosure obligations. In the interim, securityholders do not need to take any action in relation to the proposals received by Spark Infrastructure from the Consortium.

This announcement is authorised for release by the Board of Directors of Spark Infrastructure.

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