

Wednesday, 28 July 2021

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

Dear Sir / Madam

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

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

Yours sincerely,



Jenny Faulkner
General Counsel and Company Secretary

For personal use only

28 July 2021

SPARK INFRASTRUCTURE RECEIVES FURTHER REVISED CONDITIONAL AND NON-BINDING INDICATIVE PROPOSAL

On 15 July 2021 Spark Infrastructure RE Limited (ACN 114 940 984) (in its capacity as responsible entity of Spark Infrastructure Trust (ARSN 116 870 725)) ("Spark Infrastructure") announced that it had received two conditional and non-binding indicative proposals 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"), to acquire all of the ordinary stapled securities in Spark Infrastructure by way of a scheme.

The proposals included an initial proposal ("Initial Proposal") for an implied consideration of A\$2.6375 per stapled security¹ and a subsequent revised proposal ("Revised Proposal") for an implied consideration of A\$2.7375 per stapled security².

Spark Infrastructure confirms that it has received a further revised proposal ("Further Revised Proposal") from the Consortium for an all cash consideration of A\$2.95 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 first half interim distribution for 2021 ("1H2021 distribution") of A\$0.0625 per stapled security on 1 July 2021, the implied consideration under the Further Revised Proposal is A\$2.8875 per stapled security³.

The Further Revised Proposal represents a premium to Spark Infrastructure's undisturbed security price (as at 13 July 2021, being the date prior to Spark Infrastructure's securities being placed in trading halt on 14 July 2021 pending the announcement on 15 July 2021) of:

- 26% to the closing price of A\$2.30 per security on 13 July 2021; and
- 31% to the three month volume weighted average price ("VWAP") of A\$2.20 per security.

The Consortium has provided the Further Revised Proposal following the provision of limited information on Spark Infrastructure's business and its prospects by Spark Infrastructure to the Consortium after the signing of a Confidentiality Agreement, containing customary disclosure restrictions and standstills.

Following careful consideration, and consultation with its advisers, the Board of Spark Infrastructure considers that it is in the interests of Spark Infrastructure's securityholders to engage further with the Consortium. Accordingly, Spark Infrastructure has decided to provide the Consortium with the opportunity to conduct due diligence on a non-exclusive basis.

¹ All cash consideration of A\$2.70 reduced for Spark Infrastructure's 1H2021 distribution of A\$0.0625 per stapled security announced on 1 July 2021. 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 All cash consideration of A\$2.80 reduced for Spark Infrastructure's 1H2021 distribution of A\$0.0625 per stapled security announced on 1 July 2021. 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.

³ To the extent any further distribution is paid or declared prior to implementation of any proposed transaction, the implied consideration under the Further Revised Proposal would be further reduced for this amount.

The Further Revised Proposal is subject to a number of pre-conditions including:

- Satisfactory completion of due diligence;
- Foreign Investment Review Board approval;
- Unanimous recommendation of the Board of Spark Infrastructure and a commitment from all of the Spark Infrastructure Directors to vote in favour of the transaction (in the absence of a superior proposal, and subject to the independent expert concluding that the transaction is in the best interests of Spark Infrastructure securityholders);
- Execution of a binding implementation agreement incorporating customary terms and conditions for a transaction of this nature; and
- Final approval of the OTPP Investment Committee and Board, and final approval of the KKR Infrastructure Investment Committee.

The Board notes that there is no certainty that the engagement between Spark Infrastructure and the Consortium will result in a control transaction.

The Board remains 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 a control transaction, the Board considers that Spark Infrastructure has a high quality and scarce group of regulated assets that have a very attractive future and is well positioned to continue to deliver an attractive yield now with franking credits. Complementing its reliable and inflation-linked revenues, Spark Infrastructure's investment portfolio also has strong growth prospects 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 Further Revised Proposal 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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