31 DECEMBER 2019 FULL YEAR RESULTS

TUESDAY, 25 FEBRUARY 2020

SPARK INFRASTRUCTURE – AT A GLANCE

ASX-listed owner of leading essential services infrastructure

$3.7bn 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

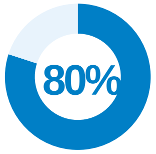
OVER
5,300
EMPLOYEES

Distribution

Victoria Power Networks and SA Power Networks

49%
SPARK INFRASTRUCTURE OWNERSHIP

$10.68bn
REGULATED ASSET BASE



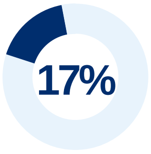
SKI PROPORTIONAL ASSET BASE[3]

Transmission

TransGrid

15%
SPARK INFRASTRUCTURE OWNERSHIP

$7.13bn
REGULATED AND CONTRACTED ASSET BASE



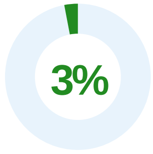
SKI PROPORTIONAL ASSET BASE[3]

Renewables

Bomen Solar Farm

100%
SPARK INFRASTRUCTURE OWNERSHIP

$0.19bn
CONTRACTED ASSET BASE AT COMPLETION



SKI PROPORTIONAL ASSET BASE[3]

(1) As at 21 February 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

FINANCIAL HIGHLIGHTS

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

13.5cps

at least

Growth capital expenditure[4]

$368m

Up 85.8%

FFO/ Net debt[5]

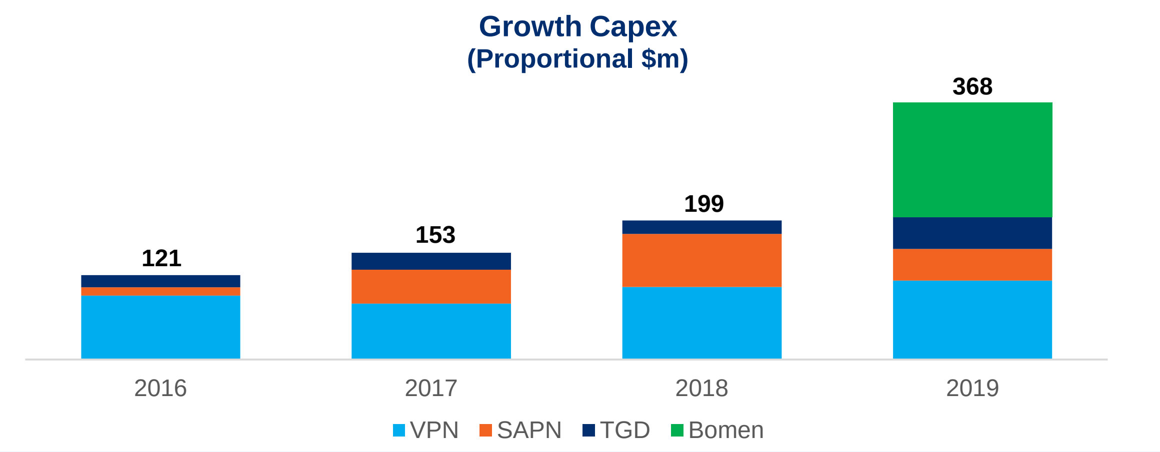
13.5%

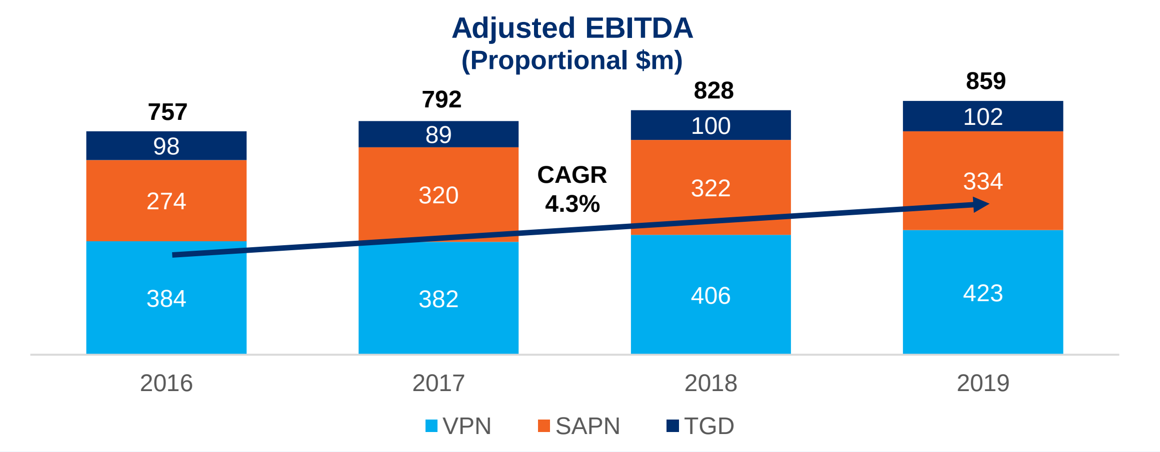
Up 0.5%

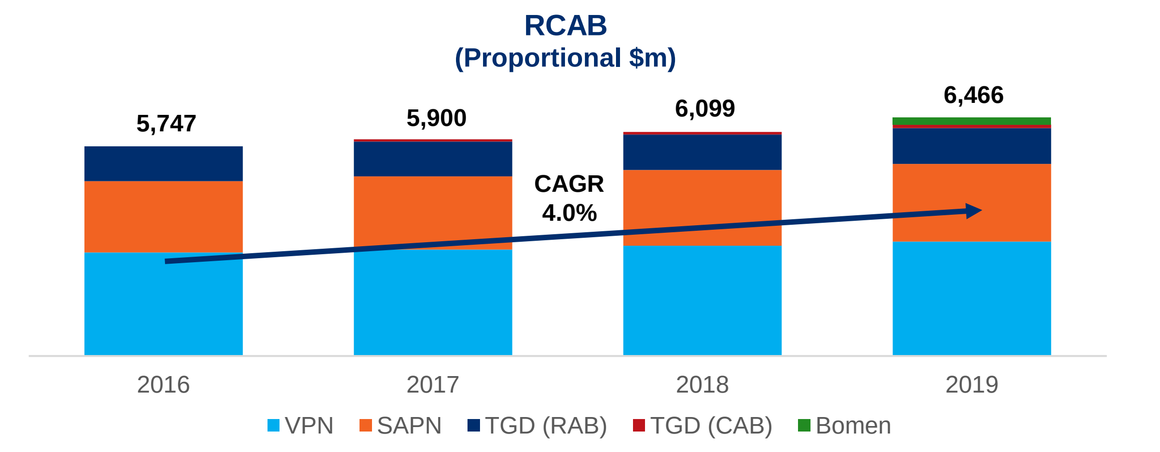
(1) Includes repayment of shareholder loans and adjusted to exclude tax paid relating to periods other than FY18 and Bomen Solar Farm one-off costs
(2) On an aggregated proportional basis to Spark Infrastructure
(3) Includes Bomen Solar Farm and TransGrid CAB on a proportional basis to Spark Infrastructure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

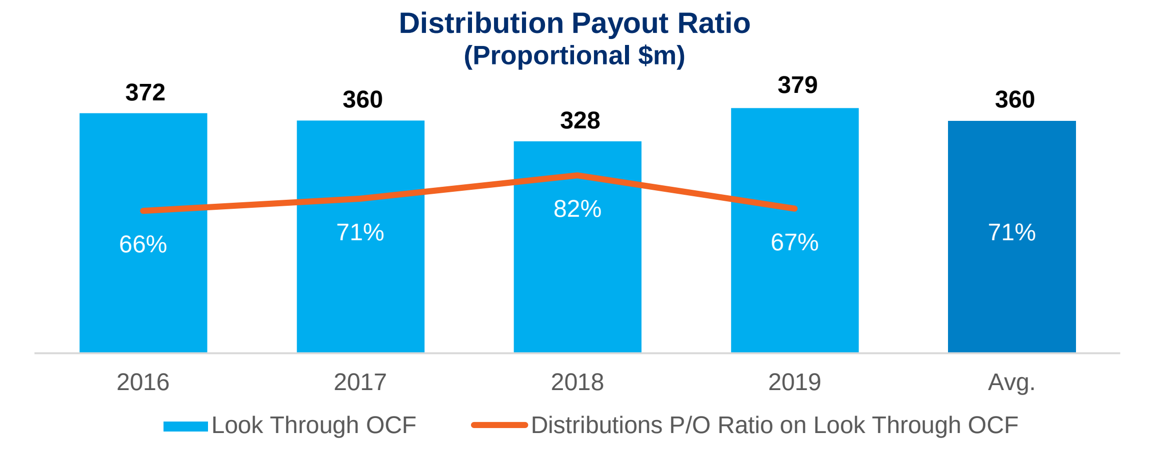
GROWTH IN EBITDA AND RCAB

As measured across the last four years









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

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

OUR INVESTMENTS' FINANCIAL RESULTS

FY2019

VICTORIA POWER NETWORKS

Financial ($m)[1]	2019	2018	Change
Regulated revenue - DUOS	956.9	920.6	3.9%
Prescribed metering ("AMI")	85.7	93.0	-7.8%
Semi-regulated revenue	60.8	56.8	7.0%
Unregulated revenue	47.0	48.9	-3.9%
Total Revenue	**1,150.4**	**1,119.3**	**2.8%**
Operating costs[4]	(312.8)	(299.7)	4.4%
Beon margin	11.3	10.1	11.9%
EBITDA	**848.9**	**829.7**	**2.3%**
Other			
Net finance costs[5]	(167.2)	(163.6)	2.2%
Net capital expenditure	(507.6)	(495.7)	2.4%
Distributions received by Spark Infrastructure	159.5	156.9	**1.7%**

CPI-X	$38.2m
STPIS[2]	$15.0m
Customer Growth[3]	2.2%
Consumption Growth [3]	0.7%
FTE Change[3]	2.8%
Net Debt / RAB	70.9%
FFO / Net Debt	15.2%

On an adjusted EBITDA[4] basis the FY2019 result increased by $34.5m or 4.2%

(1) 100% basis (2) 2017 STPIS result payment in FY2019 (3) Compared with FY2018 (4) FY2019 includes $13.6m negative (non-cash) revaluation adjustments to employee entitlements provisions (FY2018: includes $1.7m gain) (5) FY2019 includes a $0.4m (gain) in non-cash credit valuation hedge adjustments (FY2018: includes $1.5m loss)

VICTORIA POWER NETWORKS

Key Financial Drivers

Regulated Revenue Up by 3.9%	• CPI of 2.08% from 1 January 2019 • X-factors for Powercor: -3.02% and CitiPower: -0.12% representing a real increase in revenue before CPI • $15.0m STPIS payment
Regulated Asset Base Up by 3.8%	• RAB increased to $6,339m • Increase driven by net capex of $481m(1), less regulatory depreciation of $390m, and CPI uplift of $125m
Other Revenue (excl. Beon) Down by 2.6%	• Unregulated revenue: down 3.9% – decrease in service level agreement revenue • AMI revenue: down 7.8% - depreciating RAB • Semi-regulated revenue: up 7.0% – increased connection design services and increased new connections revenue
Operating Costs(2) (excl. Beon) Down by 0.7%	• Productivity and efficiency improvements
Beon Margin Up by 11.9%	• Continued growth in new solar projects such as Bomen and Haughton Solar Farms
Net Capital Expenditure Up by 2.4%	• Growth capex of $342.6m down 4.1% (network connections and augmentation) – continuation of REFCL(3) program • Maintenance capex of $165.1m up 19.1% – zone substation replacement projects • Highest ever capex program

Victoria Power Networks RAB has increased 3.8% over the last 12 months

(1) Excludes corporate overheads (2) Excluding $13.6m negative (non-cash) revaluation adjustments to employee entitlements provisions (FY2018: includes $1.7m gain) (3) Rapid Earth Fault Current Limiter

SA POWER NETWORKS

Financial ($m)[1]	2019	2018	Change
Regulated revenue – DUOS	848.8	821.0	3.4%
Semi-regulated revenue	97.3	79.4	22.5%
Unregulated revenue	14.0	9.7	44.3%
Total Revenue	**960.1**	**910.1**	**5.5%**
Operating costs	(292.2)	(269.3)	8.5%
Enerven margin	22.8	15.3	49.0%
EBITDA	**690.7**	**656.1**	**5.3%**
Other			
Net finance costs[3]	(138.7)	(123.4)	12.4%
Net capital expenditure	(405.6)	(424.9)	-4.5%
Distributions received by Spark Infrastructure	116.2	115.2	**0.9%**

CPI-X	$21.2m
STPIS[4]	$29.3m
Customer Growth[5]	1.2%
Consumption[5]	-0.2%
FTE Change[5]	-3.1%
Net Debt / RAB	74.5%
FFO / Net Debt	16.7%

On an adjusted EBITDA[2] basis the FY2019 result increased by $25.0m or 3.8%

(1) 100% basis (2) FY2019: includes $6.9m public lighting provision release and $1.6m positive revaluation adjustments to employee entitlements provisions (FY2018: includes $10.0m public lighting provision and $2.7m positive revaluation adjustment and release of excess December 2016 storm provisions of $6.2m ultimately not required.) (3) FY2019 includes a $1.4m (loss) credit valuation hedge adjustment (FY2018: includes $7.0m gain) (4) 2016/17 STPIS result payment from 1 July 2018, 2017/18 STPIS result payment from 1 July 2019 (5) Compared with FY2018

SA POWER NETWORKS

Key Financial Drivers

Regulated Revenue Up by 3.4%	• CPI of 1.78% from 1 July 2019 (1 July 2018: CPI 1.91%) • X-factor applicable from 1 July 2018 was -0.74% and from 1 July 2019 was -0.85% representing a real increase in revenue before CPI • $29.3m STPIS payment
Regulated Asset Base Up by 2.2%(2)	• RAB increased to $4,340m • Increase driven by net capex of $347m(1), less regulatory depreciation of $321m, and includes CPI uplift of $75m
Underlying Other Revenue Up by 5.3%(4)	• Semi-regulated revenue: up 1.1% - higher public lighting works and increased asset relocation activity, partially offset by a decrease in council funded LED upgrades
Underlying Operating Costs (Excl. Enerven) Up by 5.6%(3)	• November and December bushfire event provisions • Restructuring and separation costs • Higher vegetation management costs, emergency response and negotiated services; partially offset by higher capitalisation of overhead costs due to increased number of capital projects
Enerven Margin Up by 49.0%	• Change in project mix, projects continuing to be undertaken for existing client base (including ElectraNet) but also including new business activity such as commercial solar and battery solutions • Enerven is engaged in deploying solar and battery capability to a significant number of SA Water sites under a framework contract of up to $300 million over 2019 and 2020
Net Capital Expenditure Down by 4.5%	• Growth capex of $138.4m, down 8.9% - network connections and augmentation • Maintenance capex of $267.2m, down 2.1%

SA Power Networks has seen RAB growth of 2.2% over the 12 months

(1) Excludes corporate overheads (2) Includes public lighting RAB (3) Excludes 2019 revaluation adjustments to employee entitlements of $1.6m positive (2018: $2.7m positive) and $6.2m release of GSL provisions in FY2018 relating to storms in December 2016, ultimately not required. (4) Excludes public lighting provision write back. In 2019 a long running public lighting dispute was resolved and required amounts were settled with customers in January 2020. As a result of finalisation of the quantum of this matter, provisions of $6.9m were unwound in 2019. In the prior year a $10.0m provision was made, leading to a $16.9m year on year variance.

TRANSGRID

Financial ($m) (1)	2019	2018	Change
Regulated revenue - TUOS	754.5	733.7	2.8%
Other Revenue	5.4	13.2	-59.1%
Total Revenue	**759.9**	**747.0**	**1.7%**
Regulated operating costs	(155.6)	(150.2)	3.6%
Unregulated margin	76.7	72.2	6.2%
EBITDA	**681.0**	**668.9**	**1.8%**
Other			
Net finance costs(2)	(222.2)	(251.6)	-11.7%
Regulated capital expenditure	(254.7)	(192.9)	32.0%
Contracted capital expenditure	(238.6)	(78.4)	204.3%
Distributions received by Spark Infrastructure	36.8	33.0	**11.5%**

CPI-X(3)	$20.5m
STPIS(4)	$16.2m
RAB(5) Growth	1.5%
CAB(5)(6) Growth	47.7%
FTE Change(5)	4.4%
Net Debt / RCAB(6)(7)	80.2%
FFO / Net Debt(8)	8.1%

EBITDA for FY2019 result increased by $12.1m or 1.8%

(1) 100% basis (2) FY2018 includes accelerated amortisation of $27m capitalised debt transaction costs resulting from the debt refinancing transaction in June 2018 (3) Relates to period 1 July 2019 to 30 June 2020 (4) 2017 STPIS result payment from 1 July 2018 and 2018 STPIS result payment from 1 July 2019 (5) Compared with December 2018 (6) CAB comprises of unregulated infrastructure and telecommunication assets and investment property (7) Net Debt is calculated using gross debt less cash and adjusted for prescribed revenue over/(under) collection and includes TransGrid Services (TGS) (8) Relates to Obligor Group

TRANSGRID

Key Financial Drivers – Regulated Business

Regulated Revenue Up by 2.8%	• CPI of 1.80% from 1 July 2019 • X-factor applicable from 1 July 2019 was -0.97% representing a $20.5 million increase in revenues through to 30 June 2020. • $16.2m STPIS payment
Regulated Asset Base Up by 1.5%	• RAB increased to $6,489m • Increase driven by capital expenditure of $235m, less regulatory depreciation of $265m, and includes CPI uplift of $127m
Operating Costs Up 3.6%	• Operating Costs increase due mainly to provision for rectification of existing network and property defects including an estimate for damage sustained during the November and December 2019 bushfires. • This increase was partially offset by maintenance efficiencies continuing to be achieved and procurement savings delivered in the areas of IT, telecommunications operations and insurance placement.
Net Capital Expenditure Up by 32.0%	• Growth capex(1) of $58.4m (up 521.3%) • Maintenance capex of $160.6m (up 8.5%) • Non-network(2) capex of $35.8m (up 0.8%) • Increase was mainly due to augmentation capex including Powering Sydney's Future and Stockdill Switching Station projects, and maintenance capex

TransGrid has seen RAB growth of 1.5% over the 12 months

(1) Includes Integrated System Plan projects
(2) Includes Network Capability Incentive Project Action Plan (NCIPAP) capex

TRANSGRID

Key Financial Drivers – Unregulated Business

Contracted Capital Expenditure Up by $160.2m	• Infrastructure capex up significantly due to an increase in the number of renewable connections projects delivered in FY2019 (Limondale, Sunraysia, Finley, Beryl and Metz)
Unregulated Margin Up by $4.5m	• Infrastructure connection revenues continued to increase in 2019 as construction of connection assets were completed • Decrease in line modification revenue was due to the completion of a number of projects, offset by decreased project costs
Contracted Asset Base Up by $205.6m	• CAB increased to $637m • Increase driven by net capex of $239m and gain on investment property of $6m, less depreciation of $39m
TransGrid Services – Debt Raising	• TransGrid Services completed its inaugural debt financing of $355m in November 2019

TransGrid has seen CAB growth of 47.8% over the 12 months

BOMEN SOLAR FARM

EPC Partner, Beon Energy Solutions (Beon) is progressing the project on time and on budget

Key Metrics	
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) and 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%

Construction and Funding Update

- All panels were installed on target by end of January 2020
- Solar farm 100% mechanically complete as at early February 2020
- TransGrid completed its negotiated works at the Wagga North Substation in January 2020
- Testing and commissioning underway
- RES appointed Asset Manager in January 2020
- Beon appointed O&M Contractor in February 2020
- Funding requirements at financial close met from existing cash
- First draw down of debt took place in Q3 2019

Project Milestone	Target	Status
Financial close	Apr 2019	
Mobilisation to site	June 2019	
Civil works (fencing, trenching and piling)	Nov 2019	
HV works (substation and HV cable)	Jan 2020	
Mechanical installation	Feb 2020	
Testing and commissioning	Apr 2020	
AEMO registration	Pending	
Commercial Operation	Q2 2020	

Project Location

(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

EFFICIENCY AND REGULATION

INDUSTRY AND BUSINESS CONSIDERATIONS

MAINTAINING LEADERSHIP IN SECTOR EFFICIENCY

Our Investment Businesses have achieved sustainable efficiency over time

Asset Company	CitiPower (Distribution)	Powercor (Distribution)	SA Power Networks (Distribution)	TransGrid (Transmission)
AER Total Productivity[1]	1	No. 4	3	3
AER OPEX Productivity[1]	1	2	No. 4	2
AER State-Based Productivity[1]	N/A	N/A	1	N/A
AER 2018 Productivity Change[1]	+4.4%	-3.7%[2]	+2.7%	+2.0%

Our productivity performance improves returns and benefit to customers over time

(1) Source: AER Annual Benchmarking Reports 2019 (Electricity distribution network service providers and Electricity transmission network service providers)
(2) AER Benchmarking Report 2019 notes the Powercor productivity decline was attributed to a thirty per cent increase in the number of customer minutes off supply.

CONSISTENT SERVICE OUTPERFORMANCE

Victoria Power Networks[1]	STPIS $m	
2016 regulatory year	18	Recovered in 2018 regulatory year
2017 regulatory year	36	Being recovered in 2019 and 2020 regulatory years
2018 regulatory year	20	To be recovered in 2021 regulatory year
2019 regulatory year[2]	26	To be recovered in 2022 regulatory year
SA Power Networks[1]	**STPIS $m**	
2015/16 regulatory year	28	Recovered in 2017/18 regulatory year
2016/17 regulatory year	23	Recovered in 2018/19 regulatory year
2017/18 regulatory year	36	To be recovered in 2019/20 regulatory year
2018/19 regulatory year[2]	30	To be recovered in 2020/21 regulatory year
TransGrid[1]	**STPIS $m**	
2016 calendar year	15	Recovered in 2017/18 regulatory year
2017 calendar year	16	Recovered in 2018/19 regulatory year
2018 calendar year	17	Being recovered in 2019/20 regulatory year
2019 calendar year[2]	14	To be recovered in 2020/21 regulatory year

Our investment businesses are delivering high reliability to customers

(1) Service Target Performance Incentive Scheme (STPIS) 100% basis
(2) Preliminary estimate

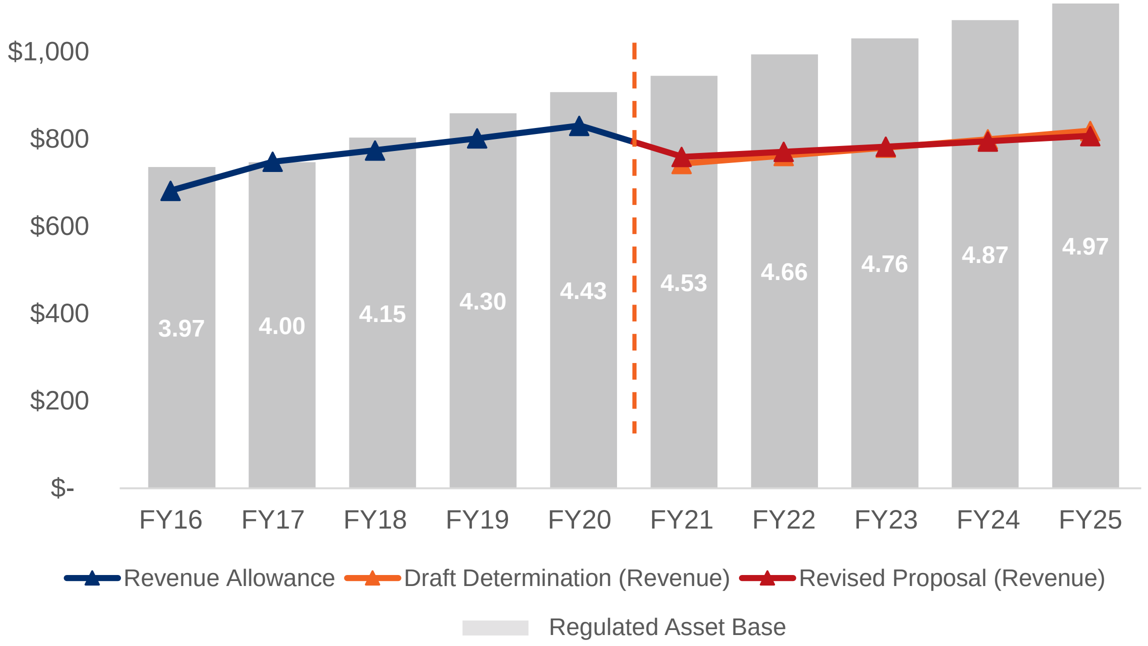
SAPN 2020-25 REVISED REGULATORY PROPOSAL

The AER Final Decision in April 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
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 expected in April 2020

(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

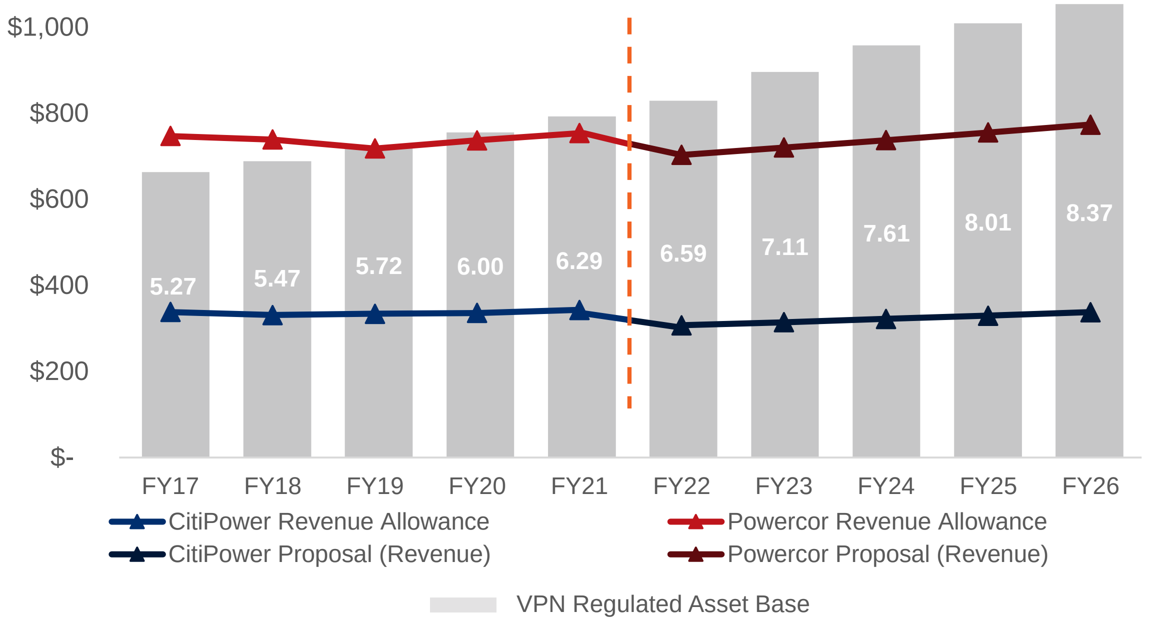
VPN 2021-26 REGULATORY PROPOSAL

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]

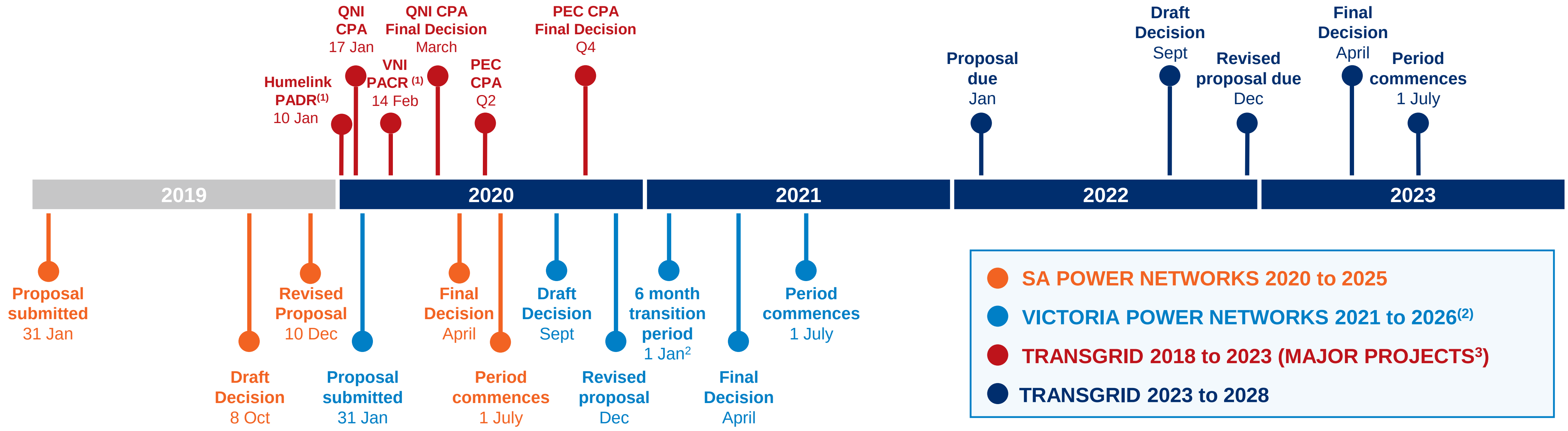


A transition period will apply between 1 January 2021 and 30 June 2021 to give effect to the Victorian Government's intent to delay the 5 year regulatory period

(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

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.

REGULATORY REVIEWS

We will engage and advocate for outcomes that support returns required while delivering lower costs to customers

	Review	Objective	Implementation
AEMO	2020 Integrated System Plan **(ISP)**	Roadmap for Australia's power system that maximises market benefits	Jun 2020
ESB	Converting ISP into action (proposed rule changes)	Streamline regulatory processes whilst retaining a rigorous cost / benefit assessment	Mid 2020
AER	Transmission Ring Fencing Guideline Review	Reflect changing services offered by transmission businesses; consider alignment with the 2017 Electricity Distribution Ring-Fencing Guideline	Jul 2021
AEMC	Regulatory Framework for stand alone power systems	Allow customers to benefit from new technology that lowers costs of providing regulated services	2021
AER	Rate of Return Instrument (**RORI**)	Sets out approach to estimate rate of return: return on debt, return on equity and value of imputation credits	Dec 2022
AEMC	Coordination of Generation and Transmission Investment (**COGATI**) Access and Charging	Better co-ordinate generation and transmission investment to improve the efficiency of dispatch and location of generators; provide certainty to support new investment and improve planning information	2025
ESB	Post 2025 Market Design for the National Electricity Market (**NEM**)	Develop long-term, fit-for-purpose market framework to enable provision of full range of services to customers necessary to deliver a secure, reliable and lower emissions electricity system at least-cost	2025

GROWTH

THE PLAN AHEAD

AUSTRALIA'S ENERGY MARKET IS IN TRANSITION

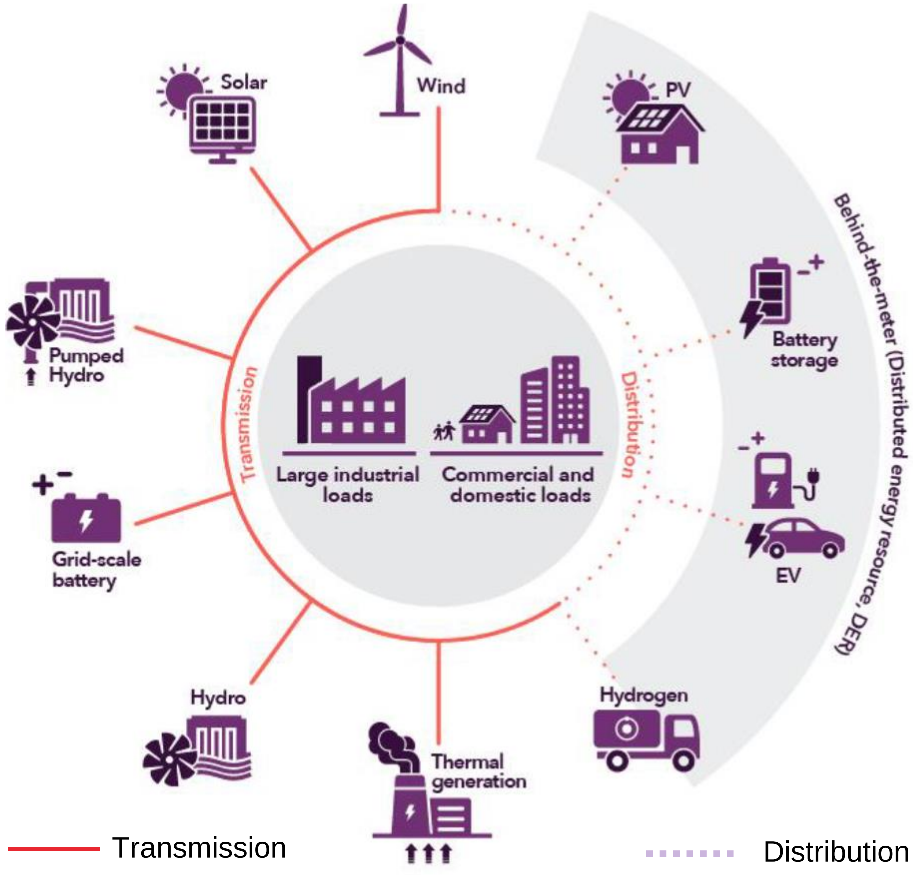
The Australian Energy Market Operator's (AEMO) Draft 2020 Integrated System Plan (ISP) identifies nationally significant and essential investments in the electricity system

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

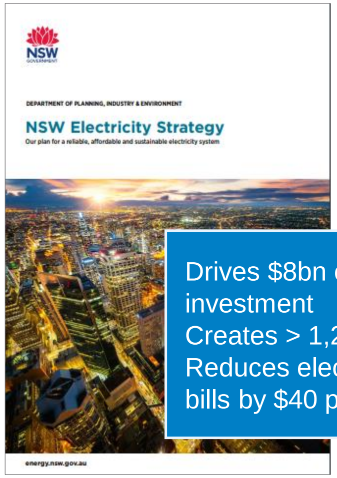
- Critical to address cost, security and reliability issues
- Should be either underway or commencing soon

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

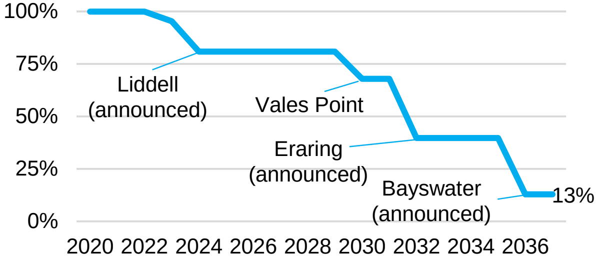
(1) Mid-range of AEMO's Draft 2020 ISP estimates

GENERATION AND STORAGE WILL FOLLOW

ISP providing a roadmap for changing generation mix

Coal-fired generation is retiring

NSW Coal-fired generation

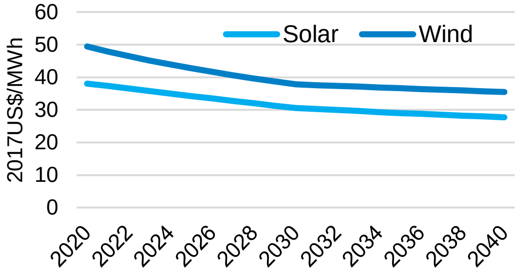


Source: AEMO Draft ISP dataset (reproduced)

- 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)

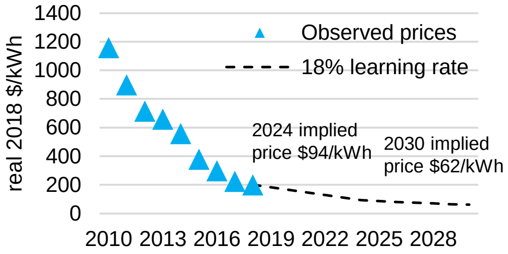


Source: NREL, 2019 Annual Technology Baseline

- 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

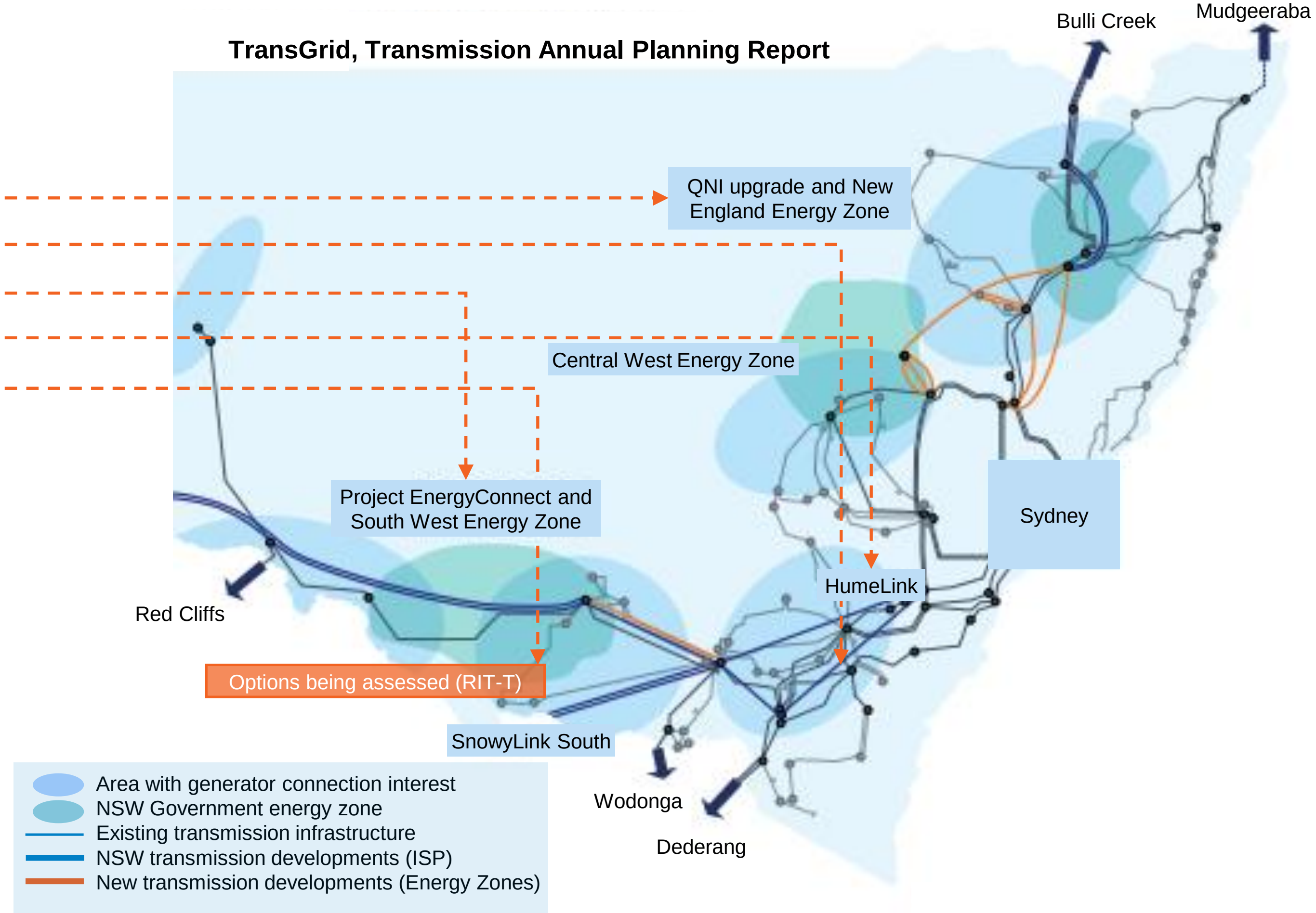
- Greater corporate PPA appetite
- Offtaker may bear more risk
- Appetite for longer tenor
- Premium pricing to support physical or financial firming
- Re-contracting opportunities will emerge during market cycles enabling PPA tenor extension where desirable

(1) Average prices of all scenarios published

NSW TRANSMISSION NETWORK 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	[2]$0.1bn	2022-23
Project EnergyConnect	[2]$1.5bn	2023-24
HumeLink	[2]$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
(2) Contingent Project Application (CPA) lodged or expected to be lodged in 2020

PROJECT ENERGYCONNECT

A key project in delivering grid strength, reliability, and renewable connectivity between NSW and South Australia

Project EnergyConnect (PEC) confirmed in AEMO's Draft 2020 ISP as a 'no regret' project

Expected to be jointly proposed by ElectraNet and TransGrid with the aim to:

- Reduce the cost of providing secure and reliable electricity in South Australia and NSW
- Facilitate the long term transition of the energy sector across the NEM to low emission energy sources; and
- Enhance power system security in South Australia and NSW

In January 2020, the Australian Energy Regulator (AER) determined that the Regulatory Investment Test for Transmission (RIT-T) application satisfied the net benefit requirement

Estimated cost in RIT-T application was $1.53 billion (in nominal terms) with a completion date of 2023 to 2024

TransGrid will be responsible for building, owning and operating the line from Wagga Wagga to the SA border and an augmentation to Red Cliffs (Victoria). The NSW component of RIT-T application was $1.15 billion

The interconnector route passes though renewable energy zones in SA and NSW, enabling future renewable projects in these areas to connect to the grid and supply new energy into the network

Key Metrics

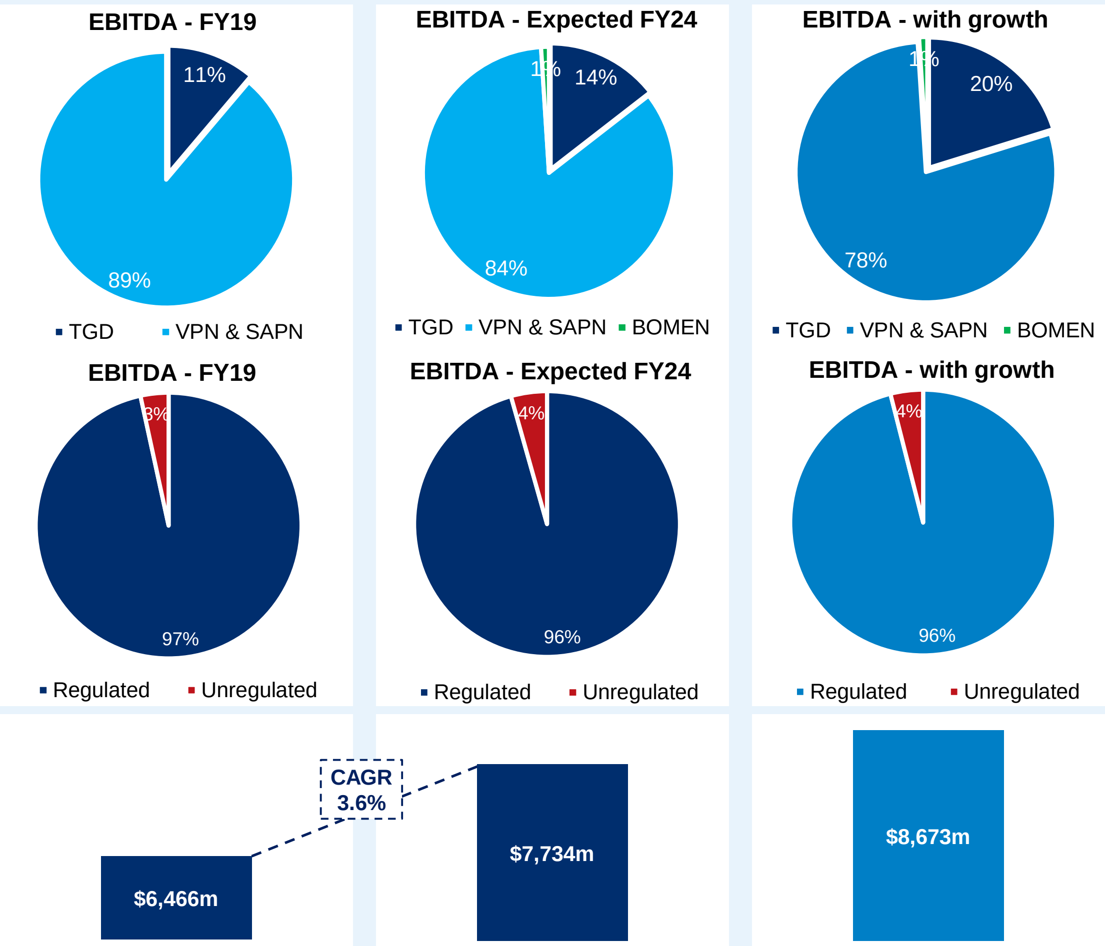
- Cost: $1.53 billion(1)
- Length: 916 km
- Capacity: 800 MW
- Voltage: 330 kV
- Construction due to start: mid-2021
- Jobs: 800 during construction, 700 ongoing
- Next Steps: Contingent Project Application

(1) SA Energy Transformation RIT-T Project Assessment Conclusion Report, 13 February 2019

Source: https://www.projectenergyconnect.com.au/, TransGrid's Transmission Annual Planning Report 2019, 2 July 2019, AEMO Draft 2020 Integrated System Plan, 12 December 2019

POSSIBLE RCAB GROWTH AND DIVERSIFICATION

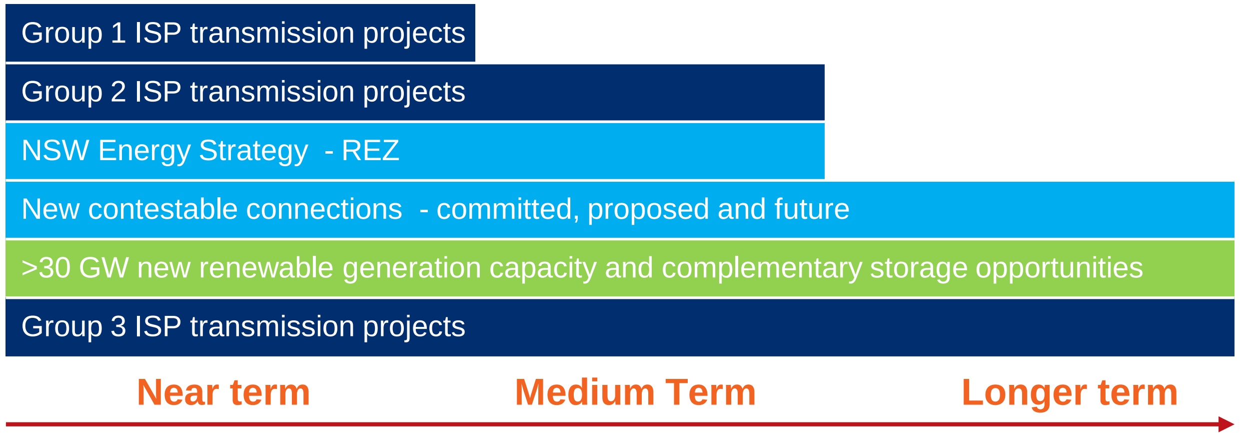
FY19	Expected Growth[1]	Potential Growth[2]



RCAB (Dec 19)	RCAB (Dec 24)	RCAB

Significant Growth Pipeline

- TransGrid growth driven by ISP transmission projects
- Incremental Capex spent on Major Projects will deliver immediate revenue and will be subject to TransGrid's current rate of return
- REZ represents further opportunity
- Unregulated opportunities for TransGrid Services (TGS) through new connections
- Renewables opportunities enabled through new transmission and REZ
- Beon and Enerven can enhance portfolio returns



(1) Includes organic growth consistent with latest regulatory proposals (slides 20 & 21), noting these are not final determinations, and TransGrid's 2018-2023 capex allowance plus an estimate of TransGrid's proportional contributions to PEC, QNI minor and VNI minor. (2) Includes expected growth plus TransGrid's proportional contributions to HumeLink, VNI West, QNI Medium and Group 3 ISP projects totaling ~$5.7 bn and ~$0.5bn on TransGrid Services new connections investments

STRATEGY CAPITAL MANAGEMENT AND OUTLOOK

THE PLAN AHEAD

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

VALUE THROUGH GROWTH AND YIELD

Investing in core growth opportunities while maintaining attractive distributions

1	**Electricity market transition is happening**	• AEMO's ISP identifies nationally significant and essential investment • From mid-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) COAG Energy Council – Converting the Integrated System Plan Into Action
(2) Mid-range of AEMO's Draft 2020 ISP estimates

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

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:
	  • QNI and VNI contingent project applications (totalling ~$300 million) being assessed by AER
	  • 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 (April 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 to be heard by full Federal Court in May, with a decision expected late 2020

Distribution guidance	• Board declared final distribution for FY2019 of 7.5cps, bringing total distribution for FY2019 to 15.0cps
	  • DRP will remain active for the FY2019 final distribution at a 2.0% discount (DRP not underwritten)
	• Board provides distribution guidance for FY2020 of at-least 13.5cps:
	  • 7.0cps for 1H20; and at least 6.5cps for 2H20, subject to business conditions. Reflecting:
	    - Step-up in tax payments for FY2020 as previously foreshadowed
	    - Expected impact from regulatory determination for SAPN commencing 1 July 2020
	  • Distribution 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

APPENDIX

DETAILS OF FY2019 FINANCIAL RESULTS

KEY METRICS

Distributions, RAB, credit metrics and gearing

KEY METRICS	
SECURITY METRICS	
Market price at 21 February 2020	$2.18
Market capitalisation	$3.7 billion
DISTRIBUTIONS	
2019 actual	15.00cps
Comprising:	
- Loan Note interest	7.05cps
- Tax deferred amount	7.95cps
2020 Guidance	at least 13.5cps
CREDIT RATINGS	
Investment portfolio credit ratings	SA Power Networks: A- Victoria Power Networks: A- TransGrid: Baa2
Spark Infrastructure level credit rating	Baa1
SPARK INFRASTRUCTURE	**$m**
Total RAB and CAB (Spark Infrastructure share)	6,466
Gross debt at Spark Infrastructure level	40

VICTORIA POWER NETWORKS	$m
RAB(1) (including AMI)	6,339
Net debt	4,494
Net debt/RAB	70.9%

SA POWER NETWORKS	$m
RAB(1)	4,340
Net debt	3,232
Net debt/RAB	74.5%

TRANSGRID	$m
RAB(1)	6,489
CAB(1)(2)	637
RCAB(1)(2)	7,126
Net debt(3)	5,718
Net debt/RAB(4)	88.9%
Net debt/RCAB	80.2%

(1) December 2019 estimate (2) Includes WIP/partially completed assets and investment property
(3) Net Debt is calculated using gross debt less cash and adjusted for prescribed revenue over/(under) collection and includes TransGrid Services
(4) Relates to Obligor Group

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 has been to restore safe and reliable power supply to those affected areas
- Both TransGrid and SA Power Networks regulatory determinations include cost pass throughs for “natural disaster events” which covers fire, flood and earthquake
- 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 is still assessing whether this threshold will be exceeded and if so, they intend to pursue this avenue with the AER
- SA Power Network’s early 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 with the appeal to be heard by Full Federal Court in May 2020; judgment expected late 2020

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 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.

INVESTMENT GRADE FUNDING

Issuer	Victoria Power Networks	SA Power Networks	TransGrid
Credit Rating (S&P / Moody's)	A- / n/a	A- / n/a	n/a / Baa2[(2)] (on USPP notes)
Weighted Average Maturity[(1)] *(31 December 2018)*	5.4 yrs (5.5 yrs)	6.9 yrs (5.6 yrs)	5.1 yrs (6.1 yrs)
Net Debt at 31 December 2019 *(31 December 2018)*	$4.494bn *($4.369bn)*	$3.232bn *($3.155bn)*	$5.718bn[(3)] *($5.509bn)*
Net Debt / RAB at 31 December 2019 *(31 December 2018)*	70.9% (71.5%)	74.5% (74.3%)	88.9%[(2)] *(87.7%)*
Net Debt / RAB + CAB at 31 December 2019 *(31 December 2018)*	N/A	N/A	80.2%[(3)] *(80.7%)*
FFO / Net Debt at 31 December 2019 *(31 December 2018)*	15.2% *(15.3%)*	16.7% *(16.6%)*	8.1%[(2)] *(8.2%)*
Gross Debt at 31 December 2019 *(31 December 2018)*	$4.555bn *($4.426bn)*	$3.262bn *($3.185bn)*	$5.846bn *($5.634bn)*

Spark Infrastructure has increased corporate facilities to $400m; rated Baa1 by Moody's

(1) Weighted average maturity calculation is based on drawn debt at 31 December 2019 (2) Relates to the Obligor Group (3) Net Debt is calculated using gross debt less cash and adjusted for prescribed revenue over/(under) collection and includes TransGrid Services

REGULATED PRICE PATH

CPI minus X[(1)]

CitiPower	CPI (%) Actual (Forecast)	X-Factor	Expected movement in revenue[(3)] %
Year 1[(2)] (1 Jan 16)	2.50 *(2.50)*	-	**-**
Year 2 (1 Jan 17)	1.02 *(2.35)*	0.40	***0.62***
Year 3 (1 Jan 18)	1.93 *(2.35)*	-0.05	***1.99***
Year 4 (1 Jan 19)	2.08 *(2.35)*	-0.12	***2.20***
Year 5 (1 Jan 20)	1.59 *(2.35)*	-1.88	***3.50***

Powercor	CPI (%) Actual (Forecast)	X-Factor	Expected movement in revenue[(3)] %
Year 1[(2)] (1 Jan 16)	2.50 *(2.50)*	-	**-**
Year 2 (1 Jan 17)	1.02 *(2.35)*	4.68	***-3.71***
Year 3 (1 Jan 18)	1.93 *(2.35)*	-0.81	***3.08***
Year 4 (1 Jan 19)	2.08 *(2.35)*	-3.02	***5.16***
Year 5 (1 Jan 20)	1.59 *(2.35)*	-2.40	***4.03***

- Regulated electricity network revenues are determined by a price path set according to the CPI-X[(1)] formula. A negative X-factor means a real increase in distribution tariffs
- The regulatory pricing period currently commences from 1 January for Victoria Power Networks (CitiPower and Powercor) but will be adjusted to a 1 July from 2021, SA Power Networks and TransGrid are from 1 July each year
- Whilst CPI-X is the key underlying driver for year on year revenue movements, the revenue movements in reported results include adjustments for other factors

(1) Whilst referred to as "CPI-X", the actual tariff increase formula used by the regulator is: (1+CPI)*(1-x)-1. Source: AER
(2) No CPI-X was applied in 2016. The AER calculated the revenue cap as a dollar amount
(3) Excludes over or under recovery and S factor revenue

REGULATED PRICE PATH

CPI minus X(1)

SA Power Networks	CPI (%) Actual *(Forecast)*	X-Factor	Expected movement in revenue(2) %
Year 1 (1 Jul 15)	1.72 *(2.50)*	28.00	***-26.80***
Year 2 (1 Jul 16)	1.69 *(2.50)*	-7.13	***8.90***
Year 3 (1 Jul 17)	1.48 *(2.50)*	-0.94	***2.40***
Year 4 (1 Jul 18)	1.91 *(2.50)*	-0.74	***2.66***
Year 5 (1 Jul 19)	1.78 *(2.50)*	-0.85	***2.65***

TransGrid	CPI (%) Actual *(Forecast)*	X-Factor	Expected movement in revenue(2) %
Year 1(4) (1 Jul 18)	*n/a* *n/a*	*n/a* *n/a*	***n/a***
Year 2 (1 Jul 19)	1.80 *(2.45)*	-0.97 (-1.98)	***2.79***
Year 3 (1 Jul 20)	1.80 *(2.45)*	-0.17 (-1.98)	***1.97***
Year 4 (1 Jul 21)	*(2.45)*	(-1.98)	
Year 5 (1 Jul 22)	*(2.45)*	(-1.98)	

(1) Whilst referred to as CPI-X, the actual tariff increase formula used by the regulator is: (1+CPI)*(1-x)-1. Source: AER
(2) Excludes over or under recovery and S factor revenue
(3) Based on the AER's advice on the X-factor applicable to the MAR calculation for 2017/18 transmission pricing.
(4) The AER's determination set the MAR for 2018/19 so no CPI-X calculation is applied. The MAR for 2018/19 is $734.3m or 5% higher in nominal terms than the actual MAR for 2017/18

SEMI REGULATED REVENUES (100% BASIS)

Victoria Power Networks ($m)	2019	2018	Variance
Public Lighting	11.9	12.2	(0.3)
New Connections	15.1	14.2	0.9
Special Reader Activities	4.6	4.5	0.1
Service Truck Activities	5.9	5.6	0.3
Recoverable Works	2.2	3.1	(0.9)
Specification and Design	13.3	10.8	2.5
Other	7.8	6.4	1.4
TOTAL	**60.8**	**56.8**	**4.0**

SA Power Networks ($m)	2019	2018	Variance
Public Lighting	23.5	6.8	16.7
Metering Services	15.7	16.1	(0.4)
Pole/Duct Rental	3.9	6.0	(2.1)
Other Negotiated Services(1)	54.2	50.5	3.7
TOTAL(2)	**97.3**	**79.4**	**17.9**

(1) Includes Asset Relocation and Embedded Generation
(2) Does not include Alternative Control Services (ACS) revenue, which is reported as part of DUOS revenue

UNREGULATED REVENUES (100% BASIS)

Victoria Power Networks ($m)	2019	2018	Variance
Beon Energy Solutions	239.5	166.5	73.0
Service Level Agreement Revenue	22.7	24.7	(2.0)
Telecommunications	1.1	1.3	(0.2)
Joint Use of Poles	4.1	3.7	0.4
Other	19.1	19.2	(0.1)
TOTAL	**286.4**	**215.4**	**71.2**

SA Power Networks ($m)	2019	2018	Variance
Energy Infrastructure and Solutions	268.2	187.7	80.5
Facilities Access / Dark Fibre	1.9	2.2	(0.3)
Asset Rentals	3.8	4.0	(0.2)
Sale of Salvage	1.7	1.6	0.1
Other	6.6	1.9	4.7
TOTAL	**282.2**	**197.4**	**84.8**

TransGrid ($m)	2019	2018	Variance
Infrastructure Services	104.0	136.4	(32.4)
Property Services	5.0	5.0	-
Telecommunication Services	11.0	8.1	2.9
TOTAL	**120.0**	**149.5**	**(29.5)**

CAPITAL EXPENDITURE (100% BASIS)

CAPITAL EXPENDITURE								
$m	Victoria Power Networks		SA Power Networks		TransGrid		Totals	
	2019	2018	2019	2018	2019	2018	2019	2018
Growth capex	342.6	357.2	138.4	151.9	58.4	9.4	**539.4**	**518.5**
Growth capex - non prescribed	-	-	-	-	238.6	78.4	**238.6**	**78.4**
Non-network capex[(1)]	-	-	-	-	35.8	35.5	**35.8**	**35.5**
Maintenance capex	165.0	138.5	267.2	273.0	160.6	148.0	**592.8**	**559.5**
Total	**507.6**	**495.7**	**405.6**	**424.9**	**493.4**	**271.3**	**1,406.5**	**1,191.9**
Spark Infrastructure share	248.7	242.9	198.7	208.2	74.1	40.7	521.5	491.8
Change vs pcp (%)	2.4%		-4.5%		81.9%		6.0%	

$m	Maintenance capex spend		Regulatory depreciation		Less inflation uplift on RAB		Net regulatory depreciation	
	2019	2018	2019	2018	2019	2018	2019	2018
Victoria Power Networks	165.0	138.5	389.5	365.8	(126.4)	(113.1)	263.1	252.6
SA Power Networks	267.2	273.0	321.0	308.3	(74.7)	(79.2)	246.3	229.1
TransGrid	160.6	148.0	265.3	260.5	(126.5)	(116.8)	138.8	143.7
Total	**592.8**	**559.5**	**975.8**	**934.6**	**(327.6)**	**(309.2)**	**648.2**	**625.4**
Spark Infrastructure share	235.9	223.8	388.0	369.4	(117.5)	(111.8)	270.5	257.6

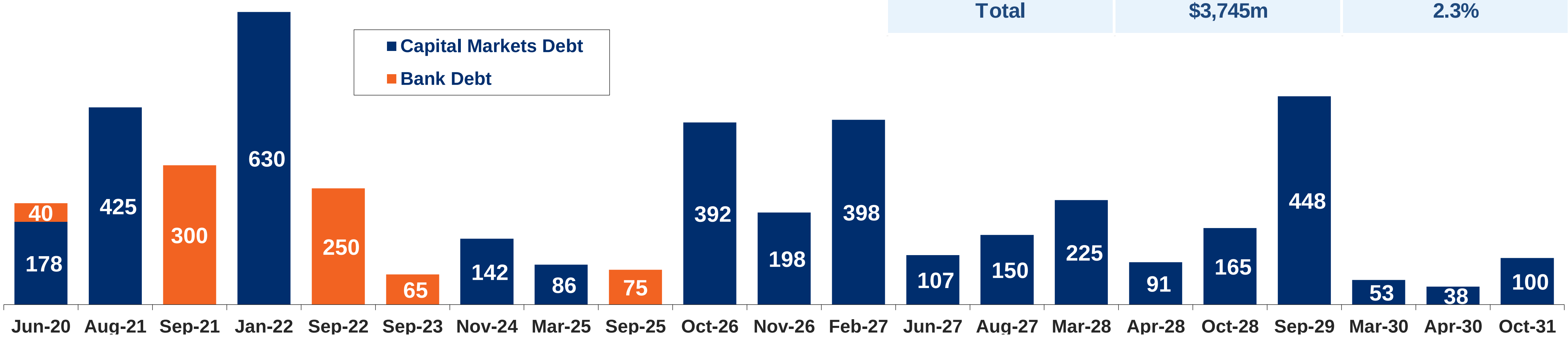
(1) Non-network capex includes NCIPAP

VICTORIA POWER NETWORKS DEBT AND HEDGING

- May 2019 – placed US$310m of 10-year notes (~A$448m)
- Next debt maturity is $278.1m in June 2020 ($218.1m drawn at 31 December 2019)

Interest Rate Swaps	Notional Principal Amount	Average Contracted Fixed Interest Rate
< 1 year	$400m	2.2%
1-2 years	$400m	2.3%
2-5 years	$1,200m	2.6%
5+ years	$1,745m	2.2%
Total	**$3,745m**	**2.3%**

Drawn Debt Maturity Profile at 31 December 2019 ($m 100%)

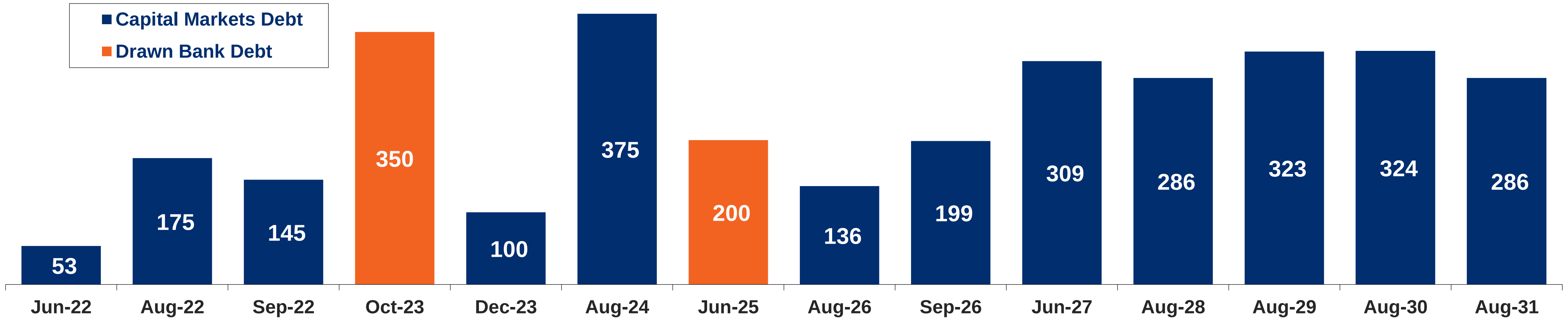


SA POWER NETWORKS DEBT AND HEDGING

- April 2019 – placed US$230m of 10-year notes; US$174m 11-year notes and €50m 11-year notes (~A$646m)
- Next debt maturity is $53m in June 2022

Interest Rate Swaps	Notional Principal Amount	Average Contracted Fixed Interest Rate
< 1 year	$307m	2.7%
1-2 years	$336m	2.7%
2-5 years	$950m	3.0%
5+ years	$1,592m	2.9%
Total	**$3,185m**	**2.9%**

Drawn Debt Maturity Profile at 31 December 2019 ($m 100%)

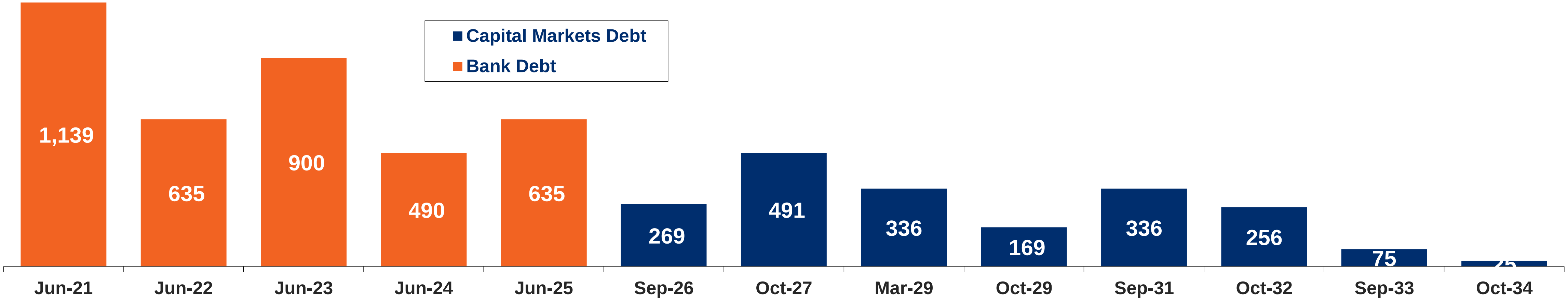


TRANSGRID DEBT AND HEDGING

- November 2019 – obtained A$355m 5-year debt facility provided by a syndicated five Australian and foreign banks.
- Next debt maturity is $1,550m in June 2021 ($1,139m drawn at 31 December 2019)

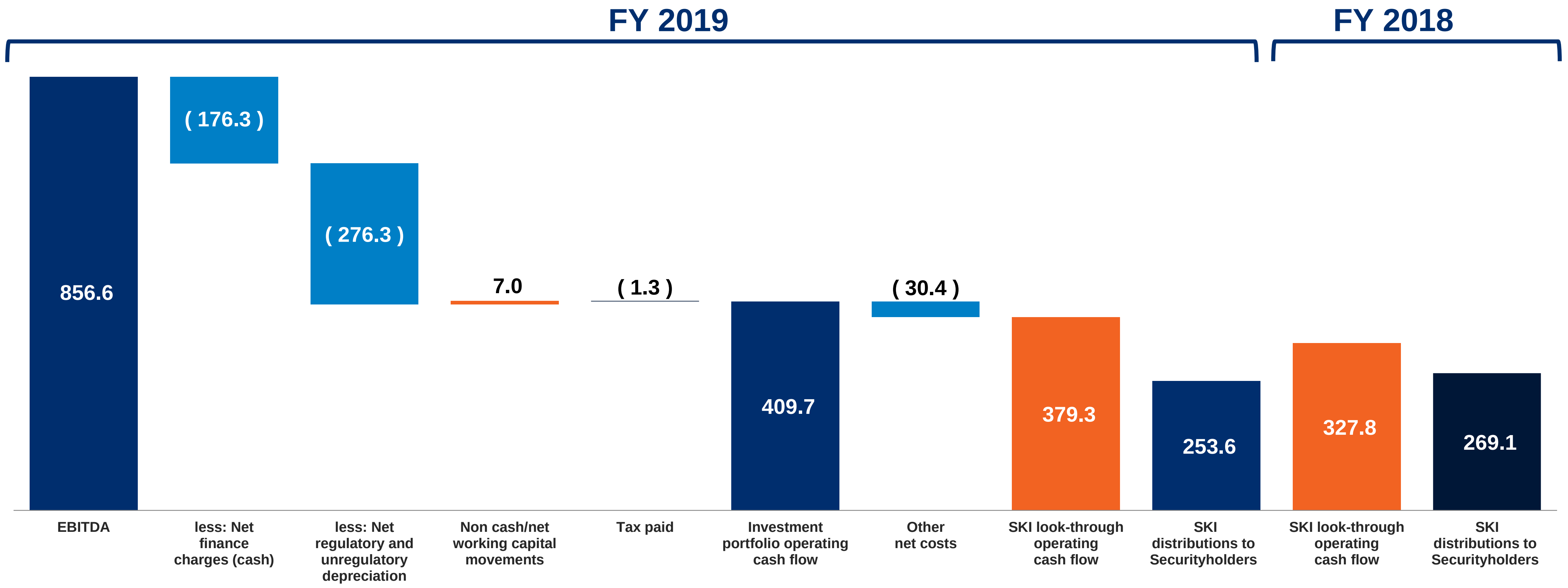
Interest Rate Swaps[1]	Notional Principal Amount	Average Contracted Fixed Interest Rate
< 1 year	$303m	2.6%
1-2 years	$303m	2.8%
2-5 years	$2,623m	2.7%
5+ years	$1,512m	2.5%
Total	**$4,741m**	**2.6%**

Drawn Debt Maturity Profile at 31 December 2019[1] ($m 100%)



(1) Relating to the Obligor Group

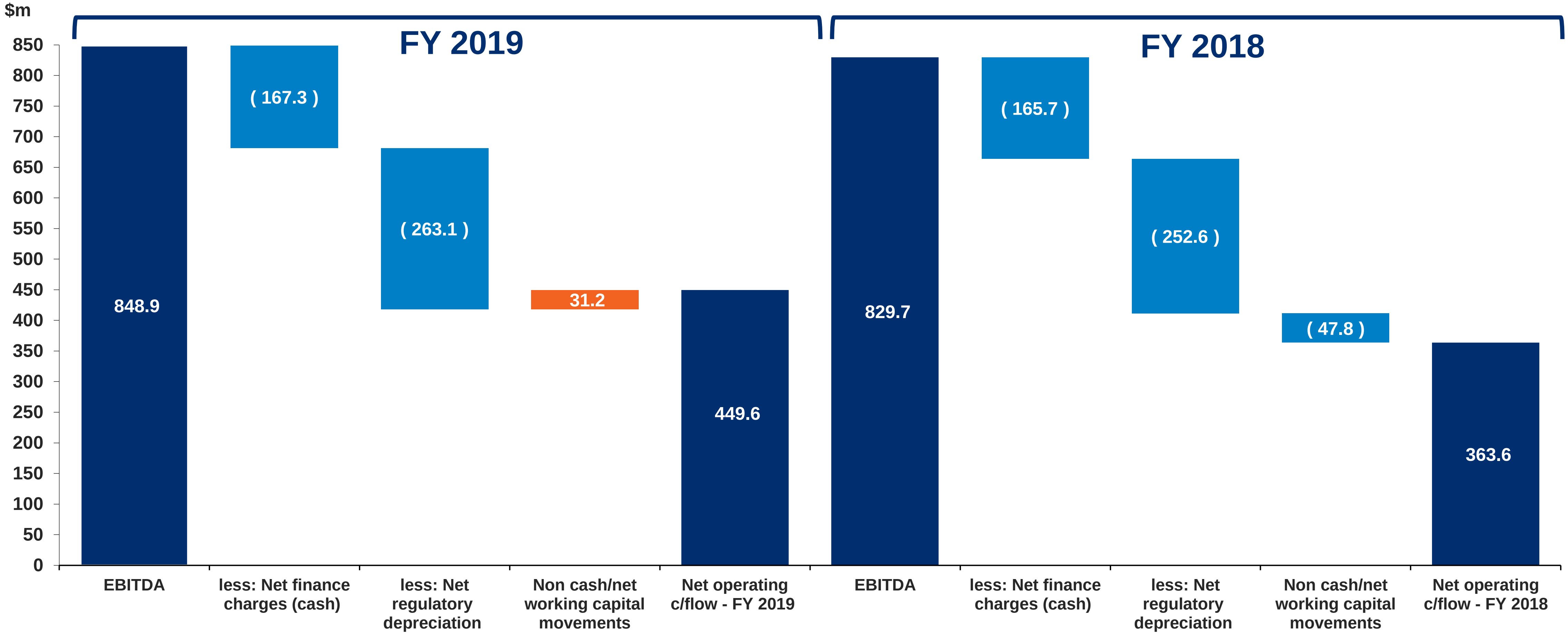
LOOK-THROUGH NET OPERATING CASH FLOW



Distributions are fully covered by look-through net operating cash flow by 1.5X

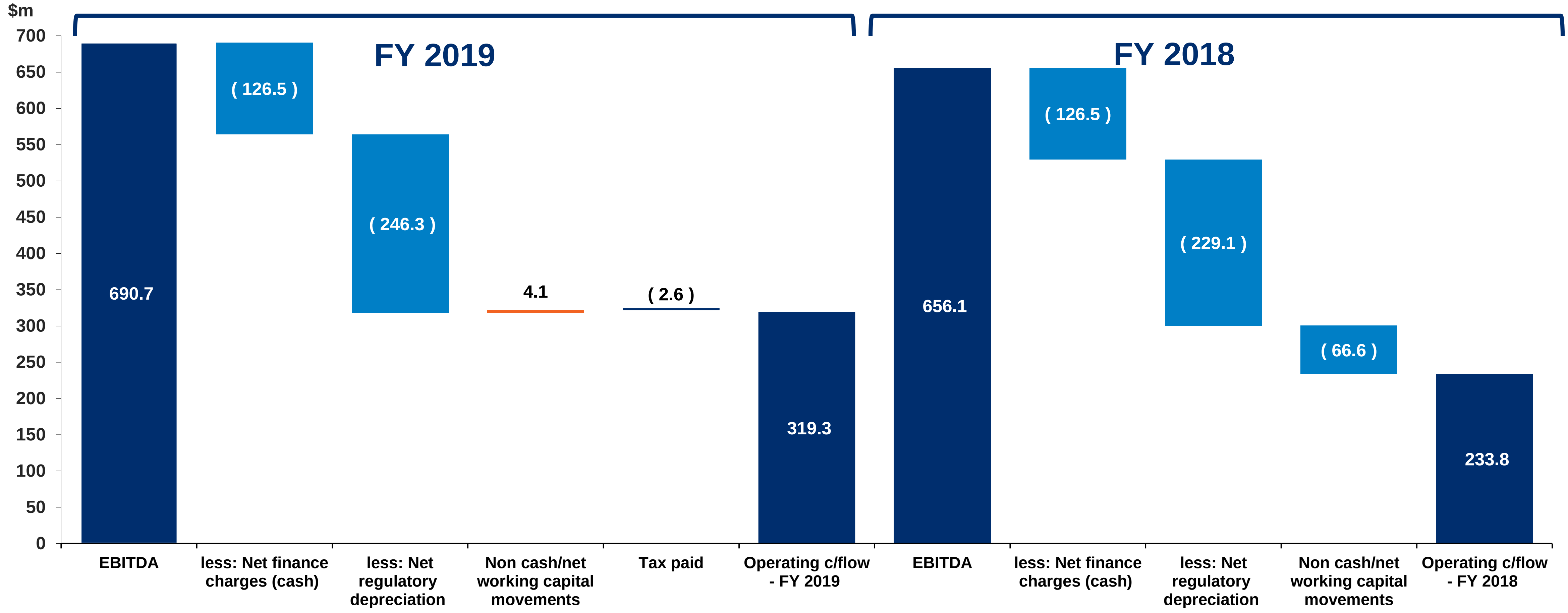
(1) EBITDA excludes customer contributions and gifted assets and includes ‘true-up’ of DUOS/TUOS to revenue cap
(2) Net regulatory and unregulatory depreciation is calculated based on actual inflation. Applying the average regulatory assumed inflation rates reduces net regulatory depreciation to $248.4m
(3) FY2019 pay-out ratio 67% (FY2018 pay-out: 82%) / 3 year pay-out ratio (2017-2019): 74%

VPN LOOK-THROUGH NOCF (100%)



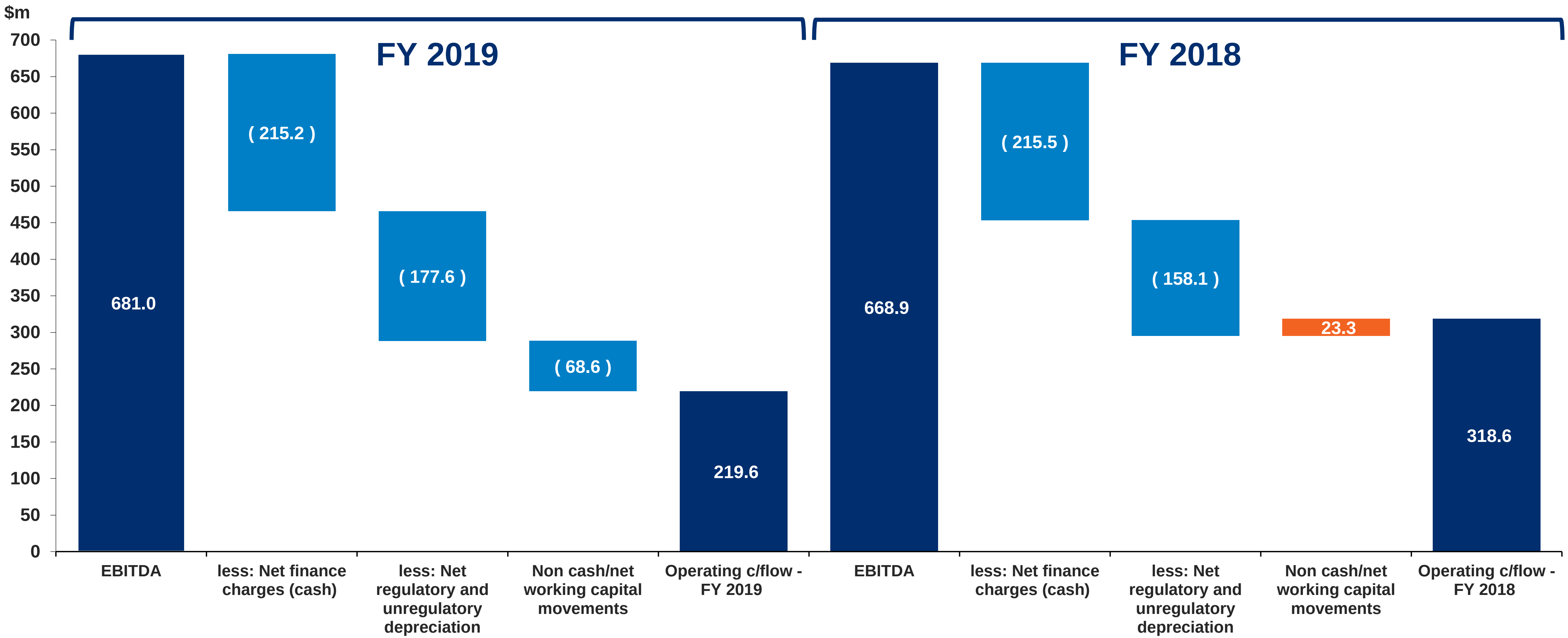
Note re maintenance capex:
Net regulatory depreciation is a proxy for maintenance capex. It is calculated as regulatory depreciation net of actual CPI uplift on RAB
CPI uplift on RAB was estimated by:
CPI uplift on RAB for 2019 is 2.08%
CPI uplift on RAB for 2018 was 1.93% as per updates to the Final Determination on opening RAB
CPI is based on ‘All groups CPI’ for weighted average of 8 capital cities, not seasonally adjusted (Source: ABS). June on June (released July)

SA POWER NETWORKS LOOK-THROUGH NOCF (100%)



Note re maintenance capex:
Net regulatory depreciation is a proxy for maintenance capex. It is calculated as regulatory depreciation net of actual CPI uplift on RAB
CPI uplift on RAB was estimated by:
In H1 2018: actual December 2018 CPI of 1.78% was applied, with 50% assumed to apply to H1 2019
In H2 2019: estimated December 2018 CPI of 1.75% was applied, with 50% assumed to apply to H2 2019
CPI is based on 'All groups CPI' for weighted average of 8 capital cities, not seasonally adjusted (Source: ABS). December on December (released January) for the regulatory period commencing 1 July

TRANSGRID LOOK-THROUGH NOCF (100%)



Notes:
Maintenance capex – Net regulatory depreciation is a proxy for maintenance capex. It is calculated as regulatory depreciation net of actual CPI uplift on RAB
CPI uplift on RAB was estimated by:
In H1 2019: actual December 2018 CPI of 1.78% on opening RAB (1 July 2018), with 50% assumed to apply to H1 2019
In H2 2019: estimated December 2019 CPI 2.16% on opening RAB (1 July 2019), with 50% assumed to apply to H2 2019
CPI is based on 'All groups CPI' for weighted average of 8 capital cities, not seasonally adjusted (Source: ABS). December on December (released January) for the regulatory period commencing 1 July

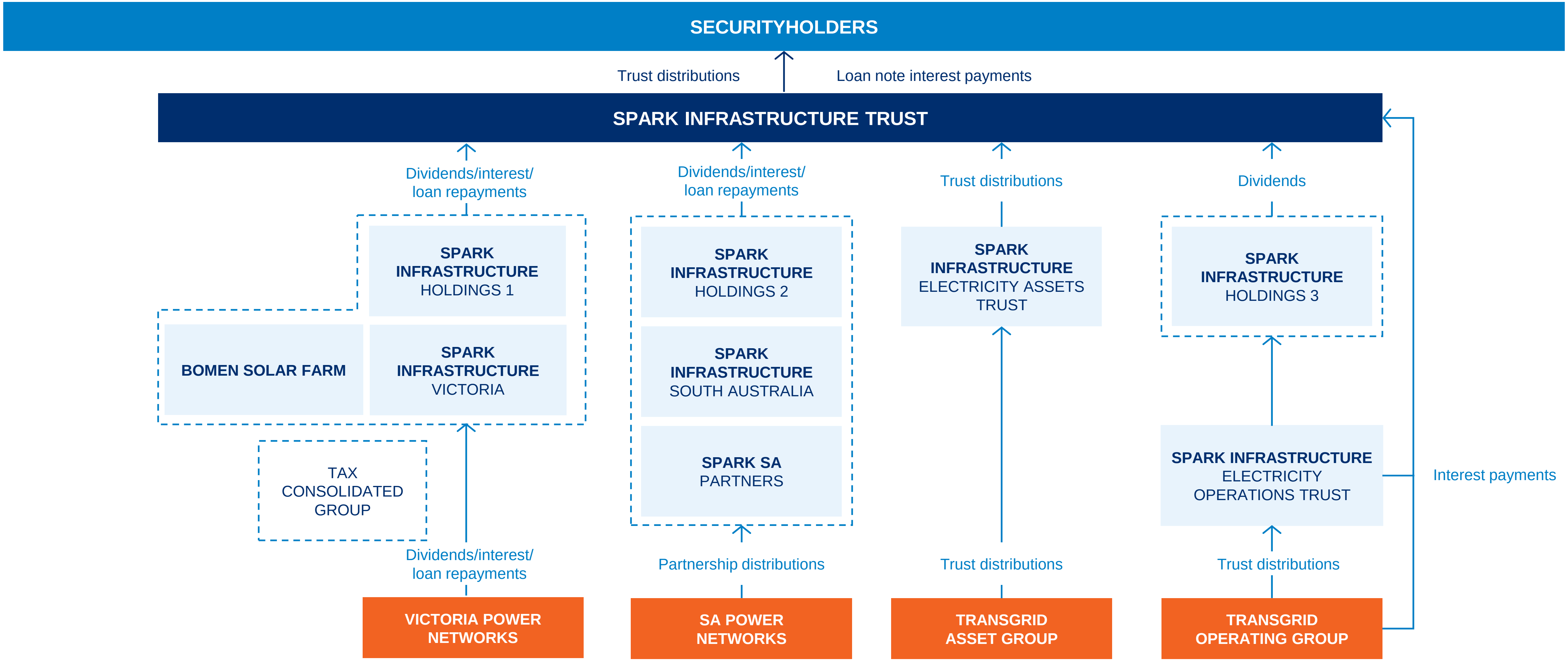
SHARE OF EQUITY PROFITS TO NPAT

100% Basis $m	Victoria Power Networks	SA Power Networks	TransGrid	Spark Infrastructure Share
Regulated revenue	962.1	848.9	709.6	993.9
Other revenue	433.3	379.4	125.4	417.1
Total Income	**1,395.4**	**1,228.3**	**835.1**	**1,411.0**
Operating costs	(541.0)	(537.5)	(199.0)	(558.3)
EBITDA	**854.5**	**690.7**	**636.1**	**852.6**
Depreciation and amortisation	(316.4)	(306.5)	(354.2)	(358.4)
Net interest expense (excl subordinated debt)	(167.6)	(138.7)	(222.2)	(183.5)
Subordinated debt interest expense	(104.5)	(72.5)	(79.8)	(98.7)
Net Profit/(Loss) before Tax	**265.9**	**173.0**	**(20.1)**	**212.0**
Tax expense	(83.2)	(3.5)	-	(42.4)
Net Profit/(Loss) after Tax	**182.7**	**169.5**	**(20.1)**	**169.6**
Less: additional share of profit from preferred partnership capital (PPC)[1]	-	(69.6)	-	(34.1)
Net Profit/(Loss) for Equity Accounting	**182.7**	**99.9**	**(20.1)**	**135.5**
Spark Infrastructure Share	**89.5**	**48.9**	**(3.0)**	**135.5**
Add: additional share of profit from PPC[1]	-	69.6	-	69.6
Less: additional adjustments made to share of equity accounted profits[2]	(4.6)	1.5	5.7	2.6
Share of Equity Accounted Profits	**84.9**	**120.1**	**2.7**	**207.7**
Add: interest income from associates	51.2	-	12.0	63.2
Total Income from Associates	**136.1**	**120.1**	**14.7**	**270.9**
Interest income - other				1.5
Interest expense (including borrowing costs)				(0.7)
Interest expense – Loan Notes				(119.2)
Unrealised gains from derivative instruments				6.8
General and administrative expenses				(20.0)
Loss before Income Tax				**139.2**
Income tax benefit				(60.2)
Net Loss after Income Tax Attributable to Securityholders				**79.1**

(1) Under the partnership agreement, Spark Infrastructure is entitled to an additional share of profit in SA Power Networks
(2) Includes adjustments made to distribution/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

SPARK INFRASTRUCTURE GROUP DIAGRAM

Simplified corporate structure



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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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