



20 July 2020

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

Dear Sir / Madam

Spark Infrastructure announces change of TransGrid Securityholders

Please see attached release to market in relation to change of TransGrid Securityholders.

Authorised by:

A handwritten signature in blue ink, appearing to read "Alex Finley".

Alexandra Finley
Company Secretary



ASX RELEASE

Monday 20 July 2020

CHANGE OF TRANSGRID SECURITYHOLDERS

Spark Infrastructure notes the completion of the sale process for the 19.99% stake in TransGrid held by Wren House to Ontario Municipal Employees Retirement System (OMERS) of Canada.

The stake was offered to Spark Infrastructure and other securityholders in February 2020 in accordance with the pre-emptive process under the Securityholders Deed. Spark Infrastructure declined to participate and notes that its 15.01% equity investment in TransGrid was purchased for \$734.3 million in December 2015. Accordingly, the implied equity value on a proportional basis represents an approximate compound annual increase of 4.0% p.a. in addition to an approximate average distribution yield of 4.6% p.a. reflecting the improved business performance, growth in regulated and contracted assets (RCAB) as well as the significant and attractive growth pipeline.

Spark Infrastructure Managing Director and Chief Executive Officer, Rick Francis said: "We know OMERS well and welcome them as a fellow securityholder in TransGrid and we look forward to working with them and our other co-investors to help deliver TransGrid's future growth potential.

Mr Francis said: "The transaction recognises the high quality of the existing business and the value creation opportunity we see in TransGrid, in particular the extensive pipeline of growth projects emerging from the Integrated System Plan (ISP), the recently announced Renewable Energy Zones in NSW and the continued growth of TransGrid's unregulated contracted connections business.

"Spark Infrastructure has long appreciated the ongoing benefits of TransGrid's connections business. These growing contracted assets will continue to be fuelled by the growth in renewables. We look forward to this value being further realised in addition to the long term value created by the ISP projects such as Energy Connect, Humelink and QNI.

"When considering this transaction, we see an even more significant difference between the valuation and how the listed market is currently valuing Spark Infrastructure's ownership in TransGrid. If read across this would result in a significant uplift in value for Spark Infrastructure's 15.01% equity investment in TransGrid, which we believe can be attributed to the large once-in-a-generation growth opportunity coming from the proposed integrated system plan build-out and further transmission connection opportunities", Mr Francis said.

As the backbone of the National Electricity Market (NEM), TransGrid is playing an essential role in the transition to a low-carbon renewables future. TransGrid is entering a once-in-a-generation growth story, as demonstrated by the pipeline of more than \$10 billion in growth projects identified by state and federal governments and the Australian Energy Market Operator. TransGrid's contestable business is also playing critical role in the integration and expansion of renewable energy projects across the NEM and in particular in NSW.

"While we maintain a strong focus on delivering operating improvements in our investment businesses and investing efficiently to capitalise on organic growth opportunities, this regulated and contestable growth pipeline in TransGrid underpins our objective of delivering long-term growth for Spark Infrastructure securityholders", Mr Francis added.

TransGrid's investment in new electricity transmission infrastructure and associated activities will have an important role in Australia's economic recovery following COVID-19, creating approximately 7,000 direct jobs during construction across regional NSW, as well as hundreds of new apprenticeships, traineeships and graduate positions to upskill Australian workers.

For further information:

Investor Relations
Neil Donaldson – 0424 818 638

Media
Ben Wilson – 0407 966 083