

*spark*infrastructure

Delivering

FUTURE ENERGY

ANNUAL GENERAL MEETING

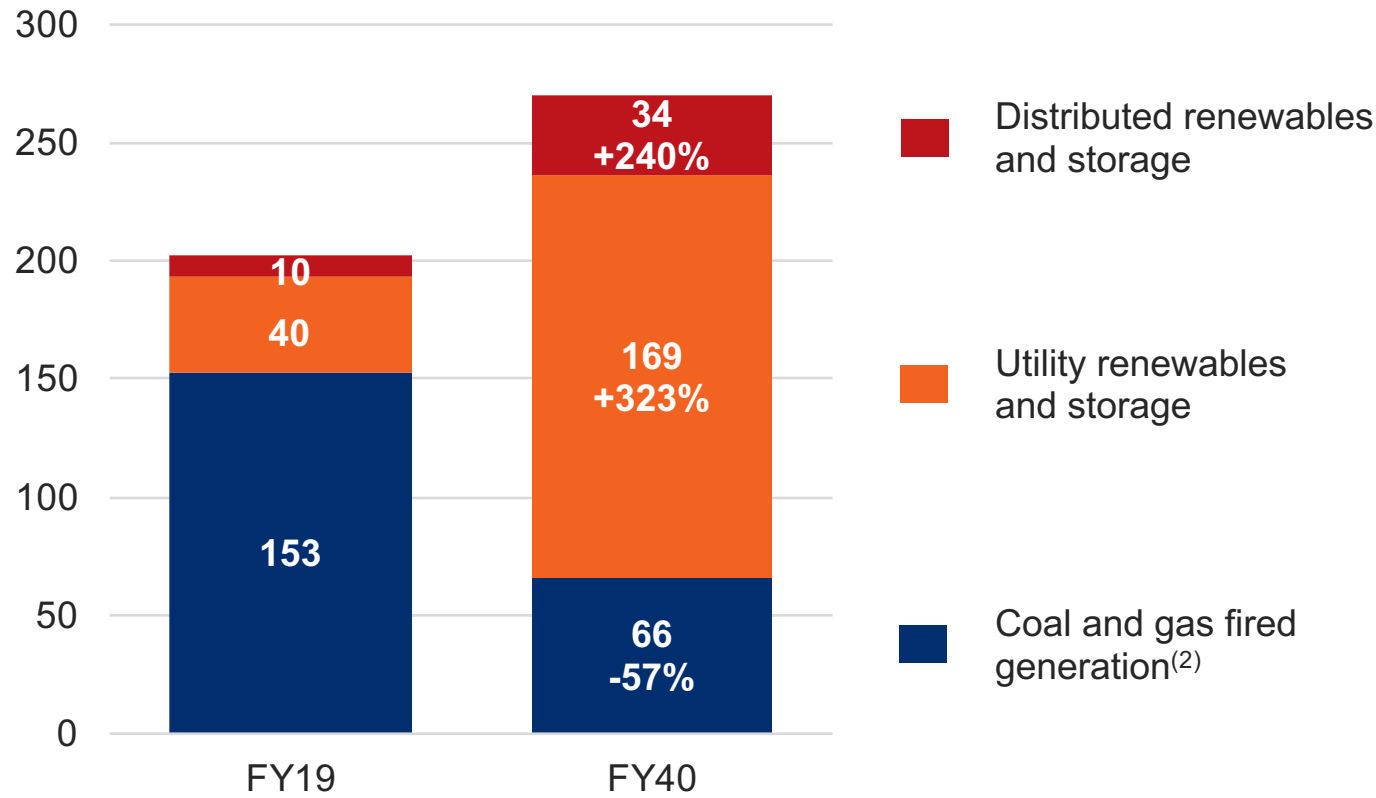
FRIDAY, 24 MAY 2019

CHAIR'S ADDRESS

DR. DOUG MCTAGGART
CHAIR

UNPRECEDENTED CHANGE IN ENERGY MARKETS

AEMO's ISP forecasts that generation (TWh)⁽¹⁾ in the National Electricity Market will change significantly...



...with record developments in Australia in 2018

Total renewables installed in 2018 (including small-scale and large-scale renewables)⁽³⁾

3.9GW

Renewables under construction or financially committed at the end of 2018⁽³⁾

14.8GW

Percentage of Australian dwellings with a solar PV system at the end of 2018⁽⁴⁾

22%

(1) Source: AEMO 2018 Integrated System Plan Neutral Scenario, Storage load of 1TWh in FY19 and 42TWh in FY40 not represented in graph

(2) Includes generation from liquid fuels (e.g. diesel)

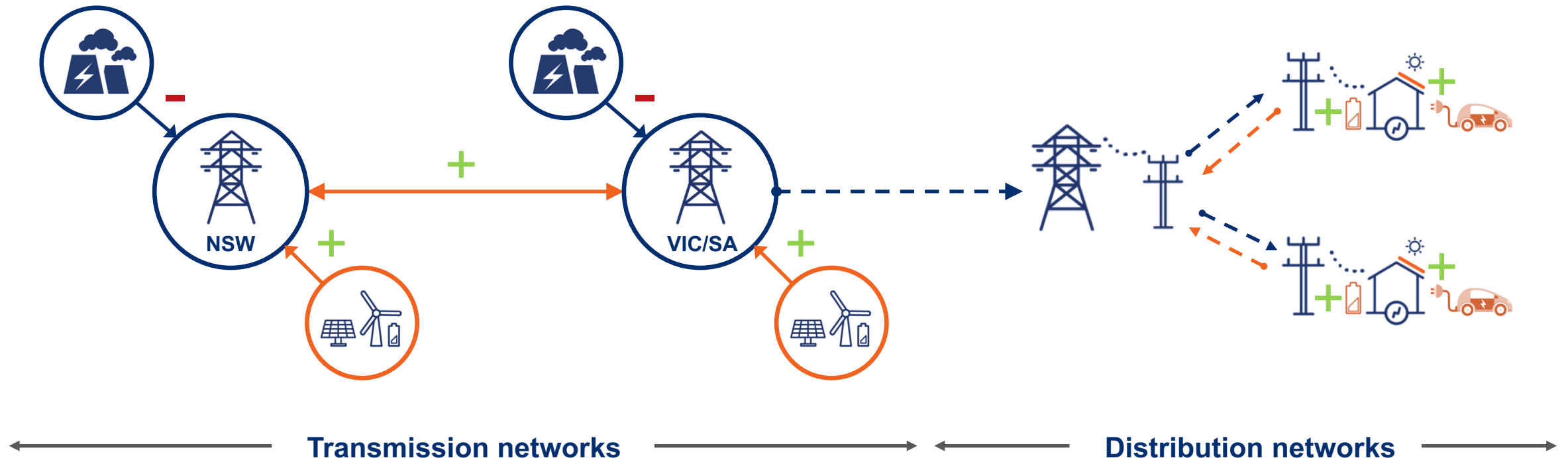
(3) Source: 2019 Clean Energy Australia Report, Clean Energy Council

(4) Source: Australian PV Institute (APVI) mapping Australian photovoltaic installations data

THREE KEY TRENDS EXPANDING ROLE OF NETWORKS

Our networks are increasingly delivering more value-add services to the grid as technology and customer preferences evolve

- 1 Retirement of coal-fired generation and significant large scale renewable energy build
- 2 More interconnection required to balance intermittent generation across regions
- 3 Solar rooftop PV, batteries and electric vehicles declining in cost and improving customer choice



OUR STRATEGIC VISION AND PRIORITIES

Delivering essential service infrastructure

OBJECTIVE

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

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

BUSINESS MODEL

Value Enhance

Managing our portfolio for performance and organic growth through efficient investment

Value Acquire

Growing through disciplined acquisitions

Value Build

Developing adjacent business platforms



ELECTRICITY NETWORKS



RENEWABLE ENERGY



ELECTRICITY STORAGE



GAS NETWORKS / GAS STORAGE



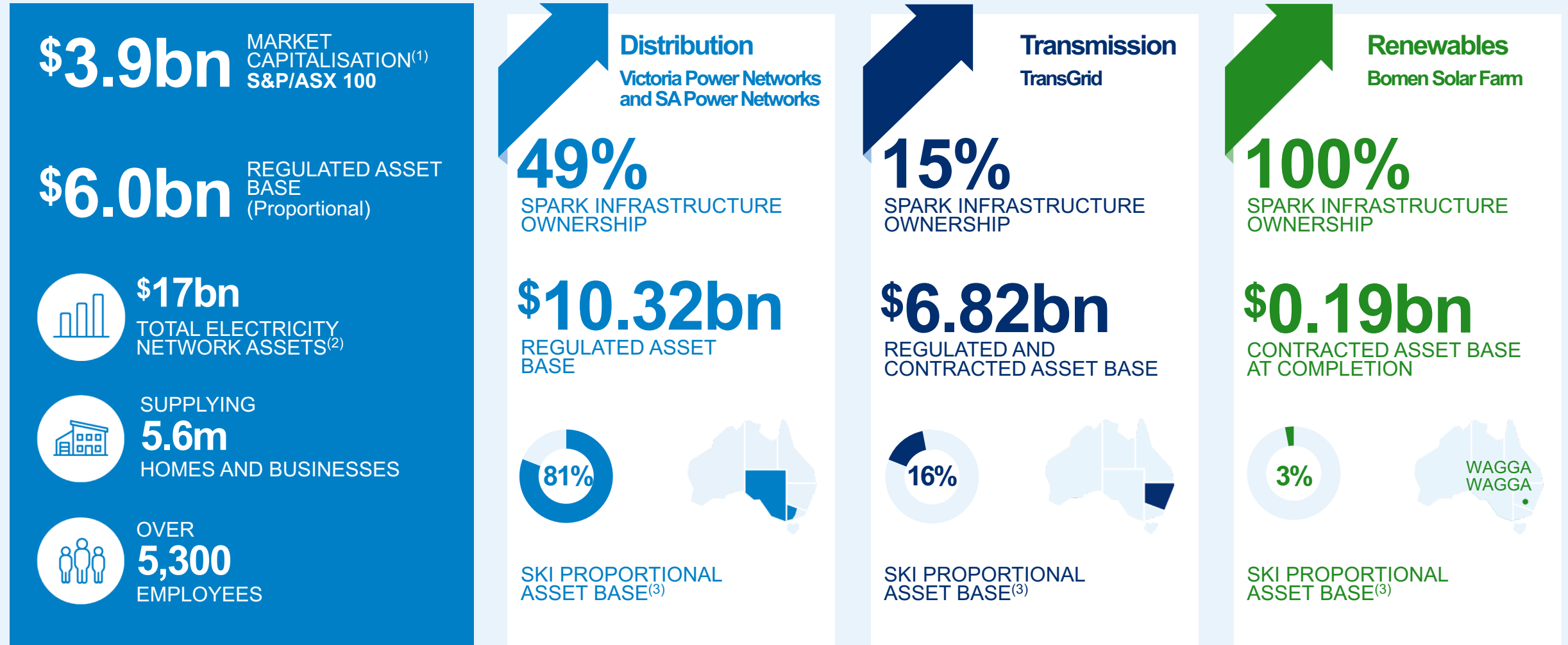
WATER NETWORKS / WATER STORAGE



DATA NETWORKS

SPARK INFRASTRUCTURE – AT A GLANCE

ASX-listed owner of leading essential service infrastructure



(1) As at 22 May 2019. Balance sheet and other information as at 31 December 2018 (2) Spark Infrastructure has interests in \$17bn of total electricity network assets (3) Pro forma

SUSTAINABLE BUSINESS PERFORMANCE

Creating sustainable value for our Securityholders and other stakeholders



**FINANCIAL
MANAGEMENT**



**CUSTOMER &
COMMUNITY**



**HEALTH &
SAFETY**



ENVIRONMENT



REGULATION



**TECHNOLOGY &
INNOVATION**



**RESILIENT
ASSETS**



**GOVERNANCE
& COMPLIANCE**

DISTRIBUTION GUIDANCE



FY2019
Distribution Guidance

15.0cps
at least



Spark
Infrastructure
expects to become
a taxpayer in the
short term



Franking credits
are expected to
be attached to
distributions in
due course

SPARK INFRASTRUCTURE BOARD



DR. DOUG MCTAGGART, CHAIR



MR. ANDREW FAY

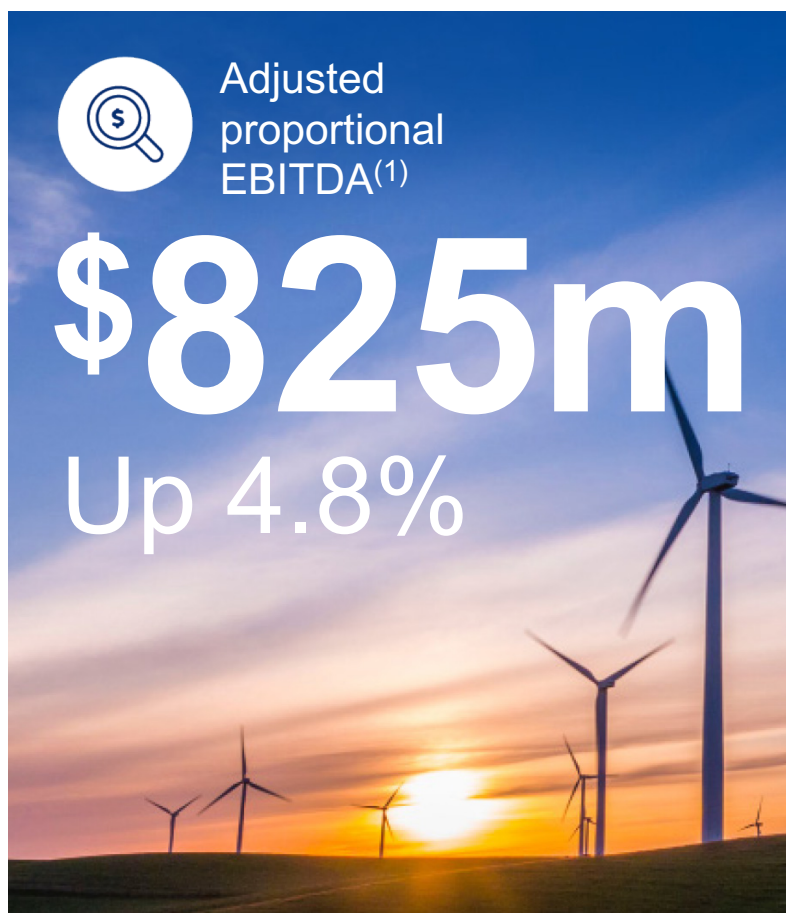
Doug McTaggart and Andrew Fay are standing for re-election at today's AGM

MANAGING DIRECTOR'S ADDRESS

MR. RICK FRANCIS
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

2018 FINANCIAL HIGHLIGHTS

Ongoing focus on continued operating cost efficiencies drives earnings growth in FY2018



Investment portfolio distributions⁽²⁾

\$305m

Up 7.3%



Standalone operating cash flow⁽³⁾

\$290m

Up 8.5%



FY2018 Distribution

16.0cps

Up 4.9%



Regulated asset base⁽¹⁾

\$6.0bn

Up 3.2%



Contracted asset base⁽⁴⁾

\$431m

Up 21.4%



Net debt/Regulated & Contracted asset base⁽¹⁾

74.2%

Up from 73.5%

(1) On an aggregated proportional basis to Spark Infrastructure

(2) Distributions paid by investment businesses to Spark Infrastructure, includes repayment of shareholder loans

(3) Includes repayment of shareholder loans

(4) On 100% TransGrid basis

2018 PERFORMANCE BY BUSINESSES

Solid earnings and RCAB growth in 2018

| 2018 performance | Victoria Power Networks | SA Power Networks | TransGrid |
|-----------------------|--|---------------------------------------|---|
| EBITDA ⁽¹⁾ | \$830m Up \$49.3m Up 6.3% | \$656m Up \$3.0m Up 0.5% | \$669m Up \$75.6m Up 12.7% |
| RCAB ⁽¹⁾ | \$6.1bn Up 3.6% | \$4.2bn Up 3.8% | \$6.8bn Up 1.9% |

(1) 100% basis

INNOVATION AND GROWTH FROM RENEWABLES

Our investment businesses continue to pursue growth opportunities created by the transition to renewable energy

TransGrid renewable connections



1.8GW of solar and wind connections under construction

Connecting significant volume of large-scale renewables to the grid each year

SA Power Networks VPP with Tesla



**1,000 homes – current plan
50,000 homes – future plan**

Learning from the largest Virtual Power Plant in the world upon completion

Enerven solar and storage for SA Water



154MW solar PV and 34MWh of battery storage

~\$300m framework agreement to deliver solar and storage across many sites

Beon renewable construction



112MW Karadoc solar farm completed in 2018

Growing expertise in solar farm and renewable energy connection construction

GROWTH OPPORTUNITIES FROM THE ISP

The outlook for the ISP is positive and is supported by the NSW Government's transmission strategy

| ISP project | Estimated cost |
|---|---------------------------|
| VIC-NSW interconnector upgrade | \$80m ^(1,2) |
| Minor QLD-NSW interconnector upgrade | \$142m ^(1,2) |
| New SA-NSW interconnector (Project EnergyConnect) | \$1,500m ^(1,2) |
| Snowylink North | \$1,150m ^(1,2) |
| Medium QLD-NSW interconnector upgrade | \$560m ^(1,2) |
| Total possible ISP spend by mid-2020s | \$3,432m |

The ISP and the NSW transmission strategy represent significant investment opportunities to deliver cost savings for consumers

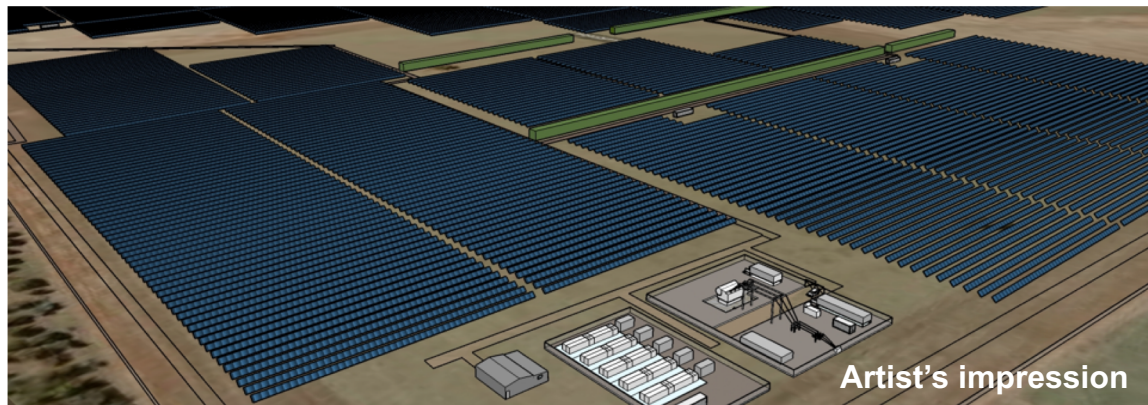
(1) Source: AEMO 2018 Integrated System Plan (AEMO 2018 ISP)

(2) Estimated cost of ISP projects represents total cost for each project, some of which may be funded by other TNSPs

BOMEN SOLAR FARM

Acquisition of 100% interest in solar farm project

Bomen is a 120MWdc solar farm development...



...with work to deliver it already underway

EPC appointed



Land acquired



Key equipment ordered



Early works commenced



Cable, inverter, tracker, panel deliveries

Q3 2019

Pile installation complete

Q4 2019

Hold point testing commences

Q1 2020

Commercial operation commences

Q2 2020

ENERGY AND REGULATION POLICY ISSUES

Several regulatory reviews were completed during 2018 which provide greater certainty for future regulatory periods

Energy regulation

Regulatory proposals for distribution businesses

- Key elements finalised in December 2018
 - Rate of Return Guideline (RORG)
 - Approach to regulatory tax
- SA Power Networks lodged proposal for the next regulatory period on 31 January 2019
- Victoria Power Networks to lodge proposal on 31 July 2019

Energy policy

Future opportunities for growth

- Incentives for investment and innovation
 - AEMC review of network regulation
 - AEMC review of standalone power systems
 - ENA/AEMO Open Energy Networks
 - AEMC access and charging (transmission and generation)
- Interconnectors and renewable energy zones
 - ESB ISP action plan
 - AEMO 2020 ISP

Spark Infrastructure seeks to engage and advocate for policy and regulatory outcomes that support returns required for efficient investment and innovation. This investment will lower costs to consumers over time

HIGH CASH FLOW CERTAINTY TO 2020

Regulatory framework provides revenue certainty and inflation-linked revenue

Regulatory resets

SA Power Networks

-----> July 2020

CitiPower

-----> January 2021

Powercor

-----> January 2021

TransGrid

-----> July 2023

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 2018 and half year ended 31 December 2018. Results have been adjusted by Spark Infrastructure to reflect the 12 month period to 31 December 2018.

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