

Thursday, 15 July 2021

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

Dear Sir / Madam

**SPARK INFRASTRUCTURE PRESENTATION TO
AUSTRALIAN SHAREHOLDERS' ASSOCIATION**

Please find attached Spark Infrastructure's presentation to be presented at the Australian Shareholders' Association webinar today.

Authorised for release by the Managing Director of Spark Infrastructure.

Yours sincerely,



Jenny Faulkner
Head of Legal and Company Secretary

AUSTRALIAN SHAREHOLDERS ASSOCIATION

15 JULY 2021



INFRASTRUCTURE **FOR THE FUTURE**

Rick Francis – Managing Director

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THE FUTURE ENERGY MARKET

The pace of transition in electrification, decarbonisation and customer involvement is accelerating

The world is electrifying amidst the global push for net zero

- The world is heading for net zero
- Electrification is the key path to achieving these goals; green hydrogen has a role longer term
- Australia's energy landscape is changing – with ageing coal fired generation retiring

Technology and Innovation is accelerating the transition

- Scale and efficiency of renewable generation and batteries is increasing
- Customer involvement is increasing – e.g. roof-top solar, batteries, smart appliances, electric vehicles
- Transmission and Distribution Networks are critical to the energy transition

Opportunities for Spark Infrastructure

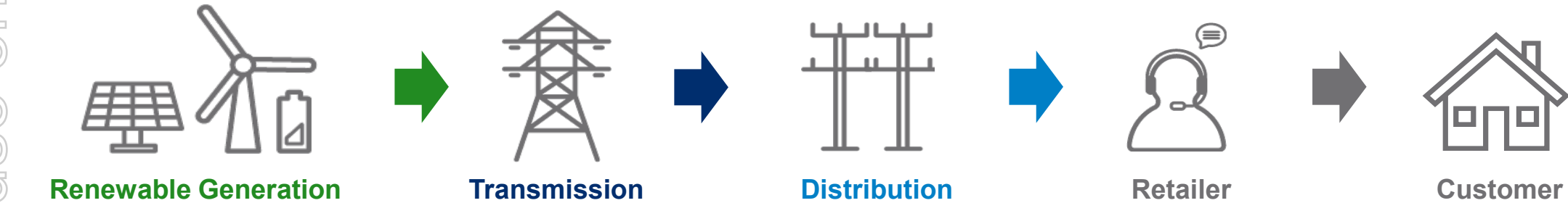
- Major investment in transmission to increase interconnection between States and to connect decentralised renewables and dispatchable energy sources
- Distribution: extend role to Distribution System Operator to enable two-way flows and grid stability by utilising smart-grid innovation, smart meters, community batteries
- Renewables platform: Energy hub (wind, solar and storage) concept; introduce minority investors in platform or specific opportunities; integration of projects with green hydrogen proponents
- Increased recognition for strong ESG credentials

Uniquely positioned to play a major role in Australia's energy transition
Only ASX investment with networks and renewables without legacy fossil fuel assets

SPARK INFRASTRUCTURE – AT A GLANCE

ASX-listed owner of leading essential energy infrastructure

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Renewables
Spark Renewables

100%
Spark ownership

\$0.17bn
Contracted Asset Base

~2.2GW
Development Portfolio⁽¹⁾

Transmission
TransGrid (NSW)

15%
Spark ownership

\$7.52bn
Regulated and Contracted Asset Base

Distribution
Victoria Power Networks
SA Power Networks

49%
Spark ownership

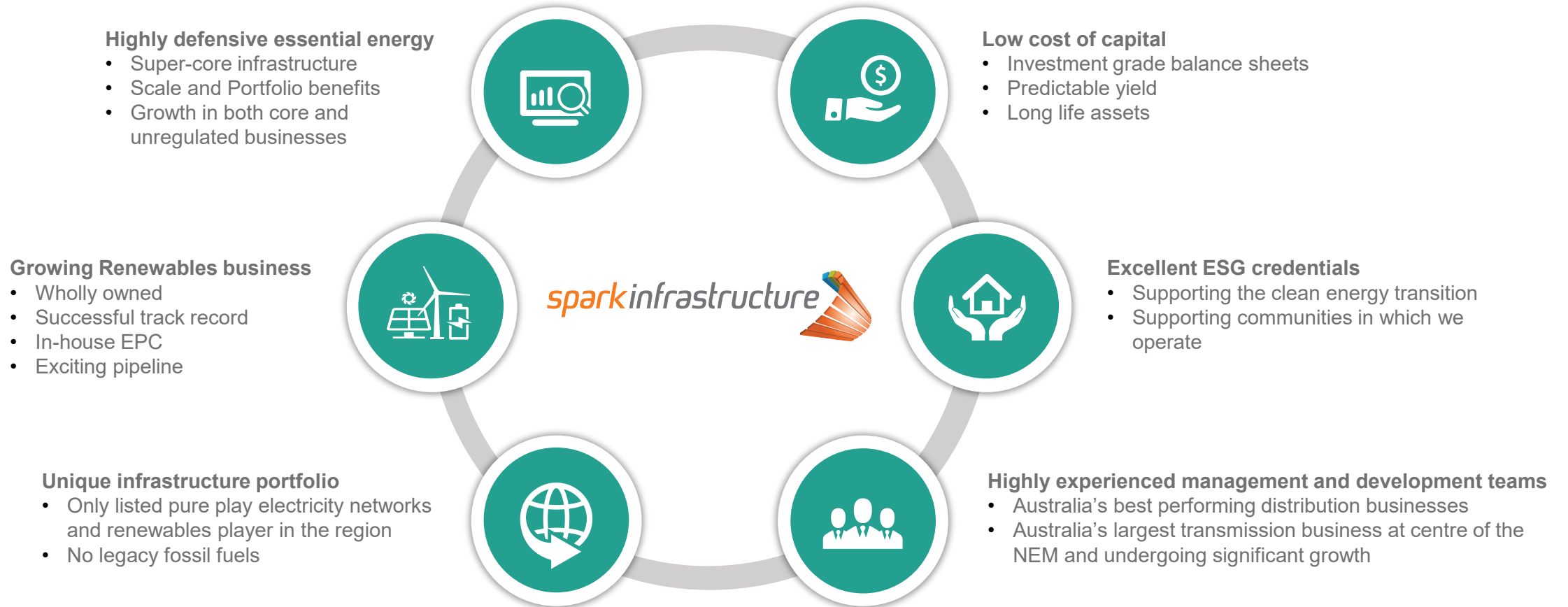
\$11.03bn
Regulated Asset Base



1) Excludes Bomen Solar Farm (100MW - operational asset) and Dinawan Energy Hub Stage 2 – refer slide 17 for more details

INVESTMENT CASE

Unique ASX listed business central to delivering the energy transition in Australia



Rare portfolio of high-quality defensive infrastructure businesses with strong cashflows and once-in-a-generation growth opportunities

HIGH PERFORMING NETWORK BUSINESSES

AER Benchmarking Report 2020 – Multilateral Total Factor Productivity (MTFP)¹ Rankings

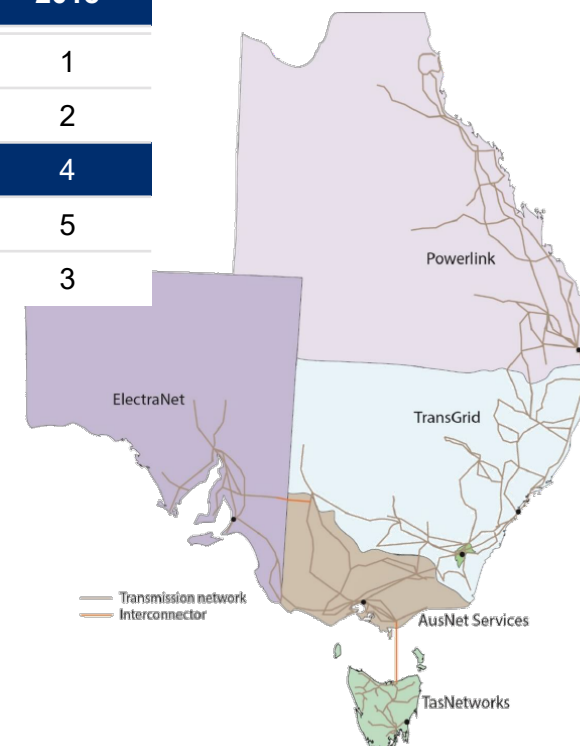
Distribution Network Service Providers

DNBP		2019	Δ	2018
SA Power Networks	South Australia	1	-	1
CitiPower	Victoria	2	-	2
Powercor	Victoria	3	↑	4
United Energy	Victoria	4	↑	5
Ergon Energy	Queensland	5	↓	3
Energex	Queensland	6	↑	7
Endeavour Energy	NSW	7	↑	8
Essential Energy	NSW	8	↓	6
TasNetworks	Tasmania	9	↑	10
Jemena	Victoria	10	↓	9
AusNet	Victoria	11	-	11
Evo Energy	ACT	12	-	12
Ausgrid	NSW	13	-	13

Transmission Network Service Providers

TNSP	2019	Δ	2018
TasNetworks	1	-	1
ElectraNet	2	-	2
TransGrid	3	↑	4
Powerlink	4	↑	5
AusNet	5	↓	3

- CitiPower and Powercor (together Victoria Power Networks) and SA Power Networks have remained in top 4 DNSPs since reporting began in 2006
- TransGrid achieved the highest productivity gains across TNSPs in 2018 and improved its rank from 4th to 3rd in 2019



Continuing to deliver high productivity performances to provide benefits to customers and improve returns

(1) The multilateral total factor productivity is a productivity index numbers (PIN) technique that measures the relationship between total output and total input. It allows both total productivity levels and growth rates to be compared between entities (networks). In the 2020 annual benchmarking report, the AER also apply the method to time-series TFP analysis at the industry level and for individual TNSP to better capture large Energy Not Supplied (ENS) changes.

GROWING RENEWABLES PLATFORM

Renewables platform with an operational solar farm (100MW Bomen Solar Farm in NSW) and a ~2.2GW development portfolio of wind, solar, storage and green hydrogen projects.

Operational Asset

9 Bomen Solar Farm, NSW

- Located in the Wagga Wagga Special Activation Precinct
- ~95% contracted, with offtake agreements in place with Westpac and Flow Power



10 year term



5, 7 and 10 year terms

KEY PROJECT INFO

MODULES:
~310,000 Bifacial Jinko Panels
COMMERCIAL OPERATIONS:
MID-2020
ANNUAL OUTPUT:
220 GWh



HOMES POWERED ANNUALLY



COMMUNITY FUND

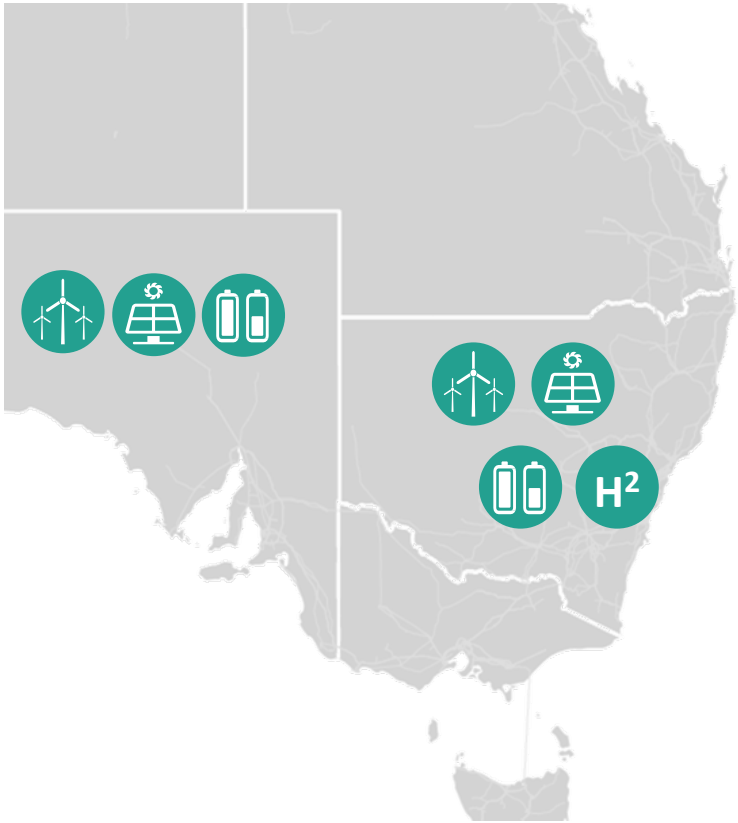


TONNES OF EMMISIONS AVOIDED



CONTRACTED FOR THE FIRST 5 YEARS

Development Portfolio



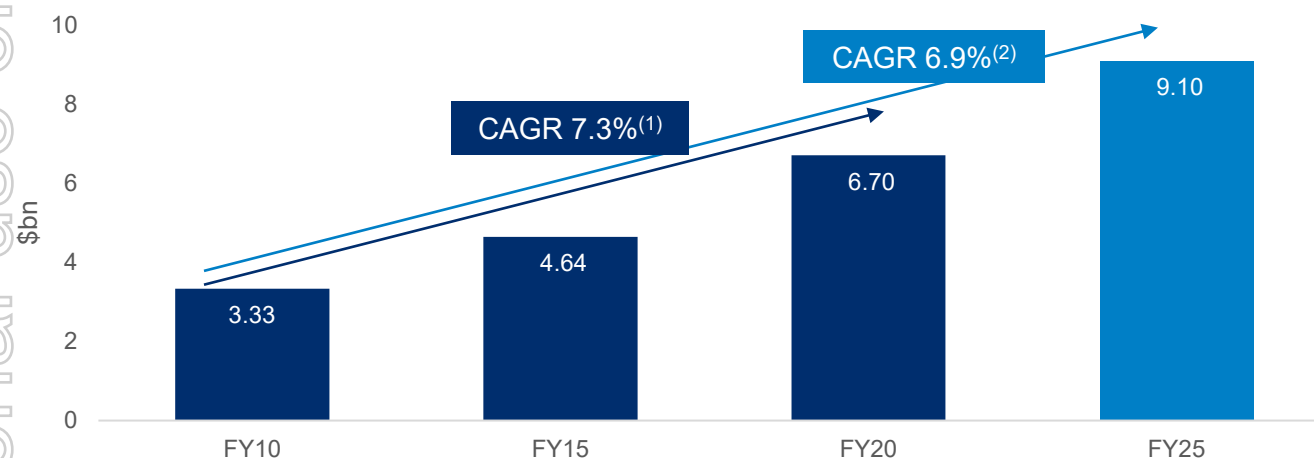
PORTFOLIO

Diversified portfolio of ~2.2GW of development assets including wind, solar, storage and green hydrogen located across New South Wales and South Australia.

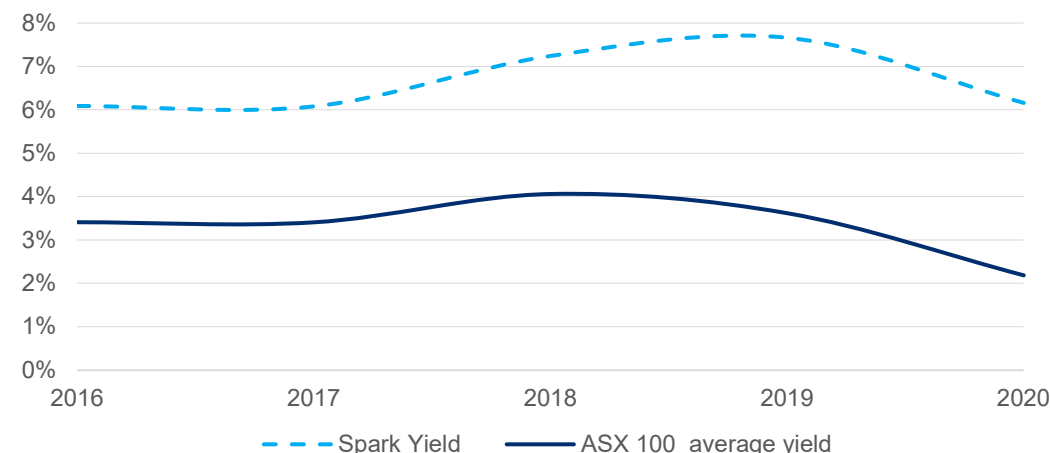


CONSISTENT DELIVERY OF GROWTH AND YIELD

Strong Growth in Asset Base



Consistent and Attractive Dividend Yield



- Essential investment in networks to support Australia's energy transition
- High quality renewables project investment portfolio
- Strong balance sheet and credit rating ensures continued access to low-cost capital
- Highly experienced and industry-based management team

- Top 10 distribution yield over each of the last 5 years in ASX100
- Franking now increases value of distribution
- Increased certainty over the next 5-years
- Targeting to grow distributions at or around CPI

(1) CAGR calculated over the 11-year period 2010-2020

(2) CAGR calculated over 16-year period 2011-2025

STRONG SUSTAINABILITY CREDENTIALS

Our leading ESG credentials help attract the best talent and the broadest access to low cost capital



Priority Metrics	2020	2019
Renewable energy capacity	100MW _{ac}	0
CO2-e displaced through renewable generation (tonnes)	85,160	21
Renewable energy transported / support by Networks ⁽¹⁾	33%	28%
Reportable environmental incident ⁽²⁾	2	2
Work related fatalities	0	0
Lost Time Injury Frequency Rate (LTIFR)	2.3	2.1
Investment in community programs and engagement	\$1.4m ⁽³⁾	\$1.7m
Diversity: Women to Men ratio employed across all levels	21%	20%
Gender pay gap ⁽⁴⁾	1%	N/A
Anti-competitive, anti-trust or monopoly breaches	0	0
Fraud, material breaches or non-compliances with Board policies	0	0

UN Sustainable Development Goals



1. Based on the weighted average annual energy consumption x the State based renewable energy (including residential solar)
2. Incidents attributed to SA Power Networks – relating to transformer oil spills that exceed state based regulatory thresholds requiring notification
3. Excludes \$1m of committed funding in 2020 via the Bomen Solar Farm Community Partnership program (in partnership with Westpac Banking Group) that will be sequentially spent from 2021
4. Based on average female:male pay difference on comparable pay grades (excludes Executives)

ESG WINNERS AND LOSERS

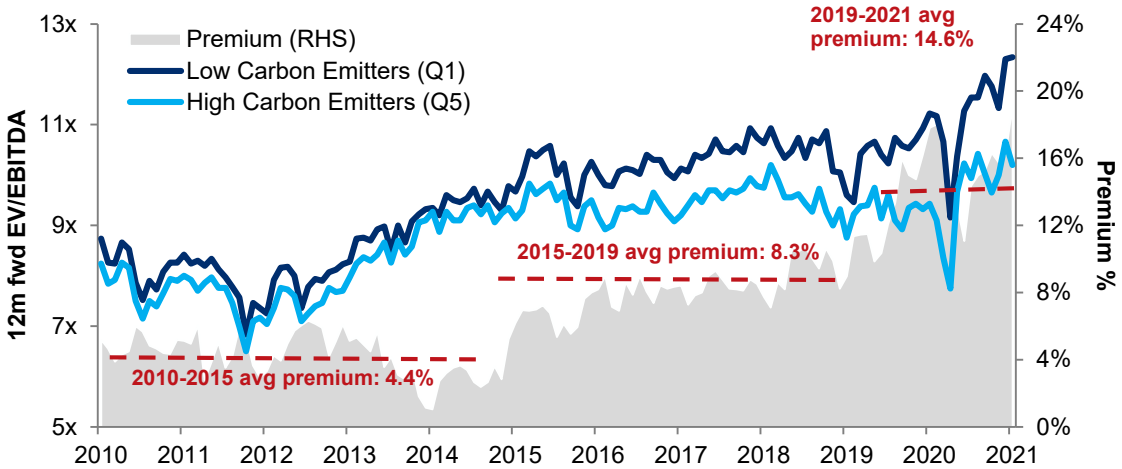
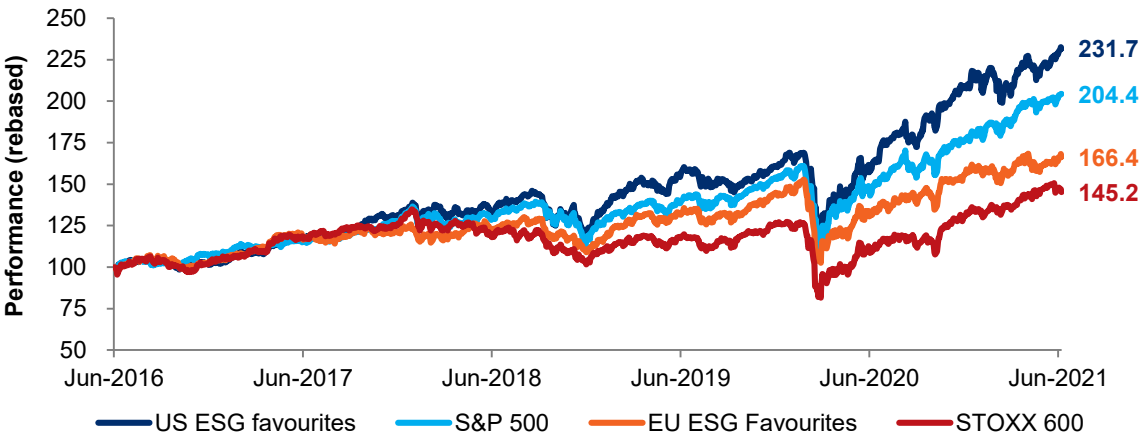
The market is differentiating already between “Good” and “Bad”

ESG favourites
outperform...

- Strong market bias towards ESG fund favorites

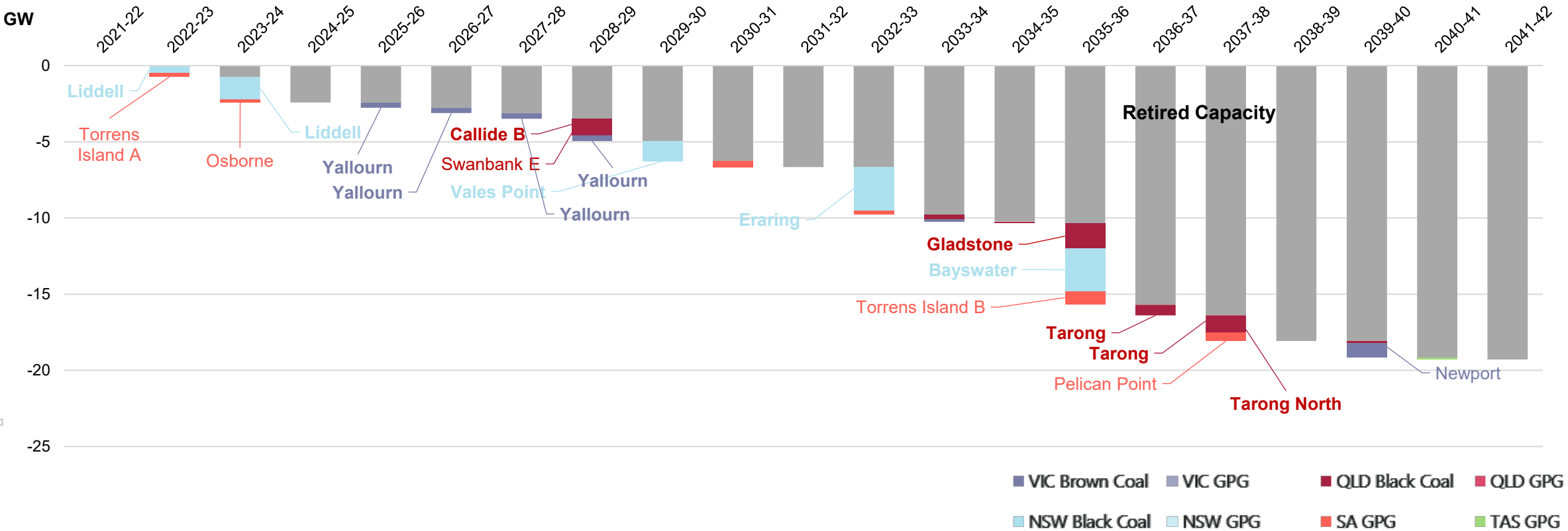
...High carbon emitters
penalised too

- Low carbon intensive companies trade at increasingly elevated premium vs high carbon sectors



ENERGY TRANSITION: EXIT OF AGEING COAL PLANT

The acceleration of coal retirement (currently ~70% of NEM output) will drive unprecedented investment in the NEM in terms of renewable generation capacity and the associated infrastructure to connect to the grid

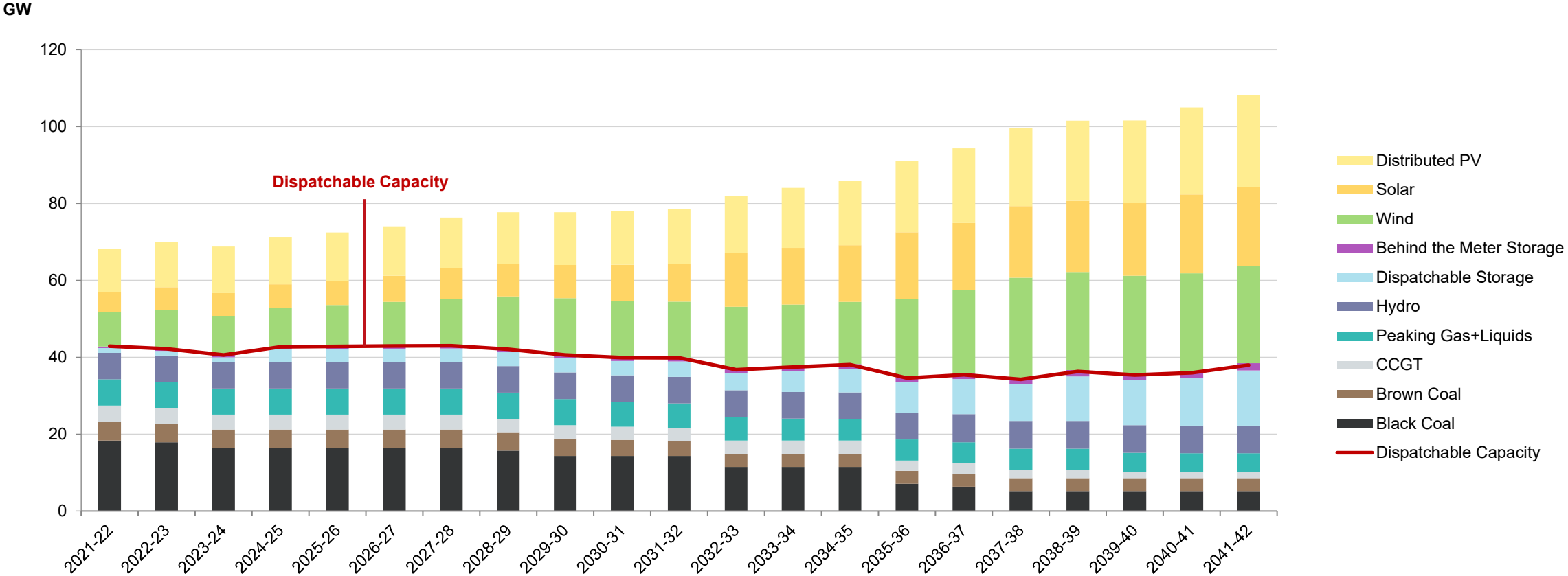


Existing coal fired generation is forecast to cease at or before its planned retirement dates

Source: Australian Energy Market Operator (AEMO), 2020 Integrated System Plan (ISP) – Updated Yallourn retirement, brought forward by 4 years based on recent announcement, staging based on AEMO historic view

ENERGY TRANSITION: RENEWABLES + STORAGE

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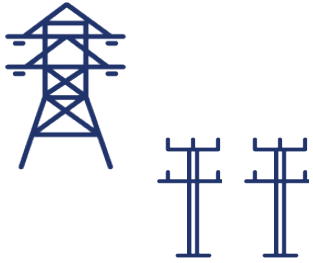


Growth in renewable generation ALSO requires essential investment in our network businesses

Source: AEMO 2020 ISP – Central Scenario

GROWTH: INVESTING IN THE ENERGY TRANSITION

Spark Infrastructure's investment portfolio benefits from exposure to regulated transmission and distribution businesses with staged reset dates, an operational renewables project (100MW Bomen Solar Farm in NSW) and a renewables development portfolio of ~2.2GW



- TransGrid: significant investment in new transmission under AEMO's Integrated System Plan:
 - Interstate connectivity; system strength; increase capacity for new renewables
 - Renewable Energy Zones: new areas of transmission to access high quality renewable resources
 - Connection assets: unregulated, contracted growth through connections of new utility scale renewable projects
- VPN and SAPN: investment in distribution for rooftop solar; smart meters/demand management; community batteries; electric vehicles
 - Unregulated growth for Beon driven by strong demand for credible EPC and O&M providers in solar and wind projects
 - Unregulated growth for Enerven driven by large maintenance contracts and new renewables projects



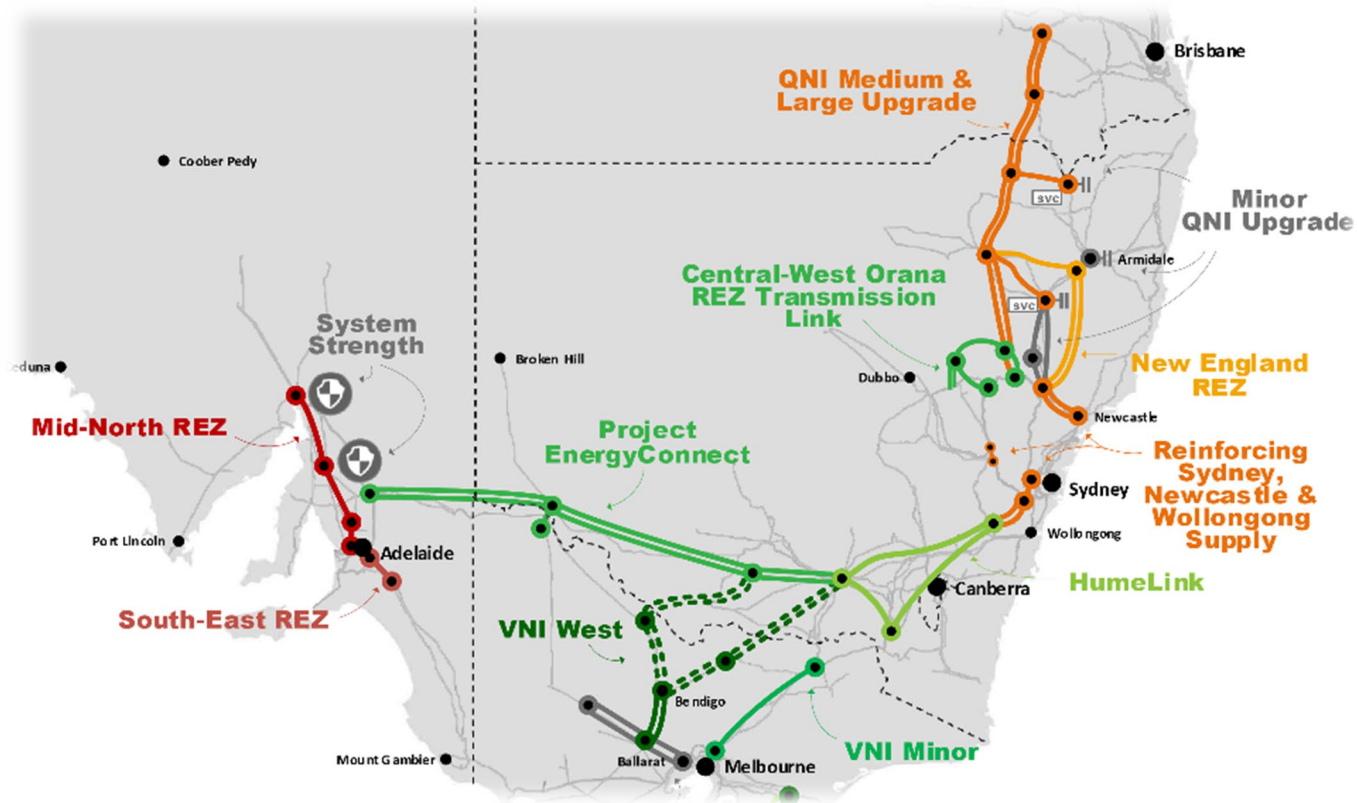
- Spark Renewables:
 - Successful construction and operation of 100MW_{ac} Bomen Solar Farm near Wagga Wagga, NSW
 - Development portfolio of ~2.2GW of utility scale solar, wind, storage and green hydrogen opportunities
 - Direct adjacency to transmission and at the centre of Australia's energy transition from

Spark Infrastructure is the only ASX listed business owning both electricity networks and renewables

TRANSGRID: FURTHER TRANSMISSION GROWTH

Spark Infrastructure will significantly benefit from the expected growth from ISP major projects through our 15% interest in TransGrid

TransGrid Network Opportunities	AEMO ISP 2020 Modelled Cost	Delivery Target ⁽¹⁾
2018-2023 capex allowance	\$1.2bn	N/A
Committed		
QNI Minor	⁽²⁾ \$0.2bn	2021-22
VNI Minor	⁽³⁾ \$0.1bn	2022-23
Project EnergyConnect (PEC)	⁽⁴⁾ \$1.9bn	2024-25
Total	\$2.2bn	
Actionable		
HumeLink	⁽³⁾ \$2.1bn	2025-26
Central-West Orana REZ Transmission Link	\$0.7bn	2024-25
VNI West (Kerang Route) ⁽⁴⁾	⁽³⁾ \$2.4bn	2027-28
Total	\$5.2bn	
Preparatory Activities Required		
QNI Medium & Large	\$3.3bn	2032-33 to 2035-36
New England REZ Network Expansion	⁽⁵⁾ \$1.3bn	2030s
North West NSW Network Expansion	⁽⁶⁾ \$0.9bn	2030s
Total	\$5.5bn	
Total ISP Modelled Projects	\$12.9bn	



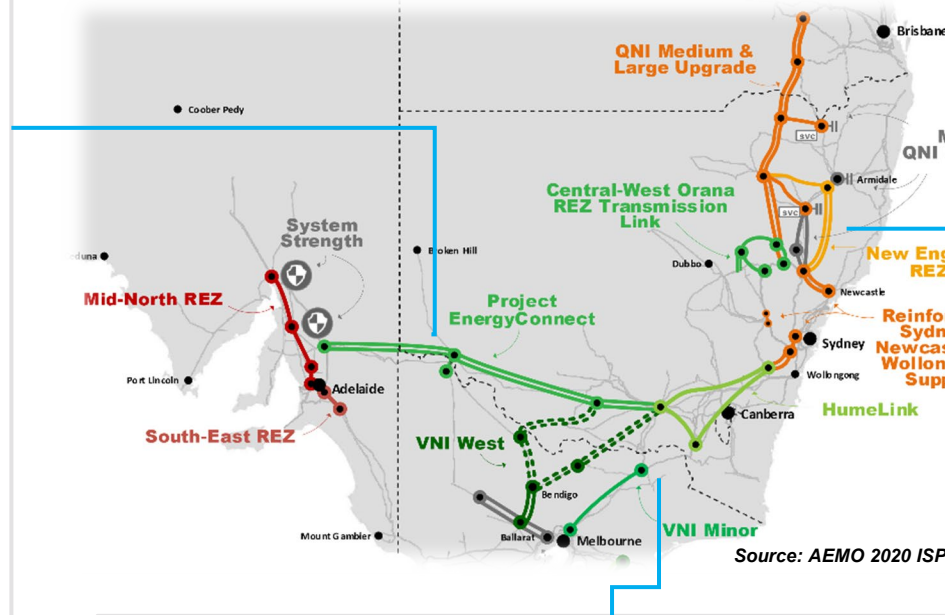
(1) AEMO 2020 ISP (2) \$2017-18 Contingent Project Application (CPA) approved 28 April 2020 (3) \$2017-18 CPA approved 13 April 2021 (4) \$2017-18 CPA approved 31 May 2021.
(5) Includes combined costs for Stage 1 & 2 (6) Includes combined costs for Stage 1,2 & 3

TRANSGRID: DELIVERING TRANSMISSION GROWTH

TransGrid has successfully achieved approval to deliver three major projects as outlined in AEMO's Integrated System Plan

Project EnergyConnect (PEC)

- AER Approved in May 2021
- 900km transmission line connecting SA and NSW energy grids
- TransGrid to deliver PEC in NSW (~\$2bn increase in TransGrid RAB)
- Expected to deliver net savings to consumers of up to \$100 per household
- Forecast to unlock 1,800MW of additional renewable generation
- Spark Infrastructure instrumental in sourcing unique funding solution with CEFC



QNI Minor

- AER Approved \$218m (\$2017-18) in April 2020
- On track for completion in December 2021
- Allows a further 460MW of power to be transferred into QLD and 190MW more into NSW and enhance network reliability
- Delivers net benefits of up to \$170 million to electricity customers

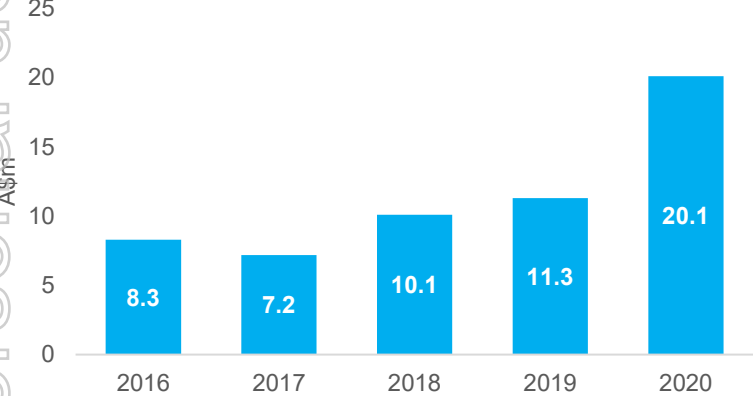
VNI Minor

- AER Approved \$45m (\$2017-18) in May 2021
- On track for completion in December 2021
- Increases transfer capacity into NSW from Victoria by 170MW
- Benefits consumers and producers of electricity by deferring the need to build new generation and storage capacity in NSW, and allowing for more efficient sharing of generation across the NEM

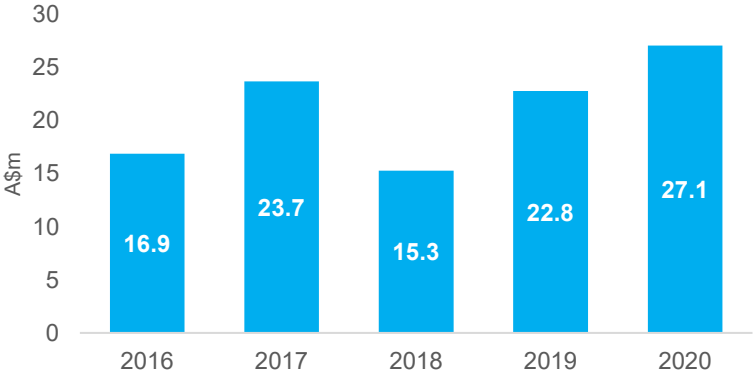
ENERGY TRANSITION: DRIVING UNREGULATED GROWTH

VPN, SAPN and TransGrid’s unregulated businesses have each seen increasing growth in activity as a result of the energy transition

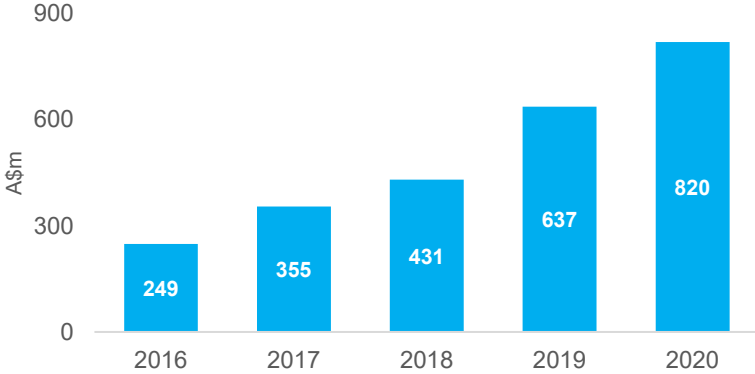
Beon EBITDA



Enerven EBITDA



Lumea Contracted Asset Base

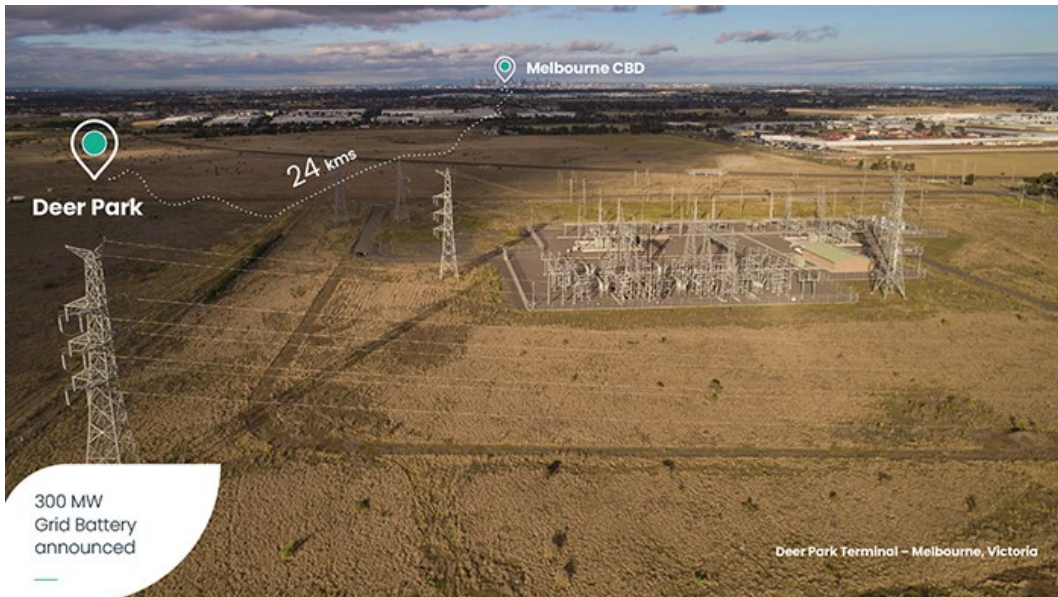


UNREGULATED BUSINESS - LUMEA

Leading the way in delivering large scale battery projects

Australian's first privately funded grid scale battery

- Lumea has recently commenced an EOI for the development of a 300MW grid scale battery intended to be fully financed from private sector market participants
- In a first for Australia, the large scale battery storage system will operate in the NEM from the Deer Park Energy Hub in Victoria, the key source of electricity supply for metropolitan Melbourne.



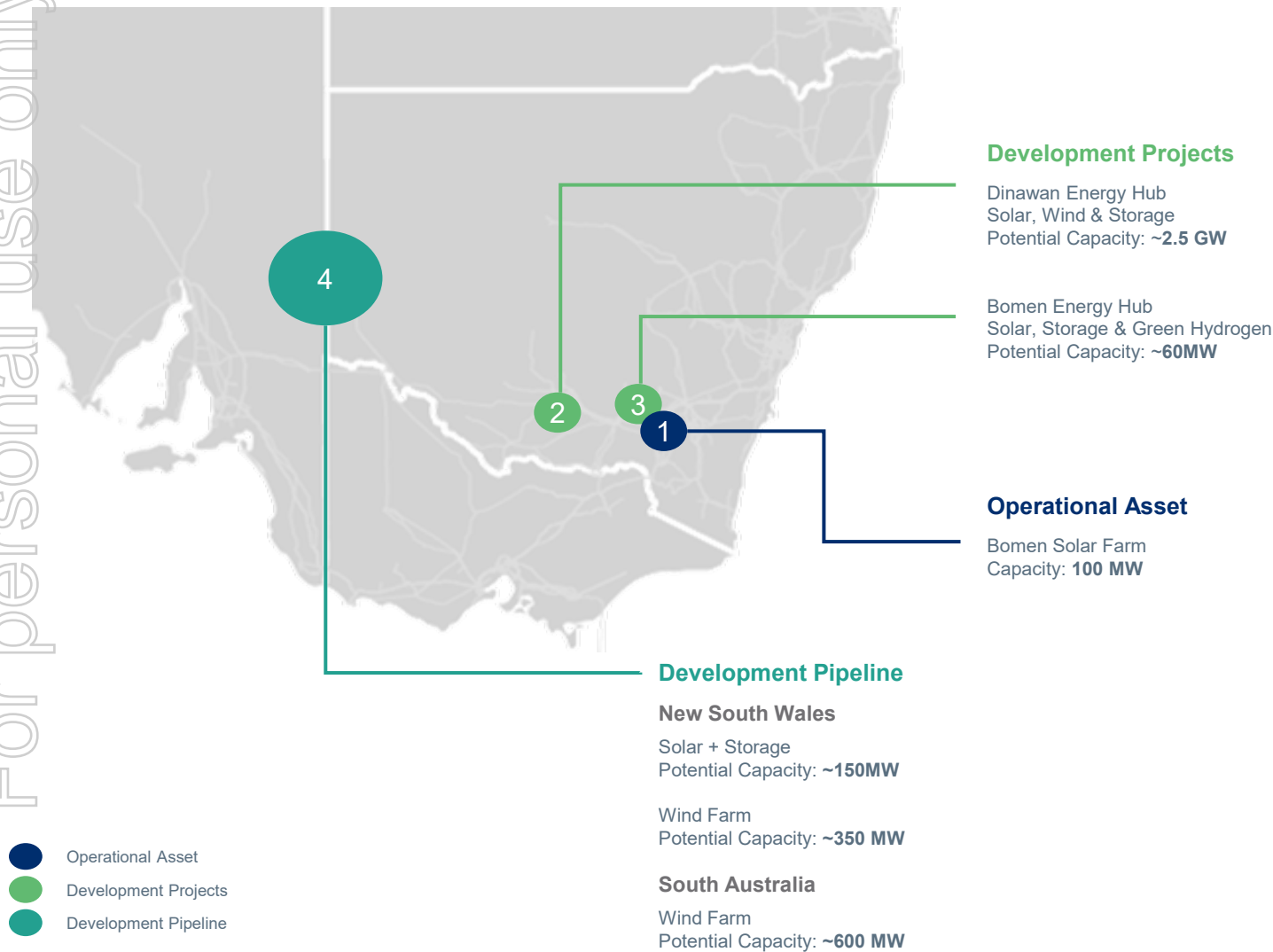
NSW first grid-scale battery

- The Wallgrove battery will pilot the use of synthetic inertia as a network service. The project has received funding from ARENA and the NSW Government as part of the Emerging Energy Program.
- These network services help to stabilise the grid, and will become increasingly integral to enable the increase of renewable generation to safely connect to the grid.



RENEWABLES DEVELOPMENT PORTFOLIO

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Operational Asset

1 Bomen Solar Farm

Location	Capacity	COD	Capex	Status
NSW	100MW	2020	\$170m	Complete

Development Projects

2 Dinawan Energy Hub

Location	Capacity	Est. FID	Est. Capex	Status
NSW				
Stage 1	~1.0GW	2024	\$1,800m	Early stage
Stage 2	~1.5GW	2026	\$2,450m	Early stage

3 Bomen Energy Hub

Location	Capacity	Est. FID	Est. Capex	Status
NSW	~60MW	2022	\$80m	Early stage

Development Pipeline

4

Location	Capacity	Est. FID	Est. Capex	Status
NSW				
Solar + Storage	~150MW	2023	\$170-230m	Early stage
Wind Farm	~350MW	2024	\$715m	Early stage
South Australia				
Wind Farm	~600 MW	2023	\$1,700m	Early stage

DEVELOPMENT PROJECTS

Dinawan Energy Hub



Dinawan Energy Hub (DEH) is located at the heart of NSW's South-West REZ and has potential for 2.5GW of wind, solar and battery energy storage capacity



We have been working closely with landowners to secure the land to develop this renewable energy hub



DEH will connect to Project Energy Connect (PEC), and is strategically positioned for the Humelink and VNI West interconnectors

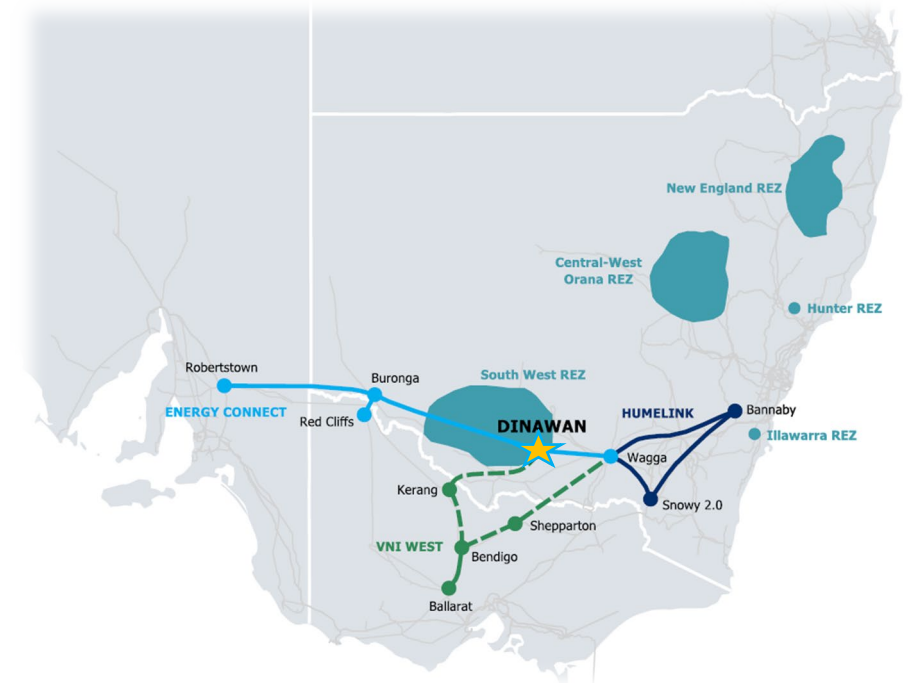


Offers geographic diversity to the other NSW REZ's and to South Australian generation and can provide capacity increases on PEC and system strength



DEH can enable the SW REZ – we will collaborate extensively with other developers and all stakeholders

DINAWAN ENERGY HUB



DEVELOPMENT PROJECTS

Bomen Energy Hub



~60MW renewable electricity and green hydrogen hub for the Wagga Wagga Special Activation Precinct (SAP)



Assists the SAP in becoming a net zero emissions precinct and be recognised as an 'Eco-Industrial Park



Supply existing businesses with green hydrogen (through an industry partner) and green electricity. Attract new industry to the SAP through a low cost and sustainable energy supply



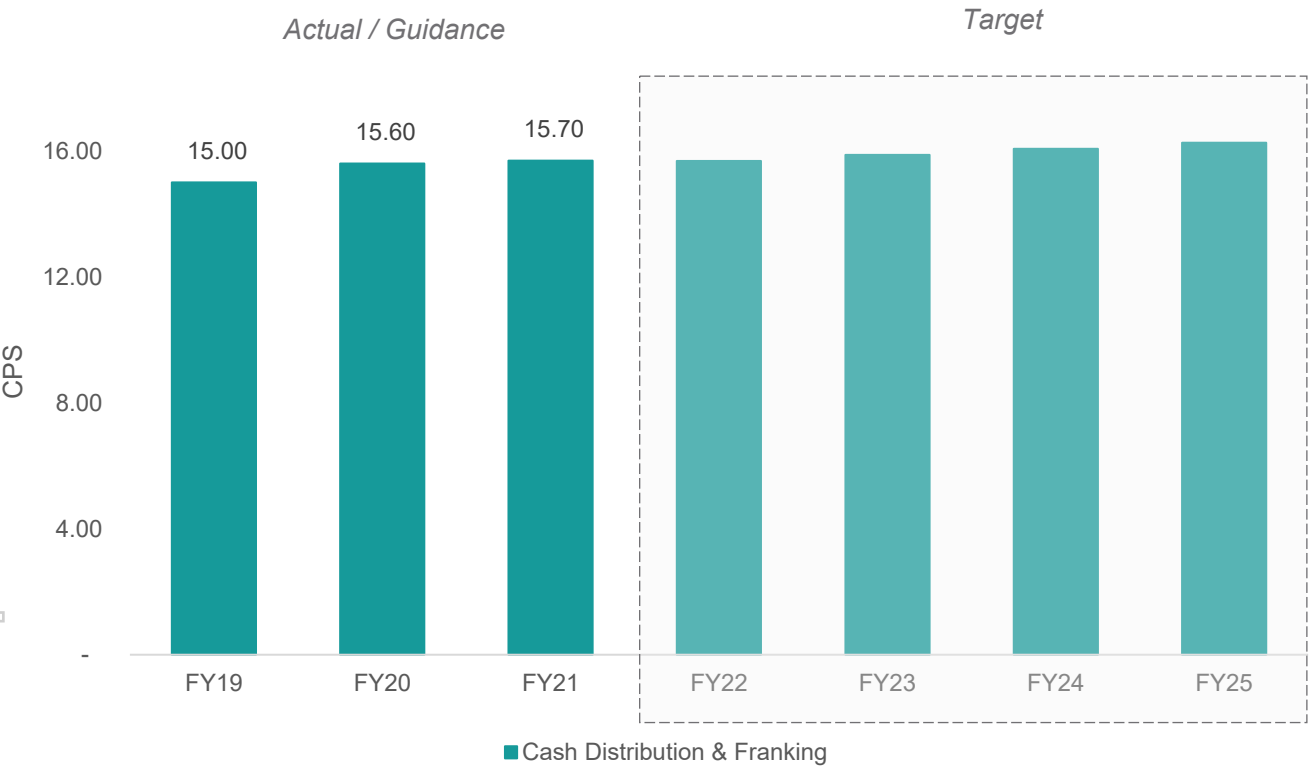
Sustainable transport solution for Riverina Intermodal Freight and Logistics Hub and inland rail through hydrogen



TARGET TO GROW DISTRIBUTIONS WITH FRANKING

Outlook rebased to reflect VPN and SAPN' 5-year regulatory determinations and reflecting transition to tax payer

Distribution Profile



Cash Distribution Outlook

2021	Full-year guidance of 12.5 cps + ~3cps franking
2022-25	Target to increase distribution at or around CPI

Historic Distributions

- Fully covered by operating cash flow
- Retained cumulative Standalone Operating Cash Flow of 6.5cps (c.\$110m) over last 5 years

Distribution Outlook

- 2021 guidance represents c7% gross yield @ \$2.25
- Fully covered by operating cash flow across the period

ISP Major Project growth and Renewables growth to be funded by DRP, NOT at expense of distributions

WHY INVEST IN SPARK INFRASTRUCTURE

Delivering strong growth in asset base plus a reliable and attractive yield

Reliable and Attractive Yield

- Delivering an attractive gross yield
- Franking increases value

Unique ASX 100 essential infrastructure portfolio

- Only listed pure play electricity networks and renewables player in the region
- No legacy fossil fuels

Low Risk Business Model

- Essential infrastructure not impacted by pandemic, commodity or other economic shocks
- Investment grade balance sheets

Strong Growth in Asset Base

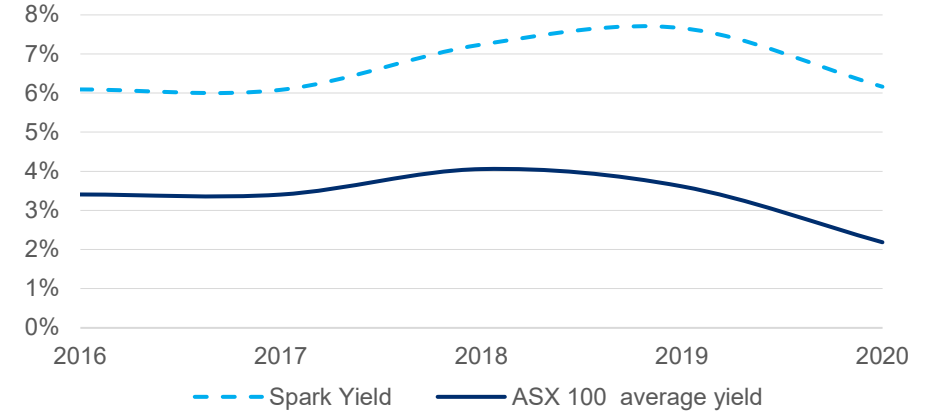
- Essential projects to support Australia's energy transition
- Exposure to growing renewables portfolio ~2.2GW

Long-standing, experienced and industry-based management team

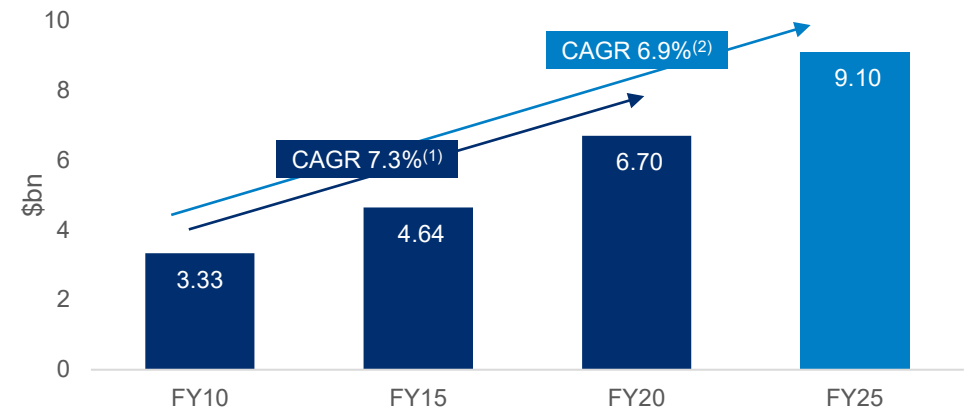
(1) CAGR calculated over the 11-year period 2010-2020

(2) CAGR calculated over 16-year period 2010-2025

Dividend yield trend past 5 years
Spark vs ASX100 vs RFR



Strong Growth in Asset Base



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Q&A

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 2020 and half year ended 31 December 2020. Results have been adjusted by Spark Infrastructure to reflect the 12-month period to 31 December 2020.

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Rounding. Amounts have been rounded to one or two decimal places (as the case may be). As a result, totals as correctly stated in this presentation may differ from individual calculations.