SGSPAA Investor Update

October 2022

Jemena
bringing energy to life

Zinfra
Your trusted partner in energy

SGSP AUSTRALIA ASSETS

Our Team

David Gillespie
Chief Financial Officer

Luis Castillo-Melendez
GM Corporate Finance

SGSP AUSTRALIA ASSETS

Agenda

Our Business

We're owned by

国家电网公司 STATE GRID CORPORATION OF CHINA

SPgroup

SGSP AUSTRALIA ASSETS

Our brands consist of

Jemena bringing energy to life

Zinfra Your trusted partner in energy

Ovida

With additional interests in ActewAGL (EvoEnergy), United Energy and other minority investments.

Scale of our Organisation

In 2021, we owned **$11.8B** in assets

Our sales revenue was **$1.6B**

And we had a total capitalisation of over **$10B**
$6.5B debt and $3.7B equity

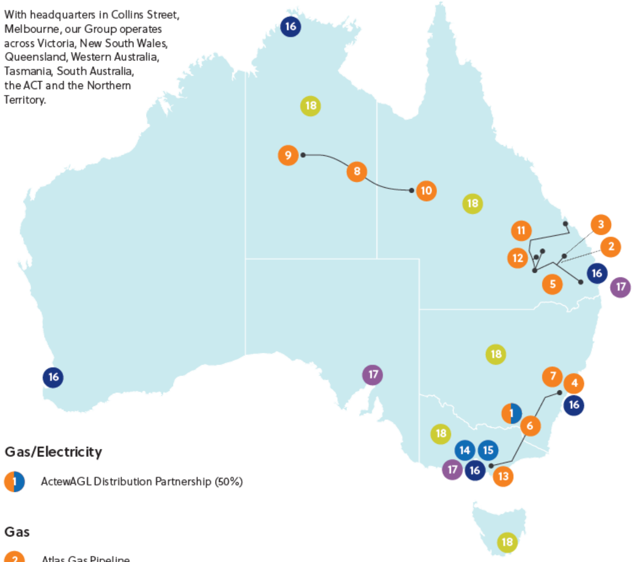
We employ more than **2,600** employees and contractors

Who work in over **47** locations across Australia

SGSP AUSTRALIA ASSETS

Our Locations

With headquarters in Collins Street, Melbourne, our Group operates across Victoria, New South Wales, Queensland, Western Australia, Tasmania, South Australia, the ACT and the Northern Territory.



Gas/Electricity

1 ActewAGL Distribution Partnership (50%)

Gas

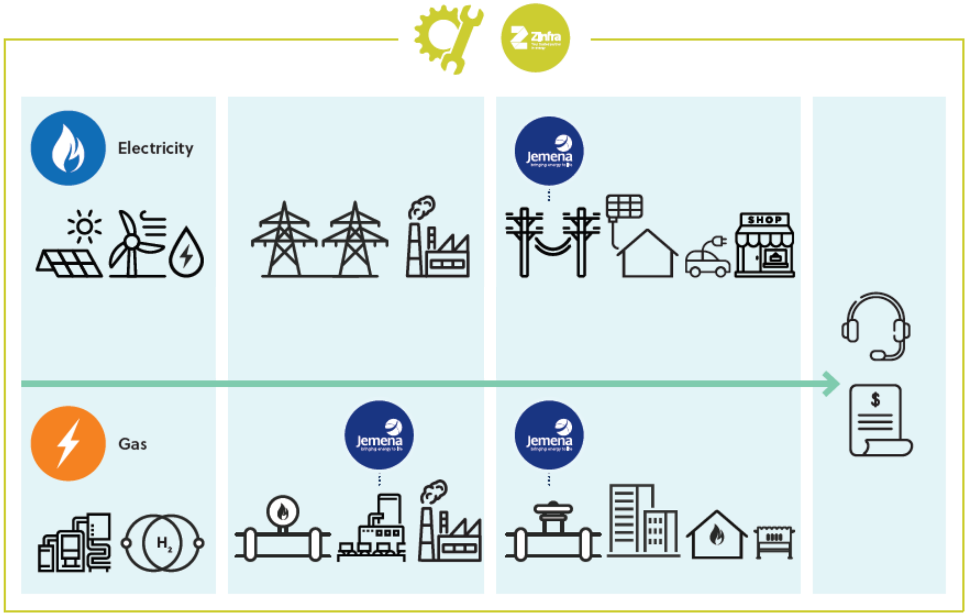
2 Atlas Gas Pipeline
3 Atlas Gas Processing Facility
4 Colongra Gas Transmission and Storage Pipeline
5 Darling Downs Pipelines
6 Eastern Gas Pipeline
7 Jemena Gas Network
8 Northern Gas Pipeline
9 Phillip Creek Compressor Station
10 Mount Isa Compressor Station
11 Queensland Gas Pipeline
12 Roma North Gas Processing Facility
13 VicHub

Electricity

14 Regulated Electricity Network
15 United Energy Distribution (34% Group ownership)

16 **Jemena Offices**
17 **Ovida**
18 **Zinfra**

Our Group and the Energy Value Chain



Energy Generation	Energy Transmission	Energy Distribution	Energy Retail
	Transportation of high voltage electricity or high pressure gas over long distances.	Delivery of lower voltage electricity or natural gas for use by residential, commercial and industrial customers.	

Transmission

Electricity Markets

We deliver solar and battery solutions for business and large energy users, as well as large scale grid connections and microgrids.

Gas Markets

Gas transmission pipelines, compressor and storage facilities.

Distribution

Electricity Networks

We own, operate, and manage electricity distribution lines and equipment across Melbourne's north west.

Gas Networks

Underground gas distribution pipelines, metering, new and updated site connections.

Services and Projects (Zinfra)

Provides engineering services and solutions, project management, construction, and operations and maintenance services to customers across the energy and utilities sector.

SGSPAA at a Glance

Well Diversified Business
Business is well diversified in geography, fuel and markets.

Established Regulatory Regime
Transparent and well established economic regulatory regime.

Strong Management & Shareholders
State Grid of China Corporation (SGCC) is the largest utility in the world. Singapore Power (SP) is a leading energy utility company in the Asia pacific region.

Predictable & Stable Cashflows
95% of CY21 EBITDA from regulated networks and contracted pipeline revenues. 92% of CY21 pipeline revenue from firm contracts.

Long Life Assets with Strong Track Record
Well-maintained long-life assets with a strong performance and continuous reliability track record.

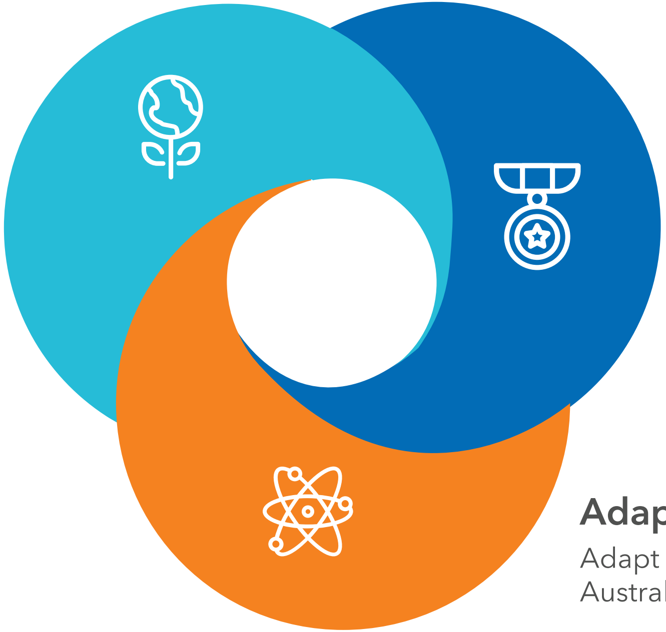
Investment Grade Credit Ratings
SGSPAA credit ratings of A3 (stable) / A- (stable) are supported by a strong internal policy framework.

SGSP AUSTRALIA ASSETS

Strategic Vision

Sustainability

Sustainably run our business and look after our people, customers and the environment so that we continue to thrive in the long term.



Competitiveness

Optimise and continually improve operations and customer outcomes.

Adaptability

Adapt to play a key role in Australia's net zero future.

Agenda

Green Finance Framework

GREEN ELIGIBLE CATEGORY

- Renewable energy.
- Energy efficiency.
- Clean transportation.
- Climate change adaptation.

MANAGEMENT OF PROCEEDS

- Strive to maintain a portfolio **matching / exceeding** outstanding green instruments.
- Fully allocate proceeds **within 24 months** after the issuance date.

REPORTING

- **Annual reporting** on **net proceeds** until full allocation (Dec 22).
- (Environmental) **impact reporting.**
- Aligned with Handbook – Harmonized Framework for Impact Reporting (June 2021).

EXTERNAL REVIEW

SUSTAINALYTICS

"Sustainalytics is of the opinion that the SGSPAA Green Finance Framework is **credible** and **impactful** and aligns with the four core components of the *Green Bond Principles 2021* and *the Green Loan Principles 2021*."

SGSP AUSTRALIA ASSETS

2021 Sustainability Highlights

Climate and Environment

Commissioned the **Western Sydney Green Hydrogen Hub** – Australia's most comprehensive hydrogen project.

Began construction of **Australia's only biomethane-to-gas-injection** project at Malabar in Sydney.

Established an **Emissions Reduction Working Group** to develop our emissions reduction targets.

Issued **$300M Green Bond** and **$300M Green Syndicated Facility Loan** in December 2021.

2021 Sustainability Highlights (cont')

Community and Customers

> $500,000
in direct community contributions.

Ranked **32** in Australia's **Top 40** Workplaces to Give Back.

> 54,800
solar connections on the Jemena Electricity Network.

8.7 out of **10** Electricity Distribution Customer Satisfaction Score.

8.4 out of **10** Gas Distribution Customer Satisfaction Score.

ESG – Environment

Transform how we operate to support our net-zero ambitions and position ourselves for long-term success while minimising impact on the environment from the operations of our business.

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

2022 Goals

- Develop and commence executing an **Emission Reduction Plan**.
- Set interim emission reduction target, on the journey to achieve **Net Zero GHG emission** by 2050.
- Understand current waste footprint.

2022 - 2025 Activities

- Execute emission roadmap for scope 1 & 2 emissions.
  - Implement emission reduction initiatives.
  - Drive organisational change to integrate sustainability.
- Develop understanding of scope 3 emissions and support customer reduction plans.
- Refresh the Waste Management Plan, maintaining a focus on Avoid, Reduce, Reuse and Recycle.
- Develop and execute Circular Procurement Strategy.
- Develop design and plan to create and manage green properties.
- Seek infrastructure Sustainability Council rating – in recognition of sustainable constructions parties.

ESG – Social

Deliver reliable, affordable, and sustainable energy to our customers and leave a positive and lasting legacy in the communities where we operate. Continued excellence in the safe operation of our assets, while also creating workplaces and spaces that value diversity and inspire our people to be their best.

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

2022 Goals

- Customer and Operation Index Score.
- Reputation Score.
- Develop social impact measurement.
- TRIFR, Asset Safety Score, Safety Leadership and Development Score, Safety Risk & System Score.
- People Survey Score, Engagement Score, Leadership Development Score.

2022 – 2025 Activities

- Execute vulnerable customer strategy.
- Educate and support customers through the energy transition.
- Improve solar reliability.
- Continued EV trials to determine EV strategy.
- Use social impact measurement to quantify benefits and set targets.
- Continue to deliver CSR strategy, and embed CSR commitment into business as usual.
- Continue to execute Safety Strategy and mitigate physical risk.
- Conduct mental wellbeing assessment and enhance the support program for our people.
- Evolve and mature the Employee Diversity & Inclusion Strategy.
- Maintain external recognition through industry accreditations.
- Continue training and development of our leaders and people.

ESG – Governance

Build trust, transparency and accountability while maintaining a culture of acting lawfully ethnically and responsibly.

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

2022 Goals

- Develop a plan for 2023 disclosures (in 2024) – aligned to BRI, SASB & TCFD reporting.
- Modern Slavery 2021 Statement submitted and 2022 planned activities to be undertaken.

2022 – 2025 Activities

- Commence Sustainability Disclosure reporting – GRI, SASB and TCFD.
- Incorporate ESG into Board-led governance framework and procedures and risk management framework.
- Ongoing alignment of ESG KPI performance with executive REM.
- Uplift organisational maturity relating to Data Governance.
- Delivery of Modern Slavery plan.
- Maintain a culture of responsible, lawful and ethical business practices through ongoing management and education.
- Ongoing management of compliance with specific regulatory regimes.

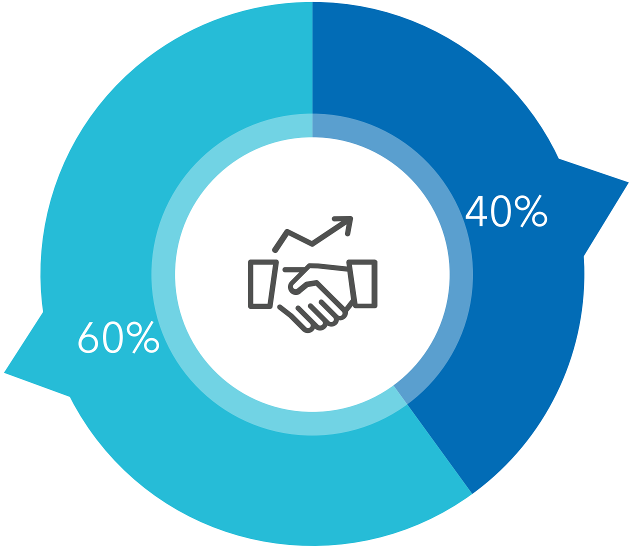
Agenda

Skilled and Experienced Shareholders

STATE GRID CORP. OF CHINA

A+ (STABLE) / A1 (STABLE)

- Largest power grid constructor and operator in the world.
- Transmission and distribution network covers 88% of the geographical area of China and services a population over 1.1B.
- Ranked 2nd in the Fortune Global 500 in 2021.
- Global footprints in overseas utility investment as long-term strategic investor.



SINGAPORE POWER

AA+ (STABLE) / Aa1 (STABLE)

- A leading energy utility company in the Asia Pacific region.
- Owns and operates electricity and gas transmission and distribution businesses in Singapore and Australia.
- Strong financial profile.

Investment Grade Credit Ratings

STANDARD & POOR'S

Monopoly in electricity and gas distribution businesses in its service area. No exposure to commodity or volume risk with regards to contracted pipeline portfolio through take-or-pay contracts.

S&P Ratings Direct, 12 October 2021

A-
(Stable)

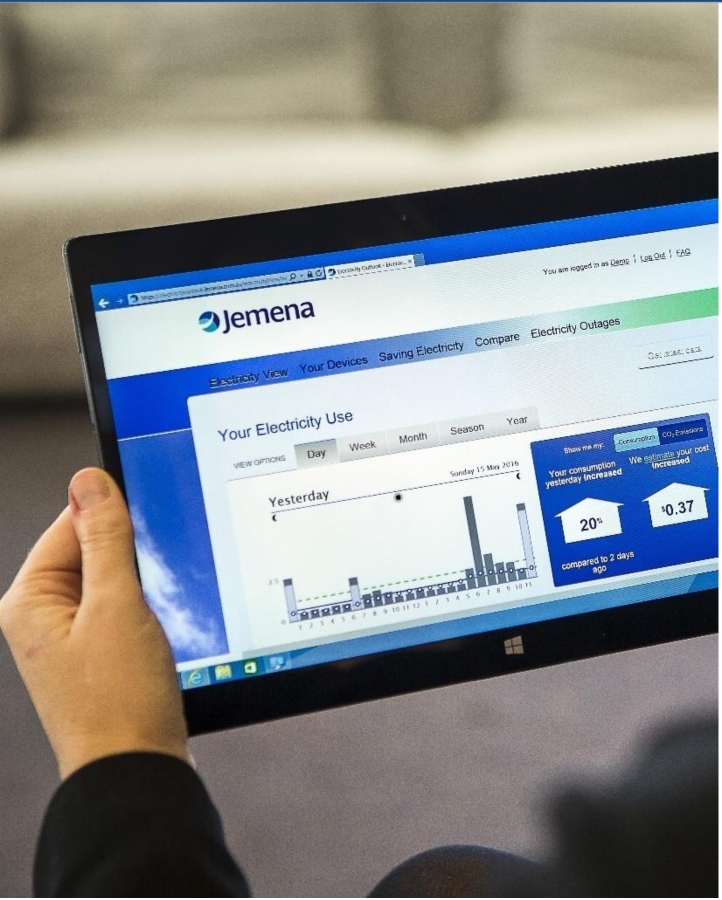
A3
(Stable)

SGSPAA's standalone credit profile benefits from its stable cashflow that is predominantly generated from its diversified portfolio of low risk gas and electricity infrastructure assets.

Moody's Credit Opinion, 6 September 2021

MOODY'S

Agenda



01 Business Overview

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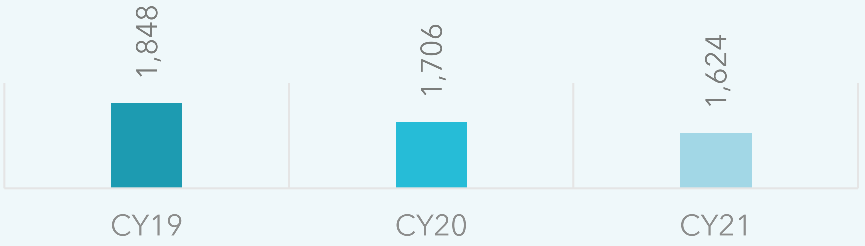
03 Investment Strength

04 **Financial Overview**

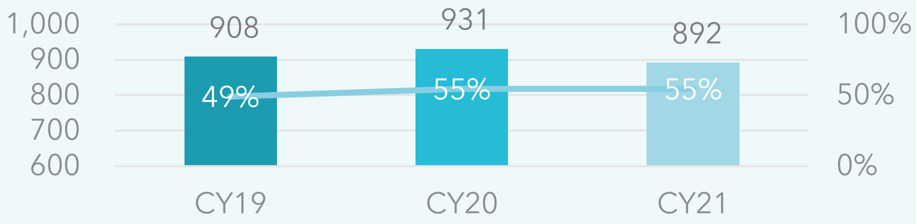
05 Programme Details

Performance Summary ($M)

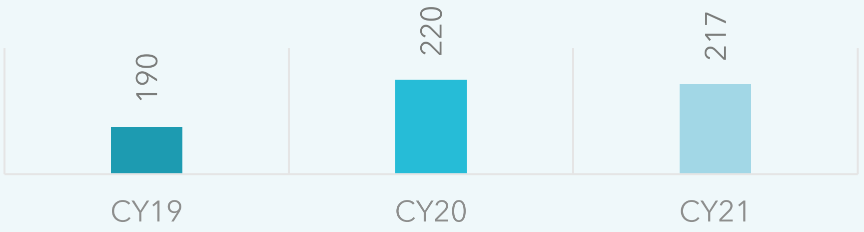
Revenue



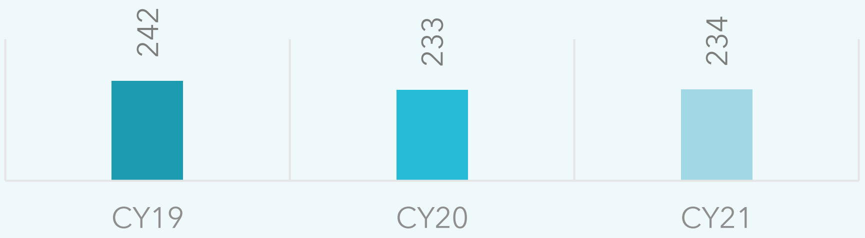
EBITDA



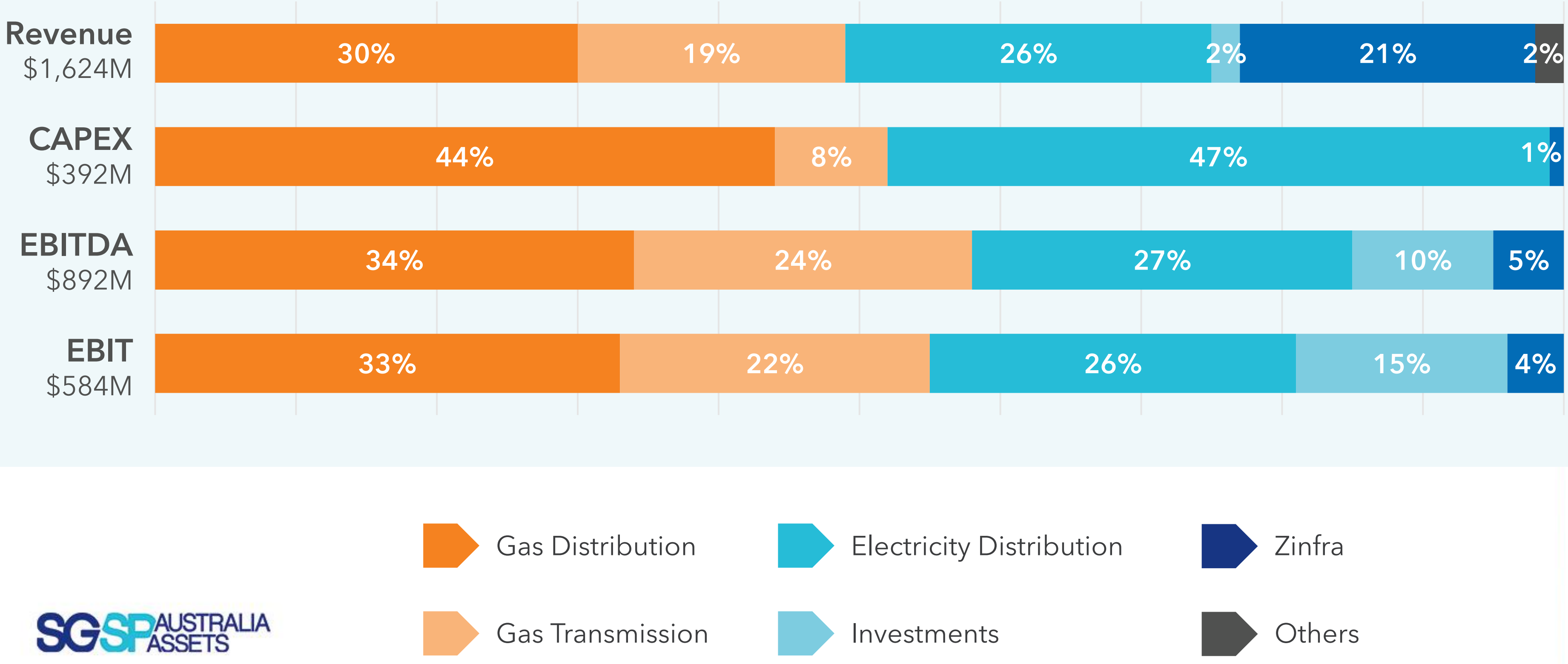
NPAT



Normalised NPAT



Consolidated Performance



SGSP AUSTRALIA ASSETS

Regulated Networks

Jemena Gas Networks (JGN)

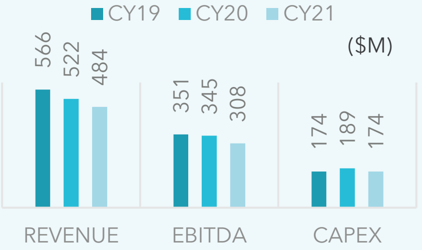
67%
EBITDA margin

~25,000 kms
length of mains

$3.36B
regulated asset base
as at December 2021

~3.0% p.a.
forecasted RAB growth

July 2020 to June 2025
regulatory period



	CY19	CY20	CY21
Customer Cxn ('000)	1,468	1,503	1,531
Volume (PJ)	90	87	90

Jemena Electricity Networks (JEN)

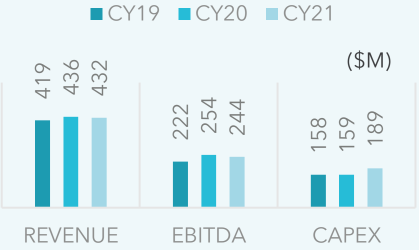
56%
EBITDA margin

~6,700 kms
length of lines

$1.62B
regulated asset base
as at December 2021

~5.1% p.a.
forecasted RAB growth

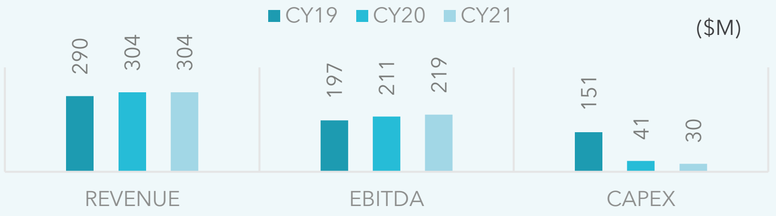
July 2021 to June 2026
regulatory period



	CY19	CY20	CY21
Customer Cxn ('000)	354	367	372
Volume (GWh)	4,229	4,107	4,182

Gas Pipelines

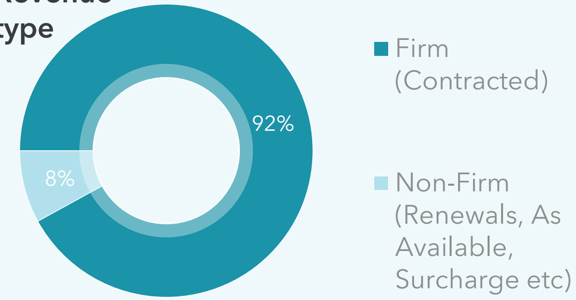
72%
EBITDA margin



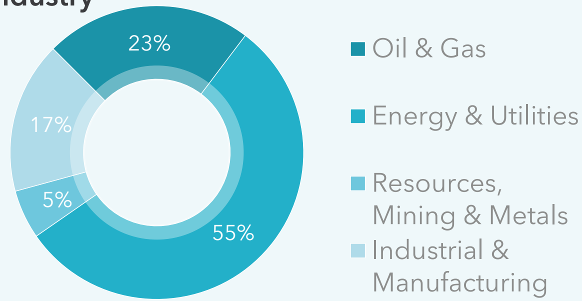
Eastern Gas Pipeline	Transport gas from Victoria to residential and commercial customer in New South Wales.
Queensland Gas Pipeline	Links Wallumbilla gas hub in central Queensland to large industrial gas users in Gladstone and Rockhampton.
Northern Gas Pipeline	Links Northern Australia's gas fields to the east coast gas market.
Darling Downs Pipeline	Gas transmission pipelines in South East Queensland.
VicHub	Connects Easter Gas Pipeline to Victoria transmission system that feeds into Melbourne and Tasmania.
Colongra	Delivers gas to Snowy Hydro's gas turbine facility on the Central Coast of New South Wales.

Pipeline revenue by

Revenue type



Customer industry



Asset Investments

ActewAGL Distribution (AAD)

50%
holdings

6%
EBITDA contributions

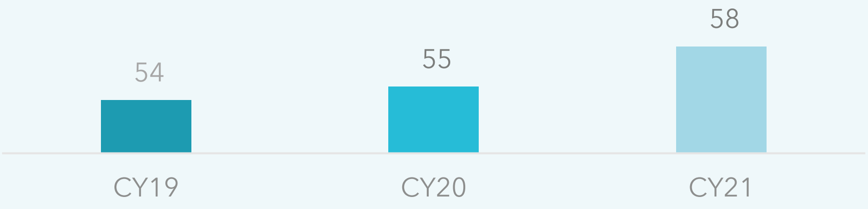
$1.39B
regulated asset base
as at June 2021

~366,000
customer base
as at June 2021

July 2019 to June 2024
electricity regulatory period

July 2021 to June 2026
gas regulatory period

Normalised EBITDA (FiT) ($M)



United Energy Distribution (UED)

34%
holdings

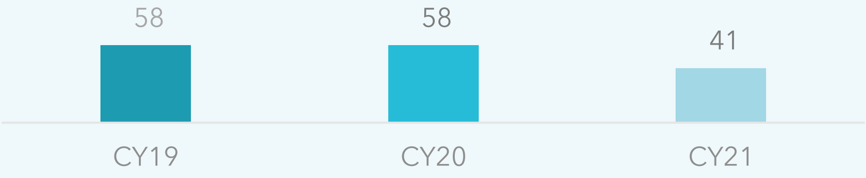
4%
EBITDA contributions

$2.58B
regulated asset base
as at December 2021

700,000+
customer base
as at December 2021

July 2021 to June 2026
regulatory period

Historical EBITDA ($M)



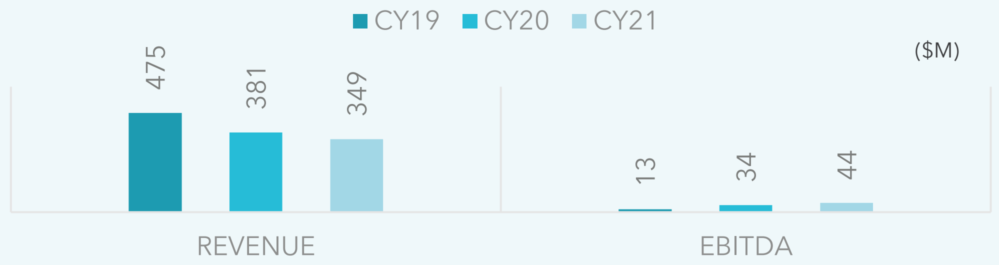
Zinfra Group

13%
EBITDA margin

Operating & Maintaining Gas
gas transmission and distribution networks and assets

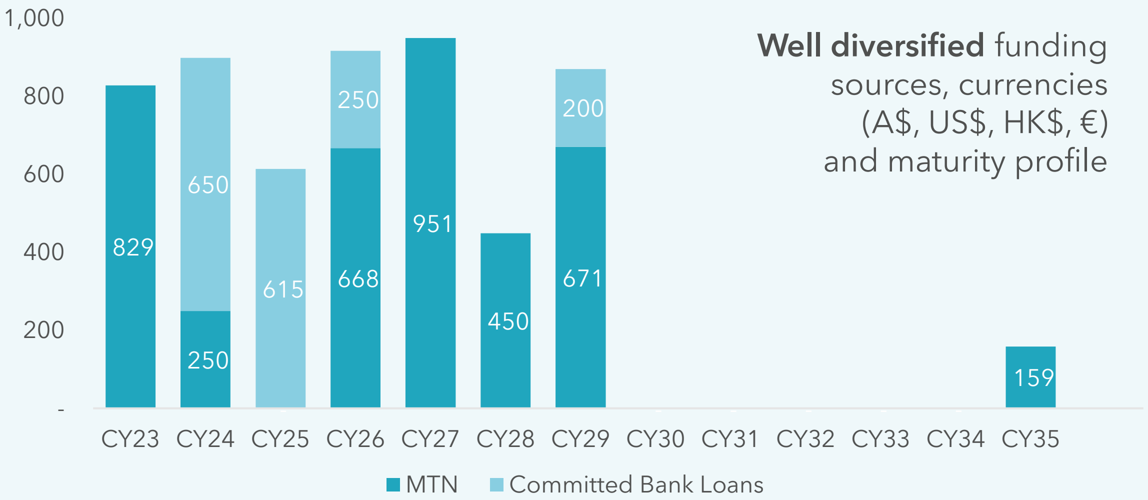
Operating & Maintaining Electricity
electricity transmission and distribution networks and assets

Projects
constructing energy networks, facilities and connections



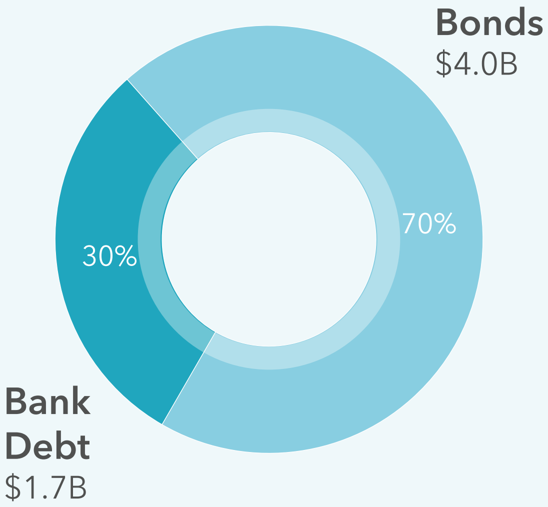
Debt Portfolio

Facility Maturity ($M) by Calendar Year[1]



Well diversified funding sources, currencies (A$, US$, HK$, €) and maturity profile

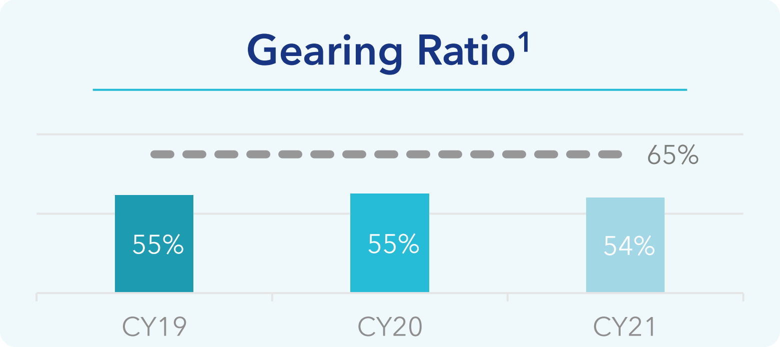
Capital vs Debt Facility

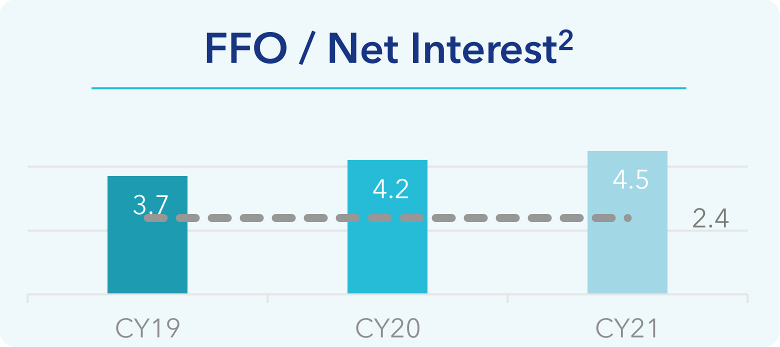


Notes:
1. Debt portfolio as at 30 September 2022.

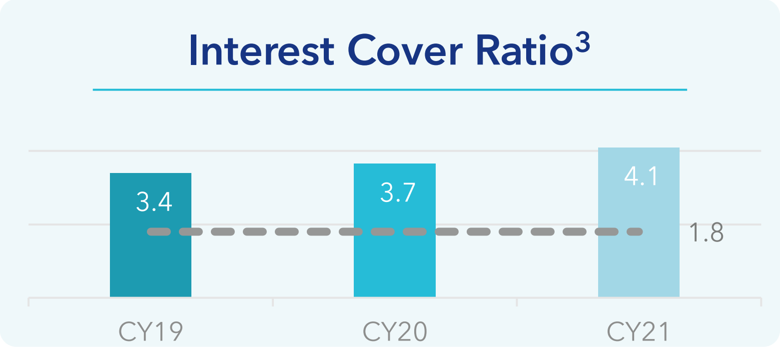
Credit Metrics

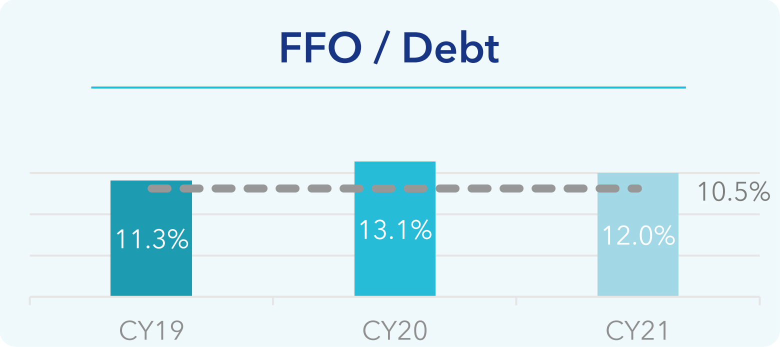
Board approved Distribution Policy set to **maintain** standalone **BBB+ credit metrics**





Dividend Distribution Threshold





Notes:
1. Convertible instruments treated as equity for gearing purpose.
2. FFO adds back the interest payments (excluding interest for convertible instruments).
3. ICR doesn't add back the interest payments.

Capital Management

Sound capital management to ensure that funding decisions appropriately **manage treasury risks**, **optimise funding costs** and **support growth strategy**.

LIQUIDITY RATIO

1.2x

Adequate liquidity to withstand adverse market circumstances over the next 12 months while maintaining sufficient liquidity to meet the obligations.

HEDGE RATIO

92%

High hedge ratio to mitigate market risk and volatility especially against interest rate and currency movements.

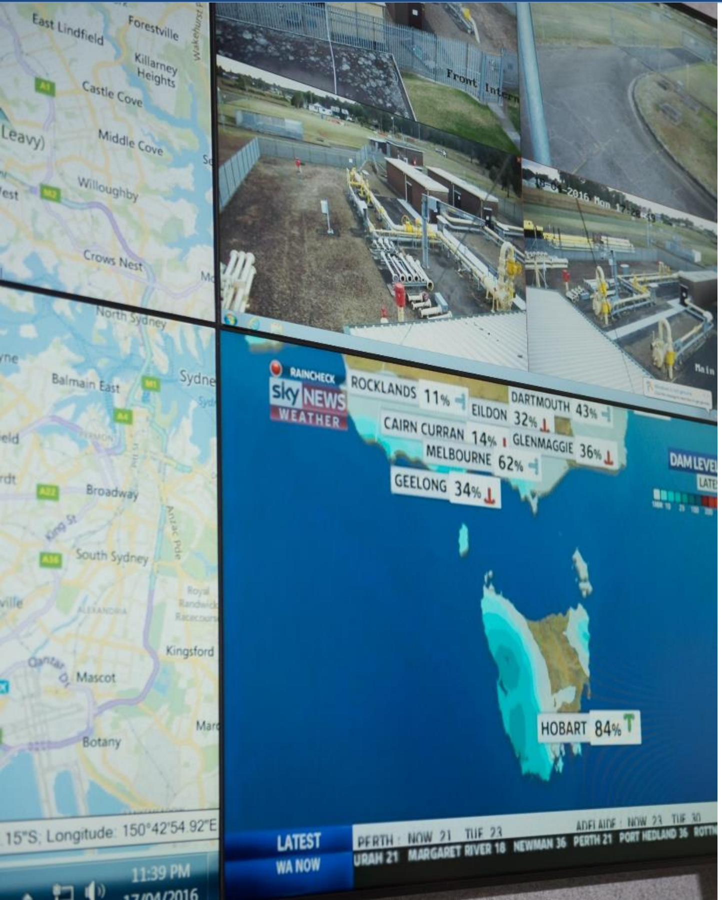
WEIGHTED AVERAGE TERM TO MATURITY

4.2yrs

Medium weighted average maturity to manage the cost and the debt tower.

* The metrics are as at CY21 year end.

Agenda



01 Business Overview

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05 **Programme Details**

Medium Term Note Programme

Issuer
SGSP (Australia) Assets Pty Ltd
(Formerly known as SPI
(Australia) Assets Pty Ltd)

Issuer Rating
Moody's: A3 (Stable)
Standard & Poor's: A- (Stable)

Programme Size
USD 5,000,000,000

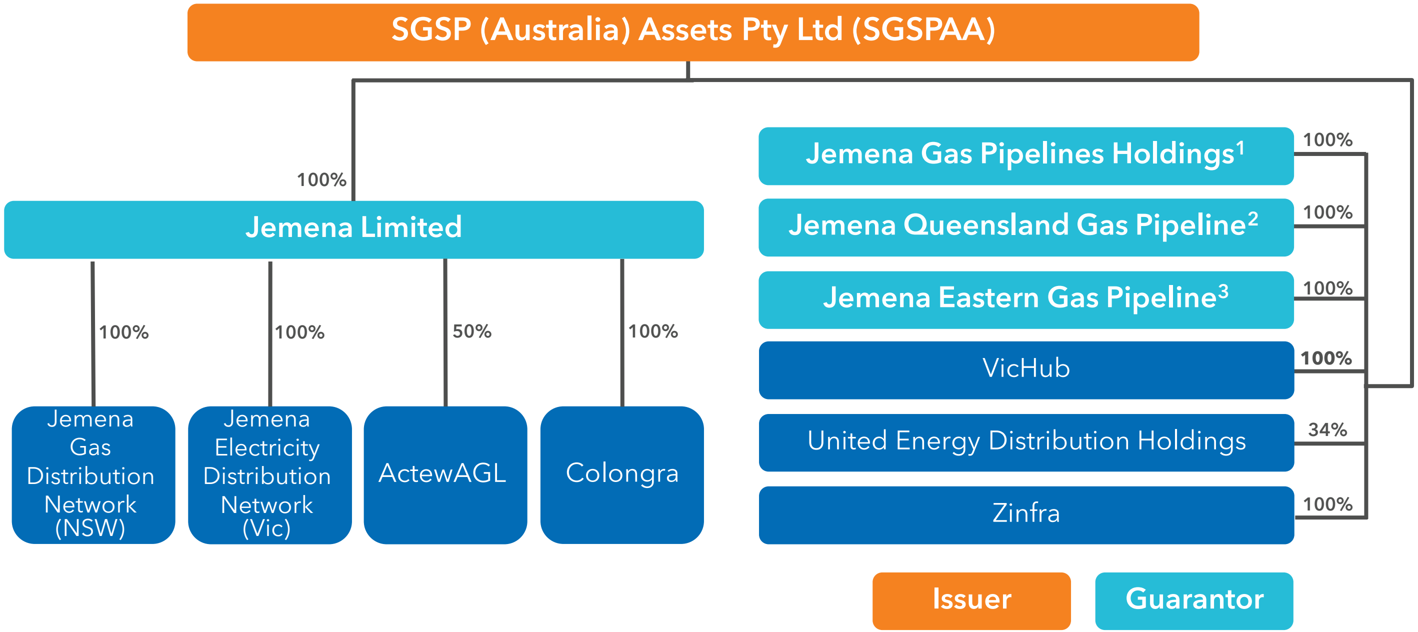
Trustee
Citicorp Investment
Bank (Singapore)
Limited

Listing
Singapore (SGX)

Governing Law
English Law (Australian
Law for AMTNs)

Guarantor Structure

Total assets of the Guarantors are **no less than 90%** of the total SGSPAA group assets.



Notes:
1. Jemena Darling Downs Pipelines (1) Pty Ltd, Jemena Darling Downs Pipelines (2) Pty Ltd, Jemena Darling Downs Pipelines (3) Pty Ltd, Jemena Northern Gas Pipeline Pty Ltd.
2. Jemena Queensland Gas Pipeline (1) Pty Ltd and Jemena Queensland Gas Pipeline (2) Pty Ltd.
3. Jemena Eastern Gas Pipeline (1) Pty Ltd and Jemena Eastern Gas Pipeline (2) Pty Ltd.

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SGSP AUSTRALIA ASSETS

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