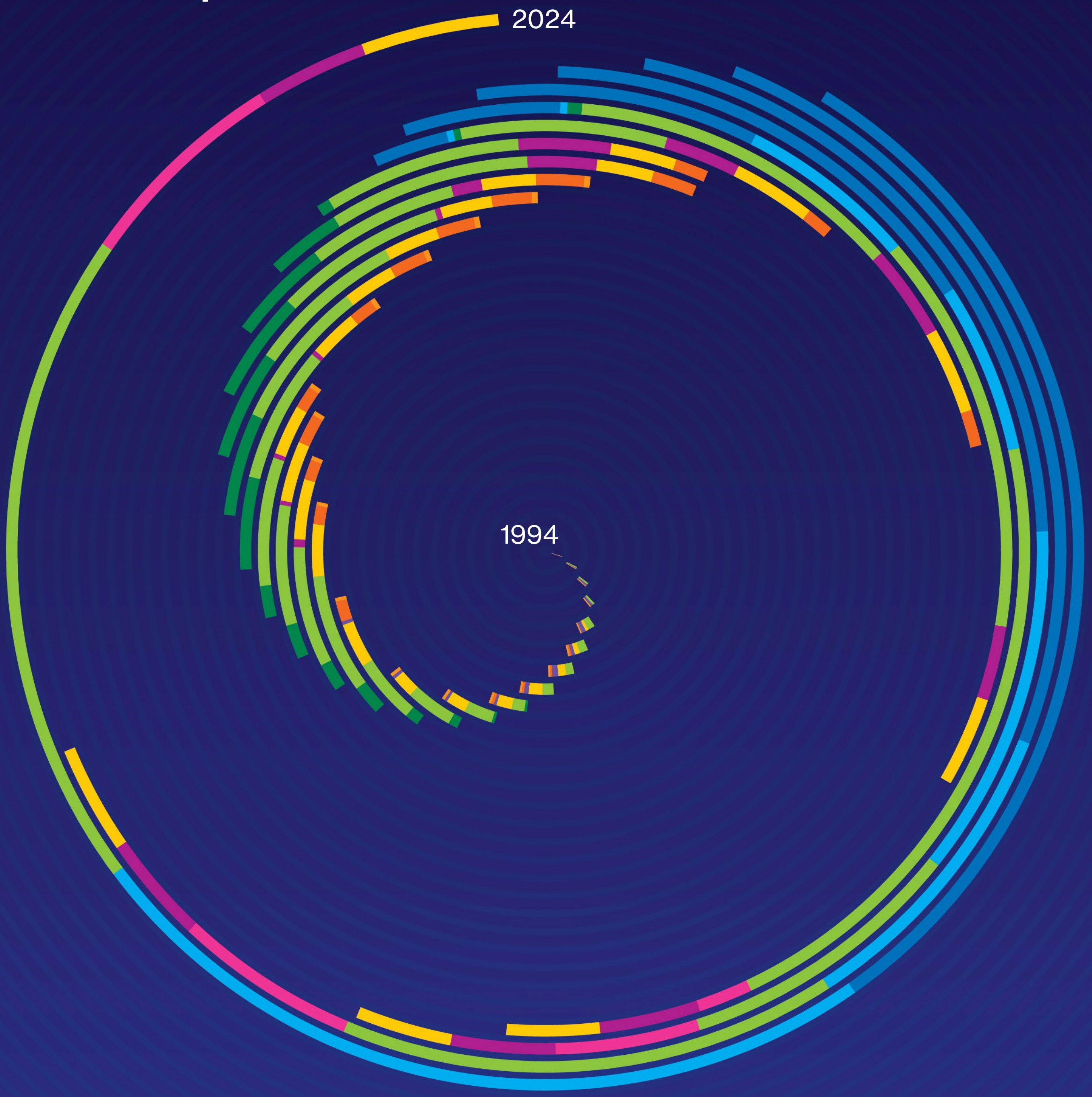
Infratil Independent Valuation Update

As at 30 June 2024



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Independent Valuation Update

Overview

- A number of Infratil's investments have independent valuations completed as at 30 June, with those results summarised below.
- CDC, Longroad, Galileo, Mint, Qscan and RetireAustralia values below reflect the midpoint of the 30 June independent valuations. CDC's key valuation methodologies and assumptions were presented as part the NZX valuation announcement on 4 July 2024.
- Key valuation methodologies and assumptions underpinning the remaining independent valuations are summarised on the following page and remain consistent with the 31 March 2024 valuations[1], except for Longroad (refer below), and an update for the inclusion of storage for Galileo.
- The decrease in the Longroad independent valuation is largely attributable to an increase in discount rates outweighing minor positive updates to operating forecasts.

Portfolio Companies (NZ$Millions)	31 March 2024	30 June 2024
CDC	$4,419.7	$4,950.0
Longroad Energy	$1,952.0	$1,831.0
Galileo	$240.7	$241.9
Mint Renewables	$2.0	$13.3
Qscan Group	$411.9	$424.6
RetireAustralia	$464.4	$492.9

1. Valuation methodologies and assumptions for 31 March 2024 included here: Infratil FY24 Annual Results Presentation (nzx.com)

Independent valuation summary

Longroad (37.3%) – US$1,113m (NZ$1,831m)

- **Primary valuation methodology:** Sum-of-the-parts reflecting:
  - DCF using FCFE for operating assets, under-construction projects, and near-term development projects (projects that are expected to achieve FNTP within the next 3 calendar years)
  - Multiples approach for long-term development projects (discounted on FNTP year)
  - An element of platform value (goodwill)
- **Forecast period:** ~40 years (2065)
- **Enterprise value:** US$6,380m
- **Equity value:** US$2,999m[1]

Key valuation assumptions

- **Risk free rate:** 4.6% (Mar 24: 4.4%)
- **Asset beta:** 0.39 - 0.37 (Mar 24: 0.33 / 0.33)
- **Cost of equity:** 8.75 – 9.00% (Mar 24: 8.25% / 8.5%) for operating and under-construction assets with an additional premium risk premium of 0.75% – 1.75% applied to near-term development assets and 15% for long-term development pipeline and platform
- Terminal value: N/A (finite life assets)
- Near-term (3 years) development pipeline: 3,859MW (Mar 24: 3,859MW)
- Long-term development pipeline (5 years): 21,039MW (Mar 24: 20,052MW)
- Multiple for long-term development projects: US$150/kW (Mar 24: US$175/kW)
- Remaining platform value assessed to be around ~8% of total enterprise value

Galileo (40%) – €138m (NZ$242m)

- **Primary valuation methodology:** Transaction multiples for more advanced projects and cost for entry-stage projects
- **Equity value:** €343.9m

Key valuation assumptions

- **Risk free rate:** n/a (DCF methodology not adopted)
- **Asset beta:** n/a (DCF methodology not adopted)
- Multiples for development projects that are 'ready to build' range from €50-400k/MW depending on country and technology type (i.e. solar, wind or standalone battery storage)
- The valuer assigns a discount (~10-95%) to the multiple that it considers appropriate as the project moves towards 'ready to build' stage. For projects that are early to mid-stage of the development lifecycle, only a small percentage of the 'ready to build' value is captured with the majority of value being recognised as projects get close to 'ready to build' stage.
- Platform premium of ~1% applied

Qscan (57.6%) – A$388m (NZ$425m)

- **Primary valuation methodology:** DCF using FCFE (with a cross check to comparable companies and precedent transactions)
- **Forecast period:** 10 years (2034)
- **Enterprise value:** A$915.9m
- **Equity value:** A$673.4

Key valuation assumptions

- **Risk free rate:** 3.95%
- **Asset beta:** 0.80
- **Cost of equity:** 13.85%
- **Terminal growth rate:** 3.1%

RetireAustralia (50%) – A$450m (NZ$493m)

- **Primary valuation methodology:** DCF using FCFF (with a cross check to comparable companies and precedent transactions)
- **Forecast period:** 40 years (2064)
- **Enterprise value:** A$1,111.0m
- **Equity value:** A$900.9m

Key valuation assumptions

- **Risk free rate:** 3.95%
- **Asset beta:** 0.89
- **Weighted average cost of capital:** 11.55% (blended rate)
- The valuer adopts different discount rates for each segment (i.e. existing, brownfield and greenfield developments) having regard to the different risk profiles
- **Terminal growth rate:** 2.5%

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FX Rates: NZD/USD: 0.6080 NZD/EUR: 0.5687 NZD/AUD: 0.9139 NZD/GBP: 0.4814

1. Longroad Equity Value adjusted for committed but uncalled capital included in the independent valuation