

PUBLIC INFRASTRUCTURE PARTNERS LP

Manager's Presentation to NZ SIF AGM: 2nd September 2024

MORRISON.



PRIVATE AND CONFIDENTIAL

1. Summary of Fund Activities During Period

2. Asset Review

3. Fund Returns

4. Conclusion

5. Appendices

Fund Activities In The Last 12 months

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ACTIVITIES

- Financing and delivering the remedial scope at Bendigo Key Worker accommodation project
- Exploring the scope and impact of thin capitalisation rule changes on the Melbourne Convention Centre
- Restructuring Melbourne Convention Centre to comply with legislation
- Preparing the remaining portfolio for sale

FUND RETURNS – 30 JUNE 2024

Valuation (\$m) *	\$95.8m
Distributions – June 24 Quarter (\$m)	\$1.1m
Distributions – Last 12 months (\$m)	\$7.5m
Number of investments (direct and indirect)	3
1 year return (%)	3.9%
3 year return (% pa)	7.1%
5 year return (% pa)	9.1%
Since Inception return (% pa)	13.6%

*Valuations of fund assets as at 30 June 2024 plus available cash.

**Returns are calculated pre-tax, utilising draft valuations included in the management accounts, and include available cash.

Discussion Points

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Portfolio Update

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MELBOURNE CONVENTION AND EXHIBITION CENTRE (MCEC) PPP

Asset Overview

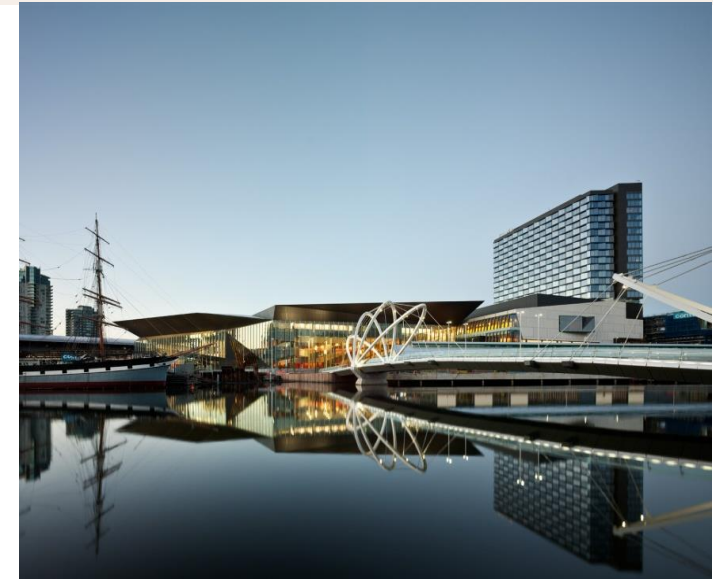
- Melbourne Convention and Exhibition Centre
- 5,000 seat hall, meeting and banquet rooms and 30,000m2 exhibition facility.
- Operational Commencement: January 2009
- Financial Close (PIP Fund investment): November 2010

Governance and Service Delivery

- The venue is well used
- All contractual requirements were met during the reporting period.
- Relationships are strong
- HSE is well managed. Annual HSE audits are completed by Deloitte.
- Dividends are ahead of target: Interest earned on cash balances and inflation increased earnings. inflation increased earnings
- OpEx and and Ex remain within budget remain within budget allocations.

Current Issues

- Documentation of financial structuring changes associated with thin cap
- Preparation for a sales process have begun



Portfolio Update

MCEC EXPANSION PPP

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Asset Overview

- Expansion Exhibition area for MCEC
- 7,500m² of additional flexible exhibition space and 1,500m² of additional multi-purpose space
- Financial Close: May 2016
- Service Commencement: July 2018

Governance and Service Delivery

- As main project

Current Issues

- None
- Preparation for a sales process have begun



BENDIGO KEY WORKER ACCOMMODATION

Asset Overview

- Key worker accommodation in Bendigo, Victoria
- 120 new build units, 30 year “triple net” lease
- Financial Close: April 2013
- Operational Commencement: March 2014

Governance and Service Delivery

- Meetings are held with BHCG monthly through the construction delivery
- Relationships with BHCG remain positive
- Rent is paid on time
- Ongoing review / monitoring of BHCG maintenance requirements are structured into regular reviews and site visits. No Issues are raised in regard to ongoing maintenance by BHCG
- All units available to BHCG and occupancy risk sits with BHCG

Current Issues

- Remediation works were programmed for a 8-month duration allowing demobilisation in late September 2024
- Work on time but 2% above budget: \$3.3 million
- Preparation for litigation proceedings against the original builder continue
- Preparation for a sales process have begun



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Investment Concentration

REMAINING INVESTED CAPITAL EXCLUSIVELY IN AUSTRALIA.

PIP I



PIP I Returns to 30 June 2024

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Investment and fund returns have been good

Investment	Invested	Distributions to Fund (gross)	Valuation	Gross Returns (Pre-FX) (% pa)	Post-FX (% pa)
Melbourne Convention Centre	A\$29.8m	A\$41.8m	A\$48.4m	13.0%	11.3%
MCEC Expansion	A\$15.0m	A\$11.7m	A\$19.3m	12.2%	11.3%
Bendigo Healthcare	A\$9.7m	A\$13.5m	A\$18.3m	17.7%	16.0%
<i>UoW (exited)</i>	<i>A\$28.4m</i>	<i>A\$71.6m</i>	-	21.9%	21.7%
<i>NZ Schools I PPP (exited)</i>	<i>NZ\$10.7m</i>	<i>NZ\$28.9m</i>	-	20.3%	20.3%
<i>NZ Schools II PPP (exited)</i>	<i>NZ\$29.7m</i>	<i>NZ\$70.7m</i>	-	24.8%	24.8%
<i>Auckland Prison PPP (exited)</i>	<i>NZ\$32.0m</i>	<i>NZ\$83.5m</i>	-	21.1%	21.1%

Excludes \$1.2m investment in Skypath project, exited at an 8.0% return

Portfolio	Called from Investors	Distributions to Investors (cash)	Valuation (NZ\$)	Fund Returns (pre-FX) (% pa)	Post-FX (% pa)
PIP Fund <i>(pre-incentive fees)</i>	\$175.9m	\$280.8m	\$95.8m	13.6%	14.0%

Fund Return Scenarios

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	PIP 1		PIP SE	
	Investment Return ¹	Fund Return ²	Investment Return	Fund Return ²
Non-Sales related distributions (\$m)	\$168m		-	
Net Sales Proceeds (\$m) – June 2023	\$113m		\$16.1m	
Estimated Future Sales Proceeds (\$m) ³	\$91m		-	
Estimated Future Sales Costs (\$m)	(\$1.6m)		-	
Estimated Taxes (“dead” capital gains) (\$m)	(\$5.6m)		-	
Net Distributions (\$m)	\$364m		\$16.1m	
(MCO Performance fee) / repayment (\$m)	\$10m		n/a	
Distributed to LPs (\$m)	\$374m		\$16.1m	
Estimated Return (% pa)	11.3%	13.6%	24.0%	25.9%
Estimated Money Multiple	2.2x		1.5x	

¹ Investment Return Assumptions:

- Investment Return represents cash-on-cash return
- Assumes sale in June 2025
- Net Sales Proceeds (June 2023) deducts \$2m for Bendigo rectification costs

² Fund Return Assumptions:

- Pre-FX, pre-incentive fees
- Assumes future AUD/NZD of 0.925 and CPI of 2.0% (see Appendix 1)

³ Sales price assumes and exit discount rate of 9% pre-tax

Discussion Points

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- Steady state operations achieved, again, for the remaining portfolio assets
- Sale process likely in short order

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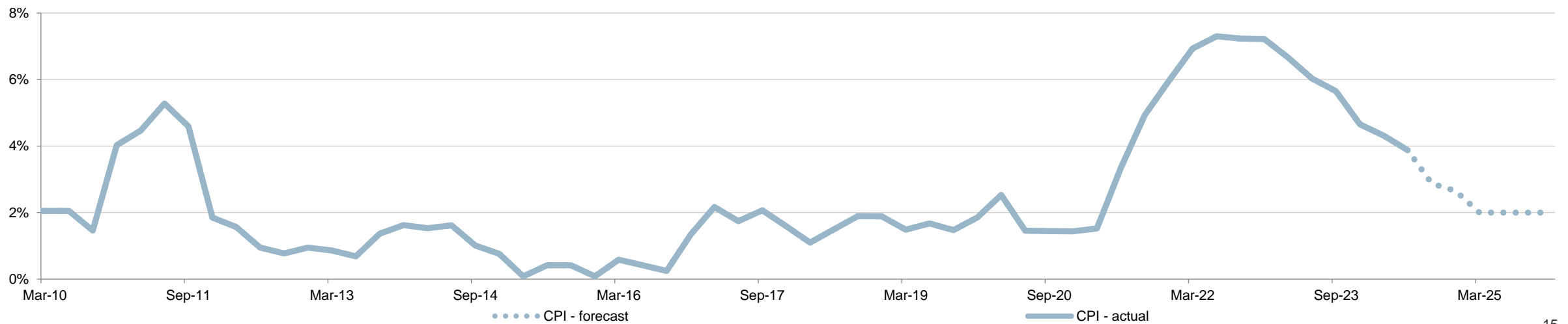
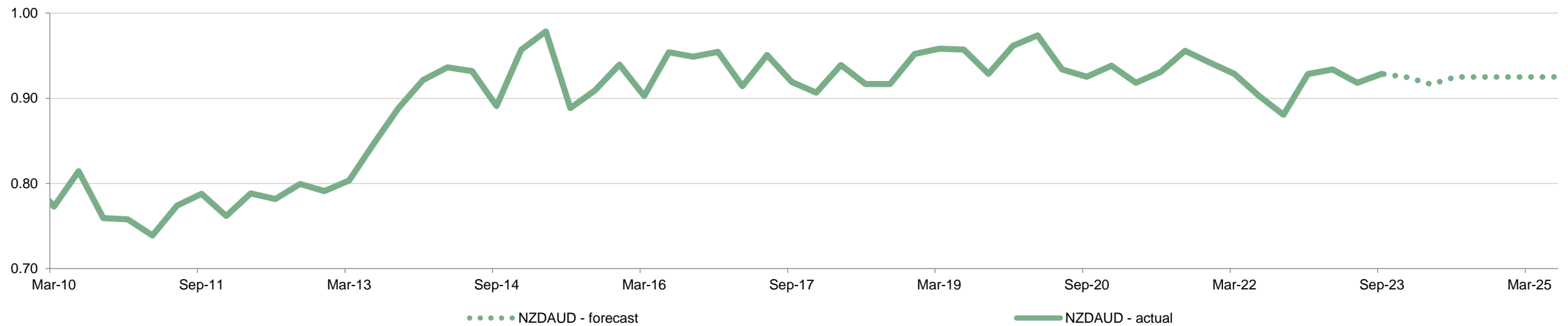
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Appendix 1: Fund Model Assumptions

Macroeconomic assumptions underlying the fund model



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