



Extraordinary General Meeting

23 April 2024



Proposed Acquisition of Ventura

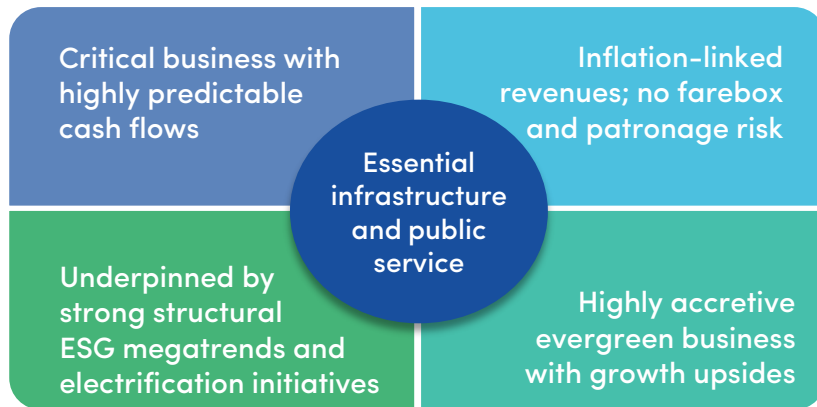


Ventura

Ventura: A Leading Bus Operator and Essential Infrastructure and Public Service

Essential service that supports Melbourne's population growth

- KIT to acquire approx. 98.6%¹ interest in Ventura Motors Pty Ltd (Ventura), the largest bus operator in Victoria
- Accretive acquisition: FY2023 DPU to increase by 3.4% on a pro forma basis
- Provides defensive cash flows: >80% of revenue derived from long-term inflation-protected government contracts

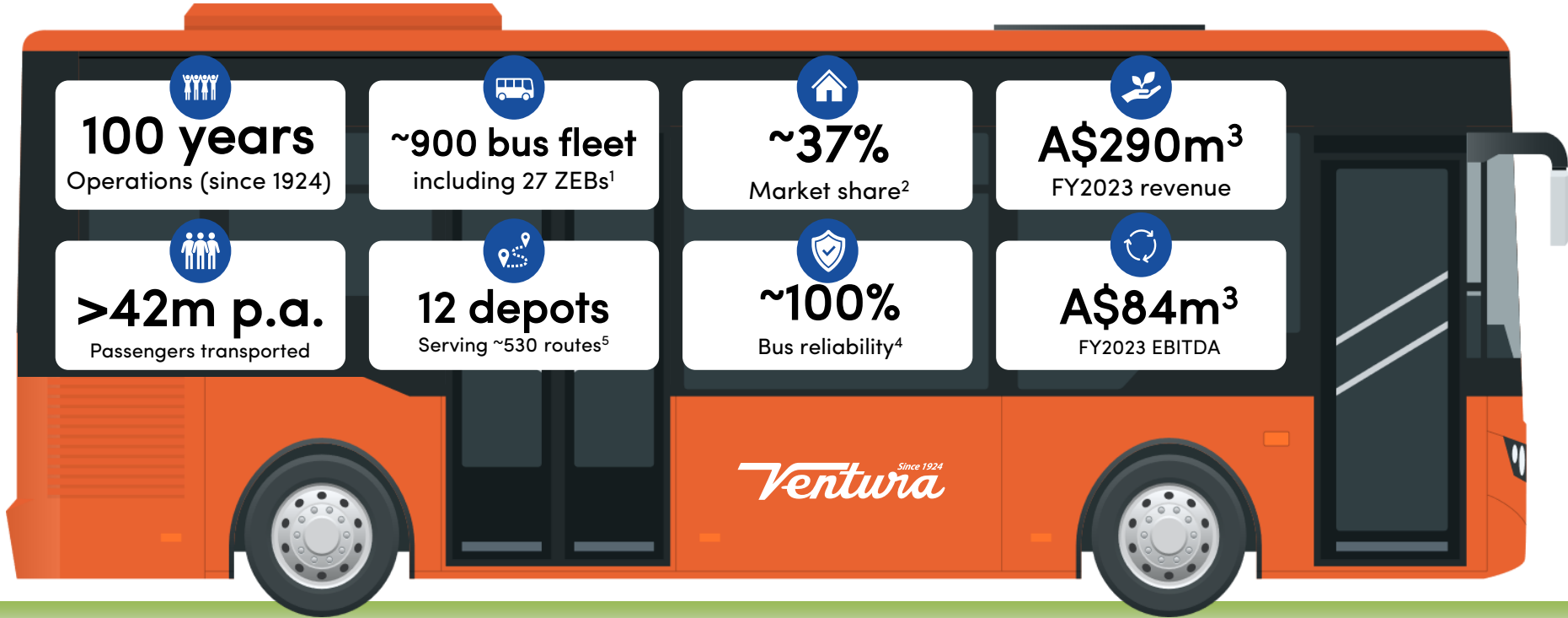


Seller	Cornwall families ²
Enterprise Value	A\$600m (approx. S\$540m ³)
Purchase Consideration	Up to approx. A\$354.2m ⁴ (approx. S\$318.7m ³)
Proposed Funding	Combination of internal resources, debt and equity (including the Equity Fund Raising)
Targeted Completion	2Q 2024, subject to all conditions precedent (including government and regulatory approvals) being satisfied or waived

1. The remaining 1.4% of the issued and paid-up capital of Topco at Completion will be held by Millview Manor, the trustee for the Andrew Cornwall Family Settlement, which is a trust under which the beneficiaries are family members of Andrew Cornwall.
2. The Ventura Vendors are Dedico Dion Nominees Pty Ltd (as trustee for the Galloway Family Trust) and Faldam Pty Ltd (as trustee for the Cornwall Family Trust) and the RBPL Vendors are Frankincense Pty Ltd (as trustee for the Geoffrey Cornwall Family Settlement), Millview Manor Pty. Ltd. (as trustee for the Andrew Cornwall Family Settlement) ("Millview Manor") and Twohooks Pty. Ltd. (as trustee for the John Cornwall Family Trust). Please refer to paragraph B1.1 of the Circular for further information.
3. Based on an exchange rate of S\$0.90:A\$1.00.
4. Includes Rollover Aggregate Amount of A\$6.0 million and the Earn Out Payments (if any) of up to A\$20.0 million (approx. S\$18.0 million).

Ventura: A Century of Service History

Victoria's largest bus operator, providing essential transport services in Melbourne



1. Zero Emissions Buses ("ZEBs").

2. Based on Ventura Group's management estimates, market share based on share of public transit contract routes in Victoria.

3. Based on the audited accounts of the Ventura Group for the financial year ended 30 June 2023.

4. From 1 July 2022 to 30 June 2023.

5. Does not include private schools and special school routes.

Defensive cash flows with cost indexation and capital reimbursement

> 80% of revenues derived from long-term inflation-protected government contracts with no farebox risk

	Government		Private	
	Mass Transit	Public Schools	Private Charter	Private Schools
Description	High frequency services along pre-determined routes (day & night) for general commuters	Bus services contracted to transport public school students	Private charters for regular transit or rail replacement	Bus services contracted to transport private school students
Contract economics	Stable revenue from fixed margin in addition to cost recovery; CPI indexation	Stable revenue from fixed margin in addition to cost recovery; CPI indexation	Fixed hourly or daily rates	Fixed daily rate with CPI indexation
Contract duration	8+2 years	~10 years	Ad-hoc or annual contracts	~3 years
Ventura % Revenue (FY2023)¹	84%	6%	5%	3%

1. Remaining 2% comprises other corporate revenues (e.g. advertising revenue from advertising space on buses, contract incentives from achieving key performance indicators, etc.). Based on the audited accounts of the Ventura Group for the financial year ended 30 June 2023.

Source: Where relevant, information has been sourced from Public Transport Victoria and Ventura Group's management estimates. Public Transport Victoria has not provided its consent to the inclusion of the information cited and attributed to it in this Circular. While the Trustee-Manager has taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, the Trustee-Manager has not conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

Rationale for the Acquisition



1

Largest bus operator in Victoria and a core pillar of Melbourne's transportation landscape



2

Attractive market with favourable tailwinds



3

Defensive cash flows with cost indexation and capital reimbursement



4

Platform of scale to capture growth opportunities



5

Electrification thematic supporting KIT's ESG targets



6

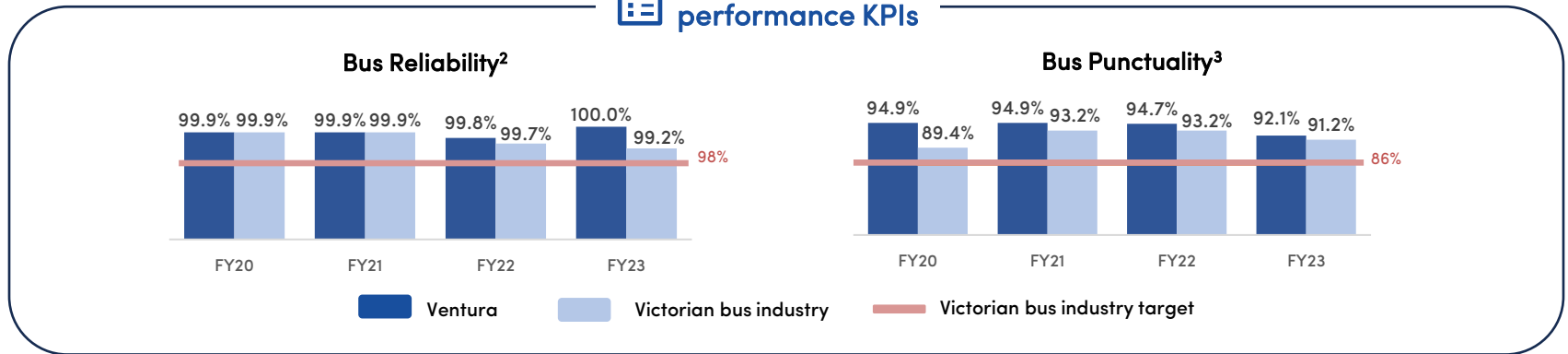
Accretive acquisition that strengthens KIT's portfolio resiliency

1. Largest Bus Operator in Victoria with best-in-class performance

Core pillar of Melbourne's transportation landscape

- Largest share of **commuter bus services** market in Victoria
- Fast-growing **private bus charterer** in Victoria, serving numerous schools and supporting tourism and general charter
- **Consistent Market leader** in reliability¹ and punctuality² metrics

Market leading performance KPIs



1. Reliability refers to the actual number of bus service kilometres provided by the operator as a percentage of the total bus services kilometres scheduled to be provided by the operator.

2. Punctuality refers to the total number of on-time services delivered as a percentage of the total number of services scheduled.

Source: Where relevant, information has been sourced from Public Transport Victoria and Ventura Group's management estimates. Public Transport Victoria has not provided its consent to the inclusion of the information cited and attributed to it in this Circular. While the Trustee-Manager has taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, the Trustee-Manager has not conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

2. Attractive Market with Favourable Tailwinds

Buses: An essential transport link between Melbourne's fastest growing regions

Melbourne



 Australia's largest fast-growing city



 Buses provide significant coverage of Melbourne metropolitan area

Key Growth Drivers

A

Residential development

Continuing growth in mass-transit bus service kilometres is expected to be driven by residential developments in outer suburbs

B

Acceleration of commercial & transport infrastructure spend

Victoria's 'Big Build': The Victorian Government is looking to invest in road and rail projects across the state

C

Bus reform and network optimisation

The Victorian Government aims to boost passenger experience and deliver network and operating efficiencies

Source: Where relevant, information has been sourced from Public Transport Victoria and Ventura Group's management estimates. Public Transport Victoria has not provided its consent to the inclusion of the information cited and attributed to it in this Circular. While the Trustee-Manager has taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, the Trustee-Manager has not conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

3. Defensive Cash Flows with Cost Indexation and Capital Reimbursement

Majority of revenues derived from long-term, inflation-protected government contracts



> 80% of revenues
from MBSCs¹

Long-term contracts

10 years
(8+2) year contract term²

Provides stable EBITDA
and cash flows with
performance incentives



Cost-indexed
payments

- **Fixed payments; inflation-protected**
 - No farebox and patronage risk
 - Stable revenue based on service delivery cost plus a fixed margin
 - Contract payments indexed to relevant inflation indices (i.e. CPI, fuel index, labour index)
 - Incentive payments for meeting performance measures



Capital
reimbursement

- **Return of and on capital expenditures**
 - Reimbursement for capital expenditure on fleet acquisitions and depots
 - Receive access payment for usage of depots

1. Metropolitan Bus Service Contracts (“MBSCs”).

2. MBSCs are long-term (8+2 years), inflation-protected government contracts. These contract were entered into in 2018 for 8 years till 2026, with an automatic 2-year extension up to 2028 if certain key performance measures are met.

4. Platform of Scale to Capture Growth Opportunities

Accelerate growth within existing business and adjacent verticals

Capture upsides within key regions

1

Increase service kilometres



Continue growing government contracted service kilometres via new, expanded and more frequent routes

2

Optimise service efficiency



Improve efficiencies through achieving incentive payments based on service excellence, cost base optimisation, and electrification-related benefits

Leveraging technology for vertical and horizontal growth

3

Grow new revenue streams



Unlock ancillary revenues such as on-demand bus service

4

Differentiating on technology



Drive sustainable advantage from strength of existing platform (proprietary safety and route planning applications)

Strategic expansion

5

Additional electrification revenue



Opportunities to monetise unutilised charging capacity at electrified depots for ad-hoc third-party usage¹

6

Increase charter / private market share



Strengthen and expand the business, maximising Ventura's share of the charter hires within the region it operates

1. Charging for ad-hoc usage of unutilised charging capacity at electrified depot (e.g. trucks, emergency services, etc.)

5. Electrification Thematic Supporting KIT's ESG Targets

Ventura is the first mover for energy transition in Victoria's public transportation sector



Owns and operates Victoria's first fully electric bus depot



Key partner in the Victorian Government ZEBs trial, responsible for **delivering >50% of the trial buses**



Clear pathway for electrification and aims to convert 25% of fleet to electric buses by 2030



Electrification leader in Victoria with 27 ZEBs



Aims to be a contributor to Australia's greenhouse gas emission reduction target of **net zero by 2050**

KIT's carbon emissions intensity
Carbon emissions ('000tCO₂) / Distributable Income (\$m)

▼ **9.1%¹**

From 6,900 tCO₂e/\$m in FY 2023 to 6,260 tCO₂e/\$m *pro forma* post acquisition

Ventura is a first mover for energy transition in Victoria's public transportation sector



Ventura's Ivanhoe Depot:
Victoria's first fully electrified depot

1. Strictly for illustrative purposes only, to show what KIT's pro forma carbon intensity for FY2023 would have been assuming that the Acquisition and Equity Fund Raising was completed with effect from 1 January 2023 and KIT held the interests acquired pursuant to the Acquisition through to 31 December 2023. KIT's pro forma carbon intensity for FY2023 is based on KIT's Distributable Income for FY2023 and Ventura's distributable income as calculated on the bases and assumptions set out in paragraph B6 of the Circular. Based on the scope 1 and 2 carbon emissions for KIT and Ventura for the financial years ended 31 December 2023 and 30 June 2023 respectively.

6. Accretive Acquisition that Strengthens Portfolio Resiliency

Pro forma DPU to increase by 3.4%²

Funds from Operations ("FFO")²

▲ 6.1%

From S\$287.9m^{3,4} in FY 2023 to S\$305.6m⁶ pro forma post Acquisition and Equity Fund Raising

DPU (cents)²

▲ 3.4%

From 3.86 cents⁷ in FY 2023 to 3.99 cents^{5,6} pro forma post Acquisition and Equity Fund Raising

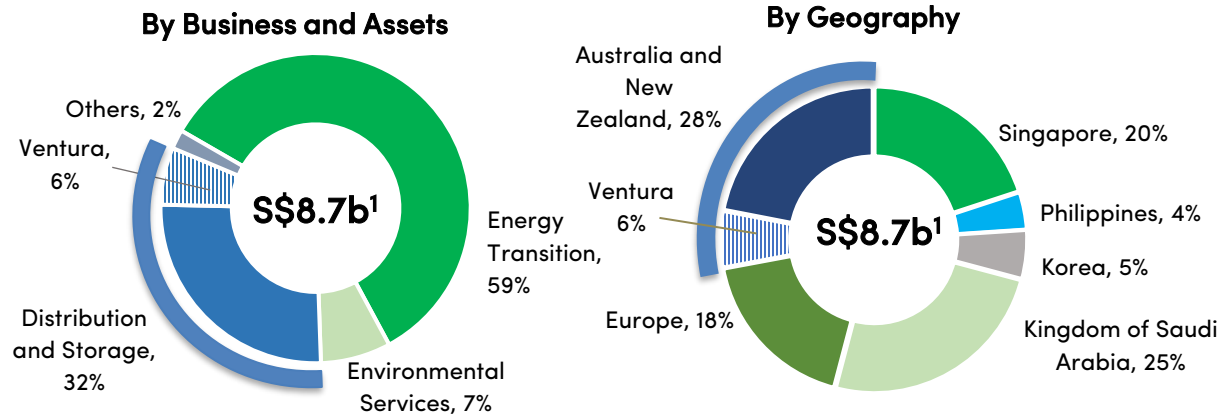
Net Gearing²

▼ 0.7 pp

From 39.8%³ as at 31 Dec 2023 to 39.1%⁶ pro forma post Acquisition and Equity Fund Raising

Enlarged Portfolio: AUM to grow by 7% to S\$8.7b¹ post-acquisition

Assets under Management ("AUM")



1. Based on the enterprise value of the Ventura Group of approx. A\$600 million (approx. S\$540 million). The expected AUM contribution to KIT of the Acquisition is expected to be approx. S\$533 million, based on KIT's 98.6% share of the Ventura Group after the Acquisition. The enterprise value of the Ventura Group has not been independently valued. Based on KIT's AUM of S\$8.1 billion at 2 January 2024, which is based on the AUM Portfolio valuation.
2. Please refer to paragraph B6 of Circular to Unitholders on the assumptions used in the preparation of the pro forma financial effects of the Acquisition and the Equity Fund Raising.
3. Based on audited consolidated financial statements of the KIT Group for FY2023.
4. Excludes effects of the capital optimisation at Ixom which was distributed as special distribution to Unitholders.
5. Assuming all Distributable Income generated by the Targets will be distributed to KIT and minority shareholders. The pro forma DPU set out herein should not be interpreted as being representative of the future DPU. Assuming cash distribution received from the Targets, net of corporate expenses, is fully distributed to Unitholders.
6. Assumes the issue of approx. 849.3 million Units at the Illustrative Issue Price (being S\$0.471 per New Unit) pursuant to the Equity Fund Raising.
7. Based on DPU declared for FY2023, excluding special distribution of 2.33 cents paid in November 2023.

KMC CTA Extension and Capital Restructuring

Keppel Merlimau Cogen
Plant



Overview

Keppel Merlimau Cogen Plant

- Located on Jurong Island, and connected to Singapore's electricity transmission network, the KMC plant is well positioned to support the surrounding industries with their electricity, steam supply and demineralised water requirements
- Under the terms of the CTA, KMC receives an availability-based capacity fee in return for making available the KMC Plant's electricity generation capacity and a fixed operation and maintenance fee
- The terms of the CTA are designed to ensure that the costs of planned maintenance of the KMC Plant, fuel costs and fuel availability risk to run the KMC Plant are borne by KE.



Support decarbonisation of the power sector

Enhance KMC's performance and efficiency, including getting the plant **hydrogen-ready**



- **Description:** Approx. 1,300 MW combined cycle gas turbine power plant
- **KIT's ownership interest:** 51%
- **Customer:** Keppel Electric Pte. Ltd ("KE")

KMC CTA Extension and Capital Restructuring

Allow KMC to resume Distributable Income contributions to KIT

Extension of CTA and OMSA by 10 years

- ✓ KMC continues to receive Capacity Fees of up to S\$108m p.a. from 2030 to 2040¹
- ✓ Extension of OMSA ensures the continuous and reliable operations of the plant

Optimise KMC's capital structure

- ✓ Allow KMC to refinance its External Facility and lengthen its debt amortisation profile
- ✓ Letter of Credit to meet any debt service/ maintenance reserve account requirements under the New External Facility
- ✓ Capital Injection (to be fully funded from KIT's operating cashflow) to optimise working capital and overall cashflow returns

Resume Distributable Income contributions to KIT



Pro forma
Distributable Income
\$241.6m²
Up 10.9% from \$217.8m³



Pro forma DPU
Up 11%
Up from 3.86 cents³ to
4.28 cents²

1. On the basis that (i) for every month from 1 July 2030 to 30 June 2040, KMC meets its availability target and (ii) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, such that the quantum of the Capacity Fees from 1 July 2030 to 30 June 2040 remains unchanged.
2. For illustrative purposes only and based on the bases and assumptions set out in paragraph C8 of the Circular, assuming that the KMC Capital Restructuring was effected as at 1 January 2023, KMC would have contributed approx. S\$23.8 million in Distributable Income to KIT for the financial year ended 31 December 2023. The actual contribution from KMC to the Distributable Income of KIT for the financial year ended 31 December 2023 is nil. This is because the External Facility commenced amortisation on 30 June 2023, and the cashflows generated by KMC in the financial year ended 31 December 2023 were not sufficient to cover both the KMC Notes interest payment and the amortisation of the External Facility. This effectively negated any Distributable Income received by KIT from KMC through the interest payments on the KMC Notes for the financial year ended 31 December 2023. Please refer to paragraphs C2 and C8.1 of the Circular for further details.
3. Based on audited consolidated financial statements of the KIT Group for FY2023 and excludes effects of the capital optimisation at Ixom.

Thank You

www.kepinfratrust.com

Connect with us on: 

Borkum Riffgrund 2

