

Macquarie Infrastructure and Real Assets (MIRA)



Macquarie Korea Infrastructure Fund

Investor Presentation

1H 2020



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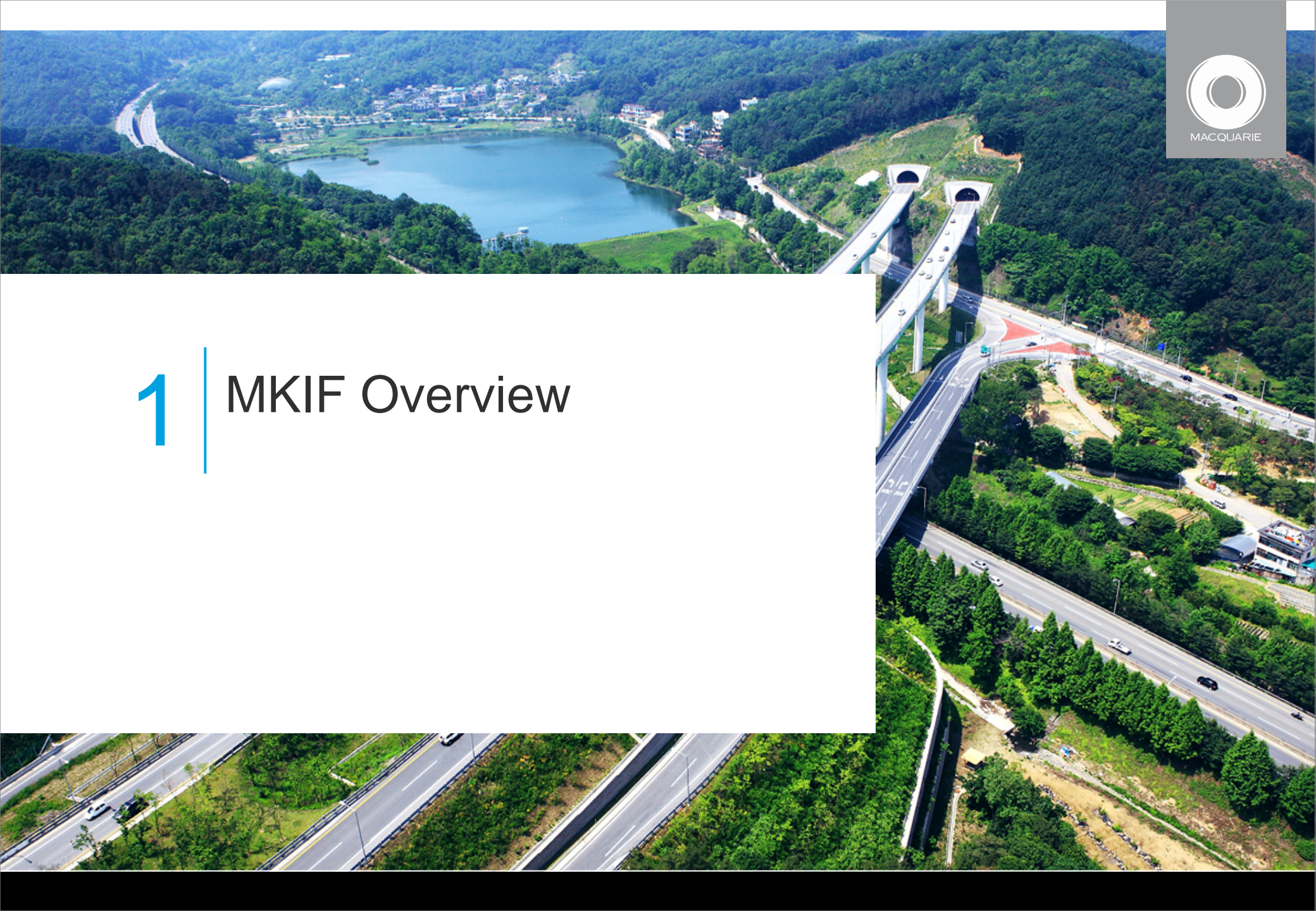
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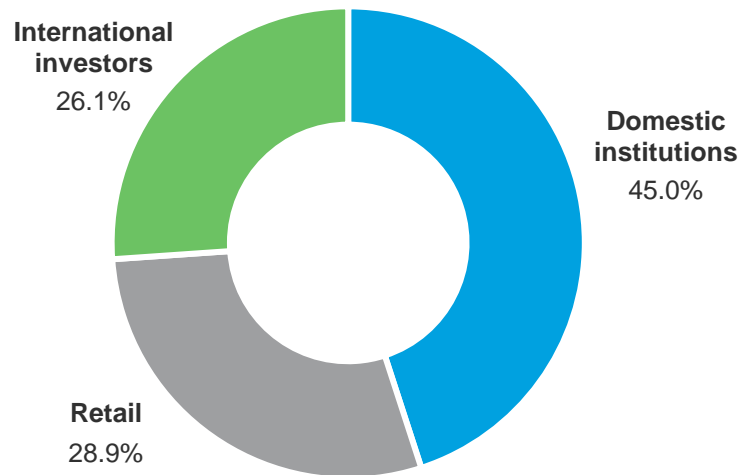
1 | MKIF Overview



A Leading Infrastructure Fund in Korea

- Established in 2002 / Listed on the Korea Exchange in 2006
- Market capitalization of KRW ~3.9 trillion¹
- Invests only in Korea as defined under the Korean PPP Act²
- Delivered approximately ~6.0% distribution yield³ in 2019
- Issuer credit rating of AA0 (Stable)⁴

Key Shareholder Groups⁵



1. As at 30 Jul 2020

2. Act on Public Private Partnerships in Infrastructure ("PPP Act") states infrastructure sectors including roads, railways, ports, water treatment, waste management, etc.

3. Distribution yield based on FY2019 closing share price of KRW 11,600 and FY2019 distributions; historical performance does not guarantee future performance

4. Issuer credit rating by NICE Investor Service on 3 Apr 2020

5. As at 31 Dec 2019

Fund History

| | | | |
|-----------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------|
| Establishment / Listing 2002 / 2006 | Mandate Core and Core+ (Korea only) | Portfolio 11 Roads, 1 Port, 1 Rail (all concessions) | Market Capitalisation KRW ~3.9 trillion (KOSPI top 56) |
|-----------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------|

MKIF History

Pioneered the infrastructure sector in Korea, leading the market with best fund and asset management practices

2002 ~ 2006

Establishment & Capital Raising

- Established in Dec 2002
- Investment committed in 15 assets
 - 14 toll roads
 - 1 subway line
- Capital reached KRW 1.3tn

2006 ~ 2009

IPO & Asset Stabilization

- IPO in Mar 2006 (KRW 1.0tn)¹
- Listing on KRX and LSE¹
- 5 greenfield assets commenced operation on time & on budget
- Asset performance stabilized

2007 ~

Active Fund and Asset Management

Fund-level

- 7 investments² / 4 divestments³
- 9 fund-level debt refinancing⁴
- Effective IR: improved market awareness & active share trading

Asset-level

- 15 asset-level restructuring⁵
- 14 asset-level dispute resolutions⁶
- Actively engaged with current issues

2017 ~

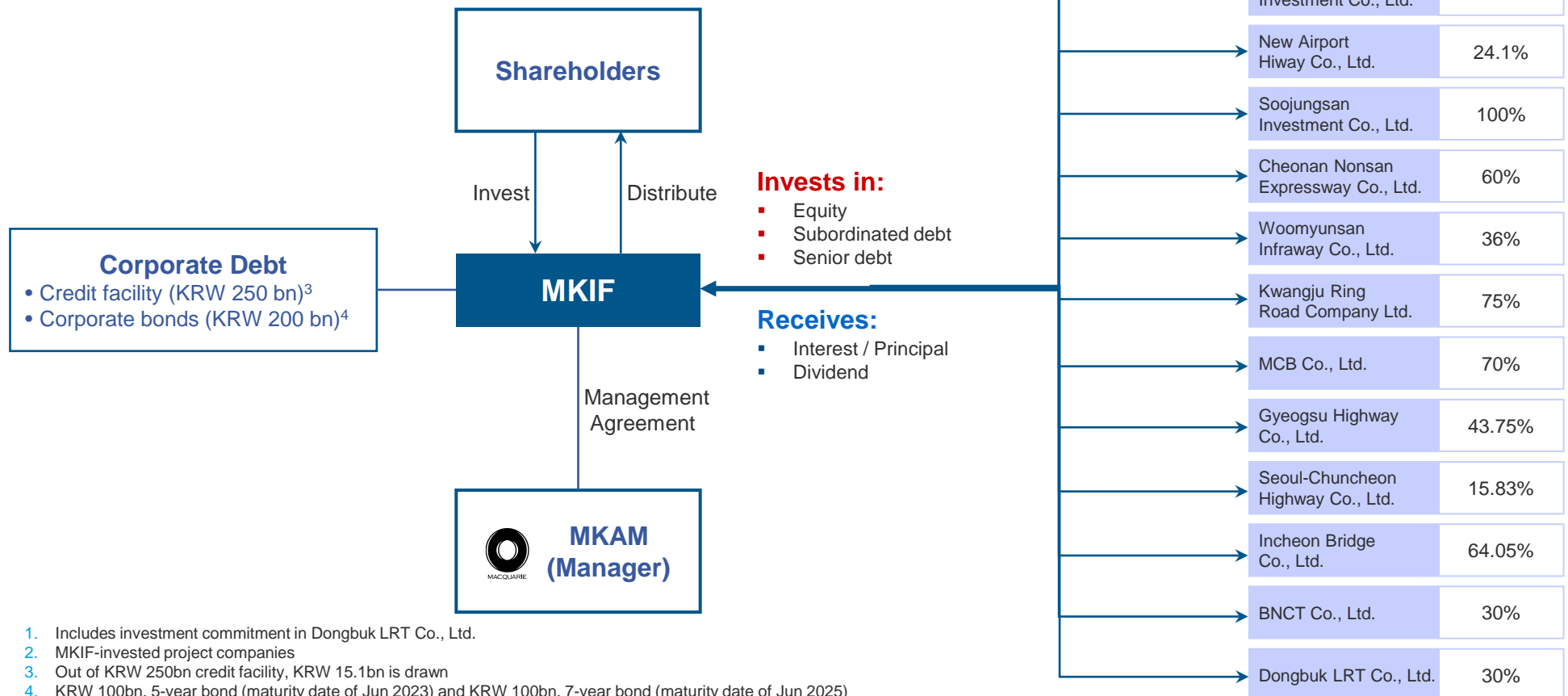
Share Offering & New Growth

- Mandate expansion
- Follow-on offering (KRW 147.2 bn)
- Seeking diverse investment opportunities

1. KRW 0.6tn = issuance of new shares, KRW 0.4tn = sale of old shares / MKIF delisted from LSE in Mar 2016
 2. BNP 2-3 initial investment (2008); MCB bolt-on (2008); BNP 2-3 bolt-on (2013); YSE bolt-on (2015); IBC bolt-on (2017); SCH bolt-on (2018); DBR (2019)
 3. New Daegu Busan Expressway (2008); Seosuwon-Osan Pyungtaek Expressway (2010); Daegu 4th Beltway East (2012); Subway Line 9 (2013)
 4. MKIF debt refinancing disclosed in May 2007; Apr 2009; Nov 2009; May 2011; Jun 2011; Feb 2014; May 2016; Jun 2018; Jan 2019
 5. Asset-level refinancing disclosed in (refer to page 7 for asset acronyms): Feb 2007 (Daegu 4th Beltway East); Jan 2008 (BYTL); Dec 2008 (WIC); Mar 2009 (IBC); May 2009 (CNEC); Nov 2010 (MCB); Aug 2015 (NAHC); Oct 2015 (YSE); Jan 2016 (WIC); Dec 2016 (KBICL); Jan 2017 (MCB); Aug 2017 (IBC); Jun 2018 (SCH); Apr 2019 (BNP 2-3); Dec 2019 (CNEC)
 6. Disputes resolved in Oct 2013 (BNP 2-3); Apr 2015 (MCB); Aug 2015 (KBICL); Dec 2016 (KBICL); Jan 2019 (SICL & BYTL); Mar 2019 (SICL); 2018-2019 (5 tax litigations involving SICL, WIC, KBICL, NAHC, CNEC), May 2020 (BYTL), Jun 2020 (IGB)

Business Structure

- MKIF is a holding company of 13 infrastructure project companies¹
- Active management of the underlying project companies²
- Fund is managed by Macquarie Korea Asset Management Co., Ltd. ("MKAM")
- MKIF corporate tax exempted when 90% or more of its distributable earnings is distributed



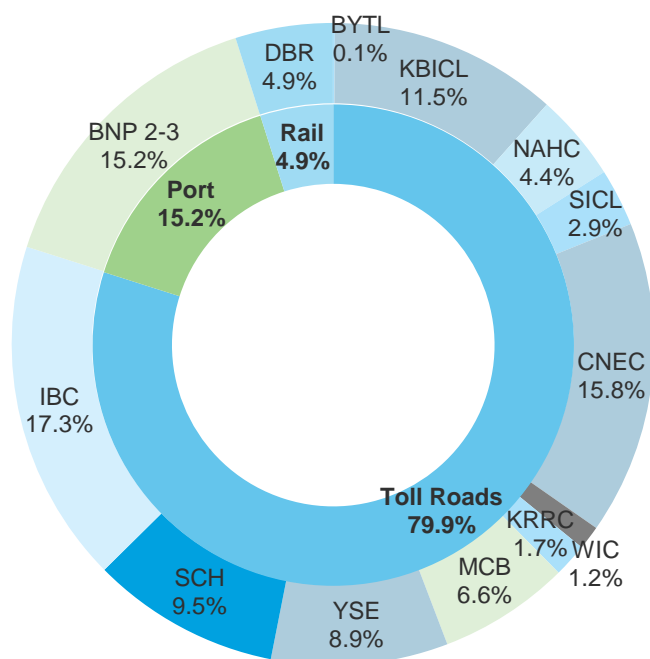
Portfolio Summary¹



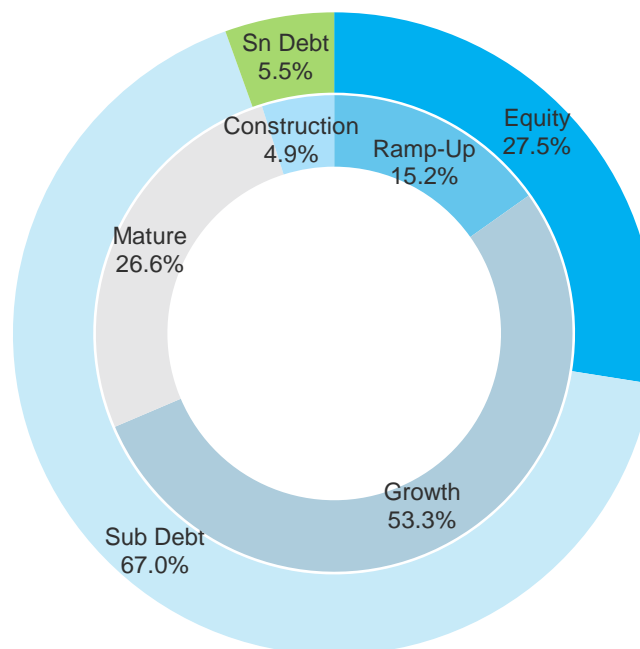
(As at 30 June 2020)

- KRW 1.7 trillion invested across 13 infrastructure assets in Korea
- Weighted average remaining life of the portfolio is 16.5 years (out of weighted average concession term of 29.4 years)
- Ratio of central and local government involvement is 71:29

Portfolio Composition by Asset¹



Portfolio Composition by Investment¹ and Phase^{1,2}

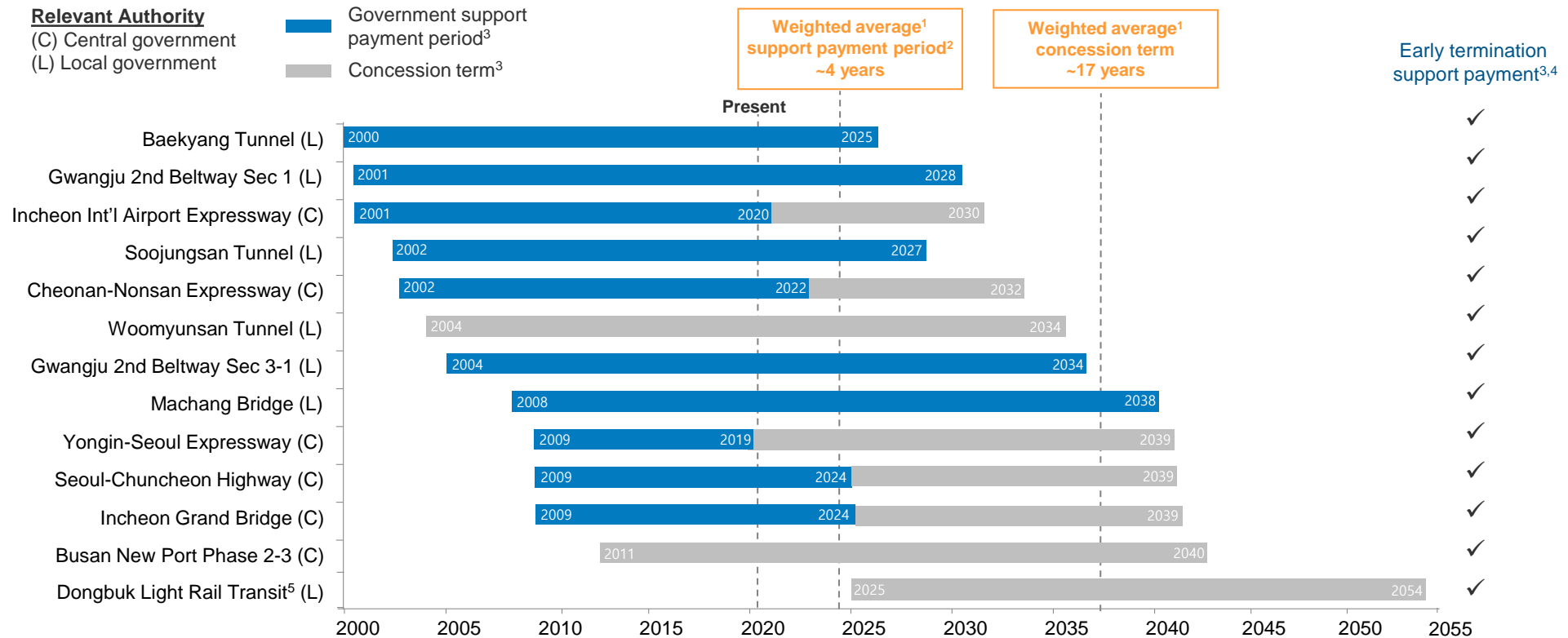


| Asset names | Abbrv. |
|------------------------------------------|---------|
| Baekyang Tunnel | BYTL |
| Gwangju Second Beltway, Section 1 | KBICL |
| Incheon International Airport Expressway | NAHC |
| Soojungsan Tunnel | SICL |
| Cheonan-Nonsan Expressway | CNEC |
| Woomyunsan Tunnel | WIC |
| Gwangju Second Beltway, Section 3-1 | KRRC |
| Machang Bridge | MCB |
| Yongin-Seoul Expressway | YSE |
| Seoul-Chuncheon Highway | SCH |
| Incheon Grand Bridge | IBC |
| Busan New Port Phase 2-3 | BNP 2-3 |
| Dongbuk Light Rail Transit | DBR |

1. Based on MKIF investment amount plus investment commitment of KRW 82.7bn in Dongbuk LRT Co., Ltd. (nil has been deployed)
2. Ramp-up (operating life ≤ 10 years or previous year's average daily traffic volume growth rate ≥ previous year's CPI growth rate+7%): BNP 2-3
 Growth (previous year's average daily traffic volume growth rate ≥ previous year's CPI growth rate+3%, exclusive of the ramp-up assets): NAHC, KBICL, KRRC, YSE, SCH, IBC
 Mature (previous year's average daily traffic volume growth rate < previous year's CPI growth rate+3%): BYTL, WIC, CNE, SICL, MCB
 Construction: DBR
 (CPI=consumer price index of Korea as published on www.index.go.kr; 2019 CPI growth rate=0.4%)

Concession Term and Government Support Period

- Weighted average¹ remaining life of ~17 years under the concession agreements
- 10 toll road companies are entitled to receive government support payments² from their respective authorities for next ~4 years on average
- All underlying project companies are protected under the early termination support payment provision



1. Based on MKIF investment amount plus investment commitment of KRW 82.7bn in Dongbuk LRT Co., Ltd. (nil has been deployed)
2. Revenue guarantee and cost compensation payments received from relevant authorities, toll freeze compensations related to the CPI growth, etc. Weighted average support payment period is based on the periods of government support payments other than toll freeze compensation, as toll freeze compensation is typically covered throughout entire concession term
3. Government support and early termination payment provisions vary for each concession
4. Project companies have the right to receive payments if the relevant concession agreement is terminated prior to expiration of the concession term, including termination due to events attributable to the concession company, the relevant authority, or for events of force majeure
5. Construction period of 5 years (2020~2024) expected, followed by a 30-year operation period (2025~2054 expected)

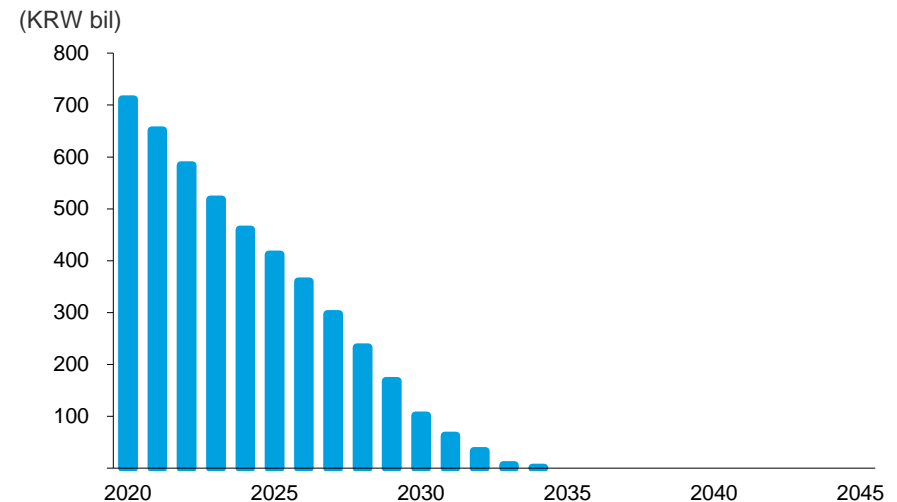
Financial Position

(As at 30 June 2020)

- MKIF debt capped at 30% of its capital under PPP Act¹, with the current outstanding debt at KRW 215.1 billion out of KRW 450 billion limit under the existing loan agreements
 - KRW 15.1 billion is drawn from KRW 250 billion of credit facility limit
 - KRW 200 billion fixed-rate bonds (KRW 100 billion, 5-year bond maturing in June 2023 & KRW 100 billion, 7-year bond maturing in June 2025)
- Weighted average interest rate of MKIF debt is 3.08%, and remaining average maturity is 3.7 years
- Project company-level debt is expected to decline as senior debts are redeemed, and average remaining maturity² of external debt³ is 6.4 years

| | |
|------------------------------------------------|-------------|
| CASH ⁴ | KRW 352.2bn |
| EXTERNAL DEBT AVERAGE MATURITY ³ | 6.4 years |
| GEARING ⁵ | 17.2% |

Project Company-level External Debt Balance⁶

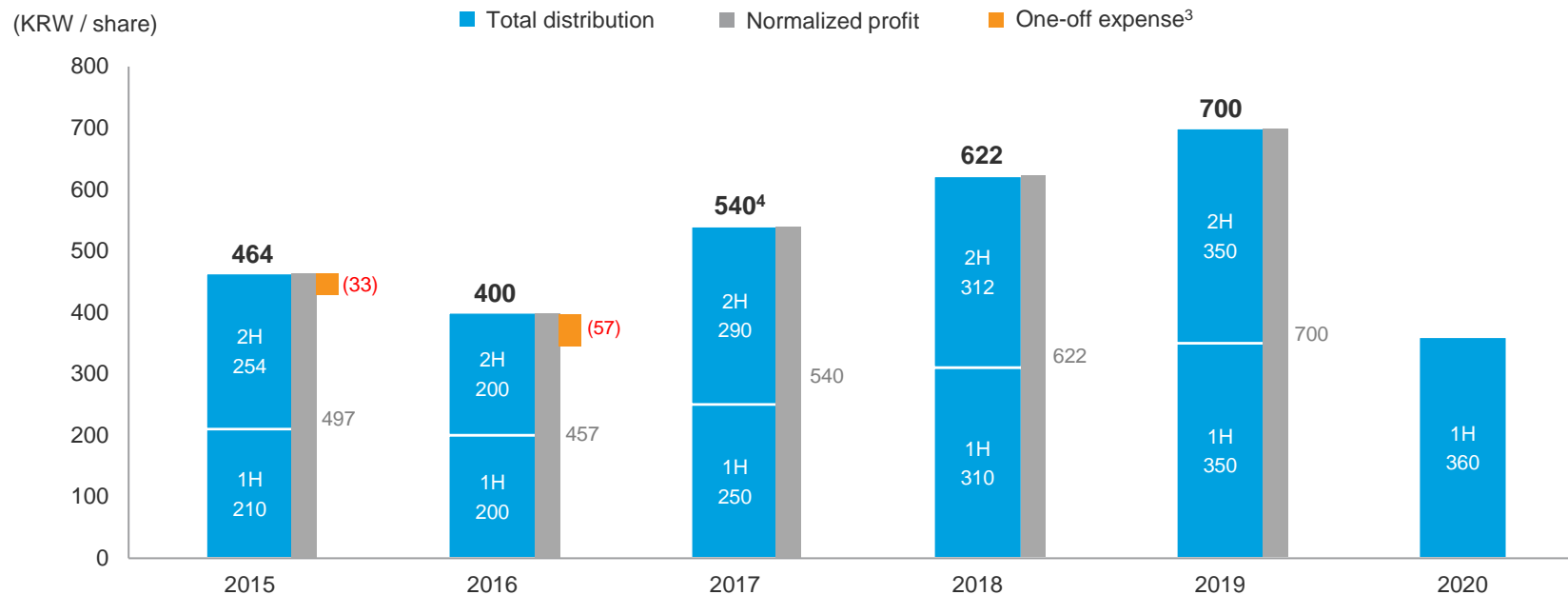


1. Current MKIF debt ceiling under PPP Act is KRW 544.7bn (30% of current MKIF paid-in-capital of KRW 1,815.6bn)
2. Average remaining maturity of external debt of the underlying project companies based on MKIF equity ownership
3. External debt of the underlying project companies is defined as the total drawn debt of the underlying project companies minus: (i) borrowing from MKIF; (ii) borrowing from third parties with the same term as MKIF's; (iii) borrowing of which default risk and redemption obligation have been transferred to the relevant authority as a result of restructuring
4. Proportionately consolidated MKIF cash and cash equivalents (inclusive of MKIF cash and cash equivalents of KRW 30.1bn)
5. Proportionately consolidated MKIF net debt / (proportionately consolidated MKIF net debt + average MKIF market capitalization for the previous 3 months)
6. Outstanding external debt balance of the underlying project companies based on respective MKIF equity ownership, assuming absence of additional restructuring or new investment

Distribution

- Distribution is paid semi-annually (record dates are 30 June and 31 December)
- Distribution floor is higher of taxable income or 100% of distributable accounting income to maintain tax exempt status
- 2020 first half distribution of KRW 360 per share¹ (total amount of KRW 125.7 billion) will be paid on 31 August 2020

Distribution History²

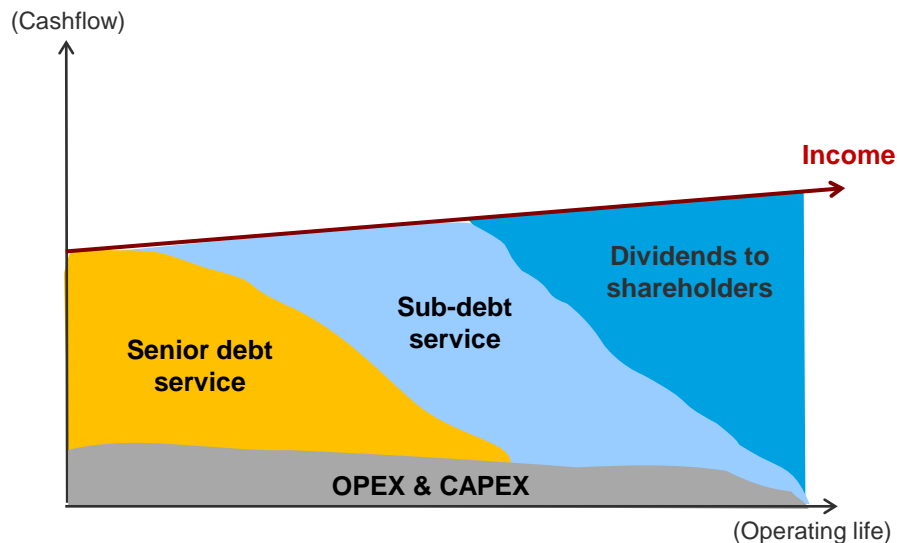


1. Distribution amount is treated as dividend income and is tax payable under the relevant Korean law. Investors are advised to consult their own tax advisors for the appropriate tax treatment of the distribution
2. Past result does not guarantee future performance
3. Includes over-distribution amount
4. FY2017 aggregated distribution per share of KRW 540 is lower than FY2017 earnings per share of KRW 557 due to the dilution effect from the issuance of new shares

Investment Highlights

- MKIF targets to deliver long-term cash flow & income to investors via new acquisitions, active asset management and prudent capital management
 - Additional growth potential through (i) new investments and (ii) bolt-on investments in the invested project companies
 - Enhancement in / protection of investment return by managing various activities of the project companies, including operation, restructuring and disputes
 - Some project companies generate relatively stable and predictable income based on inflation-linked government support payments
 - Continuous monitoring of the capital structure of MKIF and the financial positions of the project companies

Conceptual Cash Flow¹ of Infrastructure Project Companies



MKIF Strategy & Objective

Deliver long-term cash flow & income to investors

Additional growth potential

+

Enhance / protect investment return

New & bolt-in investments

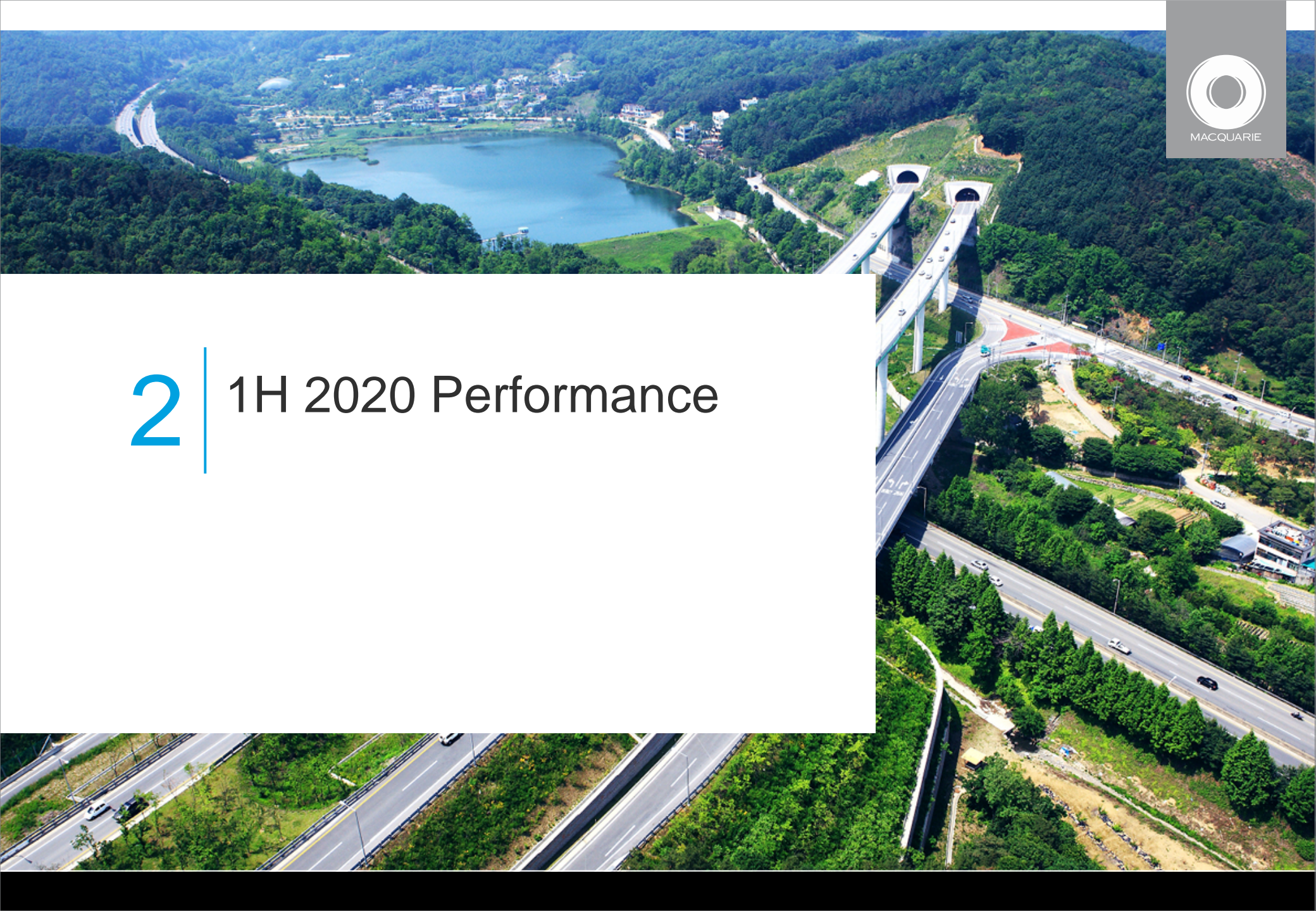
Seeking investment opportunities using the expertise and network of Macquarie as the global infrastructure manager

Asset management & fund capital management

Active asset management & prudent capital management based on extensive experience in managing infrastructure assets

1. Conceptual cash flow chart of an infrastructure project company with long-term project financing and does not necessarily represent actual cash flow of MKIF's invested project companies. The chart assumes that such project company (i) does not undergo additional restructuring and (ii) is able to generate its targeted income. Cash flow may be negatively affected if such project company is not able to generate its targeted income due to internal / external factors

2 | 1H 2020 Performance



Key Performance

• MKIF revenue and net income (P14)

- MKIF recorded revenue of KRW 191.2 billion and net income of KRW 169.0 billion for 1H 2020 (the “Period”), an increase of 1.2% and 2.7% respectively compared with the previous corresponding period (“pcp”).
- Revenue improved due to greater dividend income¹, and net income increased due to higher revenue and reduced expenses.

• Performance of toll roads (P17)

- On a weighted average basis, 11 toll road assets have delivered traffic volume and revenue declines of 8.3% and 20.7% during the Period over pcp.
- The declines were caused mostly by reduced outdoor activities, delayed opening of schools and increased remote work in response to the Coronavirus outbreak.
- Traffic revenue declined more than volume primarily due to the effect of the toll fare reduction² of Cheonan-Nonsan Expressway as part of restructuring in December 2019. Toll revenue loss resulting from the toll fare reduction will be fully compensated by end of month following an applicable quarter.

• Performance of Busan New Port Phase 2-3 (P18)

- BNP 2-3 handled 1.09 million TEUs during the Period, a decline of 5.6% over pcp. The decline was mainly caused by the slowdown in global economy due to the Coronavirus outbreak.
- Revenue improved by 3.1% during the Period over pcp to KRW 58.9 billion due to a change in volume mix and an increase in tariff.
- EBITDA improved by 10.4% during the Period over pcp to KRW 28.4 billion due to an increase in revenue and a decrease in operating expenses, recording an EBITDA margin of 48.2% for the Period.

• BYTL litigation on the overdue government support payment closed (P20)

• IBC international arbitration closed (P20)

1. 1H 2020: dividend income of KRW 28.9bn from New Airport Hiway Co., Ltd.; KRW 45.3bn from Cheonan-Nonsan Expressway Co., Ltd.; KRW 17.0bn from Soojungsan Investment Co., Ltd.
1H 2019: dividend income of KRW 27.7bn from New Airport Hiway Co., Ltd.; KRW 51.8bn from Cheonan-Nonsan Expressway Co., Ltd.; KRW 7.0bn from Soojungsan Investment Co., Ltd.
2. The toll fare of Cheonan-Nonsan Expressway was reduced by 48% from KRW 9,400 per vehicle to KRW 4,900 per vehicle for Type 1 vehicles (small vehicles) as of 23 December 2019, but the Ministry of Land, Infrastructure and Transport (The “MOLIT”) has designated Korea Expressway Corporation to fully compensate (i) toll revenue loss resulting from the toll fare reduction for the remaining concession period and (ii) the support payment arising from the Minimum Revenue Guarantee (“MRG”) provision during the MRG period. The MOLIT guarantees full payment. Please refer to the disclosure dated 10 December 2019 on MKIF’s website (www.mkif.com) for further details

Financial Results

Unaudited, non-consolidated – 1H 2020 and 1H 2019



- 1H 2020 revenue and net income increased by 1.2% and 2.7% respectively compared with the pcp
- The increase in net income was mainly due to greater dividend income¹ and reduced expenses

(Unit: KRW million)

| | 1H 2020 (Jan – Jun) | 1H 2019 (Jan – Jun) | % Change |
|---------------------------------------------------|------------------------|------------------------|---------------|
| Revenue | 191,163 | 188,843 | 1.2% |
| Interest income | 99,844 | 99,955 | |
| Dividend income ¹ | 91,184 | 86,489 | |
| Other income | 135 | 2,399 | |
| Expenses | 22,158 | 24,289 | (8.8%) |
| Management fee | 16,867 | 18,476 | |
| Interest expense | 3,609 | 4,275 | |
| Other fees and expenses | 1,682 | 1,538 | |
| Net income | 169,005 | 164,554 | 2.7% |
| Normalised net income² | 169,005 | 162,324 | 4.1% |
| EPS (KRW per share) | 484 | 471 | |
| Normalised EPS (KRW per share)² | 484 | 465 | |

- 1H 2020: dividend income of KRW 28.9bn from New Airport Hiway Co., Ltd.; KRW 45.3bn from Cheonan-Nonsan Expressway Co., Ltd.; KRW 17.0bn from Soojungsan Investment Co., Ltd.
1H 2019: dividend income of KRW 27.7 bn from New Airport Hiway Co., Ltd.; KRW 51.8 bn from Cheonan-Nonsan Expressway Co., Ltd.; KRW 7.0 bn from Soojungsan Investment Co., Ltd.
- Excludes one-off items
1H 2020: no one-off item
1H 2019: prepayment fee income of KRW 2.2bn resulted from the refinancing of BNCT Co., Ltd.

Financial Results

Unaudited, non-consolidated – 2Q 2020 and 2Q 2019



- 2Q 2020 revenue and net income decreased by 2.4% and 3.5% respectively compared with the pcq
- The decrease in revenue and net income was mainly due to a reduction in other income¹

(Unit: KRW million)

| | 2Q 2020 (Apr – Jun) | 2Q 2019 (Apr – Jun) | % Change |
|---------------------------------------------------|------------------------|------------------------|---------------|
| Revenue | 50,297 | 51,531 | (2.4%) |
| Interest income | 50,237 | 49,295 | |
| Dividend income ¹ | - | | |
| Other income | 60 | 2,236 | |
| Expenses | 11,387 | 11,204 | 1.6% |
| Management fee | 8,675 | 8,534 | |
| Interest expense | 1,769 | 1,825 | |
| Other fees and expenses | 943 | 845 | |
| Net income | 38,910 | 40,327 | (3.5%) |
| Normalised net income² | 38,910 | 38,097 | 2.1% |
| EPS (KRW per share) | 111 | 116 | |
| Normalised EPS (KRW per share)² | 111 | 109 | |

1. Other income of KRW 2.2 billion was recognized in 2Q 2019 (prepayment fee income of KRW 2.2bn resulted from the refinancing of BNCT Co., Ltd.)

2. Excludes one-off items

2Q 2020: no one-off item

2Q 2019: prepayment fee income of KRW 2.2bn resulted from the refinancing of BNCT Co., Ltd.

Statement of Financial Position

Non-consolidated – as at 30 June 2020 and 31 December 2019



(Unit: KRW mil)

| | 30 June 2020 | 31 December 2019 |
|---------------------------------------------------|------------------|------------------|
| Assets | | |
| Invested Assets | 1,660,734 | 1,667,890 |
| Cash & deposits | 30,109 | 28,241 |
| Loans | 1,188,008 | 1,197,032 |
| Equity securities | 442,617 | 442,617 |
| Others | 479,658 | 431,084 |
| Interest receivable | 471,367 | 422,582 |
| Other receivables | 2,675 | 2,674 |
| Deferred costs, net | 3,675 | 3,954 |
| Prepayment | 1,941 | 1,874 |
| Total Assets | 2,140,392 | 2,098,974 |
| Liabilities | | |
| Management fee payable | 8,675 | 9,047 |
| Long-term debt | 15,148 | 20,009 |
| Bonds | 199,590 | 199,535 |
| Other liabilities | 6,392 | 6,635 |
| Total Liabilities | 229,805 | 235,226 |
| Shareholders' Equity | | |
| Share capital | 1,815,615 | 1,815,615 |
| Retained earnings | 94,972 | 48,133 |
| Total Shareholders' Equity | 1,910,587 | 1,863,748 |
| Total Liabilities and Shareholders' Equity | 2,140,392 | 2,098,974 |

CHANGE OF INVESTMENT

| Project Company | Item | 2020 |
|--------------------------------------|-------------|----------------|
| Kwangju Beltway Investment Co., Ltd. | Senior Debt | (9,000) |
| Total* | | (9,000) |

* Excludes loan amortization of KRW 24 million from Baekyang Tunnel Ltd.

Toll Roads Performance

- Key highlights for 1H 2020 are:
 - The declines traffic volume and revenue were caused mostly by reduced outdoor activities, delayed opening of schools and increased remote work in response to the Coronavirus outbreak
 - Incheon International Airport Expressway & Incheon Grand Bridge** showed higher declines in traffic volume due to decreasing number of airport users
 - Woomyunsan Tunnel** recorded a relatively higher decline in traffic volume as the tunnel had been impacted by both the Coronavirus outbreak and the normalization of traffic following the completion of roadwork by a major competing road in 3Q 2019
 - Cheonan-Nonsan Expressway's** revenue declined more than volume primarily due to the effect of the toll fare reduction as part of restructuring in December 2019. Toll revenue loss resulting from the toll fare reduction will be fully compensated by end of month following an applicable quarter
 - Gwangju 2nd Beltway, Section 1 & 3-1, Cheonan-Nonsan Expressway and Seoul-Chuncheon Highway** are located in regions of Korea where the number of Coronavirus cases has been relatively low, and thus their traffic performance was better than the other assets

| | 1H 2020 | | | | 2Q 2020 | | | |
|-------------------------------------------------|------------------------------|---------------|------------------------------------|----------------|------------------------------|---------------|------------------------------------|----------------|
| | Average daily traffic volume | | Average daily revenue ¹ | | Average daily traffic volume | | Average daily revenue ¹ | |
| | Vehicles/day | % change yoy | KRW1,000/day | % change yoy | Vehicles/day | % change yoy | KRW1,000/day | % change yoy |
| Baekyang Tunnel | 71,179 | (7.8%) | 58,910 | (7.5%) | 72,547 | (7.0%) | 60,008 | (6.7%) |
| Gwangju 2nd Beltway, Section 1 | 58,170 | 1.2% | 61,998 | 2.1% | 62,033 | 3.6% | 66,153 | 4.5% |
| Incheon International Airport Expressway | 71,230 | (23.0%) | 320,813 | (29.5%) | 63,364 | (33.7%) | 276,082 | (42.0%) |
| Soojungsan Tunnel | 45,146 | (7.4%) | 41,443 | (7.0%) | 45,945 | (6.7%) | 42,166 | (6.4%) |
| Cheonan-Nonsan Expressway | 52,986 | (1.8%) | 243,013 | (43.7%) | 55,320 | 0.9% | 259,918 | (43.5%) |
| Woomyunsan Tunnel | 31,892 | (9.0%) | 69,776 | (8.8%) | 33,630 | (6.0%) | 73,637 | (5.7%) |
| Gwangju 2nd Beltway, Section 3-1 | 51,307 | 0.1% | 55,020 | 0.2% | 54,625 | 2.6% | 58,602 | 2.6% |
| Machang Bridge | 37,152 | (5.0%) | 80,288 | (6.0%) | 39,058 | (2.8%) | 86,070 | (3.9%) |
| Yongin-Seoul Expressway | 92,209 | (5.2%) | 146,249 | (5.5%) | 96,262 | (3.9%) | 154,882 | (4.1%) |
| Seoul-Chuncheon Highway | 56,506 | 4.0% | 307,349 | 3.3% | 62,105 | 8.1% | 345,621 | 7.1% |
| Incheon Grand Bridge | 44,250 | (20.9%) | 198,885 | (21.4%) | 40,020 | (29.9%) | 182,458 | (30.4%) |
| Weighted average growth rate¹ | | (8.3%) | | (20.7%) | | (9.3%) | | (22.9%) |

- Does not include government support payments; Baekyang Tunnel, Gwangju 2nd Beltway Section 1 & 3-1, Incheon International Airport Expressway, Soojungsan Tunnel, Cheonan-Nonsan Expressway, Machang Bridge, Seoul-Chuncheon Highway and Incheon Grand Bridge receive support payments from government if their toll revenue or cash flow in a given period is less than specified amount under concession agreement
- On a weighted average basis based on the revenue size and MKIF equity ownership in each project company

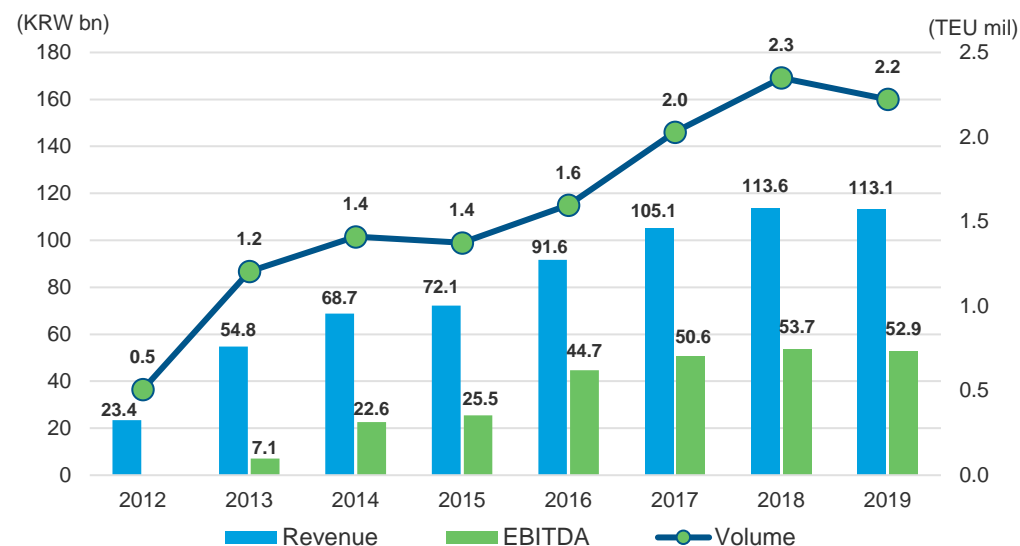
Port Performance



BNCT 1H 2020 Performance

| | 1H 2020 | 1H 2019 | Change over pcg | 2Q 2020 | 2Q 2019 | Change over pcg |
|-----------------------|---------|---------|-----------------|---------|---------|-----------------|
| Volume (TEU million) | 1.09 | 1.13 | (3.3%) | 0.58 | 0.58 | (0.7%) |
| Revenue (KRW billion) | 58.9 | 57.1 | 3.1% | 31.7 | 30.2 | 5.1% |
| EBITDA (KRW billion) | 28.4 | 25.7 | 10.4% | 16.6 | 14.4 | 15.6% |
| EBITDA margin | 48.2% | 45.1% | 3.1%p | 52.4% | 47.6% | 4.8%p |

BNCT Historical Results



- BNP 2-3 handled 1.09 million TEUs during 1H 2020, a decline of 3.3% over pcg. The decline in volume was mainly caused by the slowdown in global economy due to the Coronavirus outbreak
- Revenue improved by 3.1% over pcg to KRW 58.9 billion due to a change in volume mix and an increase in tariff
- EBITDA improved by 10.4% over pcg to KRW 28.4 billion due to an increase in revenue and a decrease in operating expenses
- EBITDA margin was 48.2% for 1H 2020
- BNCT raised additional capex funding in April 2019 via debt refinancing to undertake further capacity expansion
 - BNCT targets¹ to increase the maximum capacity of BNP 2-3 to 3.2 million TEUs by the end of 2020

1. Actual performance may vary from the forecast provided by the management of BNCT

Busan Port

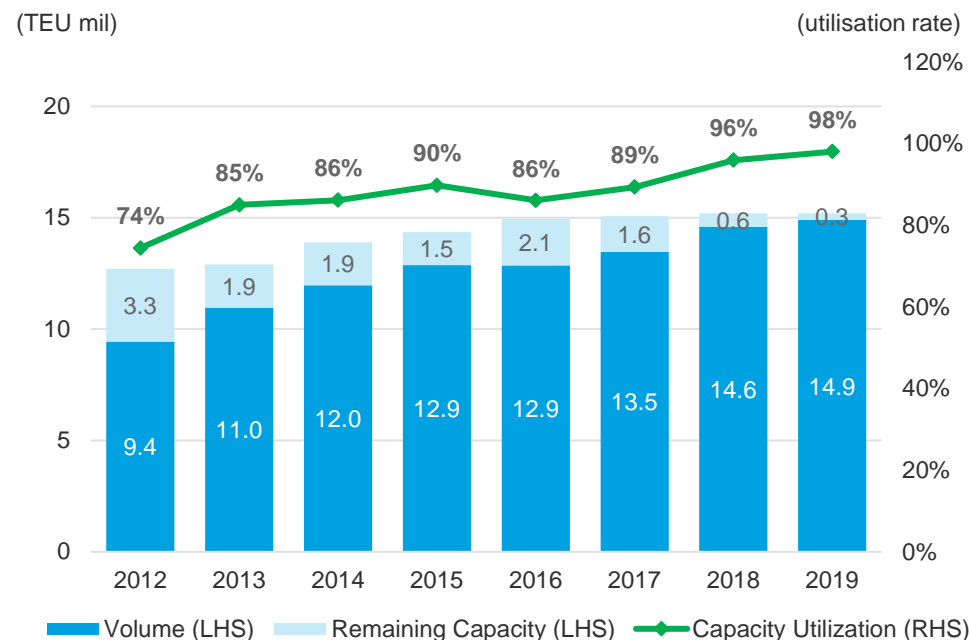


- Busan Port is comprised of Busan New Port (the “New Port”) and Busan North Port (the “North Port”)
- Busan Port handled 21.6 million TEUs of container volume in 2019, of which the New Port handled 69% or 14.9 million TEUs¹
- Total handling volume for the New Port has grown over the last 7 years mainly due to (i) stable container volume growth in Busan Port overall and (ii) migration of vessel services from the North Port to the New Port
- Busan Port Authority forecasts continued volume growth in Busan Port overall, with 2020 target of 22.6 million TEUs, a 3.2% growth over pc²

Busan Port Highlights

| FY2018 | BNP 2-3 | New Port ¹ | North Port ¹ |
|---------------------------------------------|---------------------|-----------------------|-------------------------|
| Number of Terminals in Operation | (New Port Terminal) | 5 Terminals | 3 Terminals |
| Capacity ¹ (TEUs p.a.) | 2.5 mil | 15.2 mil | 7.0 mil |
| Handling Volume ³ (TEUs) | 2.22 mil | 14.9 mil | 6.7 mil |
| Volume Growth (over pc ²) | (5.4%) | 2.3% | (0.5%) |
| Utilisation Rate | 89% | 98% | 96% |
| Market Share ⁴ within Busan Port | 10% | 69% | 31% |

Historical Performance of the New Port³



1. Source: Busan Port Authority
2. Busan Port Authority forecast (<https://www.busanpa.com/kor/Board.do?mode=view&idx=24990&page=4&mCode=MN1387>)
3. Source: volume for BNP 2-3 includes shifting; volumes for the New Port and the North Port are compiled by Busan Port Authority and do not include shifting
4. Based on 2019 handling volume

Major Litigation and Dispute

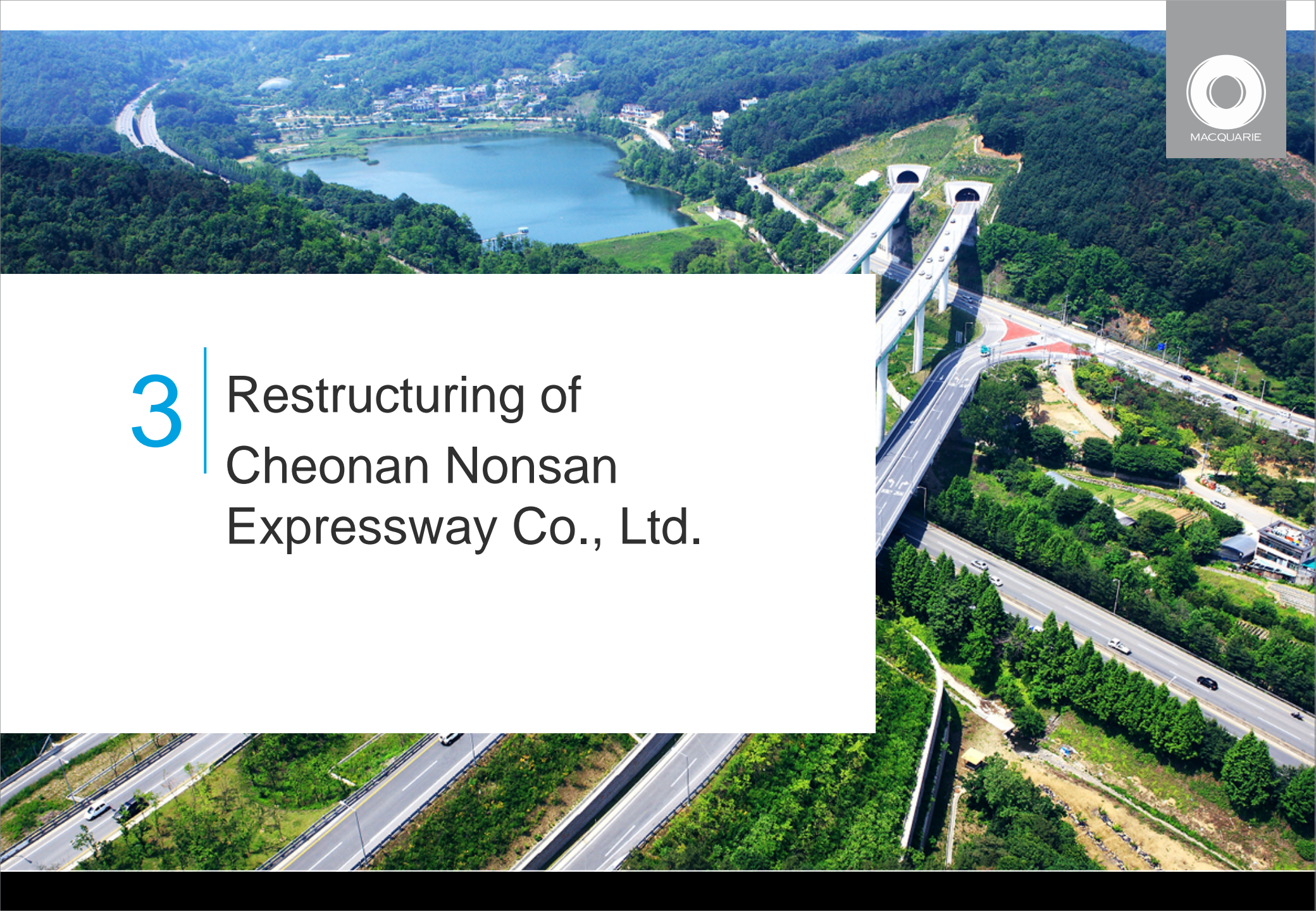


(As at 30 June 2020)

| Project Company (MKIF Investment %) | Case | Progress | Status / MKIF Impact |
|------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Baekyang Tunnel Ltd. ("BYTL") (0.1%) | Claim of overdue government support payments | <ul style="list-style-type: none"> - BYTL filed a lawsuit against Busan Metropolitan City ("BMC") in January 2016 to claim overdue support payments - Busan District Court ruled against BYTL in October 2016 and Busan high Court also ruled against BYTL in April 2017 - Supreme Court remanded the case to Busan High Court in January 2019 - BYTL and BMC assessed considerations raised by Supreme Court and signed an agreement (the "Agreement") in April 2020, stipulating that a change in the corporate tax rate in Korea during the concession period is a legitimate cause for adjusting the real toll fare of Baekyang Tunnel - Busan High Court rendered a decision (the "Decision") in May 2020, recommending a reconciliation of the dispute pursuant to the terms of the Agreement; the Decision became effective in June 2020 | <p>Closed (settlement by mutual agreement):</p> <ul style="list-style-type: none"> - A change in the corporate tax rate in Korea during the concession period is a legitimate cause for adjusting the real toll fare of Baekyang Tunnel - The Decision has no financial impact to MKIF and BYTL, as the impact of the changes in the corporate tax rate in Korea since the operational commencement of Baekyang Tunnel has been already reflected - The real toll fare of Baekyang Tunnel is expected to be adjusted accordingly upon any prospective change in the corporate tax rate in the future |
| Incheon Bridge Co., Ltd. ("IBC") (17.3%) | Interpretation of the terms of Non-Compete Provision under the Concession Agreement | <ul style="list-style-type: none"> - The Ministry of Land, Infrastructure and Transport ("MOLIT") announced its interpretation¹ of the terms of the Non-Compete Provision in November 2017 - IBC submitted a request for arbitration to the International Chamber of Commerce (the "ICC") in April 2018 to verify the interpretation of the terms of the Non-Compete Provision - IBC received an original copy of the Final Award of the arbitration from the ICC in June 2020 | <p>Closed (ICC's Final Award):</p> <ul style="list-style-type: none"> - MOLIT's compensation obligation under the Non-Compete Provision is triggered if a new competing road causes traffic volume of Incheon Grand Bridge ("IGB") to decline by mere 5% or more - The 3rd Bridge, a construction project pursued by Incheon Metropolitan City, will be a newly constructed competing road that would be subject² to the Non-Compete Provision - Therefore, MOLIT has an obligation to compensate³ IBC for any loss⁴ arising from the 3rd Bridge from the date of the start of the operation of the 3rd Bridge until the end of IGB's concession period - The Final Award rendered is final and binding to both parties (MOLIT and IBC), and accordingly, IBC shall be entitled to full compensation³ for any loss arising from a newly constructed competing road within the meaning of the Non-Compete Provision |

1. MOLIT announced that its compensation obligation is triggered only if a new competing road is constructed and as a result IGB's traffic volume is reduced to less than 70% of actual traffic volume of the year immediately preceding operational commencement of the new competing road ("70% Threshold"), and the scope of compensation should be limited to the loss caused by decrease in traffic volume under 70% Threshold
2. According to the Final Award, the arbitral tribunal of the ICC determined that if and when the 3rd Bridge is operating, the 3rd Bridge (i) is likely to cause significant reduction (5% or more) in the traffic volume of IGB and (ii) is likely to trigger MOLIT's compensation obligation in accordance with the Non-Compete Provision
3. Compensation excludes any decline in the actual toll revenue which is not ascribed to the competing road, and covers the entire loss arising from or in relation to the competing road
4. Calculated as the difference between the toll revenue that would have been earned in the given year in the absence of the 3rd Bridge (the "New Toll Revenue Forecast"⁵) and the actual toll revenue of each given year
5. The maximum threshold of the New Toll Revenue Forecast shall be equal to the estimated toll revenue of the corresponding year under the Concession Agreement

3 Restructuring of Cheonan Nonsan Expressway Co., Ltd.

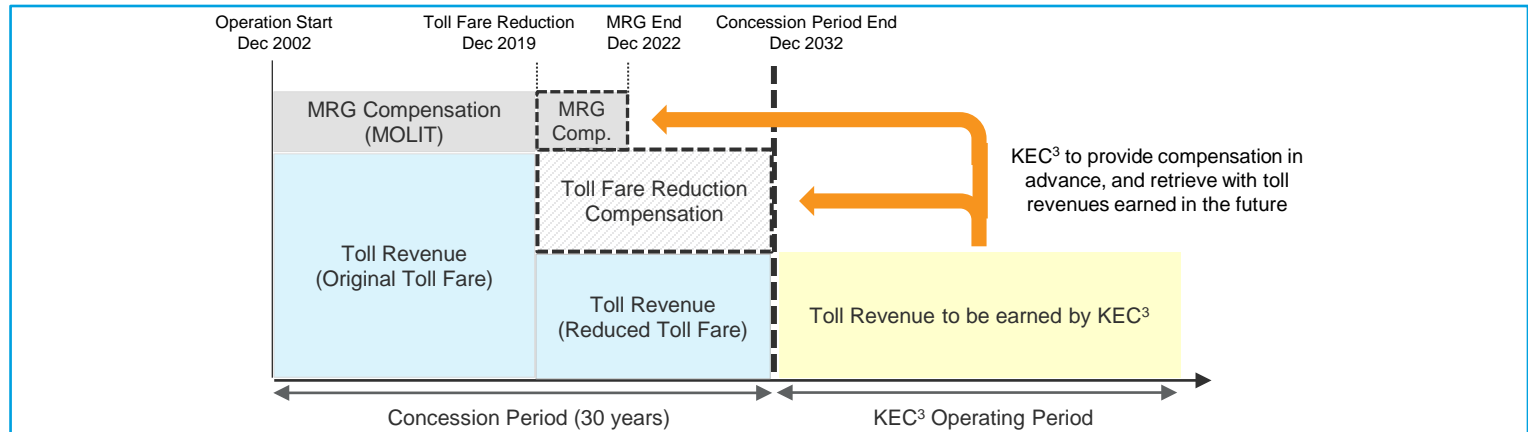


Restructuring Highlights

Restructuring Highlights

- Cheonan Nonsan Expressway Co., Ltd. (“CNEC”) completed restructuring in December 2019 that involves:
 - (i) Reduction of toll fare by 48%¹ (toll fare reduction effective from 23 December 2019)
 - (ii) MOLIT² has designated KEC³ to fully compensate the Toll Fare Reduction Compensation⁴ for the remaining concession period and the MRG Compensation⁵ during the MRG Period; MOLIT² to guarantee full payment
 - KEC³ to compensate the Toll Fare Reduction Compensation⁴ and MRG Compensation⁵ in advance, and retrieve them with toll revenues to be earned from operating Cheonan Nonsan Expressway for a period agreed by the MOLIT after the concession period ends
 - Both Compensations^{4,5} are due end of the month following the applicable quarter
 - Impact of traffic volume increase attributable to the toll fare reduction is to be calculated based on traffic volume / toll fare elasticity, and will be excluded from the Toll Fare Reduction Compensation⁴
 - (iii) No change in the Concession Period, MRG Period and shareholding & capital structures of CNEC

Conceptual Diagram: Toll Fare Reduction Compensation



- Toll Fare reduced from KRW 9,400 per vehicle to KRW 4,900 per vehicle for Type 1 vehicles (small vehicles)
- The Ministry of Land, Infrastructure and Transport
- Korea Expressway Corporation; a state-owned enterprise under the MOLIT with the credit rating of AAA from Korea Ratings, KIS Rating and NICE Rating as at the date of disclosure; MOLIT to guarantee payment shortfall by KEC pursuant to the Amended Concession Agreement
- Toll Fare Reduction Compensation: toll revenue loss resulting from the toll fare reduction as a result of the Restructuring
- MRG Compensation: the support payment arising from the Minimum Revenue Guarantee (“MRG”) provision under the Concession Agreement

4 | Investment in Dongbuk Light Rail Transit Project



Investment Highlights

1 To invest in a light rail transit Project in northeast Seoul

• Dongbuk Light Rail Transit Project

- Concession project to build & operate a light rail transit system in northeast Seoul
- Competent Authority: Seoul Metropolitan City
Concessionaire: Dongbuk LRT Co., Ltd.
- Project investment of KRW 779.7bn in the form of equity and sub & senior loans
- Construction: 5 years (2020-2024 target)
Operation: 30 years (2025-2054 expected)

• MKIF to invest KRW 82.7bn

- Targets to acquire 30% of equity (KRW 35.4bn) and 50% of sub-loan (KRW 47.3bn) interest in the Concessionaire
- Investment amount is equivalent to ~5% of MKIF portfolio¹
- To be funded with MKIF's available cash and unused revolving credit facility²; drawdown anticipated over the construction period

2 Dongbuk LRT is expected to serve transport needs of various groups

• To provide a competitive transportation option along its route

- The route passes through population-dense areas in Seoul with ~520,000³ residents living near the railway stations
- Current surrounding transport infrastructure is comparatively under-developed to efficiently serve this robust demand
- Dongbuk LRT is expected to offer a new competitive transportation means along its route in terms of travel time and cost, attracting some of the commuting drivers and public transportation users in the region

• To provide an access to and from the main business districts of Seoul

- 7 of 16 stations are transfer stations that connect to 9 other metro systems in Seoul
- Dongbuk LRT will provide users an access to/from 3 main business districts of Seoul (CBD, YBD, GBD) via its transfer stations

3 Positive impacts to MKIF expected⁴

• Improvement in distributable earnings

- Improvement in MKIF's distributable earnings expected due to income generated from the Investment
- Secured various contractual provisions⁵ from the Seoul Metropolitan City ("SMC") and construction investors ("CI") to protect MKIF against risks associated with the Project's revenue

• Return enhancement

- Enhancement of MKIF's total shareholder return anticipated following the Investment

• Extension of the operating life of MKIF portfolio by ~1 year¹

- The Investment will extend the weighted average operating life of MKIF portfolio by ~1 year to 16.5 years¹

1. Weighted average on an investment amount basis on 30 Jun 2020; full deployment of the Investment assumed

2. MKIF has KRW 30.1bn of available cash and KRW 234.9bn of unused revolving credit facility balance on 30 Jun 2020

3. Source: Statistical Geographic Information Service provided by Statistics Korea of the Korean Government; number of residents is the sum of residents registered to local districts that Dongbuk LRT railway stations are located

4. Actual may be different from expectation

5. **SMC Obligations:** (i) free ride compensation (up to 21.2%~30.8% of annual Concession Agreement ("CA") forecast demand, (ii) toll freeze compensation, (iii) termination payment upon early termination of the concession

6. **CI Obligations:** (i) For every year starting from the fifth anniversary of the operation period to the end of the operation period, if the accumulated actual revenue of the Concessionaire falls at or below 80% of the accumulated CA forecast revenue, the CIs are obligated to provide a joint guarantee to complete the refinancing necessary to fully repay FIs' equity capital and principal & interest of the subordinated loan, (ii) If the termination payment received due to fault of the Concessionaire is insufficient to fully repay FIs' equity capital and principal & interest of the subordinated loan, the CIs are to provide a joint guarantee on the shortfall, (iii) If the accumulated actual operating costs exceed the accumulated CA forecast operating costs, the CIs are obligated to reimburse the excess cost to the Concessionaire, (iv) Cash deficiency support of KRW 60bn is provided to the Concessionaire to guarantee a certain level of quarterly cash yield for the FIs

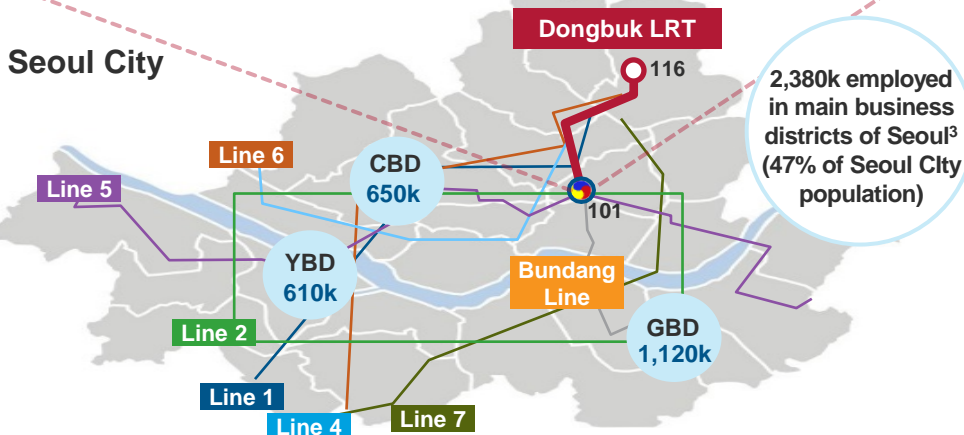
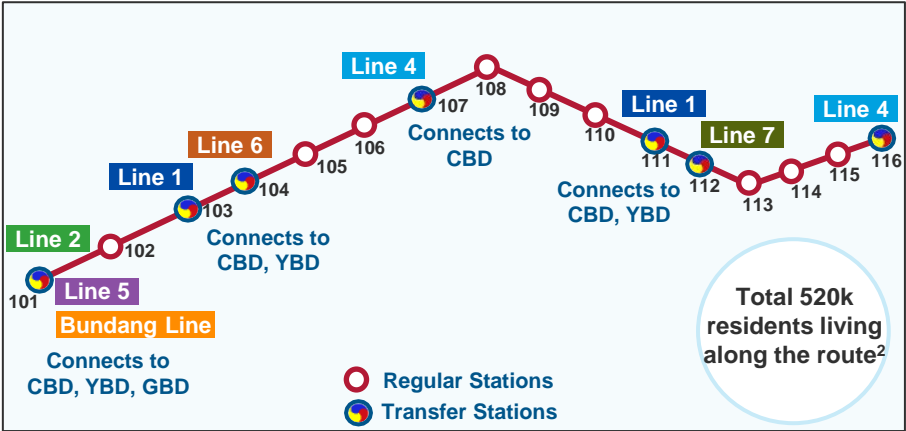
Project Overview

Located in the population-dense region in northeast Seoul, Dongbuk LRT is expected to provide users a competitive transportation means along its route and an access to/from main business districts of Seoul

Project Overview

| | |
|------------------------------------|--------------------------------------------------------------------------------------|
| Concessionaire | Dongbuk LRT Co., Ltd. |
| Competent Authority | Seoul Metropolitan City ("SMC") |
| Project Type | Build-transfer-operate |
| Target Asset | Dongbuk Light Rail Transit System |
| Location | Northeast Seoul (Wangsimni of Seongdong-gu ~ Sanggye of Nowon-gu) |
| Length | 13.4km |
| No. of Stations | 16 (including 7 transfer stations) |
| Construction Period | 5 years January 2020 ~ December 2024 (expected) |
| Concession Term (Operation Period) | 30 years from operation commencement date January 2025 ~ December 2024 (expected) |
| Project Investment ¹ | KRW 779.7bn |

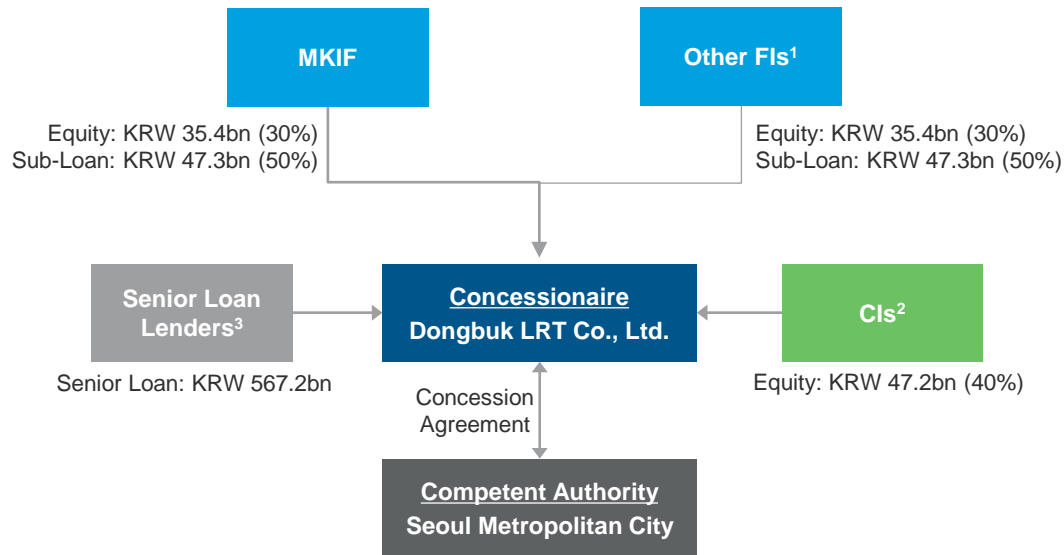
Dongbuk LRT Route



1. Amount of private investment required post government subsidy
2. Source: Statistical Geographic Information Service provided by Statistics Korea of the Korean Government; number of residents is the sum of residents registered to local districts which Dongbuk LRT railway stations are located
3. Source: Seoul City Public Database (number of employees in Central Business District ("CBD"; Jongno-gu and Jung-gu), Yeouido Business District ("YBD"; Yeongdeungpo-gu and Mapo-gu) and Gangnam Business District ("GBD"; Gangnam-gu and Seocho-gu))

Project Structure

Project Structure



Project Investment Summary

| | |
|---------------------------------|--------------------|
| Equity | KRW 117.9bn |
| Subordinated Loan ("Sub-Loan") | KRW 94.6bn |
| Senior Loan | KRW 567.2bn |
| Total Project Investment | KRW 779.7bn |



1. Other Financial Investors ("FI"): Fund under Industrial Bank of Korea (16.88%) and Fund under an affiliate of Korea Development Bank (13.12%)
2. Construction Investors ("CI"): Hyundai Engineering Co., Ltd. (12.80%), Hyundai Rotem Co. (8.84%), Kumho Industrial Co., Ltd. (6.96%), Kolon Global Corporation Co., Ltd. (4.20%), Hoban Engineering Co., Ltd. (4.20%), Dae Myung Construction (3.00%)
3. Kookmin Bank, Korea Development Bank, Industrial Bank of Korea, etc.
4. Interest rates include the fee charged by Korea Credit Guarantee Fund to guarantee repayment of the loan
5. 2.25% on 30 Jun 2020 (KOFIA)

Key Financing Terms




| Tranche | Size | Key Terms ⁴ |
|------------------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Senior Loan Tranche A / B | KRW 500.0bn | <ul style="list-style-type: none"> Interest Rate: <ul style="list-style-type: none"> - Fixed 3.3% - 3-year, AA- unsecured corporate bond rate⁵ + 1.3% p.a. Term: 29 years |
| Senior Loan Tranche C / D | KRW 67.2bn | <ul style="list-style-type: none"> Interest Rate: <ul style="list-style-type: none"> - Fixed 3.3% - 3-year, AA- unsecured corporate bond rate⁵ + 1.3% p.a. Term: 7 years |
| Senior Loan | KRW 567.2bn | |
| Sub-Loan | KRW 94.6bn | <ul style="list-style-type: none"> Interest Rate: <ul style="list-style-type: none"> - Fixed 9.0% (construction period) - Fixed 14.0% (operation period) Term: 34.5 years |
| Total | KRW 661.8bn | |

Project Participants

Major CIs

| Company | Investment Form | Credit Rating ¹ | Asset ² | Revenue ² | Remarks |
|---------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------|--------------------|----------------------|-------------------------------|
|  HYUNDAI ENGINEERING CO., LTD. | Equity | AA- | KRW 6.2tn | KRW 6.3tn | Major EPC company in Korea |
|  HYUNDAI Rotem | Equity | A- | KRW 4.0tn | KRW 2.4tn | Global manufacturer of trains |

Major FIs and Senior Loan Lenders

| Company | Investment Form | Credit Rating ¹ | Asset ² | Revenue ² | Remarks |
|------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------|--------------------|----------------------|--------------------------------------------------------------|
|  KB Kookmin Bank | Senior Loan | AAA | KRW 357.0tn | KRW 11.4tn | #1 Bank in Korea (rank based on asset size ²) |
|  Industrial Bank of Korea | Equity Senior Loan | AAA | KRW 289.5tn | KRW 9.9tn | Government-owned Bank |
|  KDB Bank | Equity Senior Loan | AAA | KRW 260.1tn | KRW 6.6tn | Government-owned Bank |

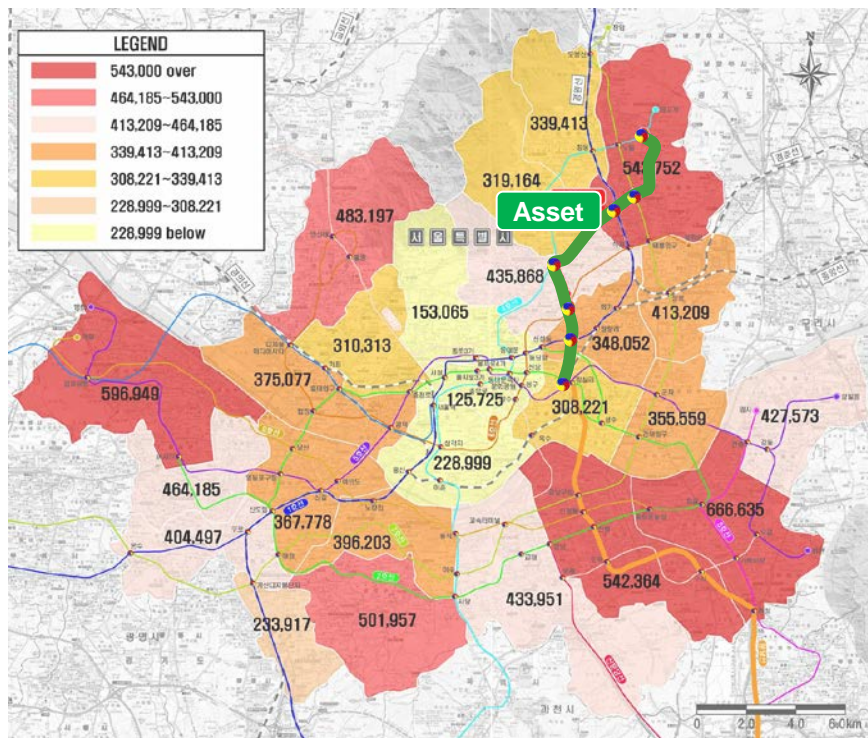
1. Latest credit rating published by Korea Ratings Corporation, Korea Investor Services Inc. and/or NICE Investors Service Co. on bonds issued by respective company
 2. Asset and revenue from 2018 consolidated financial statements of respective company; the revenues of the banks are the sum of interest income and commission income

Asset Highlights (1) – Location & Potential Demands

Dongbuk LRT is expected to serve transportation needs of local population and those employed in the main business districts of Seoul City

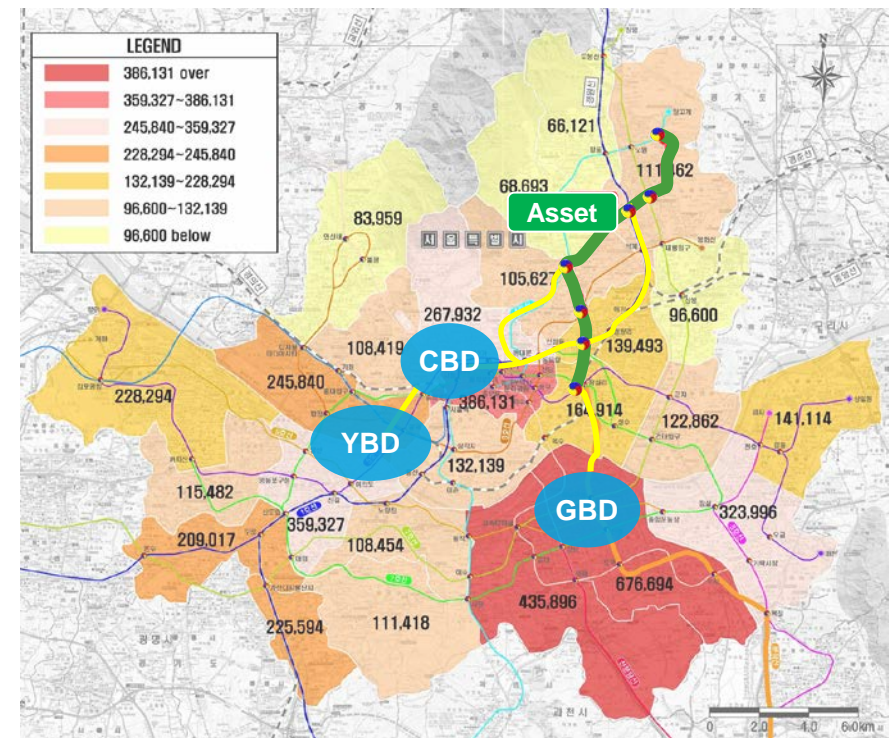
Seoul City's Demographics by Region¹

- Dongbuk LRT passes through population-dense areas in Seoul
- ~520,000 residents are currently living near the railway stations of Dongbuk LRT



Seoul City's Employment Status by Region²

- Dongbuk LRT provides an access to the main business districts of Seoul (CBD, YBD, GBD) via its transfer stations
- ~2,380,000 people (~47% of total population of Seoul City) are in employment in CBD / YBD / GBD

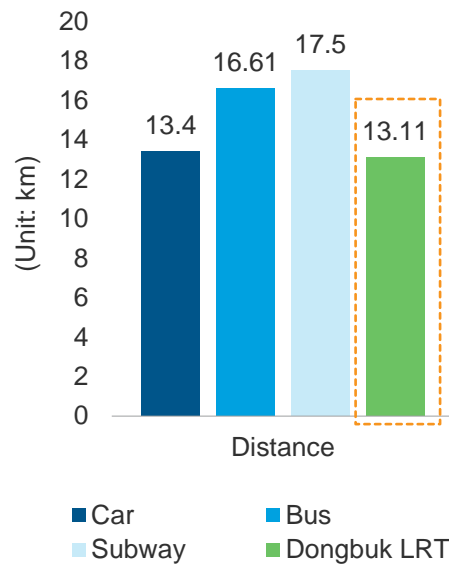


1. Source: Statistical Geographic Information Service provided by Statistics Korea of the Korean Government; number of residents is the sum of residents registered to local districts which Dongbuk LRT railway stations are located
 2. Source: Seoul City Public Database (number of employees in CBD (Jongno-gu and Jung-gu), YBD (Yeongdeungpo-gu and Mapo-gu) and GBD (Gangnam-gu and Seocho-gu))

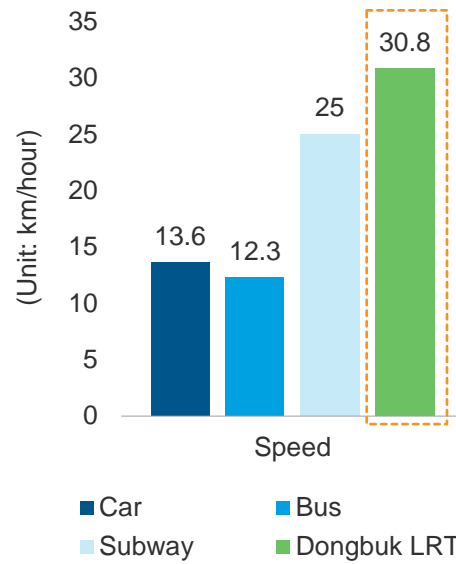
Asset Highlights (2) – Competitive Means of Transportation¹

Dongbuk LRT is anticipated to offer a new competitive means of transportation along its heavily-congested route

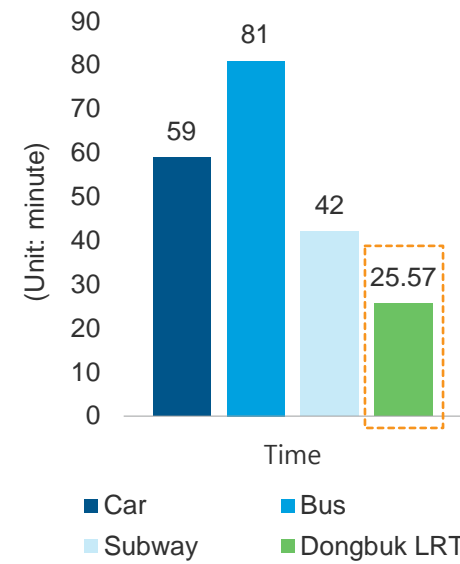
Travel Distance



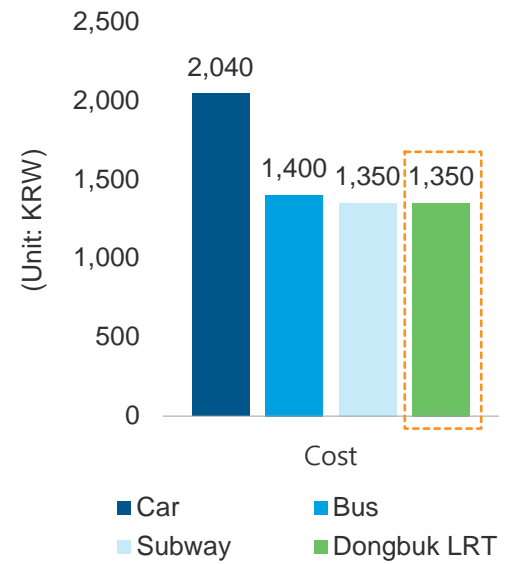
Travel Speed



Travel Time



Travel Cost



Dongbuk LRT is anticipated to offer a competitive transportation means in terms of travel time and cost

1. Source for Car/Bus/Subway: major map service providers in Korea
Source for Dongbuk LRT: Seoul City Press Release on 25 Sep 2019 and the results of traffic due diligence studies arranged by the Concessionaire and MKIF

Asset Highlights (3) – Robust Public Transportation User Base

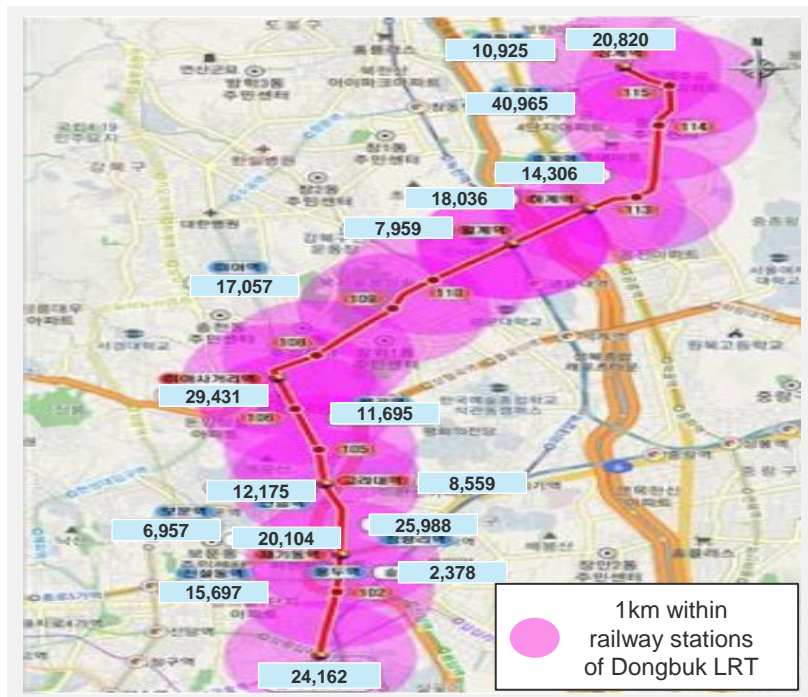
Dongbuk LRT is forecasted attract some of ~640,000 daily users of the existing public transportation in the region

Demand for Subways¹

- ~290,000 daily passengers are using the existing subways near Dongbuk LRT

Demand for Buses²

- ~350,000 daily users are taking buses along the route of Dongbuk LRT

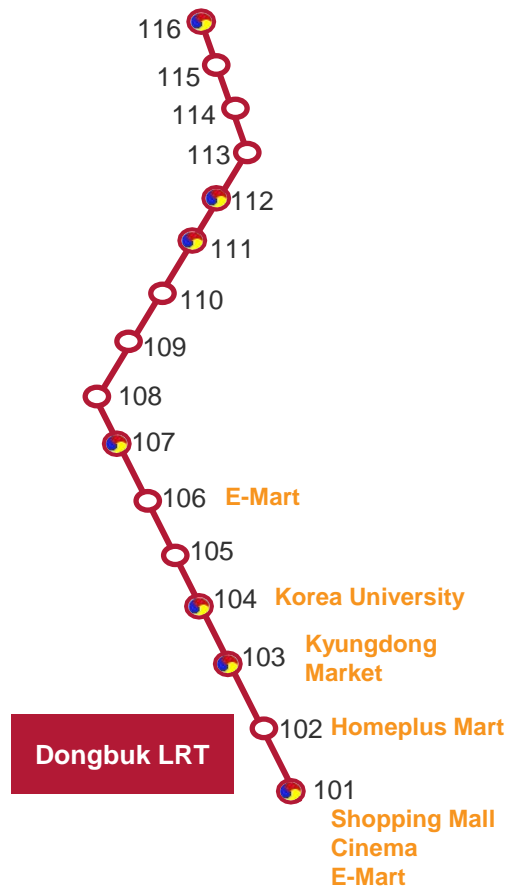


1. Source: Seoul City Public Database

2. Source: Korea Rail Information Center managed by Korea Rail Network Authority under the Ministry of Land, Infrastructure and Transport of the Korean Government

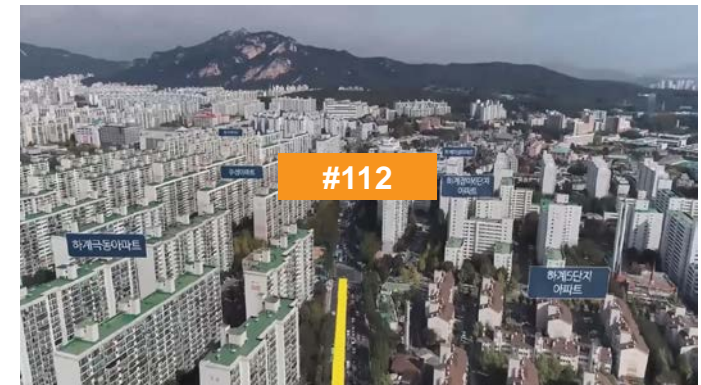
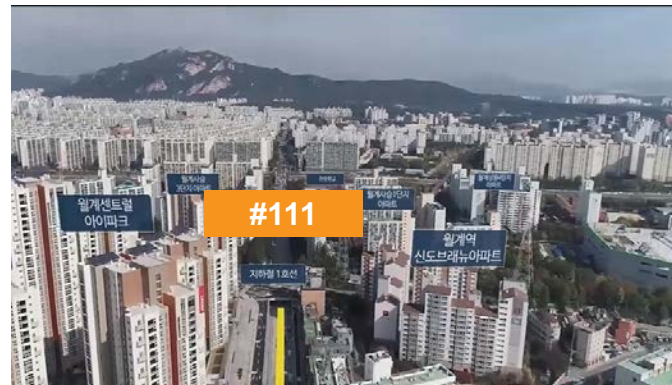
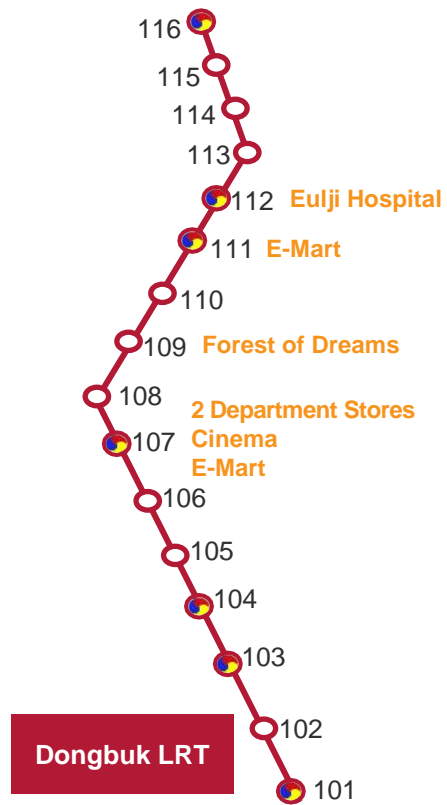
Region Landscape (1)

Dongbuk LRT passes through highly-populated regions with narrow street lines underground



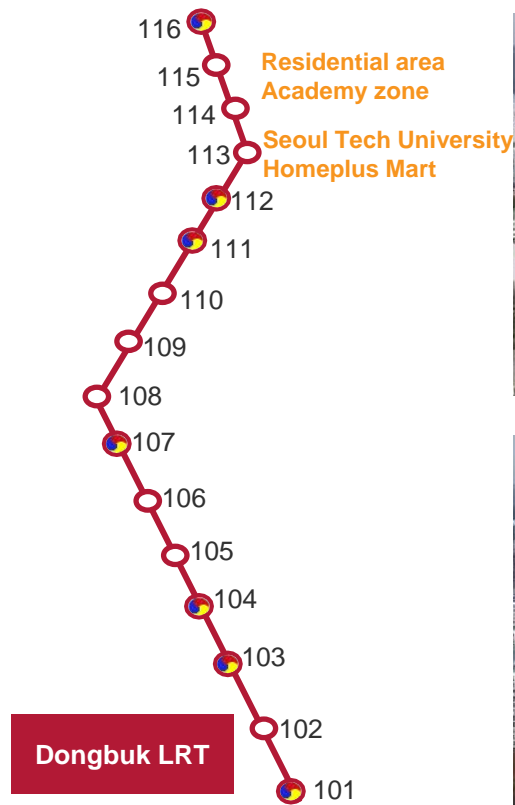
Region Landscape (2)

Dongbuk LRT passes through highly-populated regions with narrow street lines underground



Region Landscape (3)

Dongbuk LRT passes through highly-populated regions with narrow street lines underground



Region Landscape (4)

Numerous facilities and attractions are in place along the route for users to visit



101: Shopping Mall (Enter Six)



101,107,: Cinema (CGV)



101,106,107,111: E-Mart



102,113: Homeplus Mart



103: Kyungdong Market



104: Korea University



107: Hyundai Department Store



107: Lotte Department Store



109: Forest of Dreams (660,000 m²)



112: Eulji Hospital



113: Seoul Tech University



114: Academy Zone



Revenue Analysis

1 Fare Revenue

A Farebox Revenue

$$\left[\begin{array}{c} \text{P} \\ \text{KRW 1,250}^1 \\ \text{(Actual Base Fare)} \end{array} \times \begin{array}{c} \text{Q} \\ \text{\# Paid Direct Users} \end{array} + \begin{array}{c} \text{Distance Revenue} \\ \text{(>10km)} \\ \text{(Distance Fare}^2\text{)} \end{array} \right] - \begin{array}{c} \text{Transfer} \\ \text{Discount}^3 \end{array}$$

B Free Ride Compensation^{4,5} from SMC

$$\begin{array}{c} \text{KRW 1,250}^1 \\ \text{(Actual Base Fare)} \end{array} \times \begin{array}{c} \text{\# Free Direct Users}^4 \end{array}$$

C Toll Freeze Compensation⁶ from SMC

$$\begin{array}{c} \text{Toll Difference}^6 \end{array} \times \begin{array}{c} \text{Direct Users + Transfer Users} \end{array}$$

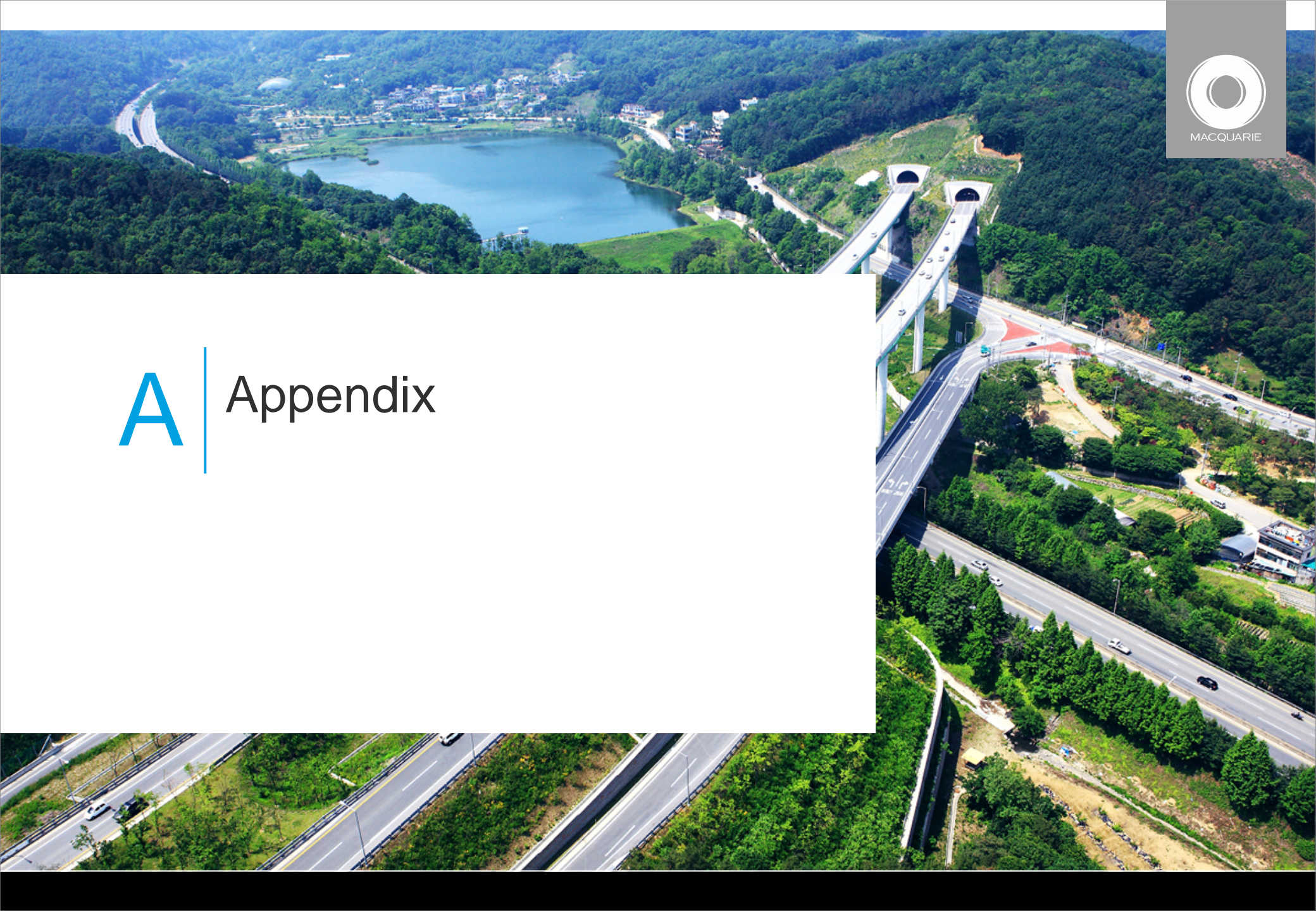
2 Ancillary Revenue

$$\begin{array}{c} \text{Store Lease} \end{array} + \begin{array}{c} \text{Advertisement} \end{array} + \begin{array}{c} \text{Telecommunication} \end{array}$$

**Contractual provision⁷
in place to protect the
FIs (MKIF) from
downside risk on the
entire revenue**

1. Actual base fare charged to users in 2019
2. Greater than 10km, within 50km: KRW 100 per 5km / Greater than 50km: KRW 100 per 8km
3. Discount on transfers among public transportations in the Seoul Metropolitan area in accordance with the Metropolitan Unity Fare system in Korea
4. The groups listed in the relevant Korean law (people with age of 65 or more, handicapped, national merit veterans, etc.) can use certain public transportation free of charge in Korea
5. Compensated up to 21.2%~30.8% of the annual CA forecast demand
6. Compensation for the difference between the CA fare and the actual fare; the CA fare is KRW 1,120 on a real basis for year 2007 and escalates annually with the consumer price index
7. For every year starting from the fifth anniversary of the operation period to the end of the operation period, if the accumulated actual revenue of the Concessionaire falls at or below 80% of the accumulated CA forecast revenue, the CIs are obligated to provide a joint guarantee to complete the refinancing necessary to fully repay FIs' equity capital and principal & interest of the subordinated loan

A | Appendix



Management Fee



(As at 30 June 2020)

Management Fee

- 85bps p.a. of (Net Investment Value (*NIV) + Commitment) of MKIF
- Commitment means all amounts that MKIF has firmly committed for future investment; commitment of KRW 82.7 billion outstanding on 30 June 2020
- Management Fee is calculated and paid on a quarterly basis

* NIV for any quarter equals:

- The average market capitalisation¹ of MKIF over all trading days in the quarter
- NIV is adjusted down by MKIF net debt (debt minus cash & cash equivalents) when net debt is a negative figure

1. Based on volume weighted average trading price for the quarter

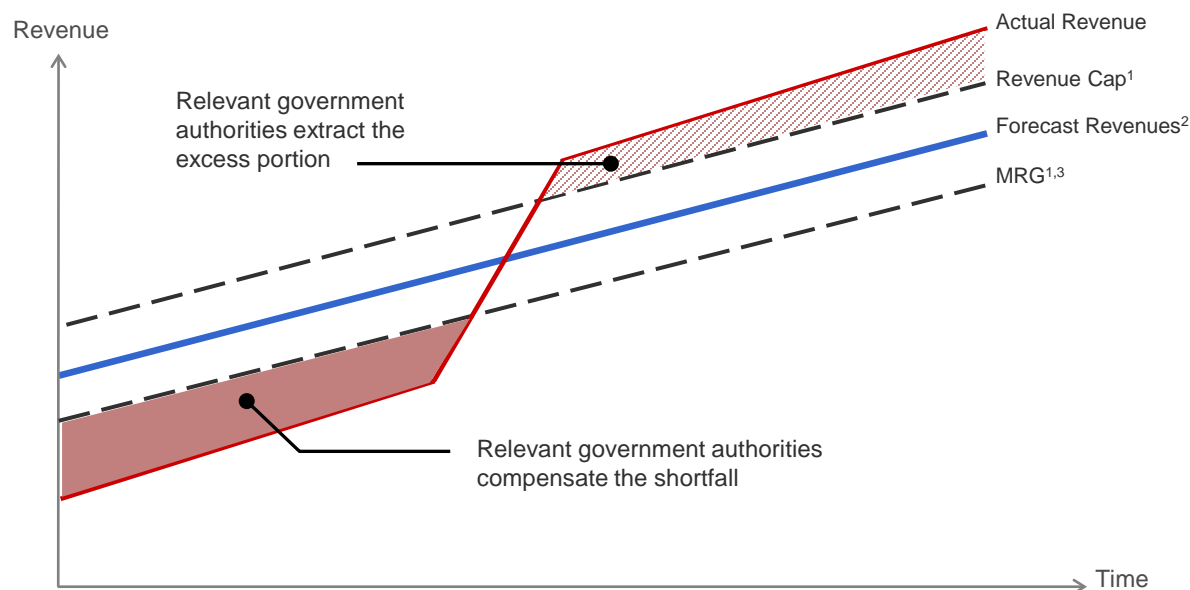
Minimum Revenue Guarantee



(As at 30 June 2020)

Minimum Revenue Guarantee (“MRG”) Scheme

(Conceptual Diagram)



- Inflation-linked revenue support
- MRG line tracking the forecast revenue line (typically 70~90% below forecast revenue)
- Current sovereign ratings of Korea:
 - S&P: AA (Stable)
 - Moody's: Aa2 (Stable)

1. MRG and revenue caps vary across assets
2. Forecast revenues set out in the Concession Agreement
3. In two MRG assets invested by MKIF, no revenue guarantee applies if actual revenue falls below 50% of the toll revenue forecast

Performance of the Project Companies in Operation¹

(Unit: KRW mil)

| Project Company | 2019 | | | | | | 2018 | | | | | |
|--------------------------------------------|-----------------------------------------|------------------|------------------------------|-----------------------|------------------------|-----------------------------|-----------------------------------------|-----------------|------------------------------|-----------------------|------------------------|-----------------------------|
| | Adjusted operating revenue ² | OPEX | Adjusted EBITDA ² | Net debt ³ | Adjusted EBITDA margin | Net debt to adjusted EBITDA | Adjusted operating revenue ² | OPEX | Adjusted EBITDA ² | Net debt ³ | Adjusted EBITDA margin | Net debt to adjusted EBITDA |
| Baekyang Tunnel Ltd. | 26,669 | (4,411) | 22,258 | 68,700 | 83.5% | 3.1x | 26,305 | (5,317) | 20,987 | 81,767 | 79.8% | 3.9x |
| Kwangju Beltway Investment Co., Ltd. | 34,889 | (7,865) | 27,024 | (5,691) | 77.5% | (0.2x) | 47,701 | (7,018) | 40,683 | (8,507) | 85.3% | (0.2x) |
| New Airport Hiway Co., Ltd. | 259,892 | (32,731) | 227,161 | (60,810) | 87.4% | (0.3x) | 252,953 | (31,230) | 221,723 | (63,752) | 87.7% | (0.3x) |
| Soojongsan Investment Co., Ltd. | 24,806 | (4,535) | 20,272 | (16,354) | 81.7% | (0.8x) | 24,472 | (4,794) | 19,678 | (7,315) | 80.4% | (0.4x) |
| Cheonan Nonsan Expressway Co., Ltd. | 247,819 | (36,267) | 211,552 | (253,531) | 85.4% | (1.2x) | 239,165 | (34,090) | 205,076 | (234,525) | 85.7% | (1.1x) |
| Woomyunsan Infraway Co., Ltd. ⁴ | 28,158 | (4,927) | 23,232 | (10,796) | 82.5% | (0.5x) | 27,403 | (4,995) | 22,408 | (8,164) | 81.8% | (0.4x) |
| Kwangju Ring Road Company Ltd. | 22,912 | (8,212) | 14,700 | (2,022) | 64.2% | (0.1x) | 22,245 | (7,735) | 14,509 | (2,320) | 65.2% | (0.2x) |
| MCB Co. Ltd. ⁵ | 34,560 | (6,310) | 28,249 | (3,020) | 81.7% | (0.1x) | 34,136 | (5,791) | 28,345 | (3,351) | 83.0% | (0.1x) |
| Gyeongsu Highway Co., Ltd. | 63,641 | (16,273) | 47,368 | 344,192 | 74.4% | 7.3x | 58,740 | (14,253) | 44,487 | 349,590 | 75.7% | 7.9x |
| Seoul-Chuncheon Highway Co., Ltd. | 139,605 | (27,612) | 111,994 | 395,694 | 80.2% | 3.5x | 135,739 | (24,626) | 111,114 | 412,584 | 81.9% | 3.7x |
| Incheon Bridge Co. Ltd. | 113,559 | (24,580) | 88,979 | 339,842 | 78.4% | 3.8x | 98,795 | (18,358) | 80,436 | 372,618 | 81.4% | 4.6x |
| BNCT Co., Ltd. | 113,113 | (60,203) | 52,910 | 543,351 | 46.8% | 10.3x | 113,632 | (59,954) | 53,678 | 438,460 | 47.2% | 8.2x |
| Proportionate average⁶ | 505,813 | (104,104) | 401,710 | 466,260 | 79.4% | 1.2x | 497,937 | (96,642) | 401,295 | 491,299 | 80.6% | 1.2x |

1. Based on audited financial statements

2. Revenue compensation and other compensations from the relevant government authority are reflected on accrued basis, not on cash basis (therefore is different from revenue stated in audit report)

3. Net debt = external debt – cash & cash equivalents

4. For calculation of net debt, Shareholder Debt A backed by the relevant authority and cash balance of Surplus Income Account (which is overseen by the relevant authority) were excluded

5. For calculation of net debt, the senior loan backed by the relevant authority was excluded

6. On a proportionate average basis based on MKIF's equity interest in each project company

MKIF Investment Details¹



(As at 30 June 2020)

(Units: KRW bn, %)

| Project Company | Asset Abbrev. | Equity | Ownership (%) | Subordinated Debt | Senior Debt | Total |
|--------------------------------------|---------------|--------------|---------------|-------------------|-------------|----------------|
| Baekyang Tunnel Ltd. | BYTL | 1.2 | 100.0 | - | 1.2 | 2.4 |
| Kwangju Beltway Investment Co., Ltd. | KBICL | 33.1 | 100.0 | 85.2 ² | 78.3 | 196.6 |
| New Airport Hiway Co., Ltd. | NAHC | 23.6 | 24.1 | 51.7 | - | 75.3 |
| Soojungsan Investment Co., Ltd. | SICL | 47.1 | 100.0 | - | - | 47.1 |
| Cheonan Nonsan Expressway Co., Ltd. | CNEC | 87.8 | 60.0 | 182.3 | - | 270.1 |
| Woomyunsan Infraway Co., Ltd. | WIC | 5.3 | 36.0 | - | 15.0 | 20.3 |
| Kwangju Ring Road Company Ltd. | KRRC | 28.9 | 75.0 | - | - | 28.9 |
| MCB Co. Ltd. | MCB | 33.8 | 70.0 | 79.0 | - | 112.8 |
| Gyeongsu Highway Co., Ltd. | YSE | 51.5 | 43.75 | 99.6 | - | 151.1 |
| Seoul-Chuncheon Highway Co., Ltd. | SCH | 0.6 | 15.83 | 161.7 | - | 162.3 |
| Incheon Bridge Co. Ltd. | IBC | 54.4 | 64.05 | 241.0 | - | 295.4 |
| BNCT Co., Ltd. | BNP 2-3 | 66.4 | 30.0 | 193.0 | - | 259.4 |
| Dongbuk LRT Co., Ltd. | DBR | 35.4 | 30.0 | 47.3 | - | 82.7 |
| Total | | 469.1 | | 1,140.8 | 94.5 | 1,704.4 |
| Percentage (%) | | 27.5% | | 67.0% | 5.5% | 100% |

1. Based on MKIF investment amount plus investment commitment of KRW 82.7bn in Dongbuk LRT Co., Ltd. (nil has been deployed)

2. Includes KRW 3.2bn working capital facility and KRW 50bn new shareholder loan

Government Support Payment Provisions

(As at 30 June 2020)

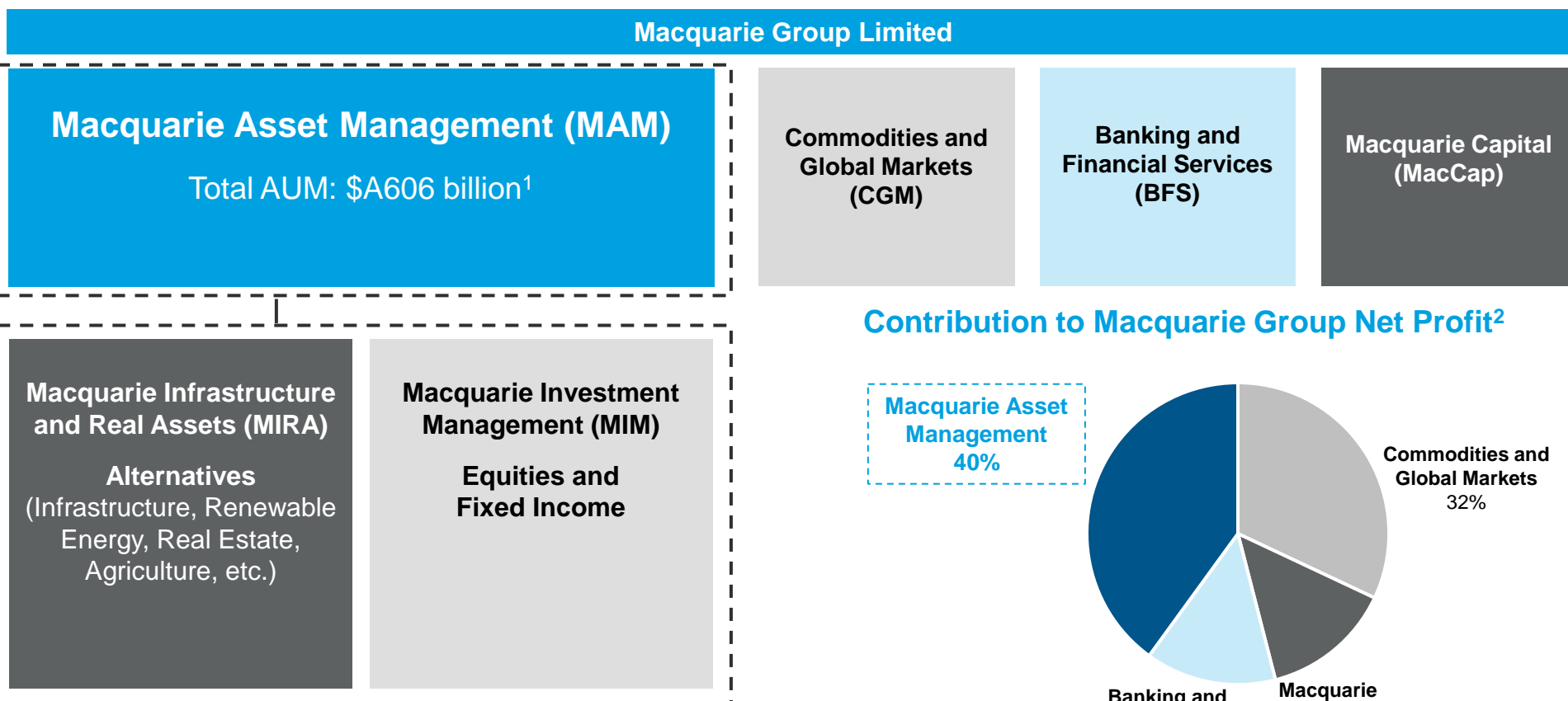
| Asset | Relevant Authority | Concession Term | Concession Term Remaining | Support Payment Duration | Support Payment Duration Remaining | Revenue Guarantee Threshold ¹ | Revenue Cap Threshold ^{1,2} | Remarks |
|------------------------------------------|---------------------------|-----------------|---------------------------|--------------------------|------------------------------------|------------------------------------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Baekyang Tunnel | Busan Metropolitan City | 25.0 | 4.5 | 25.0 | 4.5 | 90% | 110% | |
| Gwangju 2nd Beltway, Section 1 | Gwangju Metropolitan City | 28.0 | 8.5 | 28.0 | 8.5 | Investment cost compensation | | Target cash flow of the concessionaire guaranteed |
| Incheon International Airport Expressway | MOLIT ³ | 30.0 | 10.5 | 20.0 | 0.5 | 80% | 110% | Partial revenue sharing in excess of 80% to 110% level |
| Soojongsan Tunnel | Busan Metropolitan City | 25.0 | 6.8 | 25.0 | 6.8 | 90% | 110% | For toll revenue below 90%, Busan Metropolitan City is obligated to compensate 91.5% of the shortfall amount |
| Cheonan-Nonsan Expressway | MOLIT | 30.0 | 12.5 | 20.0 | 2.5 | 82% | 110% | Partial revenue sharing in excess of 82% to 110% level |
| Woomyunsan Tunnel | Seoul Metropolitan City | 30.0 | 13.5 | | N/A | | | As part of the capital restructuring transaction completed in Jan 2016, MRG provision was removed |
| Gwangju 2nd Beltway, Section 3-1 | Gwangju Metropolitan City | 30.0 | 14.4 | 30.0 | 14.4 | 90% | 110% | |
| Machang Bridge | GSND ³ | 30.0 | 18.0 | 30.0 | 18.0 | 75.78% | 100% | Revenue guarantee applies to MCB account ⁴ 50:50 revenue sharing with relevant authority in excess of expected revenue at 100% level |
| Yongin-Seoul Expressway ⁵ | MOLIT ³ | 30.0 | 19.0 | 10.0 | - | 70% | 130% | |
| Seoul-Chuncheon Highway ⁵ | MOLIT ³ | 30.0 | 19.1 | 15.0 | 4.1 | 60% | 140% | |
| Incheon Grand Bridge | MOLIT ³ | 30.0 | 19.3 | 15.0 | 4.3 | 80% | 120% | |
| Busan New Port Phase 2-3 | MOF ³ | 28.3 | 19.8 | | N/A | | | |
| Dongbuk Light Rail Transit | Seoul Metropolitan City | 30.0 | 30.0 | | | | | Construction: 2020~2024 expected Operation: 30 years (2025~2054 expected) |
| Weighted average ⁶ | | 29.4 | 16.5 | 15.4 | 4.2 | | | |

1. % of annual concession agreement projected revenue
2. Relevant government authorities are entitled to receive the portion exceeding the threshold
3. MOLIT (Ministry of Land, Infrastructure and Transport) / GSND (Gyeongsang Namdo Government) / MOF (Ministry of Oceans and Fisheries)
4. Refer to the disclosures on MKIF website (www.mkif.com) on 2 January 2017 for detailed information on MCB restructuring
5. No revenue guarantee applies if actual revenue is below 50% of the annual concession agreement projected revenue
6. Weighted average based on MKIF investment amount

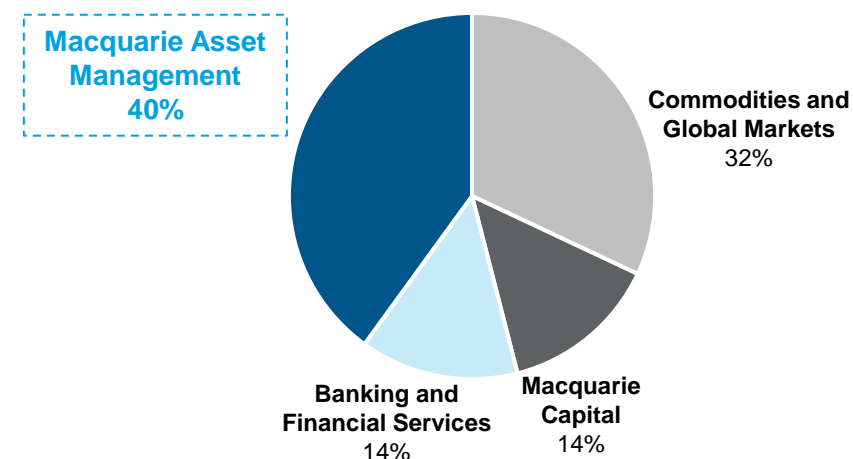
Macquarie Group and MIRA

MIRA is a standalone business within MAM and has a 26-year track record in global infrastructure investment and management

MKAM is an entity within MIRA that has focused on investment and management of landmark infrastructure assets in Korea since its establishment in 2002



Contribution to Macquarie Group Net Profit²



1. As at 31 Mar 2020
2. Based on 2020 (1 Apr 2019 – 31 Mar 2020) net profit