



25 September 2023

MACQUARIE KOREA INFRASTRUCTURE FUND
RESTRUCTURING OF NEW AIRPORT HIWAY CO., LTD.

Incheon International Airport Expressway is a 40.2km, dual three to four-lane expressway linking the Seoul Metropolitan Area and Yeongjong Island, where the Incheon International Airport is located. New Airport Hiway Co., Ltd. (“NAHC”) is the concessionaire of the Incheon International Airport Expressway project with a right granted by the Ministry of Land, Infrastructure and Transport (the “MOLIT”) to operate and manage the expressway for 30 years from 1 January 2020 to 31 December 2030 (the “Original Concession”). Macquarie Korea Infrastructure Fund (“MKIF”) has invested in 24.1% (KRW 23.5 billion) of equity and 24.1% (KRW 51.7 billion) of subordinated loan of NAHC, together constituting 3%¹ of MKIF portfolio.

NAHC signed² the amended concession agreement with the MOLIT (the “Transaction”) on 24 September 2023, and key highlights of the Transaction are as below.

- (i) Reduction of toll rate by 51%³ (effective from 1 October 2023)
- (ii) Revenue loss resulting from the toll rate reduction for the remaining Original Concession period will be compensated in full (the “Revenue Loss Compensation”) by the institutions⁴ (the “Designated Institutions”) designated by the MOLIT
 - The Designated Institutions⁴ provide quarterly Revenue Loss Compensation to NAHC during the remaining Original Concession period, and retrieve the advanced payments with toll revenues to be earned from operating Incheon International Airport Expressway for a period agreed by the MOLIT post the expiration of the Original Concession
 - Revenue Loss Compensation is due the end of the month following each applicable quarter
 - Impact of traffic volume increase attributable to the toll rate reduction is calculated based on traffic volume / toll fare elasticity, and will be excluded from the Revenue Loss Compensation
- (iii) No change with the shareholding & capital structure of NAHC and MKIF’s investment amount & terms

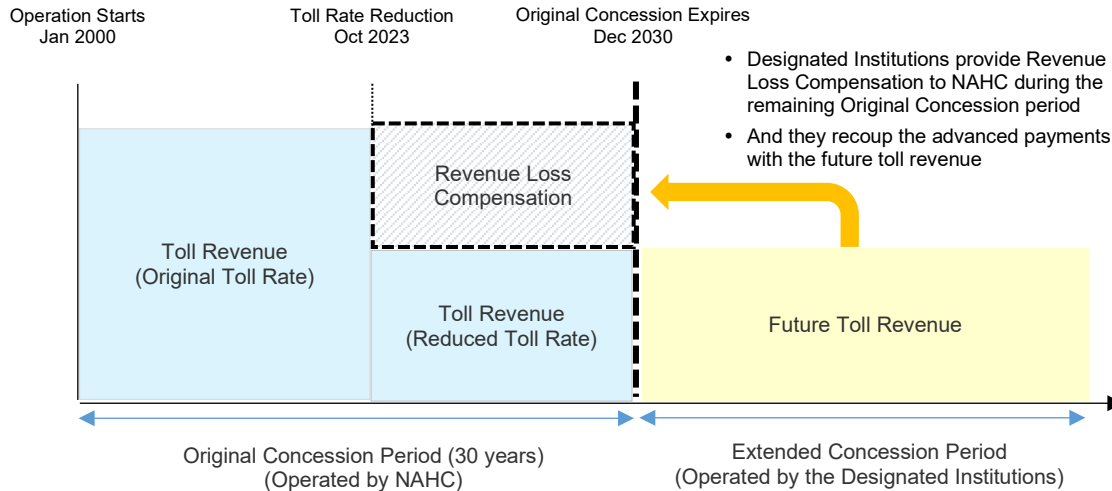
1. Based on MKIF investment amount on 30 June 2023

2. NAHC convened shareholders’ meeting and duly obtained an approval to proceed with the Transaction on 21 September 2023

3. Toll rate reduced from KRW 6,600 per vehicle to KRW 3,200 per vehicle for Type 1 vehicles (small vehicles) passing the Incheon Airport tollgate
(Toll rate reduced by ~41% from KRW 3,200 per vehicle to KRW 1,900 per vehicle for Type 1 vehicles (small vehicles) passing the North Incheon tollgate)

4. Korea Expressway Corporation and Incheon International Airport Corporation, the state-owned enterprises under the MOLIT, were designated as at the date of this disclosure; The MOLIT still bears the ultimate responsibility for full payment of Revenue Loss Compensation pursuant to the amended concession agreement

Conceptual Diagram⁵ on Revenue Loss Compensation



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⁵. Conceptual diagram and may be different from the actual