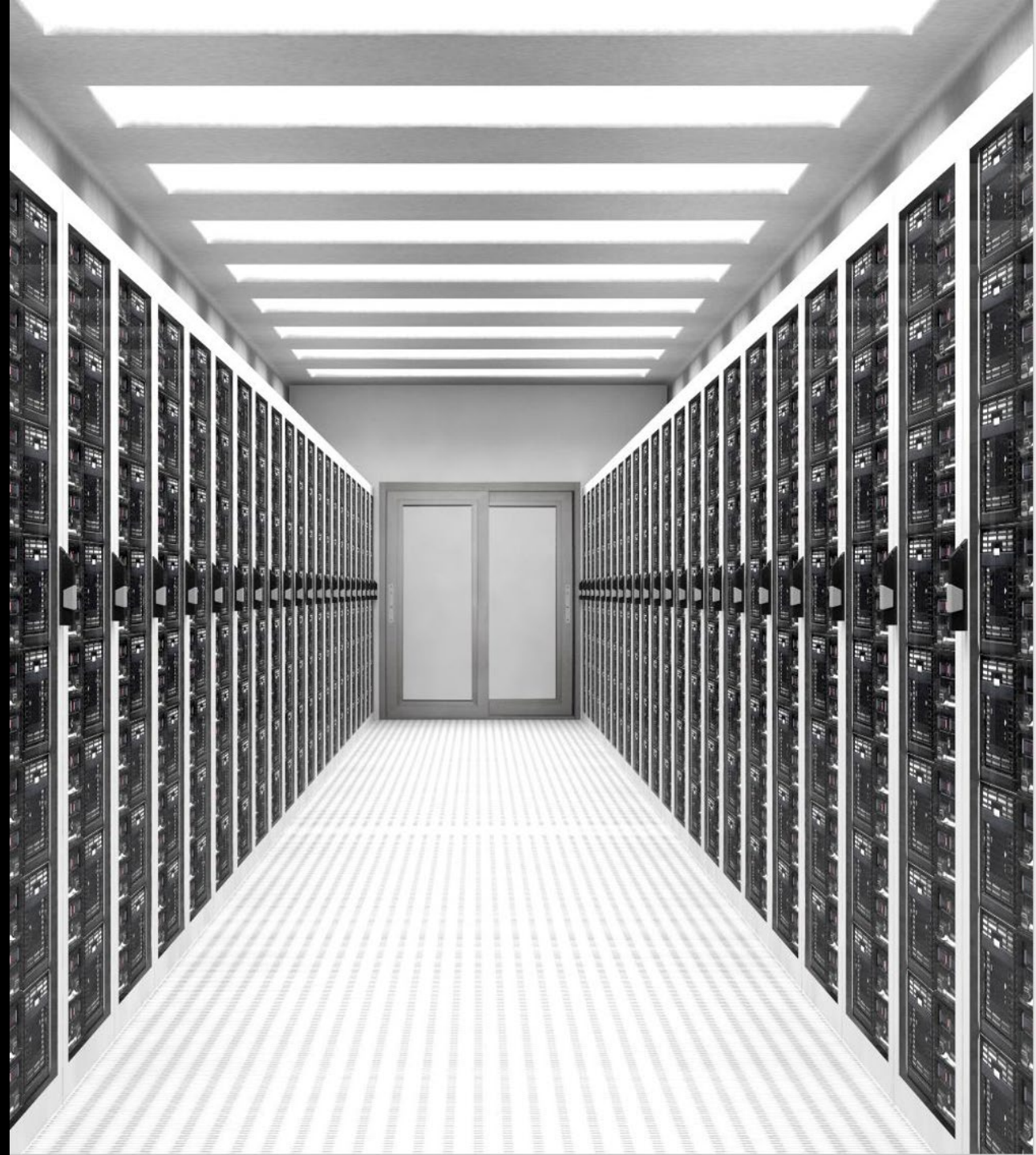




# Macquarie Korea Infrastructure Fund

Investor Presentation

1H 2024



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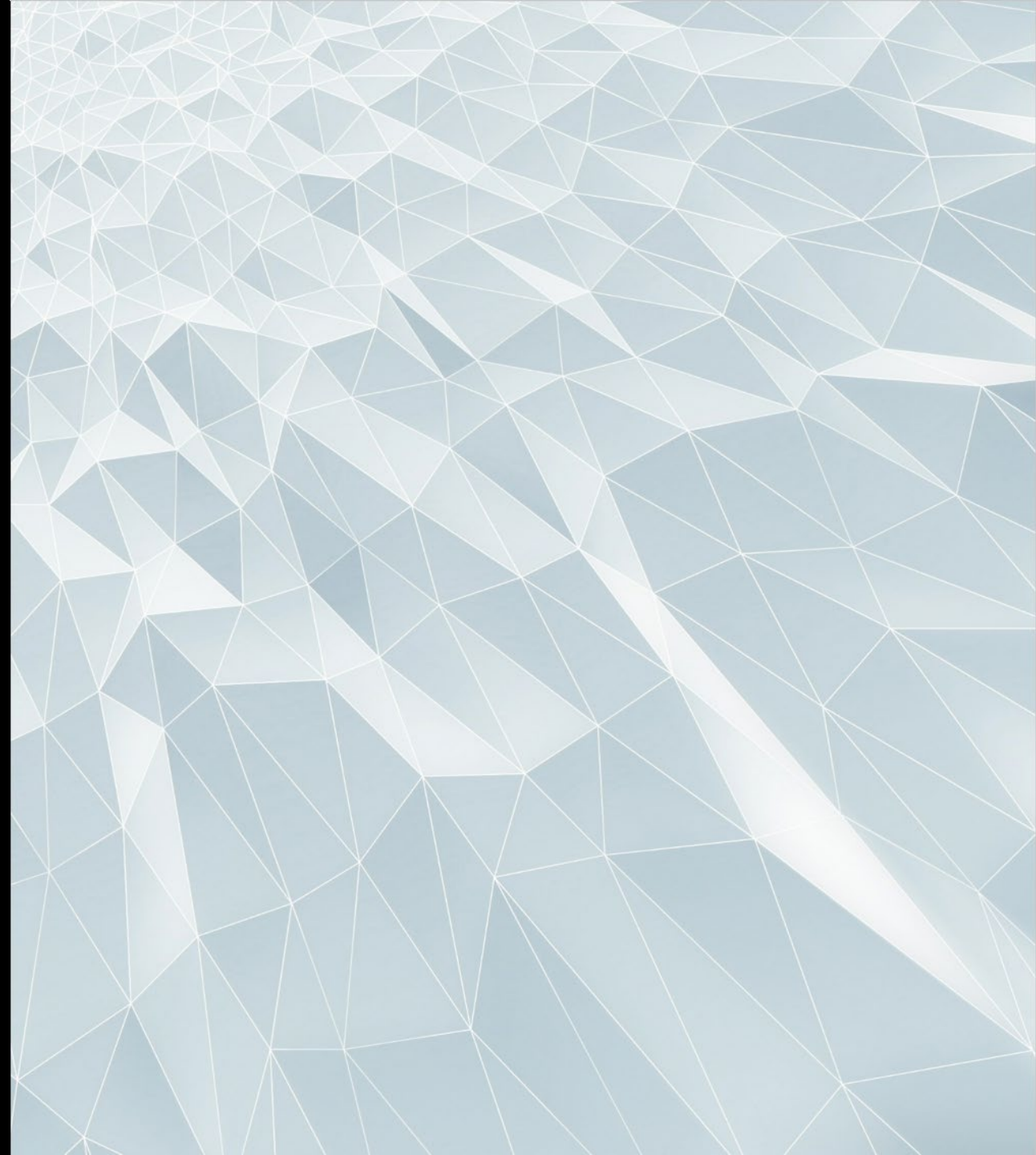
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# 01

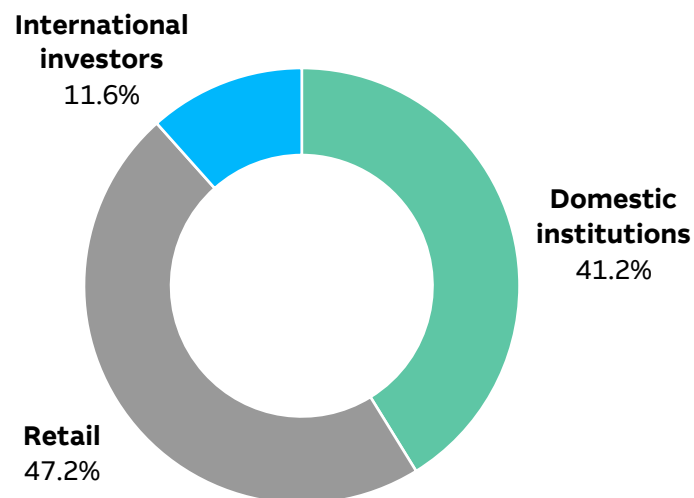
## MKIF Overview



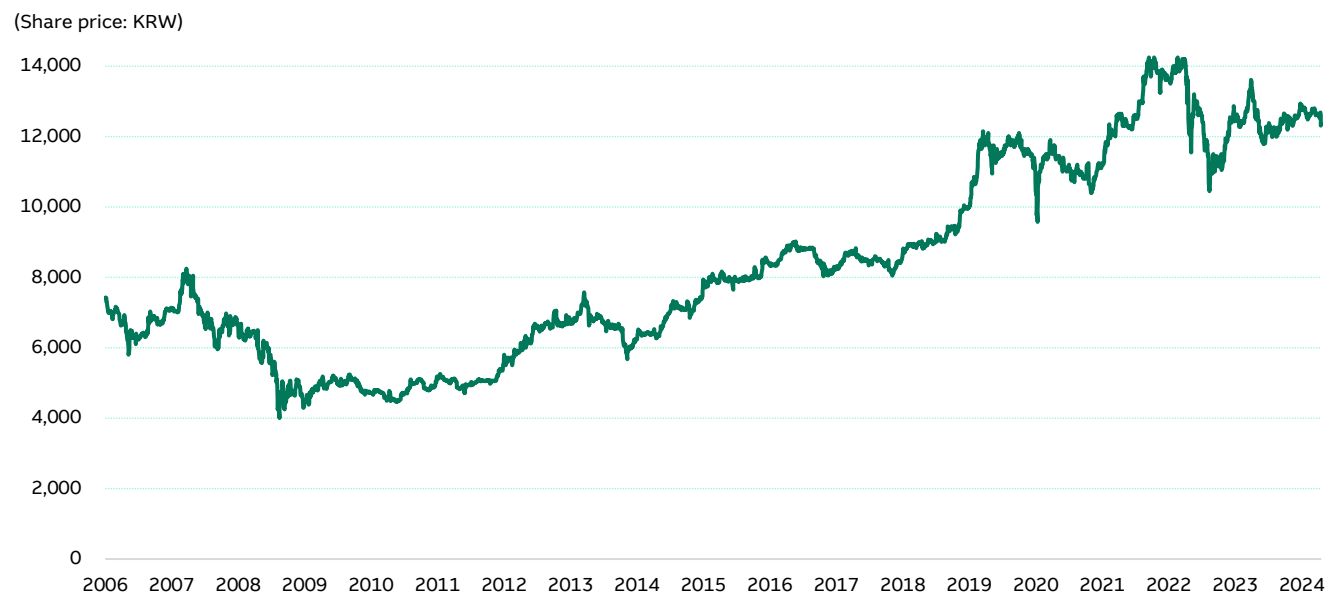
# A Leading Infrastructure Fund in Korea

- Established in 2002 / Listed on the Korea Exchange in 2006
- Market capitalization of KRW ~5.4 trillion<sup>1</sup>
- Invests only in Korea as defined under the Act on Public Private Partnerships in Infrastructure<sup>2</sup> (“PPP Act”) of Korea
- Delivered approximately ~6.2% distribution yield<sup>3</sup> in 2023
- Credit rating of AA0 (Stable)<sup>4</sup>

## Key Shareholder Groups<sup>1</sup>



## Historical Share Price<sup>5</sup>



1. As at 30 Jun 2024

2. PPP Act states infrastructure sectors including roads, railways, ports, water treatment, waste management, etc.

3. Distribution yield based on FY2023 closing share price of KRW 12,440 and 2023 annual distribution of KRW 775 per share; historical performance does not guarantee future performance

4. Credit rating provided by Korea Ratings and NICE Investors Service in May 2023 for the corporate bond issued by MKIF

5. MKIF share price since IPO on 15 Mar 2006 to 30 Jun 2024; historical performance does not guarantee future performance

# Fund History

Establishment / Listing  
**2002 / 2006**

Mandate  
**Core and Core+**  
(Korea only)

Portfolio  
**14 Roads, 1 Port, 1 Rail,  
3 City Gas, 1 Digital**

Market Capitalisation  
**KRW 5.4 trillion**  
(KOSPI top 66)

## MKIF History<sup>1</sup>

2002 ~ 2006

Establishment and  
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 and Asset  
Stabilization

- IPO in Mar 2006 (KRW 1.0tn)<sup>2</sup>
- Listing on KRX and LSE<sup>2</sup>
- 5 greenfield assets commenced operation on time & on budget
- Asset performance stabilized

2007 ~

Active Fund and  
Asset Management

### Fund-level

- 15 investments<sup>3</sup> / 4 divestments<sup>4</sup>
- 14 fund-level debt refinancing<sup>5</sup>
- Effective IR: improved market awareness & active share trading

### Asset-level

- 17 asset-level restructuring<sup>6</sup>
- 15 asset-level dispute resolutions<sup>7</sup>
- Actively engaged with current issues

2017 ~

Share Offering and  
New Growth

- Mandate expansion
- Seeking diverse investment opportunities
- Follow-on offering in 2017 (KRW 147.2 billion)
- Follow-on offering in 2020 (KRW 244.2 billion)
- Follow-on offering in 2021 (KRW 393.5 billion)
- Follow-on offering in 2023 (KRW 361.0 billion)

1. Please refer to page 8 for asset acronyms

2. KRW 0.6tn = issuance of new shares, KRW 0.4tn = sale of old shares / MKIF delisted from LSE in Mar 2016

3. 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); B2RR (2020); HY (2021); SRB (2021); IGEX (2022); SCH bolt-on (2022); CNCITY (2023), SEUE (2023), HDC (2024)

4. New Daegu Busan Expressway (2008); Seosuwon-Osan Pyungtaek Expressway (2010); Daegu 4th Beltway East (2012); Subway Line 9 (2013)

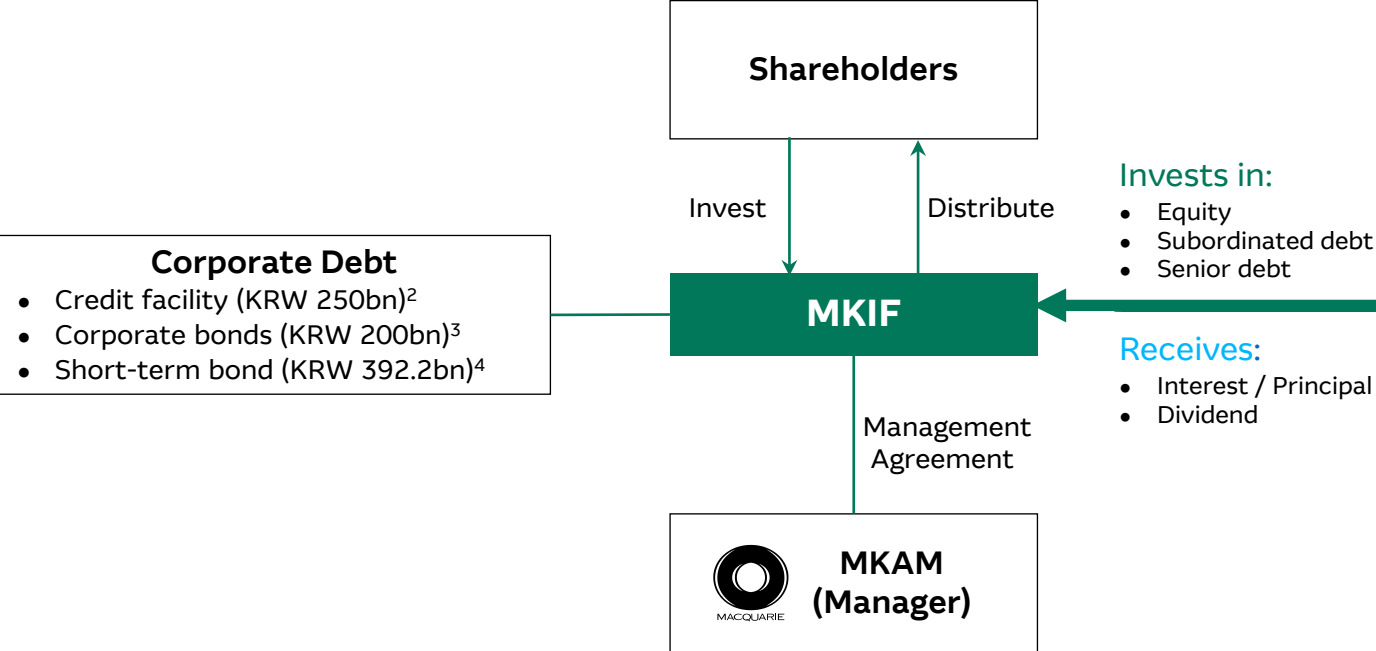
5. MKIF debt refinancing disclosed in May 2007; Apr 2009; Nov 2009; May 2011; Jun 2011; Feb 2014; May 2016; Jun 2018; Jan 2019; Jun 2021; Mar 2022; Jun 2023; Sep 2023; Jan 2024

6. Asset-level refinancing disclosed in 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); Dec 2020 (SCH); Sep 2023 (NAHC)

7. 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 (IBC); Dec 2021 (KBICL)

# Business Structure

- MKIF is a holding company of 20 infrastructure project companies
- Active management of the underlying project companies<sup>1</sup>
- 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



(As at 30 June 2024<sup>1</sup>)

Underlying Project Companies	MKIF Shareholding
Baekyang Tunnel Ltd.	100%
Kwangju Beltway Investment Co., Ltd.	100%
New Airport Hiway Co., Ltd.	24.1%
Soojungsan investment Co., Ltd.	100%
Cheonan Nonsan Expressway Co., Ltd.	60%
Woomyunsan Infraway Co., Ltd.	36%
Kwangju Ring Road Company Ltd.	75%
MCB Co., Ltd.	70%
Gyeogsu Highway Co., Ltd.	43.75%
Seoul-Chuncheon Highway Co., Ltd.	18.16%
Incheon Bridge Co., Ltd.	64.05%
Busan New Port the 2nd Rear Road Co., Ltd.	47.56%
Incheon-Gimpo Expressway Co., Ltd.	22.76%
East Seoul Underpass Co., Ltd.	40% <sup>5</sup>
BNCT Co., Ltd.	30%
Dongbuk Urban Railway Co., Ltd.	30%
Youngsan Clean Energy Ltd. <sup>6</sup>	100%
Bomun Clean Energy Ltd. <sup>6</sup>	100%
CNCITY Energy Co., Ltd.	48%
Green Digital Infra Co., Ltd.	100% <sup>5</sup>

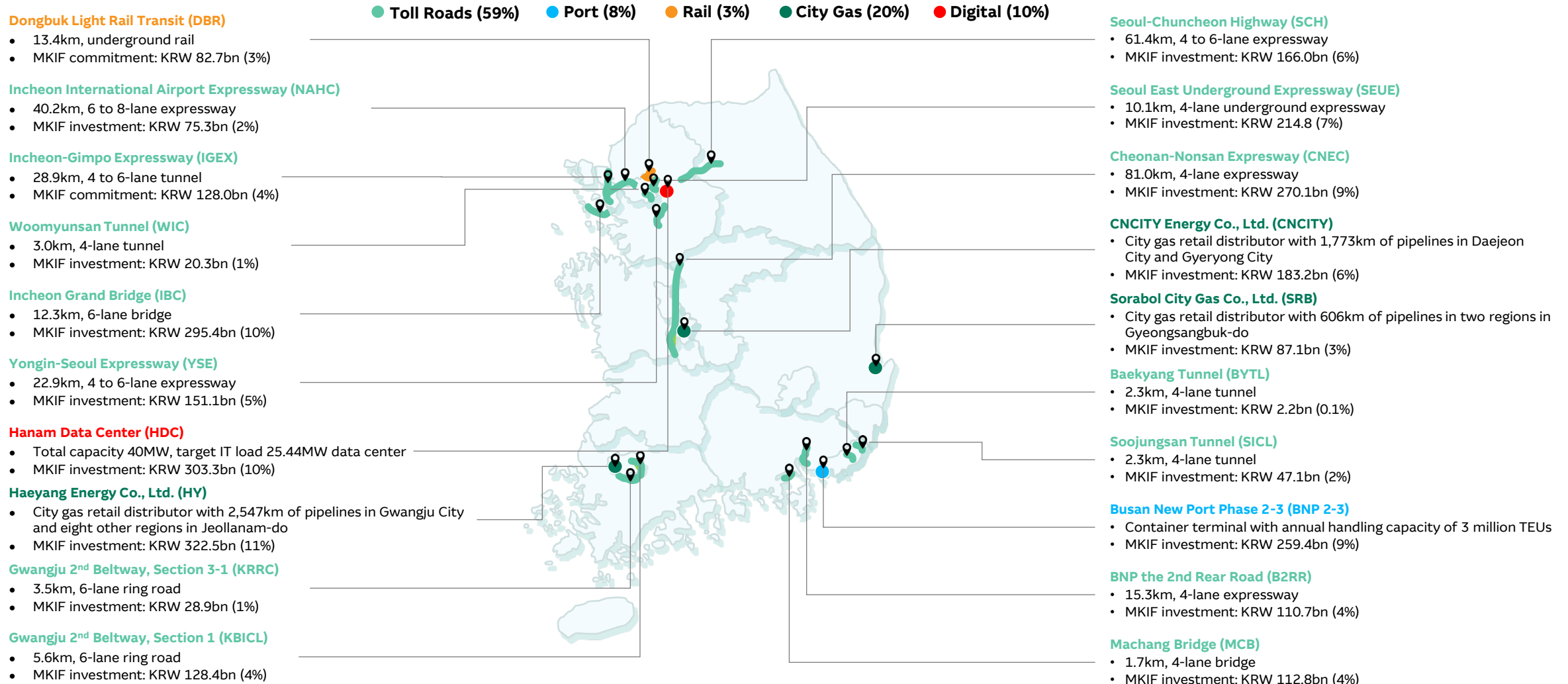
1. MKIF-invested project companies; also includes Hanam Data Center which MKIF committed to make investment via Green Digital Infra Co., Ltd. on 30 Jul 2024  
2. Out of KRW 250bn credit facility, KRW 100bn is drawn (credit facility agreement maturity date of 26 Jan 2029)  
3. KRW 100bn, 5-year bond (maturity date of 12 Jun 2028) and KRW 100bn, 7-year bond (maturity date of 11 Jun 2025)  
4. KRW 110bn drawn from the short-term bond facility with the limit of KRW 392.2bn (underwriting agreement maturity date of 11 Sep 2025)  
5. Based on MKIF's investment commitment; committed investments are expected to be made between 2024 and 2028 along with construction progress for East Seoul Underpass Co., Ltd. and during Aug 2024 for Green Digital Infra Co., Ltd., respectively  
6. Youngsan Clean Energy Ltd. & Bomun Clean Energy Ltd. are companies established to invest in Haeyang Energy Co., Ltd. & Sorabol City Gas Co., Ltd., respectively

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# Portfolio Summary<sup>1</sup>

(As at 30 June 2024<sup>1</sup>)

- KRW 3.0 trillion invested across 20 infrastructure assets in Korea in the form of equity (30%), subordinated debt (69%) and senior debt (1%)



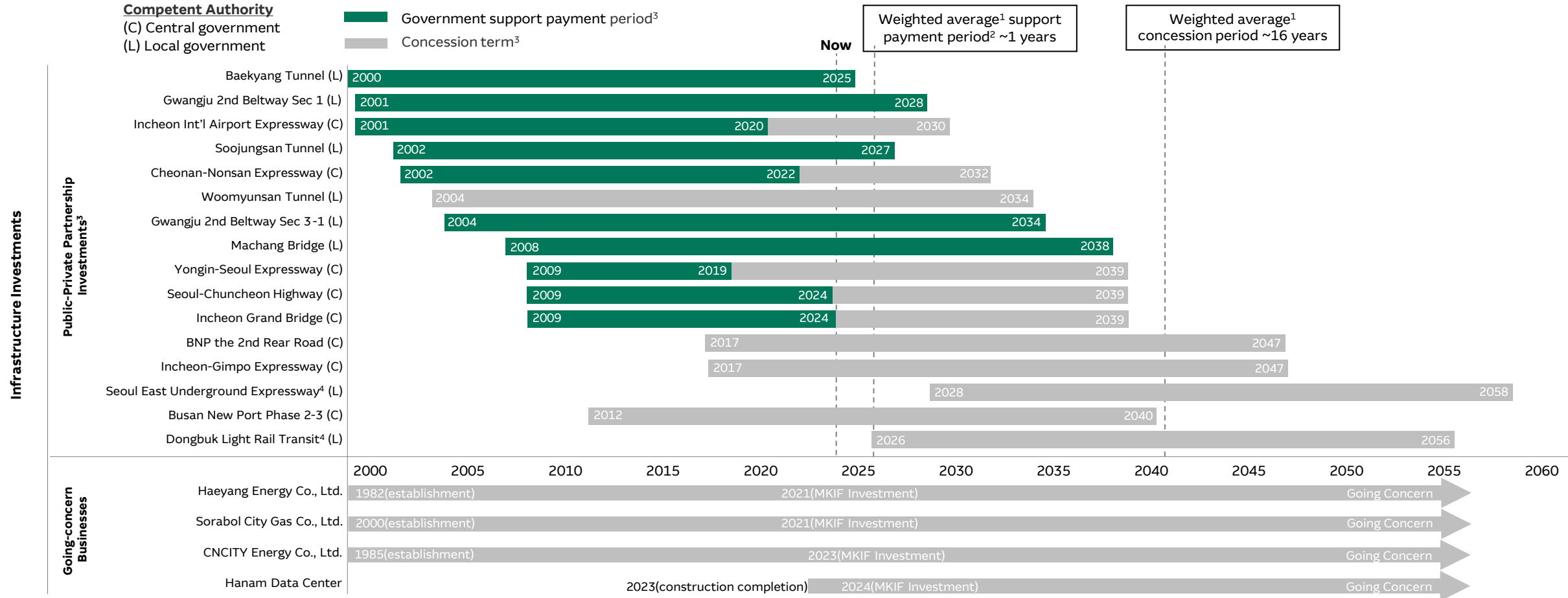
1. All amounts and percentages are based on MKIF's investment amounts (including investment commitments in Incheon-Gimpo Expressway Co., Ltd. and East Seoul Underpass Co., Ltd.); also includes Hanam Data Center which MKIF committed to make investment via Green Digital Infra Co., Ltd. on 30 Jul 2024



# Concession/Operation Period

(As at 30 June 2024<sup>1</sup>)

- MKIF invests in 20 project companies, of which 16 are public-private partnership investments with a fixed concession period defined under respective concession agreement with competent authority, while the remaining 4 are going-concern businesses.

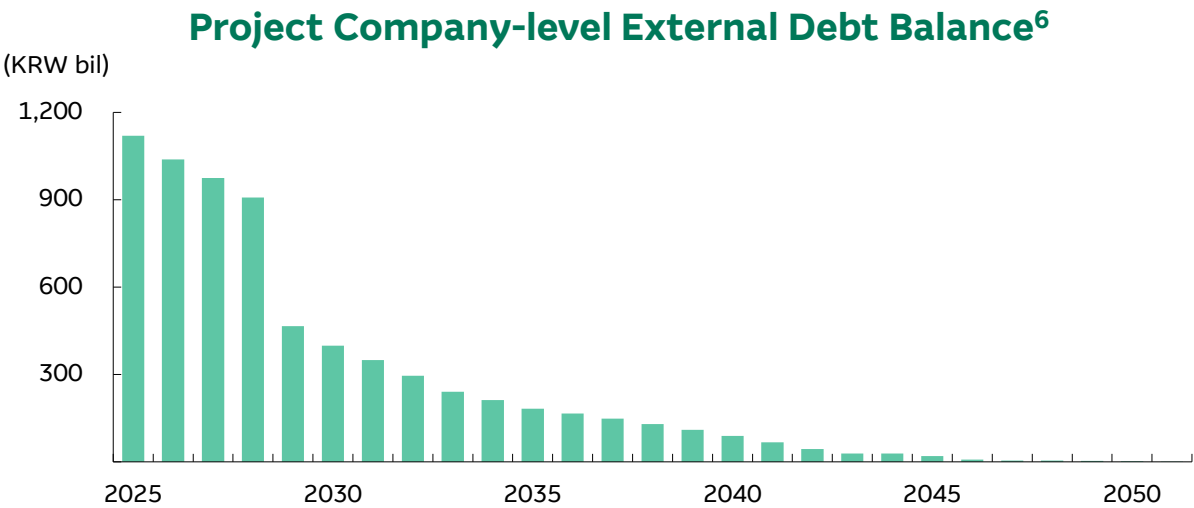
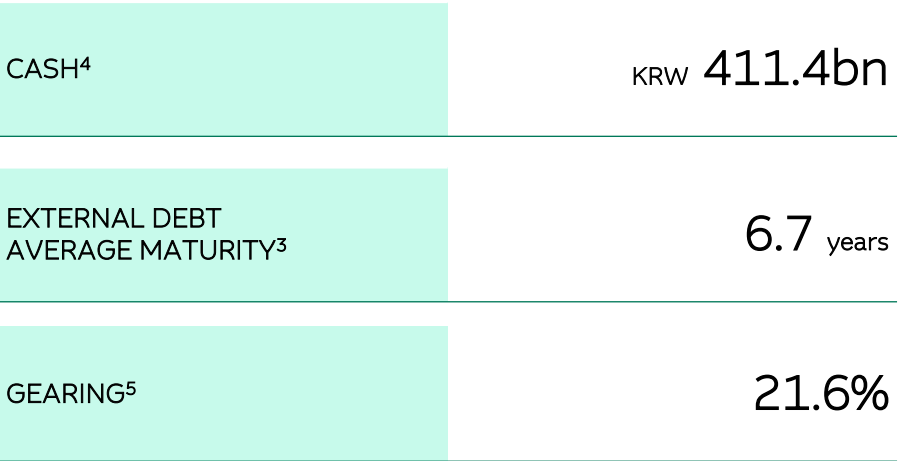


- Based on MKIF's investment amounts and investment commitment in Incheon-Gimpo Expressway Co., Ltd. and East Seoul Underpass Co., Ltd.; also includes Hanam Data Center which MKIF committed to make investment via Green Digital Infra Co., Ltd. on 30 Jul 2024
- Revenue guarantee and cost compensation payments received from competent 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
- Project companies have the right to receive termination 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 competent authority, or for events of force majeure
- Construction period of 5 years expected, followed by a 30-year operating period

# Financial Position

(As at 30 June 2024)

- MKIF debt capped at 30% of its capital under PPP Act<sup>1</sup>; from the committed debt of KRW 842.2 billion, the outstanding amount is KRW 410 billion
  - KRW 100 billion drawn from KRW 250 billion of credit facility limit (credit facility agreement maturity date of 26 January 2029)
  - KRW 200 billion fixed-rate bonds (KRW 100 billion, 5-year bond maturing on 12 June 2028 & KRW 100 billion, 7-year bond maturing on 11 June 2025)
  - KRW 110 billion issued from KRW 392.2 billion of short-term bond facility (underwriting agreement maturity date of 11 September 2025)
- Weighted average interest rate of MKIF debt is 4.4%, and remaining average maturity is 2.5 years
- Project company-level debt is expected to decline as senior debts are redeemed, and average remaining maturity<sup>2</sup> of external debt<sup>3</sup> is 6.7 years



1. Current MKIF debt ceiling under PPP Act is KRW 842.2bn (30% of current MKIF share capital of KRW 2,807.4bn; rounded down to the nearest tenth of a billion)

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 and/or subordinated 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 21.5bn)

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

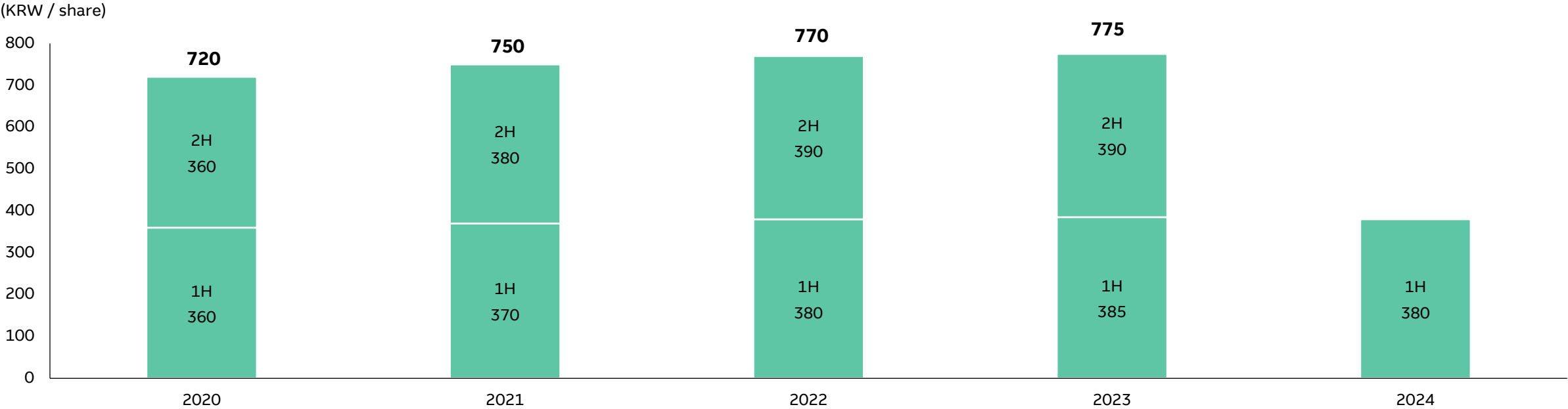
The noticeable drop in the project company-level external debt balance in 2029 is due to the maturity of the external debt of Youngsan Clean Energy Ltd. and Bomun Clean Energy Ltd., which are subject to refinancing upon maturity

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# Distribution

- Distribution is paid semi-annually (record dates are 30 June and 31 December)
- Distribution floor is higher of taxable income or distributable accounting income to maintain tax exempt status
- 2024 first half distribution of KRW 380 per share<sup>1</sup> (total amount of KRW 165.6 billion) will be paid on 30 August 2024

## Distribution History<sup>2</sup>

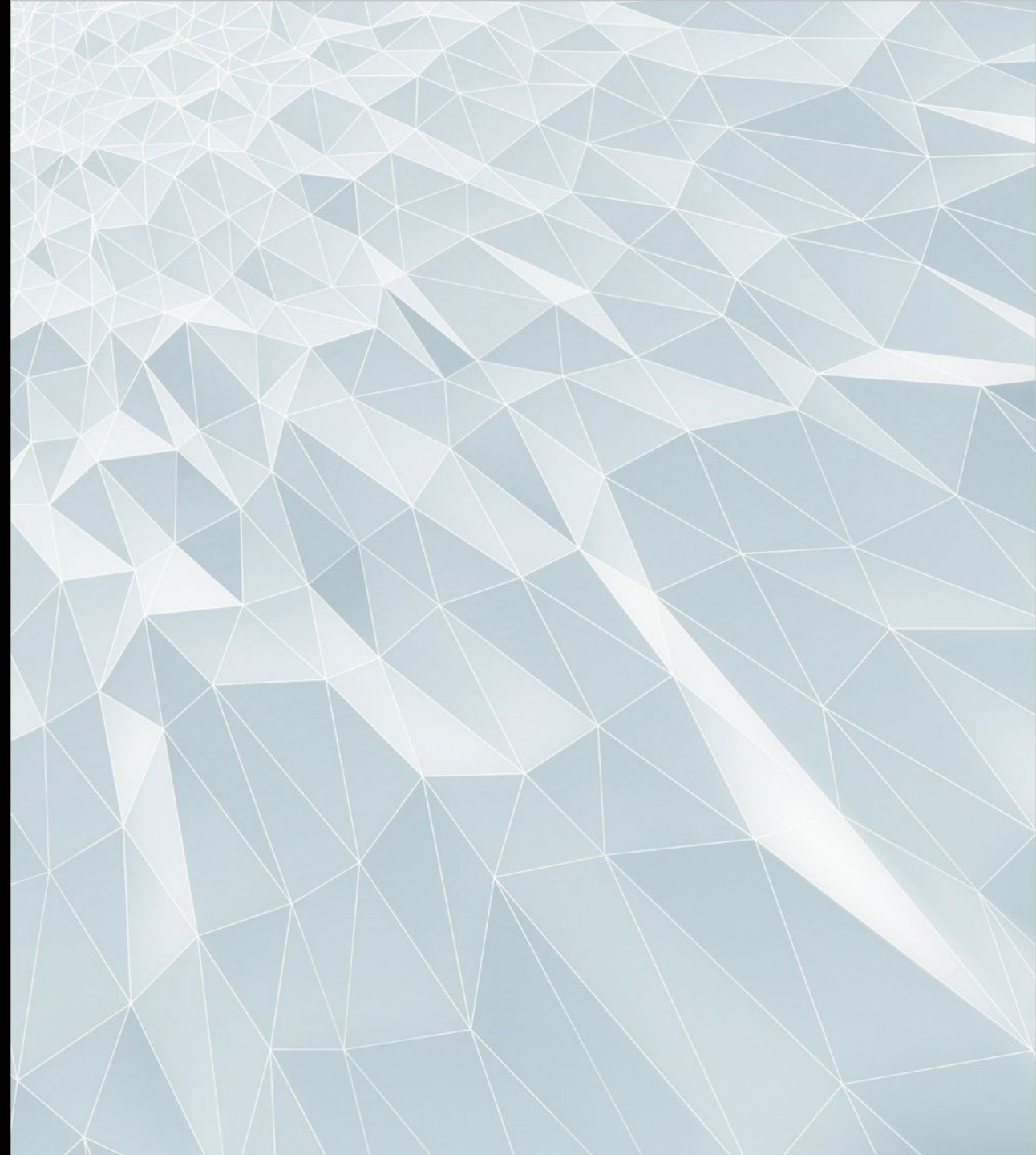


1. Distribution amount is treated as dividend income and is tax payable under the relevant Korean law. Investors are advised to consult their own tax advisors for the appropriate tax treatment of the distribution

2. Past result does not guarantee future performance

# 02

## 1H 2024 Performance





# Summary of Financial & Operating Results

## MKIF Revenue and Net Income (P16)

- MKIF recorded revenue of KRW 257.5 billion and net income of KRW 221.5 billion for 1H 2024 (the “Period”). Revenue and net income increased by 4.5% and 4.6% respectively compared with the previous corresponding period (“pcp”). Revenue and net income increased due to higher dividend income and interest income.

## Performance of Toll Roads (P19)

- On a weighted average basis, 13 toll road assets delivered traffic volume and revenue growths of 4.3% and 0.3% respectively for the Period over pcp. The gap between traffic revenue change % and traffic volume change % is due to the toll reduction of Incheon International Airport Expressway effective from 1 October 2023 as part of restructuring. Revenue loss of the asset company resulting from the toll reduction will be compensated in full by the institutions designated by the competent authority.

## Performance of Container Port (P20)

- BNCT Co., Ltd. (“BNCT”), the operator of Busan New Port Phase 2-3, handled 1.36 million TEUs during the Period, a decrease of 3.6% over pcp. Revenue and EBITDA decreased by 5.7% and 14.2% respectively to KRW 78.1 billion and KRW 35.5 billion.
- Main reasons for the decrease in revenue and EBITDA are, continued slowdown in economy, increasing competition with domestic and overseas ports and rising geopolitical tensions, which are negatively affecting the volume and revenue mix of BNCT.

## Performance of City Gas Business (P22)

- Sales volume of Haeyang Energy Co., Ltd. (“HY”) increased by 3.9% to 436 million m<sup>3</sup> during the Period. Revenue decreased by 5.3% to KRW 393.0 billion and EBITDA increased by 18.0% to KRW 34.1 billion.
- Sales volume of Sorabol City Gas Co., Ltd. (“SRB”) increased by 2.5% to 110 million m<sup>3</sup> during the Period. Revenue decreased by 9.5% to KRW 102.5 billion and EBITDA increased by 11.4% to KRW 8.3 billion.
- Sales volume of CNCITY Energy Co., Ltd. (“CNCITY”) increased by 1.7% to 382 million m<sup>3</sup> during the Period. Revenue and EBITDA decreased by 5.5% and 9.7% respectively to KRW 369.1 billion and KRW 25.7 billion. The noticeable difference between volume & EBITDA change % is due to the adjustment made in 2024 in relation to the calculation method of cost of goods sold, and such difference is anticipated to subside on an annual basis.

# Summary of Key Transactions (1/2)

## Refinancing of Corporate Credit Facility

- On 26 January 2024, MKIF signed a 5-year, KRW 250 billion limit corporate credit facility (the “New RCF”) agreement with the group of lenders including Kookmin Bank. With the New RCF, MKIF (i) repaid the amount drawn from the existing corporate credit facility when it matured on 29 January 2024, and (ii) maintains capital flexibility to draw and repay fund required for future investment and operating activities within the facility limit until 26 January 2029. Key terms of the New RCF are as below:

<b>Type</b>	Floating rate, revolving credit facility
<b>Facility limit / Tenor</b>	KRW 250 billion / 5 years
<b>Interest rate (annual)</b>	91-day CD <sup>1</sup> + 169bps
<b>Commitment fee (annual)</b>	20bps

## Amendment to the Subordinated Loan Agreement of BNCT Co., Ltd.

- In consideration of the rapidly changing business landscape, including continued slowdown in economy, increasing competition with domestic and overseas ports and rising geopolitical tensions, and its medium to long-term impact on the performance of BNCT and accordingly MKIF, MKIF and BNCT agreed to amend certain conditions of the subordinated loan of BNCT (the “Amendment”) and signed the Amended and Restated Subordinated Loan Agreement on 30 April 2024.
- The Amendment becomes effective on 1 July 2024 and the summary of the Amendment is as follows.

Item	Before Amendment	After Amendment
<b>Interest rate</b>	12% p.a. fixed	Rate is set <sup>2</sup> between 6 and 12% p.a. each quarter based on annual performance and liquidity of BNCT
<b>Interest<sup>3</sup> payment order</b>	① Accrued Interest ② Deferred Interest ③ Compounded Deferred Interest	① Compounded Deferred Interest ② Deferred Interest ③ Accrued Interest

1. 91-day certificate of deposit rate of Korea; 3.6% on 30 Jun 2024

2. Set by dividing [preceding year's annual EBITDA + deployable cash\* at preceding year-end] by [subordinated loan principal balance + Compounded Deferred Interest<sup>3</sup> balance at each interest payment date (end of each quarter)]

(\*) deployable cash at preceding year-end is calculated by subtracting [(i) amount required for servicing senior & mezzanine loans, subordinated loan principal repayment and capex expenditure during current year and (ii) working capital required during current year] from cash and cash equivalents other than various reserves at preceding year-end

3. Types of interest include, (i) interest newly accrued during quarterly interest accrual period (“Accrued Interest”), (ii) deferred interest that has been accumulating since 1 Oct 2022 (“Deferred Interest”) and (iii) KRW 442.5bn of deferred interest that had been accumulated until 30 Sep 2022 (“Compounded Deferred Interest”) (\*) Of these, Compounded Deferred Interest generates interest the same way as BNCT's subordinated loan principal

# Summary of Key Transactions (2/2)

## Acquisition of Hanam Data Center (P23)

- On 30 July 2024, MKIF, through a special purpose company Green Digital Infra Co., Ltd. (“GDI”), committed to acquire 100% of the data center<sup>1</sup> (the “Target”) located in Pungsan-dong, Hanam-si, Gyeonggi-do, Korea from the Seller (the “Seller”) (together the “Investment”). To consummate the Investment, GDI and the Seller executed the Asset Purchase Agreement, and the sales price under the agreement is KRW 734 billion<sup>2</sup>. Including the transaction cost<sup>3</sup> and additional capital required to complete the remaining mechanical, electrical and plumbing works<sup>4</sup> at the Target, the total Investment amount is KRW 918 billion<sup>5</sup>, which KRW 303 billion (KRW 23 billion in the form of equity & KRW 280 billion in the form of subordinated loan) is planned to be funded by MKIF via GDI and KRW 615 billion by the lenders of senior loan (KRW 495 billion) and bridge loan (KRW 120 billion) to be issued by GDI. MKIF plans to increment the subordinated loan amount to KRW 400bn by repaying / replacing the KRW 120bn bridge loan with its capital in the future.
- The Target is a hyperscale / colocation data center located in the GSA with a total capacity of 40MW and target IT load of 25.44MW<sup>6</sup>. The Target has a gross floor area of 41,919m<sup>2</sup> across 12 floors (2 underground floors, 10 aboveground floors), and is equipped with (i) Tier 3 redundant backup systems including power supply & cooling that enable business continuity during maintenance or unforeseen failures and (ii) advanced security & fire protection systems that allow real-time monitoring, prevention and management of various situations.
- The main tenant of the Target is LG CNS Co., Ltd. (the “Main Tenant”). The Main Tenant has signed (i) rent agreements (the “Rent Agreements”) with the Seller to collectively rent the entire space within the Target and (ii) data center use agreements with the actual users of the Target, which correspond to space rented in respective Rent Agreement. The Rent Agreements together commit the Main Tenant to use 99% of the target IT load, and the utilization rate is anticipated to ramp up in line with the progress of the remaining mechanical, electrical and plumbing works<sup>4</sup> at the Target.
- MKIF will secure<sup>7</sup> KRW 303 billion required for the Investment by making a drawdown from its credit facility and issuing short-term bonds. Financial closing is expected during August 2024, and all contractual status, rights and obligations needed for operating and managing the Target will be transferred from the Seller to GDI.

1. Includes building, land, facilities and equipment owned by the Seller

2. The base sales price under the Asset Purchase Agreement is KRW 734bn, and while some price adjustments can occur before the financial closing, impact to the total Investment amount is expected to be minor

3. Cost related to tax, transaction, financing, insurance, etc.

4. The construction of the building was completed in Nov 2023, and the on-going mechanical, electrical and plumbing works are expected to be completed in Jun 2025

5. Based on the estimated transaction cost and excludes (i) KRW 45bn short-term loan of GDI which will be repaid immediately after the value-added tax is refunded and (ii) KRW 20bn credit facility of GDI that can be drawn during operating life of the Target; the bridge loan limit is KRW 130bn in case the price adjustment and the transaction cost is higher than expected

6. Post the completion of the remaining mechanical, electrical and plumbing works

7. Including available debt capacity, MKIF has KRW 450bn of liquidity on 30 Jun 2024

# Financial Results (Cumulative)<sup>1</sup>

- 1H 2024 revenue and net income increased by 4.5% and 4.6% respectively compared with the pcp.
- Increase in revenue and net income was due to higher dividend income and interest income.

(Unit: KRW million)

	1H 2024	1H 2023	% Change
<b>Revenue</b>	<b>257,472</b>	<b>246,329</b>	<b>4.5%</b>
Interest income	146,458	142,344	
Dividend income <sup>2</sup>	111,010	103,871	
Other income	4	114	
<b>Expenses</b>	<b>35,988</b>	<b>34,603</b>	<b>4.0%</b>
Management fee	24,196	21,873	
Interest expense	9,690	10,974	
Other fees and expenses	2,102	1,756	
<b>Net income</b>	<b>221,484</b>	<b>211,726</b>	<b>4.6%</b>
<b>Normalised net income<sup>3</sup></b>	<b>221,484</b>	<b>211,726</b>	<b>4.6%</b>
<b>EPS (KRW per share)<sup>4</sup></b>	<b>508</b>	<b>523</b>	<b>(2.9%)</b>
<b>Normalised EPS (KRW per share)<sup>3,4</sup></b>	<b>508</b>	<b>523</b>	

1. Unaudited, non-consolidated

2. 1H 2024: KRW 21.7bn from New Airport Hiway Co., Ltd.; KRW 54.0bn from Cheonan-Nonsan Expressway Co., Ltd.; KRW 17.0bn from Soojungsan Investment Co., Ltd.; KRW 12.0bn from Kwangju Ring Road Company, Ltd.; KRW 2.2bn from Woomyunsan Infraway Co., Ltd., KRW 4.1bn from CNCITY Energy Co., Ltd.

1H 2023: KRW 16.9bn from New Airport Hiway Co., Ltd.; KRW 60.0bn from Cheonan-Nonsan Expressway Co., Ltd.; KRW 13.5bn from Soojungsan Investment Co., Ltd.; KRW 12.0bn from Kwangju Ring Road Company, Ltd.; KRW 1.5bn from Woomyunsan Infraway Co., Ltd.

3. 1H 2024 and 1H 2023: no one-off item

4. Change % of net income and EPS are different because the number of outstanding shares of MKIF increased after the completion of a follow-on offering in 3Q 2023



# Financial Results (Quarterly)<sup>1</sup>

- 2Q 2024 revenue and net income increased by 0.9% and 0.9% respectively compared with the pcq.
- Increase in revenue and net income was due to higher interest income.

(Unit: KRW million)

	2Q 2024	2Q 2023	% Change
<b>Revenue</b>	<b>73,339</b>	<b>72,692</b>	<b>0.9%</b>
Interest income	73,336	72,643	
Dividend income	-	-	
Other income	3	49	
<b>Expenses</b>	<b>17,974</b>	<b>17,797</b>	<b>1.0%</b>
Management fee	12,104	11,484	
Interest expense	4,861	5,423	
Other fees and expenses	1,009	890	
<b>Net income</b>	<b>55,365</b>	<b>54,895</b>	<b>0.9%</b>
<b>Normalised net income<sup>2</sup></b>	<b>55,365</b>	<b>54,895</b>	<b>0.9%</b>
<b>EPS (KRW per share)<sup>3</sup></b>	<b>127</b>	<b>136</b>	<b>(6.3%)</b>
<b>Normalised EPS (KRW per share)<sup>2,3</sup></b>	<b>127</b>	<b>136</b>	

1. Unaudited, non-consolidated

2. 2Q 2024 and 2Q 2023: no one-off item

3. Change % of net income and EPS are different because the number of outstanding shares of MKIF increased after the completion of a follow-on offering in 3Q 2023

# Statement of Financial Position

(Unit: KRW million)

	30 June 2024	31 December 2023
<b>Assets</b>		
Invested Assets	2,482,683	2,499,409
Cash & deposits	21,535	23,502
Loans	1,688,807	1,703,566
Equity securities	772,341	772,341
Others	911,175	839,735
Interest receivable	902,664	834,023
Other receivables	2,348	2,348
Deferred costs, net	3,389	1,204
Prepayment	2,774	2,160
<b>Total Assets</b>	<b>3,393,858</b>	<b>3,339,144</b>
<b>Liabilities</b>		
Bonds	309,347	309,221
Long-term debt	100,000	96,356
Management fee payable	12,104	11,981
Other liabilities	8,987	9,695
<b>Total Liabilities</b>	<b>430,438</b>	<b>427,253</b>
<b>Shareholders' Equity</b>		
Share capital	2,807,423	2,807,423
Retained earnings	155,997	104,468
<b>Total Shareholders' Equity</b>	<b>2,963,420</b>	<b>2,911,891</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,393,858</b>	<b>3,339,144</b>

## Change in Investment

(Unit: KRW million)

Project Company	Item	2024
KBICL	Senior Debt	(16,550)
IGEX	Junior Subordinated Debt	1,800
<b>Total*</b>		<b>(14,750)</b>

\* Excludes loan amortization of KRW ~9 million from Baekyang Tunnel Ltd.

1. 31 Dec 2023 figures are audited, non-consolidated basis and 30 Jun 2024 figures are unaudited, non-consolidated basis; Pursuant to the Financial Investment Services and Capital Markets Act and the resolution by the internal appraisal committee of MKAM, MKIF reports all its unlisted equity investments at acquisition cost

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# Toll Roads Performance

- Highlights for 1H 2024 include:
  - The gap between traffic revenue change % and traffic volume change % is due to the toll reduction of Incheon International Airport Expressway effective from 1 October 2023 as part of restructuring. Revenue loss of the asset company resulting from the toll reduction is compensated in full by the institutions designated by the competent authority.
  - For Cheonan-Nonsan Expressway, traffic revenue growth is greater than traffic volume growth as CPI-linked quarterly toll reduction compensation arising from 2019 restructuring is included in the traffic revenue.
  - For Machang Bridge, traffic revenue growth is less than traffic volume growth as toll reduction during commute time has been introduced since the 2H 2023. Revenue loss of the asset company resulting from the toll reduction is compensated in full by the competent authority.

	1H 2024				2Q 2024			
	Average daily traffic volume		Average daily revenue <sup>1</sup>		Average daily traffic volume		Average daily revenue <sup>1</sup>	
	Vehicles/day	% change yoy	KRW1,000/day	% change yoy	Vehicles/day	% change yoy	KRW1,000/day	% change yoy
Baekyang Tunnel	69,372	(4.2%)	57,734	(4.2%)	69,790	(4.9%)	58,067	(5.0%)
Gwangju 2nd Beltway, Section 1	68,300	0.6%	71,932	0.7%	71,123	0.6%	74,994	0.8%
Incheon International Airport Expressway	122,201	22.5%	255,649	(38.4%)	127,276	21.4%	272,146	(39.2%)
Soojungsan Tunnel	47,043	0.8%	43,463	0.6%	47,478	(0.1%)	43,860	(0.3%)
Cheonan-Nonsan Expressway	59,053	0.1%	582,109	4.3%	60,548	(0.5%)	614,129	3.3%
Woomyunsan Tunnel	28,837	(1.1%)	63,445	(1.1%)	29,502	(0.8%)	64,906	(0.8%)
Gwangju 2nd Beltway, Section 3-1	63,621	0.3%	68,377	0.5%	65,552	(0.4%)	70,556	(0.1%)
Machang Bridge	46,604	4.3%	97,619	0.9%	48,424	5.2%	104,259	2.1%
Yongin-Seoul Expressway	92,998	0.4%	143,906	(0.4%)	95,556	0.3%	150,473	(0.4%)
Seoul-Chuncheon Highway	62,035	6.1%	262,203	5.4%	67,955	9.6%	295,678	9.2%
Incheon Grand Bridge	72,558	11.3%	315,028	10.4%	73,685	8.4%	328,041	7.7%
BNP 2nd Rear Road	20,568	(4.6%)	39,164	(4.7%)	20,588	(6.6%)	39,496	(7.2%)
Incheon-Gimpo Expressway	57,759	3.6%	171,228	3.8%	55,657	5.1%	167,875	5.2%
<b>Weighted average growth rate<sup>2</sup></b>		<b>4.3%</b>		<b>(0.3%)</b>		<b>3.8%</b>		<b>(1.1%)</b>

1. Does not include government support payments; Baekyang Tunnel, Gwangju 2nd Beltway Section 1 & 3-1, Soojungsan Tunnel, 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

2. On a weighted average basis based on the revenue size and MKIF equity ownership in each project company (assumed full investment of committed amounts)

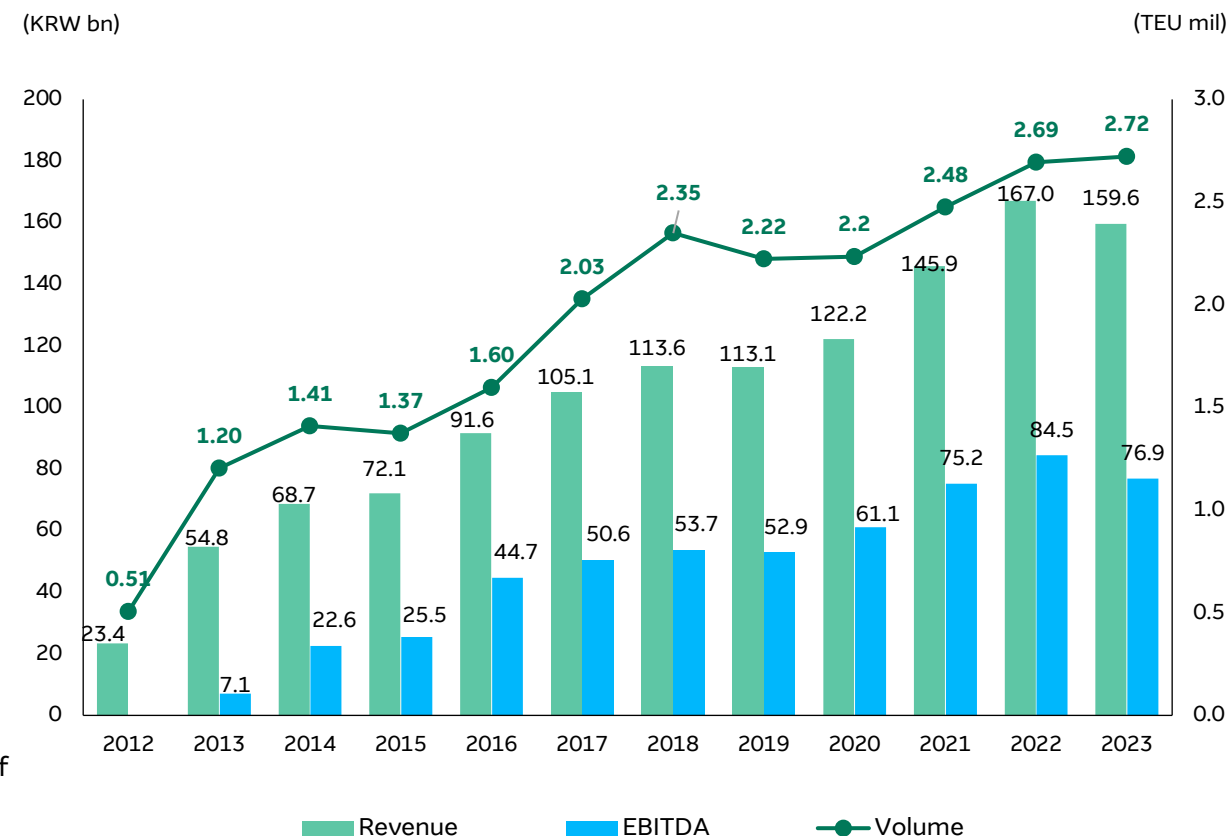
# Container Port Performance

## BNCT 1H 2024 Performance

	1H 2024	1H 2023	Change over pcq	2Q 2024	2Q 2023	Change over pcq
Volume (TEU million)	1.36	1.41	(3.6%)	0.68	0.70	(2.6%)
Revenue (KRW billion)	78.1	82.9	(5.7%)	40.9	41.0	(0.2%)
EBITDA (KRW billion)	35.5	41.4	(14.2%)	19.2	20.8	(7.7%)
EBITDA margin	45.5%	50.0%	(4.5%p)	47.0%	50.7%	(3.7%p)

- BNCT handled 1.36 million TEUs, a decrease of 3.6% over pcq.
- Revenue decreased by 5.7% over pcq to KRW 78.1 billion.
- EBITDA decreased by 14.2% over pcq to KRW 35.5 billion, recording an EBITDA margin of 45.5%.
- Main reasons for the decrease in revenue and EBITDA are, continued slowdown in economy, increasing competition with domestic and overseas ports and escalated geopolitical tensions, which are negatively affecting the volume and revenue mix of BNCT.

## BNCT Historical Results





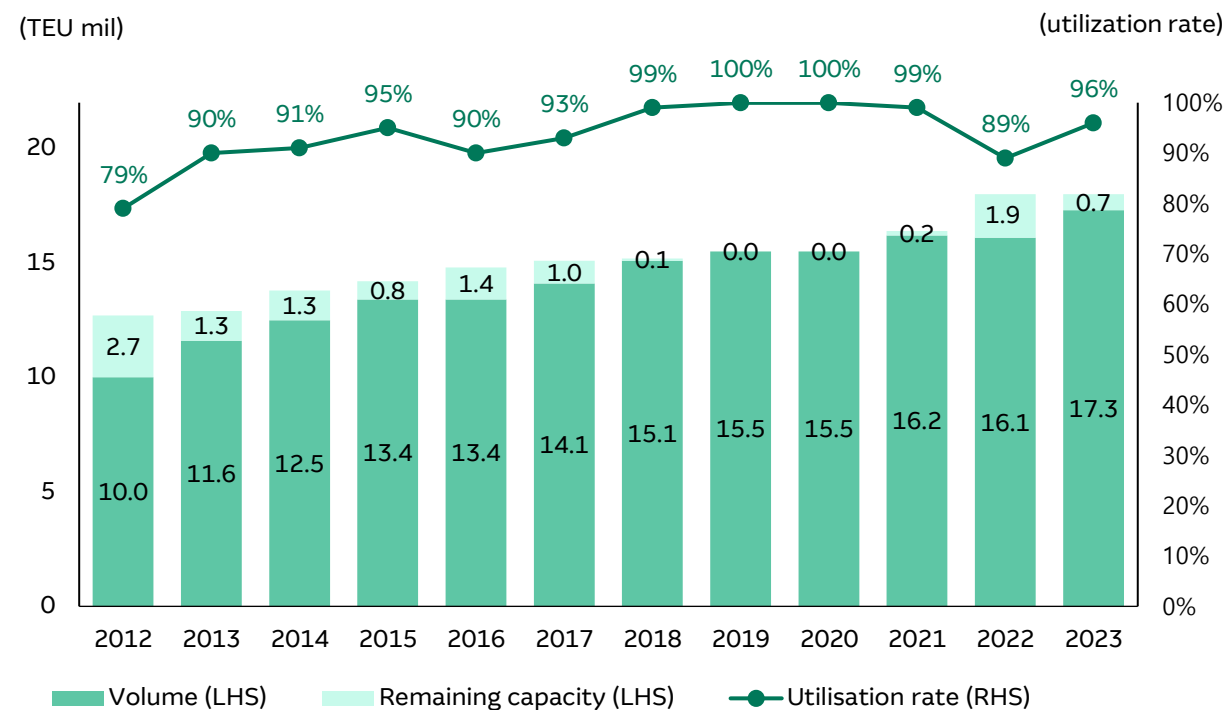
# Busan Port<sup>1</sup>

- Busan Port is comprised of Busan New Port (the “New Port”) and Busan North Port (the “North Port”).
- Busan Port handled 23.9 million TEUs of container volume in 2023, of which the New Port handled 72% or 17.3 million TEUs.

## Busan Port Highlights

	BNCT (Busan New Port 2-3)	New Port	North Port
Number of Terminals in Operation	(Part of New Port)	6 Terminals	3 Terminals
Capacity (TEUs p.a.)	3.0 mil	18.0 mil	7.3 mil
Handling Volume (TEUs)	2.7 mil	17.3 mil	6.6 mil
Volume Growth (over pcp)	1.1%	7.7%	0.4%
Utilisation Rate	90%	96%	90%
Market Share <sup>3</sup> within Busan Port	11%	73%	28%

## Historical Performance of the New Port



1. Source: terminal operators  
 2. Based on 2023 handling volume  
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# City Gas Business Performance

## HY 1H 2024 Performance

- Sales volume increased by 3.9% to 436 million m<sup>3</sup>.
- Revenue decreased by 5.3% over pcg to KRW 393.0 billion.
- EBITDA increased by 18.0% to KRW 34.1 billion.

	1H 2024	1H 2023	Change over pcg	2Q 2024	2Q 2023	Change over pcg
Volume (million m <sup>3</sup> )	436	420	3.9%	144	140	3.0%
Revenue (KRW billion) <sup>1</sup>	393.0	415.1	(5.3%)	131.9	122.9	7.3%
EBITDA (KRW billion)	34.1	28.9	18.0	15.3	13.2	15.9%
Pipeline length	2,547km	2,507km	1.6%	2,547km	2,507km	2.5%

## SRB 1H 2024 Performance

- Sales volume increased by 2.5% to 110 million m<sup>3</sup>.
- Revenue decreased by 9.5% to KRW 102.5 billion.
- EBITDA increased by 11.4% to KRW 8.3 billion.

	1H 2024	1H 2023	Change over pcg	2Q 2024	2Q 2023	Change over pcg
Volume (million m <sup>3</sup> )	110	108	2.5%	40	40	0.3%
Revenue (KRW billion) <sup>1</sup>	102.5	113.2	(9.5%)	36.6	37.8	(3.1%)
EBITDA (KRW billion)	8.3	7.4	11.4%	3.7	3.5	6.9%
Pipeline length	606km	564km	1.5%	606km	564km	1.5%

## CNCITY 1H 2024 Performance

- Sales volume increased by 1.7% to 382 million m<sup>3</sup>.
- Revenue decreased by 5.5% to KRW 369.1 billion.
- EBITDA decreased by 9.7% to KRW 25.7 billion.

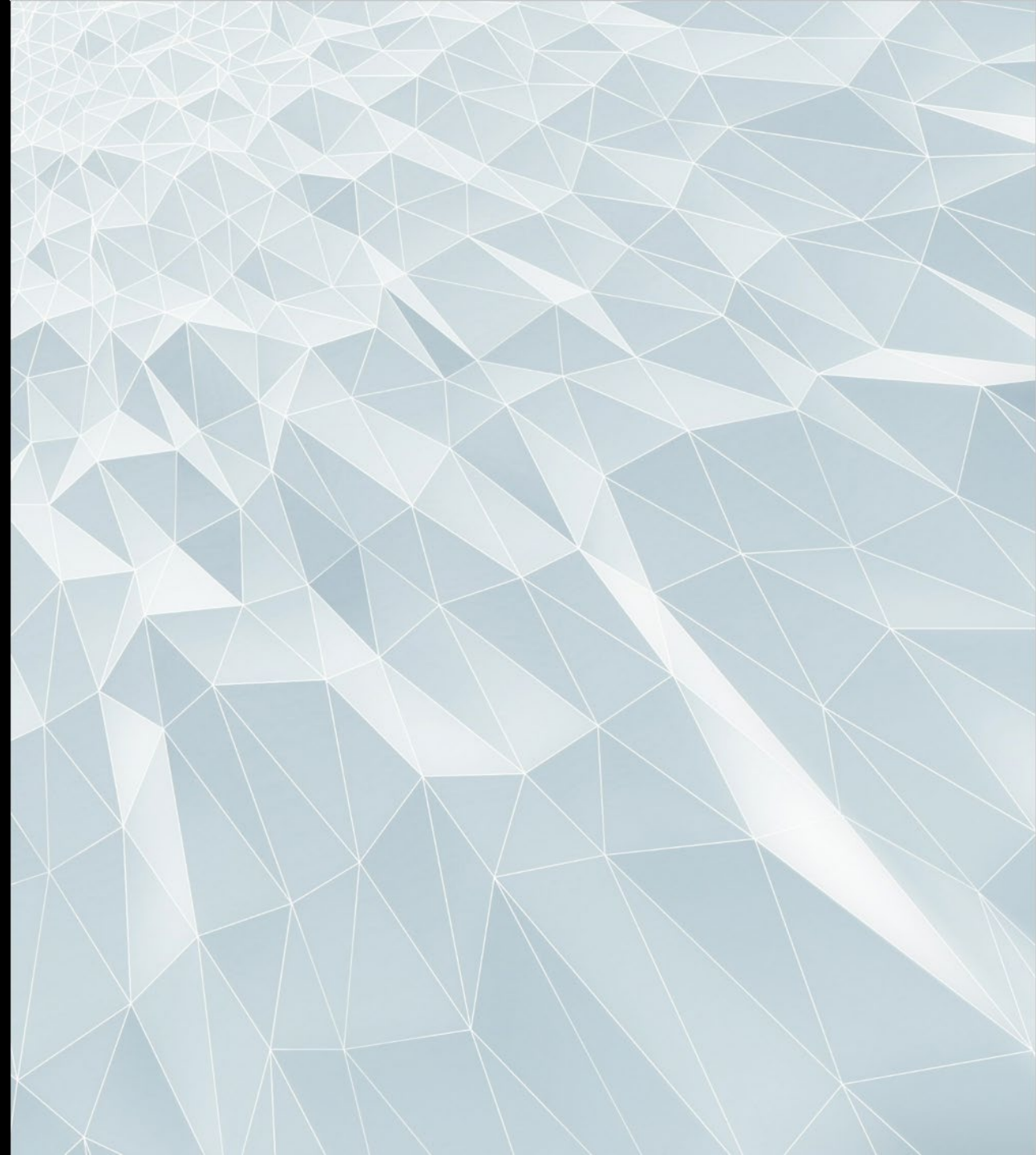
	1H 2024	1H 2023	Change over pcg	2Q 2024	2Q 2023	Change over pcg
Volume (million m <sup>3</sup> )	382	375	1.7%	103	107	(3.3%)
Revenue (KRW billion) <sup>1</sup>	369.1	390.7	(5.5%)	98.6	96.5	2.1%
EBITDA (KRW billion) <sup>2</sup>	25.7	28.5	(9.7%)	3.8	1.8	10.9%
Pipeline length	1,773km	1,753km	1.2%	1,773km	1,753km	1.2%

1. Revenue is mostly impacted by sales volume, KOGAS wholesale tariff and retail distribution tariff. Average wholesale tariff is adjusted to reflect the change in natural gas price, and such adjustment impacts both revenue & cost of goods sold.

2. The noticeable difference between volume & EBITDA change % is due to the adjustment made in 2024 in relation to the calculation method of cost of goods sold, and such difference is anticipated to subside on an annual basis

# 03

## Acquisition of Hanam Data Center

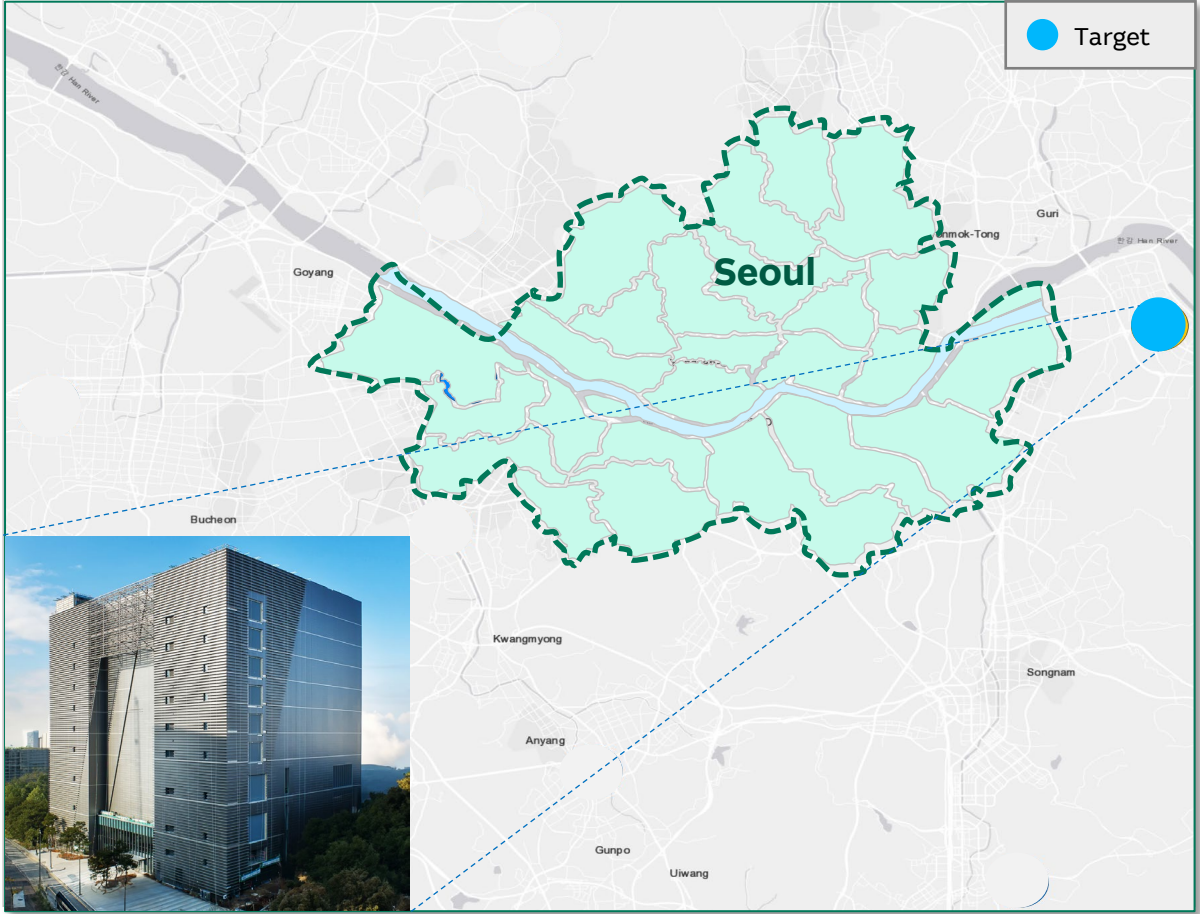


# Asset Overview

## Asset Overview

Target Asset	Data center building, land, facilities and equipment owned by the data center owner (the “Target”)
Location	Pungsan-dong, Hanam-si, Gyeonggi-do, Korea
Land Area	6,637 m <sup>2</sup>
Gross Floor Area	41,919 m <sup>2</sup>
Building Construction Completion	28 November 2023
Building Scale	12 floors (2 underground floors, 10 aboveground floors)
Data Center Scale	Hyperscale / Tier 3
Capacity <sup>1</sup>	Total capacity 40MW / target IT load 25.44MW
Number of Server Racks <sup>1</sup>	2,800 racks
Redundancy (Backup Systems)	Power supply, transformer, generator, cooling system
Tenant <sup>2</sup>	LG CNS Co., Ltd.
Users <sup>2</sup>	Korean IT corporates, conglomerates, finance companies

## Location

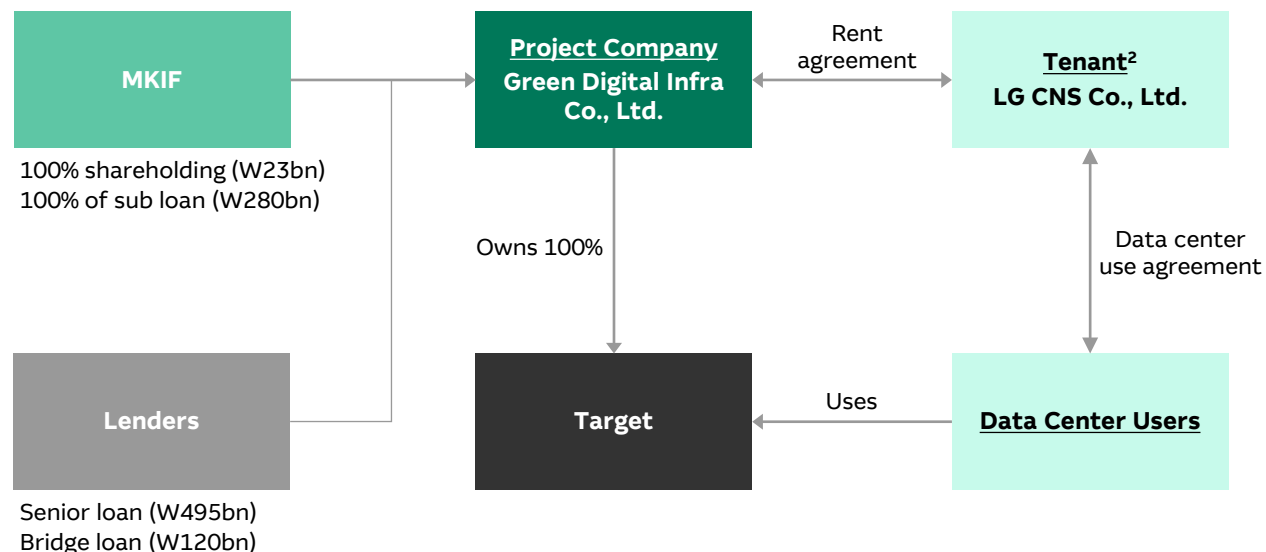


1. Post the completion of the remaining mechanical, electrical and plumbing works (the construction of the building was completed in Nov 2023, and the on-going mechanical, electrical and plumbing works are expected to be completed in Jun 2025)  
2. Based on the current (Jul 2024) rent agreement terms  
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# Investment and Business Structure

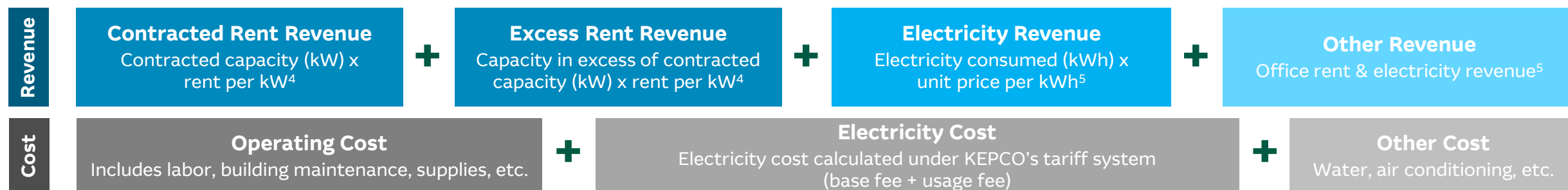
## Investment Structure<sup>1</sup>



## Key Financing Terms<sup>1</sup>

Tranche	Size	Key Terms
Senior Loan Tranche A	W400bn	<ul style="list-style-type: none"> <li>Annual interest rate: 4.95%</li> <li>Tenor: 4 years</li> </ul>
Senior Loan Tranche B	W95bn	<ul style="list-style-type: none"> <li>Annual interest rate: 1-year AAA-rated, unsecured bank bond rate<sup>3</sup> + 1.25%</li> <li>Tenor: 4 years</li> </ul>
<b>Senior loans</b>	<b>W495bn</b>	
Bridge Loan	W120bn	<ul style="list-style-type: none"> <li>Annual interest rate: 4.7%</li> <li>Tenor: 0.5 year</li> </ul>
Subordinated Loan	W280bn	<ul style="list-style-type: none"> <li>Annual interest rate: 8.5%</li> <li>Tenor: 4 years</li> <li>MKIF plans to increment the subordinated loan amount to KRW 400bn by repaying / replacing the KRW 120bn bridge loan with its capital in the future</li> </ul>
<b>Total</b>	<b>W775bn (senior / sub loans) &amp; W120bn (bridge loan)</b>	

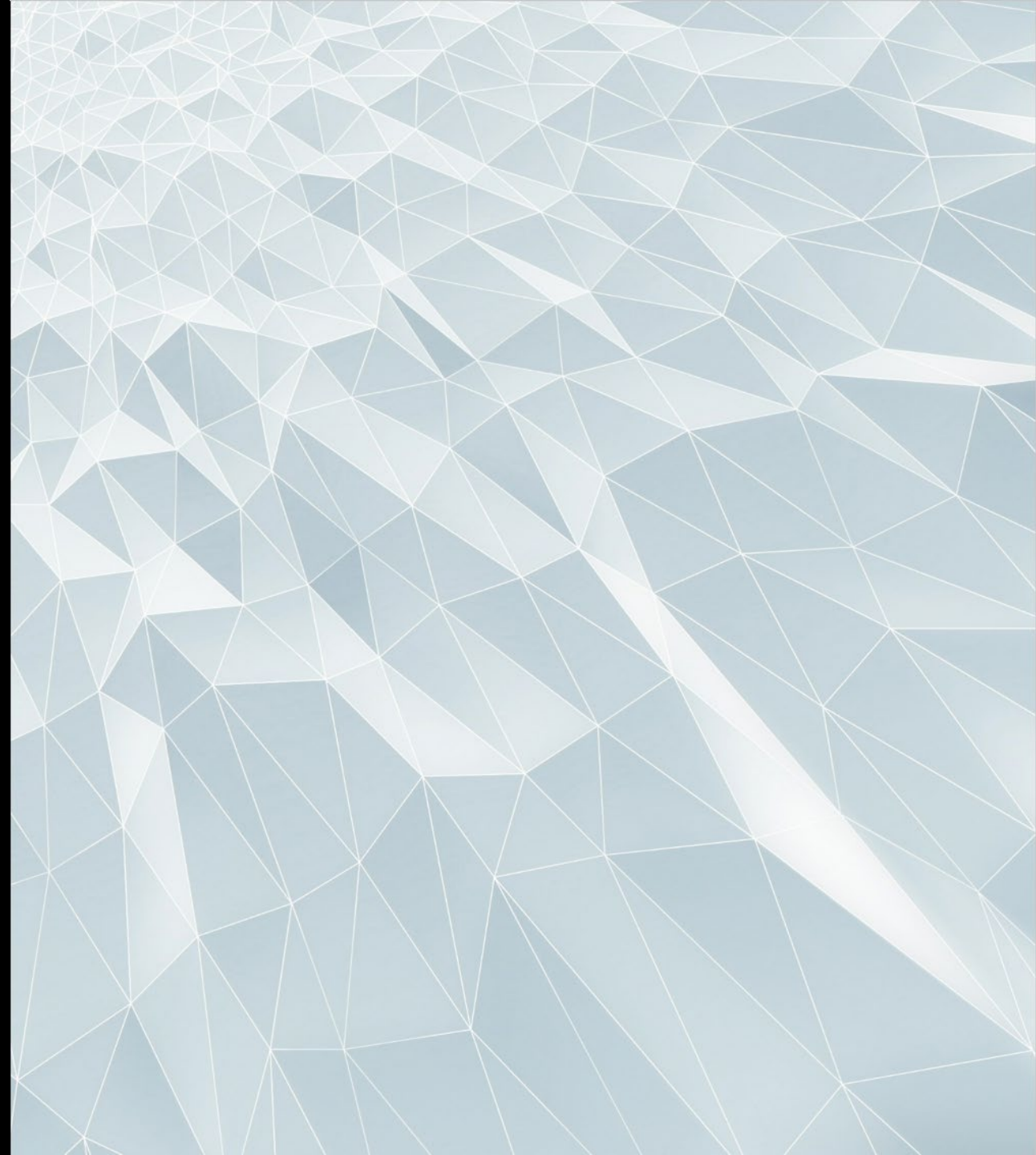
## Business Structure<sup>2</sup>



- Based on base sales price and the estimated transaction cost and excludes (i) KRW 45bn short-term loan of GDI which will be repaid immediately after the value-added tax is refunded and (ii) KRW 20bn credit facility of GDI that can be drawn during operating life of the Target; the bridge loan limit is KRW 130bn in case the price adjustment and the transaction cost is higher than expected
- Based on the current (Jul 2024) rent agreement terms
- 3.308% on 26 Jul 2024
- As per the rent agreement; adjusted annually based on the consumer price index or pre-agreed rate
- As per the rent agreement; it is expected that the contracted unit electricity price would pass through nearly all electricity cost incurred, and the unit price reflects any tariff adjustment effectuated by Korea Electric Power Corporation ("KEPCO")

# A

## Appendix



# Management Fee

(As at 30 June 2024)



## 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 215.0 billion<sup>1</sup> outstanding as at the record date.
- Management Fee is calculated and paid on a quarterly basis.



## \* NIV for any quarter equals:

- The average market capitalisation<sup>2</sup> 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. Outstanding commitment from Incheon-Gimpo Expressway Co., Ltd. (KRW 0.2bn) and East Seoul Underpass Co., Ltd. (KRW 214.8bn)

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

# Performance of the Project Companies in Operation<sup>1</sup>

(Unit: KRW mil)

	2023						2022					
Project Company	Adjusted operating revenue <sup>2</sup>	OPEX	Adjusted EBITDA <sup>2</sup>	Net debt <sup>3</sup>	Adjusted EBITDA margin	Net debt to adjusted EBITDA	Adjusted operating revenue <sup>2</sup>	OPEX	Adjusted EBITDA <sup>2</sup>	Net debt <sup>3</sup>	Adjusted EBITDA margin	Net debt to adjusted EBITDA
Baekyang Tunnel Ltd.	31,456	(6,760)	24,696	9,189	79%	0.4x	29,578	(4,770)	24,808	25,984	84%	1.0x
Kwangju Beltway Investment Co., Ltd. <sup>4</sup>	50,795	(8,092)	42,703	(5,710)	84%	(0.1x)	46,349	(8,757)	37,592	(2,549)	81%	(0.1x)
New Airport Hiway Co., Ltd.	219,489	(37,769)	181,720	(171,320)	83%	(0.9x)	165,005	(32,187)	132,818	(126,474)	80%	(1.0x)
Soojongsan Investment Co., Ltd.	27,081	(5,234)	21,848	(16,927)	81%	(0.8x)	25,987	(4,984)	21,003	(13,597)	81%	(0.6x)
Cheonan Nonsan Expressway Co., Ltd. <sup>5</sup>	216,459	(42,985)	173,474	(354,432)	80%	(2.0x)	279,750	(38,391)	241,359	(363,328)	86%	(1.5x)
Woomyunsan Infraway Co., Ltd. <sup>4</sup>	23,645	(5,295)	18,349	(23,916)	78%	(1.3x)	23,431	(5,008)	18,423	(23,578)	79%	(1.3x)
Kwangju Ring Road Company Ltd.	29,266	(7,847)	21,419	(17,288)	73%	(0.8x)	26,465	(8,315)	18,150	(16,761)	69%	(0.9x)
MCB Co., Ltd. <sup>4</sup>	43,118	(7,441)	35,677	(3,307)	83%	(0.1x)	39,849	(6,984)	32,865	(3,251)	82%	(0.1x)
Gyeongsu Highway Co., Ltd.	64,174	(17,482)	46,692	305,204	73%	6.5x	61,286	(16,861)	44,425	315,562	72%	7.1x
Seoul-Chuncheon Highway Co., Ltd. <sup>4</sup>	168,438	(28,288)	140,150	182,957	83%	1.3x	170,356	(27,340)	143,017	235,314	84%	1.6x
Incheon Bridge Co., Ltd.	132,482	(20,190)	112,292	168,658	85%	1.5x	109,515	(18,150)	91,365	201,645	83%	2.2x
Busan New Port the 2nd Rear Road Co., Ltd.	17,243	(7,252)	9,991	272,070	58%	27.2x	15,401	(6,896)	8,505	272,962	55%	32.1x
Incheon-Gimpo Expressway Co., Ltd.	61,547	(11,128)	50,419	603,937	82%	12.0x	59,630	(10,439)	49,191	616,679	82%	12.5x
BNCT Co., Ltd.	159,574	(82,688)	76,886	485,899	48%	6.3x	167,046	(82,505)	84,540	520,366	51%	6.2x
Haeyang Energy Co., Ltd.	724,981	(673,858)	51,123	(36,534)	7%	(0.7x)	743,710	(688,797)	54,913	(41,466)	7%	(0.8x)
Sorabol City Gas Co., Ltd.	198,224	(184,272)	13,952	(20,831)	7%	(1.5x)	207,107	(191,248)	15,859	(28,776)	8%	(1.8x)
CNCITY Energy Co., Ltd.	670,030	(626,136)	43,894	104,662	7%	2.4x	701,997	(664,524)	37,473	172,878	5%	4.6x
<b>Proportionate sum &amp; average<sup>6</sup></b>	<b>1,811,193</b>	<b>(1,283,164)</b>	<b>528,029</b>	<b>389,237</b>	<b>29%</b>	<b>0.7x</b>	<b>1,852,412</b>	<b>(1,315,626)</b>	<b>536,786</b>	<b>487,255</b>	<b>29%</b>	<b>0.9x</b>

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 loans backed by the relevant authority were excluded and the cash balance of Surplus Income Account (which is overseen by the relevant authority) were excluded

5. Revenue of Cheonan Nonsan Expressway Co., Ltd. decreased due to the expiration of the government support provision (minimum revenue guarantee) in 2022

6. On a proportionate average basis based on MKIF's equity interest in each project company on 31 Dec 2023 (margin and multiple are averages, other figures are sums)

# MKIF Investment Details<sup>1</sup>

(As at 30 June 2024)

(Unit: KRW bn)

Project Company	Asset Abbrev.	Equity	Ownership (%)	Subordinated Debt	Senior Debt	Total
Baekyang Tunnel Ltd.	BYTL	1.2	100%	-	1.0	2.2
Kwangju Beltway Investment Co., Ltd.	KBICL	33.1	100%	85.2 <sup>2</sup>	10.0	128.3
New Airport Hiway Co., Ltd.	NAHC	23.6	24.1%	51.7	-	75.3
Soojungsan Investment Co., Ltd.	SICL	47.1	100%	-	-	47.1
Cheonan Nonsan Expressway Co., Ltd.	CNEC	87.8	60%	182.3	-	270.1
Woomyunsan Infraway Co., Ltd.	WIC	5.3	36%	-	15.0	20.3
Kwangju Ring Road Company Ltd.	KRRC	28.9	75%	-	-	28.9
MCB Co. Ltd.	MCB	33.8	70%	79.0	-	112.8
Gyeongsu Highway Co., Ltd.	YSE	51.5	43.75%	99.6	-	151.1
Seoul-Chuncheon Highway Co., Ltd.	SCH	4.2	18.16%	161.8	-	166.0
Incheon Bridge Co. Ltd.	IBC	54.4	64.05%	241.0	-	295.4
Busan New Port the 2nd Rear Road Co., Ltd.	B2RR	41.5	47.56%	69.2	-	110.7
Incheon-Gimpo Expressway Co., Ltd.	IGEX	43.7	22.76%	84.3	-	128.0
East Seoul Underpass Co., Ltd.	SEUE	100.0	40%	114.8	-	214.8
BNCT Co., Ltd.	BNP 2-3	66.4	30%	193.0	-	259.4
Dongbuk Urban Railway Co., Ltd.	DBR	35.4	30%	47.3	-	82.7
Youngsan Clean Energy Ltd.	HY	32.3	100%	290.2	-	322.5
Bomun Clean Energy Ltd.	SRB	8.7	100%	78.4	-	87.1
CNCITY Energy Co., Ltd.	CNCITY	183.2	48%	-	-	183.2
Green Digital Infra Co., Ltd.	HDC	23.0	100%	280.0	-	303.0
<b>Total</b>		<b>905.1</b>		<b>2,057.8</b>	<b>26.0</b>	<b>2,988.9</b>
<b>Percentage (%)</b>		<b>30.3%</b>		<b>68.8%</b>	<b>0.9%</b>	<b>100%</b>

1. Based on MKIF's investment amounts (including investment commitment in Incheon-Gimpo Expressway Co., Ltd. and East Seoul Underpass Co., Ltd.); also includes Hanam Data Center which MKIF committed to make investment via Green Digital Infra Co., Ltd. on 30 Jul 2024

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

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# Government Support Payment Provisions<sup>1</sup>

(As at 30 June 2024)

(Unit : year, %)

Asset	Competent Authority	Concession Term	Remaining Concession Term	Support Payment Duration	Remaining Support Payment Duration	Revenue Guarantee Threshold <sup>2</sup>	Revenue Cap Threshold <sup>2,3</sup>	Remarks
Baekyang Tunnel	Busan Metropolitan City	25.0	0.5	25.0	0.5	90%	110%	
Gwangju 2nd Beltway, Section 1	Gwangju Metropolitan City	28.0	4.5	28.0	4.5	Investment cost compensation		Competent authority provides agreed cashflow to concessionaire to guarantee MKIF investment return
Soojungsan Tunnel	Busan Metropolitan City	25.0	2.8	25.0	2.8	90%	110%	For toll revenue below 90%, Busan Metropolitan City is obligated to compensate 91.5% of the shortfall amount
Gwangju 2nd Beltway, Section 3-1	Gwangju Metropolitan City	30.0	10.4	30.0	10.4	90%	110%	
Machang Bridge	GSND <sup>4</sup>	30.0	14.0	30.0	14.0	75.78%	100%	Revenue guarantee applies to MCB account 50:50 revenue sharing with competent authority in excess of 100%
Seoul-Chuncheon Highway <sup>5</sup>	MOLIT <sup>4</sup>	30.0	15.1	15.0	0.1	60%	140%	
Incheon Grand Bridge	MOLIT <sup>4</sup>	30.0	15.3	15.0	0.3	80%	120%	

1. For the government support payment provisions that are effective as at the record date

2. % of annual concession agreement projected revenue

3. Relevant government authorities are entitled to receive the portion exceeding the threshold

4. MOLIT (Ministry of Land, Infrastructure and Transport) / GSND (Gyeongsang Namdo Government)

5. No revenue guarantee applies if actual revenue is below 50% of the annual concession agreement projected revenue

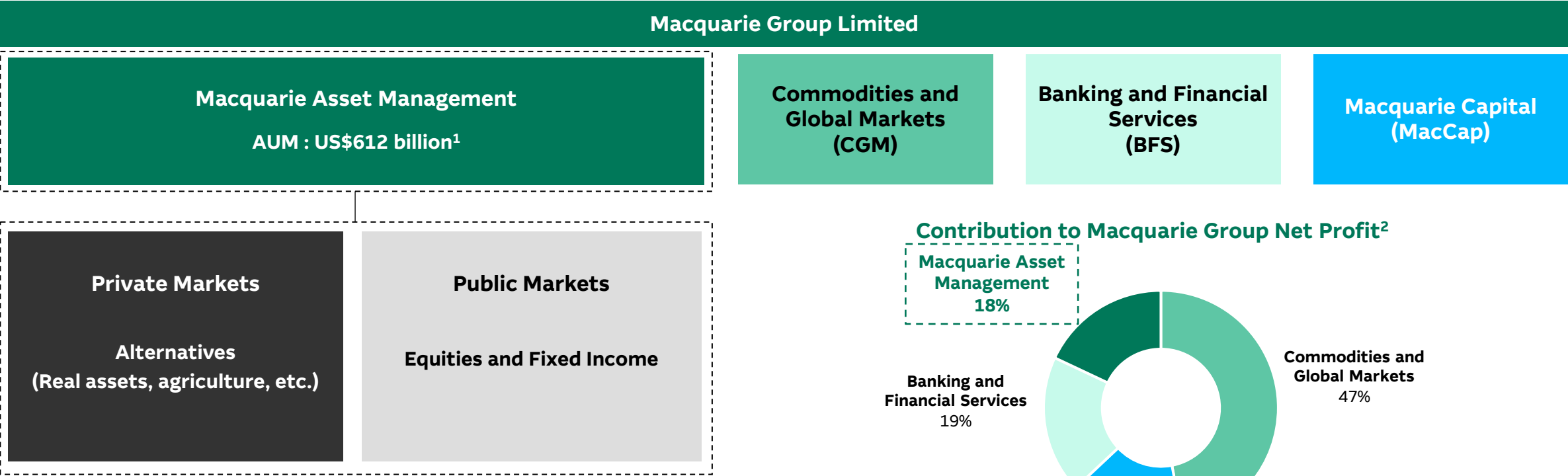
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# Macquarie Group and MAM Real Assets

MAM Real Assets is a division under Macquarie Asset Management (MAM) within Macquarie Group and has a 27-year track record in global infrastructure investment and management.

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



1. As at 31 Mar 2024  
2. Based on 1 Apr 2023 – 31 Mar 2024 net profit  
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# Notice on Sustainability

## Our vision

MKAM, as an affiliate of the Macquarie Group (Macquarie) and in a capacity as a manager and corporate director of MKIF, has adopted ESG framework that Macquarie Asset Management (MAM) applies to its fund management activities to the extent relevant and possible. MAM aims to improve the sustainability performance of its portfolio companies by addressing material ESG issues and opportunities to enhance long-term value for our investors. MAM addresses a broad range of ESG risks and opportunities throughout the entire investment lifecycle from screening and due diligence through to ongoing asset management and exit. MAM also regularly collect a range of ESG data from portfolio companies, allowing us to track and support improvement of their ESG performance. ESG information is communicated to shareholders at least annually in fund reports and fund presentations. MKAM is committed to continuously improving our ESG performance and look forward to continuing to share our progress with investors.

## Macquarie Asset Management (MAM) net zero commitment

In December 2020, we announced a commitment to invest and manage our portfolio in line with global net zero emissions by 2040.

The implementation of our net zero commitment is inherently complex, and we are in the early stages of making progress on our goals. There have been significant developments in this area over the past three years, including new methodologies that were not available in 2020, along with a deeper understanding of the various pathways to net zero and their associated challenges across the sectors and asset classes in which we invest.

In light of these developments, we confirm our commitment to invest and manage our portfolio in line with global net zero scope 1 and 2 greenhouse gas (GHG) emissions by 2040, where we have control or significant influence<sup>1</sup>. Where we do not have control or significant influence, such as in our managed portfolio of public securities, we will continue to support the goals of the Paris Agreement<sup>2</sup> in a manner consistent with our client-guided fiduciary and regulatory responsibilities.

Over the coming months, we will provide more detail on how we are implementing our net zero strategy across our various asset classes. We will also disclose further information on our interim targets, the assumptions we have made and the methodologies we are using<sup>3</sup>.

We look forward to working with our investors, portfolio companies, regulators and other stakeholders to achieve these transformational objectives for the benefit of all. We remain grateful for these partnerships, and we welcome continued engagement as we seek to play our part in building a more sustainable future for everyone.

1. MAM generally only has influence over scope 1 and 2 emissions. However, to the extent possible, in line with the Net Zero Asset Managers initiative guidance, MAM intends to support assets where it has control or significant influence to reduce their scope 3 emissions  
2. The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by maintaining a global temperature rise this century well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C. The Intergovernmental Panel on Climate Change concluded the need for net zero emissions by 2050 to remain consistent with 1.5°C  
3. Learn more: [Macquarie Asset Management - Our approach to sustainability](https://mim.fgsfulfillment.com/download.aspx?sku=MAM-SUSTAIN-APPROACH) (https://mim.fgsfulfillment.com/download.aspx?sku=MAM-SUSTAIN-APPROACH)