

THE POTENTIAL OF INFRASTRUCTURE AS AN ASSET CLASS

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AMBER INFRASTRUCTURE: ESTABLISHED EUROPEAN FUND MANAGER WITH A LOCAL PRESENCE

~55

ASSET MANAGEMENT
SPECIALISTS

~75

FUND MANAGEMENT
INDIVIDUALS

~50

INVESTMENT
PROFESSIONALS

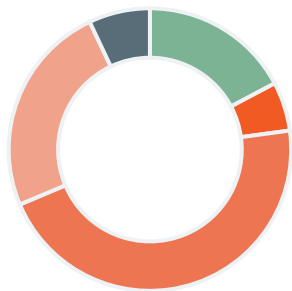
70%

OF INVESTMENTS
SOURCED OUTSIDE
PRICE-ONLY AUCTIONS

>50

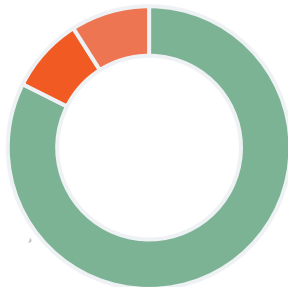
INVESTMENTS DEVELOPED,
TAKEN THROUGH CONSTRUCTION
AND NOW OPERATIONAL

INVESTMENTS BY SECTOR



■ TRANSPORT ■ DIGITAL ■ ENERGY ■ SOCIAL ■ OTHER

INVESTMENTS BY GEOGRAPHY



■ EUROPE (INCL. UK) ■ APAC ■ N. AMERICA



TRACK RECORD

15

YEARS OF TRACK
RECORD

> €16bn

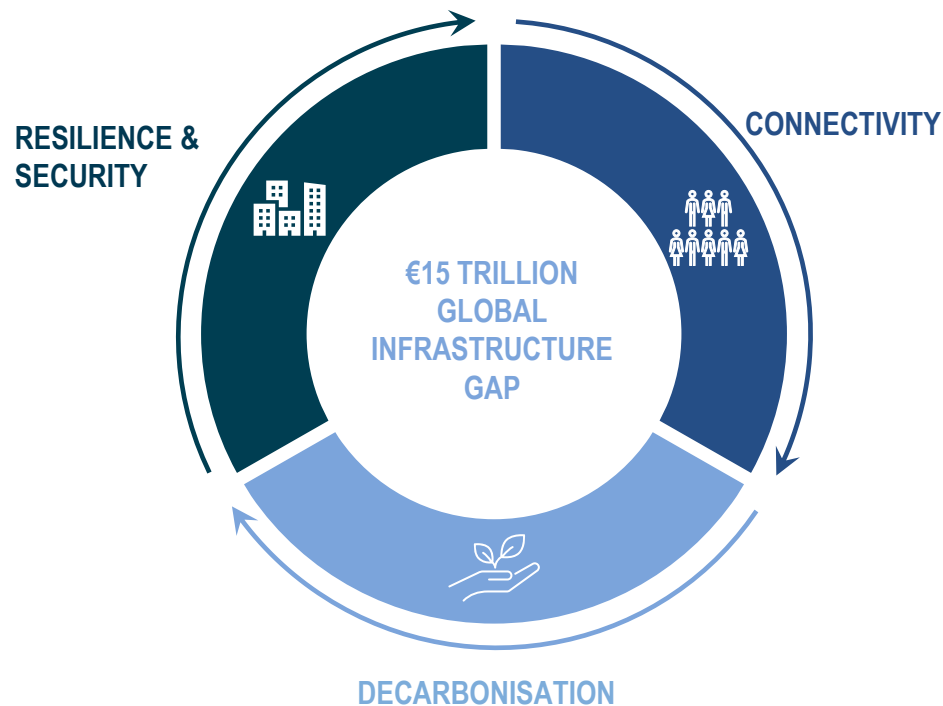
TOTAL ASSETS UNDER
MANAGEMENT

> 175

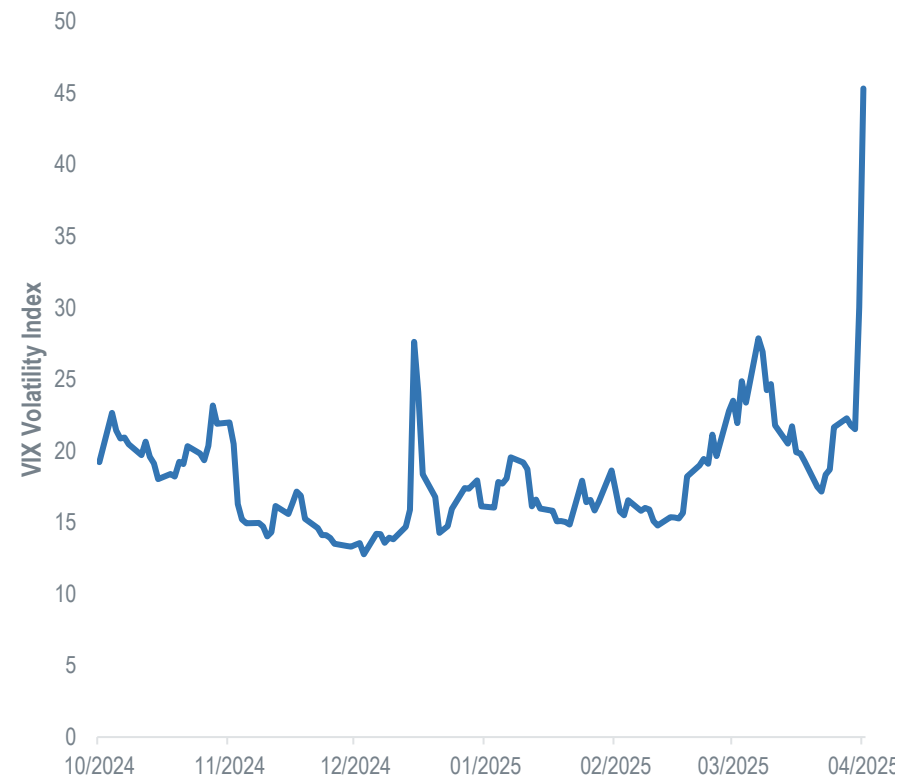
INVESTMENTS MADE
TO DATE

WHY IS INFRASTRUCTURE ATTRACTIVE IN THE CURRENT CONTEXT?

POLITICAL ENVIRONMENT: STRONG GOVERNMENT SUPPORT FOR STRENGTHENING OF CRITICAL INFRASTRUCTURE



MACROECONOMIC UNCERTAINTY: VOLATILITY IN THE STOCK MARKETS AND INFLATIONARY PRESSURE



WHAT IS THE INFRASTRUCTURE ASSET CLASS?

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TWO TYPES OF INFRASTRUCTURE ASSETS

PUBLIC INFRASTRUCTURE

Essential facilities and services directly impacting daily lives. Includes public-private partnerships (PPPs) and regulated assets with consistent income cashflows

- ✓ Public sector backed revenue counterparties
- ✓ Availability-based revenues
- ✓ Higher levels of gearing
- ✓ Annuity-type returns structure



ECONOMIC INFRASTRUCTURE

Assets tied to increasing demand by a growing economy. Returns from demand-based investments often come from usage fees or other user-based revenue models.

- ✓ Creditworthy corporate revenue counterparty or consumers
- ✓ Revenues derived from an element of usage
- ✓ Lower levels of gearing
- ✓ Ability to unlock higher returns through rigorous asset management



INVESTMENT STRATEGIES BASED ON RISK APPETITE OF INVESTORS



INFRASTRUCTURE REMAINS A POPULAR ASSET CLASS WITH PENSION FUNDS GLOBALLY

HISTORIC AVERAGE INFRASTRUCTURE ALLOCATION BY INSTITUTION TYPE



INVESTORS HAVE THREE PRIMARY METHODS OF ACCESSING INFRASTRUCTURE INVESTMENTS

1. INDIRECT / FUND INVESTMENT

Investors contribute capital to a fund, and the fund's manager takes care of the investments on their behalf



- Access to infrastructure without possessing high degree of investment expertise
- Lower minimum capital outlay



- Management fees
- Levels of due diligence required for selecting right manager
- Lower level of investor involvement in decision making

2. CO - INVESTMENT

Strategic method of investment where an investor invests alongside a fund into a portfolio company



- Opportunity to learn from a fund's process
- Lower fees
- Active management of an investment



- Adverse selection bias
- More active involvement
- Level of control is less than direct investing

3. DIRECT INVESTMENT

Investor invests directly into a company or project



- Avoids an ongoing management fee
- Higher level of access and control on how the asset is managed



- Requires in-house management team
- Less access to a fund's diversification benefits or the fund managers networks
- Higher capital outlay

INCREASED COMPLEXITY / REDUCED FEES

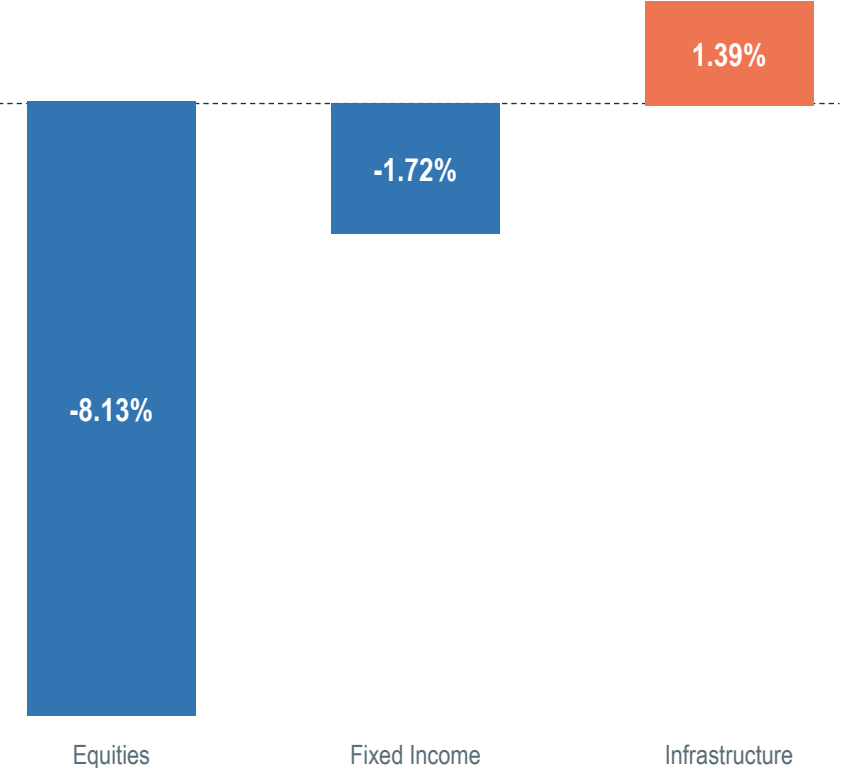
WHY INVEST IN INFRASTRUCTURE?

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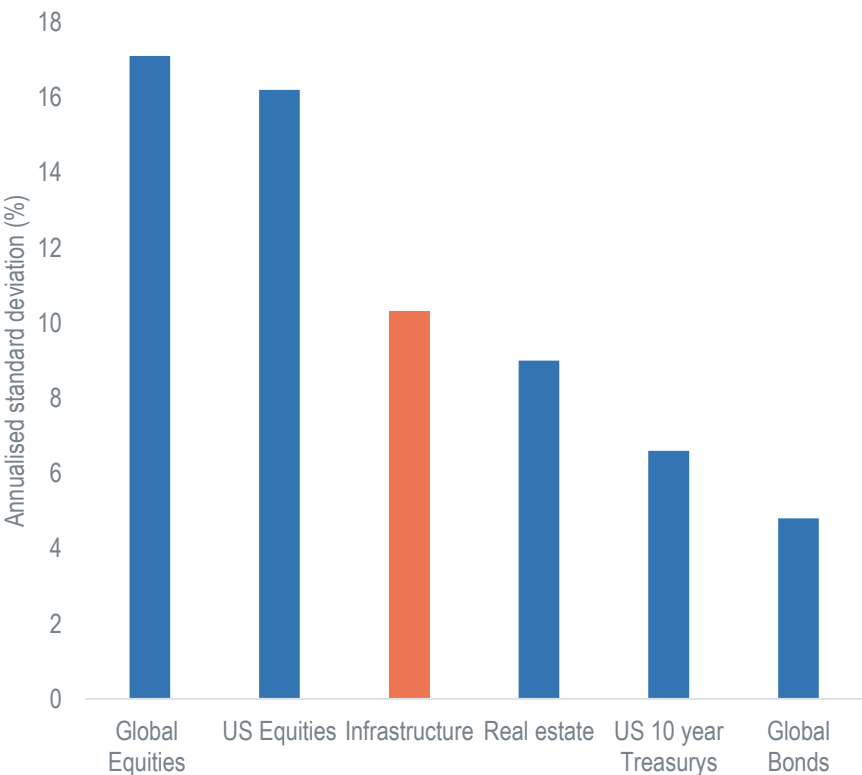


INFRASTRUCTURE HAS HISTORICALLY REMAINED STABLE DURING PERIODS OF MARKET VOLATILITY

AVERAGE QUARTERLY RETURNS DURING 10 WORST
QUARTERS FOR EQUITY MARKETS



VOLATILITY BY INVESTMENT TYPE

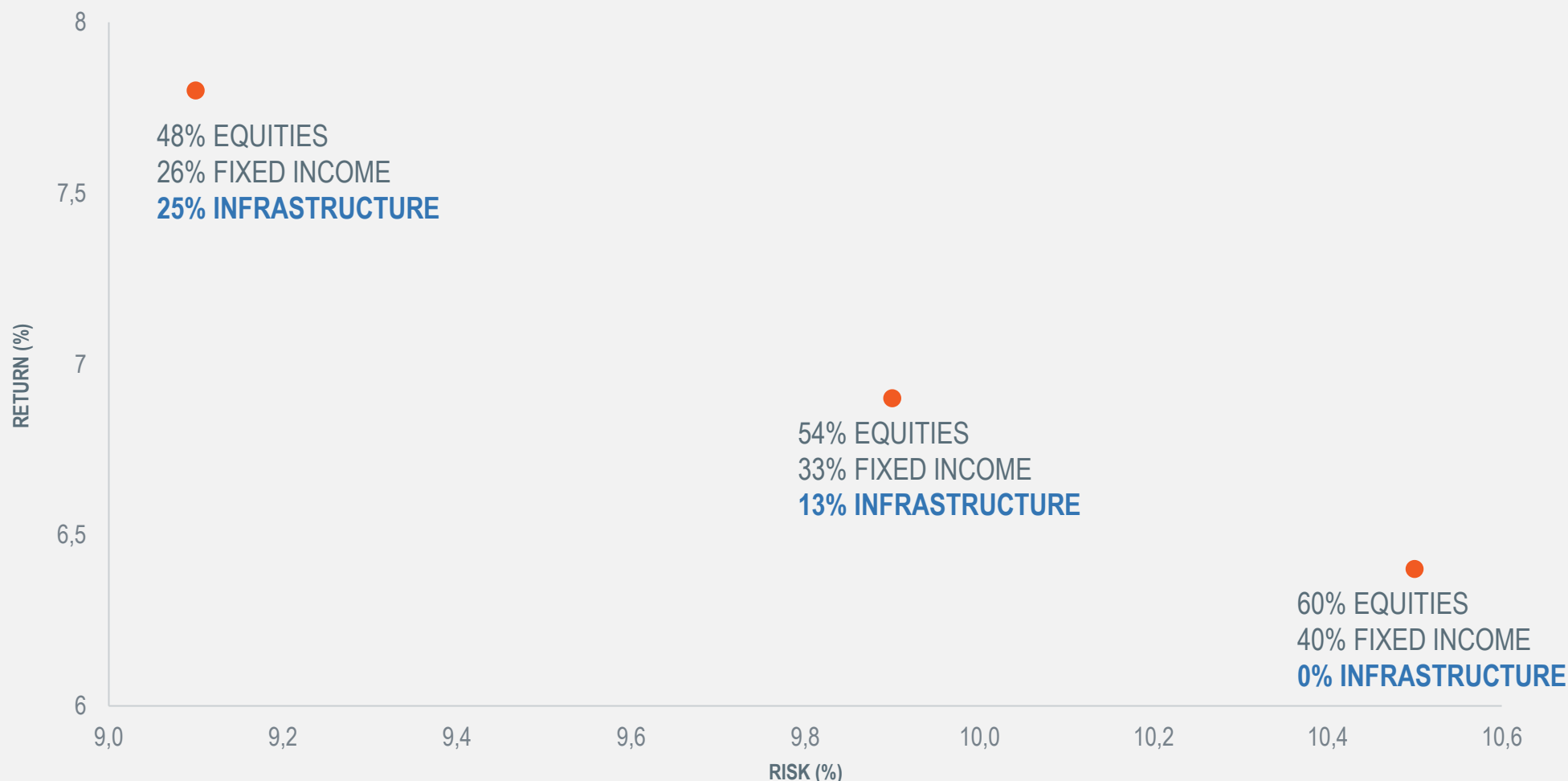


Source Chart 1: Brookfield, June 2024. Bloomberg Global Aggregate Index; Burgiss Global Infrastructure Index; MSCI World Index. For the period January 1, 2013 through June 30, 2023.

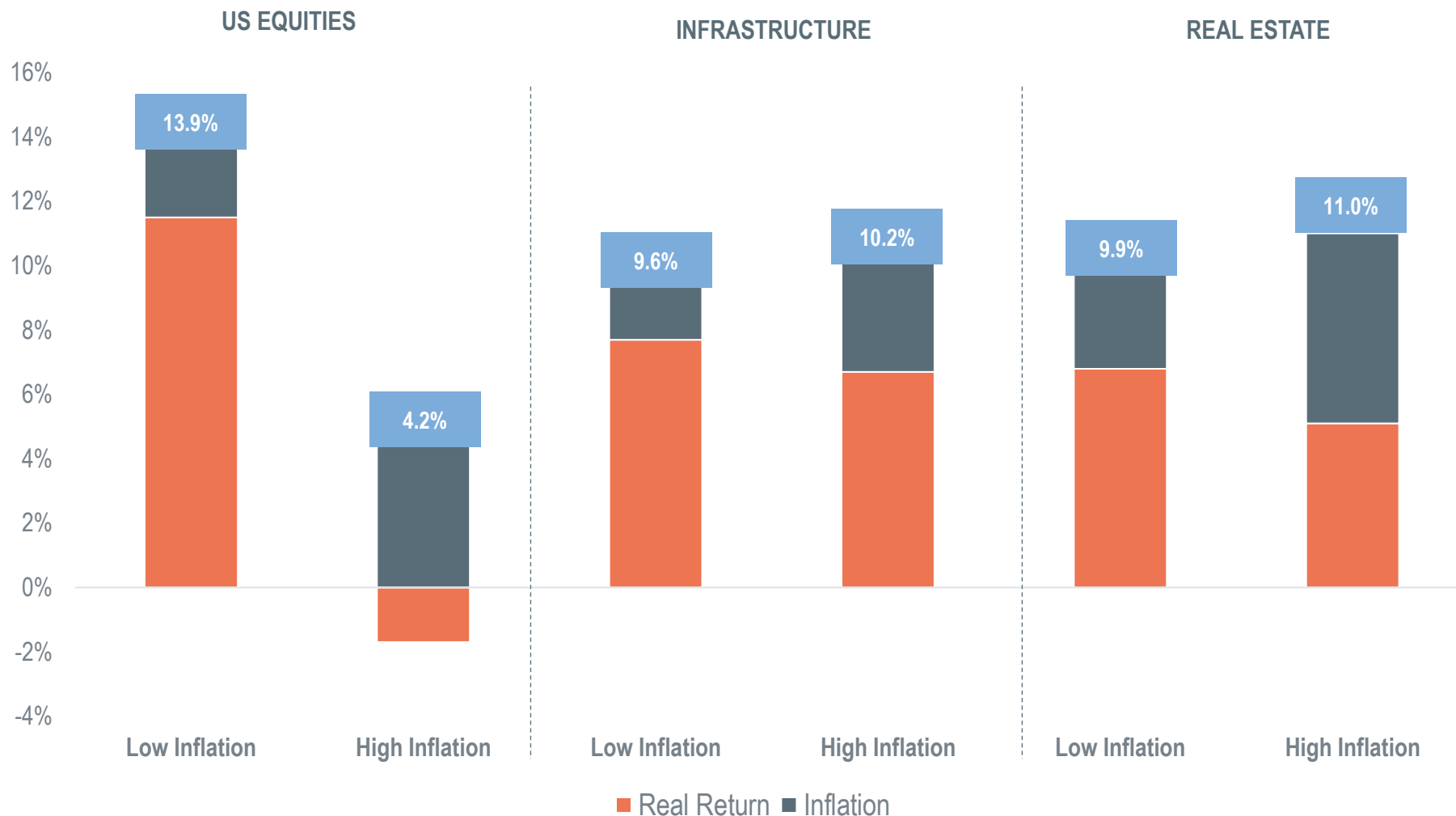
Source Chart 2: Cambridge Associates, Macrobond, Bloomberg Finance L.P. US equities: S&P 500 Index; Infrastructure: Cambridge Associate Private Infrastructure Index; Global equities: MSCI World Index; Global bonds: Bloomberg Global Aggregate Index; Real estate: Unlevered global real estate index, CoStar/PMA/JLL. Analysis conducted from 4Q03 to 3Q21.

INFRASTRUCTURE ADDS TO PORTFOLIO PERFORMANCE DUE TO HIGHER RISK-ADJUSTED RETURN AND DIVERSIFICATION BENEFITS

RISK / RETURN PERFORMANCE OF INVESTMENT PORTFOLIOS



INFRASTRUCTURE ASSETS PROVIDE PROTECTION AGAINST INFLATION



Source: KKR Insights. Annual total returns from 1928 to 2021 for the S&P 500, from 1978 to 2021 for Real Estate and from 2004 to 2021 for Infrastructure. US Public Equities modeled with S&P 500 Index. Private Infrastructure modeled using the Burgiss Infrastructure Index. Real Estate modeled using the NCREIF Property Levered Index. Data as at March 31, 2023. Source: Burgiss, NCREIF, Bloomberg, KKR Global Macro, Balance Sheet & Risk analysis.

NATURAL MATCH BETWEEN INFRASTRUCTURE INVESTMENT HORIZON AND LONG-TERM DURATION OF PENSION FUNDS

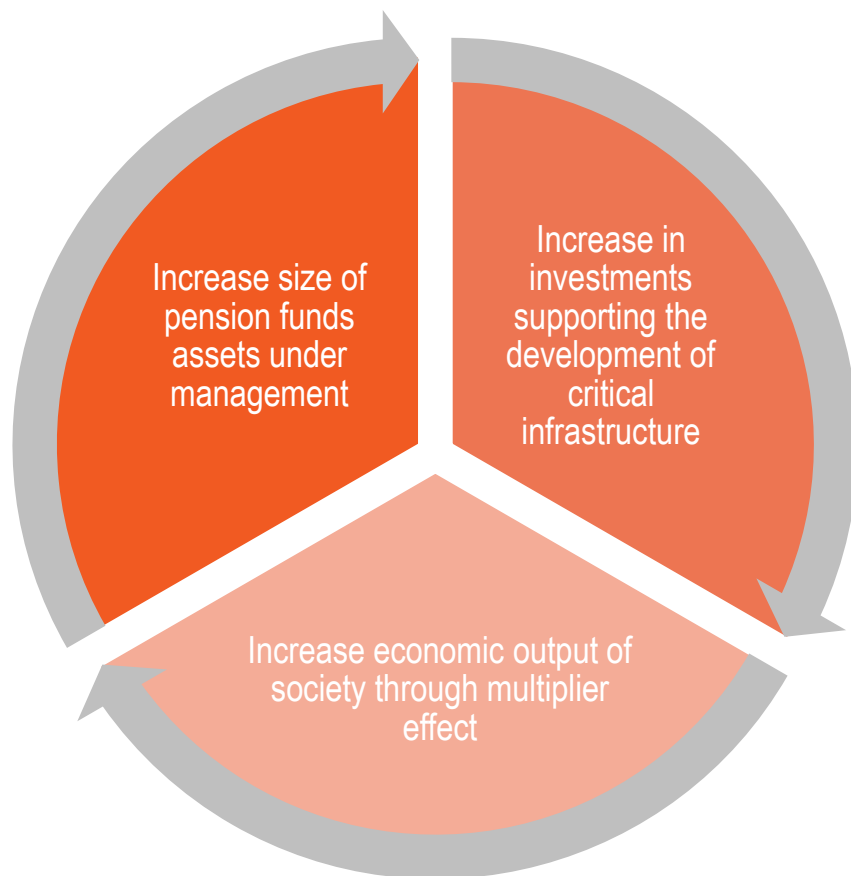
INVESTMENT HORIZON OF INFRASTRUCTURE ASSETS (25-40 YEARS)

TYPICAL PENSION FUND LIABILITY (20-40 YEARS)

TIME HORIZON →



STRONG ALIGNMENT OF INTERESTS



FOCUS ON CENTRAL & EASTERN EUROPE (CEE)

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DESPITE GLOBAL GEOPOLITICAL INSTABILITY, THE CEE REMAINS AN ATTRACTIVE REGION

12

CEE COUNTRIES

25%

SHARE OF EU POPULATION

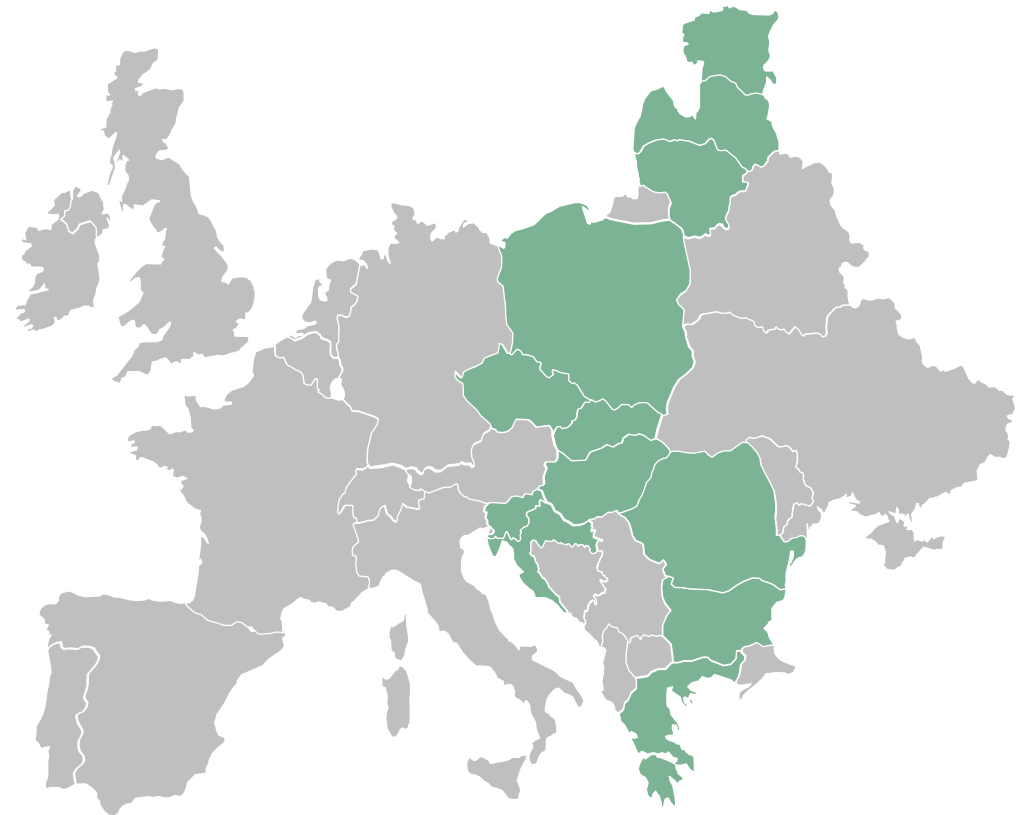
43%

OF REAL EU GDP PER CAPITA GROWTH IN 2024

0.2%

PRIVATE EQUITY SHARE OF GDP IN CEE

CEE countries		EU	Euro zone	NATO	OECD
Bulgaria		✓	(✓)	✓	
Croatia		✓	✓	✓	
Czechia		✓		✓	✓
Estonia		✓	✓	✓	✓
Greece		✓	✓	✓	✓
Hungary		✓		✓	✓
Latvia		✓	✓	✓	✓
Lithuania		✓	✓	✓	✓
Poland		✓		✓	✓
Romania		✓		✓	
Slovakia		✓	✓	✓	✓
Slovenia		✓	✓	✓	✓



CEE IS ONE OF THE FASTEST GROWING REGIONS IN EUROPE WITH AVERAGE FORECAST GDP AHEAD OF THE REST OF THE EU

1 FASTEST GROWING REGION IN THE EU

c.2x

Growth premium over Western Europe over the last 10 years



Rapidly improving energy, transport and digital connectivity to support higher economic growth

2 NEED FOR HIGH QUALITY INFRASTRUCTURE

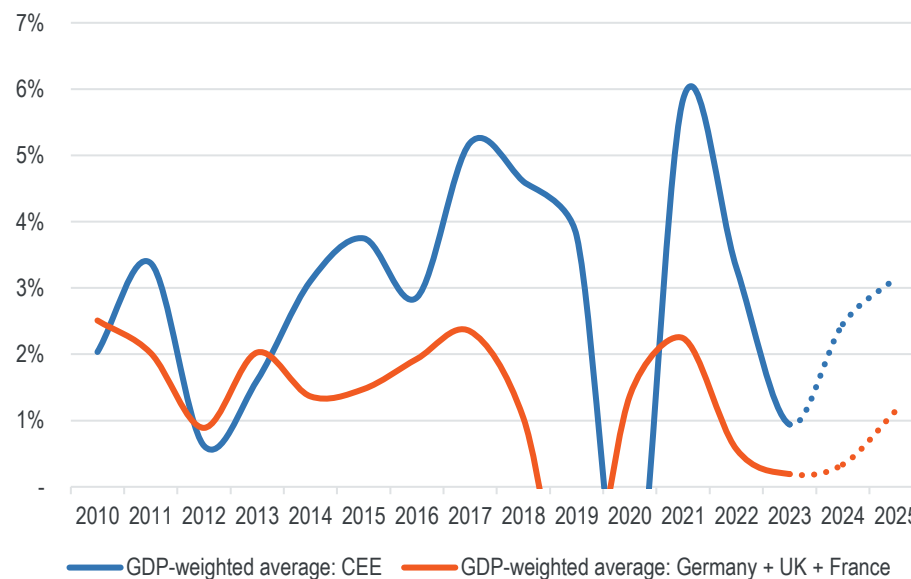
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Gap in infrastructure compared to Western Europe

9 of 12

CEE countries rank in the lower half of the Infrastructure Index¹

REAL ANNUAL GDP GROWTH



KEY DRIVERS FOR FUTURE GROWTH

- Economic and regulatory **convergence** of CEE EU member states with the rest of EU
- Rapidly improving energy, transport and digital **connectivity** supporting higher economic growth
- **Nearshoring** of Europe's industrial capacity driving the need for high quality infrastructure
- **Green transition** of the region to a cleaner forms of energy to fuel industrial growth and improve energy security

THANK YOU

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