



Infrastructure: Asset Realisation Strategy



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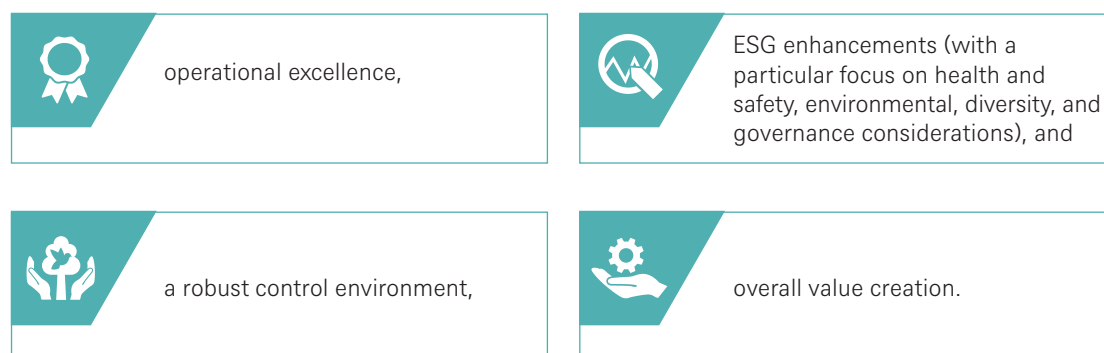
Crystallising investor returns through realisations across the economic cycle

DWS' infrastructure business seeks to provide investors with attractive investment returns, through capital appreciation and regular cash yield, by investing in a diversified portfolio of infrastructure businesses. To do so, the team seeks exposure to assets whose market position and underlying macroeconomic trends, both provide a resilient business profile and create an opportunity to build platforms for growth, for example, through geographic expansion, market share growth, or expansion into adjacent businesses¹.

Scaling portfolio companies from mid-cap to large-cap and continuous risk mitigation are the two pillars of our strategy to transition our assets from mid-cap core plus infrastructure to large-cap core infrastructure businesses with the aim of securing attractive premium on exit.

DWS develops its realisation strategy during the due diligence of an asset, as part of the "equity story". To invest, the team must have strong conviction in the asset's potential over the long term, underpinned by solid market, demographic, and regulatory tail winds. During the due diligence phase, the team develop an acquisition business plan that sets out the steps to maximise value during the holding period.

Following acquisition, the DWS team maps the main risks and opportunities for the asset, which inform an action plan to seek to deliver on **growth** and **value creation**. The team focuses on portfolio company management teams, ensuring they are equipped with the right skill set and experience and properly incentivised to deliver the plan. This alignment with shareholder objectives creates a framework that supports:



Risk reduction is fundamental to the team's asset management approach.

The DWS infrastructure team identifies and addresses potential risks across a company's operations through reviewing contractual structures, operational processes, and further diversifying client and business mix. The team typically seeks to refinance acquisition funding to secure long-term infrastructure debt to fund growth through capex projects, bolt-on acquisitions, and geographical expansion, while supporting regular distributions to investors.

Exit strategies for portfolio companies are reviewed on a regular basis, taking into account both the business achievements compared to the equity plan, and the market environment.

Portfolio companies that, under DWS ownership, can demonstrate strong growth and risk reduction, are well positioned for exit to a competitive group of buyers benefitting from a lower cost of capital: large-cap infrastructure funds, direct institutional investors, strategic players and sovereign funds.

¹ There is no assurance that investment objectives can be achieved.



Case Study 1 – Akiem: how did we deliver?²

Equity Story

The team identified Akiem as an attractive investment target in 2015: the company had an ambitious growth plan supported by solid sectoral tailwinds, strong market positioning, and demonstrable infrastructure characteristics. The business was also positioned to leverage the SNCF – the French state-owned rail operator, its parent company – operational experience and relationships with Akiem’s client base, freight rail operators across Europe. At the time of acquisition in 2016, locomotive leasing required significant investment to support market growth, achieve higher leasing penetration, and replace an ageing fleet. DWS recognised the underlying resilience of the business model – based in part on research and a deep understanding of the UK rolling stock sector – and predicted that, through the development of our asset management plan, the business could over time be positioned for sale to a long-term investor.



Focus on Management

DWS reinforced the senior management team, including the recruitment of a new CFO, a new head of leasing, a new maintenance organisation and solid support functions. A long-term management incentive plan with an element of equity participation was put in place, which aligned shareholders’ and management’s interests.



Focus on Risk Reduction

The DWS team drove the internationalisation of Akiem, transitioning the business from one that generated 70% of revenues in the domestic market to one that generated 70% of its revenues outside France. The team supported management in the diversification beyond rail freight by entering the maintenance services and passenger train leasing markets. The asset management team supported the professionalisation of the business, putting in new policies and procedures as

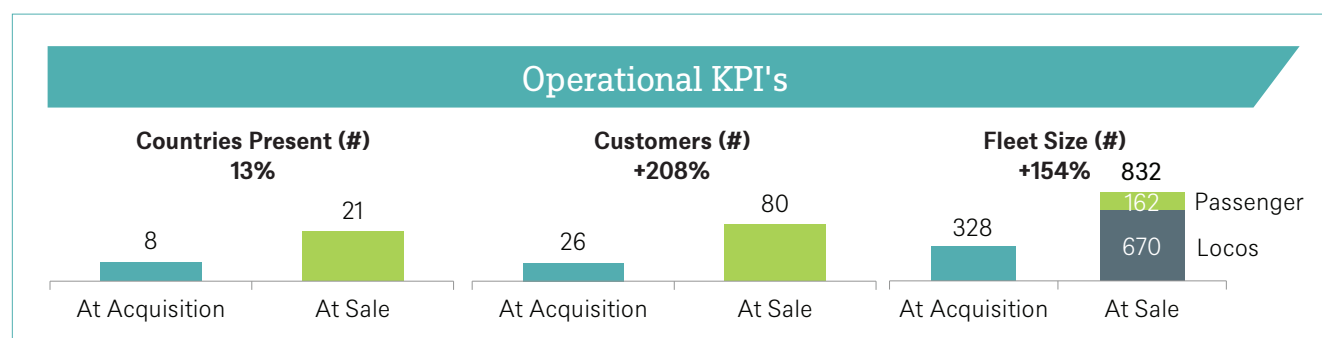
well as a new company-wide IT system. ESG was a key focus area: the DWS team helped develop a 3-year roadmap which addressed CSR strategic guidelines and sustainability with a focus on the environment (for example, CO₂ emission reduction), while also reviewing and enhancing health & safety policies and procedures.



Focus on Growth

DWS identified and realised numerous organic and external growth initiatives. Bolt-on M&A acquisitions included mgw (now Akiem Technik), the NS fleet, Macquarie European Rail, and the SMBCL fleet; these transactions, coupled with procurements, more than doubled the Akiem fleet size while increasing its geographic footprint.

Furthermore, the original acquisition financing debt and capex facility were successfully refinanced and a diversified long-term portable investment grade financing platform was put in place to fund this and future growth.



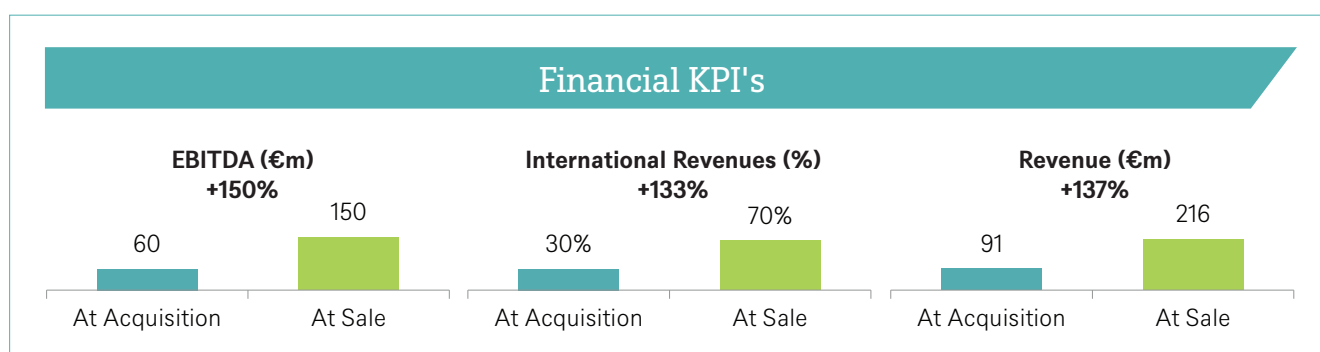
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Following the successful delivery of the Akiem growth plan and its repositioning as a core, large-cap asset, as well as the entry of investors with a lower cost of capital in the locomotive leasing market, the DWS team concluded that 2022 was the optimum time for a sale to allow another investor to undertake the next stage of the company's development. The auction

process was met with a strong demand from investors. The DWS team selected CDPQ as the best steward for the Akiem business on the next phase of its growth journey.

Throughout its hold period, Akiem delivered an average cash yield of 6.3% per annum. The December 2022 exit generated a Net IRR of 24.4%, with a multiple on invested capital of 3.0x, far in excess of the underwriting case and at a ~60% premium to holding NAV³.



³ Source: DWS Alternatives Global Limited as at 31 December 2022. Net of Management Fees. Past performance is not a reliable indicator of future returns. PEIF II is closed to new investors. No assurance can be given that investment objectives will be achieved. There is no guarantee that target yields will materialise. Forecasts are based on assumptions, estimates, opinions and hypothetical models or analysis which may prove to be incorrect. Totals may slightly differ due to rounding. Past performance is not a reliable indicator of future returns. This information is intended for informational purposes only and does not constitute investment advice, a recommendation, an offer or solicitation.



Case Study 2 – TCR: how did we deliver?⁴

Equity Story

DWS's infrastructure business completed the acquisition of TCR from Chequers Capital and Florac in July 2016, working in joint-venture with 3i Infrastructure. TCR is the world's largest ground support equipment rental and services provider, offering clients tailored comprehensive leasing solutions and maintenance contracts. Following the due diligence process, the deal team was attracted by TCR's dominant position in a niche market underpinned by attractive sector fundamentals and contractual agreements that provided significant cash flow stability.



Focus on Management

Following the acquisition, the DWS asset management team focused on reorganising the senior management team – including CEO succession and the appointment of a new CFO – and implementing an attractive incentive program to align shareholder and management interests. A new governance and control framework was established, with processes and reporting enhanced to meet best-in-class standards.



Focus on Risk Reduction

The team undertook a complete overhaul of the company's health & safety and compliance culture, as well as developing a clear sustainability strategy that supported the achievement of both airports' and airlines' decarbonisation targets. A long-term investment grade financing platform was also put in place.

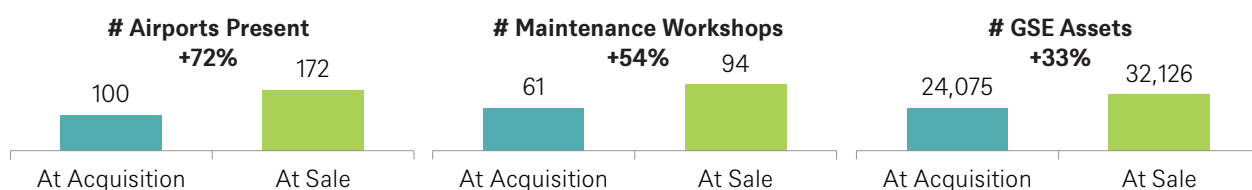
TCR remained exceptionally resilient throughout the Covid-19 pandemic. In the peak of the crisis – when air traffic movements dropped by c.80% versus pre-pandemic levels – there was limited impact on TCR's EBITDA. This outperformance was made possible by TCR's medium to long-term contracts, which insulated the company from volume risk given the high proportion of availability-based revenues.



Focus on Growth

Throughout its ownership, the DWS asset management team actively supported growth initiatives. These included TCR's geographic expansion in Australasia with the acquisition of Emerge (an Australian company) and subsequent roll-out of its rental business model in New Zealand. In Europe, TCR consolidated its market leading position in the French market through the acquisition of Aerolima, a key local competitor. TCR also expanded its operations organically, establishing successful new platforms in the US, the Middle East, and across APAC.

Operational KPI's



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Focus on ESG

TCR embodied strong ESG characteristics which were highlighted during DWS's ownership period. Focus was placed on further electrifying TCR's motorised GSE fleet and a specific contract-pricing mechanism was added to internal procedures to consider for this. More broadly, through TCR's pooling services at airports, unnecessary emissions from overlapping fleets are removed.

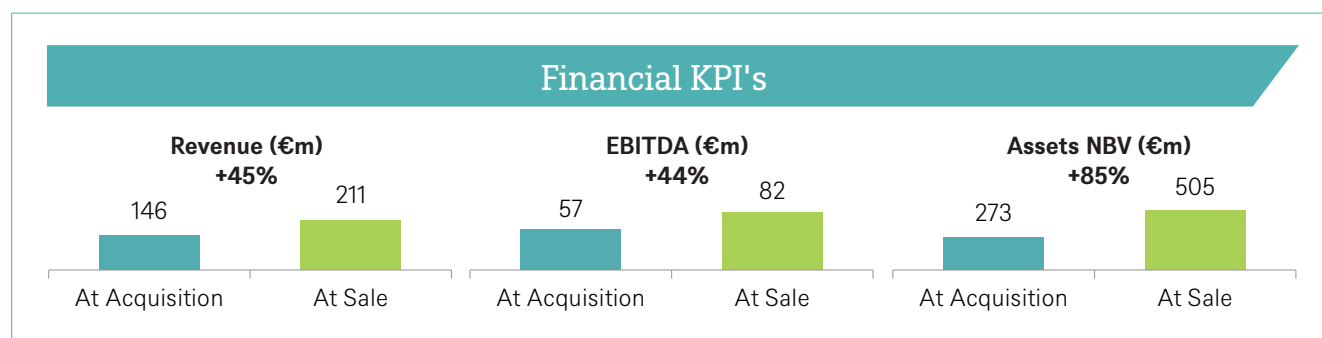
business model and strong potential for growth globally. The company's resilience throughout the pandemic reinforced buyer interest, including from DWS's joint-venture partner. DWS engaged an investment bank to initiate a dual track process, sounding the market and preparing for a broader auction process while also engaging with 3i Infrastructure, creating competitive tension. As a result, the team secured a significant price premium from 3i Infrastructure, resulting in a valuation materially above what we would have expected via an auction process.



Exit

TCR enjoyed strong market interest throughout the holding period, with potential buyers attracted by the defensive

The October 2022 exit generated a Net IRR of 14.7%, a 2.6% cash yield, a multiple on invested capital of 2.2x and a 20% premium to holding NAV⁵.



⁵ Source: DWS Alternatives Global Limited as at 31 December 2022. Net of Management Fees. Past performance is not a reliable indicator of future returns. PEIF II is closed to new investors. No assurance can be given that investment objectives will be achieved. There is no guarantee that target yields will materialise. Forecasts are based on assumptions, estimates, opinions and hypothetical models or analysis which may prove to be incorrect. Totals may slightly differ due to rounding. Past performance is not a reliable indicator of future returns. This information is intended for informational purposes only and does not constitute investment advice, a recommendation, an offer or solicitation.



Case Study 3 – Rimorchiatori Mediterranei (RM): how did we deliver?⁶

Equity Story

DWS's infrastructure business identified harbour towage as an attractive segment of the infrastructure market after previous investments in seaports. In 2017, PEIF II acquired a 35% stake in Rimorchiatori Mediterranei ("RM"), the leading harbour towage operator in Italy, making DWS the first financial investor to enter in this sector in Europe. The DWS team, in partnership with RM's majority shareholder Rimorchiatori Riuniti (RR), aimed to support the growth ambitions of RM to become a global leader in the harbour towage sector.



Focus on Management

Following investment, DWS employed an active asset management approach to drive growth and resilience in the business. Key initiatives included the carve out of RM from RR, as well as the reorganisation of the senior management team, with the appointment of new independent CEO and CFO.



Focus on Risk Reduction

The DWS asset management team secured the extension of the Malta concession until 2035, as well as the renewal of the Genoa concession in 2022 for an additional 15 years and in line with previous economic conditions. As Malta and Genoa represent the two largest contracts in RM's European portfolio, their extension significantly increased the average remaining life of RM's concession relative to acquisition.

The team also overhauled the company's ESG, health & safety and compliance culture, and aligned them to DWS' standards.

Finally, the business was successfully refinanced following the renewal of the Genoa concession and in conjunction with the acquisition of Keppel Smit Towage (KST), with €190 million financing put in place, including capex and working capital facilities to support RM's growth.

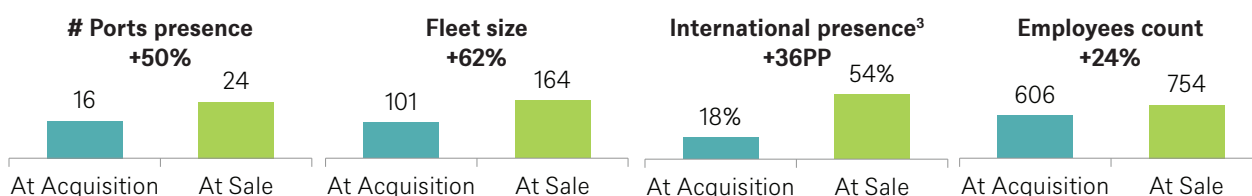


Focus on Growth

DWS identified and effectively implemented the acquisition expansion strategy with successful add-on acquisitions both in Italy and internationally, with transactions in Greece and Colombia in addition to the transformative acquisitions of KST and Maju Maritime in Singapore and Malaysia.

Over a 5-year ownership period, the business transitioned from a family-owned, Mediterranean-based company, into an independent global leader in harbour towage, with a diversified geographic presence, a long-term portfolio of concessions and a structured organisation supporting the business growth.

Operational KPI's



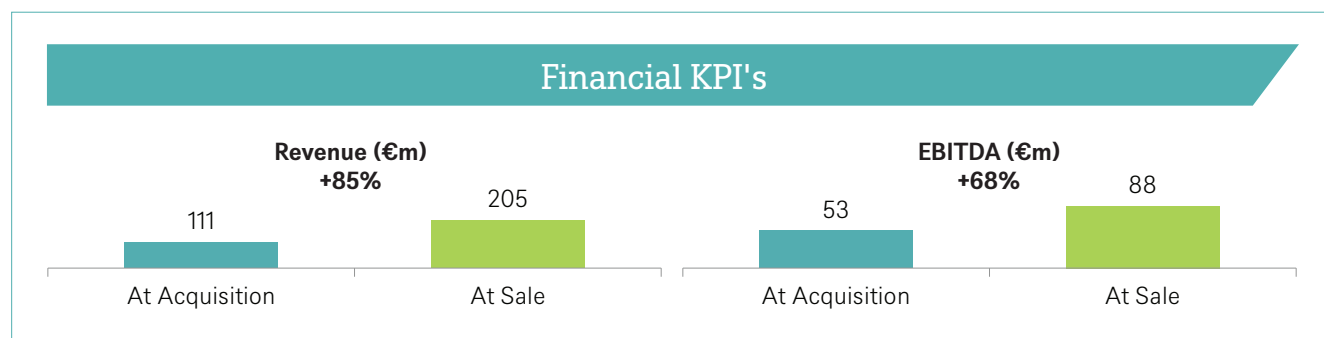
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The market has always demonstrated a strong interest in RM, due to its attractive business model and potential for further international expansion. Following the DWS decision to launch a sale process for its stake, RM's co-shareholders agreed to launch a joint process for a 100% sale, demonstrating the strong relationship and alignment with the industrial partner. This combined sale enhanced the attractiveness of the process and enlarged the universe of potential buyers.

The DWS team began to prepare RM for sale via a formal auction process in 2022, at which point MSC, one of the leading global shipping companies, submitted an unsolicited offer. This approach increased the competitive tension and resulted in a significant price premium from MSC relative to their initial offer.

The realisation of our investment in RM –which completed in April 2023 –generated a Net IRR of c.19%, with a multiple on invested capital of 2.1x, having delivered an average cash yield of 4.2% per annum during the hold period⁷.



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