Channel

Infrastructure NZ

$50m equity raise to fund contracted storage services

25 November 2024

This presentation should be read in conjunction with, and is subject to, the Disclaimer and Important Notice detailed on pages 28-31 of this presentation

Contents

Overview of the equity raise and rationale

New storage contracts secured in 2024	• Channel Infrastructure continues to make significant progress towards its strategy of becoming a world-class energy infrastructure company. Over the course of 2024 it has continued to execute on its growth strategy by entering into three new growth contracts to deliver a number of brownfield conversions and repurposing opportunities at its Marsden Point Energy Precinct: • Announced today, Channel Infrastructure has entered into a 15-year contract to provide bitumen terminalling services for Higgins, a subsidiary of Fletcher Building Limited, at Marsden Point. The capacity-based contract is expected to generate total revenue over the term of the contract of ~$45 million (prior to PPI indexation) commencing 2H 2026, and is expected to require growth capital expenditure of between $17-21 million across FY25 and FY26 to deliver the required infrastructure. The Higgins project represents a significant milestone in Channel Infrastructure's growth strategy by diversifying the Company's customer base and expanding its current product handling set. The project will require incremental operating expenditure of ~$0.2 million per annum; • Announced on 23 August 2024, a 10-year jet fuel storage contract with Z Energy at Marsden Point requiring $26-30 million of growth capital expenditure across FY24-FY26, and generating incremental revenue of ~$55 million (prior to PPI indexation) over the term of the contract commencing in Q1 2027; and • Announced on 1 May 2024, a 7-year customer contract to store and export transmix[1] for bp, Mobil and Z Energy, requiring between $12-15 million of growth capital expenditure in 2024, and generating total revenue over the term of the contract in excess of $20 million (prior to PPI indexation) commencing in late Q4 2024.
Equity raise and use of proceeds	• Channel Infrastructure is raising approximately $50 million via a 1 for 12.12[2] underwritten pro rata accelerated renounceable entitlement offer of new fully paid ordinary shares, at an Offer Price of $1.60 per New Share • This equity raise will provide funding for growth projects secured over a short timeframe across 2024 and help position Channel to participate in additional on-strategy growth opportunities should they eventuate • Once operational, the new growth contracts and equity raise combined are expected to be revenue, free cash flow and earnings per share accretive

1. *A mix of petrol/jet/diesel product that results from the operation of terminals and multi-product pipelines*
2. *Fractional entitlements to New Shares to be rounded down to the nearest whole number of New Shares*

Investment Highlights

Helping fuel New Zealand's future to 2050 and beyond

OUR VISION

World-class energy infrastructure company

OUR PURPOSE

Delivering resilient infrastructure solutions to meet changing fuel and energy needs

OUR STRATEGIC PRIORITIES

World-Class Operator	High Performance Culture	Grow from the Core	Support Energy Transition	Disciplined Capital Management	Good Neighbour, Good Citizen
Strong safety systems and culture Resilient infrastructure Long-term asset management Customer focused	People and capability development Future focused Continuous Improvement Adaptive	Brownfield opportunities at Marsden Point Consolidator of fuels infrastructure Supply chain optimisation for our customers	Repurposing Marsden Point Support transition of aviation to lower carbon fuels Marsden Point Energy Precinct Concept	Target credit metrics consistent with a BBB+ shadow credit rating Deliver above WACC returns Cost management Stable dividends	Reducing environmental impacts Community engagement and iwi relations Just transition Transparency and disclosure
NZ's Infrastructure Partner of Choice		Grow Through Supporting the Energy Transition		More Sustainable Future	

Stable and predictable infrastructure returns

Stable and predictable earnings

91%
Revenue indexed to PPI

FY24 stay-in-business capital expenditure guidance
$11-12m

$92-$96m
FY24 EBITDA guidance

EBITDA Margin
69%

Strong cash flow and balance sheet[1]

EBITDA to Free Cash Flow (FCF) Conversion
68%

Leverage
3.4x
EBITDA within the targeted range of 3 - 4x

Free Cash Flow Yield [2,3]
9%

Targeting credit metrics consistent with a shadow credit rating[5]
BBB+

Capital allocation framework to deliver to shareholders

Total FY23 Dividend
12
cents per share[4]

Dividend Policy
60-70%
Normalised FCF paid out to shareholders with 30-40% available for deleveraging and growth

Stable Ordinary Dividend. FY23 Yield[3,4]
7%

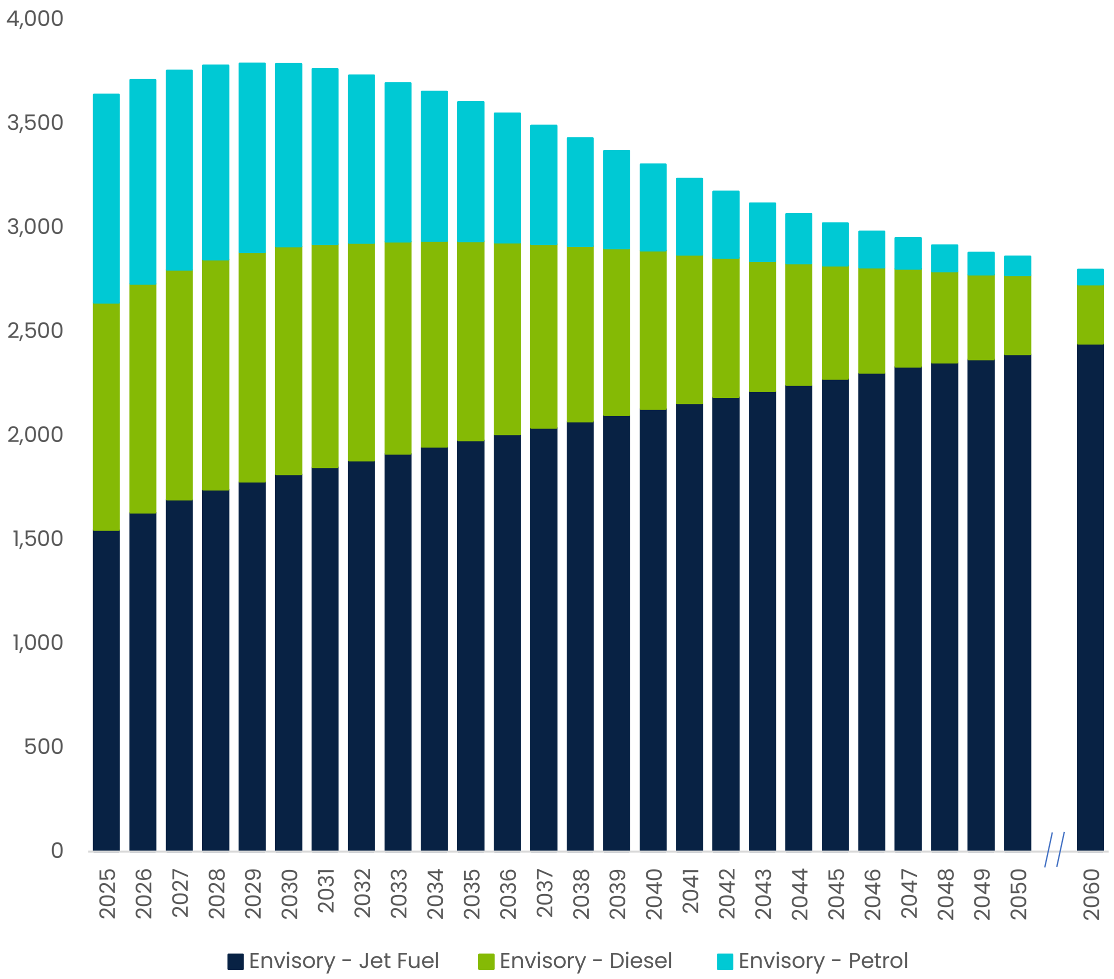
Investment criteria
- Above WACC returns
- Contracted Revenue

All balance sheet metrics are as at 30 June 2024, all financial performance metrics are for HY24, unless otherwise stated

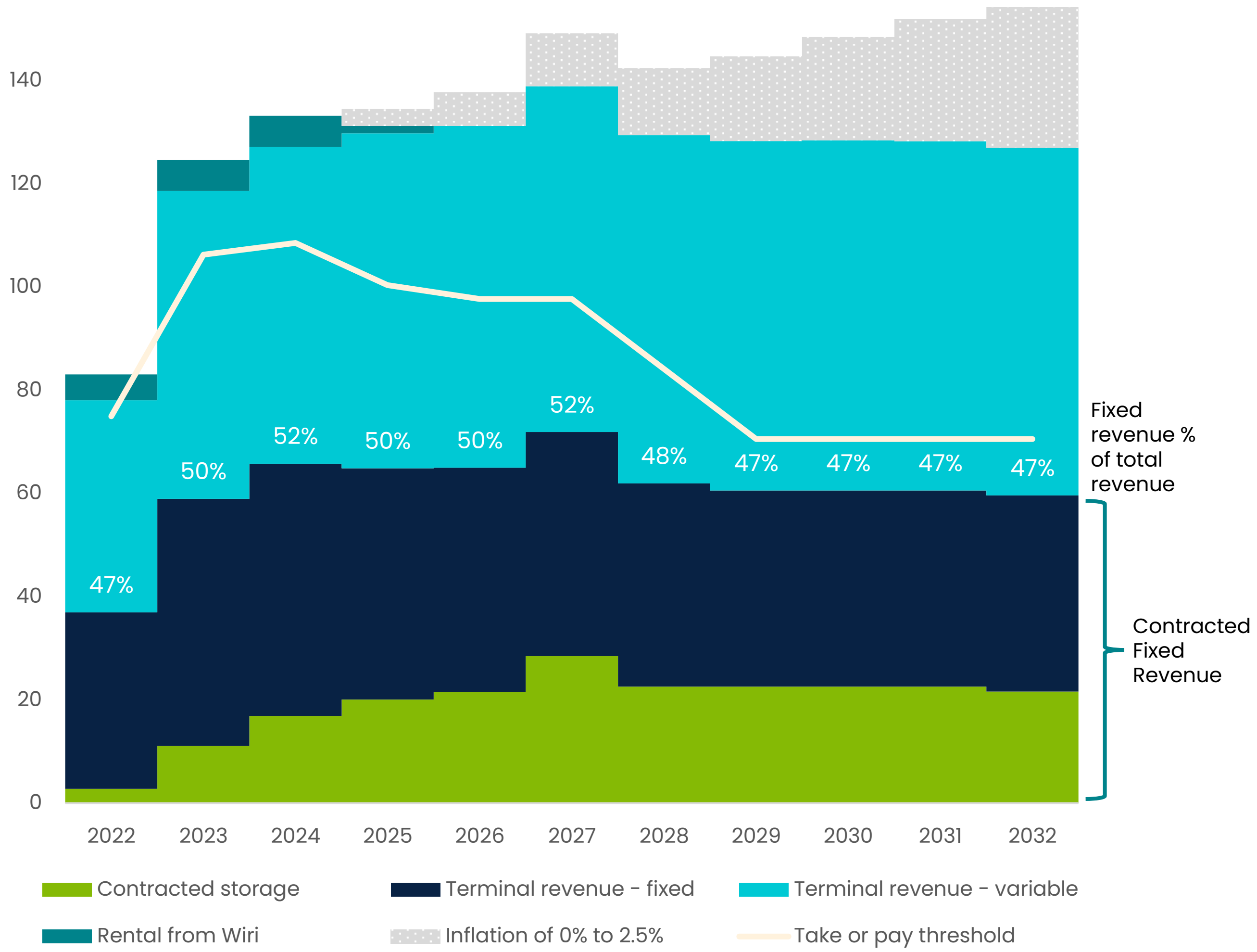
1. *Channel holds its surplus land and Import Terminal System at fair value in accordance with NZ IFRS 13. The valuation of these assets is tested at each balance date. Management is in the process of updating third party valuations of both of these assets which may result in a material impact on the value at which these assets are held in Channel's Balance Sheet. At this stage it is considered unlikely that the third party valuers would assess the carrying value of these assets to be below the current book value*
2. *Normalised free cash flow as at 31 December 2023. Normalised free cash flow is calculated as net cash flow from continuing operations less maintenance capex (excluding conversion costs and growth capex)*
3. *Based on the 3-week volume weighted average share price over 4 – 22 November 2024 of $1.76*
4. *Dividend includes special dividend declared in FY23 of 1.5 cents per share*
5. *Target credit metrics are defined in accordance with Standard & Poor's Corporate Methodology*

Long-term business underpinned by jet fuel demand and contracted revenue

Marsden Point Throughput Outlook (Million Litres)[1]



Contracted Revenue Outlook ($M)[2]



1. *Source: Envisory September 2024*
2. *Revenue is in 2024 terms. Outlook uses Envisory base case (September 2024) assumptions and is subject to change based on actual fuel throughput volume*

Growth opportunities secured in 2024

Channel Infrastructure has secured three new growth contracts with strong counterparties in 2024, which will deliver an estimated ~$120 million in incremental revenue (prior to PPI indexation) over a 15-year period

Transmix
(announced 1 May 2024)

Upgrade Marsden Point infrastructure

7-year contract with customers to upgrade Channel's Marsden Point infrastructure to enable transmix to be stored and exported

Capex of $12-15 million in FY24 and expected total revenue over the term of the contract in excess of $20 million (prior to PPI indexation), commencing Q4 2024

Z Energy Storage Contract
(announced 23 August 2024)

Boosting resilience in NZ's jet fuel supply chain

10-year contract to store jet fuel for Z Energy at Marsden Point

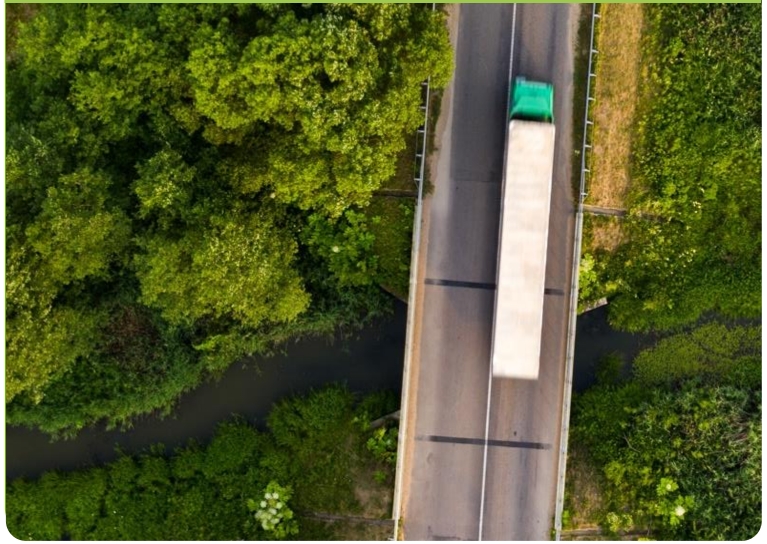
Capex of $26-30 million across 2024 to 2026. Expected total revenue ~$55 million over contract term (prior to PPI indexation), commencing Q1 2027

Bitumen
(announced today)

Diversifying customer base and product handling set

15-year contract to provide bitumen terminalling services for Higgins at Marsden Point

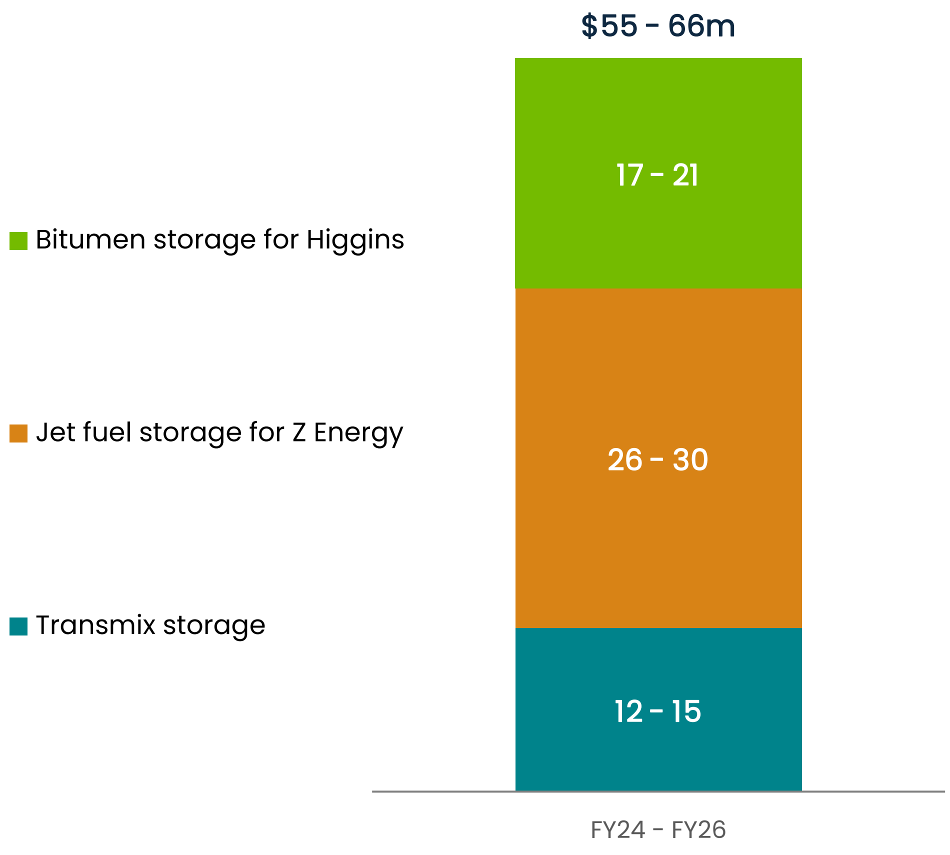
Capex of $17-21 million across 2025-2026. Expected total revenue revenue over the initial term of the contract of ~$45 million (prior to PPI indexation), commencing in H2 2026



Growth opportunities secured in 2024 (cont'd)

Investment for growth delivers above WACC returns and contracted revenues

FY24-26 growth capital expenditure ($m)



Illustrative incremental revenue effective from FY27[1] ($m)

1. *Pre-PPI indexation*

Further potential growth opportunities

There are several other potential growth opportunities available to Channel

Near-term growth at Marsden Point

Supporting Fuel Resilience

Continue to support customers as they look to meet the incoming minimum stockholding obligations

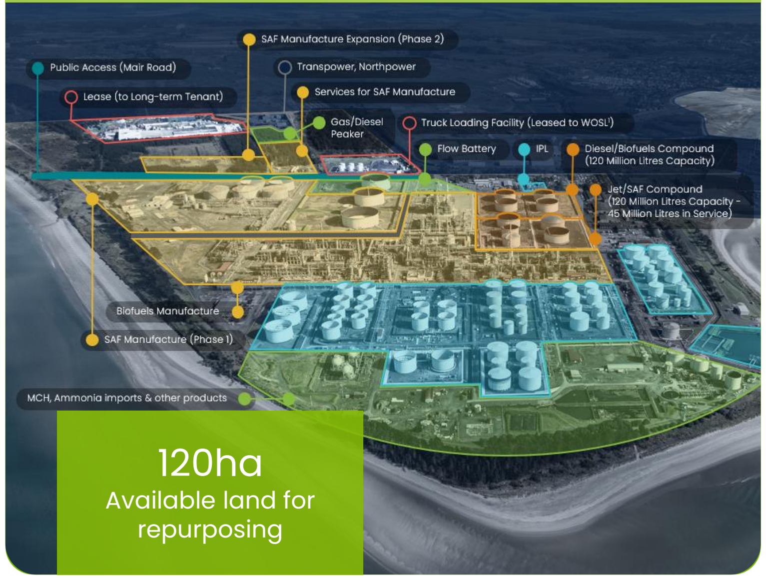
Continue to support customers to create supply chain efficiencies

Marsden Point Energy Precinct Concept

Energy Precinct could help underpin New Zealand's energy and fuel security and resilience

Long-term pathway to unlocking significant value over time as strategic tenants are attracted to the 120 hectares of unutilised industrial zoned land and ancillary services Channel can provide

Potential for renewable fuel production to utilise some available land



Growth outside Marsden Point

Acquisition of Other Infrastructure

Fuel markets undergoing transition

Demonstrating world-class operations is key to positioning for these opportunities

Potential opportunities as terminal assets are consolidated

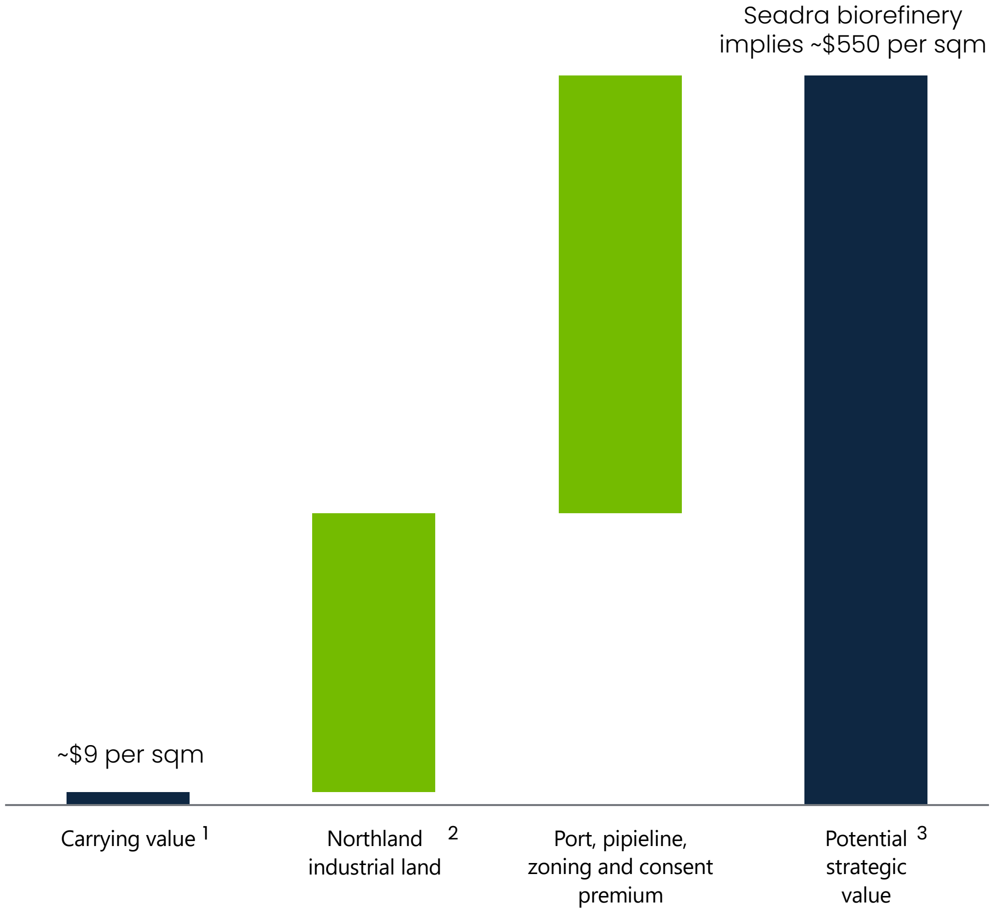
Repurposing of surplus land

Channel Infrastructure's unique site is well positioned to support New Zealand's energy transition

Key Site Attributes

- ✓ 180 hectares of highly strategic land
- ✓ Heavy industrial zoning
- ✓ Marsden Point Energy Precinct zoning overlay
- ✓ Long-term industrial resource consents relating to fuel manufacturing
- ✓ 220kV electricity grid connection at site boundary
- ✓ Industrial scale water supply
- ✓ Connection to natural gas network
- ✓ Critical part of Auckland's fuel supply chain
- ✓ Sheltered, deep water harbour and jetties capable of accommodating larger vessels
- ✓ Located close to proposed motorway extension and rail spur

Potential strategic land value



1. As at 31 December 2023
2. High level rate per square metre estimates for ready to build, fully serviced industrial sites provided by PwC Advisory Services
3. Derived based on potential value implied by Seadra Project Development Agreement announced on 1 October 2024

Marsden Point Energy Precinct Concept

1. WOSL: Wiri Oil Service Limited

Potential Future Fuels Manufacturing at Marsden Point Energy Precinct

Potential Marsden Point Biorefinery Project

- Seadra Consortium (Seadra, Qantas, Renova Inc, Kent Plc and ANZ) considering the development of a biorefinery on Channel's site
- Project contemplates the acquisition and repurposing some of Channel's decommissioned refinery equipment, and addition of new equipment, a lease of 18 – 20 hectare site generating c.$6-7m per annum, and fees from provision of additional infrastructure
- Potential sale price of decommissioned refinery equipment up to US$56.875m (including option payments received, but before transaction costs customary for asset sales of this nature)
- Seadra Consortium would be responsible for build-own-operation of the biorefinery plant, with Channel as landlord and provider of agreed infrastructure and services
- Project remains subject to further engineering studies, agreement on commercial terms and final form agreements, completion of funding and final investment decision by the Seadra Consortium and Channel (expected by 2H 2025)

Potential e-Sustainable Aviation Fuel (SAF) project

- Ongoing study by Fortescue
- Project contemplates a 300MW ~60 million litre e-SAF production facility with potential to expand the project in future
- Utilises renewable electricity to produce green hydrogen, which is combined with CO_2 to produce e-Sustainable Aviation Fuel, a drop-in fuel for existing aircraft and infrastructure
- Project currently in pre-feasibility phase and remains subject to the satisfactory completion of feasibility studies and final investment decision

Channel's potential roles

- ✓ Landlord
- ✓ Jetty
- ✓ Fuels Storage
- ✓ Ancillary services (blending, fuel quality testing)
- ✓ Operations and Maintenance

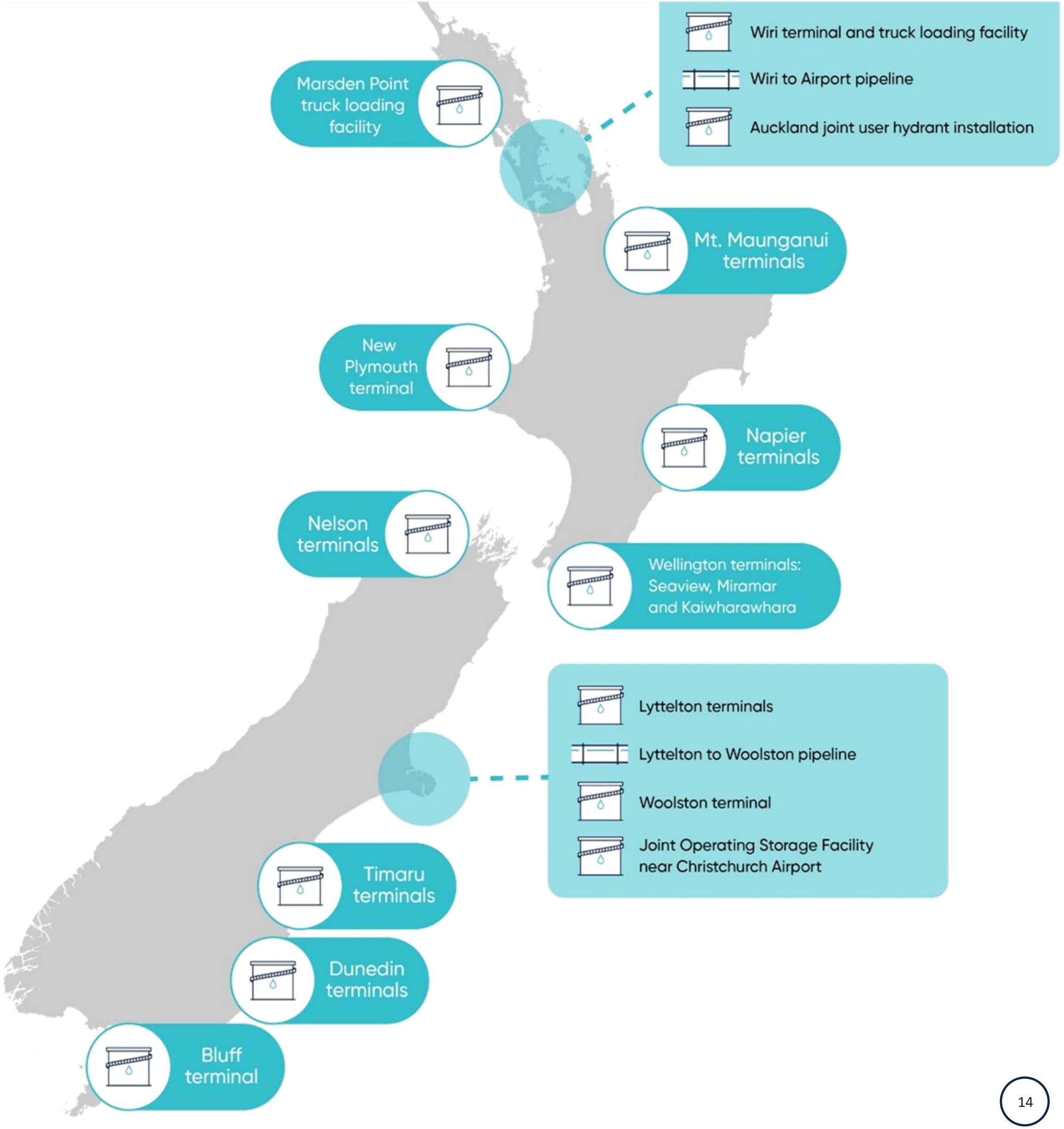
Growth outside Marsden Point

Channel remains committed to pursuing the acquisition of terminal assets outside Marsden Point

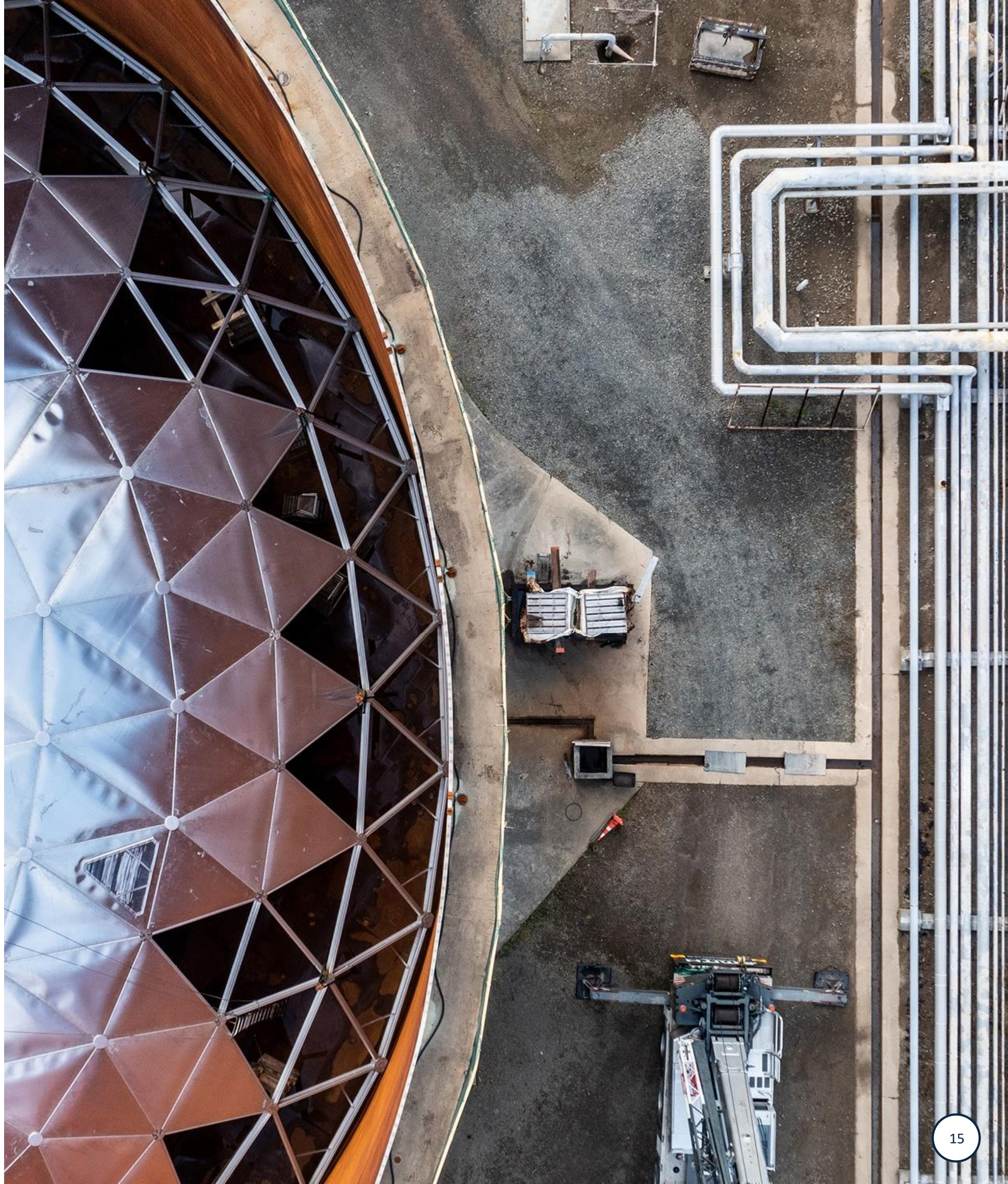
- Fuel markets are undergoing a transition. Channel remains open to owning and/or operating other fuel infrastructure assets
- Our world-class capability is key to positioning for these opportunities and demonstration that Channel is a highly credible and reliable supply chain partner to customers
- Most interested in aviation as well as diesel assets given the medium-term outlook
- Should petrol demand decline in line with the Envisory outlook, it may present opportunities to consolidate terminal infrastructure around New Zealand to benefit overall customer supply chain costs and resiliency through changes in fuel demand
- Unlocking investment opportunities will take time

Any acquisitions would remain subject to our disciplined investment criteria

- Customer contracts that provide revenue certainty with strong counterparties
- Above WACC returns

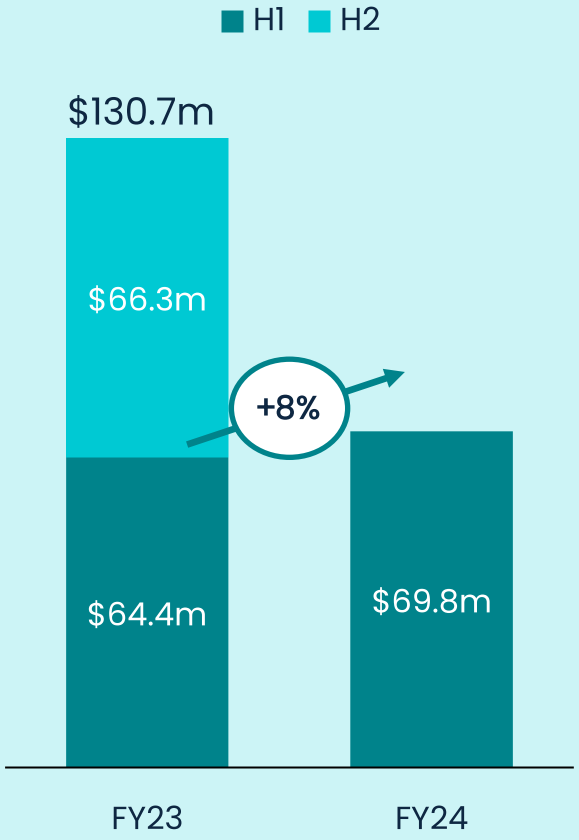


Financial Performance

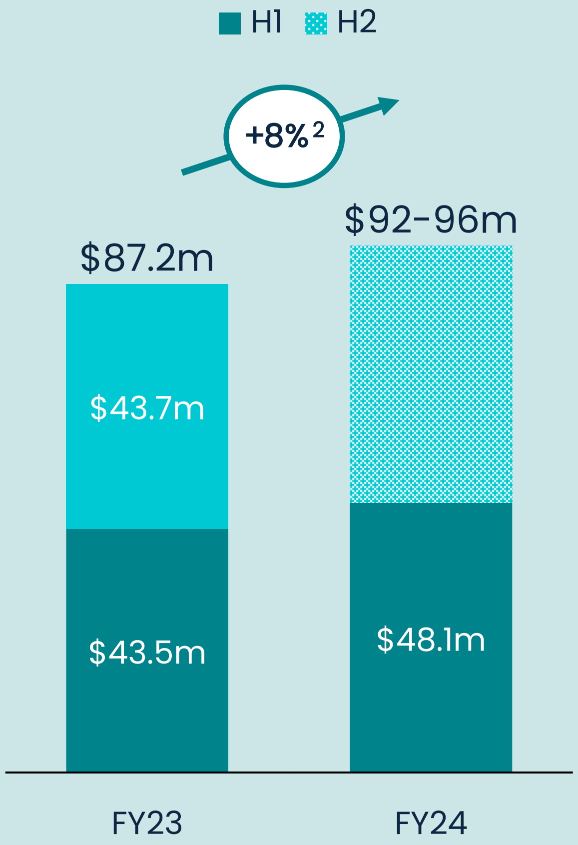


Financial Highlights[1]

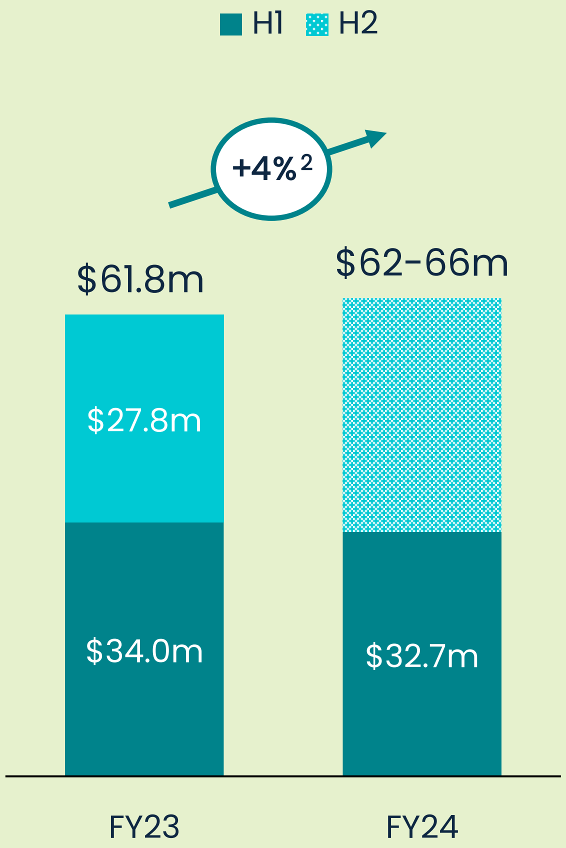
Total Revenue



EBITDA



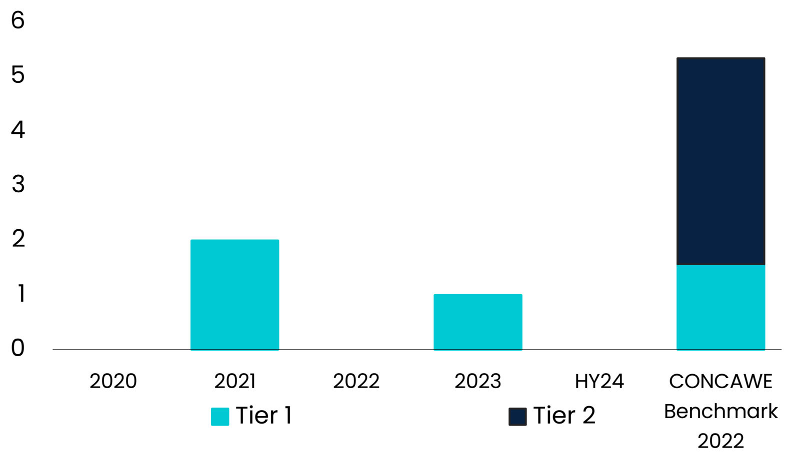
Normalised Free Cash Flow



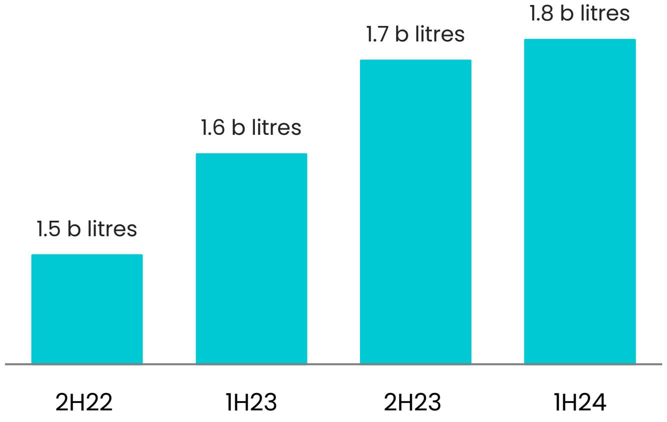
1. *Continuing operations*
2. *Based on mid-point of guidance*

Key operational metrics HY24

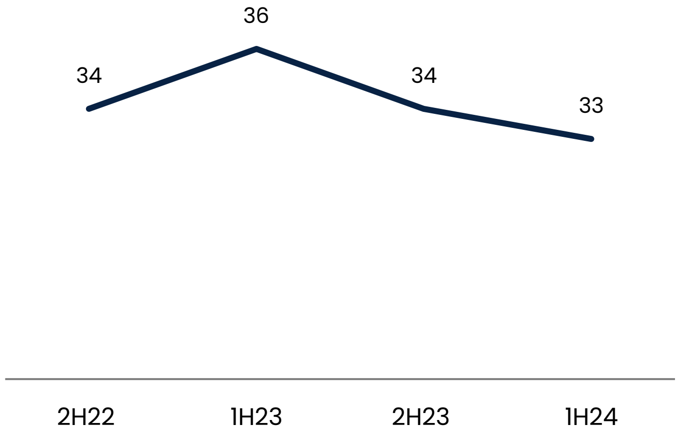
Process safety incidents[1]



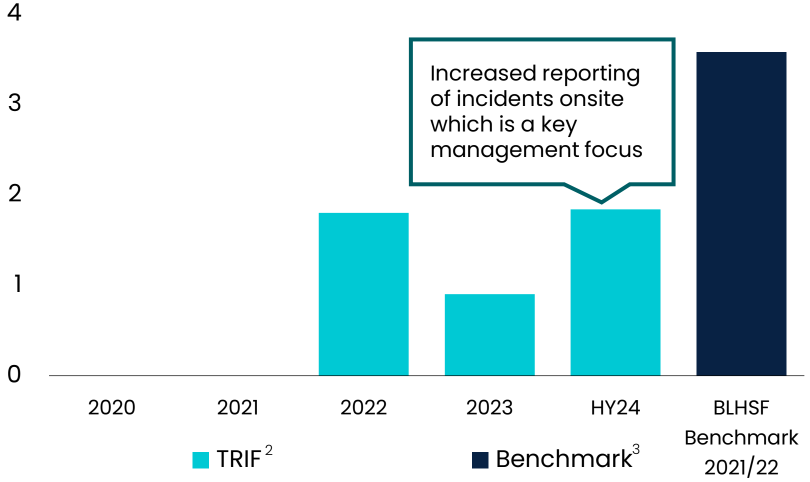
Throughput: +8% to 1.8 billion litres[4]



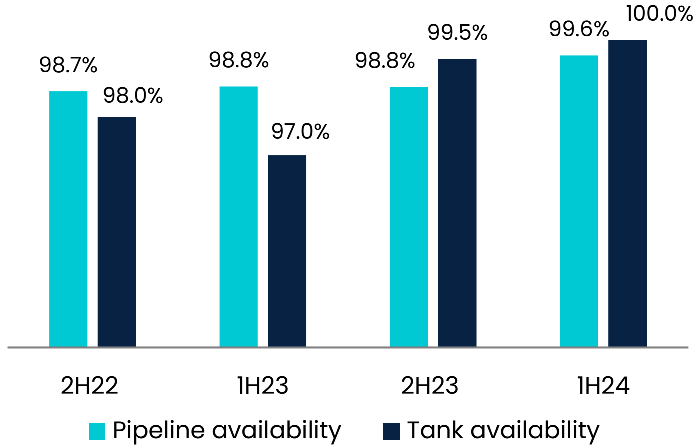
Number of ships: -8% to 33 vessels[4]



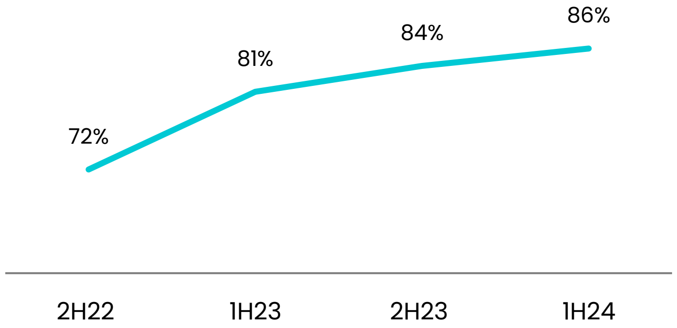
Total Recordable Injury Frequency



Asset availability[5] : +1%[4]



Pipeline utilisation[6]: +5% to 86%[4]



1. *Tier 1 or 2 Process Safety Event per API 754 – A Tier 1 event is a release of material above specific thresholds or that results in a LTI or fatality or damage of $100,000 or more; A Tier 2 event is a release of material above specific thresholds or that results in a recordable injury; or damage of $2,500 or more*
2. *TRIF – Total Recordable Injury Frequency per 200,000 hours (rolling 12-monthly average)*
3. *NZ Business Leaders Health & Safety Forum Benchmark (recordable injuries per 200,000 hours)*
4. *HY24 versus HY23*
5. *Tank availability in 2022 and 2023 impacted by unplanned outages due to conversion works*
6. *Average for the six-month period*

Investment for resilience and growth

	HY24 ($M)	HY23 ($M)
Import Terminal System	0.8	1.2
Tank maintenance	3.5	3.5
Total stay-in-business capex	**4.3**	**4.7**
% of revenue	**6%**	7%
Growth capital expenditure	12.7	16.0
Conversion capex	8.5	11.5
Total capital expenditure	**25.5**	**32.2**

- Three scheduled tank maintenance turnarounds in HY24 (HY23: 3), in line with Asset Management Plan
- Growth capex reflects bund and firefighting upgrades associated with initial private storage contract and the commencement of the recently announced transmix contracts
- Conversion capex firefighting project to be completed 2H 2024, bunding upgrades will continue through to 2027
- $184 million of the total conversion budget of $220 million spent as at 30 September 2024 (since March 2022). Private storage growth capex of $46 million[1] spent to 30 September 2024

1. *Reallocation of $5m from Private Storage to Conversion following project close out. The conversion project was run concurrently to gain project efficiencies. This has the effect of restating the Dec 2023 conversion spend to $167m (previously $163m) and private storage spend to $36m (previously $41m).*

FY24 Guidance and Outlook

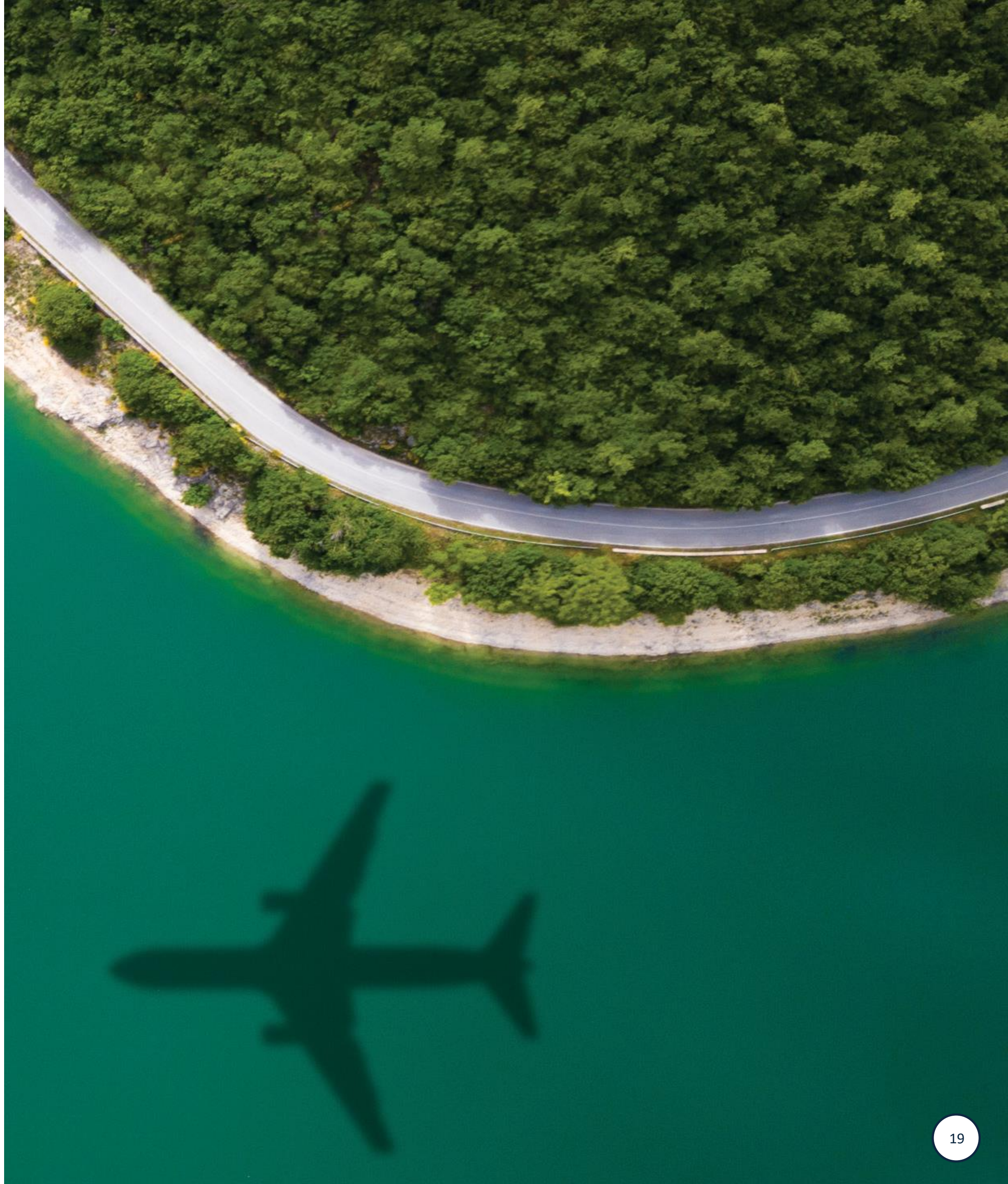
FY24 Guidance

- On track to deliver EBITDA guidance of $92-$96 million, Normalised Free Cash Flow guidance of $62-66 million, and stay-in-business capex guidance of $11-$12 million

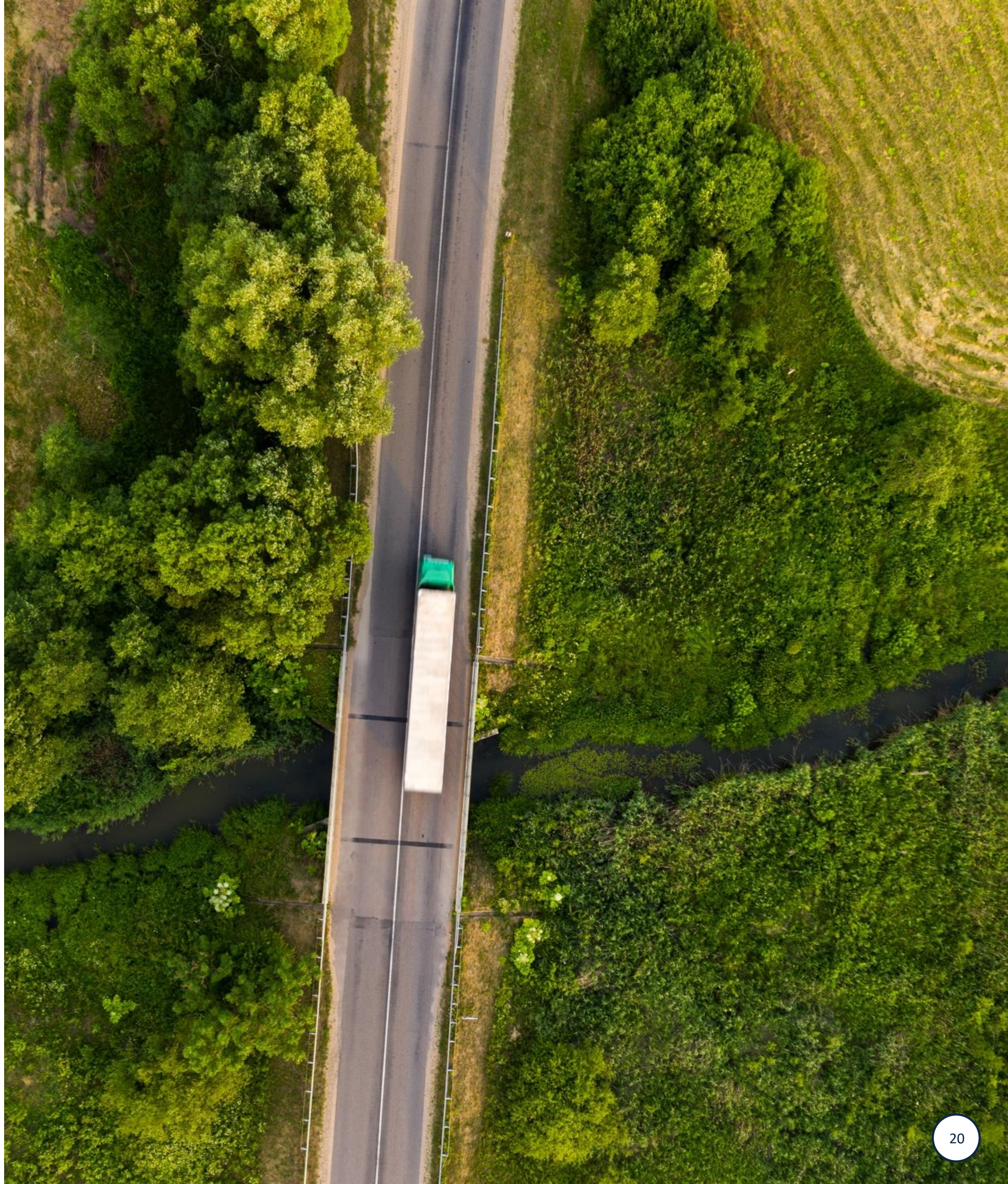
FY25 and beyond

- The near term Envisory forecast for jet fuel demand (FY25/26) may be impacted by the current economic environment and jet aircraft availability issues
- PPI indexation factor applying to FY25 revenues of 4.18%[1]
- Wiri lease expires Feb 2025
- Recent refinancing of bank facilities reduced all-in cost of drawn facilities by 0.6%
- Long-term contracts provide stability of earnings. The lower fixed fee over time is expected to be offset by the benefit of increased throughput and Producer Price indexation
- ~50% of Channel's current revenue is fixed and independent of fuel volume throughput

1. *Released by Statistics NZ on 18 November 2024*



Equity Raise & Key Risks



Equity raise details

Offer size and structure	• 1 for 12.12[1] underwritten pro rata accelerated renounceable entitlement offer of new fully paid ordinary shares to raise gross proceeds of approximately $50 million • Approximately 31 million New Shares to be issued under the Offer representing approximately 8.3% of the existing shares on issue • The Offer is structured to be fair and equitable for all existing shareholders (subject to overseas legal restrictions). All shareholders in eligible jurisdictions who hold shares as at 5.00pm (NZ time), Tuesday, 26 November 2024 will be able to participate
Use of proceeds	• The proceeds of the Offer will provide funding for the three new growth contracts secured in 2024 and help position Channel to participate in additional on-strategy growth opportunities should they eventuate

Offer price	• The Offer Price for the New Shares is $1.60, which represents a discount of:
	  • 10.1% to the last close on Friday, 22 November 2024 of $1.78
	  • 9.4% discount to the Theoretical Ex-Rights Price[2] of $1.77

Ranking	• New Shares will rank equally with existing Channel Infrastructure shares then on issue • The New Shares under both the Institutional Entitlement Offer and Retail Entitlement Offer will be entitled to any future dividends declared by Channel Infrastructure after the relevant allotment date
Institutional offer	• The Institutional Entitlement Offer will be open from 10.00am (NZ time) to 6.00pm (NZ time) on Monday, 25 November 2024 • Institutional entitlements not taken up and entitlements of ineligible institutional shareholders will be offered under the Institutional Bookbuild to be conducted on Tuesday, 26 November 2024

Retail offer	• The Retail Entitlement Offer will open at 10.00am (NZ time), Thursday, 28 November 2024 and close at 5.00pm (NZ time), Monday, 9 December 2024
	• Eligible retail shareholders in New Zealand and Australia under the Retail Entitlement Offer can:
	  • Elect to take up all or part of their pro rata entitlements by the Retail Entitlement Offer close date of 5.00pm (NZ time), Monday, 9 December 2024
	  • Do nothing and let New Shares representing their entitlements be offered under the Retail Bookbuild process to be conducted on Wednesday, 11 December 2024. Any premium achieved above the Retail Entitlement Offer Price will be paid to the shareholder (net of any applicable withholding tax). There is no guarantee that a premium will be achieved
	  • Apply to take up more than their pro rata entitlements, if they are taking up their full entitlement. Any application for New Shares above their pro rata entitlement will be included in the Retail Bookbuild and pay the Retail Bookbuild price

Underwriting	• The Offer is underwritten by Forsyth Barr Group Limited

1. *Fractional entitlements to New Shares to be rounded down to the nearest whole number of New Shares*
2. *The Theoretical Ex-Rights Price (TERP) is the theoretical price at which Channel Infrastructure shares should trade at immediately after the ex-date of the Offer. The TERP is a theoretical calculation only and the actual price at which Channel Infrastructure shares trade immediately after the ex-date for the Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to Channel Infrastructure's closing price of $1.78 on Friday, 22 November 2024*

Use of proceeds

Equity raise to fund new growth projects whilst maintaining prudent leverage headroom

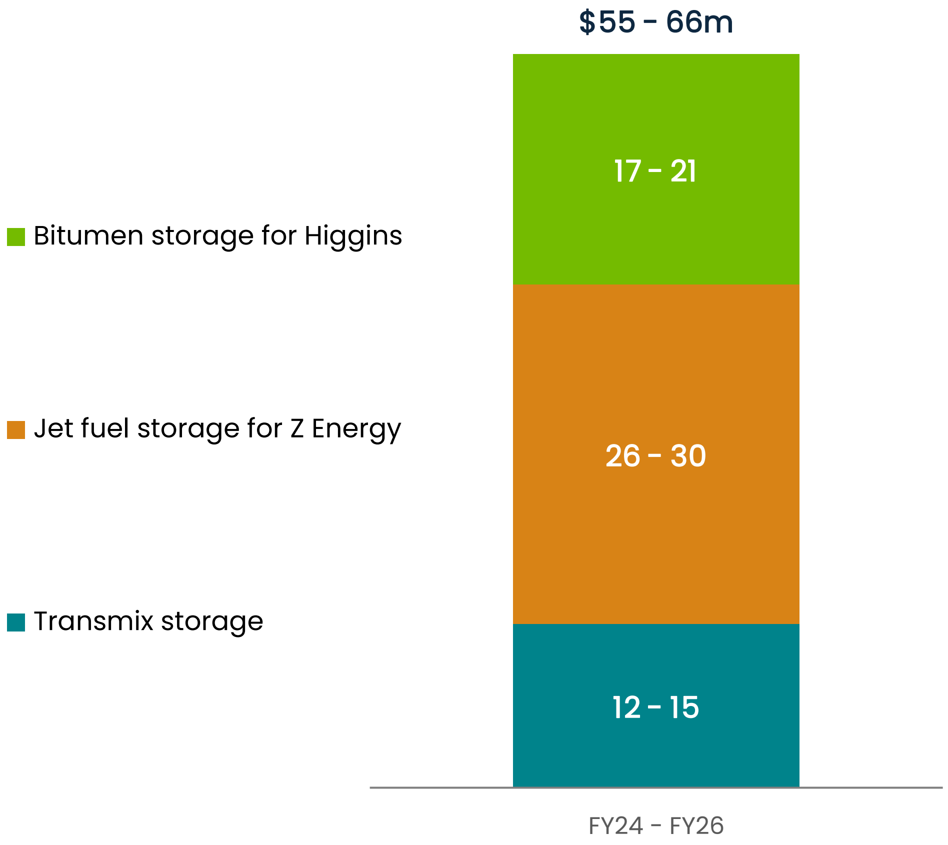
- The equity raise is projected to enable Channel Infrastructure to fund its planned capital investment in the three growth opportunities announced in 2024, whilst remaining committed to its capital management framework, including a dividend policy of paying 60-70% of normalised free cash flow and maintaining credit metrics consistent with a BBB+ shadow credit rating[1], including maintaining leverage between 3 to 4 times EBITDA
- The equity raise will also help position Channel to participate in additional on-strategy growth opportunities should they eventuate
- Following the completion of the three growth projects and pro forma for the equity raise, leverage is expected to be near the mid-point of Channel's target leverage range

Target Leverage Range

3.0x – 4.0x

Net debt to EBITDA

FY24-26 growth capital expenditure ($m)



1. *Neither Channel Infrastructure nor its listed Retail Bonds have a credit rating (either public or private)*

Equity raise timetable

Institutional Offer	
Channel Infrastructure enters trading halt, announcement of Offer and cleansing notice released to the NZX	Monday, 25 November 2024
Institutional Entitlement Offer opens	10.00am (NZ time), Monday, 25 November 2024
Institutional Entitlement Offer closes	6.00pm (NZ time), Monday, 25 November 2024
Institutional Bookbuild opens	10.00am (NZ time), Tuesday, 26 November 2024
Institutional Bookbuild closes	3.00pm (NZ time), Tuesday, 26 November 2024
Trading halt lifted	Wednesday, 27 November 2024
Settlement of Institutional Offer, allotment of New Shares under the Institutional Offer and trading commences on the NZX	Tuesday, 3 December 2024

Retail Offer	
Record date	5.00pm (NZ time), Tuesday, 26 November 2024
Retail Entitlement Offer opens	10.00am (NZ time), Thursday, 28 November 2024
Retail Entitlement Offer closes	5.00pm (NZ time), Monday, 9 December 2024
Trading halt commences (for Retail Bookbuild)	Wednesday, 11 December 2024
Retail Bookbuild opens	10.00am (NZ time), Wednesday, 11 December 2024
Retail Bookbuild closes	3.00pm (NZ time), Wednesday, 11 December 2024
Trading halt lifted	Thursday, 12 December 2024
Settlement of Retail Offer, allotment of New Shares under the Retail Offer and trading commences on the NZX	Monday, 16 December 2024

These dates are subject to change and are indicative only. Channel Infrastructure reserves the right to alter the key dates, subject to applicable laws and the NZX Listing Rules. Channel Infrastructure reserves the right to withdraw the Offer at any time prior to the issue of the shares under the Offer at its absolute discretion

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Hong Kong

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Singapore

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Key risks (1 of 3)

Channel's business activities are subject to a number of risks which may, individually or in combination, affect the future operating performance of Channel and the value of an investment in Channel. Investors should carefully consider, and make their own assessment of, these risks, including the summary of risk factors described below, before deciding whether to invest in New Shares in Channel. This section does not set out all the risks related to an investment in Channel and has been prepared without reference to your personal circumstances. Some risks may be unknown and other risks, currently believed to be immaterial, could turn out to be material.

Single Site / Concentration of Operations	• Channel currently operates substantially from a single site at Marsden Point, near the entrance to the Whangarei Harbour. • Having substantial operations on a single site creates a risk in that Channel would not be able to redirect operations to another location, in the event that, for any reason, operations were disrupted at the site (including the jetty) • In particular, the following events could cause a disruption to Channel's operations at Marsden Point: 1. High Hazard Industry - The nature of many of Channel's operations are inherently hazardous. These hazards include, but are not limited to, pipeline and storage tank leaks and ruptures, tanker oil spills, explosions and fires, mechanical failures, catastrophic events, and marine transportation incidents (such as tankers damaging the jetty) 2. Natural Perils - Asset damage and business interruption resulting from natural disasters such as a tsunami or earthquake could potentially result in a significant impact on Channel's operations and financial position 3. Disruption to electricity supply – Normal import terminal and pipeline operations requires a continuous supply of electricity. If there is a disruption in electricity supply to the Marsden Point site, Channel's back-up electricity generation capacity may be inadequate to avoid interruption to import terminal and/or pipeline operations. 4. Industrial action – Strikes or other industrial action may adversely impact on Channel's ability to carry out normal import terminal and/or pipeline operations. • Channel maintains material damage and business interruption insurance for property damage and consequential business interruption as a financial mitigation of the risk of material damage to its assets. TSAs also contain remedy periods for material breaches and force majeure relief
Terminal Services Agreements (TSAs) and Customer Concentration Risk	• A large proportion of the revenue that Channel receives is from its three Customers under TSAs. The TSAs contain a combination of fixed and throughput-based fees to incentivise utilisation of the infrastructure with minimum take or pay commitments provide certainty of earnings • The importance of the TSAs does however mean that if a Customer fails to perform its obligations under the TSAs (including to pay fees) or if a TSA is terminated and no new customers are found, it could have a material adverse effect on Channel Infrastructure's business and financial performance • The TSAs have an initial term of 10 years, with two five-year rights of renewal at the Customer's option. If Customers do not wish to renew the TSA at the end of the initial term, they must give Channel Terminal Services two years' notice

Key risks (2 of 3)

Regulatory and Government policy risks	• Channel operates in a highly regulated business and operating environment and is therefore subject to the risk of regulatory change which could have an impact on Channel Infrastructure's financial position. • Resource Consent – Channel's operations are subject to maintaining its resource consent. As part of the consent conditions, Channel Infrastructure is committed to continuing to maintain the current high level of environmental standards. Environmental measures at Marsden Point include operation of a groundwater hydraulic containment system and hydrocarbon recovery program reducing the extent of legacy contamination over time as part of the ongoing remediation of the site. A breach of its resource consent could result in sanctions against Channel, including fines and revocation of consent. If Channel was to lose its resource consent, it could mean that Channel Terminal Services and/or Channel Infrastructure would not be able to comply with their obligations under a TSA. Channel Infrastructure's resource consent was renewed in 2021 for a 35-year term. Channel expects to be able to operate within the conditions of its resource consent. • Government Fuel Security Study – Channel's import terminal and Marsden Point site is a strategically important part of the fuel supply chain into New Zealand. The Government is currently undertaking a study into New Zealand's fuel security requirements from now to 2035, including investigating the reopening of the Marsden Point Oil Refinery and proposing the development of a Fuel Security Plan seeking to build fuel resilience in the medium to long term. This study will likely present both risks and opportunities for Channel, including the risk of direct Government action or regulation that adversely impacts on Channel by requiring a change in its business and/or operations, and the opportunity for Government to introduce legislation or take regulatory actions that improve the resilience of Channel's business and/or operations. The outcome of the Fuel Security Study is currently unknown and could have a significant adverse impact on the Company. • Minimum Stockholding Obligations – The Government is currently consulting on minimum stockholding obligations, including location-specific jet fuel minimum stockholding obligations, which although will not apply to Channel, if promulgated into law may positively impact on Channel through increased demand from customers for storage services, potentially at Marsden Point. The outcome of this Government consultation is not yet certain, and could present opportunities for growth through increased demand for storage at Channel's Marsden Point facility, as well as risks that additional storage volumes that may be required by the Government's Minimum Stockholding Obligations could be located at sites other than Marsden Point where Channel is not involved in the construction or delivery of the required additional storage. • Other regulatory changes - The transport fuel sector has seen an increase in government regulation in recent years, including in relation to pricing and access to infrastructure. These changes have not impacted Channel as it does not participate in wholesale or retail fuel markets. However, if future changes were to occur impacting Channel's operations, that could have an impact on its financial position.
Change in demand for fuels	• Refined oil products may be displaced or suffer reduced demand due to a variety of factors including unaffordability, increased access to, or adoption of, new technologies (for example, there may be a more rapid increase in the uptake of alternative fuel vehicles, such as electricity, biofuels, hydrogen, or gas-powered vehicles), products and services, fuel efficiency improvements or reduction in demand as a result of external events leading to reduced travel and tourism (such as pandemics, war or natural disaster events) or in the interests of minimising potential harmful impacts to the environment • As such any decrease in the demand for refined oil products in New Zealand could adversely impact Channel Infrastructure's revenue. To mitigate this risk, the TSAs include minimum take or pay fees, which exceed the expected level of ongoing operating and capital costs of operating the Import Terminal System (ITS)

Key risks (3 of 3)

Growth risks	• Marsden Point's Energy Precinct concept plan includes potential projects that remain uncertain and subject to further investigations and conditions. Potential projects may be unable to achieve Final Investment Decision confirming that the project will proceed due to a range of factors such as technical, engineering or economic infeasibility, failure to secure necessary feedstocks, electricity supply or other necessary inputs for the project, failure to obtain necessary regulatory consents or other third party approvals, failure to agree commercial terms with counterparties for necessary infrastructure or services, failure to obtain necessary contractors for construction works or staff for operation of the project, or failure to obtain necessary funding for the project. • Channel's growth strategy includes acquisition and consolidation of other terminal assets throughout New Zealand. There is no certainty that Channel will be able to acquire other terminal assets throughout New Zealand, due to risks such as failure to successfully negotiate an acquisition on commercially acceptable terms, failure to obtain necessary regulatory consents or other third party approvals, or failure to secure necessary finance to enable the acquisition of other terminal assets. • Legislative changes and/or Government policy in relation to the fuels sector may impact on the demand for additional storage at Marsden Point, and additional storage volumes that may be required by the Government's Minimum Stockholding Obligations could be located at sites other than Marsden Point where Channel is not involved in the construction or delivery of the required additional storage.
Cyber security and Information Technology (IT)	• Channel's pipeline and import terminal operations are heavily reliant on IT systems for the efficient and timely movement of products • While these systems are subject to regular review and maintenance, unauthorised access to or a breach or failure of Channel's IT infrastructure due to cyber-attacks, negligence, system error or other actions could disrupt Channel's operations and result in the loss or misuse of data or sensitive information, loss of revenue, injury to people, harm to the environment or Channel's assets, legal or regulatory breaches and potential legal liability. Individually or collectively, such effects could adversely affect Channel's profitability • To mitigate this risk, Channel conducts regular review and maintenance, and active monitoring of its IT and control system infrastructure.

Investors should also refer to Channel's previous NZX disclosures, including its Explanatory Booklet dated 5 July 2021, its most recent Product Disclosure Statement dated 28 April 2022, its current Governance Statement (dated February 2024) and the regular updates Channel gives to the market including annual and half year financial results (https://channelnz.com/investor-centre/). You should seek independent advice before deciding whether to participate in the Offer.

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Disclaimer and important notice

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The Lead Manager and Underwriter are acting for and providing services to Channel Infrastructure in relation to the Offer and will not be acting for or providing services to Channel Infrastructure's shareholders or creditors. The Lead Manager and Underwriter have been engaged solely as independent contractors and are acting solely in a contractual relationship on an arm's length basis with Channel Infrastructure. The engagement of the Lead Manager and Underwriter by Channel Infrastructure is not intended to create any agency or other relationship between the Underwriters and Channel Infrastructure's shareholders or creditors. The Lead Manager and Underwriter, in conjunction with their affiliates, is acting in the capacity as such in relation to the Offer and will receive fees and expenses for acting in this capacity.

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Financial information
All dollar values are in New Zealand dollars ($ or NZD) unless stated otherwise.

Channel Infrastructure's statutory financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("**NZ GAAP**") and comply with the New Zealand Equivalents to International Financial Reporting Standards ("**NZ IFRS**") and other applicable Financial Reporting Standards, as appropriate for profit oriented entities.

Certain figures, amounts, percentages, estimates, calculations of value and fractions provided in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

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Glossary

Capex: Capital expenditure

EBITDA: Earnings from continuing operations before Interest, Tax, Depreciation and Amortisation

EBITDA Margin: EBITDA divided by Revenue from continuing operations

FCF: Free Cash Flow

Ha: Hectares

New shares: New ordinary shares

Normalised Free Cash-flow: Cash flow from continuing operations less financing costs and stay in business capex. Excludes growth capex and conversion costs

Pipeline reliability[1] (availability): Pipeline available hours divided by the total hours in the period

Pipeline utilisation: Pipeline required pumping time (for planned product volume) divided by total hours in the period

PPI: Producer Price Index

Tank availability: Calculated on total tank basis as available hours divided by total hours in the period (excludes planned outages)

Throughput: Imported fuel volumes, normally in million litres, transferred to either the truck loading facility at Marsden Point or through Channel's 170km pipeline to Auckland

Transmix: A mix of petrol/jet/diesel product that results from the operation of terminals and multi-product pipelines

WACC: Weighted Average Cost of Capital

1. *Availability is a subset of reliability and used interchangeably*