Channel
Infrastructure NZ

Offer of Unsecured, Unsubordinated, 6 year fixed rate bonds

Investor Presentation

30 October 2023

ANZ CRAIGS INVESTMENT PARTNERS
FORSYTH BARR JARDEN

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The Offer of Bonds by Channel Infrastructure is being made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**). Except for the interest rate and maturity date, the Bonds will have identical rights, privileges, limitations and conditions as Channel Infrastructure's $100,000,000 5.80% unsecured, unsubordinated, fixed rate bonds maturing on 20 May 2027 which are quoted on the NZX Debt Market under the ticker code CHI020 (**Existing Bonds**). Accordingly, the Bonds are of the same class as the Existing Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014. Channel Infrastructure is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) for the purpose of that information being made available to participants in the market and that information can be found by visiting www.nzx.com/companies/CHI/announcements. The Existing Bonds are the only debt securities of Channel Infrastructure that are currently quoted and in the same class as the Bonds. Investors should look to the market price of the Existing Bonds to find out how the market assesses the returns and risk premium for those bonds. The Bonds are expected to be quoted on the NZX Debt Market on 15 November 2023 under ticker code CHI030.

The Offer Materials contain details of the Offer and other material information in relation to the Offer. Channel Infrastructure is subject to disclosure obligations that require it to notify certain material information to NZX. This presentation should be read in conjunction with the other Offer Materials and Channel Infrastructure's other periodic and continuous disclosure announcements released to NZX (which are available at www.nzx.com under the ticker code "CHI").

There is no public pool for the Bonds. All Bonds under the Offer will be reserved for subscription by clients of the Joint Lead Managers, Primary Market Participants and other approved financial intermediaries.

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NZX
Channel Infrastructure will take any necessary steps to ensure the Bonds are, immediately after issue, quoted on the NZX Debt Market. Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating to this that can be complied with on or before the date of this presentation have been complied with. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in this presentation. NZX is a licensed market operator and the NZX Debt Market is a licensed market, each regulated under the Financial Markets Conduct Act 2013.

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Overview of the Offer

Issuer	Channel Infrastructure NZ Limited (**Channel Infrastructure**).
Description	Unsecured, unsubordinated, fixed rate bonds (**Bonds**).
Offer amount	Up to $75m (with the ability to accept oversubscriptions of up to an additional $25m at Channel Infrastructure's discretion).
Purpose of the Offer	The net cash proceeds raised under the Offer (excluding the value of any Subordinated Notes purchased under the Exchange Mechanism) are intended to be applied towards: a) repaying a portion of Channel Infrastructure's existing bank debt; b) redeeming on 1 March 2024 any Subordinated Notes[1] that are not otherwise purchased on the Issue Date under the Exchange Mechanism[2]; and c) general corporate purposes. The Bonds will also provide diversification of funding that aligns with an infrastructure business.
Term	6 years maturing on 14 November 2029.
Interest Rate	The Bonds will pay a fixed rate of interest until the maturity date (14 November 2029).
Quotation	NZX ticker code CHI030 has been reserved for the Bonds.
No credit rating	The Bonds will not be rated. Channel Infrastructure is not rated.
Joint Lead Managers	ANZ Bank New Zealand Limited, Craigs Investment Partners Limited, Forsyth Barr Limited and Jarden Securities Limited.

[1] Existing subordinated notes issued by Channel Infrastructure on 14 December 2018, which are quoted on the NZX Debt Market under the ticker CHI010
[2] Refer to slide 30

Business Summary

About Channel Infrastructure

*Operated by Wiri Oil Services (a bp, Mobil and Z joint venture)

Transformed from Refining NZ to Channel Infrastructure on 1 April 2022. Fundamental reset in what we do, financial profile and risk profile	Own critical infrastructure on a 180ha site including jetties on the deep-water harbour, storage tanks, and the 170-kilometre pipeline from Marsden Point-to-Auckland	Receive, store, test and distribute transport fuels owned by our customers to the Northland and Auckland markets (~40% of NZ liquid fuel demand)
Key supply route for jet fuel to Auckland International Airport (80% of NZ jet fuel demand)	Long-term revenue contracts with NZ's largest fuel companies (bp, Mobil and Z Energy (Ampol))	c.3 billion litres of fuel throughput annually, more than the 10 terminals in the next three largest ports in NZ, combined
Asset renewal and investments in key capabilities to support word-class delivery and infrastructure resilience for a longer-term future	Listed on the NZX under ticker code 'CHI' with market capitalisation of c.$549m[1]	On target to have largely eliminated Scope 1 & 2 emissions from 2024[2]

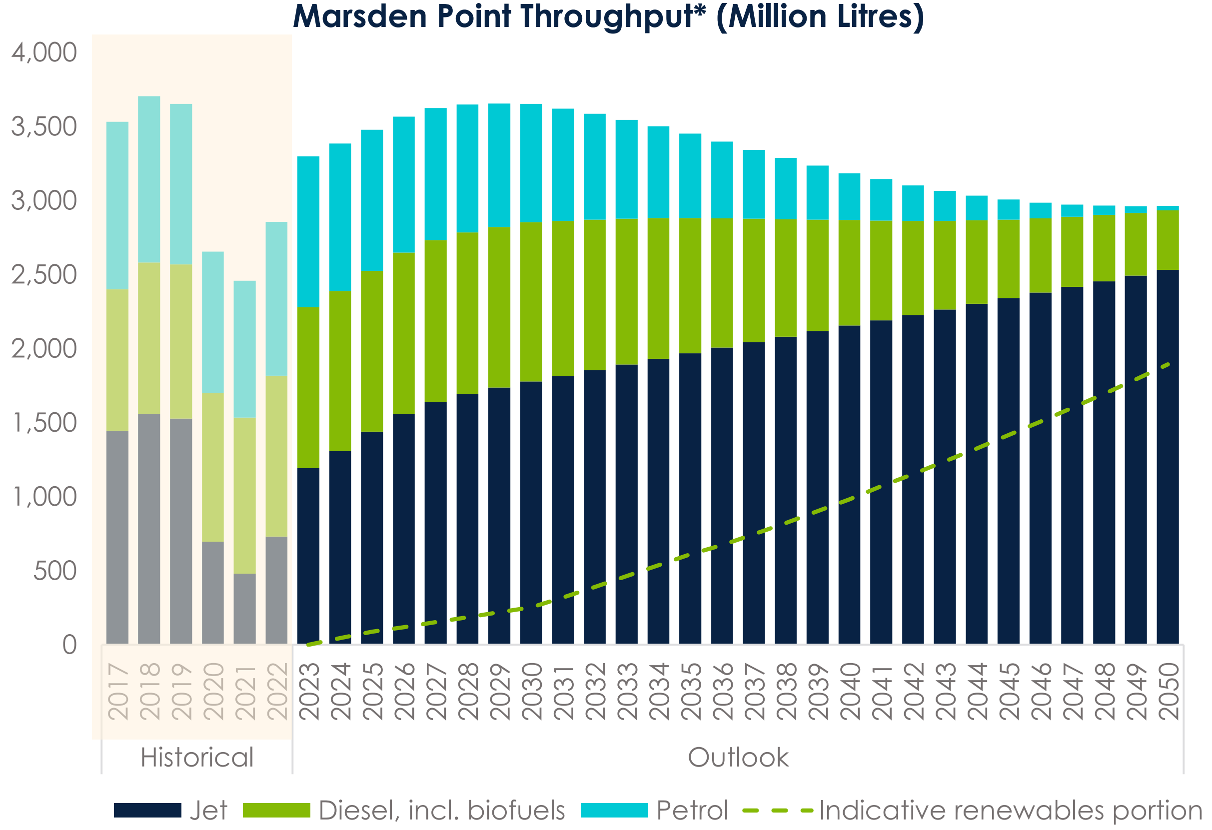
[1] As at close of trading on NZX on 26 October 2023

[2] Assuming all electricity supplied from 2024 under the new long-term electricity supply agreement is sourced from renewable generation

Ownership of critical infrastructure

Highly efficient infrastructure supplying the Auckland and Northland markets

- New Zealand's largest transport fuels storage terminal
  - c.180 ML of shared capacity under the Terminal Services Agreements
  - c.100 ML of contracted, dedicated private storage
  - Potential of further storage as Strategic Diesel Reserves[1] and to meet Minimum Stockholding Obligations[2]
  - Supplies the Auckland and Northland markets, which make up c.40% of New Zealand's liquid fuel demand
- Supply of petrol and diesel to Auckland via the Marsden Point-to-Auckland Pipeline has around one tenth of the emissions of the equivalent delivery of fuel via road
- Supplies all the jet fuel distributed to Auckland International Airport
  - Jet fuel volumes continue to increase, due to post COVID recovery and continued demand for international travel
  - Tourism expected to underpin long-term asset utilisation with medium-term resilience in diesel demand in 'hard to shift' sectors of agriculture and heavy transport



* All details and assumptions of this outlook supplied by Envisory (formerly Hale and Twomey) and can be found in Channel's Sustainability Report 2022, pages 34-36. The outlook data represents Envisory's base case forecast.

[1] Energy (Fuels, Levies, and References) Amendment Bill to support this passed in May 2023, with the Government looking to procure at least 70 million litres of diesel for storage in New Zealand
[2] Fuel Industry (Improving Fuel Resilience) Amendment Bill passed in August 2023 obliging fuel importers to hold minimum stock levels. Channel well-placed to support customers with MSO requirements through additional storage as required

World-class delivery and execution through conversion

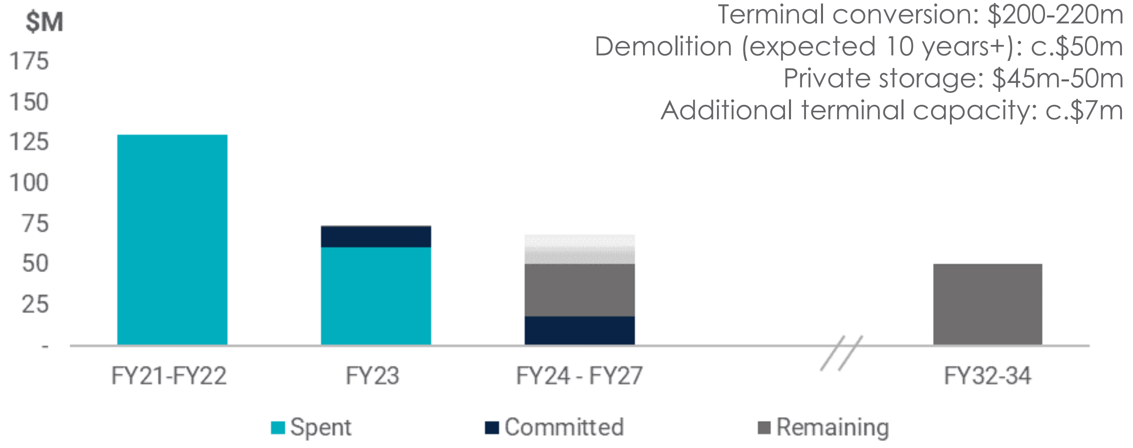
- Safely shutdown the refinery and commenced import terminal operations to plan
- Transitioned business model to stable and predictable earnings through long-term customer agreements, with a Take-or-pay underwrite and PPI escalation, and strong free cash flow conversion
- Permanently decommissioned the refinery process plant safely to plan and to budget
- Signed a long-term renewable electricity supply agreement with Energy Attribute Certificates attached - Scope 1 & 2 emissions are on track to be largely eliminated from 2024[1] – six years ahead of target
- Contracted and commissioned an additional c.100 ML of private storage, doubling jet fuel storage at Marsden Point, and delivering $90 million of incremental revenue (prior to PPI escalation, over ten years)
- Reset cost of funding with inaugural senior retail bond issue[2] and bank refinancing

[1] Assuming all electricity supplied from 2024 under the new long-term electricity supply agreement is sourced from renewable generation, as validated by Energy Attribute Certificates
[2] Quoted on the NZX Debt Market under the ticker code CHI020 on 20 May 2022

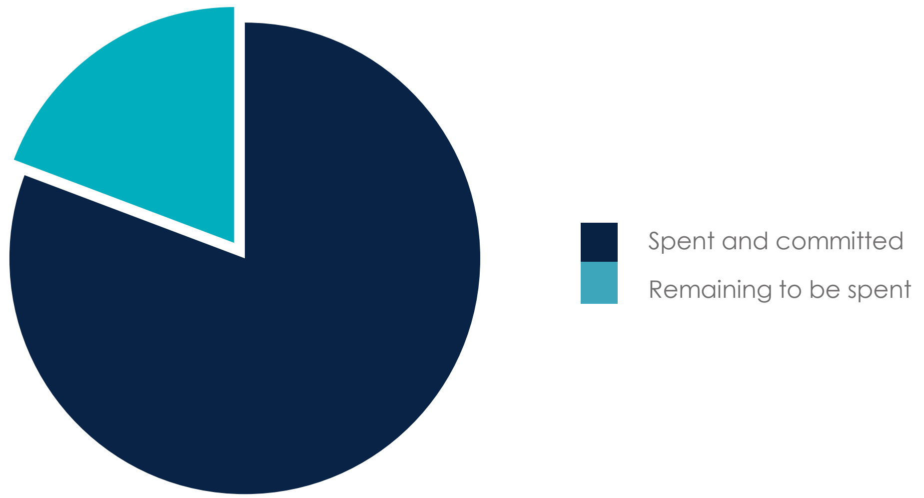
Conversion projects substantially complete and significantly de-risked

- Conversion costs remain within budget:
  - c.$189 million spent to 30 September 2023, including c.$36 million of private storage costs
  - c.82% of the budget[1] is spent or contracted/committed
- The projects are now significantly de-risked:
  - Permanent decommissioning of the refinery plant complete
  - Workforce transition substantially complete
  - Terminal upgrade and private storage tank conversion mostly complete with only firefighting systems and bund upgrades left
- Jet fuel storage has more than doubled:
  - c.45 million litres of jet private storage successfully commissioned in Q3 2023, (part of the 100 million litres of private storage currently contracted)

Terminal and private storage conversion cost phasing



Allocation of Conversion Budget ($200-220m)

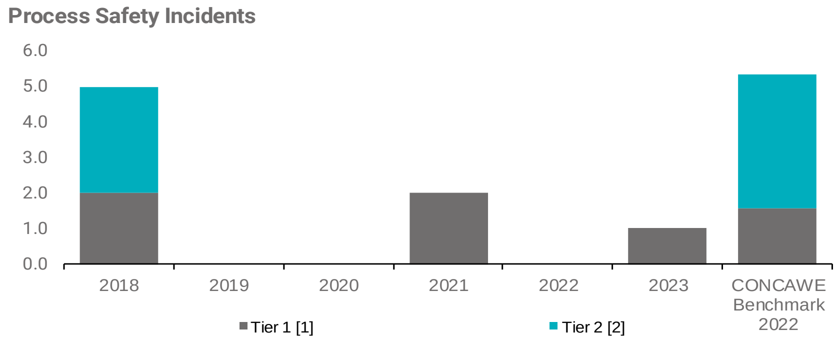


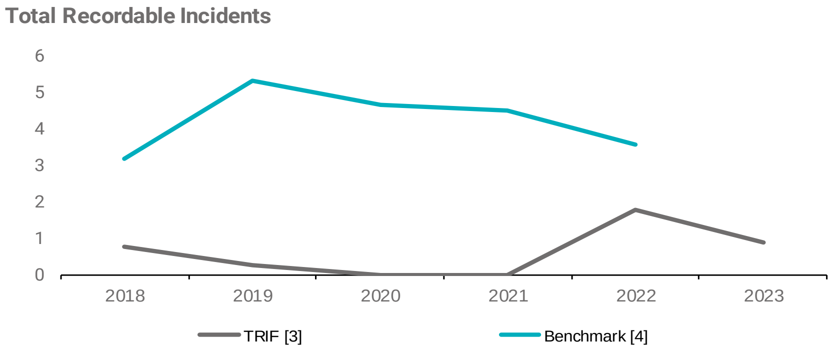
[1] Budget includes: Conversion project budget (opex and capex) of $200-220 million, private storage $45-50 million and additional terminal capacity of c.$7 million

Focus on Health, Safety, Environment and Workforce

Strong focus on safety systems, culture, environment and workforce, born from operating one of NZ's most complex and hazardous industrial facilities, provides a strong foundation for establishing a world-class energy infrastructure company

- Maintained safe operations and reduced TRIF[3] through complex conversion construction program. Focus remains on getting everyone safely home every day
- Substantial investment in import terminal safety systems including fire-fighting and bunding upgrades to tank facilities
- Environmental risk reduced as a result of conversion. Continued focus on site remediation
- Work hard to manage workforce and industrial relations risks to the delivery of business operations and pursuit of growth opportunities through building strong and collaborative relationships with all our staff and union representatives





[1] Tier 1 Process Safety Event (API 754) – A tier 1 Process Safety Event (PSE) is an unplanned or uncontrolled release of any material, including non-toxic and non-flammable, from a process which results in one or more of the following: A lost time injury (LTI) and/or fatality; A fire or explosion resulting in greater than or equal to $100,000 of direct cost to the company; A release of material greater than the threshold quantities given in Table 1 of API 754 in any one-hour period; An officially declared community evacuation or community shelter-in-place
[2] Tier 2 Process Safety Event (API 754) – A tier 2 PSE is an unplanned or uncontrolled release of any material, including non-toxic and non-flammable, from a process which results in one or more of the following: a recordable injury; a fire or explosion resulting in greater than or equal to $2,500 of direct cost to the company; a release of material greater than the threshold quantities given in Table 2 of API 754 in any one-hour period
[3] TRIF – Total Recordable Injury Frequency per 200,000 hours (rolling 12-monthly average)
[4] NZ Business Leaders Health & Safety Forum Benchmark (injuries per 200,000 hours)

Our refreshed strategy: helping fuel NZ'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

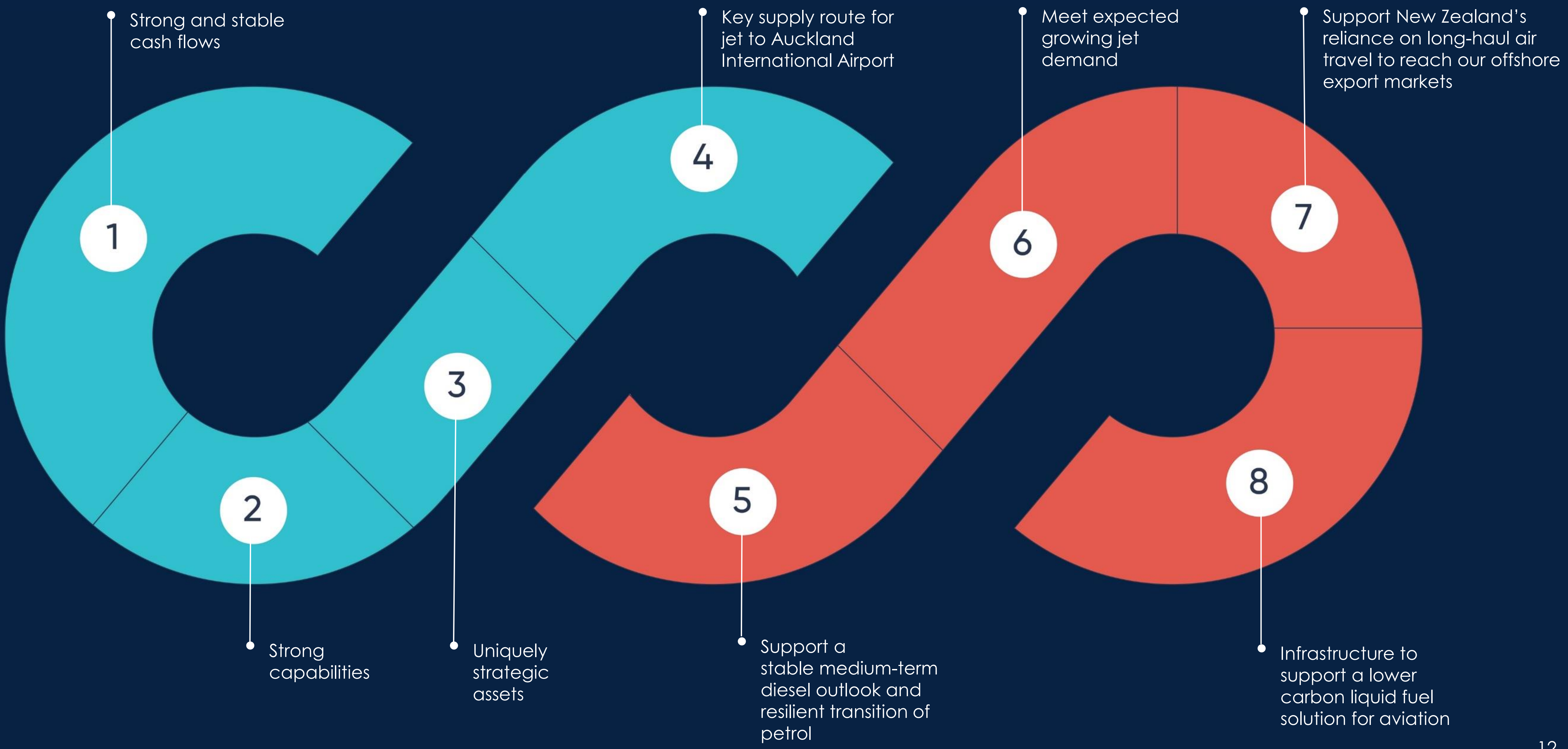
World-Class Operator	High Performance Culture	Grow from the Core	Support Energy Transition	Disciplined Capital Management	Good Neighbour, Good Citizen
Strong safety systems and culture	People and capability development	Brownfield opportunities at Marsden Point	Repurposing Marsden Point	Target credit metrics consistent with a BBB+ shadow credit rating [1]	Reducing environmental impacts
Resilient infrastructure	Future focused	Consolidator of fuels infrastructure	Support transition of aviation to lower carbon fuels	Deliver above WACC returns	Community engagement and iwi relations
Long-term asset management	Continuous Improvement	Supply chain optimisation for our customers	Marsden Point Energy Hub	Cost management	Just transition
Customer focused	Adaptive			Stable dividends	Transparency and disclosure
NZ's Infrastructure Partner of Choice		Grow Through Supporting the Energy Transition		More Sustainable Future	

[1] Neither Channel Infrastructure nor the Bonds have a credit rating (either public or private)

Our infrastructure will help fuel NZ's future to 2050 and beyond

The enablers for Channel's strategy

What Channel will be called on to deliver



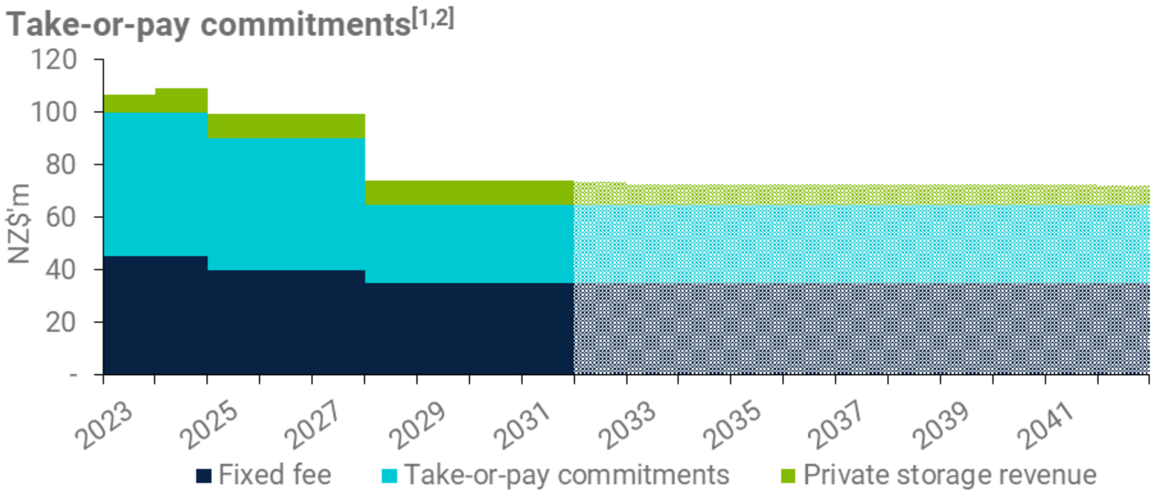
1. Strong and stable cash flows

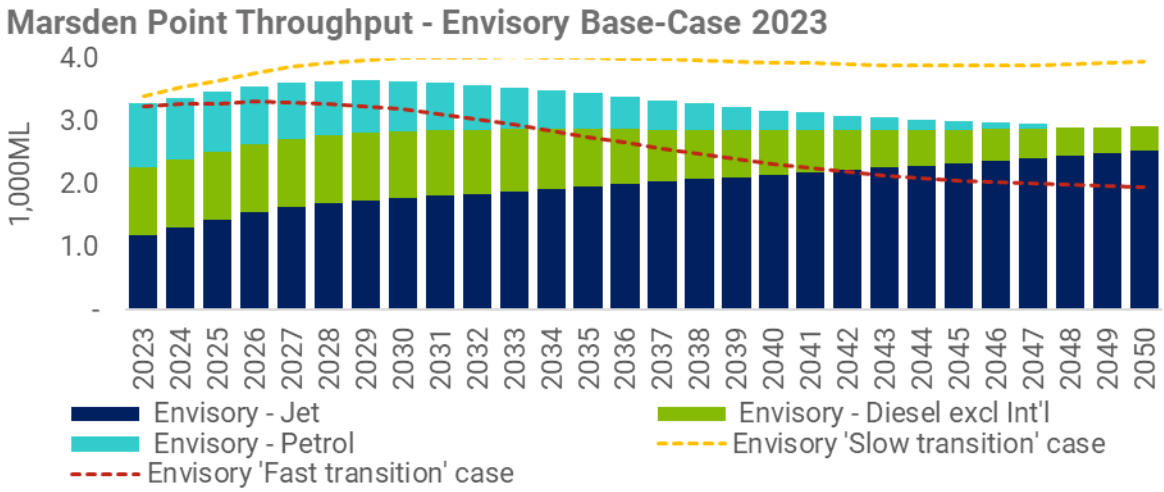
Long-term customer contracts

- Initial term of 10-years, with two 5-year rights of renewal
- Fixed and minimum fee components
- Third-party access to unutilised Marsden Point-to-Auckland Pipeline capacity after 1 April 2025
- Key customers are strong counterparties[3]

Revenue outlook

- All import terminal fees subject to indexation which provides protection through inflationary cycles
- Take-or-pay underwrites minimum revenue – but future revenue will be based on throughput
- Take-or-pay was set at a higher level for first three years, to enable the conversion to be debt-funded and allowing a recovery in demand post COVID
- In 1H23, revenue was marginally higher than the pro-rata Take-or-pay
- Volumes expected to continue to increase over the next few years, in line with Envisory's fuel outlook – this would mean total revenue would exceed the Take-or-pay underwrite

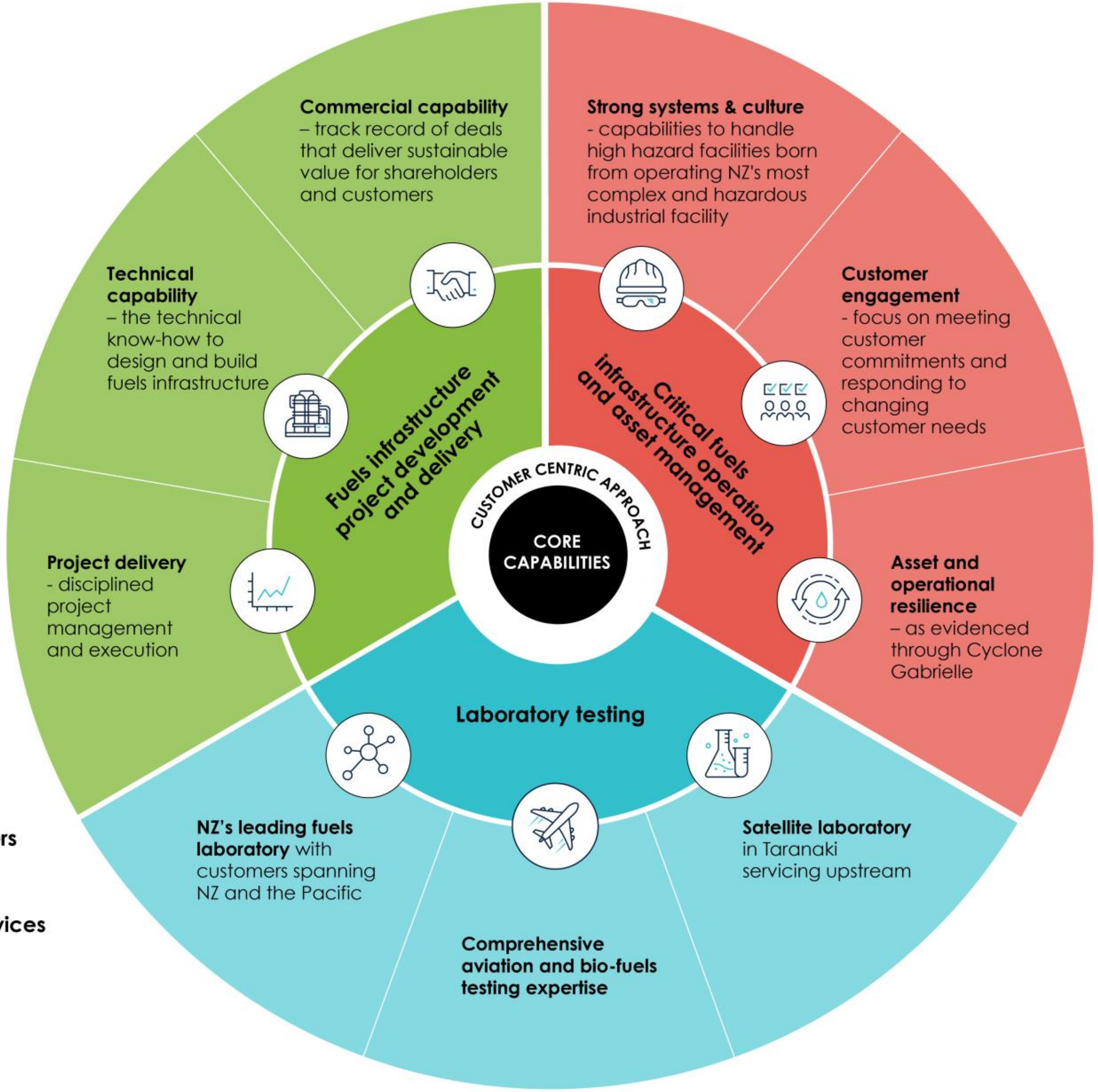




[1] All revenue is stated in 2021 real-terms
[2] The change of shading represents periods after the first Terminal Services Agreement (TSA) renewal date
[3] Customer credit ratings: Exxon Mobil AA- (S&P Global Ratings); BP plc A- (S&P Global Ratings); Ampol Baa1 (Moody's)

2. Strong capabilities

- **Deals we've done:**
  - Terminal Services Agreements
  - Private Storage Contracts
- **World-class conversion**
  - Import Terminal
  - Tanks
- **Conversion delivered in line with budget schedule in post COVID/high inflation environment**



- **Process and personal safety performance through transition**
- **Safety case**
- **Emergency Response Plan**
- **Scale of assets under management**
- **No supply disruption through transition and cyclone**
- **Strong pipeline uptime**

- **Comprehensive aviation fuel analysis**
- **10 years of bio-fuels testing**
- **ISO accredited facilities at Marsden Point and New Plymouth**
- **Database of over 150 active customers**
- **Provision of laboratory management, training, audits and collaboration services to customers**
- **95 accredited test methods**

3. Uniquely strategic assets

Industrial natural gas, water, and electricity grid connections

Close proximity to Northport

Deep water harbour and jetties capable of receiving refined product ships amongst the largest in the world

180ha of land of which only 1/3 is currently in use. Book value of unutilised land c.$15million

35-year resource consent renewed in 2021

c.3 billion litres of fuel throughput annually, more than our customers' 10 terminals in the next 3 largest ports in NZ, combined

Capacity to expand

170km pipeline - the key supply route for jet fuel to Auckland International Airport

Only pipeline capable of transporting liquid fuels to Auckland (at around one-tenth of emissions compared to road transport)

Available for repurposing

Import Terminal System and Contracted Storage

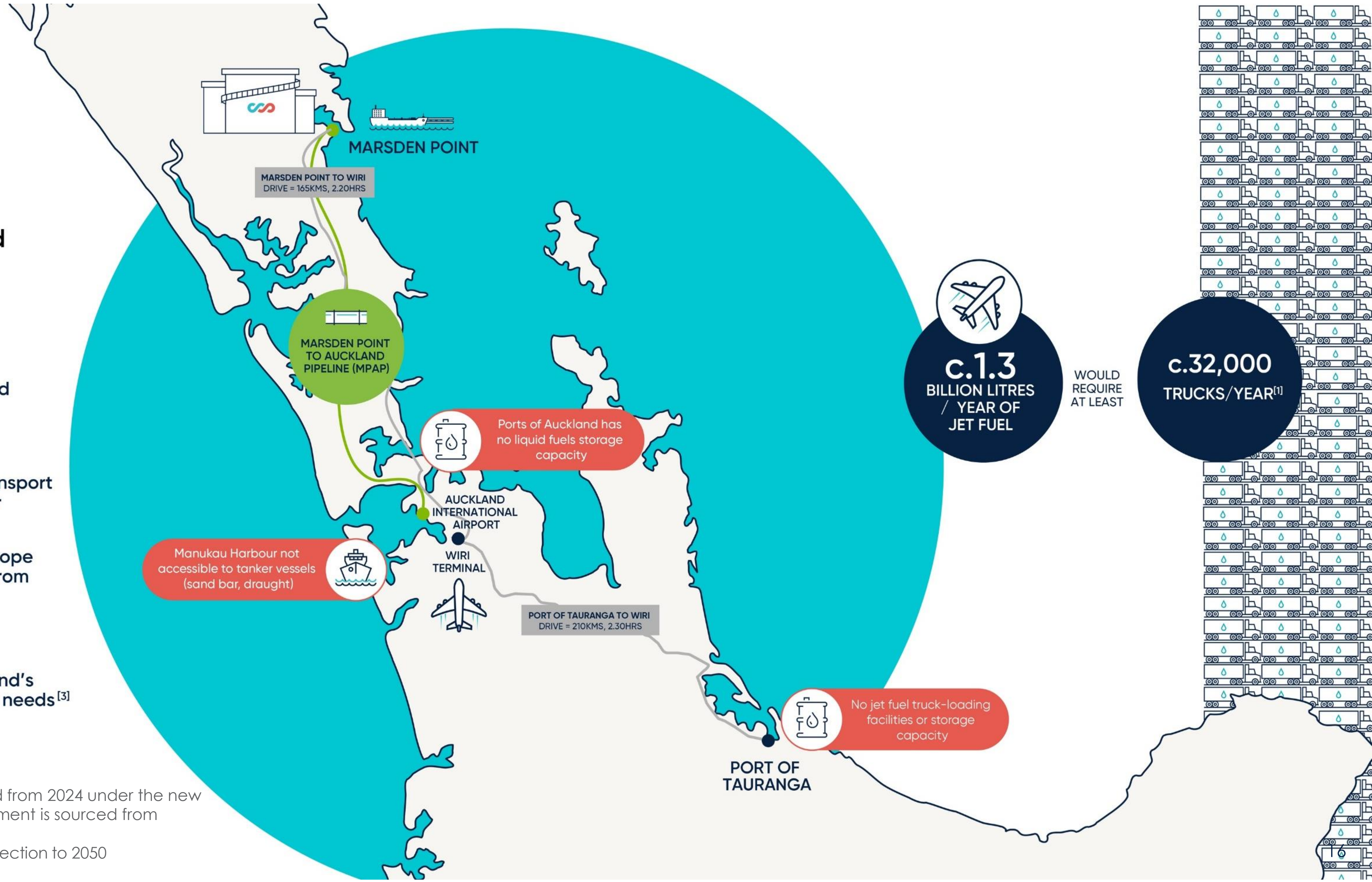
Owned and operated by Wiri Oil Services Ltd

Independent Petroleum Laboratory

4. Key supply route for jet fuel to Auckland International Airport

Pipeline supply is the safest, lowest-cost and lowest-emission distribution option to get fuel to Auckland International Airport

- Safe, reliable, unobtrusive supply of jet fuel to Auckland
- Pipeline does not contribute to road congestion, road transport emissions, road wear
- Expect to be near Scope 1 & 2 emissions free from January 2024 [2]
- Adequate capacity to meet all of Auckland's projected future fuel needs [3]



[1] Assuming 40,000 litres/truck
[2] Assuming all electricity supplied from 2024 under the new long-term electricity supply agreement is sourced from renewable generation
[3] Based on Envisory mid case projection to 2050

What Channel will be called on to deliver for New Zealand:

5. **Support a stable medium term diesel demand outlook and a resilient transition of petrol**

   Stable diesel demand expected in the medium term with longer-term "harder to shift" agricultural and heavy transport sectors. Both petrol and diesel reliant on low-cost infrastructure that may need to accommodate renewables / biofuels

6. **Meet expected growing jet demand**

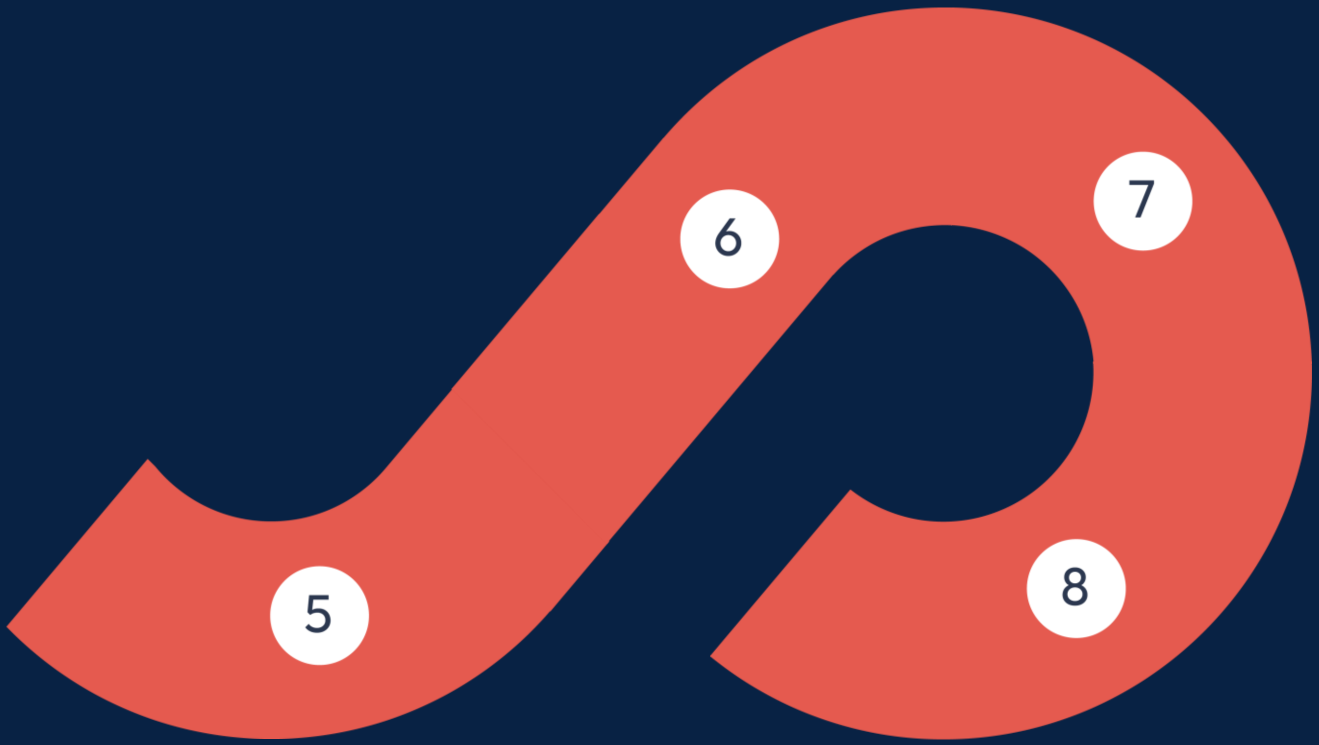
   Increasing middle-class in Asia/India that can afford to travel

7. **Resilient infrastructure to support New Zealand's reliance on long-haul air travel to reach our offshore export markets**

   NZ is geographically isolated and is reliant on air travel to connect people and markets

8. **Infrastructure to support a lower carbon liquid fuel solution for medium- to long- haul flights**

   Our existing infrastructure can accommodate these solutions, which will reduce transition costs



Marsden Point has several brownfield fuels opportunities

Strategic Diesel Reserves

- NZ Government tendering up to 70 million litres of diesel storage capacity
  - Energy (Fuels, Levies, and References) Amendment Bill passed May 2023
  - Tender documents released September 2023
  - Product quality requirements necessitate regular stock turn-over
- Channel is preparing tender response

Minimum Stockholding Obligations (MSO)

- Fuel Industry (Improving Fuel Resilience) Amendment Bill passed in August 2023, obliges fuel importers to hold minimum stock levels
- Channel is well placed to support customers with additional storage

Further Customer Opportunities

- Incremental import terminal upgrade opportunities, investing to lower customers' supply chain costs or improve their supply chain
- Additional liquid storage opportunities onsite (c.400 million litres of unutilised capacity available[2])
  - New storage contract signed for c.$9 million[1] of additional revenue across 10-years from 2024, with minimal incremental growth capex
  - Currently in discussions with customers on a potential (as yet uncontracted) import terminal upgrade project with c.$10 million of capex and appropriate commercial returns
- Marsden Point-to-Auckland Pipeline open-access from April 2025

[1] 2023 real terms
[2] Capex investment would be required to commission this capacity

Channel
Infrastructure NZ

Financial Update

Import terminal delivers stable financial profile

Stable and predictable earnings

Revenue [1]
95%
Underpinned by fixed or 'Take-or-pay' fees

90%
Subject to indexation [1]

EBITDA Margin[1]
68%

EBITDA to FCF Conversion [4]
70%

Stable Ordinary Dividend Yield
c.7%[2]

Strong cash flow and balance sheet

Leverage[3]
3.6x
EBITDA

83%
Debt fixed or hedged

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

Debt expected to peak in next 6-12 months

Reducing post conversion

Disciplined capital management

30-40%
Normalised FCF available for deleveraging or growth

Investment criteria

- Above WACC returns
- Contracted Revenue

All metrics are as at 30 September 2023, unless otherwise stated
[1] For the six-months ended and as at 30 June 2023
[2] Based on a share price of $1.45 per share (as at 26 October 2023) and the mid-point of the latest FY23 guidance of 9.5-11.5 cents per share
[3] Leverage calculated as Net Debt / annualised rolling EBITDA from continuing operations as at 30 June 2023
[4] Based on mid-point of FY23 Guidance as set out on slide 26 of this pack
[5] Neither Channel Infrastructure nor the Bonds have a credit rating (either public or private)

Strong 1H23 financial result, with EBITDA margin of 68% (up 3% on 2H22)

Profit & Loss from continuing operations

$'m (six months ended)	**30 Jun 2023**	**31 Dec 2022**	**30 Jun 2022**
Revenue	64.4	58.4	29.8
Operating costs	(20.9)	(20.7)	(10.1)
EBITDA	**43.5**	**37.7**	**19.7**
Non-operating costs			
Depreciation	(16.2)	(16.3)	(8.3)
Financing costs	(7.2)	(6.1)	(3.6)
Non-operating costs	(23.4)	(22.4)	(11.9)
Net profit before tax	**20.1**	**15.3**	**7.8**
Income tax	(5.6)	(4.4)	(2.1)
Net profit after tax	**14.5**	**10.9**	**5.6**
EBITDA margin	**68%**	**65%**	**66%**

- Terminal operations commenced on 1 April 2022
- For comparative purposes, we report the results for the last 6 months of 2022, as well as the 3-month pcp
- Increased revenue[1] primarily driven by PPI escalation (c.$3 million), and additional private and other terminal storage (c.$3 million)
- Fixed and variable terminal fees marginally exceed the pro rata Take-or-pay, reflecting strong volumes and higher ancillary charges
- A 3% increase on 2H22 EBITDA margin to 68%, due to the increased revenue and effective cost management
- Continuing operations delivered an NPAT of $14.5 million in 1H23, up 32% from the last full 6 months of terminal operations (2H22)

[1] Comparison for six months – 1H23 compared to 2H22

Strong balance sheet

Strong balance sheet supports future growth opportunities

Assets

- Import terminal assets at fair value based on independent valuation in Dec 2021
- Further asset optimisation opportunities – surplus land and potential sale of refining units
- Benefit of available tax losses of $521 million as at 30 June 2023

Liabilities

- Provisions recognised for the cost of decommissioning, and future demolition
- Bank debt fully refinanced to align with infrastructure profile

Net assets

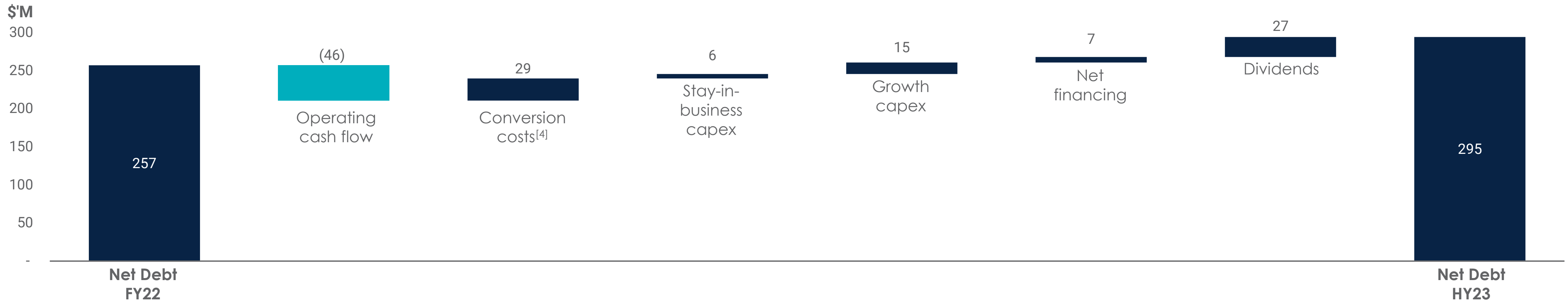
- Net assets equal to $1.33 per share as at 30 June 2023

($m)	HY23	FY22
Cash	2	2
Receivables and inventory	28	29
Current assets	30	31
Property, plant and equipment	890	876
Intangibles & other non-currents	37	40
Total assets	957	947
Trade and other payables	19	20
Employee benefits	2	1
Provisions	14	35
Borrowings	75	-
Current liabilities	110	56
Borrowings	222	260
Employee benefits & other	5	6
Provisions	76	70
Deferred tax liabilities	40	36
Total liabilities	453	428
Net assets	504	518

Leverage remains within the targeted range

- Strong cash flows from operations, funded 93% of the conversion spend and capex in 1H23
- Net debt increased to $295 million as at 1H23 ($315 million as at 30 September 2023) as expected with the conversion spend and FY22 dividend
- Leverage at 3.6x[1] within the targeted range of 3-4x
- Gearing at 37%[2] (vs covenants of 55% (bank debt) and 60% (bonds))
- Interest cover at 5.1x (vs covenant of 2.5x)[3]

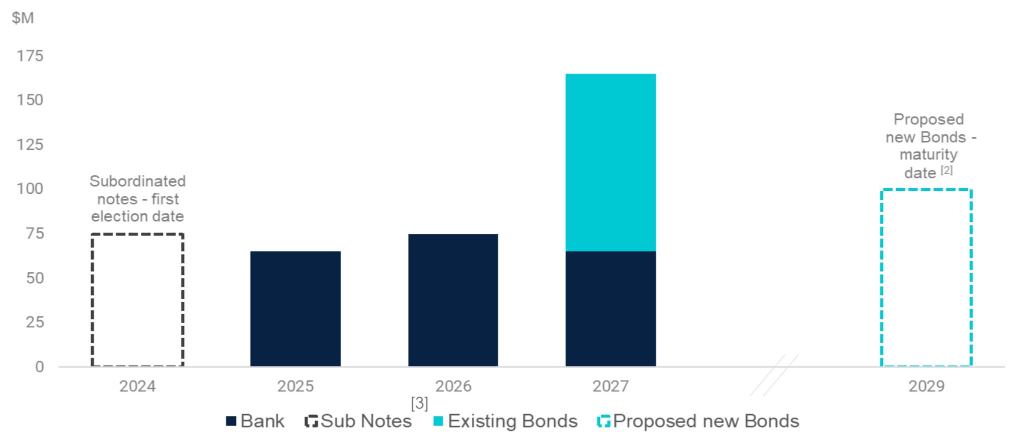
Net debt movement



[1] Leverage calculated as Net Debt / annualised rolling EBITDA from continuing operations as at 30 June 2023
[2] Gearing calculated as Net Debt to Net Debt plus Equity as at 30 June 2023
[3] Interest cover calculated as 12 month rolling EBITDA to net interest expense as at 30 June 2023
[4] Includes operating and capital conversion costs (but excludes private storage capex which is included in growth capex)

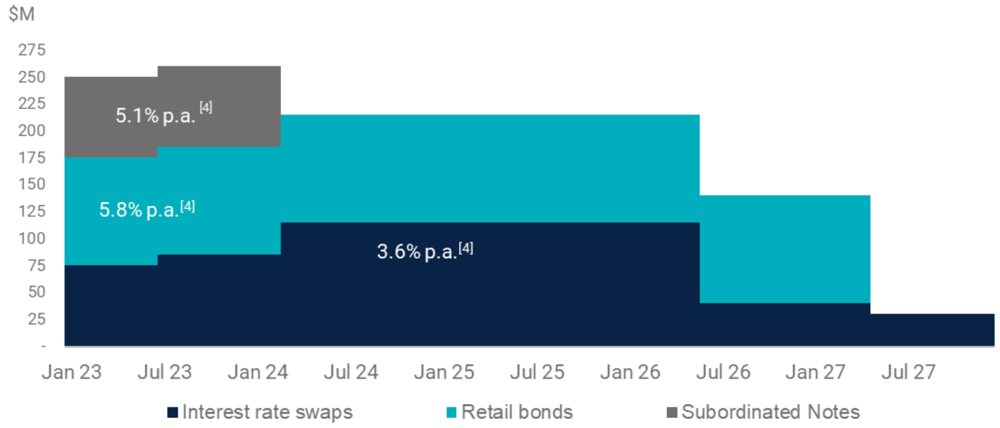
New retail senior bond to replace Subordinated Notes[5]

Debt profile[1]



- Debt facilities of $380 million with significant liquidity headroom available (c.$62 million as at 30 September 2023)
- Expected debt will peak at around $15 to $35 million above the 30 September 2023 level in the next 6 - 12 months (assuming no further growth projects)
- c.83% of 30 September 2023 net debt fixed, with significant hedge protection in the following years
- New retail senior bond to replace the Subordinated Notes[5]

Interest rate profile as at 30 September 2023



[1] Indicative debt profile assuming completion of the new retail senior bond issuance at $100m issue size
[2] Shown at $100m issue size
[3] The existing subordinated notes issued by Channel Infrastructure on 14 December 2018, which are quoted on the NZX Debt Market under the ticker code CHI010 (**Subordinated Notes**)
[4] Nominal interest rate, excluding the amortisation of up-front bank fees and bond issuance costs. Bank nominal interest rate represents a combination of bank margin, line fees, and swap rates (note: drawn facilities in excess of the hedged amount are subject to floating interest rates, i.e. Bank Bill Rate plus the applicable line fee and margin)
[5] The first election date to redeem the Subordinated Notes is 1 March 2024

Clear capital allocation framework

Long-term contracts delivering strong cash flow

Returns to shareholders

Dividend Policy of 60-70% of normalised Free Cash Flow[1]

2023 guidance implies indicative dividend range of 9.5 to 11.5 cps, with targeted 40:60 split

Deleveraging

Target:

- Leverage of 3 to 4 times EBITDA
- Credit metrics consistent with a shadow BBB+ credit rating[2] (c.$300 million target net debt based on current asset/ earnings base)

Focused growth

Criteria for investment:

- above WACC return on investment
- customer contracts that provide revenue certainty

[1] Normalised Free Cash Flow is calculated as net cash flow from operations less maintenance capex (excluding conversion costs and growth capex). The dividend policy is subject to the Board's due consideration of the Company's medium term asset investment programme; a sustainable financial structure for Channel Infrastructure, recognising the targeted investment grade rating credit metrics; and the risks from short and medium term economic and market conditions and estimated financial performance

[2] Neither Channel Infrastructure nor the Bonds have a credit rating (either public or private)

FY23 guidance reconfirmed. Outlook for FY24

Indicative FY23 financial metrics[1]

	($m)
Terminal and other revenue	128-130
Operating costs	42-44
EBITDA	84-88
Depreciation	34-35
Financing costs	c.16
Income tax payable	Nil
Stay-in-business capex	c.9-11
Indicative Normalised Free Cash Flow	59-62
Indicative dividend range[2]	9.5 -11.5cps

FY24 guidance[3] to be released with FY23 results. Key drivers include:

- The PPI escalator applying to 2024 import terminal services and private storage revenue published mid-November
- Private storage revenue at full run rate of c.$9 million p.a. (2021 real)
- New storage contract announced on 19 October 2023 of c.$9 million of additional revenue across 10 years from 2024 (with minimal incremental growth capex)
- Over $2 million saving in FY24 electricity supply costs vs FY23 due to new supply contract from 1 January 2024
- Inflationary cost pressure across variable opex
- Continued focus on maintaining effective cost management culture and creating efficiencies across the business

[1] Guidance is for terminal operations (classified as continuing operations) and excludes discontinued operations (i.e. one-off conversion cost opex and capex of $200-220 million), private storage capex ($45-50 million) and additional terminal storage ($7 million), with no change in guidance for these projects. Guidance also excludes any opex and capex associated with new growth opportunities

[2] The dividend policy is subject to the Board's due consideration of the Channel Infrastructure's medium term asset investment programme; a sustainable financial structure for Channel Infrastructure, recognising the targeted investment grade credit metrics; and the risks from short and medium term economic and market conditions and estimated financial performance

[3] From FY24, guidance will be provided on EBITDA and Normalised Free Cash Flow

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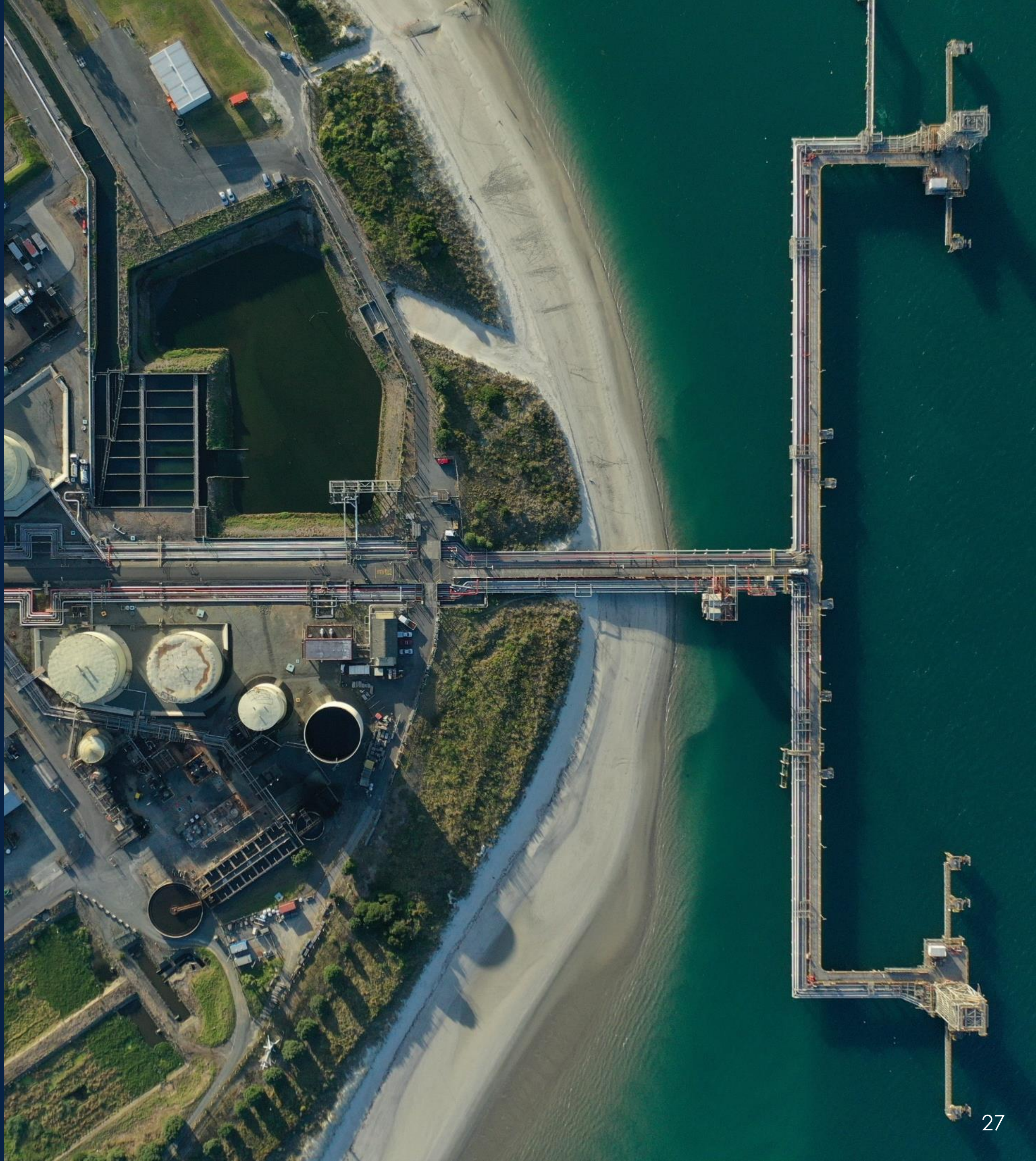
Bond Offer



Key terms

The following section provides a summary of certain key terms only. Full details of the terms of the Offer and the Bonds are contained in the Terms Sheet, which must be read carefully and in full.

Issuer	Channel Infrastructure NZ Limited.
Description	Unsecured, unsubordinated, fixed rate bonds.
Offer amount	Up to $75m (with the ability to accept oversubscriptions of up to an additional $25m at Channel Infrastructure's discretion).
Term	6 years maturing on 14 November 2029.
Ranking of the Bonds	On a liquidation of Channel Infrastructure, each Bond will rank as unsecured and unsubordinated debt obligations of Channel Infrastructure, ranking: • behind any secured liabilities and liabilities which are preferred by law; • equally with other Bonds and equally among the rights and claims of equal ranking obligations including the lenders of Channel Infrastructure's bank debt and all other unsecured, unsubordinated obligations, including trade creditors and the Existing Bonds; and • ahead of holders of subordinated debt (including the Subordinated Notes) and ahead of shareholders of Channel Infrastructure. Amounts owing under the Guarantee constitute unsecured, unsubordinated debt obligations of each Guarantor and on a liquidation of a Guarantor, amounts owing to holders of Bonds under the Guarantee rank equally with all other unsecured unsubordinated obligations of that Guarantor.
Guarantee	The Bonds will be guaranteed by the Guarantors under the Negative Pledge Deed dated 28 April 2022 granted by Channel Infrastructure and Channel Terminal Services Limited in favour of, among others, the Supervisor. As at the date of this presentation, Channel Terminal Services Limited (a wholly-owned subsidiary of Channel Infrastructure) and Channel Infrastructure are the only Guarantors.
Interest Rate	Set following the bookbuild process as the sum of the Swap Rate and the Issue Margin, subject to the minimum Interest Rate of 6.75% per annum.
Indicative Issue Margin range	The indicative Issue Margin range is 1.70% to 1.85% per annum. The Issue Margin (which may be within, above or below the indicative Issue Margin range) will be determined by Channel Infrastructure (in consultation with the Joint Lead Managers) following the bookbuild process and announced via NZX on or shortly after the Rate Set Date.

Key terms (cont.)

Purpose	The net cash proceeds raised under the Offer (excluding the value of any Subordinated Notes purchased under the Exchange Mechanism) are intended to be applied towards: a) repaying a portion of Channel Infrastructure's existing bank debt; b) redeeming on 1 March 2024 any Subordinated Notes[1] that are not otherwise purchased on the Issue Date under the Exchange Mechanism[2]; and c) general corporate purposes. The Bonds will also provide diversification of funding that aligns with an infrastructure business.
Financial covenants	Interest Cover Ratio: EBITDA not less than 2.5x Net Interest Expense on two successive semi-annual test dates. Gearing Ratio: Net Debt to Net Debt plus Equity not to exceed 60%.
Minimum application amount	Minimum application of NZ$5,000 with multiples of NZ$1,000 thereafter.
Brokerage	0.25% on firm allocations plus 0.50% brokerage.
Quotation	Application has been made for the Bonds to be quoted on the NZX Debt Market under the ticker code CHI030.
No credit rating	The Bonds will not be rated. Channel Infrastructure is not rated.
Redemption of Subordinated Notes[1] on the first election date (1 March 2024) if the Offer is successful	If the bookbuild for the Offer is successful, Channel Infrastructure intends to issue a redemption notice in respect of the Subordinated Notes on or before 16 January 2024 in order to redeem any Subordinated Notes on 1 March 2024 (being the first scheduled election date) that are not otherwise purchased on the Issue Date under the Exchange Mechanism described below. For each Subordinated Note redeemed on 1 March 2024, Channel Infrastructure will pay to the relevant holder of Subordinated Notes (**Subordinated Noteholder**) an amount equal to the principal amount of the Subordinated Note ($1.00) plus the final semi-annual interest payment.

[1] The existing subordinated notes issued by Channel Infrastructure on 14 December 2018, which are quoted on the NZX Debt Market under the ticker code CHI010 (Subordinated Notes)
[2] Refer to slide 30

Exchange Mechanism	If the bookbuild for the Offer is successful, Subordinated Noteholders that hold Subordinated Notes through a custodial account and who wish to apply for the Bonds (**Custodial Subordinated Noteholders**) may be able to exchange all or some of their Subordinated Notes for an equal number of Bonds on the Issue Date (on a one-for-one basis at a face value of $1.00), on the terms set out in the Terms Sheet under the heading "Exchange Mechanism" (**Exchange Mechanism**). This Exchange Mechanism will only be available to a Custodial Subordinated Noteholder if: a) the Custodial Subordinated Noteholder receives an allocation of Bonds from a participant in the bookbuild for the Offer; and b) Channel Infrastructure and the relevant participant (acting on the authorisation of the Custodial Subordinated Noteholder) have agreed to the exchange in respect of an agreed number of Subordinated Notes (**Exchanged Subordinated Notes**). Channel Infrastructure will purchase the Exchanged Subordinated Notes on the Issue Date (14 November 2023) (rather than redeem them on 1 March 2024) as set out in the Terms Sheet. The Issue Price for each Bond that is not otherwise settled under the Exchange Mechanism must be cash settled on the Issue Date. Retail investors (including Subordinated Noteholders) who wish to participate in the Offer and invest in the Bonds (including under the Exchange Mechanism, to the extent available to that investor) should contact their financial adviser, one of the Joint Lead Managers or another Primary Market Participant – see the sections in the Terms Sheet titled "Who may apply for Bonds" and "How to apply" for further information. Holders of Subordinated Notes who do not hold those Subordinated Notes through a custodial account, and who are interested in potentially participating in the Exchange Mechanism, should contact their usual financial advice provider as soon as possible to discuss whether their holding can be moved to a custodial account.

Key dates*

Opening Date	Monday, 30 October 2023.
Closing Date	Friday, 3 November 2023 at 11.00am NZT.
Rate Set Date	Friday, 3 November 2023.
Issue Date	Tuesday, 14 November 2023.
Expected date of initial quotation and trading	Wednesday, 15 November 2023.
Maturity Date	Wednesday, 14 November 2029.
Interest Payment Dates	Interest will be paid quarterly in arrear in equal amounts on 14 February, 14 May, 14 August and 14 November in each year, with the first payment on 14 February 2024.
Trading halt	A trading halt in respect of the Subordinated Notes will occur from pre-market trading on Monday, 6 November 2023 (being the first trading day following the Rate Set Date) to pre-market trading on Wednesday, 15 November 2023 (being the expected date of initial quotation of the Bonds).
Intended redemption of Subordinated Notes	Friday, 1 March 2024

* The dates set out above are indicative only and subject to change. Channel Infrastructure may, in its absolute discretion and without notice¸ vary the timetable. Changes will be advised by way of announcement through NZX.

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Questions