

## NZX RELEASE

30 October 2023

### Channel Infrastructure launches unsecured, unsubordinated, fixed rate bond offer

Channel Infrastructure NZ Limited (**Channel Infrastructure**) confirmed today that it is offering up to \$75,000,000 (with the ability to accept oversubscriptions of up to an additional \$25,000,000 at Channel Infrastructure's discretion) of 6 year, unsecured, unsubordinated, fixed rate bonds (**Bonds**) maturing on 14 November 2029 to investors resident in New Zealand and institutional investors.

The offer opens today, 30 October 2023, and is expected to close on 3 November 2023 at 11am (New Zealand time).

The interest rate will be set as the sum of the underlying swap rate plus the issue margin, subject to a minimum interest rate of 6.75% per annum. The indicative issue margin range for the Bonds is 1.70% to 1.85% per annum. The actual issue margin will be set following a bookbuild process and may be above, below or within that indicative range.

An announcement of the interest rate is expected to be made via NZX on 3 November 2023. The terms sheet will be updated to include the interest rate, the issue margin and the issue amount and will be released on the same day. The Bonds are expected to be issued on 14 November 2023 (**Issue Date**).

Channel Infrastructure has the right to redeem its subordinated notes which are quoted on the NZX Debt Market under the ticker code CHI010 (**Subordinated Notes**) on 1 March 2024 (being the first scheduled election date) and intends to do so if 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 of the Bonds (on a one-for-one basis at a face value of \$1.00).

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.

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**).

For the avoidance of doubt, the exchange mechanism does not restrict:

- (a) a Custodial Subordinated Noteholder from seeking to invest in more or less Bonds under the offer than the number of Subordinated Notes beneficially held by the Custodial Subordinated Noteholder; or



- (b) any other holder of Subordinated Notes (that is not a Custodial Subordinated Noteholder) from seeking to invest in the Bonds under the offer.

Any Exchanged Subordinated Notes purchased by Channel Infrastructure under the exchange mechanism will be cancelled. This will reduce the total amount of Subordinated Notes outstanding which may impact trading of the Subordinated Notes on the secondary NZX Debt Market.

To allow for an orderly settlement, 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).

There is no public pool for the offer, with all of the Bonds being reserved for clients of the Joint Lead Managers, Primary Market Participants and other approved financial intermediaries.

The offer is being made pursuant to the Financial Markets Conduct Act 2013 as an offer of debt securities of the same class as Channel Infrastructure's existing quoted debt securities which are quoted on the NZX Debt Market under the ticker code CHI020. The notice required by the Financial Markets Conduct Regulations 2014 has been provided to NZX with this announcement. The Bonds are expected to be quoted on the NZX Debt Market on 15 November 2023 under ticker code CHI030.

Full details of the offer are contained in the indicative terms sheet. A copy of the indicative terms sheet, along with an investor presentation, are attached and also available through [www.channelnz.com/investor-centre/bond-offer](http://www.channelnz.com/investor-centre/bond-offer).

Interested investors should contact a Joint Lead Manager (details below) or their usual financial advice provider.

#### Joint Lead Managers



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FORSYTH BARR

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**-ENDS-**

#### Authorised by:

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## About Channel Infrastructure

Channel Infrastructure's vision is to be a world-class infrastructure company, delivering resilient infrastructure solutions to help meet changing fuel and energy needs.

Channel Infrastructure's assets are a critical part of the Northland and Auckland fuel supply chain, supplying around 40% of New Zealand's transport fuel demand and all of the jet fuel to the Auckland International Airport. Utilising the deep-water harbour and jetty infrastructure at Marsden Point, as well as 280 million litres of storage tanks, and the 170-kilometre pipeline from Marsden Point to Auckland we receive, store, test and distribute fuel owned by our customers. Channel Infrastructure's wholly-owned subsidiary, Independent Petroleum Laboratory Limited, provides fuel quality testing services at Marsden Point and around New Zealand.

Channel Infrastructure will seek to support New Zealand's decarbonisation ambitions, by utilising our strategically-located assets and our expertise in supply chain infrastructure. The Company remains focused on its future growth opportunities at the Marsden Point site and beyond, including additional fuel storage to support fuel security and studies underway with partners on hydrogen and sustainable aviation fuel opportunities.

For more information on Channel Infrastructure, please visit: [www.channelnz.com](http://www.channelnz.com)