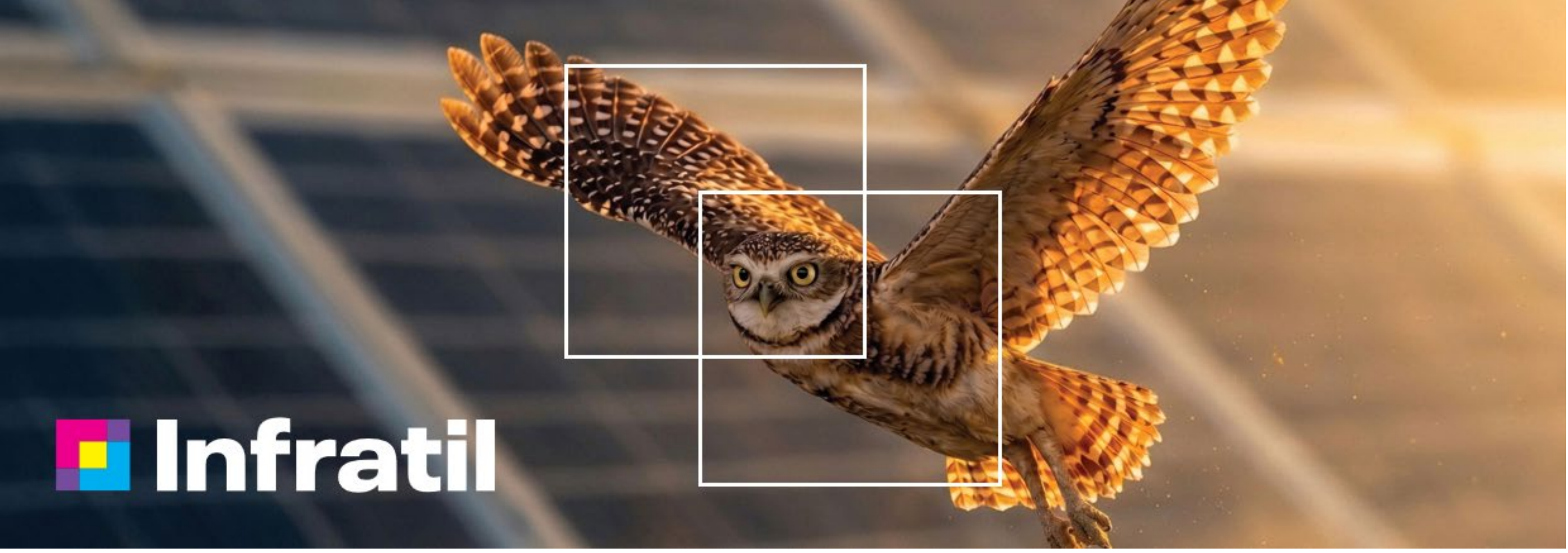


Investor newsletter

August 2026

We've had a busy few months since our financial results announcement with a dozen retail investor presentations completed across 10 New Zealand towns and cities, the quarterly update to CDC's independent valuation, and the release of our annual climate reporting.

Our retail investor roadshow reached about 1,500 attendees this year and provided useful insights on how investors view our portfolio strategy and the growth opportunities we see ahead. Unsurprisingly, questions about the strength of AI-related demand and potential risk for Infratil remains a focus for investors.

We saw markets waver again in recent weeks, before quarterly results from several US hyperscalers showed continued strong demand for AI infrastructure and US data centre operator Equinix upgraded its guidance. Our view remains that large-scale operators – like CDC and Longroad Energy - with secured land, power and customer relationships, are very well placed to capitalise on AI-driven growth opportunities in their respective markets.

In this edition:

Tune in to the Opening Bell

For those who are seeking insights into New Zealand companies and the broader capital market, check out the NZX's Opening Bell podcast series.

Our CEO Jason Boyes sat down with the podcast's Joseph Shuker soon after our FY26 results for a chat about the things we're focused on, and what we're thinking about further ahead. Listen to the episode here.

Credit rating adding value for CDC

CDC has been busy diversifying its funding sources since it secured its inaugural public credit rating, Baa2 (Stable), from Moody's in April. Two transactions have now been completed, raising A$1.7 billion in funding with a third currently in market. CDC has experienced extremely strong demand for its two transactions, ensuring cost effective outcomes.

In May, CDC issued a A$1 billion hybrid capital bond at a blended margin of 250 basis points across A$650 million floating rate and A$350 million fixed-to-floating rate tranches. The transaction was almost six times oversubscribed.

This was followed by a debut Australian senior bond that attracted more than A$4 billion of demand. The transaction was upsized from A$500 million to A$700 million, comprising:

- 6 Year: A$400 million at +145bps margin, equating to approximately 6.1% per annum
- 10 Year: A$300 million at +175bps margin, equating to approximately 6.6% per annum

CDC has returned to the US Private Placement market following successful issuances in 2022 and 2024. The deal launched recently at US$400 million across 10, 12 and 15 year tenors, with the ability to upsize depending on investor demand and pricing. The deal is expected to close in August with funding set for Q4 in 2026.

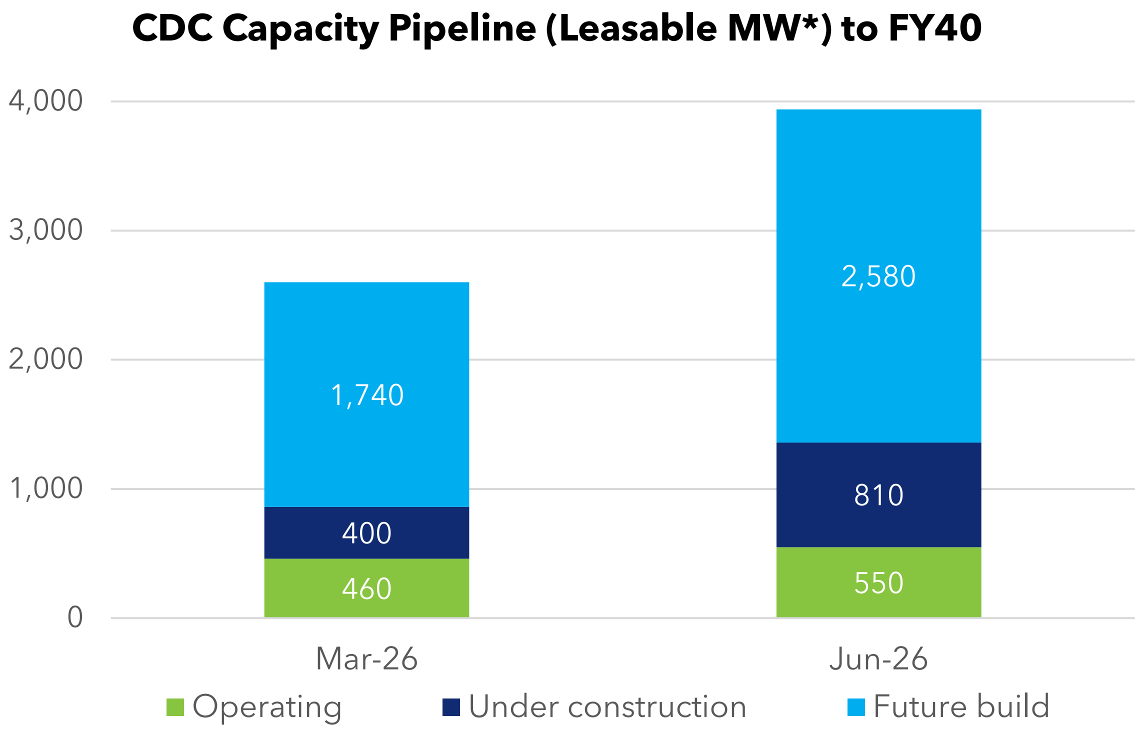
CDC valuation shows development acceleration

The latest CDC independent valuation increased by A$3.5 billion, or 23.6%, in the quarter to 30 June to a mid-point of A$18.5 billion. This values Infratil's 49.72% interest in CDC at A$9.2 billion at the mid-point, up A$1.75 billion from the 31 March valuation.

Much of this increase reflected the valuation catching up with CDC's announcement in early May of its 555 megawatt (MW) contract, which the market had already reflected in the share price. However, the valuation update also revealed the acceleration in CDC's build programme, with leasable capacity under construction doubling to 810MW.

Leasable capacity is primary ICT capacity that is contractable or revenue generating and aligns with the forward views on contracted capacity that CDC has previously provided out to FY29.

With contracted capacity now accounting for a significant portion of operating and under construction capacity, the quarterly valuation update revealed that CDC has included 1.3GW of additional future build capacity in its pipeline to FY40. This takes its total pipeline to 3.9GW and will ensure it maintains sufficient runway to meet continued strong customer signals for additional large scale data centre demand.



*Source: CDC Independent Valuation, 30 June 2026. *Rounded to nearest 10MW*

Australian government progresses national AI Standard

In July, Australia's Prime Minister, Anthony Albanese, announced the Federal Government's intention to legislate a national AI Standard, including mandatory minimum requirements for large data centres in relation to energy, water and location, to enable data centre investment while ensuring AI works in Australia's interests.

This was followed by the Energy and Climate Change Ministerial Council (ECMC) on 28 July, where Ministers "...agreed to progress action to ensure this important economic opportunity occurs in a way that is beneficial for Australia's energy grids and prevents additional costs on households, building on work already underway in some jurisdictions."

On 5 August, the Australian Energy Market Commission (AEMC) released its advice to Energy Ministers and Minister Bowen set out the Government's approach at the National Press Club. Data centres would offset their electricity use by surrendering Renewable Electricity Guarantee of Origin certificates from new, additional generation, and demonstrate their load is backed by new firm capacity.

Encouragingly, the AEMC has advised the reforms could be staged and applied proportionately to a facility's size and load impact, and the Government has signalled multiple compliance pathways — including power purchase agreements or direct investment in generation.

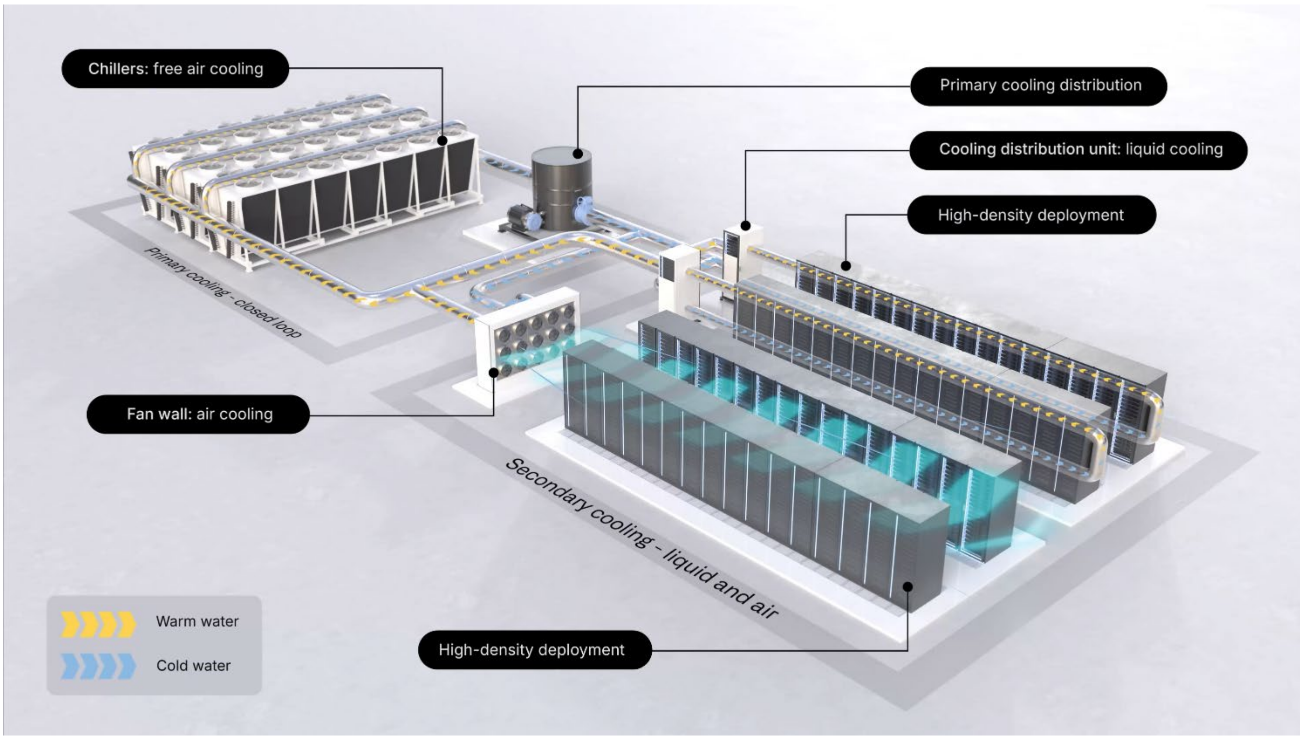
Expected next steps from here are:

- National Cabinet is expected to consider the framework in August, with the Prime Minister to outline further detail in coming weeks.
- Ministers will develop National Electricity Rule change proposals for consideration in September, to ensure data centres "...demonstrate that they can offset their demand by procuring new renewable generation, adequate firming, and demand flexibility to support the energy grids."

While the final form remains subject to consultation, CDC is well placed to meet the new requirements given its scale and experience and will continue working with stakeholders to ensure regulations are pragmatic.

CDC is very focused on social licence matters and locates its campuses in industrial locations. It invests significantly in electricity network infrastructure, such as substations, for its large-scale campuses and Infratil has extensive sector expertise in renewable energy development that it could draw upon.

CDC is also a leader in minimising water use with its closed-loop liquid cooling system which has been installed across CDC-built facilities for more than 18 years.



CDC's closed-loop liquid cooling system recirculates water through sealed pipes and places no ongoing burden on local water catchments, potable water supply, or stormwater infrastructure.

Kao Data wins landmark UK neocloud contract

Data centre demand is a global phenomenon and, in June, our UK data centre business, Kao Data, announced a significant 22MW contract win. The 10-year agreement is with Nebius (NASDAQ: NBIS), a leading AI neocloud company, for capacity at Kao Data's Harlow campus, just north of London. The deployment forms part of Nebius' announced £1.7 billion investment in the UK and will provide dedicated infrastructure to support the rapid growth of inference workloads, reflecting the increasing demand for high-performance compute environments capable of supporting advanced AI applications at scale.

Kao Data CEO, Spencer Lamb, said the contract reinforces the role of the Harlow campus as one of Europe's leading hubs for industrial-scale AI research, enterprise computing, and GPU-accelerated workloads. The agreement also highlights the strategic importance of the UK as a destination for AI investment and innovation, supported by world-class digital infrastructure and a growing ecosystem of technology companies.

"This partnership proves that, despite challenging macroeconomic circumstances, demand for industrial-scale, UK-based, cutting-edge AI infrastructure remains high, with Kao Data providing the ideal platform for the latest AI workloads. As organisations continue to invest heavily in artificial intelligence, access to scalable, sustainable and highly connected data centre capacity is becoming increasingly critical, and we are proud to be supporting that growth."

The Harlow campus includes the 17.6MW KLON-03 facility (pictured below), which is currently under construction and will be operational from early 2027. Designed to meet the evolving requirements of next-generation AI and high-performance computing deployments, the facility will minimise water consumption through energy-efficient, direct-to-chip liquid cooling technology while delivering the performance and resilience demanded by modern compute-intensive workloads.

Sustainability remains a core focus of the campus, which is powered by 100% renewable energy and supported by generators running on hydrotreated vegetable oil. These measures form part of Kao Data's broader commitment to reducing environmental impact while enabling customers to deploy large-scale digital infrastructure in a responsible and energy-efficient manner.

With the London market continuing to face constraints on land and power availability, further compounded by speculative power applications, Kao Data has also acquired a West London site and is targeting the delivery of a further 30MW+ of capacity by 2029. Together with ongoing development at Harlow, these investments will strengthen Kao Data's ability to support growing customer demand, expand capacity in strategically important locations, and help address the infrastructure requirements of the UK's rapidly developing AI and digital economy.

Construction underway at Kao's KLON-03 facility

Longroad targets 15GW of power in 2029

Longroad Energy announced it has broadened its executive leadership team for its next phase of growth. Among the team changes, Peter Keel has added the role of President to his current CFO responsibilities.

Pete says that "by the end of this decade, we intend to grow Longroad into a 15GW independent power producer. Our 36GW development and storage pipeline, additional 10GW data centre pipeline, deep stakeholder relationships, and proven execution capabilities provide a strong foundation for that growth."

While US electricity demand is stronger than ever, interconnection delays, larger projects, tariffs, domestic content rules and execution risk are raising the barriers to entry for smaller developers. Longroad believes its scale, balance sheet, relationships and execution capability give it an advantage in this changing market context.

One of the reasons Australasia, and CDC, is seeing strong data centre demand is the lack of powered sites for data centres in the United States. That's why one of the callouts from Infratil's FY26 results was Longroad Energy's interest in exploring data centre opportunities within its existing operating fleet and development pipeline.

Longroad's initial review of its pipeline has now identified up to 10GW of land that may be suitable for data centres and it is working through the details of this opportunity. The team's focus is on powered land and powered data centre shell opportunities, rather than full data centre operation. They're considering what form this might take and what role other parties might play.

Any data centre developments would be incremental upside to Longroad's existing focus on growing their renewable generation fleet. We'll hear more from Longroad about this opportunity at our institutional investor day on 16 September.

Leadership changes support growth

New Infratil Directors

In June, we announced that Mr Brad Banducci and Ms Tiffany Fuller would be joining the Infratil Board. Brad is a highly accomplished CEO and brings over 35 years of leadership experience spanning retail and consumer, fintech, and management consulting. Tiffany brings extensive experience in governance, chartered accounting, corporate finance, investment banking, private equity, funds management, and management consulting.

Both new directors are based in Australia. This reflects half of our investment portfolio being located in Australia, and our focus on continuing to broaden our Australian investor base.

Brad is seeking election at the 2026 Annual Meeting on 18 August and Tiffany at the 2027 annual meeting. As previously announced, Peter Springford is retiring and will not stand for re-election but will continue as an adviser to the Infratil Board until the end of 2026.


Newly announced Infratil directors Brad Banducci and Tiffany Fuller.

Infratil leadership team changes

With the scale and global footprint of our portfolio continuing to increase, Andrew Carroll has moved from our Chief Financial Officer role into the newly created role of Chief Operating Officer. He is accountable for setting and driving execution and capital allocation priorities, overseeing portfolio and portfolio company performance, and mobilising Morrison and external resources to deliver these outcomes. He will also retain accountability for Infratil's capital management. Andy is also a director of One NZ and EonFibre.

Matt Ross, who has been Deputy Chief Financial Officer since November 2023 and has been with Infratil for over 16 years, has been appointed Chief Financial Officer, reporting to Andy. Matt is also a director of Wellington International Airport.


Chief Operating Officer Andrew Carroll (left) and Chief Financial Officer Matt Ross.

Changing of the guard at One NZ

One New Zealand announced that current Chief Financial Officer, Nick Judd, will succeed Jason Paris as CEO. Jason has led the organisation for almost eight years and over this time One has transformed into a company recognised for innovation, customer focus and long-term value creation.

One NZ was recently named the umlaut Best in Test mobile network winner for the fifth consecutive year running (2021-2026), with a clean sweep across every award category: voice, data, reliability and overall network performance.

Kieran Byrne (currently Chief Technology Officer) will become Chief Financial Officer on 31 August and brings commercial, financial, strategic and operational experience developed through leadership roles across Strategy, Technology and Transformation. Sharina Nisha becomes Chief Technology Officer with more than 30 years of telco experience, including leading many of One NZ's important technology initiatives.

Outgoing One NZ CEO Jason Paris (left) with his successor and current CFO Nick Judd.

Morrison announces strategic Japanese partnership

During July, our manager Morrison announced a new strategic partnership with Sumitomo Mitsui Trust Bank. We've had a few investors ask what this might mean for Infratil. The simple answer is that this does not change Morrison's management of Infratil, or Morrison's investment and asset management responsibilities.

As outlined in our Annual Report (see pages 11-12), Infratil has its own Board and is Morrison's largest client. The Board oversees capital allocation to deliver Infratil shareholder returns and monitors Morrison's performance under the management agreement.

Infratil management sees all investment opportunities identified by Morrison and refers relevant opportunities to the Infratil Board to consider. Infratil may choose to invest alongside other Morrison clients, as occurred with the original investment in CDC and Longroad Energy, or Morrison may undertake transactions for other funds and clients that Infratil has elected not to participate in.

Gauging our performance

We're often asked which other publicly listed companies Infratil can be compared with. Infratil's diversified portfolio means the answer can vary depending on what is being measured.

A useful benchmark is the diversified infrastructure grouping monitored by the Global Listed Infrastructure Organisation (GLIO). The GLIO update for 31 July is shown below.

GLIO also publishes a Journal on the listed infrastructure sector.

INFRASTRUCTURE INVESTMENT COMPANIES

GLIO

Infra Investment Co's (IICs)	Country	Full MC ($M)	Month	YTD	1 Yr	3 Yrs	5 Yrs	7.5 Yrs	10 Yrs	12.5 Yrs	15 Yrs	17.5 Yrs	20 Yrs	22.5 Yrs
Brookfield Infrastructure	USA	19,110	14.4%	23.0%	40.5%	10.9%	7.8%	11.4%	12.1%	12.9%	14.4%	17.5%		
Infratil	New Zealand	8,704	-4.2%	34.6%	29.1%	16.2%	17.6%	23.4%	20.1%	21.8%	20.5%	18.2%	15.3%	16.2%
INPP	UK	3,421	1.6%	17.2%	23.8%	9.7%	3.1%	4.5%	4.3%	6.2%	6.6%	7.9%		
HICL Infrastructure	UK	3,406	3.0%	20.8%	18.3%	8.4%	1.6%	3.1%	3.1%	5.6%	6.8%	6.6%	6.9%	
3i Infrastructure	UK	4,717	0.5%	3.5%	12.5%	10.7%	8.2%	8.6%	10.9%	12.6%	12.2%	13.2%		
TINC	Belgium	635	-0.5%	12.4%	18.2%	3.3%	3.5%	4.5%	4.8%					

Source: GLIO Benchmark & Company Statistics Pack, July 31, 2026, p72

Progress on sustainability and climate reporting

There's plenty happening across our sustainability workstreams at this time of year. We've just published Infratil's FY26 Climate Related Disclosures outlining the potential impacts of climate change on our portfolio, our approach to scenario analysis, and the steps we're taking in response.

Importantly, Infratil's geographic and sector diversification helps mitigate climate-related risks while providing exposure to opportunities created by the transition to a lower-carbon economy. It also gives us the flexibility to direct capital to regions and sectors offering the most compelling long-term risk-adjusted returns.

CDC recently released its 2026 Sustainability Report. One NZ published its Sustainability Report FY26 and has recently been shortlisted as a Tech & AI category finalist for the Global Sustainability Awards 2026. The One NZ team's submission highlighted the use of AI, machine learning and automation to optimise energy use with 24 GWh of electricity saved and approximately 1,720 tonnes of greenhouse gas emissions avoided over two years.

Infratil was chuffed to be recognised by Morningstar Sustainalytics as the top Regional Leader for Asia-Pacific in a recent report. This recognises our low overall exposure alongside strong management of material ESG issues across Infratil and our portfolio.

Other updates

- **Wellington Airport** reopened its southwest pier to jet aircraft in early July, following a fire incident on 12 June. Staff and contractors had been working around the clock to repair smoke and water damage to the pier. The Airport minimised disruptions for travellers by transferring domestic jet flights to the northern pier during the closure.
- **Mint Renewables** announced Craig Brown had been appointed to the newly created role of Chief Executive Officer to lead the next phase of Mint's growth, execution and long-term value creation in Australia and New Zealand.
- NZX is holding the **NZX Tech Investor Day** in Auckland on 8 October to connect high-growth technology companies with investors, advisers and the wider capital markets. Infratil CEO Jason Boyes will be presenting. More information is available here.
- Infratil is supporting this year's **NZ Shareholder's Association Investor Conference** in Wellington from 22-23 October. Find out more about the conference here.

Follow us on LinkedIn or visit our website at infratil.com for future updates and presentations. If you'd like to provide us with feedback, please email info@infratil.com