MARKET RELEASE

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Channel Infrastructure confirms FY27 PPI adjustment

Channel Infrastructure NZ Limited (NZX/ASX: CHI) advises that the Producer Price Index (PPI) for the 12 months ended 30 September 2026, published yesterday by Stats NZ, is 3.66%. Stats NZ also yesterday announced that they had identified an error which resulted in them restating the previously published PPI for all quarters from March 2021. The impact of the restatement of these PPI factors on Channel's revenue over that period is not material.

The PPI adjustment will apply to approximately 90%[1] of Channel's revenue from 1 January 2027.

Alongside this, the delivery of new infrastructure projects for our customers this year is expected to deliver further earnings growth in FY27. In 2026, Channel completed the jet fuel storage project for Z Energy and delivered 93 million litres of diesel storage for the New Zealand Government and the Higgins bitumen import terminal is also expected to be completed by 2026 year-end. All of the revenue associated with these projects is subject to PPI indexation, with the exception of the Government diesel storage.

Channel also reiterates its previously communicated FY27 operating cost expectations, which reflect additional expenditure to support its expanded infrastructure portfolio and as well as broader cost inflation in line with CPI. As previously signalled, FY27 operating costs will include approximately $0.2 million of incremental operating costs associated with the Higgins bitumen terminal and $0.7–0.9 million of additional expenditure on asset management and maintenance, reflecting the more than 40% increase in storage capacity delivered during 2026. Channel continues to have a strong pipeline of growth opportunities, some of which will likely require investment in additional growth expenditure during FY27.

Channel Chief Executive Rob Buchanan said: "We enter 2027 well positioned for further earnings and cash flow growth, supported by the full-year contribution from our new infrastructure projects and annual PPI adjustments. We continue to see significant opportunities to leverage our existing infrastructure to deliver further growth, while maintaining a disciplined approach to costs and investment."

[1] Excludes Government Storage

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About Channel Infrastructure

Channel Infrastructure is New Zealand's largest fuel import terminal business, storing and distributing 40% of New Zealand's transport fuel, including 80% of New Zealand's jet fuel. We receive, store, test and distribute petrol, diesel, and jet fuel that our customers import and supply to Auckland and Northland.

Fuel is imported via our deep-water harbour and jetty infrastructure at Marsden Point and stored in more than 410 million litres of contracted storage tanks on site. The fuel is then distributed via our 170-kilometre pipeline to Auckland, or by our customers (bp, Mobil, and Z Energy) via truck into Northland. We underpin the resilience of New Zealand's fuel supply chain with our tank capacity, which enables increased storage of fuel in New Zealand, and through efficient, low emission distribution of the fuel into the Auckland market. Given our proximity to Auckland, and critical role in the jet fuel supply chain, Channel is well positioned to support the renewable fuel transition. Channel also has more than 350 million litres of tank capacity available for repurposing to finished product storage to support fuel security projects and a further 45 hectares of consented, freehold land available for greenfields fuel storage projects.

Our plan for growth includes supporting fuel resilience for New Zealand through additional fuel storage on our site, unlocking the strategic value of the Marsden Point Energy Precinct Concept which reflects the significant role Channel could play in supporting New Zealand's energy transition – through potential opportunities including supporting the manufacture of lower-carbon future fuels, as well as a range of potential energy security opportunities, and exploring expansion beyond Marsden Point.

Channel Infrastructure also owns a 25% interest in the Somerton jet fuel pipeline to Melbourne Airport and its wholly-owned subsidiary, Independent Petroleum Laboratory Limited, provides fuel quality testing services throughout New Zealand.

For more information on Channel Infrastructure, please visit: www.channelnz.com