16 October 2026

Infratil Newsletter – October 2026

Attached is a copy of the latest Infratil Newsletter for investors, with commentary on our recent Investor Day and developments at various portfolio companies.

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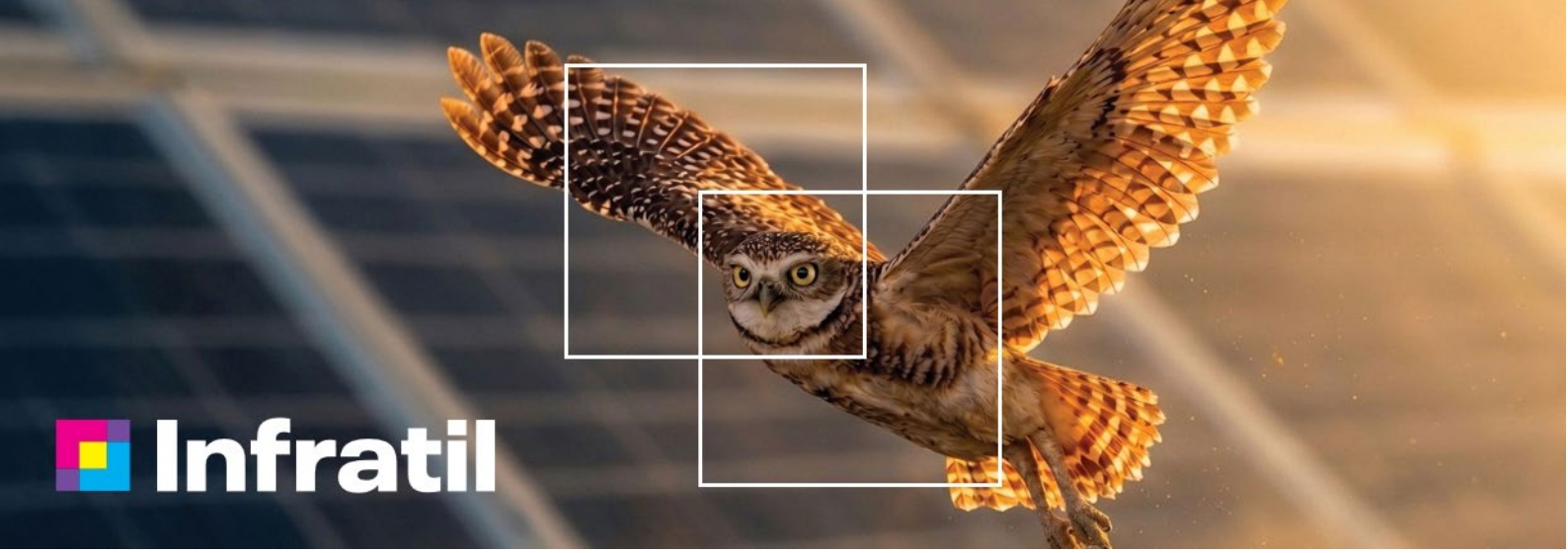

Investor newsletter

October 2026

At our Investor Day in Sydney in mid-September, we highlighted that, although higher interest rates were likely to be a headwind for valuations in the near term, we see further upside from our portfolio exposure to global AI demand. The presentations are available here, and this newsletter summarises many of the key themes.

We did not anticipate the volatility in markets in recent weeks, but our core thesis remains the same. AI-driven demand is creating supply bottlenecks across electricity infrastructure and data centres. In response, we've refined our portfolio strategy to focus on capturing more value from our established positions in data centres and renewable energy, while continuing to assess opportunities in emerging sectors.

Our funding flexibility supports further investment, and the portfolio offers an attractive balance of growth and downside resilience. CDC and Longroad Energy in particular have expanding pipelines of contracted capacity, underpinned by high-quality customers and long-term agreements. In a higher cost-of-capital environment, our focus on disciplined capital allocation to opportunities with the most attractive margins is more important than ever.

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Global data centre demand drives strategic focus

Our CEO Jason Boyes kicked off the Investor Day noting the changes we'd seen in the last 12 months. AI has accelerated demand for computing capacity, creating bottlenecks in supply as the underlying infrastructure takes time to be developed. That is playing out in elevated demand for power, grid connections and data centres in many markets.

This means our established digital and energy platforms are increasingly well placed. CDC and Longroad Energy, for example, have deep experience in delivering this infrastructure and have seen demand strengthen in their respective markets. In the last six months, CDC signed a mammoth 555 megawatts (MW) contract and Longroad acquired a game-changing 2.8 gigawatts (GW) solar and battery storage project.

Our central investment thesis is that demand for AI compute will remain strong even if progress in the development of the most advanced frontier AI models slows. Existing AI models still require substantial infrastructure as adoption spreads across enterprises, while falling token costs will support greater usage. The more persistent constraint is likely to be power because grid connections, generation and data centres can take years to develop. This puts established platforms with proven delivery capability, supply chain access and mature project pipelines in an advantaged position.

Almost three-quarters of our total NZ$22 billion portfolio is involved in energy or data centre delivery. Rather than prioritising broad portfolio development and searching for an entirely new large investment sector, our near-term focus is on extending the advantages we've already established across data centres, renewable energy and connectivity. These existing platforms provide multiple global pathways to capture value across the AI infrastructure value chain.

	Power and enabling infrastructure	Data centres and compute	Services and adoption	Physical AI
IFT view	Develop and operate scarce, long-duration inputs	Develop scarce inputs into customer-ready capacity	Capture AI value within advantaged assets	Evaluate emerging opportunities as AI moves into the physical world
IFT positions	Infratil Energy Businesses EonFibre	Infratil Data Centre Businesses	Infratil Healthcare Businesses one.nz	
Potential adjacencies and opportunities	• Firming, storage and merchant • Transmission • Fibre and connectivity	• New geographies • GPUaaS, including sovereign and regulated compute	• AI-enabled transformation and value creation • Capital-light network and transaction platforms	• Industrial robotics and automation • Automated logistics and mobility solutions • Automation of process-heavy infrastructure
	Integrated campuses (power-DC-compute)			

Source: Portfolio Update presentation, Infratil Investor Day, 16 September 2026, p14.

In the United States, the demand for access to power has created an opportunity for Longroad to explore how it could expand beyond just providing solar power to data centre operators. It could, for example, co-locate data centres at its solar farm sites to help bridge the need for power and grid access. Jason said the international spillover of the demand for computing

power is one reason CDC has attracted large contracts in Australia and why CDC is working with Contact Energy to explore a 250MW data centre in Taranaki.

"This proposed project would underpin regional infrastructure investment and jobs, support more renewable power generation and strengthen New Zealand's digital capability. It highlights how our portfolio companies can work together to create additional value, and this is where we've adapted our strategic focus. Global AI demand and its infrastructure needs have created an immediate opportunity to concentrate our capital behind our core energy and data centre investments, and the opportunities adjacent to them."

Our strategy framework, shown below, has been updated to reflect this evolution:

- **Pillar 1:** 'Sufficient cash generation' is about ensuring cash flow across the portfolio supports our requirements, recognising that growth platforms such as CDC will also contribute cash as they mature.
- **Pillar 2:** 'Scaled growth engines and adjacent options' reflect our increased capital and management focus on CDC, Longroad and other adjacent opportunities building from existing positions. This includes our smaller scale data centre and renewables businesses that were previously in Pillar 3 and offer optionality for geographic expansion. These could take time to achieve scale but the trends we see globally have encouraged us to be patient.
- **Pillar 3:** 'Future options in emerging sectors' acknowledges that we continue to assess opportunities in healthcare, AI-enabled infrastructure and physical AI. We are being selective given our core portfolio priorities and future investments would need to have scale.

Our balance sheet is well positioned to keep supporting growth options across the portfolio, with about NZ$1.4 billion of available liquidity in September. Ongoing divestment activity will add to this as we consider factors such as scale, returns and capital needs to refine the portfolio.

Source: [Portfolio Update presentation](), Infratil Investor Day, 16 September 2026, p20.

Gurīn Energy signs MoU with Korean tech company

The convergence between computing demand and our existing renewables platforms was further underlined by Gurīn Energy's signing of a Memorandum of Understanding (MoU) with South Korea's leading internet and technology platform company, NAVER (KRX: Naver Corp).

NAVER intends to acquire a stake in Gurīn's Jindo Green Solar project and enter into a long-term power purchase agreement for the 216MW of renewable electricity to be generated by the planned solar farm. The electricity will be used for NAVER's AI and cloud infrastructure, including its GAK Sejong and GAK Chuncheon data centres.

Sun-Joo Chae, Head of Strategic Business at NAVER, said: "As the expansion of AI and cloud services drives increasing power demand from data centres, securing a stable supply of renewable energy has become essential to the sustainable operation of digital infrastructure."

Left to right: Assaad Razzouk, CEO, Gurīn Energy and Sun-Joo Chae, Head of Strategic Business at NAVER at the MoU signing ceremony in Seoul.

Downside protection in an uncertain environment

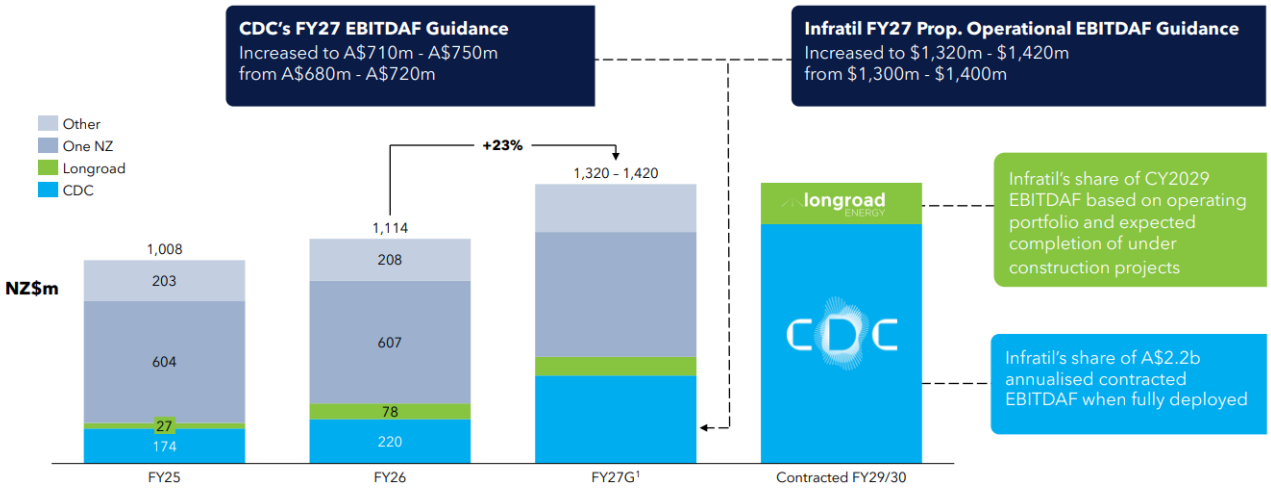
The MoU Gurīn signed with NAVER also points to another strength of our portfolio, specifically the visible runway to earnings and downside protection that comes with long-term data centre and renewables contracting. While market noise around the outlook for AI technology investment and demand continues to fluctuate, we see our investments as being increasingly protected against the downside.

In our Investor Day strategy update we noted that CDC's 1.1GW of contracted capacity underpins over half of its independent valuation with a weighted average lease expiry of 28.7 years, when including customer options to extend contracts. CDC is also increasingly differentiated from other data centre providers by the credit quality of its customers, with more

than 90% of its revenue from investment grade counterparties, and funding access supported by its Baa2 credit rating.

Similarly, Longroad Energy has about 7GW of contracted energy capacity that is either currently operating or expected to be under construction by the end of this calendar year. This underpins about 60% of its independent valuation, with 96% of Longroad's expected revenue secured by contracts and 17.5 years the average remaining tenor for its power purchase agreements. Its counterparties have an A- weighted average credit rating.

CDC and Longroad are expected to underpin material growth in Infratil's group earnings over the medium term. CDC should achieve annualised EBITDAF[1] of A$2.2 billion once it fully deploys its 1.1GW of contracted capacity by the end of FY29. When combined with Longroad's expected EBITDAF growth from operating and under construction projects, Infratil's earnings from just these two businesses would equate to total FY27 proportionate operational EBITDAF guidance of NZ$1.32 billion to NZ$1.42 billion for the entire portfolio.



Source: Portfolio Update presentation, Infratil Investor Day, 16 September 2026, p18.

CDC lifts guidance, builds future pipeline

CDC's Investor Day presentation profiled the growing scale of the business as it progresses construction across multiple sites and has proposed new developments in Kemps Creek (Sydney), Hazelmere (Perth), Wagga Wagga (New South Wales) and Stratford (New Zealand). CDC also increased its expected FY27 EBITDAF to a new range of A$710 million to A$750 million (from A$680 million to A$720 million). This followed the signing of another 70MW of

[1] EBITDAF is an unaudited non-GAAP measure of consolidated net earnings before interest, tax, depreciation, amortisation, financial derivative movements, impairments, revaluations, and gains or losses on the sale of investments.

contracts, to be delivered across late FY27 and early FY28, as well as operating cost savings and the delivery of non-recurring managed services.

CDC has continued to develop its future build pipeline based on a view of broad market demand through to FY40. The pipeline increased by 240MW in the recent quarter, and over A$1 billion of committed land purchases are expected to settle across FY27–FY28 .

There was some recent media coverage about CDC's strategic partnership with Firmus coming to an end as the latter's business model and approach has evolved. This has no negative bearing on CDC's valuation. In line with its original October 2025 announcement, CDC has delivered about 40MW of contracted capacity for Firmus and this is included in the 1.1GW of total contracted capacity across multiple customers as at 30 September.

In the latest quarterly independent valuation, CDC's positive contractual and construction progress was offset by higher assumed interest costs over the forecast period to 2055. This resulted in a slight decrease in CDC's overall valuation at the midpoint.

Source: CDC Update presentation, Infratil Investor Day, 16 September 2026, p9.

Social licence for data centres

In recent months we've seen increased focus on the question of social licence for the development of new data centres. The Australian Government is developing national AI standards and states such as New South Wales and Victoria have already announced their own guidelines. CDC Founder & CEO Greg Boorer says communities are asking fair questions that must not be dismissed or ignored:

"First, data centre companies must genuinely engage the communities. It should be an honest conversation about what is known, what is not yet known and when answers will be provided.

Second, data centres must fund the complete costs of connecting to and using the power network and bring new renewable energy generation, to ensure they are not affecting everyone else's power bills.

Third, facilities should be built in the right places. They should not compete with or displace housing, or other sensitive community uses and locations simply because a site is cheaper or faster.

Fourth, communities should share in the benefits. Jobs, skills, support for local businesses, community infrastructure and local partnerships should be designed into projects, not added later as an apology.

These are not radical ideas. The best operators already work this way.

Governments around the country are working to set many of these expectations and enshrine them into regulations and laws. This is welcome and essential to ensure industry meets community expectations."

CDC has increased its community engagement for proposed developments, such as this 1.4GW campus on the outskirts of Wagga Wagga (New South Wales).

Longroad lifts growth outlook

After a decade of building scale in United States wind, solar and storage development, Longroad is well positioned at the intersection of two powerful trends: accelerating electricity demand and the rapid build-out of digital infrastructure. Their Investor Day presentation

covered the business' evolution into a scaled energy platform, with growing contracted cash flows and the exploration of incremental data centre opportunities.

Longroad now expects to double its approximately 7GW of operating and in-construction assets at the end of 2026 to more than 14GW by the end of 2029. This should drive operating fleet run-rate EBITDAF[2] to around US$1.2 billion by the end of the decade. Their 36GW development pipeline includes the recently acquired 2.8GW Amargosa solar and storage project in Nevada. Subject to regulatory approvals, this project enables a lift in development cadence, from a prior target of around 1.5GW of new projects a year to about 2.5GW a year through 2028-2029.

Longroad has also identified an initial 5GW of potential opportunities to use its existing land, grid relationships, operating assets and renewable development pipeline to support data centre demand in 2029-2030. This could be through co-location, adjacent renewable and storage projects, or broader power solutions for customers that need large-scale, reliable supply. It recently commenced commercial operations at the Thousand Mile 400MW solar project in Texas that supplies renewable electricity to a Meta data centre.

Longroad Today

Vertically integrated United States IPP with large operating fleet and development platform

Opco – Operating Fleet			**Devco** – Development Platform		
6.9 GW Operating and Under Construction Capacity (net) CY2026	**$410 mm** CY2025 EBITDA(1)	**$540 mm** CY2026 EBITDA(1)	**36 GW** Pipeline	**$1.0 B** Total Pipeline Investment	**7.6 GW** Developed and Acquired (since inception)
A- Weighted Avg. Counterparty Credit Rating	**17.5 yrs** Avg. Remaining PPA Tenor	**96%** Weighted Contracted Revenues	**10+ GW** Incremental Data Center Pipeline	**15 GW** Safe-Harbored Projects	**7.4 GW** FNTP target through 2029

Source: Longroad Energy Update presentation, Infratil Investor Day, 16 September 2026, p23.

One NZ focuses on simplicity and network utilisation

One New Zealand plays an important role in Infratil's portfolio as a reliable cash flow contributor. The team's presentation at our Investor Day underlined the business' progress in delivering disciplined growth in a competitive market and challenged economic environment. It has focused on continuing to win in mobile, simplifying the business, and turning its network assets into a broader platform for future growth.

[2] Operating company run-rate EBITDAF uses three-year average EBITDAF once projects reach operation; totals are recognised at financial close and add back corporate overhead and development costs.

Its customer proposition is strengthened by the One Wallet loyalty programme helping customers fund future handsets, while encouraging lower churn. It is also investing in retail stores and better service. One NZ is seeking to evolve from being a traditional network operator into a digital connectivity platform, where third-party developers can easily connect devices that deliver productivity solutions to customers. The Halter partnership is an early example, with cellular and satellite connectivity embedded in livestock collars that support farm productivity.

One NZ's IT transformation programme remains on track and on budget, with modernised platforms and a major reduction in product complexity helping improve reliability and efficiency. Further network efficiency has been proposed in the form of a shared Radio Access Network, to be operated as a joint venture between One NZ and 2degrees. Both parties would continue to compete at all levels with separate core networks, spectrum and customer propositions. The transaction is aiming for completion in the first half of 2027, subject to regulatory and other approvals.

The theme of infrastructure optimisation has also seen EonFibre complete its first full year of separated operations within One NZ. It has delivered strong EBITDAF growth and secured a material hyperscaler contract for subsea capacity. EonFibre's combination of terrestrial fibre, regional subsea assets and international capacity means it is well positioned to grow as AI, cloud migration and data centre demand drive more traffic across networks.

Diagram showing the various elements of mobile infrastructure.

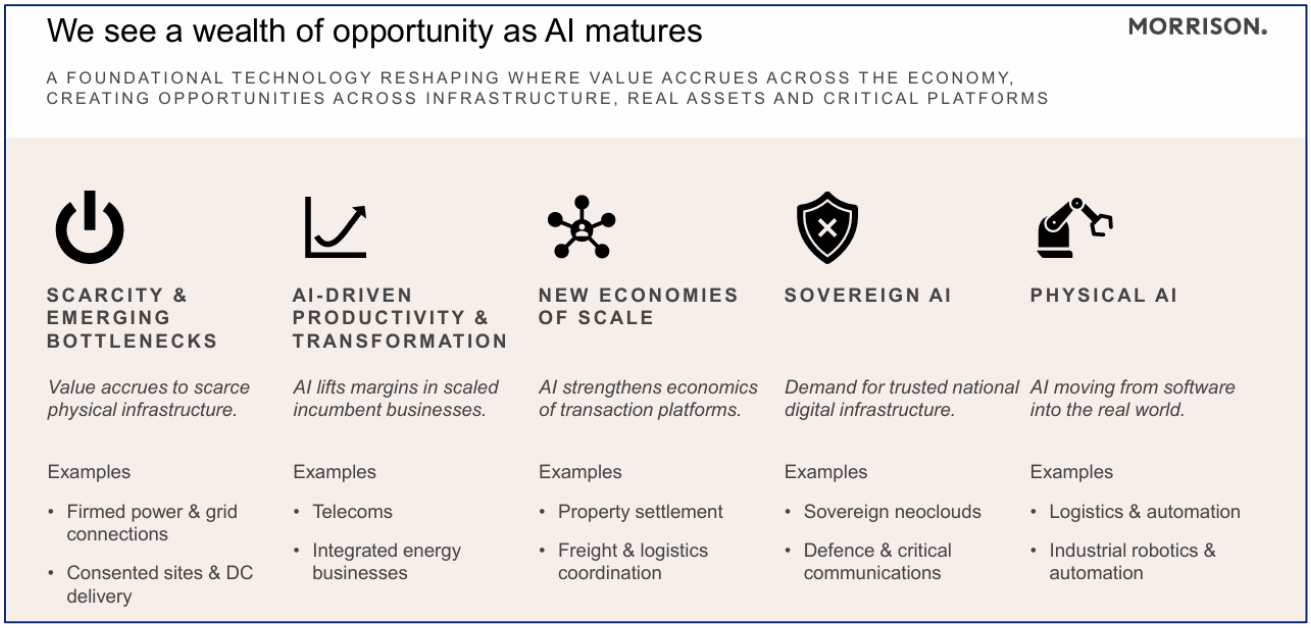
Morrison monitors for opportunities

Morrison CEO Paul Newfield and Chief Investment Officer Will Smales presented at our Investor Day on Morrison's growth and the role it plays in identifying, building and supporting the next generation of infrastructure businesses. The update linked today's portfolio back to Infratil's early investment in renewable energy and the consistent approach of getting ahead of

structural trends, backing strong teams, building capability and scale, and staying disciplined about where capital is deployed.

With around NZ$60 billion of assets under management and a team of more than 225 people, Morrison is increasing its emphasis on senior operating capability to drive the active management of portfolio companies. Alignment remains central to the model, with Morrison holding significant Infratil equity that drives an ownership mindset and supports long-term decision-making.

Morrison is continuing to look for "ideas that matter", while using its research, asset-management capability and operating expertise to create value across Infratil's existing portfolio and future growth options. It assessed more than 200 opportunities globally in the last year and is highly selective in matching potential opportunities with Infratil's needs. Anytime Radiology, created from other Infratil radiology investments, was the only new investment over the past year.



Morrison is exploring opportunities across the infrastructure constraints created by AI, AI-enabled transformation of complex operating businesses, and the emerging physical AI economy.

Wellington Airport achieves perfect sustainability score

It's the time of year when we and our portfolio companies hear how we've performed in the annual GRESB Infrastructure Fund Benchmark reporting. Top marks went to Wellington Airport with a perfect 100/100 score, placing it first equal out of 569 participating entities around the world, including 18 global airports and six in Oceania.

Wellington Airport chief executive Matt Clarke says the success is due to hard work alongside regular reporting and independent scrutiny. "This is welcome recognition of the work we're

doing in the areas we can directly control, such as our target of net zero emissions for our own direct operations by 2030."

Performance across our wider portfolio was also impressive. Longroad Energy, One NZ and CDC scored above 95/100, while Galileo, Mint Renewables and Gurīn Energy all made strong improvements. These results highlight the continued strengthening of sustainability practices across the portfolio as they are embedded into decision-making and help us manage risk, while building social licence, resilience and long-term value.

Infratil's own GRESB score increased again to 95.8/100, placing us among the leading infrastructure investors globally. We've just released our ESG Data Book which sets out our refreshed sustainability strategy and the ESG issues that matter most for us. We've also provided a video overview of our approach to our climate-related risks and opportunities, as recently disclosed in our Climate Related Disclosures.

Other updates

- You can watch our CEO Jason Boyes presenting the keynote address at the recent **NZX Tech Investor Day 2026** here.
- As a long-standing sponsor of the **New Zealand Youth Choir**, we were delighted to announce Enyah Talamaivao, a gifted singer and young conductor, as the inaugural recipient of the Infratil Scholarship. You can learn more about Enyah and the New Zealand Youth Choir in this video.

- **One New Zealand** sponsored six community e-waste drop-off days across Auckland and Wellington in recent months. The events saw 40,657kg of e-waste collected for responsible recycling, an estimated 11,657kg of greenhouse gas emissions avoided and 241kg of toxic metals prevented from entering landfill.
- Infratil is supporting this year's **NZ Shareholders' 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