

# CHRISTCHURCH INTERNATIONAL AIRPORT LIMITED

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FIXED RATE BOND OFFER PRESENTATION

9 MAY 2022



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The Bonds are of the same class as the Quoted Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014. CIAL 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/CHC](http://www.nzx.com/companies/CHC). The Quoted Bonds are the only debt securities of CIAL that are currently quoted and in the same class as the Bonds. Investors should look to the market price of the Quoted Bonds to find out how the market assesses the returns and risk premium for those bonds.

Full details of the bond offer are contained in the indicative terms sheet ('Terms Sheet'), which is available through [www.christchurchairport.co.nz/about-us/who-we-are/financial-reports/bond-offer](http://www.christchurchairport.co.nz/about-us/who-we-are/financial-reports/bond-offer).

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- does not contain all of the information that prospective investors may require;
- does not take into account the particular investment objectives, financial situation, tax position or needs of any person; and
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## DISCLAIMER (CONT.)

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Application has been made to NZX and for permission to quote the bonds on the NZX Debt Market and all the requirements of NZX relating to that quotation that can be complied with on or before the date of this presentation have been duly 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, under the FMCA.

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Tim May  
Chief Financial Officer  
+64 21 228 3505  
tim.may@cial.co.nz



Malcolm Johns  
Chief Executive Officer  
+64 27 530 1414  
malcolm.johns@cial.co.nz

# OFFER HIGHLIGHTS

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## OFFER HIGHLIGHTS

<b>Issuer</b>	Christchurch International Airport Limited ("CIAL")
<b>Description</b>	Unsecured, unsubordinated, fixed rate bonds
<b>Issuer Credit Rating</b>	BBB+ (Positive Outlook) S&P Global Ratings
<b>Expected Issue Credit Rating</b>	BBB+ S&P Global Ratings
<b>Term</b>	6 years, maturing on 19 May 2028
<b>Offer Amount</b>	Up to NZ\$75,000,000 (with the ability to accept oversubscriptions of up to NZ\$25,000,000 at CIAL's discretion)
<b>Interest Rate</b>	<p>The Interest Rate will be set on the Rate Set Date as being equal to the Swap Rate plus the Margin, subject to a minimum Interest Rate of 5.15% per annum</p> <p>The Interest Rate will be announced by CIAL via NZX on or about the Rate Set Date</p>
<b>Purpose</b>	The proceeds of this offer are expected to be used by CIAL to re-finance and repay a portion of its drawn bank funding. Any additional proceeds raised will be used to provide funding for capital development projects and for general operational purposes, whilst extending duration of funding and retaining diversification of funding sources
<b>Quotation</b>	<p>CIAL will take any necessary steps to ensure that the Bonds are, immediately after issue, quoted on the NZX Debt Market</p> <p>NZX ticker code CHC020 has been reserved for the Bonds</p>
<b>Arranger</b>	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) (Westpac)
<b>Joint Lead Managers</b>	Bank of New Zealand and Westpac

# COMPANY OVERVIEW

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## COMPANY OVERVIEW

- CIAL is 75% owned by Christchurch City Holdings Ltd and 25% by the Crown
- Second largest airport in New Zealand and the busiest, most strategically important air connection for South Island trade and tourism markets
- One of only two airports in New Zealand capable of handling direct long-haul international services operated by “wide-bodied” aircraft (i.e. direct services to destinations other than Australia)
- Modern terminal complex and runway assets built for maximum capacity of 10.5m passengers per annum
- No flight curfew, capable of operating 24 hours a day, 7 days a week
- 12 partner airlines coming from 25 destinations pre-Covid
- 6.93m passengers in FY19 – 75% Domestic, 19% Tasman/Pacific Islands, 6% Long-Haul



## COMPANY OVERVIEW (CONT.)

- Gateway to Antarctica – more than 100 planes travel to Antarctica each year
- The largest single centre of employment in the South Island with more than 7,000 people working on the airport campus
- Dedicated freight apron which provides direct access from landside freight handling facilities to taxi and runways
- Christchurch campus land holding of approximately 1,000 hectares
- Significant Property Portfolio comprising over 120 properties independently valued at NZ\$641m as at 30 June 2021
- Novotel Christchurch Airport – currently remains under contract with MBIE through a de-commissioning and refurbishment phase. Contract will end on 9 June 2022
- NZ\$1.99b in total assets and equity of NZ\$1.20b as at 30 June 2021
- EBITDAF NZ\$75.7m and NPAT NZ\$38.7m for year ended 30 June 2021
- Long-term credit rating of BBB+ (Positive Outlook) (S&P Global Ratings)

# BUILDING FORWARD

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## BUILDING FORWARD

- We view Covid-19 as having three phases:
  - Phase 1 – *Impact Phase*
  - Phase 2 – *Recovery Phase*
  - Phase 3 – *Normalise Phase*
- The lessons learned from the earthquakes and the transitions put in place since then have enabled CIAL to successfully navigate the first two phases of the pandemic to date, based on a number of key strengths:
  - Diversification of revenue streams
  - Resilient domestic air travel
  - Tight opex and capex control

- As referenced by S&P Global Ratings in their 2021 ratings update:

### Key Strengths

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Gateway airport to New Zealand's South Island with historically resilient passenger traffic numbers and growth.

Resilient property portfolio with continued longer-term focus on building out property at the airport.

Positive signs of recovery in domestic passengers despite localized lockdowns within New Zealand.

*\*Source: S&P Global ratings – October 2021 Annual Ratings Update*

## BUILDING FORWARD(CONT.)

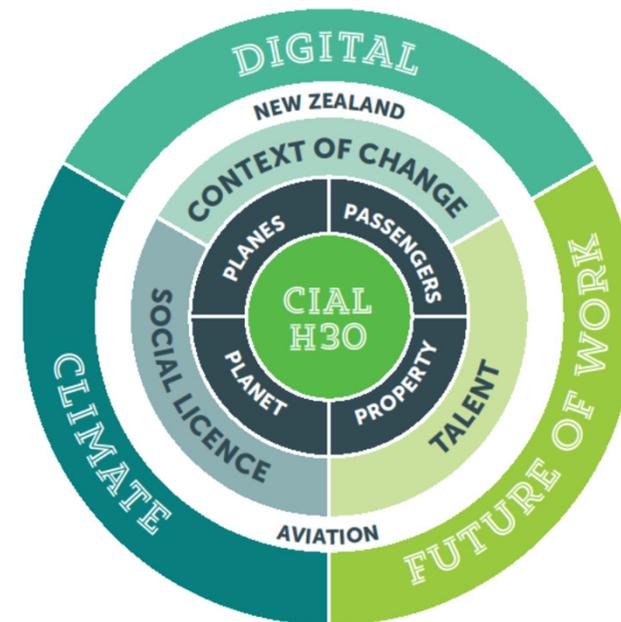
- Our approach over the past two years has been to continue to pursue our philosophy of stakeholder equity whilst preserving our balance sheet



- As we move into FY23, current signals point to what we have been looking for to trigger a transition to Phase 3 - *Normalise*
- FY23 will see us start to focus on the opportunities arising post-pandemic as we lean into our rebuild and thrive stage and introduce our new strategic pathway out to 2030

## SHAPING FORCES

- When looking ahead and thinking about the 'new' in our future, there are three big shaping forces that were present before Covid, which have been accelerated during Covid and we believe will shape the world over the next decade:
  - *Climate Change*
  - *Digital Transformation*
  - *Future of Work*
- Having considered the potential impact of these shaping forces from both a New Zealand and aviation context, from FY23 CIAL will begin to activate our post-Covid rebuild through a new strategy called Horizons 2030



# PURPOSE & MISSION

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# CHISTCHURCH AIRPORT'S PURPOSE & MISSION



PURPOSE

*Championing Te Wai Pounamu the South Island and Aotearoa New Zealand, for today and tomorrow*

MISSION

CHRISTCHURCH AIRPORT IS RECOGNISED FOR



▪ *The key being the '+'. It is not 'either-or', it is 'and'*

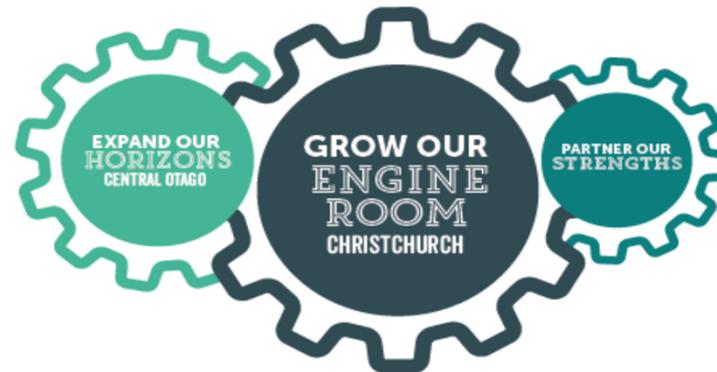


# STRATEGIC PRIORITIES & ACTIVATION FRAMEWORK

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## STRATEGIC PRIORITIES & ACTIVATION FRAMEWORK

- Horizons 2030 acknowledges our strong position and is based on three strategic priorities. Our main priority will be on growing our engine room at our home base in Christchurch
- Horizons 2030 also recognises that CIAL is an organisation that has growth opportunities to extend and expand to build further depth and resilience whilst ensuring that they add value to stakeholders



- Our 4P's framework will drive our activations – noting that this framework can also be applied to sites beyond the campus at Christchurch



# GROW OUR ENGINE ROOM - CHRISTCHURCH

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## AERONAUTICAL (PLANES) – CURRENT CONTEXT

- The aeronautical strategy remains focused on 'finding planes' and 'filling planes'
- The material impact that Covid has had on aviation has meant that there is a required focus on ensuring that we rebuild what we had before the pandemic, whilst at the same time using the opportunity to seek to improve our position in the New Zealand passenger and freight markets – noting the post-earthquake structural changes that occurred in our sector that went against CIAL and gateway Christchurch
- CIAL is over 90% a short-haul airport, servicing domestic, Tasman and Pacific Islands air services
- Looking forward beyond the near-term impact of Covid on travel, the fundamentals of the market remain strong and with targeted interventions, CIAL believes it can rebuild beyond its pre Covid position
- The key opportunities remain in:
  - strengthening our position as the gateway into and out of the South Island;
  - our role as a Tasman/domestic hub and spoke airport; and
  - capitalising on the freight opportunities revealed through Covid

# AERONAUTICAL (PLANES)

## Domestic

- 75% of CIAL passenger base
- During the pandemic, once New Zealand returned to extended periods without NZ lockdowns/restrictions, domestic passenger numbers returned to levels ahead of pre-Covid volumes – strong regional growth
- Strong business travel – driven by SMEs and agribusiness segments
- Expect the same recovery trajectory as we enter the rebuild and thrive stage
- Focus on re-establishing pre-Covid network, building regional routes, building domestic hub position and improving competition
- Christchurch city in strong position with completion of anchor projects for 2022, including Te Pae Christchurch Convention Centre ('Te Pae'), Metro Sports Facility and re-invigorated CBD

## Tasman/Pacific

- Recent research shows Australians' desire to visit New Zealand remains strong, once travel restrictions are lifted <sup>1</sup>
- Border restrictions and self isolation requirements removed in April 22
- Expect strong recovery trajectory through FY23. Full recovery by FY24
- Focus on rebuilding the Tasman (BNE/MEL/SYD) and Pacific Islands capacity
- Stimulate demand through 'South' program and promotion of Christchurch's new infrastructure (e.g. Te Pae)

<sup>1</sup> Tourism New Zealand Consumer Research - [insights.tourismnewzealand.com/int/feature/international-research](https://insights.tourismnewzealand.com/int/feature/international-research)

## AERONAUTICAL (PLANES)

### Long-Haul International

- Not expecting any meaningful opening of borders until Q3 2022. Full recovery by FY26/27
- Focus then on ensuring all long-haul airlines recommit to Christchurch
- Support via 'South' and "Tourism New Zealand" marketing programs

### Freight

- Covid has shown the acute reliance airfreight has on passenger aircraft
- The continuation of the government's freight support scheme through 2022 will underpin freight only flights to service the air freight needs of the South Island through Christchurch
- Freight activity has been a highlight over FY21/22 - new freight services have been flown between Christchurch and the US (Los Angeles) and Asia (Taipei, Guangzhou, Shanghai)
- Passenger aircraft remain critical for rebuilding export freight
- Freight opportunity gap still exists from aeronautical and property tenant perspective

## PARK TO PLANE 'P2P' (PASSENGERS)

- Park to Plane ('P2P') is the strategic priority for the "passenger" pillar, which includes the customer and commercial activity associated with the terminal and ground transport assets
- It is our largest centre of business activity and represents the greatest opportunity for building long-term value for the Christchurch campus
- Key to transitioning CIAL into the rebuild and thrive stage of the pandemic is restarting the terminal business
- Focus currently is on working with and supporting our key commercial partners as we re-build passenger numbers and bring them back to a position where they can survive and then thrive as passengers return
- There are several other areas of opportunity being worked on including:
  - Opportunity to consider how CIAL could re-configure the terminal layout to assist with appropriate safe border pathways and future security requirements
  - Focus on improving our retail and F&B offerings – with a greater focus on domestic passenger trends
  - Continue to invest in technology solutions across ground transport, terminal offerings and harnessing customer data

## PROPERTY - OVERVIEW

### Commercial Property Strategy – ‘To be a landlord’

- CIAL’s property portfolio (commercial and investment properties - excluding land yet to be developed) comprises over 120 properties with an occupancy rate of approx. 99%
- As at 30 June 2021, completed investment property portfolio had market value of NZ\$641m (FY19: NZ\$458m)
- Value Uplift of NZ\$47.8m recorded for the year ended 30 June 2021
- Weighted average lease term of 7.46 years
- Pre-Covid, property portfolio contributed just over 23% of CIAL total operating revenue
- Operates under ‘Special Purpose (Airport) Zone’ from planning perspective



## PROPERTY - OVERVIEW (CONT.)

- CIAL has separated its developable land into precincts to focus those areas on specific markets

Development	Description	Status
Spitfire Square	Convenience Retail	Complete
Dakota Park	Light Industrial, Freight & Logistics	Under Ongoing development
Mustang Park	Rental Car Facilities	Complete
Harvard Park	Trade Retail	Under Ongoing development
Agri/Export Precinct	Office	Complete
Accommodation	Novotel Christchurch Airport Hotel	Complete
Aeronautical	Aero-Related Activity – situated across campus	Complete



## PROPERTY - HOTEL

- Novotel Christchurch Airport opened originally in late 2019
- Currently remains under contract with MBIE through a de-commissioning and refurbishment phase. Contract will end on 9 June 2022. Opening plans and timeframes still to be confirmed



# EXTEND & EXPAND

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# CENTRAL OTAGO

- This project commenced in 2018 with the first major step being the purchase of sufficient land holdings in Central Otago to evaluate the potential for the long-term development of new sustainable aviation infrastructure in Central Otago
- It is about securing air connectivity for future generations of mid to lower South Islanders, as New Zealand transitions to a low-carbon environment. The project is an inter-generational project that will play out over a long time period
- There are potentially four phases to this project. We are currently in the first stages of Phase 2 focused on engagement, planning and detailed commercial feasibility. Doing the work to pass through each gateway will be critical



## RENEWABLE ENERGY DEVELOPMENT – KŌWHAI PARK

- Sited on 400 hectares of land adjacent to the runways, Kōwhai Park has the capacity to accommodate a range of renewable energy generation projects and storage solutions
- Our plans for Phase One have the potential to deliver a 220-hectare solar array capable of generating 150 megawatts of solar energy
- With room to grow, Kōwhai Park could also deliver a range of renewable energies, including green hydrogen, that can be delivered straight to potential customers (including land and air transport) to help them decarbonise
- The completion of the feasibility study, receiving expressions of interest and assessing specific project proposals will be the main focus for the next twelve months



# PLANET

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# PLANET

“Champions for the sustainability of CIAL in support of a sustainable region and nation”

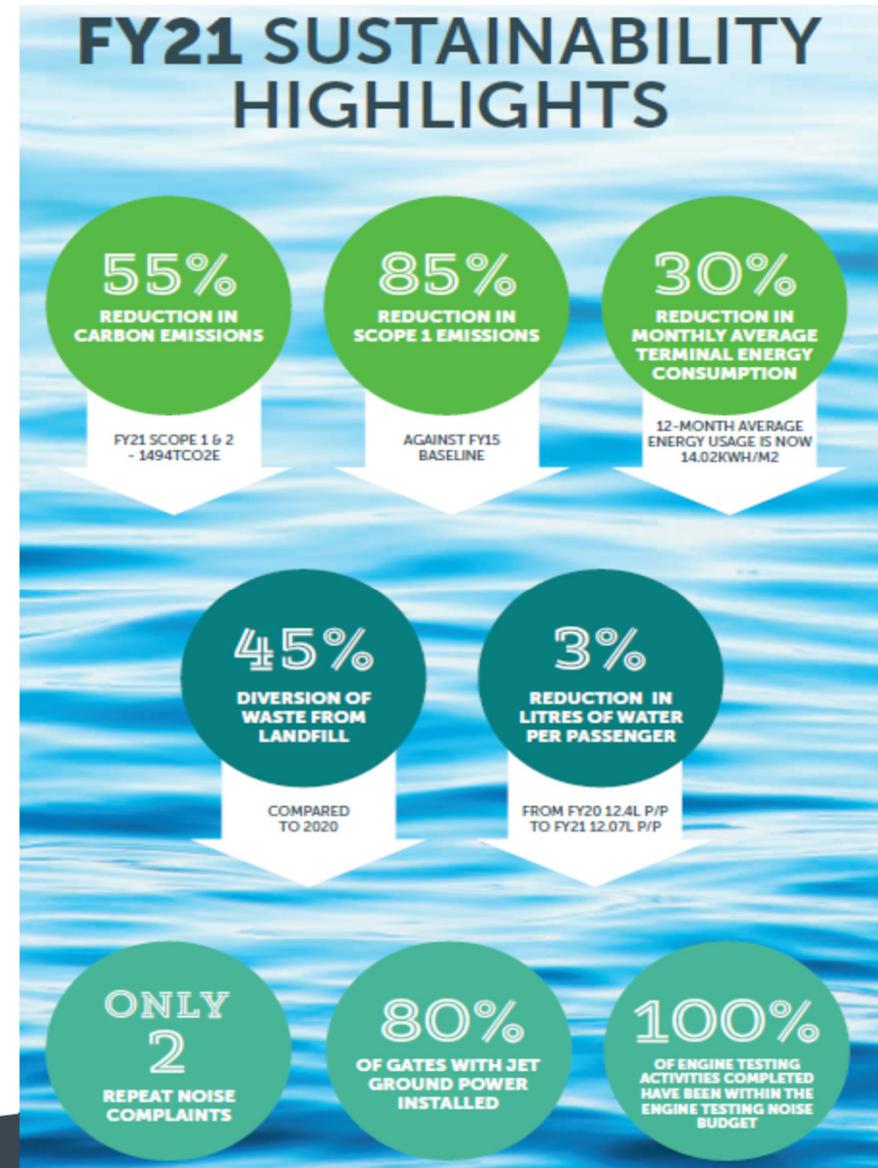
- Our approach to sustainability is centred on the Maori concept of kaitiakitanga (responsibility, care and guardianship)
- Our approach is demonstrated by the Championing Sustainability Wheel



## PLANET - ACHIEVEMENTS

### PRIORITY – DE-CARBONISATION

- In November 2020, we became the first airport in the world to be recognised for reaching the highest standard of carbon reduction best practice, known as Airport Carbon Accreditation Level 4
- On track to reduce Scope 1 emissions by 90% from FY15 baseline. In FY21, CIAL made the decision to offset any remaining emissions and become carbon neutral certified from FY21 onward
- In line with our ambition to go beyond our own de-carbonisation and show leadership and collaboration beyond CIAL, we see an opportunity to play a long-term role in the transition to renewable energy supply and to energy resilience for our campus, customers and community
- The challenge we have set ourselves is to play a positive role in CIAL becoming the leading center for aviation net zero carbon in New Zealand



# FINANCIAL OVERVIEW

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# FINANCIAL OVERVIEW

## Historic Financial Performance

All historical full year numbers in this table are taken from the information included in CIAL's Annual Report and full year financial statements that have been audited by CIAL's external auditor, Audit New Zealand. The 6-month FY22 numbers are taken from CIAL's Half Year financial statements, and are unaudited. The non-GAAP financial information set out below, Operating Revenue and EBITDAF, is included within the notes and the performance information included in the audited Annual Report and financial statements and unaudited half year financial statements.

NZ\$m	FY19 Actual (Restated)	FY20 Actual (Restated)	FY21 Actual	FY22 Actual (6 months - Unaudited)
Operating Revenue *	187.4	165.7	141.6	66.5
EBITDAF **	125.5	96.8	75.7	32.8
Net Profit After Tax	57.5	46.7	38.7	0.0
Total Assets (accounting NBV)	1,731.0	1,873.3	1,989.2	1,974.5
Total Borrowings (nominal value)	465.0	580.0	584.0	583.0
Equity (Book Value)	1,059.8	1,086.3	1,200.6	1,212.4
Domestic Passengers	5,164,504	3,886,462	3,644,632	1,467,442
International Passengers	1,766,937	1,308,520	60,741	21,618

\* Operating Revenue is non-GAAP financial information that does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. For CIAL it is defined as Total Revenue (determined in accordance with GAAP) less fair value gains on investment properties and interest income. CIAL uses this as its key internal revenue measure, as it reflects revenues received from the core operations within the three commercial portfolios

\*\* EBITDAF is non-GAAP financial information that does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. For CIAL it is defined as net profit after tax plus interest expense, plus tax expense, plus depreciation, impairment and amortisation, less fair value gain on investment properties less gain on disposal of assets. CIAL uses this as its key measure of underlying operational profitability at a gross margin level. It eliminates the impact of unrealised gains or losses on the investment property portfolio which are non-cash items and externally influenced. Consequently, this measure more closely aligns to a cash based operating margin

*N.B. In relation to all non-GAAP financial information noted above, a reconciliation is available in the Appendix to this presentation*

## LOOKING FORWARD

- As the country moves through and beyond the current Omicron outbreak, management continues to formulate its re-forecast of CIAL's passenger number and revenue outcomes for the next two to three financial years, using a base case passenger demand scenario
- As with all forward looking statements, CIAL believes them to be reasonable, but passenger demand forecasts remain inherently uncertain. Decisions which may effect border settings or domestic restriction settings are outside of CIAL control and could impact on current forecasts
- Looking forward, domestic outcomes and the phased re-introduction of international capacity are the main drivers in the next two to three financial years FY23 – FY24/25. This stage is expected to be characterised by:
  - Domestic travel following previous recovery trends and the traffic light system working as intended to move New Zealand past the current Omicron outbreak
  - Domestic business travel recovering and growing with GDP
  - Some reduction in domestic leisure travel as some travellers switch back to international travel
  - Domestic recovery to pre Covid levels by end of FY23/mid FY24
  - Tasman & Pacific Islands recovery driven by Visiting Friends or Relatives ('VFR') travel. Assumed that borders stay open and self-isolation requirements for international travellers drop away in line with currently stated timelines
  - Expect strong recovery trajectory on the Tasman through FY23. Full recovery by end of FY24
  - Long-haul international recovery to be slow in FY23, followed by meaningful rebound in FY24. Full long-haul recovery by FY26/27
- CIAL recorded a small net surplus of NZ\$41k for the six months ended 31 December 2021 and is currently expecting a similar trend to continue for the second six months of FY22
- Expectation is a return to profitability in FY23 and to pre-pandemic profitability levels by FY25

# REGULATORY OVERVIEW

## Overview

- New Zealand's three largest airports including CIAL are subject to an Information Disclosure regime under Part 4 of the Commerce Act 1986, with regulatory oversight undertaken by the Commerce Commission
- The Commission does not set prices for airport services but instead focuses on monitoring airport performance, whether airports are earning excess profits, ensuring transparency in pricing decisions, as well as the effectiveness of the regime
- CIAL generated approximately 43% of its FY19 operating revenue under this regulatory regime

## Aeronautical Prices set for Price Setting Event 3 ('PSE3')

- Regulated airports set prices once every five years. CIAL's current pricing period runs from 1 July 2017 to 30 June 2022 ('PSE3')
- CIAL has moved to standardised per passenger pricing structure using levelised price path over asset lives
- Focus on efficient use of existing airfield and terminal asset base. Terminal and airfield have sufficient capacity for further growth over next 5-10 years

## Price Setting Event 4 ('PSE4')

- PSE4 will cover the five year period from 1 July 2022 to 30 June 2027
- Consultation with major customers is currently in progress. Consistency of key assumptions from PSE3 has been a focus to ensure a no surprises approach
- *Pricing versus Charging:* Pricing is what the regulator allows you to earn - charging is what the market will withstand

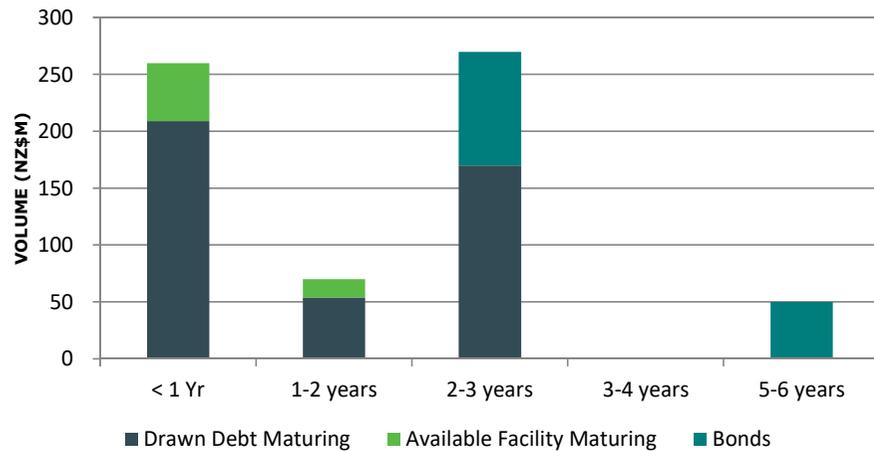
## Legislative Framework

- The Ministry of Transport is progressing work on a Civil Aviation Bill
- The Bill will see the Civil Aviation Act 1990 and the Airport Authorities Act 1966 replaced with a single new statute that includes a number of proposals related to the safety, security and efficiency of New Zealand's civil aviation system

# FUNDING & LIQUIDITY

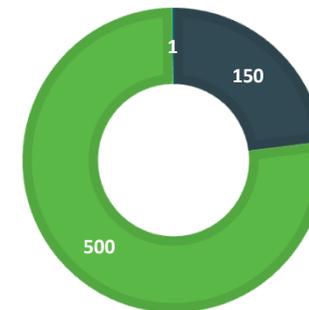
- Funding facilities in place as at 31 Dec 2021 were NZ\$650m
- Overall drawn debt as at 31 Dec 2021 was NZ\$583m
- Debt levels essentially unchanged through 2021

**DEBT MATURITY PROFILE**  
as at 31 December 2021



**SOURCES OF FUNDING**  
AS AT 31 DEC 2021 (NZ\$m)

■ Bonds ■ Bank Funding ■ OD Facility



## STRUCTURE & COVENANTS

- CIAL must join its subsidiaries as guarantors of the Bonds if it is required to meet the Guaranteeing Group Covenant
- Bondholders will have the benefit of the following financial covenants under the Master Trust Deed

Covenant	Threshold Level	As at 31/12/2021
Total Tangible Assets of Guaranteeing Group	>90%	100%
Debt/Debt+Equity	<60%	32.5%
EBITDA Interest Cover	>1.75x	2.8x
Total Tangible Assets of CIAL Group to JVs	<10%	0%

- All existing senior lenders have the benefit of the same financial covenants

# KEY TERMS OF THE OFFER

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<b>Issuer</b>	Christchurch International Airport Limited ("CIAL")
<b>Description</b>	Unsecured, unsubordinated, fixed rate bonds
<b>Issuer Credit Rating</b>	BBB+ (Positive Outlook) S&P Global Ratings
<b>Expected Issue Credit Rating</b>	BBB+ S&P Global Ratings
<b>Term</b>	6 years, maturing on 19 May 2028
<b>Offer Amount</b>	Up to NZ\$75,000,000 (with the ability to accept oversubscriptions of up to NZ\$25,000,000 at CIAL's discretion)
<b>Interest Rate</b>	The Interest Rate will be set on the Rate Set Date as being equal to the Swap Rate plus the Margin, subject to a minimum Interest Rate of 5.15% per annum  The Interest Rate will be announced by CIAL via NZX on or about the Rate Set Date
<b>Indicative Margin</b>	1.20% – 1.30% per annum
<b>Interest Payment Dates</b>	Interest will be paid semi-annually in arrear in equal amounts on 19 May and 19 November of each year (or if that day is not a Business Day, the next Business Day) until and including the Maturity Date  The first Interest Payment Date will be 19 November 2022
<b>Denominations</b>	Minimum denominations of NZ\$5,000 with multiples of \$1,000 thereafter
<b>Quotation</b>	CIAL will take any necessary steps to ensure that 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 that quotation that can be complied with on or before the date of distribution of this presentation have been duly 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, under the FMCA  NZX ticker code CHC020 has been reserved for the Bonds

## KEY TERMS OF THE OFFER

<b>Purpose</b>	The proceeds of this offer are expected to be used by CIAL to re-finance and repay a portion of its drawn bank funding. Any additional proceeds raised will be used to provide funding for capital development projects and for general operational purposes, whilst extending duration of funding and retaining diversification of funding sources
<b>Status</b>	The Bonds are to be issued pursuant to the Trust Documents. The principal amounts of, and interest on, the Bonds will be unsubordinated, unsecured, obligations of CIAL and rank at least equally with all present and future unsecured and unsubordinated indebtedness of CIAL (except indebtedness preferred by law and subject to laws affecting creditors' rights generally and equitable principles of general application)
<b>Financial Covenants</b>	CIAL has undertaken that for so long as any Bonds issued under the Master Trust Deed are outstanding: <ul style="list-style-type: none"><li>• the Total Tangible Assets of the Guaranteeing Group will exceed 90% of the Total Tangible Assets of the CIAL Group;</li><li>• Total Debt of the Guaranteeing Group will not exceed 60% of the sum of Total Debt plus Total Equity (which includes subordinated debt, provided it meets certain qualifying criteria) of the Guaranteeing Group;</li><li>• the interest cover ratio of the Guaranteeing Group (being EBITDA divided by Total Interest Expense) for the immediately preceding financial year or financial half-year will not be less than 1.75:1; and</li><li>• the Total Tangible Assets of the Guaranteeing Group attributable to joint venture interests will not exceed 10% of Total Tangible Assets of the CIAL Group, provided that any excess over 10% of the Total Tangible Assets of the CIAL Group up to a further 5% of such Total Tangible Assets is permitted subject to certain conditions</li></ul>
<b>Guaranteeing Group</b>	Under the Master Trust Deed, the Bonds are guaranteed by the Guaranteeing Group Members under the Guarantee, but as at the date of this presentation, there are no Guaranteeing Group Members other than CIAL
<b>Negative Pledge</b>	The Master Trust Deed contains a negative pledge which provides that no Guaranteeing Group Member will create or permit to subsist any Security Interest over its assets except under certain limited exceptions set out in the Master Trust Deed
<b>Arranger</b>	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)
<b>Joint Lead Managers</b>	Bank of New Zealand and Westpac

## BOND OFFER TIMETABLE

<b>Offer Open</b>	Monday, 9 May 2022
<b>Closing Date</b>	10.30am (New Zealand time) Thursday, 12 May 2022 or earlier at the Issuer's discretion
<b>Rate Set Date</b>	Thursday, 12 May 2022
<b>Issue Date</b>	Thursday, 19 May 2022
<b>Expected Date of Initial Quotation on the NZX Debt Market</b>	Friday, 20 May 2022
<b>Interest Payment Dates</b>	19 May and 19 November of each year (or, if that day is not a Business Day, the next Business Day) until and including the Maturity Date
<b>First Interest Payment Date</b>	19 November 2022
<b>Maturity Date</b>	Friday, 19 May 2028

# KEY CREDIT HIGHLIGHTS

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## KEY CREDIT HIGHLIGHTS

- **Competitive advantage:** Strategic position as the gateway to Christchurch and the wider South Island with 60% market share of all South Island passenger movements and further freight hub growth opportunities
- **Financial resilience:** Remained profitable in FY21 during pandemic and returned balance sheet to pre-Covid levels. 75% of passenger base domestic with strong domestic recovery in FY21. Issuer rating of BBB+/Positive Outlook (S&P Global Ratings, Dec-21)
- **Diversified revenue:** Approximately 23% of pre-Covid FY19 operating revenue was from property rental. Property was a growing and strong performing revenue base in FY21. Portfolio of diversified growth options in medium term
- **Modern infrastructure asset:** Integrated international and domestic terminal which processed 6.93m passengers in FY19. Modern terminal has sufficient capacity for expected future passenger growth in medium term
- **Management:** Experienced management team with comprehensive knowledge of transport and tourism sectors

# APPENDIX

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## APPENDIX: RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION

### Operating Revenue Reconciliation

	FY19	FY20	FY21	FY22*
	NZ\$m	NZ\$m	NZ\$m	NZ\$m
<b>Operating Revenue</b>	<b>187.4</b>	<b>165.7</b>	<b>141.6</b>	<b>66.5</b>
<i>Add: Fair Value Gain on Investment Properties</i>	13.1	13.5	47.8	-
<i>Add: Interest Income</i>	0.1	0.1	0.1	-
<b>Total Revenue</b>	<b>200.6</b>	<b>179.3</b>	<b>189.5</b>	<b>66.5</b>

### EBITDAF Reconciliation

	FY19	FY20	FY21	FY22*
	NZ\$m	NZ\$m	NZ\$m	NZ\$m
<b>EBITDAF</b>	<b>125.5</b>	<b>96.8</b>	<b>75.7</b>	<b>32.8</b>
<i>Add: Fair Value Gain on Investment Properties</i>	13.1	13.5	47.8	-
<i>Add: Interest Income</i>	0.1	0.1	0.1	-
<i>Less: Interest Costs</i>	(23.1)	(23.6)	(23.5)	(11.7)
<i>Less: Depreciation &amp; Amortisation</i>	(35.6)	(42.1)	(46.3)	(21.1)
<i>Less: Taxation Expense</i>	(22.5)	2.0	(15.1)	-
<b>Net Profit After Tax</b>	<b>57.5</b>	<b>46.7</b>	<b>38.7</b>	<b>-</b>

\* FY22 – Six months result (unaudited)



CHRISTCHURCH INTERNATIONAL AIRPORT LIMITED

# INDICATIVE TERMS SHEET

Fixed Rate Bonds  
Maturing 19 May 2028

9 May 2022



Arranger and Joint Lead Manager



Joint Lead Manager



# INDICATIVE TERMS SHEET

**FOR AN OFFER OF UP TO NZ\$75,000,000 UNSECURED, UNSUBORDINATED, FIXED RATE 6 YEAR BONDS (PLUS UP TO NZ\$25,000,000 OVERSUBSCRIPTIONS)**

This indicative terms sheet ("Indicative Terms Sheet") is prepared in respect of an offer by Christchurch International Airport Limited ("CIAL") of up to NZ\$75,000,000 unsecured, unsubordinated fixed rate bonds ("Bonds") (with the ability to accept oversubscriptions of up to NZ\$25,000,000 at CIAL's discretion) under its Master Trust Deed dated 9 November 2012 (as amended and/or restated from time to time including by deed dated 3 December 2020) ("Master Trust Deed"), and as modified and supplemented by a Supplemental Trust Deed dated 9 May 2022 ("Supplemental Trust Deed") (together the "Trust Documents") entered into between CIAL and Public Trust ("Supervisor"). Unless the context otherwise requires, capitalised terms used in this Indicative Terms Sheet have the same meaning given to them in the Trust Documents.

## Important Notice

The offer of Bonds 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 CIAL's NZ\$100,000,000 4.13% fixed rate bonds maturing on 24 May 2024 which are quoted on the NZX Debt Market under the ticker code CHC010 ("Quoted Bonds").

The Bonds are of the same class as the Quoted Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

CIAL 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/CHC](http://www.nzx.com/companies/CHC).

The Quoted Bonds are the only debt securities of CIAL that are currently quoted and in the same class as the Bonds.

Investors should look to the market price of the Quoted Bonds to find out how the market assesses the returns and risk premium for those bonds.

<b>ISSUER</b>	Christchurch International Airport Limited.
<b>DESCRIPTION</b>	Unsecured, unsubordinated, fixed rate bonds ("Bonds").
<b>TERM</b>	6 years.
<b>STATUS</b>	The Bonds are to be issued pursuant to the Trust Documents. The principal amounts of, and interest on, the Bonds will be unsubordinated, unsecured, obligations of CIAL and rank at least equally with all present and future unsecured and unsubordinated indebtedness of CIAL (except indebtedness preferred by law and subject to laws affecting creditors' rights generally and equitable principles of general application).
<b>GUARANTEEING GROUP</b>	Under the Master Trust Deed, the Bonds are guaranteed by the Guaranteeing Group Members under the Guarantee, but as at the date of this Indicative Term Sheet, there are no Guaranteeing Group Members other than CIAL.
<b>PURPOSE</b>	The proceeds of this offer are expected to be used by CIAL to re-finance and repay a portion of its drawn bank funding. Any additional proceeds raised will be used to provide funding for capital development projects and for general operational purposes, whilst extending duration of funding and retaining diversification of funding sources.

<b>CREDIT RATINGS</b>	<p><b>CIAL Credit Rating</b> BBB+ (positive) S&amp;P Global Ratings</p> <p><b>Expected Issue Credit Rating</b> BBB+ S&amp;P Global Ratings</p> <p>Further information about S&amp;P Global Ratings' credit rating scale is available at <a href="http://www.spglobal.com">www.spglobal.com</a>.</p> <p>A credit rating is an independent opinion of the capability and willingness of an entity to repay its debts (in other words, its creditworthiness). It is not a guarantee that the financial product being offered is a safe investment. A credit rating should be considered alongside all other relevant information when making an investment decision. A credit rating is not a recommendation to invest in the Bonds and may be subject to revision, suspension or withdrawal at any time.</p>
<b>OFFER AMOUNT</b>	Up to NZ\$75,000,000 (with the ability to accept oversubscriptions of up to NZ\$25,000,000 at CIAL's discretion).
<b>OPENING DATE</b>	Monday, 9 May 2022.
<b>CLOSING DATE</b>	10.30am (New Zealand time) Thursday, 12 May 2022 or earlier at CIAL's discretion.
<b>RATE SET DATE</b>	Thursday, 12 May 2022.
<b>ISSUE DATE</b>	Thursday, 19 May 2022.
<b>MATURITY DATE</b>	Friday, 19 May 2028.
<b>INTEREST RATE</b>	<p>The Interest Rate will be set on the Rate Set Date as being equal to the Swap Rate plus the Margin, subject to a minimum Interest Rate of 5.15% per annum.</p> <p>The Interest Rate will be announced by CIAL via NZX on or about the Rate Set Date.</p>
<b>INDICATIVE MARGIN</b>	1.20% – 1.30% per annum.
<b>MARGIN</b>	The Margin (which may be above or below the Indicative Margin range) will be determined by CIAL (in consultation with the Joint Lead Managers) following a bookbuild process and announced via NZX on or shortly after the Rate Set Date.
<b>SWAP RATE</b>	The mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with CIAL, according to market convention, with reference to Bloomberg page 'ICNZ4' (or any successor page) on the Rate Set Date and expressed on a semi-annual basis (rounded to 2 decimal places, if necessary, with 0.005 being rounded up).
<b>INTEREST PAYMENT DATES</b>	<p>Interest will be paid semi-annually in arrear in equal amounts on 19 May and 19 November of each year (or if that day is not a Business Day, the next Business Day) until and including the Maturity Date.</p> <p>The first Interest Payment Date will be 19 November 2022.</p>
<b>ISSUE PRICE</b>	NZ\$1.00 per Bond, being the Principal Amount of each Bond.
<b>FINANCIAL COVENANTS</b>	<p>CIAL has undertaken that for so long as any Bonds issued under the Master Trust Deed are outstanding:</p> <ul style="list-style-type: none"> <li>the Total Tangible Assets of the Guaranteeing Group will exceed 90% of the Total Tangible Assets of the CIAL Group;</li> </ul>

- Total Debt of the Guaranteeing Group will not exceed 60% of the sum of Total Debt plus Total Equity (which includes subordinated debt, provided it meets certain qualifying criteria) of the Guaranteeing Group;
- the interest cover ratio of the Guaranteeing Group (being EBITDA divided by Total Interest Expense) for the immediately preceding financial year or financial half-year will not be less than 1.75:1; and
- the Total Tangible Assets of the Guaranteeing Group attributable to joint venture interests will not exceed 10% of Total Tangible Assets of the CIAL Group, provided that any excess over 10% of the Total Tangible Assets of the CIAL Group up to a further 5% of such Total Tangible Assets is permitted subject to certain conditions.

**NEGATIVE PLEDGE**

The Master Trust Deed contains a negative pledge which provides that no Guaranteeing Group Member will create or permit to subsist any Security Interest over its assets except under certain limited exceptions as set out in the Master Trust Deed.

**NO EARLY REDEMPTION**

Holders have no right to require CIAL to redeem their Bonds prior to the Maturity Date, unless an Event of Default occurs (as set out in the Trust Documents).

**BUSINESS DAY CONVENTION**

Following Business Day (unadjusted).

**RECORD DATE**

5.00pm on the date that is 10 days before the due date for payment. If the record date falls on a day which is not a Business Day, the record date will be the immediately preceding Business Day.

**DENOMINATIONS**

Minimum denominations of NZ\$5,000 with multiples of NZ\$1,000 thereafter.

**TRANSFERS**

Holders are entitled to sell or transfer their Bonds at any time subject to the terms of the Trust Documents, the Selling Restrictions set out below and applicable securities laws and regulations. CIAL may decline to register a transfer of Bonds for the reasons set out in the Trust Documents.

The minimum amount of Bonds a Holder can transfer is NZ\$1,000, and integral multiples of NZ\$1,000 thereafter. No transfer of Bonds or any part of a Holder's interest in a Bond will be registered if the transfer would result in the transferor or the transferee holding or continuing to hold Bonds with an aggregate principal amount of less than the minimum holding of NZ\$5,000 (other than zero).

**ISIN**

NZCHCDT005C1.

**APPROVED ISSUER LEVY**

CIAL proposes to register the Bonds for approved issuer levy ("AIL") and, where it is eligible to do so in respect of interest paid to a non-resident Holder that is subject to the non-resident withholding tax rules (and unless otherwise elected by the Holder), to pay AIL in lieu of deducting non-resident withholding tax. If the Bonds qualify for the 0% rate of AIL, CIAL intends to apply the 0% rate, otherwise it will apply AIL at the applicable rate. The amount of any AIL paid will be deducted from payments to the relevant Holder.

**QUOTATION**

CIAL will take any necessary steps to ensure that 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 that quotation that can be complied with on or before the date of distribution of this Indicative Terms Sheet have been duly complied with. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in this Indicative Terms Sheet. NZX is a licensed market operator, and the NZX Debt Market is a licensed market, under the FMCA.

NZX ticker code CHC020 has been reserved for the Bonds.

<b>EXPECTED DATE OF TRADING ON THE NZX DEBT MARKET</b>	It is expected that quotation of the Bonds on the NZX Debt Market will occur on Friday, 20 May 2022.
<b>ARRANGER</b>	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand Branch) ("Westpac").
<b>JOINT LEAD MANAGERS</b>	Bank of New Zealand and Westpac.
<b>DOCUMENTS</b>	<p>The terms and conditions of the Bonds are set out in:</p> <ul style="list-style-type: none"> <li>• Master Trust Deed; and</li> <li>• Supplemental Trust Deed</li> </ul> <p>If you require further information in relation to any terms and conditions in the Master Trust Deed and Supplemental Trust Deed, you can obtain a copy of these documents from <a href="https://www.christchurchairport.co.nz/about-us/who-we-are/financial-reports/bond-offer/">https://www.christchurchairport.co.nz/about-us/who-we-are/financial-reports/bond-offer/</a>.</p>
<b>REGISTRAR AND PAYING AGENT</b>	Computershare Investor Services Limited. The Bonds will be accepted for settlement within the NZClear system.
<b>SUPERVISOR</b>	Public Trust.
<b>REPO ELIGIBILITY</b>	CIAL intends to apply to the Reserve Bank of New Zealand for the Bonds to be included as eligible securities for Domestic Market Operations.
<b>WHO MAY APPLY</b>	<p>All of the Bonds are reserved for clients of the Joint Lead Managers, primary market participants and other approved financial intermediaries. There is no public pool for the offer. Investors wishing to purchase the Bonds should contact their broker or financial adviser.</p> <p>In respect of any oversubscriptions or generally, any allotment of Bonds will be at CIAL's discretion, in consultation with the Joint Lead Managers. CIAL reserves the right to refuse to make any allotment (or part thereof) without giving any reason.</p> <p>Each investor's broker or financial adviser will be able to advise them as to what arrangements will need to be put in place for the investor to trade the Bonds including obtaining a common shareholder number (CSN), an authorisation code (FIN) and opening an account with a primary market participant as well as the costs and timeframes for putting such arrangements in place.</p>
<b>GOVERNING LAW</b>	New Zealand.
<b>SELLING RESTRICTIONS</b>	<p>This is an offer of Bonds to institutional investors and members of the public who are resident in New Zealand and certain overseas institutional investors only.</p> <p>CIAL has not taken and will not take any action which would permit a public offering of Bonds, or possession or distribution of any offering material in respect of the Bonds, in any country or jurisdiction where action for that purpose is required (other than New Zealand).</p> <p>The Bonds may only be offered for sale or sold in a jurisdiction other than New Zealand in compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered.</p> <p>In addition, the selling restrictions contained in the Schedule to this Indicative Terms Sheet apply. By subscribing for Bonds, each investor agrees to indemnify, among others, CIAL, the Supervisor and the Joint Lead Managers and their respective directors, officers, employees and agents in respect of any loss, cost, liability or damages suffered because of that Bondholder breaching the selling restrictions referred to in this section and the Schedule to this Indicative Terms Sheet.</p>

**SINGAPORE  
SECURITIES  
AND FUTURES ACT  
PRODUCT  
CLASSIFICATION**

Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001, as modified or amended from time to time (the "SFA"), CIAL has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Bonds are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

The dates and times set out in this Indicative Terms Sheet are indicative only and are subject to change. CIAL has the right in its absolute discretion and without notice to close the offer early, to extend the Closing Date, or to choose not to proceed with the offer. If the Closing Date is extended, subsequent dates may be extended accordingly.

Any internet site addresses provided in this Indicative Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Indicative Terms Sheet. Copies of the Trust Documents are available on the website (managed by CIAL) for the offer of the Bonds <https://www.christchurchairport.co.nz/about-us/who-we-are/financial-reports/bond-offer/>.

Investors are personally responsible for ensuring compliance with all relevant laws and regulations applicable to them (including any required registrations). Investors should seek qualified, independent legal, financial and taxation advice before deciding to invest. For further information regarding CIAL, visit <https://www.nzx.com/companies/CHC>.

**Address Details****Christchurch International Airport Limited**

Level 4, Car Park Building  
Christchurch Airport  
Memorial Avenue  
Christchurch 8544  
Phone: +64 3 358 5029

**Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)**

Westpac on Takutai Square  
Level 8, 16 Takutai Square  
Auckland 1010

**Bank of New Zealand**

Level 6  
80 Queen Street  
Auckland 1010  
New Zealand

## SCHEDULE – SELLING RESTRICTIONS

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Any information memorandum, disclosure statement, circular, advertisement or other offering material in respect of the Bonds may only be published, delivered or distributed in compliance with all applicable laws and regulations (including those of the country or jurisdiction in which the material is published, delivered or distributed).

There are specific selling restrictions that apply to an offer of the Bonds in the United States of America, European Economic Area, Switzerland, the United Kingdom, Australia, Hong Kong, Japan and Singapore. These selling restrictions do not apply to an offer of the Bonds in New Zealand.

These selling restrictions may be modified by CIAL and the Joint Lead Managers, including following a change in a relevant law, regulation or directive. Persons into whose hands this Indicative Terms Sheet comes are, and each Bondholder is, required by CIAL and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Bonds or have in their possession or distribute such offering material, in all cases at their own expense.

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### UNITED STATES OF AMERICA

The Bonds have not been and will not be registered under the Securities Act of 1933, as amended (Securities Act) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (Regulation S)) except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

None of CIAL, the Joint Lead Managers nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in the Regulation S) in relation to the Bonds, and each of CIAL and the Joint Lead Managers has complied and will comply with the offering restrictions in Regulation S.

The Bonds will not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of all of the Bonds, as determined and certified by the Joint Lead Managers, except in accordance with Rule 903 of Regulation S. Any Bonds sold to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the distribution compliance period require a confirmation or notice to the purchaser at or prior to the confirmation of the sale to substantially the following effect:

“The Bonds covered hereby have not been registered under the United States Securities Act of 1933, as amended (the Securities Act) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Bonds and the closing date except in either case pursuant to a valid exemption from registration in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S.”

Until 40 days after the completion of the distribution of all of the Bonds, an offer or sale of the Bonds within the United States by the Joint Lead Managers or any dealer or other distributor (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Regulation S.

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### MEMBER STATES OF THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area, no Bonds have been offered and no Bonds will be offered that are the subject of the offering contemplated by this Indicative Terms Sheet in relation thereto to the public in that Member State except that an offer of Bonds to the public in the Member State may be made:

- (a) to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the Joint Lead Managers for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of the Bonds shall require CIAL or the Joint Lead Managers to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "offer of the Bonds to the public" in relation to any Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, and the expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129.

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## UNITED KINGDOM

No Bonds have been offered and no Bonds will be offered that are the subject of the offering contemplated by this Indicative Terms Sheet in relation thereto to the public in the United Kingdom except that an offer of Bonds to the public in the United Kingdom may be made:

- (a) to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the Joint Lead Managers for any such offer; or
- (c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (FSMA),

provided that no such offer of the Bonds shall require CIAL or the Joint Lead Managers to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer of the Bonds to the public" in relation to any Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

### *Other regulatory restrictions*

No communication, invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) has been or may be made or caused to be made or will be made in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA applies to CIAL.

All applicable provisions of the FSMA with respect to anything done in relation to the Bonds in, from or otherwise involving the United Kingdom must be complied with.

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## JAPAN

The Bonds have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the FIEA) in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement as provided for in "ha" of Article 2, Paragraph 3, Item 2 of the FIEA. A Japanese Person who transfers the Bonds shall not transfer or resell the Bonds except where the transferor transfers or resells all the Bonds en bloc to one transferee. For the purposes of this paragraph, Japanese Person shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

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## SINGAPORE

This Indicative Terms Sheet has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Bonds have not been offered or sold or made the subject of an invitation for subscription or purchase and will not be offered or sold or be made the subject of an invitation for subscription or purchase. This Indicative Terms Sheet or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds has not been circulated or distributed, nor will this Indicative Terms Sheet or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA), (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

### HONG KONG

No Bonds have been offered or sold or will be or may be offered or sold in Hong Kong, by means of any document other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the SFO) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the C(WUMP)O) or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Bonds may be issued or in the possession of any person or will be issued or be in the possession of any person in each case for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

### AUSTRALIA

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (Corporations Act)) in relation to the Bonds (including this Indicative Terms Sheet) has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission (ASIC) or any other regulatory authority in Australia. No person may:

- (a) make or invite (directly or indirectly) an offer of the Bonds for issue, sale or purchase in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) distribute or publish, any draft, preliminary or final form offering circular or information memorandum, prospectus or any other offering material or advertisement relating to the Bonds in Australia,

unless:

- (i) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;
- (ii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives; and
- (iv) such action does not require any document to be lodged with, or registered by, ASIC or any other regulatory authority in Australia.

This Indicative Terms Sheet is not, and under no circumstances is to be construed as, an advertisement or public offering of any Bonds in Australia.