Channel
Infrastructure NZ

Annual Report 2024

Welcome To This Report

Annual Report Overview

This 2024 Annual Report outlines the operational and financial performance of Channel Infrastructure NZ Limited for the 12 months ended 31 December 2024. Comparative financial information reflects continuing operations of the fuels import terminal for the 12 months ended 31 December 2023. This Annual Report also includes an overview of the Company's Strategy and Corporate Governance Framework and includes the annual Remuneration Report.

In this report, references to "Channel Infrastructure", "Channel", the "Company", the "Group", "we", "us", "our" refer to Channel Infrastructure NZ Limited (NZX: CHI), unless otherwise stated. All dollar figures are in New Zealand dollars (NZD) unless otherwise stated.

Channel Infrastructure has used non-GAAP (Generally Accepted Accounting Principles) measures when discussing financial performance in this report. The directors and management believe that these measures provide useful information as they are used internally to evaluate business performance, to establish operational goals and to allocate resources. Non-GAAP measures are not prepared in accordance with New Zealand International Financial Reporting Standards (NZ IFRS) and are not uniformly defined, therefore the non-GAAP measures reported in this document may not be comparable with those that other companies report and should not be viewed in isolation or considered as a substitute for measures reported by Channel Infrastructure in accordance with NZ IFRS. The non-GAAP measures Channel Infrastructure has used are EBITDA, EBITDA margin and Normalised Free Cash Flow (FCF). The definitions of these can be found on page 104 of this report.

Reporting Suite

The 2024 Annual Report is published in conjunction with the 2024 Sustainability Report which provides information on our approach, progress and performance in relation to Channel Infrastructure's most material environmental, social and governance (ESG) issues as well as our climate related physical and transition risks, measures and targets. Channel Infrastructure is a climate reporting entity for the purposes of the Financial Markets Conduct Act 2013 (FMCA 2013), and the Sustainability Report has been prepared in compliance with Part 7A of the FMCA 2013, NZ XRB's Climate-related Disclosure Standards (NZ CS) and the NZX Corporate Governance Code (refer to **www.nzx.com**). It is also referenced to specific United Nations' Sustainable Development Goals (SDGs) where appropriate, to acknowledge our global partnership in addressing sustainability and climate change concerns.

This Annual Report, the 2024 Sustainability Report and Channel Infrastructure's Governance Statement together form an integrated suite of reports and should be read in conjunction with each other, and where possible, we have drawn links between each. They are all available for download at: www.channelnz.com, along with several underlying documents and policies referred to throughout this report.

Directors' Statement

The Directors are pleased to present Channel Infrastructure NZ Limited's Annual Report and Financial Statements for the year ended 31 December 2024.

This Annual Report is dated 26 February 2025 and is signed on behalf of the Board by:

JB Miller
Chair of the Board

AM Molloy
Chair, Audit and Finance Committee

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About us

Channel's customers import

3.5BL

of fuel through Channel's infrastructure

New Zealand's only natural deep water harbour.

Two jetties capable of receiving amongst the largest refined product ships in the world.

170km

pipeline to Auckland

Only pipeline capable of transporting liquid fuels to Auckland

~350ML

tank capacity available for conversion

~290ML

of shared and dedicated storage in service

- 180 hectares of highly strategic land of which only 1/3 is currently in use
- Long-term resource consents relating to fuel manufacturing
- Marsden Point Energy Precinct zoning overlay
- Industrial gas, water and electricity grid connections

Fuel supply
into Northland

Fuel supply
into Auckland

Key supply route
to Auckland
International
Airport

Lower-carbon future fuels can 'drop in' to our existing infrastructure, replacing today's fossil fuels over time, and keeping New Zealand moving throughout the energy transition.

Marsden Point Energy Precinct Concept


Energy Security Opportunities
Future Fuels Manufacturing Opportunities
Additional Storage Opportunities
Current Facility
Leased to Third Parties
Owned by Others
(Leased to WOSL¹)
IPL
Diesel/Biofuels Compound
(120 Million Litres Capacity)
Jet/SAF Compound
(120 Million Litres Capacity - 45 Million Litres in Service)
Stormwater Retention Basin
Floating LNG Receipt & Gasification
Jetties
Bitumen Terminal

2024 Highlights

Safe, reliable & efficient

Zero
Tier 1 or 2 process safety incidents
(FY23: 1)

2.0
TRCF
Total Recordable Case Frequency
(FY23: 0.9)

61
Ships received and discharged
(FY23: 70)

ASSET AVAILABILITY

>99%
Pipeline availability

100%
Tank availability

Realising value of infrastructure

THREE NEW GROWTH CONTRACTS SIGNED

~$120M
Incremental revenue over a 15-year period

Two potential lower-carbon fuels projects attracted to Channel's strategic assets and infrastructure

$55M
Invested in Channel's infrastructure in 2024

PROVEN CAPITAL PROJECT DELIVERY

- Safely
- On time
- On budget

Keeping Aotearoa moving

3.5BL
of Customers' fuel delivered to market from Marsden Point Terminal

84%
Pipeline utilisation (average FY24)

JET FUEL
1,404ML
(+12% PCP)

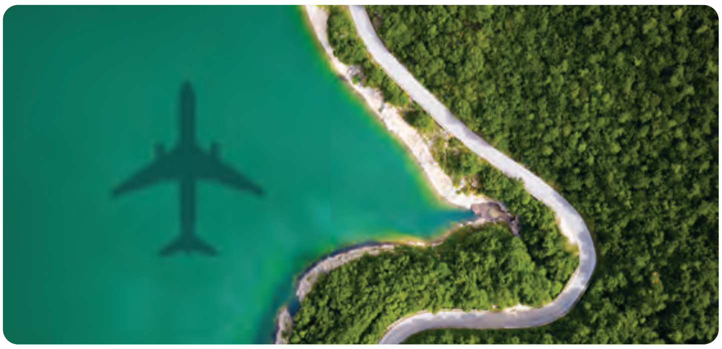
DIESEL
1,087ML
(-1% PCP)

PETROL
992ML
(-2% PCP)

Good neighbour, good citizen

Delivering resilient infrastructure solutions to meet changing fuel and energy needs

~50ML
of redundant tank capacity contracted for conversion



LEGACY HYDROCARBON PLUME
10%
Reduction in legacy plume over 5 years from 2024

Numbers at a glance

Sustainable financial performance

REVENUE

$139.8M

91%
subject to PPI indexation

EBITDA

$95.1M

68%
EBITDA margin

67%
EBITDA to FCF conversion

Strong cashflow and balance sheet

NET DEBT[1]

$296M
as at 31 December 2024

LEVERAGE

3.1
x EBITDA

NET TANGIBLE ASSETS

$1.98
per share

[1]Excludes Fair Value Hedge Movements

Delivering to shareholders

TOTAL DIVIDEND

11

CPS

DIVIDEND YIELD[2]

5.9%

TSR

37.4%

Total shareholder return in 2024

[2]Based on the 31 December 2024 Share price of $1.87

Letter from Chair and CEO

Dear Shareholder

Our dedicated team has made significant progress towards our vision of becoming a world-class energy infrastructure company across 2024. Delivering resilient infrastructure solutions to meet changing fuel and energy needs guides how we have approached our growth opportunities for the benefit of our shareholders, our people, our community, and New Zealand.

Health and safety remains our operational priority

Getting 'everyone safely home every day' is our safety philosophy and is central to how we operate our business. Our strong safety culture is a clear demonstration of our commitment to delivering world-class operations. In 2024, we focused on increasing the reporting of incidents, including minor incidents and near-misses. This ensures we take every opportunity to learn and prevent incidents in the future. At the same time, we have changed the way we work with our contractor workforce, implementing stringent new workforce processes that empower our contractors to take responsibility for their own safety while working on our site.

Fuel Resilience for New Zealand

Our infrastructure and facilities play a key role in providing fuel security and fuel resilience for New Zealand. Our unique site, assets, and capabilities position us as a key strategic site for New Zealand's fuel reserve.

We welcomed the Government's 2024 Fuel Security Study, which has now drawn to a close, with a strong recognition of the strategic potential and opportunities that our Marsden Point site has to support New Zealand's fuel security, through the possibility of Marsden Point becoming one of the first Special Economic Zones if they are introduced.

Resilience is a question of choice, and how much protection against external factors is considered necessary, and through the closure of the Fuel Security Study, the Government has now indicated it will assess additional options for fuel supply chain security for New Zealand. In an increasingly unstable world, and with New Zealand continuing to rely on supply lines that traverse some of the most congested, and contested parts of the world, it is timely that we should be having a public conversation on our tolerance for risk in the energy supply chain. Cabinet is set to consider further options for fuel resilience in New Zealand, including an increase in diesel Minimum Stockholding Obligations from 21 to 28 days (additional ~70 million litres of on-shore storage) but not including reopening an oil refinery due to high cost and limited effectiveness. Channel is strategically positioned to support fuel importers to meet these obligations if they come into force with ~350 million litres of former tank capacity that can be repurposed.

As we look to the future, we will continue to have conversations with current, and potential partners on how we can utilise our highly strategic Marsden Point assets and Channel Infrastructure's capabilities to accommodate energy projects that could boost New Zealand's energy resilience in the future. We look forward to further detail from the Government on both Special Economic Zones, and additional resilience measures.

Operational excellence and delivery of capital projects

World-class operations will ensure the secure and reliable long-term operation of our critical assets for New Zealand's energy supply chain and earn the confidence of our customers, community, and stakeholders, to deliver our future growth. According to global benchmarking we have undertaken, we are already delivering pipeline and tank availability statistics in line with some of the best import terminals in the world, which is something we are proud of.

Over 2024, 3.5 billion litres of our customers' fuel came through our infrastructure. This was up 3% on 2023, reflecting continued growth in jet fuel demand and relatively stable diesel and petrol demand. We have seen an increased number of long-range vessels calling at our jetty, and fewer ship movements overall, following the commissioning of more storage last year. Channel is the only import terminal in New Zealand capable of accepting this largest class of long-range vessels, which improves supply chain efficiency for our customers as they can bring in larger parcels of fuel in fewer shipments.

Alongside the successful and safe running of the import terminal to keep New Zealand supplied, our team has continued the safe, on-time and on-budget delivery of a number of capital projects with $55 million invested in Channel's infrastructure across 2024. New automatic firefighting equipment has now been commissioned and work continues to upgrade all site bunds surrounding our tank compounds, bringing these up to the highest safety and environmental protection standards. In just under seven months we also completed an upgrade to our infrastructure to enable transmix[1] to be stored and exported from Marsden Point.

[1] Transmix is a mix of petrol/jet/diesel product that results from operation of terminals and multi-product pipelines

Strong financial result in line with guidance

Revenue increased 7% to $139.8 million, with higher terminal fees reflecting both an increase in fuel throughput, and the inflation-linked revenue from our long-term terminal services and storage contracts. EBITDA from continued operations was $95.1 million and Normalised Free Cash Flow was $63.4 million, which represents a 67% Free Cash Flow conversion. We continue to target credit rating metrics consistent with a BBB+ shadow credit rating and net debt finished the year at $296 million.

Channel continued to invest for resilience and growth. Stay-in-business capital expenditure was $12.3 million[1] with ongoing investment in upgrading terminal control systems, scheduled jetty upgrades and statutory tank inspections. Conversion capital expenditure of $12.9 million reflected completion of the firefighting upgrades and continued work on upgrading the bunds. Growth capital expenditure of $29.3 million reflected the private storage bund upgrades, the recently commissioned transmix storage project and works associated with the Z Energy jet storage contract.

During 2024, Envisory updated our fuel forecast which, along with the secured growth projects has given us greater certainty of the fuel outlook beyond 2050. As a result, we have seen a $274 million increase in the fair value of our import terminal system. The 2024 accounts also take into consideration the unique attributes of the Marsden Point site, including its port-adjacent nature, along with likely heavy industrial use for the site. The unutilised land value has increased $106 million to $122 million. This does not represent the full potential value of the land to Channel or reflect the potential future value of the Marsden Point Energy Precinct. The $381 million combined uplift in fair value of import terminal system and unutilised land has resulted in an uplift in Channel Infrastructure Net Tangible Assets per share to $1.98.

We refinanced our bank debt in November, lowering our cost of capital, and in December we successfully raised $50 million of capital from shareholders to fund the future growth of the company. We are extremely pleased with the significant level of shareholder support received across both the Retail and Institutional Offers, reflecting continued confidence in our team and Company.

Looking forward to FY25, Channel Infrastructure expects FY25 EBITDA from continued operations in the range of $89-94 million and stay-in-business capital expenditure between 8-10% of revenue and free cash flow conversion in line with FY24.

[1] Capital expenditure on an accrual basis, $11 million on a cash basis

Investing in growth

Throughout 2024, we have made excellent progress towards our plan to meet New Zealand's changing fuel and energy needs by maximising the value of our highly strategic assets and increasing the proportion of our revenue that is independent of fuel demand.

We signed three significant contracts with current, and new customers in 2024 with revenues commencing over 2025 to 2027. Together these deliver an additional $11 million per annum of revenue per year by 2027 and a total of ~$120 million (before PPI indexation) in incremental revenue over 15 years.

In May, we announced a new seven-year contract to upgrade our infrastructure to enable transmix to be stored and exported from Marsden Point. This upgrade is now complete, with revenue from this contract commencing in December 2024.

In August, we announced a new contract with Z Energy to more than double Z's current private jet fuel storage at Marsden Point. This contract also meaningfully increases the jet storage capacity at Marsden Point.

Finally, in November we welcomed the first new customer to Marsden Point since our conversion to an import terminal, with our agreement with Higgins Contractors Limited, a subsidiary of Fletcher Building Limited, to develop a bitumen import terminal for them. This represents a significant milestone in Channel Infrastructure's growth strategy by diversifying the Company's customer base and expanding its product handling set.

An Energy Precinct for New Zealand

In October, we presented our exciting future vision for Marsden Point to shareholders – the Marsden Point Energy Precinct Concept. This vision provides a bold template for our bright future, and it was fantastic to receive endorsement from the Government for this vision and the critical role we play in New Zealand's energy security. There are many and varied opportunities for Channel to support New Zealand's energy transition, and the Energy Precinct outlines the exciting potential for these to fit together on our highly strategic site. Shareholders will see opportunities for even more additional storage, lower-carbon future fuels manufacture, as well as a range of energy projects such as electricity firming and storage opportunities.

The Energy Precinct will bring significant benefits, not just for Channel, but for the entire Northland region. Projects within the precinct will require significant investment in regional New Zealand, using local contractors and expertise where possible, and creating a large number of highly-skilled and well paid regional jobs during the construction phase, as well as to run the projects. Economic activity and growth in Northland is positive for our community, and international inbound investment supports New Zealand's economic growth.

The Government announced it is considering a Special Economic Zone for Marsden Point, which would help us to deliver our vision for Marsden Point as an Energy Precinct. It is a resounding vote of confidence in the future of our Company, and we look forward to seeing the full potential of the Energy Precinct delivered over time.

We are already making exciting steps towards the delivery of the Energy Precinct.

In October, we announced that Seadra, and consortium partners Qantas, Renova Inc, Kent Plc, and ANZ, were actively considering development of a biorefinery at Marsden Point. While at the early stages of assessment, should it go ahead, this project would create value for shareholders through the sale of decommissioned assets and revenue from long-term contracts for the use of our land and other infrastructure. The Seadra consortium continue to make good progress towards a final investment decision.

The proposed biorefinery project has been located on the Marsden Point site such that it would not impact on the proposed footprint for the previously announced proposed e-Sustainable Aviation Fuel project at our site with Fortescue. Work continues on this project, with Fortescue continuing to progress its study to the pre-feasibility phase, including more detailed engineering and design studies and developing further detail on the economic viability of the project.

The exciting future vision of our Energy Precinct, as well as the projects signalled in 2024, demonstrate the way we will unlock the strategic value of Marsden Point for the benefit of New Zealand, and we are excited about beginning to deliver on these plans in 2025.

Governance changes to drive our strategy forward

In 2024, we continued our planned succession and renewal of the Board to ensure we have the right skills and experience at the Board table to take your company forward.

Lucy Nation stepped down in April, and Vanessa Stoddart will retire at the 2025 Annual Shareholders' Meeting, after more than 11-years on the Board. Lucy provided world-class experience in terminal operations and future fuels, alongside invaluable contributions to the Health, Safety and Operations Committee and People and Culture Committee. Vanessa led our focus on putting people at the centre of our decision making, in particular through the company transition. Vanessa has been a passionate advocate for diversity, and has set us up with a strong culture to ensure we are developing our leaders from within the business.

We welcomed Felicity Underhill to the Board in March, and Angela Bull in October. Felicity is highly experienced in the energy and future fuels sectors, and was one of the early movers working on energy transition challenges and projects across the Asia Pacific region. Reflective of the Board's desire to strengthen its expertise in commercial land use development and infrastructure, Angela brings deep experience in large scale commercial land use development, property and infrastructure development.

Following these changes, our Board has 7 out of 8 independent directors, an excellent balance of skills and an impressive, combined total of more than 100 years of experience in property estate development, fuel terminals, oil and gas, and fuel supply chain sectors.

Shareholder returns

With steadily increasing and stable cash flows, alongside investing in the resilience of our terminal and further growth, we have continued to pay out increasing dividends to our loyal shareholders. The Board has declared a final unimputed ordinary dividend of 6.6 cents per share, which will be paid on 27 March 2025. This brings the total FY24 dividend to 11 cents per share.

In 2024, we have delivered another good year of returns for our shareholders with a dividend yield[2] of 5.9%, alongside a free cash flow yield of 8.3% and a Total Shareholder Return of 37.4%.

Thank you

Finally, a note of thanks. The delivery of so many milestones in 2024 would not have been possible without the hard work and dedication of our experienced and proven world-class team. We have also been well supported over many years by our loyal shareholders and bondholders - and we thank you. Thank you also to our customers and the local community for continuing to work closely with us for the benefit of New Zealand.

James Miller	Rob Buchanan
Chair	Chief Executive Officer

[2] Based on the 31 December share price of $1.87

Our Strategy

Our strategic framework

Our Vision

World-class energy infrastructure company

Our Purpose

Delivering resilient infrastructure solutions to meet changing fuel and energy needs

Our Strategic Priorities

World-class Operator	High Performance Culture	Grow from the Core	Support Energy Transition	Disciplined Capital Management	Good Neighbour, Good Citizen
Strong safety systems and culture Resilient infrastructure Long-term asset management Customer focused	People and capability development Future focused Continuous Improvement Adaptive	Brownfield opportunities at Marsden Point Consolidator of fuels infrastructure Supply chain optimisation for our customers	Repurposing Marsden Point Support transition of aviation to lower carbon fuels Marsden Point Energy Precinct	Target credit metrics consistent with a BBB+ shadow credit rating Deliver above WACC returns Cost management Stable dividends	Reducing environmental impacts Community engagement and iwi relations Just transition Transparency and disclosure
New Zealand's Infrastructure Partner of Choice		Grow through supporting the Energy Transition		More sustainable future	

Our Strategy

New Zealand's Infrastructure Partner of Choice

STRATEGIC PILLAR	2024 HIGHLIGHTS
World-class Operator	Safe and reliable operator of critical infrastructure
	Customer satisfaction survey reflects meaningful improvement in overall satisfaction
	Supply chain efficiencies for customers with fewer ship visits and a reduction in alongside time
	World-class delivery of fire fighting equipment and bund upgrade projects
	World-class availability
	Strong lead indicator performance
High Performance Culture	5+ percentage point lift in engagement and 26+ percentage point lift since conversion to an import terminal
	Specific skills and knowledge recruited into the business to drive strategic outcomes and enhanced world-class capability
	Apprenticeship program implemented to improve depth and resilience in key roles

Grow through supporting the Energy Transition

STRATEGIC PILLAR	2024 HIGHLIGHTS
Grow from the Core	Three growth contracts secured delivering ~$120 million of incremental revenue
	Biorefinery proposed at Marsden Point with a conditional agreement announced
	Continue to investigate other potential energy opportunities to support the energy transition, including partnership with Fortescue
Support Energy Transition	Marsden Point Energy Precinct Concept released
	Other potential energy opportunities to support the transition

More sustainable future

STRATEGIC PILLAR	2024 HIGHLIGHTS
Disciplined Capital Management	Successfully refinanced bank facilities, reducing financing costs, increasing total facility tenor and adding $30 million of liquidity headroom.
	Successfully raised $50 million equity to fund growth projects secured across 2024
	Delivered EBITDA, Free Cash Flow and capex guidance
Good Neighbour, Good Citizen	Maintained a high standard of environmental performance and continue to focus on reducing our impact on the surrounding environment
	Engaging with the local community through local business forums and regular meetings with iwi
	Iwi Scholarship launch and Leadership training opportunities extended to Iwi
	Incorporated ESG into long-term business model planning
	Reduced Scope 1 and 2 emissions by 76%

Board of Directors and Corporate Lead Team


04

Board of Directors

		QUALIFICATION	TENURE	COMMITTEES
	**James Miller** **Chair**	BCom FCA	6 years	Audit & Finance People & Culture
	**Andrew Brewer** **Director**	BEng (Hons) BSc Post Grad. Dip. In Management	1 year	Health, Safety, Environment & Operations
	**Angela Bull** **Director**	BA/LLB	Appointed 24 October 2024	People & Culture
	**Andrew Holmes** **Director**	BSc (Hons) MBA	3 years	Health, Safety, Environment & Operations People & Culture

		QUALIFICATION	TENURE	COMMITTEES
	**Anna Molloy** **Director**	BEng BCom CFA	3 years	Audit & Finance (Chair) People & Culture
	**Vanessa Stoddart** **Director**	BCom/LLB (Hons) Post Grad. Dip. Professional Ethics GAICD, CFInstD	11 years	People & Culture (Chair)
	**Felicity Underhill** **Director**	BA MA (Dist)	Appointed 15 March 2024	Audit & Finance Health, Safety, Environment & Operations[1]
	**Paul Zealand** **Director**	BSc (Hons) MBA	8 years	Audit & Finance Health, Safety, Environment & Operations (Chair)

[1] From 1 January 2025

Corporate Lead Team

Rob Buchanan

CEO

BCom, M.Bus
Executive Certificate in
Management and Leadership

Rob has been Channel's CEO since early 2023, leading the company through its strategy refresh, drive for world-class and delivery of its growth projects.

With a passion for helping energy and infrastructure companies create value while navigating challenging strategic issues and changing industry dynamics, Rob has had a key role in the execution of Channel's growth plans and drive to deliver further value to Channel Infrastructure's shareholders.

Prior to joining Channel, Rob was GM Growth & Trading at Manawa Energy, with responsibility for the company's renewables development, energy trading and commercial and industrial sales functions.

Prior to Manawa Energy, Rob had an almost 20-year career in investment banking, advising companies in New Zealand, Australia and Europe, including as Head of Mergers & Acquisitions at Forsyth Barr in New Zealand. Rob also worked in the investment banking business of ABN AMRO Bank, working across Australasia and Europe.

Alexa Preston

CFO

BBus, CA

Alexa joined Channel as Chief Financial Officer in late 2023, and has played a crucial role in the business, leading Channel Infrastructure Finance, Human Resources and IT functions and overseeing the successful execution of Channel's $50 million equity raise and successful debt refinance in 2024.

Alexa has more than 20 years' experience in senior management, finance, commercial, investment banking and advisory roles. Prior to joining Channel, she held the position of Finance Lead Partner - Group Performance and Investor Relations at Spark New Zealand Limited.

Alexa began her career with PricewaterhouseCoopers. She has held senior roles with Grant Samuel & Associates, KPMG, NZME Limited and Spark New Zealand Limited.

Jack Stewart

GM Operations

BE (Mech)

Jack is GM Operations at Channel Infrastructure, and has played a key role in the operational delivery of the company's growth, with responsibility for operations, maintenance, project works as well as the day-to-day delivery of terminal services to our customers.

Jack has worked at Marsden Point for over 20-years, joining the business as a mechanical engineer at the start of his career. He has performed a broad range of leadership roles over his time with the company, including in the areas of engineering, maintenance, project management, operations, health and safety and environment. Jack led the business through the transition from refinery to terminal operations as Project Director for the Conversion Project prior to his appointment as Channel's GM Operations.

Chris Bougen

General Counsel and Company Secretary

LLB (Hons), LLB, LLM

Chris is Channel Infrastructure's General Counsel and Company Secretary and is responsible for managing the Group's legal affairs, governance, and company secretarial functions.

Chris was heavily involved in the preparations for the company's transition to Channel Infrastructure, including securing the overwhelming support of shareholders for this change. Since then, Chris has played a crucial role negotiating new contracts and growth for the company.

Chris has extensive experience in both private practice and in-house legal roles across the energy and heavy industrial sectors in New Zealand, with experience advising on a wide range of commercial matters as well as providing legal support for major corporate and governance matters. Prior to joining the company, Chris worked for Fletcher Building and for a leading national law firm.

Peter van Cingel

Business Development Manager

BE(Mech) (Hons)

Peter is Channel Infrastructure's Business Development Manager and is responsible for executing Channel's growth strategy and business development activities.

Peter has held a broad range of roles in the supply chain, commercial, strategic, and business development areas since joining the company in 2002. As Business Development Manager, Peter is central to the delivery of new long-term growth projects that support Channel's customers.

Peter previously held roles in the upstream oil industry, in Europe, Russia, and the Middle East, as well as supply chain management, procurement and business improvement.

Steve Levell

General Manager IPL

DipEng, CMS

Steve is General Manager IPL, the fuel testing business which is a wholly-owned subsidiary of Channel Infrastructure.

Steve joined the company in 2012 and has held a broad range of leadership roles, including business improvement, before he was appointed to the IPL General Manager role in 2021.

Steve has a strong engineering background and prior to joining Refining NZ held a number of Technical and Leadership positions in the Petro/Chemical and Scientific research sectors.

Financial Commentary

Import terminal delivers stable returns and strong margins and cash flow conversion

2024 Highlights

FY24 REVENUE

$139.8M

EBITDA

$95.1M

Strong financial performance

EBITDA TO FCF CONVERSION

67%

TOTAL DIVIDEND

11

CPS

2025 Outlook

FY25 EBITDA GUIDANCE

$89–94M

8–10%

OF REVENUE

FY25 stay-in-business capex

Income Statement

Continuing Operations

The results from continuing operations include import terminal fees earned under the Terminal Services Agreements and Contracted Storage Agreements and Wiri land and terminal lease, and the associated operating costs, as well as the results of Independent Petroleum Laboratory.

	FY23 $ MILLION	FY24 $ MILLION
Revenue	130.7	139.8
Operating Costs	43.5	44.7
EBITDA	87.2	95.1
Depreciation	35.4	38.7
Financing costs	17.6	20.0
Net Profit before tax	34.1	36.4
Income tax expense	6.5	10.5
Net Profit after tax from continuing operations	27.6	26.0

Revenue

Channel Infrastructure's primary source of revenue comes from the fees earned under the Terminal Services Agreements, a combination of fixed and throughput related fees, for fuels delivered via Channel's pipeline to Auckland and the Truck Loading Facility, and wharfage. Fees under the Terminal Services Agreements are subject to take-or-pay commitments, set at $100 million per annum (real) for the first three years reducing to $90 million per annum (real) from 1 April 2025.

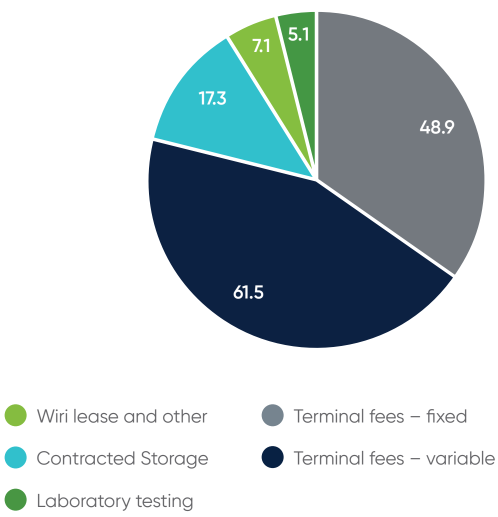
Additional revenue is earned through Contracted Storage Agreements. Contracted revenue relates to fees earned from Private and Additional Storage Agreements with our Customers, and the agreement for the handling, storage and export of transmix are capacity-based (i.e. independent of throughput), with revenue of $17 million in 2024.

All fees under the Terminal Services Agreement and Contracted Storage Agreements are subject to PPI escalation with a one-year lag (i.e. 2024 inflation 4.18% applies to 2025 fees charged).

The $6 million per annum of legacy Wiri lease fees will continue until February 2025 when the lease expires. This revenue relates to a lease arrangement that was entered into in 1990. On 28 February 2025 ownership of the Wiri terminal assets will revert to bp, Mobil and Z Energy.

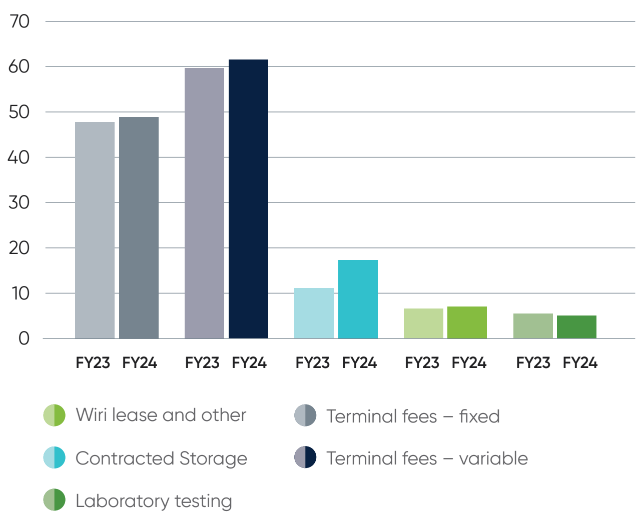
Revenue

(Continuing Operations)($m)



Revenue

(Continuing Operations)($m)



Operating Costs

Channel Infrastructure's largest costs are electricity and utilities and payroll, together making up 51 percent of total operating costs.

Electricity supply is a key operating cost for our business and from 1 January 2024 Channel has a fixed price variable volume contract that delivered significant benefit throughout a year of high spot prices.

Labour costs reflect the salary and other employee costs of import terminal, laboratory and corporate staff.

Administration and other costs comprise insurance, IT, rates and governance and compliance costs.

Materials and contractor payments relate to the cost of site and asset maintenance.

Depreciation

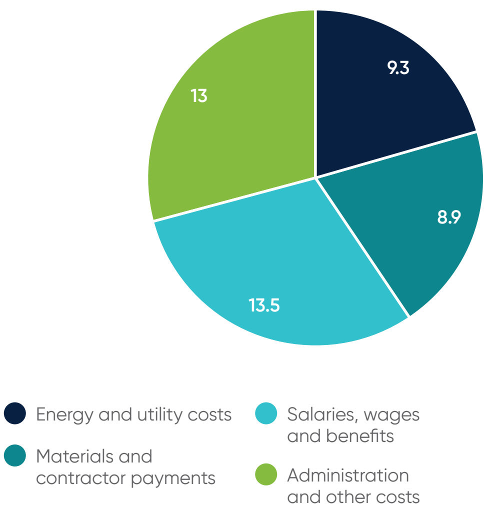
The depreciation cost of c.$38.6 million per annum included Wiri asset depreciation of c.$5.5 million which will cease with the expiry of the Wiri lease on 28 February 2025.

Financing Costs

The effective interest rate applying in the twelve months ended 31 December 2024 was 5.7 per cent with the majority of debt fixed as at 31 December 2024 providing funding cost certainty.

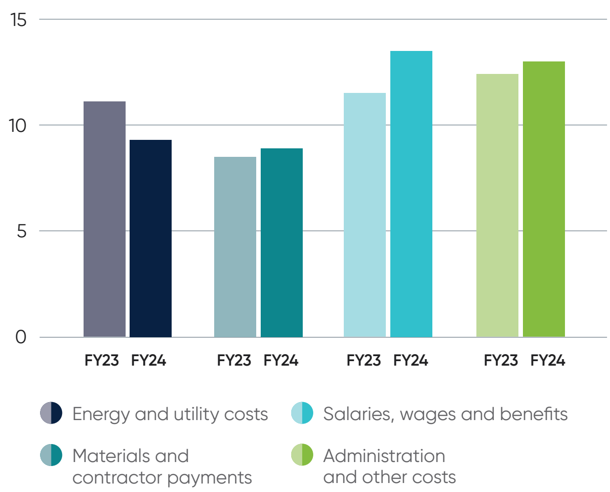
Operating Costs

(Continuing Operations)($m)



Operating Costs

(Continuing Operations)($m)



Discontinued Operations

A net loss after tax of $12.1 million is reported from discontinued operations in 2024 which reflects the results from refining activities. This includes $0.2 million of revenue recognised in relation to scrap metal sales. Total expenses amounted to $16 million, comprising operating costs of $4 million, conversion costs and the revaluation of assets, relating to the change in fair value of the refining plant, negative $10 million and non-cash financing costs of $2 million.

Cashflow

Strong operating cash flows from continuing operations funded a significant portion of capital expenditure related to conversion and growth capex spend, with net debt increasing to $296 million.

Capital Expenditure

Channel invested approximately $53 million into infrastructure upgrades throughout 2024 with $42 million invested in growth and conversion projects. Projects completed throughout the year have been delivered as part of the multi-year $220 million conversion project and $50 million Private Storage project. Projects were delivered safely, on time, and to budget and include firefighting upgrades and bund upgrades. Growth also includes the recently commissioned transmix storage upgrade works and the Z Energy jet storage contract (announced August 2024).

Equity raise

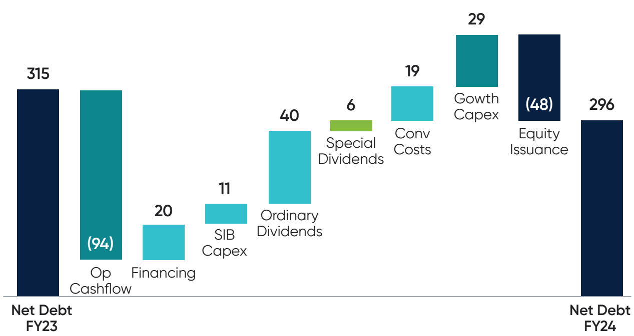
During the year Channel completed a $50 million equity raise to assist with funding the three growth projects announced during 2024. The equity raise was strongly supported by existing and new shareholders.

Leverage

The strong cash flow performance for the year has enabled the Board to declare an unimputed final ordinary dividend of 6.6 cents per share that will be paid on 27 March 2025, a total FY24 dividend 11 cents per share (representing a dividend yield of 5.9%).

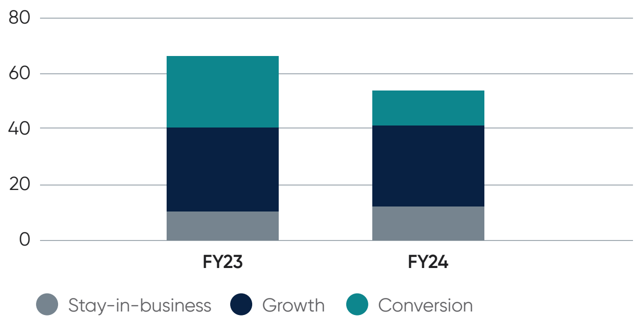
Net Debt Movement

($m)



Capex

($m)



Balance Sheet

Net Assets

Net assets of the Company are $818 million at 31 December 2024 a 64% increase from 31 December 2023 ($499 million). The Import Terminal System (ITS) and unutilised land were revalued with a combined uplift of $381 million resulting in an uplift in Net Tangible Assets per share to $1.98. Key changes impacting the import terminal system valuation since 31 December 2023 include:

- updated fuel forecast provides greater confidence in likely fuel consumption beyond 2050 improving the terminal assumption
- additional growth contracts secured with existing contracts assumed to be renewed given greater certainty regarding fuel outlook
- significant reduction in risk free rate reducing discount rate

The Company's revaluation policy requires independent assessment of value every three years or more frequently if the value of the assets is likely to have changed materially (refer to note 9 for additional information).

Provisions and employee benefits

Provisions associated with the conversion to an import terminal have reduced by $7 million, with $3 million spent on shutdown and decommissioning and workforce transition. An increase to the discount rate has resulted in a $2 million reduction in overall conversion provisions, offset by an increase to the demolition and restoration provision of $2.9 million and provision discount unwinding of $2 million. The workforce transition and other provision is now complete with no further costs to be incurred.

An additional $1.3 million has been recognised in the environmental provision. The additional costs reflect works required to upgrade the monitoring of the legacy hydrocarbon plume in the Northern tank farm area, including installation of additional monitoring wells and a recovery pump.

An additional $1.6 million has been recognised relating to the long-term demolition. The long-term demolition scope has been reassessed by Liberty Industrial (specialist contractor) as at June 2024.

Working Capital

Net working capital (after excluding current conversion provisions) is positive $5 million.

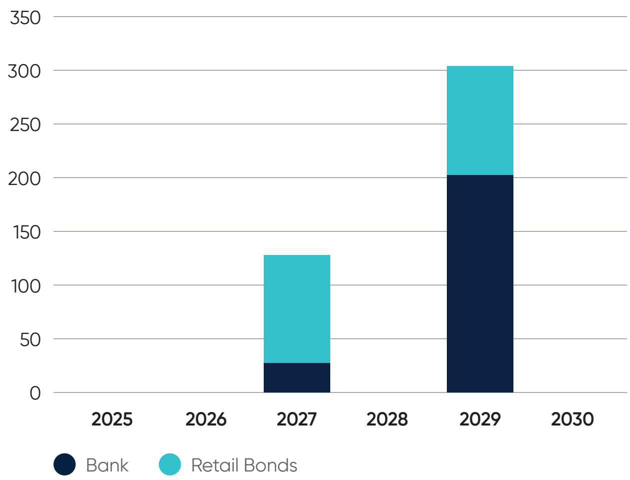
Borrowings

In November 2024 the Company successfully refinanced its bank facilities reducing financing costs, increasing total facility limits and extending tenor.

Total available debt facilities are currently $435 million with no maturities within 12 months and a weighted average debt maturity of 4.2 years as at 31 December 2024.

Debt Maturity Profile

(as at 31 December 2024)($m)



The Group's net debt as at 31 December 2024 was $296 million, resulting in total headroom of $138 million.

Tax Losses

The Company generated significant tax losses through the conversion to an import terminal. As at 31 December 2024, the Company held tax losses amounting to c.$421 million which will be used to offset against future assessable income.

Governance

Governance

Channel Infrastructure NZ Limited operates in New Zealand and is listed on the NZX's Main Board. It is subject to regulatory control and monitoring by both the NZX and the Financial Markets Authority ("FMA"). Our corporate governance framework sets out our Board's practices and processes to provide accountability to shareholders for Channel Infrastructure's actions and performance.

This section of the Annual Report provides summary information on our current corporate governance framework. The Company's full Governance Statement, including detailed reporting against the NZX Corporate Governance Code, together with our governance policies can be viewed on the "Investor Centre" section of our website: www.channelnz.com.

The Board considers that it has followed the recommendations in the NZX Corporate Governance Code during the financial year ended 31 December 2024.

The Governance Statement is annually reviewed and approved by the Board and is current as at 27 February 2025.

Composition of Board

The Board currently consists of eight Directors:

- James Miller (Chair), Angela Bull, Andrew Holmes, Anna Molloy, Vanessa Stoddart, Felicity Underhill and Paul Zealand are Independent Directors.
- Andrew Brewer is not an Independent Director.

The Board Chair is an Independent Director, responsible for representing the Board to shareholders. Independence is assessed according to the NZX Main Board Listing Rules criteria. No shareholder has any constitutional right to appoint Directors.

Responsibilities of the Board and its Committees

The Board is responsible for setting the Company's strategic direction and for providing oversight of the management of the Company, with the aim of increasing shareholder value and ensuring the obligations of the Company are properly met. The Board is accountable to shareholders for the performance of the Company, with day-to-day management of the Company delegated to the Chief Executive Officer.

The Board uses committees to address certain issues that require detailed consideration by members of the Board who have specialist knowledge and experience. The Board retains ultimate responsibility for the functions of its committees and determines their responsibilities. There are currently three Board committees:

- The Audit and Finance Committee comprising four members, all of which are Independent Directors,
- The People and Culture Committee comprising five[1] members, all of which are Independent Directors,
- The Health, Safety, Environment and Operations Committee comprising of four members, of which three are Independent Directors.

With seven of the eight directors now being Independent Directors, the Board disestablished the Independent Directors Committee in 2024, with actual or potential conflicts involving any director managed in accordance with protocols in the Board Charter. The respective roles of the Board, its committees and management (the Corporate Lead Team) are set out in the Board's and relevant committees' charters.

The committees annually evaluate their own performance against their charters to ensure that they are appropriate to assist the Board in effectively fulfilling its role and meeting its duties. The Board also undertakes a periodic evaluation of its performance, and the Board will engage an external consultant in the first half of 2025 to prepare an evaluation report.

[1] As from 1 January 2025.

Risk Management

The Company's approach to risk management is set out in the Sustainability Report and Governance Statement, and the Governance Statement contains a summary of the categories of risk identified as currently being the key material enterprise risks to Channel Infrastructure's business.

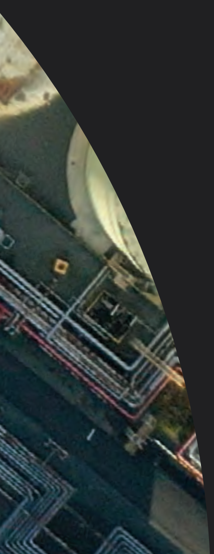
Meeting Attendance

Director attendances at Board and committee meetings during 2024 were as follows:

		APPOINTED	RESIGNED	BOARD MEETING[1]	AUDIT AND FINANCE COMMITTEE	PEOPLE AND CULTURE COMMITTEE	INDEPENDENT DIRECTORS COMMITTEE	HEALTH, SAFETY, ENVIRONMENT AND OPERATIONS COMMITTEE	SITE WALKS[2]
J Miller	Independent Chair	1 Nov 2018		9/9	4/4	5/5	4/4		3
A Brewer	Non-independent	6 Dec 2023		9/9				4/4	3
A Bull	Independent	24 Oct 2024		2/2		1/2			2
A Holmes	Independent	4 Apr 2022		8/9		5/5	4/4	4/4	3
AM Molloy	Independent	4 Apr 2022		8/9	4/4	5/5[3]	3/4	4/4[3]	3
L Nation	Non-independent	1 Feb 2021	30 Apr 2024	3/3		2/2		2/2	1
VCM Stoddart	Independent	20 May 2013		8/9		5/5	4/4		3
F Underhill	Independent	15 Mar 2024		8/8	3/3	3/3[3]	2/3	3/3[3]	3
P A Zealand	Independent	29 Aug 2016		8/9	4/4		4/4	4/4	3

1 Includes 30 April 2024 Annual Shareholders' Meeting.
2 Combination of physical walks and virtual engagements.
3 Attended as an observer

Remuneration Report



Remuneration Governance

Channel Infrastructure's remuneration framework and policies are overseen by the People and Culture Committee (the **P&C Committee**). The composition of the P&C Committee as at the date of this report is set out in the Governance section on page 40 of this report. All members of the P&C Committee are currently independent directors. Management only attends P&C Committee meetings by invitation.

The P&C Committee operates under the People and Culture Committee Charter, which is available to view on the Company's website.

The Company has adopted a Director and Executive Remuneration Policy which outlines the remuneration philosophy and framework for the Channel Infrastructure group, including the principles and procedures for the approval of remuneration for Directors and the Corporate Lead Team.

Key remuneration principles

The key principles of Channel Infrastructure's remuneration policy are:

- The Company will apply a fair and equal approach to remuneration and reward practices, based on the value of services performed within the context of a competitive market and having regard to the individual's experience, skills and performance.
- We aim to attract and retain appropriately qualified and experienced individuals.
- Performance based compensation is to be aligned with Channel Infrastructure's performance objectives and risk profile so as to promote sustained value creation without undue risk taking.

The Channel Infrastructure Board considers the main objectives and purpose driving the remuneration policy, the links to performance and delivery of overall company strategy and qualitative factors. The Board takes independent advice and establishes market rates and medians against New Zealand businesses of comparable size and complexity, having regard to industry specific and generalist roles. Individual performance, company performance and market relativity are key considerations in setting remuneration levels.

Channel Infrastructure is committed to pay equity, and has adopted processes and procedures to monitor, and identify opportunities to address, the pay equity gap. As at June 2024, the pay equity gap was 16 per cent. Channel remains committed to closing the gap and actively monitors remuneration levels especially during the appointment of staff into new roles to ensure that women are actively supported into broader and more senior roles in the Company.

Directors' Remuneration and Fee Review

The Board determines the level of remuneration paid to Directors from a total fee pool that is authorised by shareholders. The current total director fee pool, approved by shareholders in April 2023, is $927,000.

The Company regularly reviews fees to assess the appropriateness of the fees paid to Directors and to ensure that the Company's Director remuneration practices are consistent with market trends, the objective of attracting and retaining high calibre individuals as Directors and ensuring Directors are appropriately compensated for their workload on the various Board sub-committees under the Channel Infrastructure governance framework.

The remuneration and other benefits, excluding reimbursements, received by the individual Directors of the Company during the 2024 financial year were as follows:

	BOARD FEES ($)	AUDIT AND FINANCE COMMITTEE FEES ($)	PEOPLE AND CULTURE COMMITTEE FEES ($)	HEALTH, SAFETY, ENVIRONMENT AND OPERATIONS COMMITTEE FEES ($)	TOTAL REMUNERATION ($)
JB Miller	196,000	–	–	–	196,000
AT Brewer	84,508	–	–	5,500	90,008
AJ Bull[1]	18,441[2]	–	1,035	–	19,476
A Holmes	98,000	–	5,500	5,500	109,000
AM Molloy	98,000	31,000	2,842	–	131,842
L Nation[3]	25,667[2]	–	1,833	1,833	29,333
VCM Stoddart	98,000	–	21,000	–	119,000
FJC Underhill[4]	78,064[2]	10,754	–	–	88,818
PA Zealand	98,000	13,500	–	25,000	136,500

1 Appointed 24 October 2024.
2 Fees earned for 2024 represent a part year
3 Resigned 30 April 2024.
4 Appointed 15 March 2024.

The Directors do not participate in any profit-based incentive system. No Director of the Company has received, or become entitled to receive, a benefit (other than a benefit included in the total emoluments received or due and receivable by Directors shown in this report), including shares, remuneration paid by subsidiary company or other payments from services provided (including Directors and Officers insurance cover). The Chair does not receive additional fees for being on a board committee. No loans have been made to Directors. The Directors of subsidiary companies (refer to page 58) are not remunerated in those positions.

Chief Executive Officer Remuneration

Rob Buchanan commenced his employment as Chief Executive Officer in March 2023. As Chief Executive Officer, he is incentivised to deliver long-term shareholder value through a high portion of pay at risk and an appropriate weighting of short- and long-term incentives. Rob Buchanan's total remuneration package is outlined below:

Base salary and benefits

The CEO received a fixed salary being $570,000 per annum for FY24, and is entitled to participate in the Channel Infrastructure Employee Share Purchase Scheme (subject to its terms) and receives other miscellaneous benefits such as mileage, accommodation costs when travelling and Kiwisaver.

Short-term incentive

The CEO is entitled to a short-term performance incentive (STI) payment based on achievement of agreed key performance indicators (KPIs). The STI is an incentive with an "on target" amount of 35 per cent of base salary per plan year, with the potential for this to increase to 45 per cent depending on performance. Short-term incentive payments are deemed "at risk" payments designed to motivate and reward performance in the financial year. The STI is paid in the year following the performance period.

The Chief Executive Officer's KPIs for his short-term incentive entitlement, are based on delivery against the Company Scorecard, which is a company-wide scorecard used to benchmark overall performance for all staff at Channel and an individual CEO Scorecard, with performance objectives which are specific to the CEO, both of which are aligned to the Company's publicly-available strategy. The KPIs agreed with the Board for the 2024 financial year related to[1]:

[1] See five-year summary table on page 47 for the percentage of the STI entitlement earned by the CEO for the 2024 financial year, based on performance against the agreed KPIs

KPI CATEGORY			WEIGHTING
Delivery against Company scorecard	**Strategic Pillar**	**Key Performance Metric**	**50%**
	NZ Infrastructure Partner of Choice	Safety engagements and performance Customer satisfaction	
	Grow through supporting the Energy Transition	New contracted revenue originated during the year	
	More Sustainable Future	EBITDA and Normalised Free Cash Flow performance against budget Key environmental metrics	
Delivery against CEO scorecard	**Strategic Pillar**	**Key Performance Metric**	**50%**
	World Class Operator	Terminal performance and onsite health and safety compliance	
	High performance culture	Workforce engagement	
	Grow from the core	Progress prioritised growth opportunities	
	Support energy transition	Delivery of a plan for the repurposing of Marsden Point through the Energy Precinct	
	Disciplined capital management	Performance against budget EBITDA and free cash flow targets against budget and market guidance Delivery of shadow BBB+ credit metrics Relationships with investors and lenders	
	Good neighbour, good citizen	Government engagement Performance against key environmental KPIs	

Long-Term Remuneration Incentive

- The CEO is entitled to a long-term incentive in the form of:
  - A grant in 2023 of initial share rights equivalent to $500,000 that are tenure-based in nature and due to vest on 31 January 2028, and which are summarised further in the table below;
  - An annual award of long-term incentive (LTI) share rights equivalent to 45 per cent of base salary on the first anniversary of the commencement date of his employment and with measures and targets to be agreed with the Board on each subsequent anniversary;
  - The Chief Executive Officer's LTI entitlement (including the initial share rights) is capped at $8 million and thereafter subject to negotiation

The table below provides a summary of share rights currently issued to the Chief Executive Officer.

PERFORMANCE YEAR	GRANT DATE	VESTING DATE	NUMBER OF SHARE RIGHTS	VALUE AT GRANT DATE (PER RIGHT)	COSTS RECOGNISED (FINANCIAL YEAR) 2023 $000	2024 $000	TOTAL $000
2023 Initial share rights[1]	31 Jan 2023	31 Jan 2028	337,975	$1.4794	63		63
2024 Long Term Incentive (LTI) share rights[2]	10 Apr 2024	Q1 2027	175,709	$1.4598	69	29	98

1 A grant of initial share rights equivalent to $500,000 that are tenure based in nature and due to vest on 31 January 2028 subject to achievement of a minimum "on target" performance against annual controllable KPIs during the vesting period as determined and assessed by the Board at the end of that period, including no workplace death occurring during the 5-year vesting period, where Channel is found to be responsible for such death.

2 The vesting of LTI Share Rights is subject to satisfaction of the following Vesting Conditions:
(a) Remaining a Channel employee during 3-year vesting period subject to certain "good leaver" cessation of employment scenarios at the discretion of the Board.
(b) Satisfaction of the Performance Conditions, comprising (as to 50%) an absolute Total Shareholder Returns (TSR) comparator based on Channel's cost of equity plus an agreed premium (0.5%) compounding equally from 1 March 2024 to the vesting date, and (as to 50%) a relative TSR comparator based on the extent to which Channel's TSR exceeds a comparator group comprising selected members of the NZX50.
(c) No workplace deaths occur during the 3-year vesting period, where Channel Infrastructure is found to be responsible for such deaths.

Other

The Chief Executive Officer is entitled to six months base salary (in addition to six months' notice or payment in lieu) in the event of termination due to redundancy, and an entitlement to 12 months' base salary, including notice, for termination of employment on a "no-fault" basis or resignation within three months of a change of control of Channel Infrastructure.

Five-Year Summary – Chief Executive Remuneration

For the purposes of historical comparison, set out below is a summary of the costs recognised in each of the past five years (including for the 2024 financial year), in relation to the Chief Executive Officer's remuneration package.

					COSTS RECOGNISED IN YEAR $000				
FINANCIAL YEAR	CEO	BASE SALARY	OTHER[1]	TOTAL FIXED REMUNER-ATION	SHARE RIGHTS/LTI	SHORT TERM INCENTIVE KPI BASED[2]	% of STI ENTITLEMENT EARNED	TOTAL VARIABLE REMUNER-ATION	TOTAL REMUNER-ATION
FY2024	Rob Buchanan	570	42	612	68[3]	257	129	325	937
FY2023	Rob Buchanan	506	37	543	63[3]	248	129	311	854
FY2023	Naomi James	249	625	874	192	112	100	304	1,178
FY2022	Naomi James	995	43	1,038	1,041	647	100	1,688	2,726
FY2021	Naomi James	995	47	1,041	417	647	100	1,065	2,106
FY2020	Naomi James	773	47	820	206	-	-	206	1,026
FY2020	Paul Zealand	187	-	187	-	-	-	-	187
FY2020	Mike Fuge	130	4	134	-	-	-	-	134

1 Other costs include redundancy, final leave accrual and accommodation and mileage, and Employee Share Purchase Scheme entitlement
2 Amounts paid in respect of performance in the applicable year.
3 No LTI entitlement was paid to the CEO in 2023 or 2024 as none of the current LTI entitlements vest until 2027. This cost recognition reflects accounting treatment, not amounts paid to the CEO.

Corporate Lead Team and Other Employees' Remuneration Profile

The Corporate Lead Team and employees with Individual Employment Agreements (IEAs) are remunerated with a mix of base salary, benefits, and short-term performance incentives. The determination of fixed remuneration is based on responsibilities, individual performance, experience, and market data. We believe that setting fixed remuneration in this way is necessary to attract and retain appropriately qualified and experienced individuals to drive delivery of the Company's strategy and rewards ongoing performance. At risk, variable remuneration, comprises short-term incentives based on the KPIs in the Company Scorecard and individual performance. The Company Scorecard included metrics for safety engagements, safety incident performance, customer satisfaction performance and implementation of action plans, new revenue growth, EBITDA performance, normalised Free Cash Flow performance and spills to ground, which take into account our three strategic pillars. An above target outcome was recorded overall against these KPIs, and STI payments in respect of this 2024 performance will be made in 2025 totalling $1.5 million (FY23: $1.3 million) and equivalent to 45% (FY23: 40%) of overall STI entitlement for the Corporate Lead Team. In 2024, selected members of the Corporate Lead Team other than the CEO were also issued with LTI Share Rights (total 136,850 share rights), which are subject to the same vesting conditions as the 2024 LTI Share Rights issued to the CEO (as outlined on page 46).

Employee Share Purchase Scheme

The Company has established the Employee Share Purchase Scheme which is tax exempt in accordance with section CW26C of the Income Tax Act 2007 (as amended). The purpose of the Employee Share Purchase Scheme is to recognise the important contribution of all employees to the Company's future and to assist the Company in retaining and motivating employees.

A trust has been created under the Employee Share Purchase Scheme for the purpose of holding Company shares on behalf of each participating employee over a three-year period. For further details on the scheme, refer to the consolidated financial statements included in this latest Annual Report.

The Company estimates that the annual cost of operating the scheme is approximately $65,000. The value of the awards under the Employee Share Purchase Scheme amounted to $1,071 for each eligible employee in 2024.

The funds, totalling $64,241 for the award, were provided to CRS Nominees Limited (Trustee), as Trustee of the Employee Share Purchase Scheme, to pay the subscription price in cash for the issue of the shares as fully paid ordinary shares. The shares are held by the Trustee for the participating employees until they are withdrawn by the participants following a restricted period of three years from the acquisition date, unless released earlier in certain limited circumstances (for example death, sickness, redundancy etc). The participating employees may vote the shares and receive dividends, if paid.

The total financial assistance given in 2024 in the form of advances to the Trustee to acquire the shares and fund the annual costs of operating the Scheme amounted to $129,241 (2023: $121,131).

Employee Remuneration

The following table shows the number of employees and former employees (including members of the Corporate Lead Team), not being Directors, who, in their capacity as employees, received remuneration and other benefits during 2024 of at least $100,000.

The remuneration figures include all monetary payments made during the year, including redundancy payments and contributions made by the Company as part of the Employee Share Purchase Scheme. No employees appointed as a Director of any subsidiary company of Channel Infrastructure NZ Limited receive or retain any remuneration or other benefits for holding this office.

The analysis (see table) is compiled on a cash basis; the variable performance rewards (linked to individual and business performance for a financial reporting period) in respect of the 2024 financial year, will be paid in March 2025 and reported as part of the remuneration banding for the 2025 year.

The ratio between employee remuneration (median) and Chief Executive Officer's total annualised, on-target remuneration for the 2024 financial year (on a cash basis) was 1:8 (2023: 1:5).

AMOUNT OF REMUNERATION $000	2024 NO. OF EMPLOYEES	2023 NO. OF EMPLOYEES
100–109	12	11
110–119	10	12
120–129	8	5
130–139	5	3
140–149	5	9
150–159	5	9
160–169	4	8
170–179	4	8
180–189	4	5
190–199	7	3
200–209	2	2
210–219	3	2
220–229	1	2
230–239	–	1
240–249	1	–
250–259	–	–
260–269	–	1
270–279	2	1
280–289	1	1
290–299	–	2
300–309	–	–
310–319	–	1
320–329	1	–
330–339	–	1
430–439	2	–
470–479	–	1
520–529	–	1
590–599	–	1
840–849	1	–
1,610–1,619	–	1

Shareholder and Bondholder Information

Top Twenty Shareholders - as at 31 December 2024

	Shareholders	Total shares held	% of total
1	Custodial Services Limited	52,584,429	12.8
2	Z Energy Limited	51,960,374	12.7
3	HSBC Nominees (New Zealand) Limited*[1]	34,275,478	8.4
4	Forsyth Barr Custodians Limited	32,922,692	8.0
5	BNP Paribas Nominees (NZ) Limited*	28,393,080	6.9
6	Citibank Nominees (New Zealand) Limited*	20,779,864	5.1
7	FNZ Custodians Limited	14,692,329	3.6
8	Accident Compensation Corporation*	12,405,339	3.0
9	New Zealand Depository Nominee Limited	10,092,556	2.5
10	TEA Custodians Limited Client Property Trust Account*	8,338,056	2.0
11	HSBC Nominees (New Zealand) Limited A/C State Street*	7,422,661	1.8
12	Public Trust Class 10 Nominees Limited*	5,523,715	1.3
13	Hamish Alexander Jones	4,886,356	1.2
14	Wairahi Investments Limited	4,100,000	1.0
15	HSBC Nominees A/C NZ Superannuation Fund Nominees Limited*	3,999,149	1.0
16	JP Morgan Chase Bank NA NZ Branch-Segregated Clients Acct*	3,294,942	0.8
17	Washington H Soul Pattinson And Company Limited	2,941,574	0.7
18	Investment Custodial Services Limited	2,857,694	0.7
19	Mirrabooka Investments Limited	2,850,000	0.7
20	Leveraged Equities Finance Limited	2,608,752	0.6
	Total	**306,929,040**	**74.9**

1 The shareholder spread below groups shares held by NZCSD (denoted by * in the table above) as a single legal holding

Shareholder Statistics - as at 31 December 2024

No of financial products	No of shareholders	% holder	Shares	% of shares
1 - 499	265	6.1	60,312	0.0
500 - 999	270	6.2	185,717	0.1
1,000 - 1,999	468	10.7	629,504	0.2
2,000 - 4,999	991	22.7	3,170,265	0.8
5,000 - 9,999	737	16.9	5,057,811	1.2
10,000 - 49,999	1,285	29.4	27,140,507	6.6
50,000 - 99,999	174	4.0	11,610,119	2.8
100,000 - 499,999	124	2.8	22,344,463	5.5
500,000 - 999,999	19	0.4	12,938,524	3.2
1,000,000 - upwards	33	0.8	326,867,480	79.7
Total	**4,366**	**100**	**410,004,702**	**100**

Top Twenty Bondholders CHI020 5.80% Bonds - as at 31 December 2024

	Bondholder	Total bonds held	% of total
1	Forsyth Barr Custodians Limited	35,324,000	35.3
2	Citibank Nominees (New Zealand) Limited*[1]	11,561,000	11.6
3	FNZ Custodians Limited	11,138,000	11.1
4	Westpac Banking Corporate NZ Financial Markets Group	5,661,000	5.7
5	Investment Custodial Services Limited	3,581,000	3.6
6	Forsyth Barr Custodians Limited	2,430,000	2.4
7	Custodial Services Limited	2,168,000	2.2
8	TEA Custodians Limited Client Property Trust Account*	1,977,000	2.0
9	Mint Nominees Limited	1,194,000	1.2
10	NZX WT Nominees Limited	1,140,000	1.1
11	JBWere (NZ) Nominees Limited	727,000	0.7
12	Forsyth Barr Custodians Limited	720,000	0.7
13	FNZ Custodians Limited	659,000	0.7
14	I J Investments Limited	500,000	0.5
15	Catherine Jane Gibb	403,000	0.4
16	Frimley Foundation	300,000	0.3
16	JN & HB Williams Foundation	300,000	0.3
18	Andrew Brodie Thomson & Razimah Ismail	250,000	0.3
19	Craig John Thompson	218,000	0.2
20	Carlton Cornwall Bowls Incorporated	200,000	0.2
	Total	**80,451,000**	**80.5**

1 The bondholder spread below groups share held by NZCSD (denoted by * in the table above) as a single legal holding

Bondholder Statistics CHI020 5.80% Bonds - as at 31 December 2024

No of financial products	No of bondholders	% holder	Bonds	% of bonds
1 - 4,999	-	-	-	-
5,000 - 9,999	76	10.9	433,000	0.4
10,000 - 49,999	479	68.6	10,069,000	10.1
50,000 - 99,999	90	12.9	5,274,000	5.3
100,000 - 499,999	39	5.6	5,444,000	5.4
500,000 - 999,999	4	0.6	2,606,000	2.6
1,000,000 - upwards	10	1.4	76,174,000	76.2
Total	**698**	**100**	**100,000,000**	**100**

Top Twenty Bondholders CHI030 6.75% Bonds - as at 31 December 2024

	Bondholder	Total bonds held	% of total
1	Forsyth Barr Custodians Limited	31,498,000	31.5
2	Custodial Services Limited	18,339,000	18.3
3	FNZ Custodians Limited	11,084,000	11.1
4	Citibank Nominees (New Zealand) Limited*[1]	7,845,000	7.9
5	TEA Custodians Limited Client Property Trust Account*	4,048,000	4.1
6	HSBC Nominees (New Zealand) Limited*	4,000,000	4.0
7	Forsyth Barr Custodians Limited	1,832,000	1.8
8	JBWere (NZ) Nominees Limited	1,693,000	1.7
9	Westpac Banking Corporate NZ Financial Markets Group	1,547,000	1.6
10	Investment Custodial Services Limited	830,000	0.8
11	ANZ Custodial Services New Zealand Limited*	793,000	0.8
12	Custodial Services Limited	674,000	0.7
13	Masfen Securities Limited	620,000	0.6
14	CML Shares Limited	562,000	0.6
15	Richard Barton Adams & Allison Ruth Adams	500,000	0.5
16	Sterling Holdings Limited	455,000	0.5
17	FNZ Custodians Limited	442,000	0.4
18	RGTKMT Investments Limited	400,000	0.4
19	Wellspring Television Limited	400,000	0.4
20	NZX WT Nominees Limited	393,000	0.4
	Total	**87,955,000**	**88.0**

1 The bondholder spread below groups share held by NZCSD (denoted by * in the table above) as a single legal holding

Bondholder Statistics CHI030 6.75% Bonds - as at 31 December 2024

No of financial products	No of bondholders	% holder	Bonds	% of bonds
1 - 4,999	-	-	-	-
5,000 - 9,999	102	22.0	671,000	0.7
10,000 - 49,999	290	62.2	6,293,000	6.3
50,000 - 99,999	36	7.7	2,345,000	2.3
100,000 - 499,999	23	4.9	4,826,000	4.8
500,000 - 999,999	6	1.3	3,979,000	4.0
1,000,000 - upwards	9	1.9	81,886,000	81.9
Total	**466**	**100**	**100,000,000**	**100**

Statutory Disclosures

Directors' and Officers' Insurance

The Company has granted indemnities to its Directors, Corporate Lead Team members, and persons whom it has appointed as Directors of its subsidiaries in relation to potential liabilities and costs they may incur in those roles. The indemnities are subject to certain limitations that are prescribed by law and they do not cover settlements or admissions prejudicing a successful defence of a claim without the Company's consent as well as the indemnified person's advisor costs after the defence of a claim has been assumed by the Company, unless they are reasonably necessary.

The Company has arranged Directors' and Officers' Liability Insurance for its Directors, Corporate Lead Team and persons whom it has appointed as Directors of its subsidiaries, which provide them with insurance in respect of certain liabilities and costs they may incur in those roles. This insurance is limited to cover that is not prohibited by law.

Independent Professional Advice

With the approval of the Chair, Directors are entitled to seek independent professional advice on any aspect of their Director's duties, at the Company's expense.

Use of Company Information

The Board did not receive any notices from any Director of the Company or its subsidiaries during the year, requesting to use Company information received in their capacity as a Director, which would not otherwise have been available to them. Further, no disclosures were made of information disclosures under s145(2) of the Companies Act 1993.

Donations

The Company and its subsidiaries made donations of $38,987 during the year ended 31 December 2024 (2023: $12,500). No political donations were made.

Substantial product holders - as at 31 December 2024[1]

	Date of notice	No. of ordinary shares
Z Energy Limited	N/A	51,960,374
Forsyth Barr Investment Management Limited	14 December 2022	22,838,492
First Cape Group Limited	01 May 2024	21,722,041
Milford Asset Management Ltd	20 June 2024	19,435,732

Channel Infrastructure Subsidiary Directors

SUBSIDIARY	NAME OF DIRECTORS
Independent Petroleum Laboratory Limited	Rob Buchanan, Chris Bougen
Channel Terminal Services Limited	Rob Buchanan, Chris Bougen
CHI Future Developments Limited	Rob Buchanan, Chris Bougen
Maranga Rā Holdings Limited	Rob Buchanan, Chris Bougen

[1] As at 31 December 2024, the total number of voting securities on issue was 410,004,702

Directors' interests in Channel Infrastructure quoted financial products

Set out below are the relevant interests (as defined in the Financial Markets Conduct Act 2013) of the Company's directors in its quoted financial products as at 31 December 2024:

NAME	NUMBER OF ORDINARY SHARES	NUMBER OF BONDS
James Miller	216,501[1]	30,000
Andrew Brewer	Nil	Nil
Angela Bull	10,000	Nil
Andrew Holmes	Nil	Nil
Anna Molloy	27,062	30,000
Vanessa Stoddart	Nil	Nil
Felicity Underhill	5,000	Nil
Paul Zealand	94,178[2]	Nil

1 Beneficial interest through ordinary shares held by Custodial Services Limited for Mr JB & Mrs GM Miller.
2 Relevant interest arising due to significant shareholding in Zoenergy Limited.

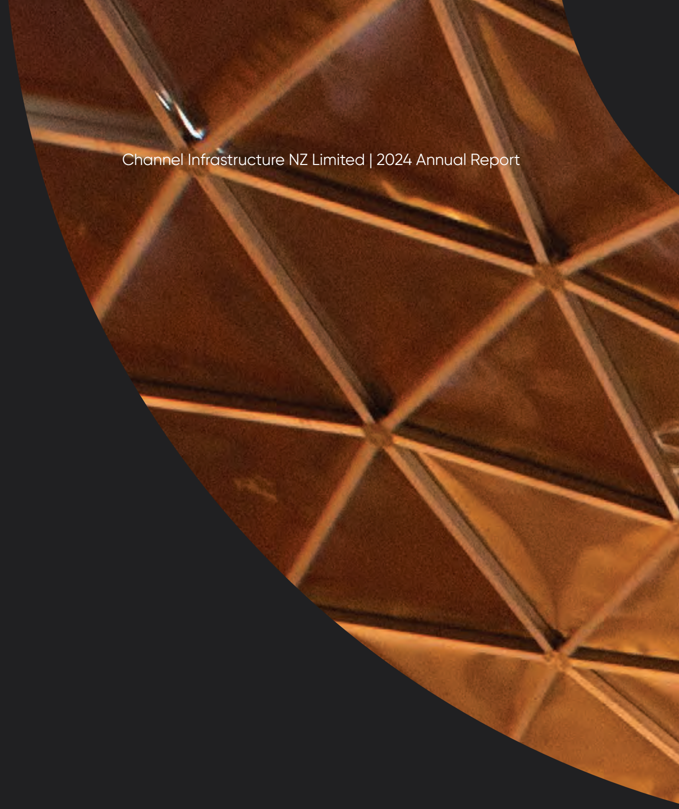
NAME	DATE OF TRANSACTION	NATURE OF TRANSACTION	NATURE OF RELEVANT INTEREST	CONSIDERATION	NUMBER OF ORDINARY SHARES
James Miller	16 December 2024	Subscription for Ordinary Shares through the Retail Entitlement Offer announced by Channel Infrastructure on 25 November 2024	Beneficial owner (through ordinary shares held by Custodial Services Limited for Mr JB & Mrs GM Miller)	$26,401	16,501
Anna Molloy	16 December 2024	Subscription for Ordinary Shares through the Retail Entitlement Offer announced by Channel Infrastructure on 25 November 2024	Registered holder and beneficial owner	$3,299	2,062
Paul Zealand	16 December 2024	Subscription for Ordinary Shares through the Retail Entitlement Offer announced by Channel Infrastructure on 25 November 2024	Holder of 20% or more of the voting products of Zoenergy Limited, being the registered holder of Ordinary Shares.	$11,485	7,178
Angela Bull	16 December 2024	On-market purchase of ordinary shares	Registered holder and beneficial owner	$18,200	10,000
Felicity Underhill	28 November 2024	On-market purchase of ordinary shares	Registered holder and beneficial owner	$8,900	5,000

General notice of director's interests

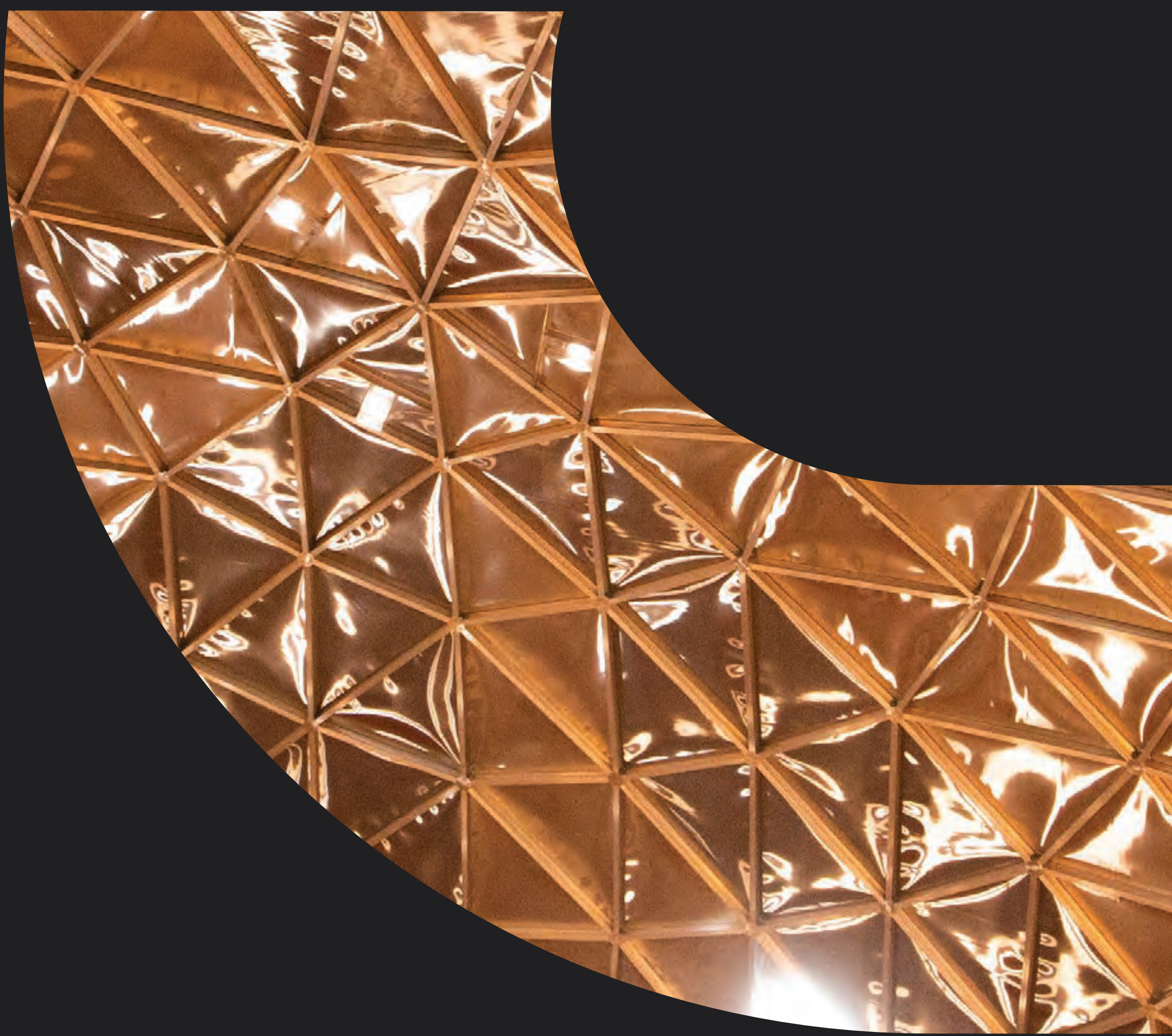
No disclosures were made of interests in transactions under s140(1) of the Companies Act.

Directors have made general disclosures of interests in accordance with s140(2) of the Companies Act. Current interests as at 31 December 2024, including those which ceased during the year, are tabulated below.

James Miller	Ryman Healthcare Limited	Director
	Vista Group International Limited	Director
	Mercury Energy Limited	Director
	Fletcher Building Limited (effective date to be confirmed)	Director
Andrew Brewer	Emerald Fields Trading Inc Phillipines	Director
	Ocean Tankers Corporation Phillipines	Director
	Seaoil Phillipines Inc	Director
	Bonney Energy Victoria Pty Ltd	Director
	Bonney Energy Corporate Pty Ltd	Director
	Bonney Energy Group Pty Ltd	Director
	Ampol Limited Australia (ceased)	Employee/Executive
	Ampol Holdings NZ Limited (ceased)	Director
	Z Energy Limited (ceased)	Director
	Z Energy 2015 Limited (ceased)	Director
	Ampol Australia Petroleum Pty Ltd (ceased)	Director
	Ampol QSR Pty Ltd (ceased)	Director
	Centipede Holdings Pty Ltd (ceased)	Director
	Zeal Achiever Limited British Virgin Islands (ceased)	Director
Angela Bull (appointed 24 October 2024)	Vital Healthcare Property Trust	Director
	Property for Industry (PFI)	Director
	Foodstuffs South Island Ltd and Foodstuffs (NZ) Ltd	Director
	Fulton Hogan	Director
	Bayleys Corporation Ltd	Director
	St Cuthbert's College Trust Board	Trustee
Andrew Holmes	Scaling Green Hydrogen CRC Advisor Board (ceased)	Board Member
	Urban Analytica	Chair
	Ausholmes Pty Ltd	Director
Anna Molloy	ANZ New Zealand Investments Limited	Director
	Molloy International Limited	Shareholder
Vanessa Stoddart	OneFortyOne NZ Limited (and subsidiaries)	Director
	Waste Management NZ Limited (and subsidiaries)	Director
	Iron Duke Partners	Advisory Board
	Tonkin & Taylor Group Limited (appointed 1 January 2025)	Director
	Te Whatu Ora Health NZ (ceased)	Board Member
	Financial Markets Authority (ceased)	Board Member
Felicity Underhill (appointed 15 March 2024)	Intera Renewables (appointed 28 November 2024, on behalf of H.E.S.T Australia)	Director
	Climate Change Commission (appointed December 2024)	Commissioner
Paul Zealand	Infrastructure Holdings Limited	Director
	Port Nelson Limited	Chair
	Genesis Energy Limited (NZ)	Director
	Lochard Energy Limited (AU)	Director
	Zoenergy Ltd (NZ)	Director/Shareholder



Consolidated Financial Report



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Consolidated Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTE	GROUP 2024 $000	GROUP 2023 $000
CONTINUING OPERATIONS			
INCOME			
Revenue		**139,822**	130,703
TOTAL INCOME	1	**139,822**	130,703
EXPENSES			
Energy and utility costs		**9,343**	11,136
Materials and contractor payments		**8,899**	8,546
Salaries, wages and benefits		**13,522**	11,477
Administration and other costs		**12,973**	12,384
TOTAL EXPENSES		**44,737**	43,543
EARNINGS BEFORE DEPRECIATION, FINANCE COSTS AND INCOME TAX	22	**95,085**	87,160
DEPRECIATION	2	**38,662**	35,409
NET PROFIT BEFORE FINANCE COSTS AND INCOME TAX		**56,423**	51,751
Finance income		**(227)**	(286)
Finance costs	2	**20,209**	17,907
NET FINANCE COSTS		**19,982**	17,621
NET PROFIT BEFORE INCOME TAX		**36,441**	34,130
Income tax	4	**10,487**	6,483
NET PROFIT AFTER INCOME TAX FROM CONTINUING OPERATIONS		**25,954**	27,647
Net loss after income tax from discontinued operations	3	**(12,067)**	(3,583)
NET PROFIT AFTER INCOME TAX		**13,887**	24,064
ATTRIBUTABLE TO:			
Owners of the Parent		**13,887**	24,064

EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS		**CENTS**	CENTS
Basic and diluted earnings per share from continuing operations	5	**6.8**	7.4
Basic and diluted earnings per share	5	**3.7**	6.4

The above Consolidated Income Statement is to be read in conjunction with the notes on pages 72 to 100.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2024

	GROUP 2024 $000	GROUP 2023 $000
NET PROFIT AFTER INCOME TAX	**13,887**	24,064
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to the Income Statement		
Defined benefit plan and medical scheme actuarial gain	**3,590**	2,784
Revaluation of property, plant and equipment	**380,509**	-
Deferred tax	**(77,803)**	(780)
Total items that will not be reclassified to the Income Statement	**306,296**	2,004
Items that may be subsequently reclassified to the Income Statement		
Movement in cash flow hedge reserve	**(4,772)**	(4,930)
Deferred tax	**1,336**	1,380
Total items that may be subsequently reclassified to the Income Statement	**(3,436)**	(3,550)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS), AFTER INCOME TAX	**302,860**	(1,546)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, AFTER INCOME TAX	**316,747**	22,518
ATTRIBUTABLE TO:		
Owners of the Parent	**316,747**	22,518

The above Consolidated Statement of Comprehensive Income is to be read in conjunction with the notes on pages 72 to 100.

Consolidated Balance Sheet

AS AT 31 DECEMBER 2024

	NOTE	GROUP 2024 $000	GROUP 2023 $000
CURRENT ASSETS			
Cash and cash equivalents		**1,283**	4,870
Trade and other receivables	7	**15,849**	25,887
Income tax receivable		**107**	87
Other assets	11	**4,487**	-
Derivative financial instruments		**845**	450
Inventories		**5,440**	5,514
TOTAL CURRENT ASSETS		**28,011**	36,808
NON-CURRENT ASSETS			
Derivative financial instruments		**6,161**	10,058
Intangibles	8	**1,590**	1,785
Property, plant and equipment	9	**1,294,180**	906,360
Other assets	11	**17,315**	18,114
Right-of-use assets		**882**	330
TOTAL NON-CURRENT ASSETS		**1,320,128**	936,647
TOTAL ASSETS		**1,348,139**	973,455
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**19,413**	20,117
Derivative financial instruments		**1,071**	603
Borrowings	16	**-**	55,779
Lease liabilities		**115**	79
Employee benefits	14	**2,791**	2,880
Provisions	15	**9,215**	18,526
TOTAL CURRENT LIABILITIES		**32,605**	97,984
NON-CURRENT LIABILITIES			
Borrowings	16	**299,742**	264,843
Lease liabilities		**811**	556
Employee benefits	14	**3,119**	3,220
Provisions	15	**69,996**	67,503
Deferred tax liabilities	4	**123,609**	40,138
TOTAL NON-CURRENT LIABILITIES		**497,277**	376,260
TOTAL LIABILITIES		**529,882**	474,244
NET ASSETS		**818,257**	499,211

Consolidated Balance Sheet

AS AT 31 DECEMBER 2024

	NOTE	GROUP 2024 $000	GROUP 2023 $000
EQUITY			
Contributed equity	17	**366,420**	318,123
Revaluation reserve	9	**726,482**	422,771
Treasury stock		**(341)**	(1,317)
Employee share entitlement reserve		**315**	1,081
Cash flow hedge reserve		**3,139**	6,575
Retained earnings		**(277,758)**	(248,022)
TOTAL EQUITY		**818,257**	499,211

The Board of Directors of Channel Infrastructure NZ Limited authorised these financial statements for issue on 26 February 2025.

For and on behalf of the Board

J B Miller
Chair of the Board

A M Molloy
Chair of the Audit and Finance Committee

The above Consolidated Balance Sheet is to be read in conjunction with the notes on pages 72 to 100.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTE	CONTRIBUTED EQUITY $000	REVALUATION RESERVE $000	TREASURY STOCK $000	EMPLOYEE SHARE SCHEME ENTITLEMENT RESERVE $000	CASH FLOW HEDGE RESERVE $000	RETAINED EARNINGS $000	TOTAL EQUITY $000
AT 1 JANUARY 2023		314,504	422,771	(1,462)	4,240	10,125	(231,686)	518,492
COMPREHENSIVE INCOME								
Net profit after income tax		–	–	–	–	–	24,064	24,064
Other comprehensive income								
Movement in cash flow hedge reserve		–	–	–	–	(4,930)	–	(4,930)
Defined benefit actuarial gain		–	–	–	–	–	2,784	2,784
Deferred tax on other comprehensive income		–	–	–	–	1,380	(780)	600
TOTAL OTHER COMPREHENSIVE GAIN/(LOSS), AFTER INCOME TAX		–	–	–	–	(3,550)	2,004	(1,546)
TRANSACTIONS WITH OWNERS OF THE PARENT								
Equity-settled share-based payments		–	–	–	605	–	–	605
Shares vested to employees		3,529	–	235	(3,764)	–	–	–
Treasury shares issued		90	–	(90)	–	–	–	–
Dividends paid	17	–	–	–	–	–	(42,417)	(42,417)
Unclaimed dividends written back		–	–	–	–	–	13	13
TOTAL TRANSACTIONS WITH OWNERS OF THE PARENT		3,619	–	145	(3,159)	–	(42,404)	(41,799)
AT 31 DECEMBER 2023		318,123	422,771	(1,317)	1,081	6,575	(248,022)	499,211

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTE	CONTRIBUTED EQUITY $000	REVALUATION RESERVE $000	TREASURY STOCK $000	EMPLOYEE SHARE SCHEME ENTITLEMENT RESERVE $000	CASH FLOW HEDGE RESERVE $000	RETAINED EARNINGS $000	TOTAL EQUITY $000
AT 1 JANUARY 2024		318,123	422,771	(1,317)	1,081	6,575	(248,022)	499,211
COMPREHENSIVE INCOME								
Net profit after income tax		-	-	-	-	-	13,887	13,887
Other comprehensive income								
Revaluations of property, plant and equipment	9	-	380,509	-	-	-	-	380,509
Movement in cash flow hedge reserve		-	-	-	-	(4,772)	-	(4,772)
Defined benefit actuarial gain		-	-	-	-	-	3,590	3,590
Deferred tax on other comprehensive income		-	(76,798)	-	-	1,336	(1,005)	(76,467)
TOTAL OTHER COMPREHENSIVE GAIN/(LOSS), AFTER INCOME TAX		-	303,711	-	-	(3,436)	2,585	302,860
TRANSACTIONS WITH OWNERS OF THE PARENT								
Shares issued	17	48,297	-	-	-	-	-	48,297
Equity-settled share-based payments		-	-	-	210	-	-	210
Shares vested to employees		-	-	976	(976)	-	-	-
Dividends paid	17	-	-	-	-	-	(46,208)	(46,208)
TOTAL TRANSACTIONS WITH OWNERS OF THE PARENT		48,297	-	976	(766)	-	(46,208)	2,299
AT 31 DECEMBER 2024		366,420	726,482	(341)	315	3,139	(277,758)	818,257

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the notes on pages 72 to 100.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTE	GROUP 2024 $000	GROUP 2023 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**148,749**	132,226
Payment for supplies and expenses		**(46,156)**	(62,516)
Payments to employees		**(17,957)**	(14,543)
Interest received		**227**	286
Interest paid		**(20,018)**	(17,398)
Net GST paid		**64**	(869)
Income tax paid		**(21)**	(471)
NET CASH INFLOW FROM OPERATING ACTIVITIES		**64,888**	36,715
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**3,533**	7,256
Proceeds from sale of intangible assets		**-**	5,089
Payments for property, plant and equipment		**(52,616)**	(63,060)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(49,083)**	(50,715)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from/(repayment of) loans and borrowings	16	**33,500**	(21,000)
Repayment of subordinated notes	16	**(54,901)**	-
Proceeds from Bond issuance	16	**-**	79,901
Proceeds from Equity issuance	17	**48,297**	-
Lease payments		**(80)**	(1)
Dividends paid	17	**(46,208)**	(42,416)
NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES		**(19,392)**	16,484
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(3,587)**	2,484
Cash and cash equivalents at the beginning of the period		**4,870**	2,386
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**1,283**	4,870

The above Consolidated Cash Flow Statement is to be read in conjunction with the notes on pages 72 to 100.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

Reporting Entity

Channel Infrastructure NZ Limited ('Parent', 'Company' or 'Channel Infrastructure') is a profit-oriented company registered under the Companies Act 1993 and an FMC Reporting Entity for the purposes of the Financial Markets Conduct Act 2013. Channel Infrastructure is listed, and its ordinary shares are quoted under the ticker CHI on the NZX Main Board Equity Market ('NZX Main Board') and its corporate bonds (ticker CHI020 and CHI030) are quoted on the NZX Debt Market.

These consolidated financial statements ('financial statements') comprise Channel Infrastructure together with its subsidiaries ('the Group'). Subsidiaries are all entities over which the Group has control and includes Channel Terminal Services Limited, Independent Petroleum Laboratory Limited, Maranga Rā Holdings Limited and CHI Future Developments Limited.

Basis of Preparation

These financial statements comply with New Zealand equivalents to the International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS') as appropriate for for-profit entities and have been prepared in accordance with the Financial Markets Conduct Act 2013 and Generally Accepted Accounting Practice in New Zealand ('NZ GAAP').

These financial statements are prepared on a historical cost basis, except for property, plant and equipment, investment properties, platinum, derivative financial instruments and pension plan assets which are measured at their fair value. Where the Group applies fair value hedges to borrowings, the carrying value of borrowings are adjusted for fair value changes attributable to the hedged risk.

These financial statements are prepared on a GST exclusive basis and presented in New Zealand dollars ($) which is the Group's functional currency, and the financial information has been rounded to the nearest thousand dollars ($000), unless otherwise stated.

Consideration of climate change

In preparing these financial statements the Group has considered the impact that climate change and the transition to a low carbon economy may have on the business.

The impact of climate change has been considered in determining the fuels demand outlook assumption used in the revaluation of the Import Terminal System (refer to Note 9 for further details) and also in the assessment of future taxable profits used to support the recoverability of tax losses.

The risk of damage to existing assets associated with changing weather patterns and sea level rise are largely mitigated in the near-term through existing geohazard monitoring and remediation. Future capital investment planning considers the longer-term impacts of climate change and while the longer-term scenarios remain uncertain, they do not impact on these financial statements.

The Group has opportunity to support the transition to a low carbon economy through:

- the use of its existing infrastructure to store and transport current and lower-carbon future fuels without the need for capital expenditure, and
- the repurposing of existing infrastructure for lower-carbon fuel production (refer to Note 9 for details of potential arrangements).

Further information on climate change risks and opportunities are presented in the Company's 2024 Sustainability Report.

Use of Judgements and Estimates

The preparation of financial statements requires judgements and estimates that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The following areas involve significant judgements and estimates:

- **Fair value of property, plant and equipment –** the Group adopts the fair value model as the measurement base for property, plant and equipment (refer to Note 9 for further details).
- **Assets held for sale** – the Group continues to report decommissioned refinery assets that are subject to a conditional sale agreement, as property, plant and equipment, rather than as assets held for sale. (Refer to Note 9 for further details).
- **Provisions –** the Group continues to recognise several provisions in relation to the conversion of the refinery into a dedicated fuels import terminal operation (refer to Note 15 for further details).

- **Recoverability of tax losses –** the Group's accumulated tax losses amount to c.$421 million at 31 December 2024. A deferred tax asset in respect of these unutilised tax losses is recognised, having regard to the Shareholder Continuity Test and an assessment of future taxable profits available against which the tax losses can be recovered.
- **Discontinued operations –** the Group continues to present the results from discontinued operations associated with the refining operations which ceased in March 2022 (refer to Note 3 for further details).

Material Accounting Policies

The material accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented.

Accounting standards not yet effective

In May 2024 the External Reporting Board issued NZ IFRS 18: *Presentation and Disclosure in Financial Statements* ('NZ IFRS 18'), effective for reporting periods commencing on or after 1 January 2027. This accounting standard is expected to change the presentation of the Group's income statement and may introduce additional note disclosures. NZ IFRS 18 does not impact the financial position, financial performance or cash flows of the Group. Other standards, amendments and interpretations which are not yet effective are not expected to have a material impact on the Group.

Segment reporting

The Group operates in one reportable segment, Infrastructure, which comprises the dedicated fuels import terminal system (including jetty infrastructure at Marsden Point, storage tanks, and the Marsden Point to Auckland pipeline), the Wiri land and terminal leases, and the fuel testing laboratories. The Group operates in one geographical location, New Zealand.

1 Income

The Group provides import terminal and pipeline services to customers under long-term Terminal Services Agreements and Contracted Storage Agreements. Import terminal and associated fees are recognised over time as services are delivered.

Rental income from operating leases (including Wiri terminal rental) is recognised on a straight-line basis in accordance with the substance of the relevant agreements.

Revenue from discontinued operations includes income from the sale of scrap metal (Refer to Note 3 Discontinued Operations for further details).

	NOTE	GROUP 2024 $000	GROUP 2023 $000
CONTINUING OPERATIONS			
Import terminal revenue		**127,677**	118,589
Wiri land and terminal and other lease revenue		**6,026**	5,907
Laboratory revenue		**5,090**	5,483
Other revenue		**1,029**	724
TOTAL REVENUE FROM CONTINUING OPERATIONS		**139,822**	130,703
DISCONTINUED OPERATIONS			
Processing fees		**-**	(1,388)
Other refining related income		**183**	8,254
TOTAL REVENUE FROM DISCONTINUED OPERATIONS	3	**183**	6,866
TOTAL REVENUE		**140,005**	137,569

Major customers

The Group has three major customers that each individually account for more than 10 per cent of the Group's revenue from continuing operations. The revenue earned from each major customer is shown below.

	GROUP 2024 $000	GROUP 2023 $000
Major customer A	**41,937**	36,292
Major customer B	**34,817**	34,815
Major customer C	**52,984**	48,216

2 Expenses

Additional information in respect of expenses included in the Income Statement is shown below.

Auditor's fees

	GROUP 2024 $000	GROUP 2023 $000
Auditor's fees comprises:		
Audit of financial statements	**297**	276
Reimbursement of travel and accommodation	**13**	13
Other assurance services and agreed-upon procedures:		
Greenhouse gas inventory assurance	**69**	-
Agreed-upon procedures - interim reporting	**20**	20
Agreed-upon procedures - assessing AGM votes cast	**10**	6
Other services:		
Greenhouse gas inventory pre-assessment review	**-**	55
AUDITOR'S FEES	**409**	370

Finance costs

Interest expense is recognised on an accruals basis using the effective interest method.

Finance costs also include the changes in fair value of derivatives used to manage interest rate risk, and the associated changes in fair value of the borrowings designated in a fair value hedge relationship.

	GROUP 2024 $000	GROUP 2023 $000
Interest on bank borrowings and related interest rate swaps[1]	**5,704**	5,931
Interest on subordinated notes	**522**	5,121
Interest on bonds and related interest rate swaps	**12,724**	7,121
Fair value hedge adjustment on bond	**754**	-
Interest on lease liabilities	**26**	25
Unwinding of discount rates and changes in discount rates on provisions	**479**	(291)
TOTAL FINANCE COSTS	**20,209**	17,907

1 2024 includes $261,000 of unamortised establishment fees expensed on refinancing of debt facilities in November 2024.

Depreciation

	GROUP 2024 $000	GROUP 2023 $000
Depreciation on Property, Plant and Equipment	**38,106**	35,340
Depreciation on Right-to-Use Assets	**83**	69
Amortisation	**228**	-
Loss on disposal of Property, Plant and Equipment	**245**	-
DEPRECIATION	**38,662**	35,409

3 Discontinued Operations

Discontinued operations relate to refining operations which ceased in March 2022.

The results from discontinued operations include income and costs that are directly related to the closure of refining operations, or arise from or are directly related to the refining operations prior to its closure. This includes income from the sale of scrap metal, costs associated with the sale of permanently decommissioned refining plant and legal costs associated with settlement of historical litigation claims. Litigation claims relating to revenue recognition have been settled in the year ended 31 December 2024.

In the prior year, revenue also included proceeds from historical legal claims and the gain on sale of carbon credits.

Conversion costs reflect those costs attributed to the transition to an import terminal and include the reassessment of long-term provisions (including demolition) due to cost re-estimation and/or changes in discount rates.

Revaluation of assets relates to the change in fair value of the refining plant (refer to note 9 for further details).

	NOTE	GROUP 2024 $000	GROUP 2023 $000
INCOME			
Revenue	1	**183**	6,866
TOTAL INCOME		**183**	6,866
EXPENSES			
Salaries, wages and benefits		**530**	1,029
Administration and other costs		**3,228**	3,121
TOTAL EXPENSES		**3,758**	4,150
NET (LOSS)/PROFIT BEFORE CONVERSION COSTS, ASSET REVALUATION, FINANCE COSTS AND INCOME TAX		**(3,575)**	2,716
Conversion costs		**3,314**	5,879
Revaluation of assets - net revaluation loss	9	**7,000**	-
TOTAL CONVERSION COSTS AND ASSET REVALUATION LOSS		**10,314**	5,879
NET LOSS BEFORE FINANCE COSTS AND INCOME TAX		**(13,889)**	(3,163)
Finance costs		**1,641**	1,813
NET FINANCE COSTS		**1,641**	1,813
NET LOSS BEFORE INCOME TAX		**(15,530)**	(4,976)
Income Tax		**(3,463)**	(1,393)
NET LOSS AFTER INCOME TAX		**(12,067)**	(3,583)

	2024 $000	2023 $000
CASH FLOWS USED IN DISCONTINUED OPERATIONS		
Net cash from/(used in) operating activities	**(9,601)**	(35,622)
Net cash from/(used in) investing activities	**3,533**	12,345
Net cash used in financing activities	**-**	-
NET CASH FLOWS USED IN DISCONTINUED OPERATIONS	**(6,068)**	(23,277)

4 Taxation

(a) Income tax expense

	GROUP 2024 $000	GROUP 2023 $000
CONTINUING OPERATIONS		
Net profit before income tax expense	**36,441**	34,130
Tax at the New Zealand corporate income tax rate of 28% (2023: 28%)	**10,203**	9,556
Tax effect of amounts which are either non-deductible or taxable in calculating taxable income:		
Income not assessable for tax		(1,063)
Expenses not deductible for tax	**53**	1,552
Adjustments in respect of income tax in relating to previous years	**202**	(3,562)
Other	**29**	-
INCOME TAX EXPENSE	**10,487**	6,483
Represented by:		
Current tax expense	**20**	(290)
Deferred tax recognised in the income statement	**10,467**	6,773
INCOME TAX EXPENSE	**10,487**	6,483

(b) Deferred tax

	NET DEFERRED TAX ASSET / (LIABILITY) 1 JAN 2023 $000	RECOGNISED IN PROFIT OR LOSS $000	RECOGNISED IN OTHER COMPREHENSIVE INCOME $000	NET DEFERRED TAX ASSET / (LIABILITY) 31 DEC 2023 $000	DEFERRED TAX ASSET $000	DEFERRED TAX LIABILITY $000
Property, plant and equipment	(212,686)	8,017	-	(204,669)	-	(204,669)
Provisions	27,457	(2,414)	-	25,043	25,043	-
Employee benefits	3,853	(542)	(780)	2,531	2,531	-
Financial instruments	(3,729)	(424)	1,380	(2,773)	-	(2,773)
Intangibles	796	(558)	-	238	238	-
Right-of-use assets	(200)	33	-	(167)	-	(167)
Leases	458	(280)	-	178	178	-
Inventory	6,145	(3)	-	6,142	6,142	-
Supplementary dividend credits	-	-	-	659	659	-
Tax losses	141,886	(9,206)	-	132,680	132,680	-
TOTAL	(36,020)	(5,377)	600	(40,138)	167,470	(207,609)

	NET DEFERRED TAX ASSET / (LIABILITY)	RECOGNISED IN PROFIT OR LOSS	RECOGNISED IN OTHER COMPREHENSIVE INCOME	NET DEFERRED TAX ASSET / (LIABILITY)	DEFERRED TAX ASSET	DEFERRED TAX LIABILITY
	1 JAN 2024			31 DEC 2024		
	$000	$000	$000	$000	$000	$000
Property, plant and equipment	**(204,669)**	**11,256**	**(76,798)**	**(270,211)**	**-**	**(270,211)**
Provisions	**25,043**	**(1,821)**	**-**	**23,222**	**23,222**	**-**
Employee benefits	**2,531**	**(933)**	**(1,005)**	**593**	**593**	**-**
Financial instruments	**(2,773)**	**(138)**	**1,336**	**(1,575)**	**-**	**(1,575)**
Intangibles	**238**	**(238)**	**-**	**-**	**-**	**-**
Right-of-use assets	**(167)**	**(253)**	**-**	**(420)**	**-**	**(420)**
Leases	**178**	**82**	**-**	**260**	**260**	**-**
Inventory	**6,142**	**(28)**	**-**	**6,114**	**6,114**	**-**
Supplementary dividend credits	**659**	**-**	**-**	**659**	**659**	**-**
Tax losses	**132,680**	**(14,931)**	**-**	**117,749**	**117,749**	**-**
TOTAL	**(40,138)**	**(7,004)**	**(76,467)**	**(123,609)**	**148,597**	**(272,206)**

The Group generated significant tax losses through the conversion to an import terminal and has unused tax losses of $421 million (2023: $474 million) available to carry forward. A deferred tax asset in respect of these unutilised tax losses is recognised, having regard to the Shareholder Continuity Test and an assessment of future taxable profits available against which the tax losses can be recovered.

The Shareholder Continuity Test requires at least 49% continuity in shareholding for tax losses to be carried forward. This test must be satisfied in the year the losses are generated and each year the losses are used to offset taxable income. In the case of a breach of the Shareholder Continuity Test the carry forward of tax losses would be subject to the Business Continuity Test.

5 Earnings Per Share

Earnings per share is calculated by dividing the profit from continuing and discontinued operations attributable to shareholders of the Company, by the weighted average number of ordinary shares on issue during the year. The Company's share-based payments described in Note 18 have no material dilutive effect on the earnings per share.

		TOTAL 2024	TOTAL 2023
Profit after tax from continuing operations attributable to shareholders of the Company	($000)	**25,954**	27,647
Profit/(loss) after tax from discontinued operations attributable to shareholders of the Company	($000)	**(12,067)**	(3,583)
Profit after tax attributable to shareholders of the Company	($000)	**13,887**	24,064
Weighted average number of shares on issue	000's	**380,198**	374,695
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS	Cents	**6.8**	7.4
BASIC EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS	Cents	**(3.2)**	(1.0)
BASIC EARNINGS PER SHARE	Cents	**3.7**	6.4

6 Cash and Cash Equivalents

The Group's cash and cash equivalents comprise cash on hand.

Reconciliation of net profit after income tax to cash flow from operating activities:

	GROUP 2024 $000	GROUP 2023 $000
NET PROFIT AFTER INCOME TAX	**13,887**	24,064
Adjusted for non-cash transactions:		
Depreciation	**38,662**	35,409
Revaluation of assets	**7,000**	-
Loss on revaluation	**-**	-
Movement in deferred tax	**83,471**	4,118
(Less)/add movement in deferred tax on items included in other comprehensive income	**(76,467)**	600
Movement in provisions	**(6,818)**	(19,162)
Less (increase)/decrease in provisions relating to property, plant and equipment	**1,307**	(1,922)
Employee share scheme entitlement	**210**	605
Decrease in intangibles	**195**	4,124
Less proceeds from sale of intangibles	**-**	(5,089)
Interest and other non-cash movements	**(2,895)**	(5,027)
Adjusted for movements in working capital items		
(Increase)/decrease in trade and other receivables	**10,038**	(2,840)
(Increase)/decrease in other assets	**(3,688)**	-
Less non cash portion	**(4,289)**	-
Increase/(decrease) in trade and other payables	**(704)**	3,508
Less increase/(decrease) in trade and other payables relating to property, plant and equipment and intangibles	**1,525**	(533)
Decrease in employee benefits liabilities	**(190)**	(3,380)
Less employee entitlements included in other comprehensive income	**3,590**	2,784
(Increase)/decrease in income tax receivable	**(20)**	(87)
(Increase)/decrease in inventories	**74**	(457)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**64,888**	36,715

In the Consolidated Statement of Cash Flows, the deposits placements and withdrawals and bank borrowings receipts and repayments are presented on a net basis as their turnover is quick, amounts are large, and the maturities are relatively short.

7 Trade and Other Receivables

	GROUP 2024 $000	GROUP 2023 $000
Trade receivables	**13,434**	17,792
Other receivables and prepayments	**2,415**	8,095
TOTAL TRADE AND OTHER RECEIVABLES	**15,849**	25,887

Trade receivables are non-interest bearing and are normally settled on seven to 21-day terms. Due to the short-term nature of trade receivables, their carrying amount is considered the same as their fair value.

Trade and other receivables-related party balances are disclosed in Note 19.

8 Intangibles

Intangible assets are recognised at cost less accumulated amortisation and impairment losses.

Intangible assets of $1.6 million (2023: $1.8 million) relate to the cost of renewing the Marsden Point resource consents in 2021. The costs are amortised on a straight-line basis over the 35-year consent period.

9 Property, Plant and Equipment

Property, plant and equipment except capital work in progress is recognised at fair value less accumulated depreciation and any impairment losses recognised after the date of revaluation. Capital work in progress is recognised at cost.

The Group's import terminal system, land and refining plant are all categorised as Level 3 in the fair value hierarchy as described in Note 20. During the year, there were no transfers between the levels of the fair value hierarchy.

Revaluations

A revaluation increase is recognised in comprehensive income and accumulates in the Revaluation Reserve unless it reverses a revaluation decrease of the same assets recognised in the Consolidated Income Statement, in which case it is recognised in the Consolidated Income Statement.

A revaluation decrease is recognised in the Consolidated Income Statement unless it offsets a previous revaluation increase of the same asset, in which case it is recognised in comprehensive income and accumulates in the Revaluation Reserve.

Accumulated depreciation as at revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Revaluation surpluses are transferred from the Revaluation Reserve to Retained Earnings on derecognition of the asset or if the asset is transferred to Investment Properties.

Depreciation

Depreciation is provided on a straight-line basis for all property, plant and equipment other than freehold land, refinery assets and capital work in progress which are not depreciated. The useful lives of the Group's property, plant and equipment are reviewed annually. The useful lives of the import terminal system assets for the current and prior year are outlined below:

	USEFUL LIVES (YEARS)
Buildings	2-30 years
Jetties	14-45 years
Tanks	20-45 years
Other Assets	1-80 years
Marsden Point to Auckland Pipeline and other assets	5-45 years

	FREEHOLD LAND AND IMPROVEMENTS $000	REFINING PLANT $000	IMPORT TERMINAL SYSTEM $000	CAPITAL WORK IN PROGRESS $000	TOTAL $000
AT 1 JANUARY 2023					
Assets at revalued amount	15,619	28,800	821,496	–	865,915
Assets at cost	–	–	–	43,377	43,377
Accumulated depreciation and impairment losses	–	–	(33,238)	–	(33,238)
NET BOOK AMOUNT	15,619	28,800	788,258	43,377	876,054
YEAR ENDED 31 DECEMBER 2023					
Opening net book value	15,619	28,800	788,258	43,377	876,054
Additions	–	–	1,922	63,836	65,758
Disposals	–	–	(112)	–	(112)
Depreciation charge	–	–	(35,340)	–	(35,340)
Transfers	–	–	55,708	(55,708)	-
Revaluation	–	–	–	–	–
CLOSING NET BOOK AMOUNT	15,619	28,800	810,436	51,505	906,360
AT 31 DECEMBER 2023					
Assets at revalued amount	15,619	28,800	845,776	–	890,195
Assets at cost	–	–	–	51,505	51,505
Accumulated depreciation	–	–	(35,340)	–	(35,340)
NET BOOK AMOUNT	15,619	28,800	810,436	51,505	906,360
YEAR ENDED 31 DECEMBER 2024					
Opening net book value	**15,619**	**28,800**	**810,436**	**51,505**	**906,360**
Additions	**-**	**-**	**-**	**54,440**	**54,440**
Disposals	**-**	**-**	**(1,215)**	**(808)**	**(2,023)**
Depreciation charge	**-**	**-**	**(38,106)**	**-**	**(38,106)**
Transfers	**-**	**-**	**68,827**	**(68,827)**	**-**
Revaluation	**106,230**	**(7,000)**	**274,279**	**-**	**373,509**
CLOSING NET BOOK AMOUNT	**121,849**	**21,800**	**1,114,221**	**36,310**	**1,294,180**
AT 31 DECEMBER 2024					
Assets at revalued amount	**121,849**	**21,800**	**1,114,221**	**-**	**1,257,870**
Assets at cost	**-**	**-**	**-**	**36,310**	**36,310**
Accumulated depreciation	**-**	**-**	**-**	**-**	**-**
NET BOOK AMOUNT	**121,849**	**21,800**	**1,114,221**	**36,310**	**1,294,180**

Revaluation reserve

The movements in the revaluation reserve is shown below.

	$000
Balance at 1 January 2024	422,771
Revaluation of the ITS	274,279
Deferred tax on revaluation of the ITS	(76,798)
Revaluation of Land	106,230
Deferred tax on revaluation of Land	-
Balance at 31 December 2024	**726,482**

The carrying amount of the import terminal system and land that would be recognised under the cost model is $306.0 million and $4.6 million respectively (31 December 2023: ITS $286.0 million; land $4.6 million). The carrying amount of the refining plant that would be recognised under the cost model is $21.8 million (31 December 2023: $28.8 million).

Revaluation of the Import Terminal system

The Import Terminal System (ITS) was independently valued by Deloitte at 31 December 2024. The valuation, undertaken in accordance with NZ IAS 16 *Property, Plant and Equipment* and NZ IFRS 13 *Fair Value Measurement,* established a "fair value" based on the price a market participant could obtain from selling the asset in an orderly, well-structured competitive sales process, and includes the benefit from a higher tax depreciable value of property, plant and equipment for an acquirer. The net present value methodology was used to determine a market participants sales value. This approach values the assets of the ITS that are currently in operation and the land that the ITS occupies.

The fair value of the ITS excludes the unutilised land, the residual value of refining assets and the revenue from tanks that require additional growth capex as at the valuation date, including the 10-year jet fuel storage contract with Z Energy (announced in August 2024) and the contract to develop a bitumen import terminal for Higgins (announced in November 2024). The fair value was determined to be in the range of $1,069 million to $1,234 million, with a mid-point valuation of $1,145 million used for asset revaluation purposes. This valuation exceeded the carrying value of property, plant and equipment by $274 million which was recognised through the Statement of Comprehensive Income (Revaluation reserve). As a consequence of the revaluation, accumulated depreciation on the import terminal assets has been reset to nil.

The fair value of the ITS has increased since 31 December 2023 as a result of changes in the discount rate, and execution of the Company's strategy which has resulted in additional contracted storage revenue and changes in the terminal value methodology to reflect use of the ITS for future fuels storage and transportation.

Assumptions underpinning the ITS valuation

The key assumptions used in the ITS valuation are described below.

- **Fuel demand outlook.** Demand outlooks were formulated by Envisory, a third party oil and gas market expert, and are consistent with the outlook published on Channel's website (www.channelnz.com). This forecast is a revision of Envisory's (Hale & Twomey) forecast released in 2022, which was an input in the previous ITS valuation, updating for the political consensus to make progress towards net-zero emissions by 2050, updates to national fuels volume forecast, Channel's market share and Auckland Airport demand data. For the ITS valuation, the 2060 demand forecast is considered 'steady-state' with volumes assumed flat thereafter. The jet fuel forecast has the most significant impact on the valuation and the broadest range of forecast outcomes.
- **Import terminal fees.** Terminal fees were estimated based on the fuel demand outlooks, and the pricing that is consistent with Terminal Services Agreements ("TSA") and Contracted Storage Agreements agreed with the customers, and subject to a PPI escalation. Approximately 50% of Channel's current revenue is fixed and independent of fuel volume. The current TSA's are forecast to roll-over at the expire in August 2042. Each of the existing storage contracts are forecast to roll-over at their respective expiry, indexed at PPI. Contracted storage tanks that require additional growth capex as at the valuation date have not been included in the valuation.
- **Long term growth rate (PPI).** The long term inflation rate adopted in the ITS valuation is 2%.

- **Discount rate.** The nominal post-tax weighted average cost of capital was estimated to be in a range of 6.5% to 7.5%, with the mid-point estimate of 7.0% used in the ITS valuation.

Other assumptions used in the ITS valuation include:

- **Operating costs and capital spend.** Operating costs and capital spend associated with the fuel only import terminal operation are consistent with Channel's current cost structure, subject to inflationary increase in the longer-term. Cash flows used for the ITS valuation exclude those conversion costs that are related to refining assets and the winding up of refining operations. Capital spend on growth projects has been excluded.
- **Terminal value.** Cashflow forecasts were extended beyond FY60 until the incremental annual free cash flows are de minimis after discounting. The forecast extension beyond FY60 includes a replacement level of capex.
- **Tax amortisation benefit.** In a well-structured, competitive sales process, an acquirer would ascribe full value to the higher depreciable tax base of the property, plant and equipment in an asset acquisition. The tax amortisation benefit included in valuation is $146 million.

Sensitivity analysis

The following table outlines a range of sensitivities associated with each of the key assumptions, across the full period modelled and based on a range of potential outcomes for each of these assumptions. It should be noted that changes in a combination of the key assumptions could also have a significant impact upon the fair valuation:

	Change in value of assumption	Valuation impact ($million)	
Jet fuel volume	Faster / slower transition to a low carbon emissions economy	(156)	+140
Long term growth rate (FY26 onwards)	+0.5%	N/A	+126
Discount rate	+/-0.5%	(76)	+89

Revaluation of land

The land held outside the Import Terminal System was independently valued by CBRE (Northland) at 31 December 2024.

A market-based comparison valuation approach was used. This approach determines fair value through considering recent land sales and applying adjustments to reflect their different attributes including scale, location and condition.

The fair value was determined to be $122 million. This exceeded the carrying value of land by $106 million which was recognised through the Statement of Comprehensive Income (Revaluation reserve).

The land valuation has increased since December 2023 as it takes into consideration the port-adjacent nature of Channel's unutilised land at Marsden Point.

Valuation inputs and sensitivity

The inputs to the land valuation and the sensitivity of the assumptions are shown below.

Location	Range ($ per square metre)	Value used (weighted average per square metre)	Sensitivity	Valuation impact ($million)	
Marsden Point site	$90-$180	$144	+/-10%	+10.4	-10.4
Other sites	$nil-$250	$44	+/-10%	+1.8	-1.8

Revaluation of refining plant

The fair value of the refining plant is primarily based on an estimate of the quantity (tonnes) of ferrous and non-ferrous materials embedded in the refining plant and an estimate of scrap metal prices. The quantity of ferrous and non-ferrous materials is estimated based on industry norms, and the scrap metal prices are estimated by an independent industry expert, Liberty Industrial. The most recent valuation was at 31 December 2023.

The fair value was updated during the year to reflect changes in metals commodity prices and changes in expected recoverable amounts. This resulted in recognition of a net revaluation loss of $7.0 million in discontinued operations as shown below.

Changes in fair value of refining plant	$000
Increase in metals commodity prices	6,600
Decrease in recoverable amount of refining asset to scrap value	(13,600)
Net revaluation loss	**(7,000)**

Valuation inputs and sensitivity

The inputs to the valuation of the refinery plant and the sensitivity of the assumptions are shown below.

Assumption	Value used	Sensitivity	Valuation impact ($million)	
Quantity of metals	57,683 tonnes	+/-10%	+2.2	-2.2
Metals commodity prices	$378 per tonne	+/-10%	+2.2	-2.2

Conditional agreements for sale of decommissioned assets

On 8 July 2023, the Company entered into an Asset Sale Agreement (ASA) with US-based Seadra Energy Incorporated (Seadra), granting Seadra an option to purchase certain decommissioned assets from the hydrocracking complex (part of the former refinery) for US$33.875 million. The option agreement was extended in December 2023 and July 2024 and was due to expire on 30 September 2024. Channel has received US$4.7 million[1] in option payments (recognised as deferred income, refer to Note 13).

On 30 September 2024 Channel and Seadra entered into a Project Development Agreement (PDA) relating to the potential development of a biorefinery at Marsden Point. Should the PDA become unconditional, the proposed biorefinery project would utilise the hydrocracking units that were the subject of the initial ASA plus potentially additional decommissioned assets for further proceeds of up to US$22.96 million (total sale price of up to US$56.835 million before transaction costs customary for asset sales of this nature).

The PDA also extends the initial option to purchase provided under the ASA to 31 July 2025, exercisable by Seadra should the biorefinery project not proceed.

Non-current assets are classified by the Group as assets held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable within 12 months. Due to the challenges of developing technically feasible and financially viable projects involving second-hand refining plant globally, and specifically noting the agreement with Seadra is conditional, the assets subject to the PDA have not been classified as assets held for sale at 31 December 2024.

10 Contractual Commitments

The Group has contractual obligations to purchase assets and complete capital project works relating to conversion of certain storage tanks. At 31 December 2024 contractual commitments amounted to $29 million (31 December 2023: $29 million).

11 Other Assets

	GROUP 2024			GROUP 2023		
	CURRENT $000	NON-CURRENT $000	TOTAL $000	CURRENT $000	NON-CURRENT $000	TOTAL $000
Investment properties	**-**	**5,100**	**5,100**	-	5,650	5,650
Defined benefit pension plan	**-**	**3,490**	**3,490**	-	-	-
Platinum	**-**	**8,725**	**8,725**	-	12,464	12,464
Security deposit	**4,487**	**-**	**4,487**	-	-	-
TOTAL	**4,487**	**17,315**	**21,802**	-	18,114	18,114

[1] US$0.2 million (NZ$0.3 million) option payments received in FY24 and US$4.5 million (NZ$7.3 million) received in FY23.

Platinum

The estimated amount of platinum to be reclaimed from catalyst used in the discontinued refinery processes is recognised at fair value through profit and loss (discontinued operations) and measured at its quoted market price. The platinum is expected to be recovered from the catalyst and sold within 12 months.

Security Deposit

The security deposit was paid into the Employment Court in relation to a claim that the Group incorrectly calculated redundancy compensation payments (refer to Note 21 for further details).

Investment Properties

Investment properties are recognised at fair value. To determine fair value, investment property is revalued at least every three years by a qualified independent valuer. Gains and losses from changes in fair value are recognised in the Consolidated Income Statement.

Investment properties where the Group acts as lessor are leased to tenants under operating leases.

Defined benefit pension plan

The defined benefit pension plan asset relates to the Group's legacy defined benefit pension fund (refer to Note 14 Employee Benefits for further details).

12 Operating Leases

Lease income from operating leases, where the Group is a lessor, is recognised as income on a straight-line basis over the period of the lease.

The Group has the following leases where it acts as a lessor:
- Lease of land classified as Investment Property. The lease expires in 2042.
- Lease of land classified as Property, Plant and Equipment. The lease expires in 2028.
- Lease of land and terminal assets located at Wiri, South Auckland under a non-cancellable operating lease which expires in February 2025 with no further right of renewal. The annual Wiri terminal and land lease income and land lease cost are recognised on a straight-line basis over the period of lease and amounted to $6.5 million and $0.5 million, respectively, in 2024 (2023: $6.5 million and $0.5 million).

Future minimum rental income receivable under non-cancellable operating leases at reporting date are shown below.

	GROUP 2024 $000	GROUP 2023 $000
Lease payments receivable from operating leases where the Group is a **lessor**		
- No later than one year	**1,300**	6,674
- One to five years	**413**	2,066
- Beyond five years	**1,709**	1,835
TOTAL	**3,422**	10,575

13 Trade and Other Payables

	GROUP 2024 $000	GROUP 2023 $000
Trade payables	**9,831**	11,824
Goods and services tax payable	**1,381**	1,037
Deferred income	**7,576**	7,256
Revenue received in advance	**625**	-
TOTAL TRADE AND OTHER PAYABLES	**19,413**	20,117

Trade payables are unsecured, non-interest bearing and are usually paid within 30 days of recognition.

Deferred income relates to option payments totalling US$4.7 million (2023: US$4.5 million), received from Seadra Energy Incorporated ("Seadra") for an option to purchase certain decomissioned assets. The option payments will be recognised in the income statement when the decomissioned assets are sold, or in the event Seadra does not exercise its purchase option. Refer to Note 9 for further information.

14 Employee Benefits

Liabilities for employee benefits comprise the following:

	2024			2023		
	CURRENT $000	NON-CURRENT $000	TOTAL $000	CURRENT $000	NON-CURRENT $000	TOTAL $000
Defined benefit pension plan	**-**	**-**	**-**	-	146	146
Medical plan	**184**	**3,119**	**3,303**	203	3,074	3,277
Wages, salaries and annual leave	**2,607**	**-**	**2,607**	2,677	-	2,677
TOTAL	**2,791**	**3,119**	**5,910**	2,880	3,220	6,100

Defined benefit pension plan

The Group contributes to a defined benefit pension fund which has been closed to new members since 2002. As at 31 December 2024 there is one active member contributing to the Plan (2023: 1). In addition, there are 88 pensioner members (2023: 98).

Under the plan the Group has an obligation to pay contributions if the fund does not hold sufficient assets to pay all pensioners the benefits they are entitled to. Key risks that could expose the Group to a shortfall include investment returns and life expectancy.

The latest triennial actuarial review, completed as at 31 March 2022, reported an actuarial surplus (actuarial value of assets was greater that the present value of accrued benefits using expected investment returns), therefore no immediate contribution to the fund was required. In 2024 the Group contributed $0.3 million to fund the benefit of the remaining members and to cover the administration expenses of the Plan (2023: $0.3 million).

The net amount of the fund assets less the present value of the defined benefit obligation is recognised in the statement of financial position. This is calculated annually by independent actuaries using the projected unit credit method with present value of the estimated future cash outflows using interest rates of Government bonds (rather than expected investment returns). At 31 December 2024 the net amount recognised by the Group is an asset (refer Note 11). The modified duration of the defined benefit liability was approximately nine years (2023: nine years).

Medical plan (scheme closed since 1996)

The Group pays health insurance premiums in respect of seven beneficiaries (2023: eight) until their death. This scheme was closed in 1996 and has not been offered to new employees since. The medical plan is accounted for in a similar manner to the defined benefit plan outlined above, with an accounting valuation performed by an independent actuary at each reporting date. Expected contributions to the medical plan in 2025 are $0.2 million (actual contribution in 2024: $0.2 million).

15 Provisions

Provisions are liabilities of uncertain timing and amount, recognised where the Group has an obligation (legal or constructive) whose settlement will require an outflow of resources and can be reliably measured. All provisions are recognised in amounts reflecting the present value of future expected cash outflows. In estimating the provisions, the Group assumed a long-term inflation rate of 1.9 per cent (2023: 2.0 per cent) and discount rates between 3.6 per cent and 5.1 per cent (2023: between 4.20 per cent and 5.20 per cent).

	SHUT DOWN AND DECOMMISSIONING $000	DEMOLITION AND RESTORATION $000	WORKFORCE AND OTHER PROVISIONS $000	TOTAL $000
AT 1 JANUARY 2023	38,362	62,019	4,810	105,191
Additions - conversion related	-	4,912	-	4,912
Additions - other	-	1,922	-	1,922
Utilisation	(23,214)	(143)	(3,556)	(26,913)
Adjustment for change in discount rate	7	(1,472)	159	(1,306)
Finance costs	504	1,661	58	2,223
AT 31 DECEMBER 2023	15,659	68,899	1,471	86,029
Current	15,659	1,396	1,471	18,526
Non-current	-	67,503	-	67,503

	SHUT DOWN AND DECOMMISSIONING $000	DEMOLITION AND RESTORATION $000	WORKFORCE AND OTHER PROVISIONS $000	TOTAL $000
AT 1 JANUARY 2024	**15,659**	**68,899**	**1,471**	**86,029**
Additions - conversion related	**-**	**1,648**	**-**	**1,648**
Additions - other	**-**	**1,300**	**-**	**1,300**
Utilisation	**(7,601)**	**(448)**	**(1,473)**	**(9,522)**
Disposal	**-**	**(188)**	**(43)**	**(231)**
Adjustment for change in discount rate	**32**	**(2,162)**	**45**	**(2,085)**
Finance costs	**210**	**1,862**	**-**	**2,072**
AT 31 DECEMBER 2024	**8,300**	**70,911**	**-**	**79,211**
Current	**8,300**	**915**	**-**	**9,215**
Non-current	**-**	**69,996**	**-**	**69,996**

The provisions relate to:

- **Refinery shutdown and decommissioning** – Costs associated with the decommissioning of redundant refining assets which are not suitable for immediate repurposing.
- **Demolition and restoration** – Costs associated with the demolition of selected refining assets, assumed to occur 10 years after the import terminal conversion, as well as jetty demolition at the end of the lease period. The restoration provision includes environmental obligations under resource consents that require the Group to maintain the current levels of environmental standards. Measures in place include operation of a groundwater hydraulic containment system and hydrocarbon recovery program to reduce the extent of legacy contamination over time as part of the ongoing remediation of the Marsden Point site.
- **Workforce and other** - Costs associated with refinery contract termination fees.

16 Borrowings

Borrowings are initially recognised at the value of the consideration received. The carrying value is subsequently measured at amortised cost using the effective interest method, except for borrowings subject to fair value hedges, which are adjusted for effective changes in the fair value of the hedging instrument.

At 31 December 2024 the Group has total debt funding facilities available of $435 million (represented by $235 million bank facilities and $200 million retail bonds). The total debt funding facilities available have reduced from $460 million at 31 December 2023 following the redemption of the remaining $55 million subordinated notes on 1 March 2024 and refinancing of debt facilities in November 2024, increasing total facility limits by $30 million and extending tenor.

The Group borrows under a Common Terms Deed which requires the Group to maintain an Interest Rate Ratio of at least 2.5 to 1, and a Gearing Ratio of not more than 55% at each reporting date (30 June and 31 December). The Group was in compliance with these financial undertakings at the end of, and in respect of, the years ended 31 December 2024 and 31 December 2023.

The borrowings are unsecured.

At 31 December 2024 the average tenor is 4.2 years (31 December 2023: 3.7 years).

The carrying amount of the Group' s borrowings issued at floating rate (revolving cash advances) closely approximate their fair value.

At 31 December 2024, the fair value of the CHI020 retail bond is $102.3 million compared to its carrying amount of $99.6 million. The fair value is based on the quoted market price at 31 December 2024 and is classified as Level 1 in the fair value hierarchy as described in Note 20.

At 31 December 2024, the fair value of the CHI030 retail bond is $107.1 million compared to its carrying amount of $101.6 million. The CHI030 retail bond ($100 million, maturing in November 2029) is subject to a fair value hedge for a notional amount of $50 million maturing in May 2027. The fair value is based on the quoted market price at 31 December 2024, adjusted for effective changes in the fair value of the hedging instrument and is classified as Level 2 in the fair value hierarchy as described in Note 20.

The table below outlines the maturity profile of the facilities as at 31 December 2024:

	MATURITY DATE	GROUP 2024 $000	GROUP 2023 $000
BORROWINGS			
Current borrowings:			
Subordinated notes[1]	Mar-24	**-**	55,779
Total current borrowings		**-**	55,779
Non-current borrowings:			
Revolving cash advances	Nov-25	**-**	65,000
Revolving cash advances	Nov-29	**98,500**	-
Retail bonds - CHI020 (5.8%)[1]	May-27	**99,596**	99,173
Retail bonds - CHI030 (6.75%)[1]	Nov-29	**101,646**	100,670
Total non-current borrowings		**299,742**	264,843
TOTAL BORROWINGS		**299,742**	320,622
UNDRAWN FACILITIES			
Revolving cash advances	Nov-26	**-**	75,000
Revolving cash advances	Nov-27	**30,000**	65,000
Revolving cash advances	Nov-29	**106,500**	-
TOTAL UNDRAWN BORROWING FACILITIES		**136,500**	140,000

1 The difference between the carrying value of the retail bonds and subordinated notes and their face values is due to unamortised issue costs and accrued interest.

	GROUP 2024 $000	GROUP 2023 $000
NET DEBT		
Total borrowings	**299,742**	320,622
Less: Fair value adjustment	**(2,018)**	(1,264)
Less: Cash and cash equivalents	**(1,283)**	(4,870)
NET DEBT	**296,441**	314,488

The below sets out an analysis of the Group's liabilities for which cash flows have been, or will be, classified as financing activities in the statement of cash flows:

	GROUP 2024 $000	GROUP 2023 $000
Opening borrowings	**320,622**	259,583
Proceeds from/(repayments of) loans and borrowings	**33,500**	(21,000)
Repayment of subordinated notes	**(54,901)**	-
Proceeds from bond issuance	**-**	79,901
Non-cash movements	**521**	2,138
CLOSING BORROWINGS	**299,742**	320,622

17 Equity and Dividends

Capital management

The Group's capital management framework is to maintain a capital structure mix of shareholders' equity and debt that maintains investor, creditor and market confidence, and supports its growth strategy. The capital management framework includes a dividend policy of paying 60-70% of normalised free cash flow and maintaining credit metrics consistent with a BBB+ shadow credit rating. During the year Channel completed an equity raise to assist with funding growth capital investment whilst complying with its capital management framework.

Contributed Equity. The issued capital of the Company at 31 December 2024 is represented by 410,004,702 issued and fully paid ordinary shares (2023: 378,756,041). All ordinary shares rank equally with one vote attached to each share. The shares have no par value.

Movements in the issued and fully paid capital are shown below.

	2024		2023	
Issued and fully paid capital	**$000**	**Number of shares**	**$000**	**Number of shares**
At 1 January	**318,123**	**378,756,041**	318,123	378,756,041
Shares issued on 3 December 2024 at an issue price of $1.60 per share	**22,470**	**14,043,840**	-	-
Shares issued on 16 December 2024 at an issue price of $1.60 per share	**27,528**	**17,204,821**	-	-
Offer costs	**(1,701)**	**-**	-	-
At 31 December	**366,420**	**410,004,702**	318,123	378,756,041

Treasury stock. Treasury stock represents the value of shares acquired on-market by CRS Nominees Limited in respect of the Employee Share Purchase Scheme. At 31 December 2024 CRS Nominees Limited held 276,494 treasury shares (2023: 436,951).

Reserves

Revaluation reserve. Revaluation reserve represents an accumulated revaluation gain on property, plant and equipment valued at fair value (refer to Note 9 for further details).

Employee share entitlement reserve. The employee share entitlement reserve is used to recognise the fair value of shares granted but not vested to employees as part of the Employee Share Purchase Scheme and the Share Rights Scheme (which relates to the Long-Term Incentive entitlement for the CEO and selected members of the Corporate Lead Team). Amounts are transferred to contributed equity when the shares vest to the employee.

Cash flow hedge reserve. The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in the Consolidated Income Statement (refer to Note 20 for further details).

Dividends

	2024		2023	
Dividend paid	**$000**	**cents per share**	**$000**	**cents per share**
Special dividend (FY2022)	-	-	7,574	2.0
Final dividend (FY2022)	-	-	18,935	5.0
Interim dividend (FY2023)	-	-	15,908	4.2
Special dividend (FY2023)	**5,681**	**1.5**	-	-
Final dividend (FY2023)	**23,862**	**6.3**	-	-
Interim dividend (FY2024)	**16,665**	**4.4**	-	-
Dividend paid	**46,208**	**12.2**	42,417	11.2

Dividends Declared

On 26 February 2025, the Directors approved the payment of the final dividend of 6.6 cents per share. The dividends will not be imputed and are expected to be paid on 27 March 2025.

The shareholder continuity requirement for imputation purposes was breached in December 2023. As at 31 December 2024, imputation credits available to shareholders are $0.1 million (2023: $Nil).

18 Share-based payments

The Group operates the following share schemes:

Employee Share Purchase Scheme (ESS)

The Scheme qualifies as an "Exempt ESS" under section CW26C of the Income Tax Act 2007 and is classified for accounting purposes as equity-settled transactions. In 2024 Eligible employees were offered in total $1,071 worth of shares each. The shares are held by CRS Nominees Limited during a three year restricted period.

In 2024 the Company recognised an expense of $0.1 million (2023: $0.3 million) in relation to the Employee Share Scheme.

Share Rights Scheme (Long-Term Incentive)

In April 2024 the Company issued 312,559 share rights to the Corporate Lead Team (of which 175,709 were issued to the CEO) under the Company's Share Rights Plan. Each share right converts on a 1:1 basis for nil cash consideration into fully paid ordinary shares following the release of the Company's financial results for the year ending 31 December 2026, subject to a workplace safety condition being satisfied and performance of the Company's Total Shareholder Return (TSR):

- 50% of the award is conditional on the performance of the Company's TSR relative to a comparator group of selected members of the NZX50 at 1 March 2024, and
- 50% of the award is conditional on the Company's TSR exceeding its cost of equity plus 0.5% compounding annually from 1 March 2024 to the vesting date.

Vesting is also subject to the participant remaining employed during the 3-year vesting period, except in certain "good leaver" cessation of employment scenarios at the discretion of the Board.

In 2024 the Company recognised an expense of $0.1 million in relation to the Share Rights Scheme.

Chief Executive Officer Share Rights Scheme

2023 Initial Share Rights (current CEO)

In March 2023 the Company issued 337,975 share rights to the CEO. The award is tenure based, and each right converts on a 1:1 basis for nil cash consideration into fully paid ordinary shares on 31 January 2028, subject to achievement of a minimum "on target" performance against annual controllable KPI's during the vesting period as determined and assessed by the Board at the end of that period and there being no workplace deaths during the vesting period, where Channel is found to be responsible for such deaths.

In 2024 the Company recognised an expense of $0.1 million (2023: $0.1 million) in relation to the 2023 Initial Share Rights Scheme.

Former CEO Share Rights Scheme

The share rights issued to the former CEO vested upon cessation of employment in March 2023 (1,482,991 shares) and an expense of $0.2 million was recognised in the year ended 31 December 2023 in relation to the award.

Management Share Rights Scheme

The share rights issued to key members of management through the conversion from a refinery to an import terminal vested in the year ended 31 December 2023 and an expense of $0.1 million was recognised in the year ended 31 December 2023 in relation to the scheme.

Information regarding the number of shares and share rights awarded under the schemes listed above is as follows:

	2024			2023		
	CEO SHARE RIGHTS SCHEME (2023 INITIAL SHARE RIGHTS)	SHARE RIGHTS SCHEME (LTI)	EMPLOYEE SHARE SCHEME	CEO SHARE RIGHTS SCHEME	MANAGEMENT SHARE RIGHTS SCHEME	EMPLOYEE SHARE SCHEME
AT 1 JANUARY	**337,975**	**-**	**297,287**	1,482,991	4,488,066	945,369
Granted	**-**	**312,559**	**42,420**	335,828	-	59,072
Vested	**-**	**-**	**(155,105)**	(1,482,991)	(4,488,066)	(701,128)
Lapsed	**-**	**-**	**(22,828)**	-		(6,026)
AT 31 DECEMBER	**337,975**	**312,559**	**161,774**	335,828	-	297,287

19 Related Parties

(a) Shareholders and other related parties

During the year, two of the Group's customers provided Director services to the Company. The revenue earned from those customers during the period that they were related parties and the receivables balance outstanding at reporting date related to the revenue earned is included in the table below.

	Revenue				Purchases			
	TRANSACTION VALUES FOR THE YEAR ENDED 31 DECEMBER[1]		BALANCES OUTSTANDING AS AT 31 DECEMBER		TRANSACTION VALUES FOR THE YEAR ENDED 31 DECEMBER		BALANCES OUTSTANDING AS AT 31 DECEMBER	
	2024 $000	2023 $000	2024 $000	2023 $000	2024 $000	2023 $000	2024 $000	2023 $000
BP[2]	**14,433**	36,292	**-**	8,756	**-**	-	**-**	-
Z Energy[3]	**43,207**	48,216	**-**	4,615	**-**	440	**-**	230
TOTAL	**57,640**	84,508	**-**	13,371	**-**	440	**-**	230

1 Up to the date the customer had representation on the Board.
2 bp had a Director on the Board of the Company until 30 April 2024.
3 Ampol, who own Z Energy, had a Director on the Board of the Company until 31 October 2024.

In the prior year, the Group purchased diesel from Z Energy. Z Energy's bulk fuel business was acquired by a third party effective 1 August 2023.

(b) Key management personnel compensation

Directors' fees and Corporate Lead team remuneration is shown below.

	NOTE	GROUP 2024 $000	GROUP 2023 $000
Salaries and other short-term employee benefits		**2,570**	4,342
Post-employment benefits		**74**	118
Share-based payments	18	**129**	309
KEY MANAGEMENT PERSONNEL COMPENSATION		**2,773**	4,769
Directors' fees		**921**	825
KEY MANAGEMENT PERSONNEL COMPENSATION & DIRECTORS' FEES		**3,694**	5,594

20 Financial Risk Management

The Group is exposed to a variety of financial risks (market, credit and liquidity) in the normal course of the business. Risk management is performed by management who evaluate and hedge certain financial risks, including currency risk and interest rate risk under a treasury policy that is approved by the Board of Directors. The following is a summary of the Group's exposure to financial risk and the management of those:

FINANCIAL RISK	EXPOSURE	MANAGEMENT OF RISK AND SENSITIVITY
Market risk		
Electricity price risk	Changes in market prices	Electricity price fluctuation risk is managed using physical supply contracts. **Sensitivity:** From 1 January 2024 the Group entered into a fixed price variable volume contract for the supply of renewable electricity for an initial term of six years, therefore the income statement is not currently sensitive to changing market prices.
Currency risk	Movement in foreign exchange rates	Significant foreign currency purchases or receipts (both operating and capital in nature) are hedged using forward currency exchange contracts. **Sensitivity:** As at 31 December 2024 the Group held a US dollar foreign exchange contract and the impact of US dollar appreciation/depreciation by +/-10 per cent on before-tax profit/loss and other comprehensive income is -/+$0.9m (2023: +$1.3m).
Interest rate risk	Movement in interest rates	Interest rate risk managed through fixed rate borrowings and interest rate swaps. **Sensitivity:** At 31 December 2024, the impact of inter-bank interest rates changing by +/-75 basis points on before tax profit/loss and other comprehensive income is -/+$0.01m and +/-$0.7m respectively (2023: -/+ $0.04m and +/-$1.1m).
Liquidity risk	Risk that the Group will not be able to meet its financial obligations as they fall due	The Group monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on the Group's undrawn borrowing facilities. No surplus cash is held by the Group over and above the balance required for working capital management.
Credit risk	Risk of loss to the Group due to customer or counterparty default	The Group is exposed to credit risk if counterparties fail to make payments in respect of payment of trade receivables as invoices fall due. Most common payment terms are on the 20th of the following month. The receivables from the Group's three major customers present a concentration of credit risk, however, management has assessed the credit quality of these customers as being high. Based on the analysis of the historical payments and with reference to their credit rating and short payment terms, the Group assessed the expected credit losses in respect to 31 December 2024 receivables to be immaterial. No collateral is held over trade receivables. Overdue trade receivable balances at 31 December 2024 totalled $0.5 million (2023: $6.3 million), and no provision for doubtful debt was recognised.
	Risk of derivative counterparties and cash deposits being lost	For banks, only parties with a minimum long-term credit rating of A+ or A1 are accepted. For investments gross limits are set for financial institutions and the usage of these limits is determined by assigning product weightings to the principal amount of the transaction. Transactions are spread across several counterparties to avoid concentrations of credit exposure. No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by counterparties.

Non-Derivative Financial Liabilities

The following table sets out the maturity analysis for non-derivative financial liabilities based on the contractual terms as at balance date. The amounts presented are the contractual undiscounted cash flows and are based on the expiry of the bank facility or maturity of the retail bonds and subordinated notes.

The liquidity analysis set out below discloses cash outflows resulting from the financial liabilities only and does not consider expected net cash inflows from financial assets (including trade receivables) or undrawn debt facilities which provide liquidity support to the Group. Contractual cash flows associated with bank borrowings include interest for the period until the debt rollover date (typically within six months from the balance date) and retail bonds include interest in the period until 14 November 2029.

			CONTRACTUAL CASH FLOWS					
		CARRYING AMOUNT	LESS THAN 6 MONTHS	BETWEEN 6 MONTHS -1 YEAR	BETWEEN 1-2 YEARS	BETWEEN 2-5 YEARS	OVER 5 YEARS	TOTAL CASH FLOWS
GROUP 2024	**NOTE**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
NON-DERIVATIVE FINANCIAL LIABILITIES								
Trade payables	13	**(9,831)**	**(9,831)**	**-**	**-**	**-**	**-**	**(9,831)**
Lease liabilities		**(926)**	**(56)**	**(94)**	**(154)**	**(354)**	**(589)**	**(1,247)**
Bank borrowings	16	**(98,500)**	**(1,268)**	**-**	**-**	**(98,500)**	**-**	**(99,768)**
Retail bonds	16	**(201,242)**	**(6,275)**	**(6,275)**	**(12,550)**	**(223,150)**	**-**	**(248,250)**
TOTAL NON-DERIVATIVE FINANCIAL LIABILITIES		**(310,499)**	**(17,430)**	**(6,369)**	**(12,704)**	**(322,004)**	**(589)**	**(359,096)**

			CONTRACTUAL CASH FLOWS					
		CARRYING AMOUNT	LESS THAN 6 MONTHS	BETWEEN 6 MONTHS -1 YEAR	BETWEEN 1-2 YEARS	BETWEEN 2-5 YEARS	OVER 5 YEARS	TOTAL CASH FLOWS
GROUP 2023	**NOTE**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
NON-DERIVATIVE FINANCIAL LIABILITIES								
Trade payables	13	(11,824)	(11,824)	-	-	-	-	(11,824)
Lease liabilities		(635)	(34)	(71)	(63)	(144)	(626)	(938)
Bank borrowings	16	(65,000)	(1,015)	-	(65,000)	-	-	(66,015)
Subordinated notes	16	(55,779)	(56,301)	-	-	-	-	(56,301)
Retail bonds	16	(199,843)	(6,275)	(6,275)	(12,550)	(128,950)	(106,750)	(260,800)
TOTAL NON-DERIVATIVE FINANCIAL LIABILITIES		(333,081)	(75,449)	(6,346)	(77,613)	(129,094)	(107,376)	(395,878)

Derivative Financial Liabilities

The table below details the liquidity risk arising from derivative liabilities held by the Group at balance date. Derivative financial liabilities are split into the gross settled derivatives which include foreign exchange forward contracts with the inflow being based on the foreign currency converted at the closing spot rate, and the net settled derivatives which include interest rate swaps (with the floating rate being based on the most recent rate set), platinum commodity hedge and electricity derivatives.

		CONTRACTUAL CASH FLOWS					
	CARRYING AMOUNT	LESS THAN 6 MONTHS	BETWEEN 6 MONTHS -1 YEAR	BETWEEN 1-2 YEARS	BETWEEN 2-5 YEARS	OVER 5 YEARS	TOTAL CASH FLOWS
GROUP 2024	$000	$000	$000	$000	$000	$000	$000
DERIVATIVE FINANCIAL INSTRUMENTS							
Net settled derivatives	**7,006**	**2,621**	**1,776**	**2,499**	**1,581**	**-**	**8,477**
Gross settled derivatives							
Outflows	**-**	**(10,461)**	**-**	**-**	**-**	**-**	**(10,461)**
Inflows	**-**	**9,368**	**-**	**-**	**-**	**-**	**9,368**
Total gross settled derivatives	**(1,071)**	**(1,093)**	**-**	**-**	**-**	**-**	**(1,093)**
TOTAL DERIVATIVE FINANCIAL LIABILITIES	**5,935**	**1,528**	**1,776**	**2,499**	**1,581**	**-**	**7,384**

		CONTRACTUAL CASH FLOWS					
	CARRYING AMOUNT	LESS THAN 6 MONTHS	BETWEEN 6 MONTHS -1 YEAR	BETWEEN 1-2 YEARS	BETWEEN 2-5 YEARS	OVER 5 YEARS	TOTAL CASH FLOWS
GROUP 2023	$000	$000	$000	$000	$000	$000	$000
DERIVATIVE FINANCIAL INSTRUMENTS							
Net settled derivatives	9,793	2,163	1,689	4,433	5,264	–	13,549
Gross settled derivatives							
Outflows	–	–	(12,568)	–	–	–	(12,568)
Inflows	–	–	12,668	–	–	–	12,668
Total gross settled derivatives	112	–	100	–	–	–	100
TOTAL DERIVATIVE FINANCIAL LIABILITIES	9,905	2,163	1,789	4,433	5,264	–	13,649

Hedging

Derivatives are only used for hedging purposes and not as speculative investments. The Group uses derivative financial instruments to hedge its risks associated with interest rates, foreign currency and commodity prices. Derivative financial instruments are recognised at fair value.

Fair value measurement

Derivative financial instruments are measured at fair value using the following fair value measurement hierarchy:

- Level 1 – the fair value is calculated using quoted prices for the asset or liability in active markets;
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

To determine the level used to estimate fair value, the group assesses the lowest level input that is significant to that fair value. The Group's derivative financial instruments are classified as Level 2. The instruments and the key valuation inputs are shown below.

- Interest rate swaps: fair value calculated as the present value of the estimated future cash flows based on observable yield curves.
- Forward foreign exchange contracts: fair value determined using forward exchange rates at the balance date, with the resulting value discounted back to present value.
- Contracts for differences: fair value determined using the inputs from active market (ASX) for electricity futures, adjusted for respective location factors.
- Commodity price hedge: fair value determined using observable market prices for platinum.

Hedge accounting

The Group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

Cash flow hedges are applied to future interest cash flows on variable rate loans. The effective portion of the gain or loss on the hedging instruments is recognised directly in other comprehensive income and accumulated as a separate component of equity in the cash flow hedge reserve, while the ineffective portion is recognised in the income statement. Amounts taken to equity are transferred to the income statement when the hedged transaction affects the income statement.

The Group designates as fair value hedges derivative financial instruments on fixed-rate borrowings (CHI030 bond), where the fair value of the debt changes as a result of changes in market interest rates. The carrying amounts of the hedged items are adjusted for gains and losses attributable to the risk being hedged. The hedging instruments are also remeasured to fair value. Gains and losses are recognised in finance costs.

Hedging activity

The effects of the derivative financial instruments on the Group’s financial position and performance are as follows:

Cash flow hedges

	FOREIGN EXCHANGE FORWARD CONTRACTS (USD)	INTEREST RATE SWAPS	ELECTRICITY CONTRACTS FOR DIFFERENCES	PLATINUM COMMODITY PRICE
31 DECEMBER 2024				
Carrying amount – net asset/(liability) ($000)	**(1,071)**	**4,220**	**-**	**845**
Notional amount (equivalent of NZ$000)	**9,368**	**115,000**	**-**	**8,831**
Maturity date	**2025**	**2026-2028**	**-**	**2025**
Hedge ratio	**-**	**1:1**	**-**	**-**
Change in fair value of hedging instrument ($000)	**(1,183)**	**(4,574)**	**-**	**1,448**
	US$/NZ$			**US$**
Weighted average hedged rate	**0.6290**	**1.5%**	**-**	**US$910/Toz**
31 DECEMBER 2023				
Carrying amount – net asset/(liability) ($000)	112	8,794	339	(603)
Notional amount (equivalent of NZ$000)	12,668	115,000	(339)	11,860
Maturity date	2024	2026-2028	2024	2024
Hedge ratio	-	1:1	1:1	-
Change in fair value of hedging instrument ($000)	50	(3,956)	(1,054)	(603)
	US$/NZ$			US$
Weighted average hedged rate	0.6340	1.5%	$149.7/MWh	US$960/Toz

The foreign exchange forward contract and the platinum commodity price hedge are not designated as a hedges for hedge accounting. Changes in fair values of these derivatives are recognised immediately in Net profit from Discontinued Operations.

For the instruments (interest rate swaps) designated in a hedge relationship, the potential sources of ineffectiveness relate to a change in the expected timing of repayment of the hedged item. The equity raise in December 2024, resulted in the total notional amount of hedged item (bank borrowings) being less than the notional amount of interest rate swaps designated as cash flow hedges. This short-term over-hedge is expected to return to balance in early 2025. The period of over-hedge leads to hedge ineffectiveness of $0.1 million recognised in finance costs. No hedge ineffectiveness was recognised in 2023.

Fair value hedges

Potential sources of ineffectiveness relate to a change in the expected timing of repayment of the hedged item. During the year the hedge ineffectiveness from the fair value hedge amounted to nil (2023: nil).

	2024		2023	
	HEDGING INSTRUMENT $000	HEDGED ITEM $000	HEDGING INSTRUMENT $000	HEDGED ITEM $000
	INTEREST RATE DERIVATIVES	BORROWINGS	INTEREST RATE DERIVATIVES	BORROWINGS
Fair value hedge:			-	
Notional amount[1]	**50,000**	**-**	50,000	-
Carrying amount - net asset/(liability)	**1,941**	**(52,018)**	1,263	(51,263)
Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item	**-**	**(2,018)**	-	(1,263)
Change in fair value of hedging instrument	**678**	**-**	1,263	-
Change in fair value of hedged item	**-**	**(755)**	-	(1,263)
Maturity date	**2027**	**-**	2027	-
Hedge ratio	**1:1**	**-**	1:1	-
Weighted average hedge rate	**Floating**	**-**	Floating	-

1 Notional amount is $60 million during the initial settlement period to February 2024

Cash flow hedge reserve

The cash flow hedge reserve records the effective portion of the fair value of interest rate swaps that are designated as cash flow hedges.

In the prior year, electricity derivatives were used to hedge highly probable cash flows associated with the purchase of electricity at spot rates. From 1 January 2024 the Group entered into a fixed price, variable volume electricity supply contract which meant that the contracts for difference held for the 2024 financial year were no longer required. The Group entered into equal and opposite contracts for difference such that no ineffectiveness was recognised. All contracts for difference held were settled during the 2024 financial year.

The net movement in the cash flow hedge reserve comprises:

	2024 $000	2023 $000
Movement in value of interest rate swaps held throughout the year	**(4,433)**	(3,956)
Contracts for differences entered into during the year	**-**	(290)
Contracts for differences settled in the year	**(339)**	-
Contracts for differences held throughout the year	**-**	(684)
Gross movement in cash flow hedge reserve	**(4,772)**	(4,930)
Deferred tax	**1,336**	1,380
Net movement in cash flow hedge reserve	**(3,436)**	(3,550)

21 Contingencies

From time to time in the normal course of business, the Group is exposed to claims and legal proceedings that may in some cases result in costs. Estimates and assumptions are made in determining the likelihood, amount and timing of cash outflows when the outcome is uncertain.

In November 2022, former employees (Applicants) lodged a Statement of Problem with the Employment Relations Authority (the Authority) claiming that the Company incorrectly calculated their redundancy compensation. In August 2024 the Authority issued its determination, finding in favour of the Applicants. The Company continues to believe that it appropriately calculated redundancy compensation and that the Authority erred in its determination. In

September 2024 the Company appealed the Authority's determination to the Employment Court, the appeal process is in progress.

As part of the appeal process, the Company was required to pay $4.5 million into the Employment Court, representing the best estimate of the amount of the Authority's determination. This amount is a security deposit and is recognised as a current asset (refer Note 11). The funds will be returned to the Company, or paid out to the Applicants, based on the outcome of the appeal process.

As a condition of the 35 year resource consent granted in March 2021, the Group has committed to work with the Northland Regional Council ahead of time (during the 20th year of consent or at least 12 months prior to the cessation of terminal operations) to set out the actions necessary to maintain compliance for the discharges of contaminants. Given the unknown nature of the future activities that may be agreed with the Northland Regional Council, no liability has been recognised other than in relation to ongoing environmental monitoring activities over the remaining term of the consent (refer Note 15).

The Group has no other contingent liabilities as at 31 December 2024.

22 Non-GAAP disclosures

Channel uses several non-GAAP measures when discussing financial performance. The Directors and management believe that these measures provide useful information as they are used internally to evaluate the underlying performance of the Group.

Non-GAAP profit measures are not prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and are not uniformly defined, therefore the non-GAAP profit measures used by Channel may not be comparable with similarly titled measures used by other companies. Non-GAAP measures should not be used in isolation nor as a substitute for measures reported in accordance with NZ IFRS.

The definitions of the non-GAAP measures used by Channel and reconciliations to the amounts presented in the Consolidated Income Statements are detailed below.

EBITDA from Continuing Operations:	Earnings before depreciation, net finance costs and income tax from continuing operations
EBITDA from Discontinuing Operations:	Earnings before conversion costs, asset revaluation, net finance costs and income tax from discontinued operations

	2024 $000	2023 $000
CONTINUING OPERATIONS		
Net profit after income tax	**25,954**	27,647
Add: Depreciation	**38,662**	35,409
Add: Net finance costs	**19,982**	17,621
Add: Income tax	**10,487**	6,483
EBITDA from continuing operations	**95,085**	87,160
DISCONTINUED OPERATIONS		
Net profit/(loss) after income tax	**(12,067)**	(3,583)
Add: Conversion costs	**3,314**	5,879
Less: Revaluation of assets	**7,000**	-
Add: Net finance costs	**1,641**	1,813
Less: Income tax	**(3,463)**	(1,393)
EBITDA from discontinued operations	**(3,575)**	2,716

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Independent auditor's report to the shareholders of Channel Infrastructure NZ Limited

Opinion

We have audited the financial statements of Channel Infrastructure NZ Limited (the "Company") and its subsidiaries (together the "Group") on pages 65 to 100, which comprise the consolidated balance sheet of the Group as at 31 December 2024, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the Group, and the notes to the consolidated financial statements including material accounting policy information.

In our opinion, the consolidated financial statements on pages 65 to 100 present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Ernst & Young provides other assurance services relating to the Group's greenhouse gas emissions reporting and agreed upon procedures relating to assessing the annual general meeting votes cast and half-year financial reporting. We have no other relationship with, or interest in, the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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Valuation of Property, Plant and Equipment - Import Terminal System Assets

Why significant	How our audit addressed the key audit matter
The Group records property, plant and equipment ("PPE") at fair value of $1.294b as at 31 December 2024. Included in PPE are the Import Terminal System assets ("ITS") which are recorded at $1.114b, representing 86% of total PPE and 83% of total assets. The group engaged an external valuation specialist to estimate the fair value of the ITS in accordance with the requirements of NZ IAS 16, *Property, plant and equipment* and NZ IFRS 13, *Fair Value Measurement*. An external valuation of this asset group was last performed in FY21. The 31 December 2024 valuation resulted in a revaluation uplift of $274m. The most significant inputs utilised in the valuation of the ITS assets include forecast fuel demand, discount rate and the tax amortisation benefit a market participant would ascribe to the property, plant & equipment in an asset acquisition. Disclosures related to the valuation of the ITS and the method and assumptions used are included in note 9 of the consolidated financial statements. Future fuel demand assumptions were estimated by the Group's third party fuel forecasting expert and were considered and adopted by the Group's external valuation specialist in their valuation engagement. The external valuation specialist determined the discount rate and the value of tax amortisation benefit included in the valuation.	Our audit procedures included the following: ► involving our own valuation specialists to: ► assess the competence, capabilities and objectivity of the Group's external valuation specialist; ► meet with the Group's external valuation specialist to understand their valuation methodology and challenge their approach; ► assess significant inputs used to estimate the fair value of the ITS including: ► assessing the process the Group's external valuation specialist used to determine whether the forecast fuel demand was appropriate for inclusion in their valuation. Additionally, we considered the comparison the external valuation specialist undertook of the fuel demand forecast to a range of market views of expected fuel demand over the forecast period; ► evaluating the appropriateness of the discount rate used by the Group's external valuation specialist; and ► assessing the tax amortisation benefit calculation included in the external specialist's valuation for consistency with valuation practice ► assessing whether the valuation multiples implied by the Group's external valuation specialists valuation fell within a reasonable range of comparable company and comparable transaction multiples. ► assessing the adequacy of the financial statement disclosures in note 9.

Information other than the financial statements and auditor's report

The directors of the Company are responsible for the annual report, which includes information other than the consolidated financial statements and auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the financial statements

The directors are responsible, on behalf of the entity, for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing on behalf of the entity the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website: https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/. This description forms part of our auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Lloyd Bunyan.

Ernst + Young

Chartered Accountants
Auckland
26 February 2025

Glossary

Annualised Dividend Yield	Based on a dividend declared and annualised, and share price as at 31 December 2024 of $1.87 per share
CHI	Channel Infrastructure NZ Limited
CO_2	Carbon Dioxide
EBITDA or Reported EBITDA	Earnings before depreciation, impairment, conversion costs, net finance costs and income tax
EBITDA Margin	EBITDA divided by revenue from continuing activities
Free Cash Flow (FCF)	Calculated as net cash flow from operating activities less payments for property, plant and equipment with each of these items determined in accordance with GAAP
IPL	Independent Petroleum Laboratory Limited, a wholly-owned subsidiary of Channel Infrastructure NZ Limited
Lost Time Injury Frequency Rate (LTIFR)	The sum of work-related injury cases per 200,000 hours worked, where the injured person is deemed medically unfit for any work as a result of the injury
ML	Million litres
MT	Million tonnes
Net Debt	Calculated as total borrowings (bank, fixed rate bonds and subordinated notes) less cash and cash equivalents and excluding fair value adjustments
Normalised Free Cash Flow	Calculated as cash flow from operations less maintenance capex (excluding conversion costs and growth capex)
PPI	Producers Price Index
Total Recordable Case (TRC)	The number of lost time incidents, restricted work cases, medical treatment cases and fatalities
Total Recordable Case Frequency Rate (TRCF)	The number of lost time incidents, restricted work cases, medical treatment cases and fatalities per 200,000 person hours worked
Tier 1 process safety event	An unplanned or uncontrolled release of any material, including non-toxic and non-flammable, from a process which results in one or more of the following: a Lost Time Injury (LTI) and/or fatality; a fire or explosion resulting in greater than or equal to $100,000 of direct cost to the Company; a release of material greater than the threshold quantities given in Table 1 of API 754 in any one-hour period; an officially declared community evacuation or community shelter-in-place
Tier 2 process safety event	An unplanned or uncontrolled release of any material, including non-toxic and non-flammable, from a process which results in one or more of the following: a recordable injury; a fire or explosion resulting in greater than or equal to $2,500 of direct cost to the Company; a release of material greater than the threshold

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Investor Enquiries
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Auditor
Ernst & Young

Bankers
ANZ Bank New Zealand Limited
ASB Bank Limited
Bank of New Zealand Limited
China Construction Bank (New Zealand) Limited
Industrial and Commercial Bank of China (New Zealand) Limited
Westpac New Zealand Limited

Chair
J B Miller (Independent Director)

Independent Directors
A J Bull (from 24 October 2024)
A Holmes
A M Molloy
V C M Stoddart
F J C Underhill (from 15 March 2024)
P A Zealand

Non-Independent Directors
A T Brewer

Chief Executive Officer
R C Buchanan

General Counsel & Company Secretary
C D Bougen

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Managing your shareholding online
To change your address, update your payment instructions and to view your registered details including transactions, please visit: www.computershare.co.nz/investorcentre Please assist our registrar by quoting your CSN or shareholder number.

Feedback
As always, we welcome your feedback on this report. Please send any comments or suggestions to **investorrelations@channelnz.com**.

Channel

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