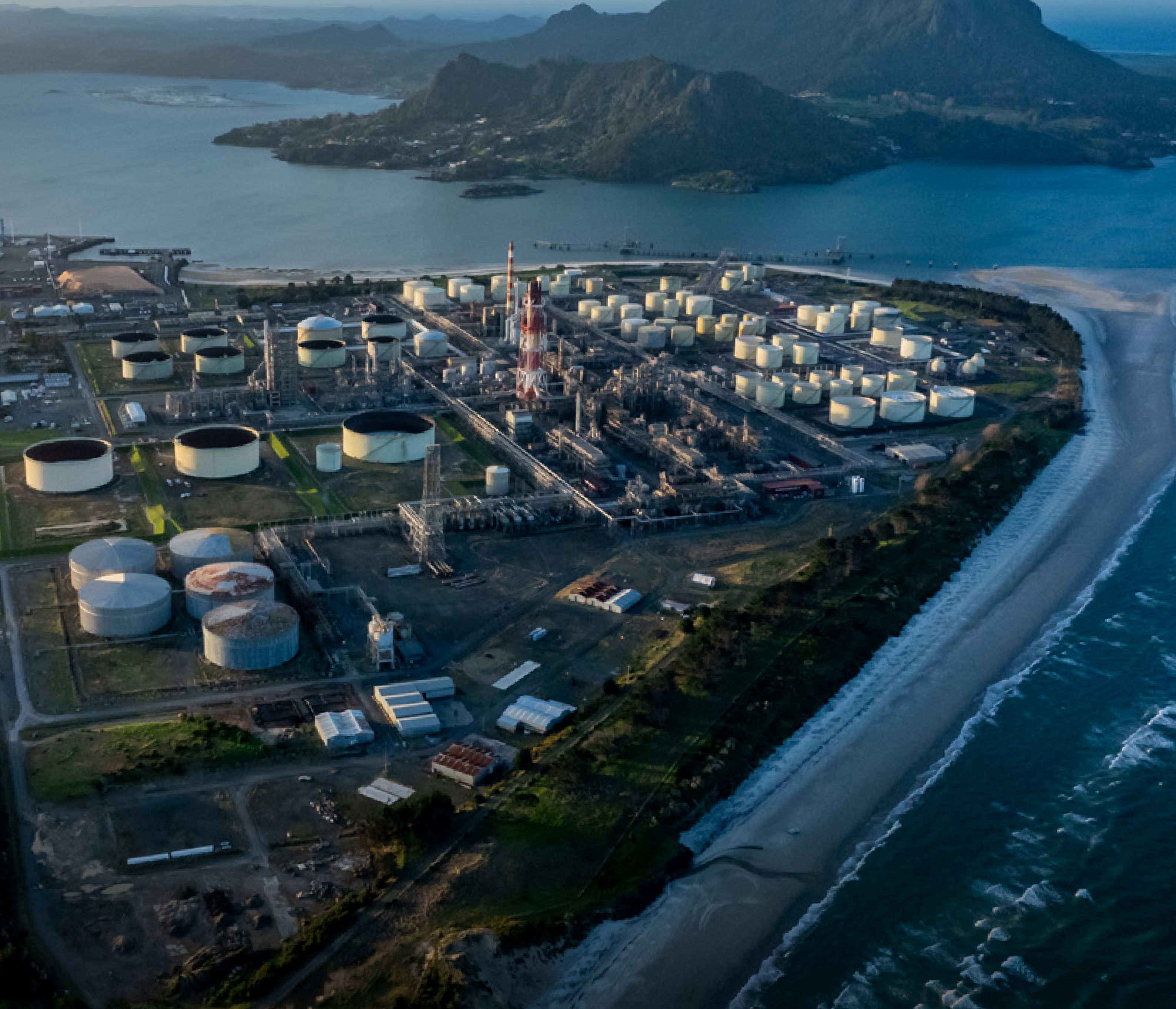
Channel

Infrastructure NZ

Interim Financial Statements

For the six months ended 30 June 2025



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Consolidated Income Statement

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	NOTE	UNAUDITED 30 June 2025 $000	UNAUDITED 30 June 2024 $000
CONTINUING OPERATIONS			
INCOME			
Revenue		**70,213**	69,847
TOTAL INCOME	2	**70,213**	69,847
EXPENSES			
Energy and utility costs		**4,100**	4,801
Materials and contractor payments		**4,524**	4,240
Salaries, wages and benefits		**7,264**	6,581
Administration and other costs		**5,868**	6,123
TOTAL EXPENSES		**21,756**	21,745
EARNINGS BEFORE DEPRECIATION, FINANCE COSTS AND INCOME TAX	10	**48,457**	48,102
Depreciation		**22,001**	18,708
NET PROFIT BEFORE FINANCE COSTS AND INCOME TAX		**26,456**	29,394
Finance income		**(67)**	(157)
Finance costs		**8,136**	9,833
NET FINANCE COSTS		**8,069**	9,676
NET PROFIT BEFORE INCOME TAX		**18,387**	19,718
Income tax		**5,300**	6,899
NET PROFIT AFTER INCOME TAX FROM CONTINUING OPERATIONS		**13,087**	12,819
Net (loss) / profit after income tax from discontinued operations	1	**(1,459)**	3,792
NET PROFIT AFTER INCOME TAX		**11,628**	16,611
ATTRIBUTABLE TO:			
Owners of the Parent		**11,628**	16,611

EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS	**CENTS**	CENTS
Basic and diluted earnings per share from continuing operations	**3.2**	3.4
Basic and diluted earnings per share	**2.8**	4.4

Consolidated Statement of Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	NOTE	UNAUDITED 30 June 2025 $000	UNAUDITED 30 June 2024 $000
NET PROFIT AFTER INCOME TAX		**11,628**	16,611
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to the Income Statement			
Movement in cash flow hedge reserve		**(1,736)**	(308)
Deferred tax		**486**	86
Total items that may be subsequently reclassified to the Income Statement		**(1,250)**	(222)
TOTAL OTHER COMPREHENSIVE LOSS AFTER INCOME TAX		**(1,250)**	(222)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, AFTER INCOME TAX		**10,378**	16,389
ATTRIBUTABLE TO:			
Owners of the Parent		**10,378**	16,389

Consolidated Balance Sheet

AS AT 30 JUNE 2025

	NOTE	UNAUDITED 30 June 2025 $000	AUDITED 31 December 2024 $000
CURRENT ASSETS			
Cash and cash equivalents		**2,538**	1,283
Trade and other receivables		**14,467**	15,849
Income tax receivable		**75**	107
Other assets	7	**4,487**	4,487
Derivative financial instruments		**-**	845
Inventories		**5,177**	5,440
TOTAL CURRENT ASSETS		**26,744**	28,011
NON-CURRENT ASSETS			
Derivative financial instruments		**4,192**	6,161
Intangibles		**1,564**	1,590
Property, plant and equipment		**1,292,942**	1,294,180
Other assets	7	**8,590**	17,315
Right-of-use assets		**791**	882
TOTAL NON-CURRENT ASSETS		**1,308,079**	1,320,128
TOTAL ASSETS		**1,334,823**	1,348,139
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		**18,862**	19,413
Derivative financial instruments		**-**	1,071
Lease liabilities		**113**	115
Employee benefits		**2,204**	2,791
Provisions	8	**9,096**	9,215
TOTAL CURRENT LIABILITIES		**30,275**	32,605
NON-CURRENT LIABILITIES			
Borrowings	4	**301,198**	299,742
Lease liabilities		**769**	811
Employee benefits		**3,119**	3,119
Provisions	8	**69,906**	69,996
Deferred tax liabilities		**127,857**	123,609
TOTAL NON-CURRENT LIABILITIES		**502,849**	497,277
TOTAL LIABILITIES		**533,124**	529,882
NET ASSETS		**801,699**	818,257

	NOTE	UNAUDITED 30 June 2025 $000	AUDITED 31 December 2024 $000
EQUITY			
Contributed equity		**366,420**	366,420
Revaluation reserve		**726,482**	726,482
Treasury stock		**(256)**	(341)
Employee share scheme reserve		**354**	315
Cash flow hedge reserve		**1,889**	3,139
Retained earnings		**(293,190)**	(277,758)
TOTAL EQUITY		**801,699**	818,257

The Board of Directors of Channel Infrastructure NZ Limited authorised these financial statements for issue on 25 August 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

Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	NOTE	CONTRIBUTED EQUITY $000	REVALUATION RESERVE $000	TREASURY STOCK $000	EMPLOYEE SHARE SCHEME 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		-	-	-	-	-	16,611	16,611
Other comprehensive income								
Movement in cash flow hedge reserve		-	-	-	-	(308)	-	(308)
Deferred tax on other comprehensive income		-	-	-	-	86	-	86
TOTAL OTHER COMPREHENSIVE GAIN, AFTER INCOME TAX		-	-	-	-	(222)	-	(222)
TRANSACTIONS WITH OWNERS OF THE PARENT								
Equity-settled share-based payments		-	-	-	97	-	-	97
Shares vested to employees		-	-	924	(924)	-	-	-
Dividend paid	3	-	-	-	-	-	(29,543)	(29,543)
TOTAL TRANSACTIONS WITH OWNERS OF THE PARENT		-	-	924	(827)	-	(29,543)	(29,446)
AT 30 JUNE 2024 (UNAUDITED)		318,123	422,771	(393)	254	6,353	(260,954)	486,154

	NOTE	CONTRIBUTED EQUITY $000	REVALUATION RESERVE $000	TREASURY STOCK $000	EMPLOYEE SHARE SCHEME RESERVE $000	CASH FLOW HEDGE RESERVE $000	RETAINED EARNINGS $000	TOTAL EQUITY $000
AT 1 JANUARY 2025		**366,420**	**726,482**	**(341)**	**315**	**3,139**	**(277,758)**	**818,257**
COMPREHENSIVE INCOME								
Net profit after income tax		**-**	**-**	**-**	**-**	**-**	**11,628**	**11,628**
Other comprehensive income								
Movement in cash flow hedge reserve		**-**	**-**	**-**	**-**	**(1,736)**	**-**	**(1,736)**
Deferred tax on other comprehensive income		**-**	**-**	**-**	**-**	**486**	**-**	**486**
TOTAL OTHER COMPREHENSIVE LOSS, AFTER INCOME TAX		**-**	**-**	**-**	**-**	**(1,250)**	**-**	**(1,250)**
TRANSACTIONS WITH OWNERS OF THE PARENT								
Equity-settled share-based payments		**-**	**-**	**-**	**124**	**-**	**-**	**124**
Shares vested to employees		**-**	**-**	**85**	**(85)**	**-**	**-**	**-**
Dividend paid	3	**-**	**-**	**-**	**-**	**-**	**(27,060)**	**(27,060)**
TOTAL TRANSACTIONS WITH OWNERS OF THE PARENT		**-**	**-**	**85**	**39**	**-**	**(27,060)**	**(26,936)**
AT 30 JUNE 2025 (UNAUDITED)		**366,420**	**726,482**	**(256)**	**354**	**1,889**	**(293,190)**	**801,699**

Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	NOTE	UNAUDITED 30 June 2025 $000	UNAUDITED 30 June 2024 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**71,128**	79,774
Payment for supplies and expenses		**(16,446)**	(25,572)
Payments to employees		**(7,246)**	(7,479)
Interest received		**67**	157
Interest paid		**(7,507)**	(9,198)
Net GST paid		**(296)**	(869)
Income tax paid		**-**	(19)
NET CASH INFLOW FROM OPERATING ACTIVITIES		**39,700**	36,794
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of legacy platinum	7	**7,624**	3,533
Payments for property, plant and equipment		**(20,467)**	(23,270)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(12,843)**	(19,737)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and borrowings		**1,500**	63,900
Repayment of subordinated notes		**-**	(54,901)
Lease payments		**(42)**	(32)
Dividends paid		**(27,060)**	(29,543)
NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES		**(25,602)**	(20,576)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**1,255**	(3,519)
Cash and cash equivalents at the beginning of the period		**1,283**	4,870
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**2,538**	1,351

Notes to the Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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.

The consolidated interim financial statements (hereinafter 'financial statements') for the six months ended 30 June 2025 presented are those of 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 have been prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting* and New Zealand Equivalents to International Accounting Standard 34: *Interim Financial Reporting,* and also in accordance with Generally Accepted Accounting Practice in New Zealand ('GAAP') applicable to for-profit entities. These financial statements do not include all the information required to be disclosed in annual consolidated financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2024.

Accounting Policies

The accounting policies used in the preparation of these financial statements are consistent with those used in the Group's consolidated financial statements for the year ended 31 December 2024.

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) and the fuel testing laboratories. The Group operates in one geographical location, New Zealand.

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 5 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 5 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 8 for further details).
- **Recoverability of tax losses –** the Group's accumulated tax losses amount to $389 million at 30 June 2025. 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, and therefore the deferred tax asset realised.
- **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 1 for further details).

1 Discontinued Operations

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

In the six months ended 30 June 2025 the results from discontinued operations include revenue from scrap metal and redundant equipment sales and on-going costs associated with ceasing refining operations, including retiree medical scheme costs and costs associated with the sale of permanently decommissioned refining plant.

Conversion costs relate to costs associated with 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.

	NOTE	UNAUDITED 30 June 2025 $000	UNAUDITED 30 June 2024 $000
INCOME			
Revenue	2	**27**	144
TOTAL INCOME		**27**	144
EXPENSES			
Salaries, wages and benefits		**237**	241
Administration and other costs		**472**	2,550
TOTAL EXPENSES		**709**	2,791
NET LOSS BEFORE CONVERSION COSTS, ASSET REVALUATION, FINANCE COSTS AND INCOME TAX		**(682)**	(2,647)
Conversion costs		**571**	364
Revaluation of assets		**-**	(6,600)
TOTAL CONVERSION COSTS AND IMPAIRMENT		**571**	(6,236)
NET(LOSS) / PROFIT BEFORE FINANCE COSTS AND INCOME TAX		**(1,253)**	3,589
Finance costs		**773**	889
NET FINANCE COSTS		**773**	889
NET (LOSS) / PROFIT BEFORE INCOME TAX		**(2,026)**	2,700
Income Tax		**(567)**	(1,092)
NET (LOSS) / PROFIT AFTER INCOME TAX		**(1,459)**	3,792

	30 June 2025 $000	30 June 2024 $000
CASH FLOWS FROM / (USED IN) DISCONTINUED OPERATIONS		
Net cash used in operating activities	**(2,517)**	(20)
Net cash from investing activities	**7,624**	3,533
Net cash used in financing activities	**-**	-
NET CASH FLOWS FROM DISCONTINUED ACTIVITIES FOR THE PERIOD	**5,107**	3,513

2 Income

	UNAUDITED 30 June 2025 $000	UNAUDITED 30 June 2024 $000
CONTINUING OPERATIONS		
Import terminal revenue	**65,713**	63,395
Wiri land and terminal lease income	**1,228**	3,326
Laboratory revenue	**2,704**	2,479
Other operating revenue	**568**	647
TOTAL REVENUE FROM CONTINUING OPERATIONS	**70,213**	69,847
DISCONTINUED OPERATIONS		
Other refining related income	**27**	144
TOTAL REVENUE FROM DISCONTINUED OPERATIONS	**27**	144
TOTAL REVENUE	**70,240**	69,991

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.

	UNAUDITED 30 June 2025 $000	UNAUDITED 30 June 2024 $000
Major customer A	**28,630**	25,255
Major customer B	**21,360**	21,019
Major customer C	**17,095**	18,633

3 Equity

Contributed equity

The issued capital of the Company is represented by 410,004,702 ordinary shares (31 December 2024: 410,004,702) issued and fully paid, less 197,576 (31 December 2024: 276,494) treasury shares. All ordinary shares rank equally with one vote attached to each ordinary share.

Share performance rights issued

On 11 April 2025 the Company issued 319,102 share rights to the Leadership Team (of which 152,624 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 2027, 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 28 February 2025, 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 2025 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.

Dividends

	30 June 2025		30 June 2024	
Dividend paid	UNAUDITED $000	UNAUDITED cents per share	UNAUDITED $000	UNAUDITED cents per share
Special dividend (FY2023)	-	-	5,681	1.5
Final dividend (FY2023)	-	-	23,862	6.3
Final dividend (FY2024)	**27,060**	**6.6**	-	-
Dividend paid	**27,060**	**6.6**	29,543	7.8

Dividends declared

On 25 August 2025 the Board declared an ordinary unimputed interim dividend of 6.25 cents per share, to be paid on 24 September 2025. The Board has implemented a dividend reinvestment plan that is applicable for this dividend.

4 Borrowings

At 30 June 2025 the Group has total debt funding facilities available of $435 million (represented by $235 million bank facilities and $200 million retail bonds).

The Group borrows under a Common Terms Deed which requires the Group to maintain an Interest Cover 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 as at the end of, and in respect of, the six months ended 30 June 2025 and the year ended 31 December 2024.

The borrowings are unsecured.

At 30 June 2025 the average tenor is 3.7 years (31 December 2024: 4.2 years).

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

At 30 June 2025, the fair value of the CHI020 retail bond is $102.3 million compared to its carrying amount of $99.8 million. The fair value is based on the quoted market price at 30 June 2025.

At 30 June 2025, the fair value of the CHI030 retail bond is $107.1 million compared to its carrying amount of $101.4 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 30 June 2025, adjusted for effective changes in the fair value of the hedging instrument.

The table below outlines the maturity profile of the facilities at 30 June 2025:

	MATURITY DATE	UNAUDITED 30 June 2025 $000	AUDITED 31 December 2024 $000
BORROWINGS			
Non-current borrowings:			
Revolving cash advances	Nov-29	**100,000**	98,500
Retail bonds - CHI020 (5.8%)[1]	May-27	**99,783**	99,596
Retail bonds - CHI030 (6.75%)[1]	Nov-29	**101,415**	101,646
Total non-current borrowings		**301,198**	299,742
TOTAL BORROWINGS		**301,198**	299,742
UNDRAWN FACILITIES			
Revolving cash advances	Nov-27	**30,000**	30,000
Revolving cash advances	Nov-29	**105,000**	106,500
TOTAL UNDRAWN BORROWING FACILITIES		**135,000**	136,500

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

	UNAUDITED 30 June 2025 $000	AUDITED 31 December 2024 $000
NET DEBT		
Total Borrowings	**301,198**	299,742
Less: Fair value adjustment	**(1,709)**	(2,018)
Less: Cash and cash equivalents	**(2,538)**	(1,283)
NET DEBT	**296,951**	296,441

5 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 assets, decommissioned refining plant and unutilised land are all categorised as Level 3 in the fair value hierarchy,

Valuation of property, plant and equipment

Import terminal assets

The Import Terminal System (ITS) was independently valued by Deloitte at 31 December 2024.

The net present value methodology was used to determine a market participant's 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 decommissioned refinery 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 key assumptions used in the valuation include the September 2024 Envisory fuel demand forecasts, forecast import terminal fees, forecast operational and capital expenditure, and discount rates. A review of the key inputs used in the 2024 valuation, updated to 30 June 2025 indicates that there has been no material change in the fair value of the import terminal assets at 30 June 2025.

Decommissioned refining plant

The decommissioned refinery assets are valued at fair value less costs of disposal.

The fair value of the decommissioned refinery assets are primarily based on an estimate of the quantity (tonnes) of ferrous and non-ferrous materials embedded in the decommissioned 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.

There have been no indicators of a material change to the fair value of the decommissioned refinery assets at 30 June 2025.

Unutilised land

The land held outside the ITS 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.

There have been no indicators of a material change to the fair value of the unutilised land at 30 June 2025.

Additions

During the six months ended 30 June 2025 the Group recognised capital additions (work in progress) of $21.0 million (31 December 2024: $54.4 million). Additions in the period relate to statutory tank inspection upgrades, private storage bunds, firefighting upgrades and transmix infrastructure upgrades.

Depreciation

During the six months ended 30 June 2025 the Group recognised depreciation of $22.0 million (30 June 2024: $18.7 million).

Conditional option agreement for 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. Channel has received US$4.7 million[1] in option payments (recognised as deferred income).

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).

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 decommissioned assets subject to the PDA have not been classified as assets held for sale at 30 June 2025.

6 Contractual Commitments

The Group has contractual obligations to purchase assets and complete capital project works relating to the tank conversion for the Z Energy jet fuel storage contract and the development of a bitumen import terminal for Higgins. At 30 June 2025 contractual commitments amounted to $40.0 million (31 December 2024: $29 million).

7 Other Assets

	UNAUDITED 30 June 2025			AUDITED 31 December 2024		
	CURRENT $000	NON-CURRENT $000	TOTAL $000	CURRENT $000	NON-CURRENT $000	TOTAL $000
Investment properties	**-**	**5,100**	**5,100**	-	5,100	5,100
Defined benefit pension plan	**-**	**3,490**	**3,490**	-	3,490	3,490
Platinum	**-**	**-**	**-**	-	8,725	8,725
Security deposit	**4,487**	**-**	**4,487**	4,487	-	4,487
TOTAL	**4,487**	**8,590**	**13,077**	4,487	17,315	21,802

Platinum

During the period the platinum reclamation process was completed, utilising $0.7 million of the Demolition and Restoration provision (refer Note 8), and the platinum sold, generating net proceeds of $7.6 million. In addition, the foreign exchange forward contract and commodity price hedge associated with this transaction matured.

The reclamation and sale of the platinum resulted in a net loss of $0.4 million recognised in conversion costs (discontinued operations).

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 9 for further details).

8 Provisions

The movement in provisions during the six months ended 30 June 2025 is shown in the table below:

[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.

	SHUT DOWN AND DECOMMISSIONING $000	DEMOLITION AND RESTORATION $000	TOTAL $000
AT 1 JANUARY 2025	8,300	70,911	79,211
Utilisation	(530)	(960)	(1,490)
Reversal	-	(59)	(59)
Adjustment for change in discount rate	30	294	324
Finance costs	29	987	1,016
AT 30 JUNE 2025	7,829	71,173	79,002
Current	7,829	1,267	9,096
Non-current	-	69,906	69,906

Utilisation of the Demolition and Restoration provision includes $0.7 million relating to platinum reclamation (refer Note 7).

9 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 and the hearing was held in June 2025. The Employment Court's judgement has not yet been issued.

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 7). 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.

The Group has no other contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

10 Non-GAAP measures

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 reconciliation's to the amounts presented in the Consolidated Income Statement are detailed below.

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

	UNAUDITED 30 June 2025 $000	**UNAUDITED 30 June 2024 $000**
CONTINUING OPERATIONS		
Net profit after income tax	**13,087**	12,819
Add: Depreciation	**22,001**	18,708
Add: Net finance costs	**8,069**	9,676
Add: Income tax	**5,300**	6,899
EBITDA from continuing operations	**48,457**	48,102
DISCONTINUED OPERATIONS		
Net (loss)/profit after income tax	**(1,459)**	3,792
Add: Conversion costs	**571**	364
Less: Revaluation of assets	**-**	(6,600)
Add: Net finance costs	**773**	889
Less: Income tax	**(567)**	(1,092)
EBITDA from discontinued operations	**(682)**	(2,647)

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

Directors
J B Miller (Chair)
A T Brewer
A J Bull
A Holmes
A M Molloy
V C M Stoddart (ceased to be a director on 23 May 2025)
F J C Underhill
P A Zealand (ceased to be a director on 23 May 2025)

Chief Executive Officer
R C Buchanan

General Counsel & Company Secretary
C D Bougen

Auditor
Ernst & Young

Share Register
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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.

Channel

Infrastructure NZ