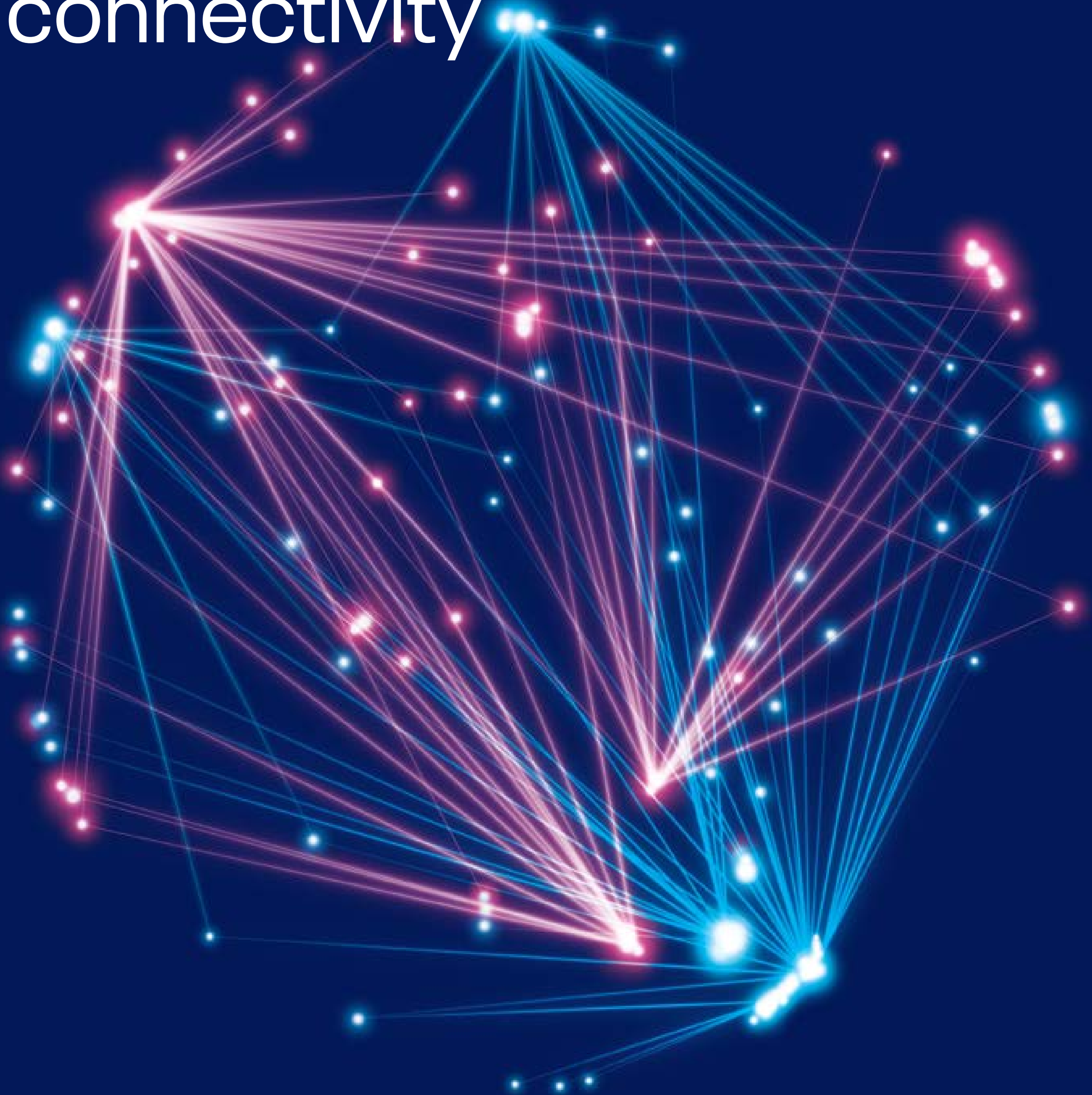
Infratil

The power of global connectivity



Annual Report 2023

Infratil Annual Report 2023

global

adjective

1. relating to the whole world; worldwide.
2. relating to or encompassing the whole of something, or of a group of things.

connectivity

noun

1. the state of being connected or interconnected.
2. capacity for the interconnection of platforms, systems, and applications.

The importance of connectivity and technology in our interconnected world is increasingly shaping the future of business, politics, and society as a whole.

Infratil's investments include the physical assets that underpin the type of global connectivity that we take for granted; fibre networks, data centres, cell networks, subsea cables and energy networks.

Not only do our investments provide physical connections, they are embedded within, and inherently connected to the communities in which we operate. All of our investments provide essential services to these communities, whether that is healthcare, aged care, transportation, renewable energy, communication or pure connectivity services.

Infratil is harnessing the power of global connectivity, both in the way we invest and manage our portfolio, but also increasingly in the way we grow our own networks and connections between people and portfolio companies around the world.

Contents

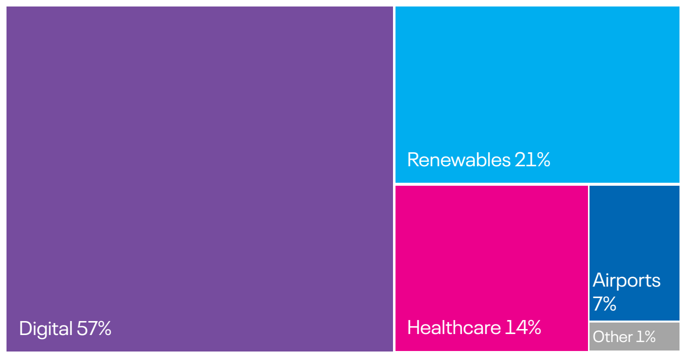
Portfolio Overview

Portfolio Overview

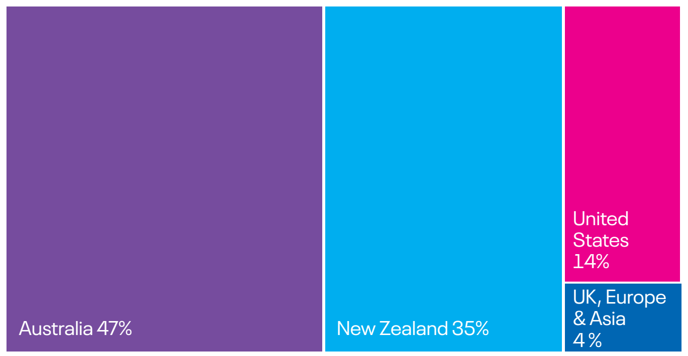
Infratil

Renewables	Digital	Healthcare	Airports
Manawa Energy **51% Infratil** 27% TECT / 22% Public	CDC Data Centres **48% Infratil** / 24% CSC 24% Future Fund / 4% Management	Qscan Group **55.1% Infratil** 33.1% Doctors / 13.8% MGIF	Wellington Airport **66% Infratil** 34% Wellington City Council
longroad ENERGY **37.1% Infratil** / 37.1% NZ Super 13.8% Management / 12% MEAG	one.nz **49.9% Infratil** 49.9% Brookfield / 0.2% Management	**50.1% Infratil** 49.9% Doctors	
GALILEO **40% Infratil** 20% CSC / 20% NZ Super / 20% MGIF	KAO DATA **40% Infratil** 30% Legal & General / 30% Goldacre	retire australia **50% Infratil** 50% NZ Super	
gurīn ENERGY **95% Infratil** 5% Management	Fortysouth **20% Infratil** 40% InfraRed / 40% Northleaf		
Mint **73% Infratil** 27% CSC	CLEARVISION VENTURES		

Portfolio Composition - Sector



Portfolio Composition - Geography



Operating Highlights

Data Centre capacity
285
MW

Mobile connections
2,003,529
million

Installed renewable generation
2,117
MW

Renewable energy generated
5,750
GWh

Medical scans
2,387,999

Retirement village residents
5,225

Airport passengers
5,253,165

Group employees
6,474

2023 Snapshot

CDC Data Centres delivered an additional 104MW of data centre capacity across its Canberra, Sydney and Auckland campuses.

One New Zealand completed the sale of its passive mobile tower infrastructure to a consortium including Infratil, leading to the establishment of Fortysouth.

Manawa Energy completed the sale of the Trustpower mass market retail business, including approximately 238,000 customers to Mercury Energy.

Qscan expanded into Western Australia through a partnership with Envision Medical Imaging in Perth.

Longroad Energy announced the raise of US$500 million of equity capital, including the acquisition of a 12% stake by MEAG for US$300 million.

Wellington Airport passenger numbers are climbing back to pre-covid levels, with domestic passengers recovering to around 90% and international to around 76% by the end of FY2023.

Longroad Energy achieved financial close on seven new renewable development projects, totalling 1.3GW across five North American states.

Mint Renewables was established in late 2022 to invest in the development of wind, solar PV, and storage solutions across Australia.

Vodafone rebranded to One New Zealand, at the same time announcing a collaboration with SpaceX to provide mobile coverage to 100% of New Zealand from late 2024.

Infratil committed to setting a science-based target with a clearly-defined path to reduce emissions in line with the Paris Agreement goals in May 2023.

Financial Highlights

Net parent surplus
$643.1
million

Proportionate EBITDAF [1]
$531.5
million

Proportionate capital expenditure [2]
$1,359.2
million

Net debt [3]
$724.7
million

Share price
$9.20

Market capitalisation
$6.7
billion

Cash dividend declared
12.50 cps
4.86 cps imputation

12 month shareholder return [4]
14.2%
per annum

1 EBITDAF is an unaudited non-GAAP measure of net earnings before interest, tax, depreciation, amortisation, financial derivative movements, revaluations, and non-operating gains or losses on the sales of investments and assets. EBITDAF does not have a standardised meaning and should not be viewed in isolation, nor considered a substitute for measures reported in accordance with NZ IFRS, as it may not be comparable to similar financial information presented by other entities. Proportionate EBITDAF shows Infratil's operating costs and its share of the EBITDAF of the companies it has invested in. It excludes discontinued operations, acquisition or sale-related transaction costs and management incentive fees. A reconciliation of net profit after tax to Proportionate EBITDAF is provided in the 31 March2023 annual results presentation.

2 Investment and capital spending by Infratil, and Infratil's share of investee company capital spending.

3 Infratil Corporate net debt.

4 Shareholder returns are 12-month returns assuming that dividends are reinvested on the date of payment.

Directors

Infratil's shareholders elect directors for three-year terms to look after their interests. Directors are expected to:

- Maintain a dialogue with shareholders, to understand concerns and priorities.
- Participate in the formation and evolution of the Company's strategy.
- Ensure effective articulation to external stakeholders of strategy, goals, risks and performance, including with regard to environmental, social and governance metrics.
- Monitor strategy implementation, financial performance, risks and legal compliance.
- Maintain awareness of relevant societal and market developments and provide diversity of perspective and knowledge relevant to the Company.
- Monitor the performance of Infratil's manager H.R.L. Morrison & Co. Morrison & Co is a specialist manager of infrastructure investments and performs this role for Infratil under an investment management agreement. Infratil benefits from having a management team with great breadth and depth of skills, however the Board must be vigilant about potential conflicts of interest and satisfied that the cost is reasonable relative to the alternative.

Further commentary on the Board is set out on pages 140 - 147 of this report.

Peter Springford

Peter joined the Board as an independent director in November 2016. Peter is a member of the Manager Engagement Committee.

"Having led a major industrial company based in New Zealand and Australia, businesses in Asia, and been chair or director of companies operating internationally, I recognise that a key ingredient of successful investment is having the right people who provide diversity of experience and perspective."

Andrew Clark

Andrew joined the Board as an independent director in June 2022. Andrew is a member of the Audit & Risk and Manager Engagement Committees.

"In my 30 years of consulting in Australia, Asia and New Zealand I have acquired significant experience in portfolio and business unit strategy across a wide range of industries and geographies. I have developed and led high performance teams and worked with clients to grow their businesses in scale and profitability. I aim to contribute my experience to the already exceptional Infratil team and help continue to deliver strong returns for all shareholders."

Kirsty Mactaggart

Kirsty joined the Board as an independent director in March 2019. Kirsty is Chair of the Manager Engagement Committee and a member of the Audit & Risk Committee.

"I have over 25 years of financial market experience across multiple countries and sectors. My transactional experience as a banker, and governance focus as an investor, are applied to ensure the manager delivers for all Infratil stakeholders."

Alison Gerry

Alison joined the Board as an independent director in July 2014 and became Chair in May 2022. Alison is a member of the Audit & Risk, Nomination & Remuneration, and Manager Engagement Committees.

"My experience in finance and risk management helps me appreciate Infratil's strategic opportunities and threats from financial markets, technology, regulation and the natural environment. Executing strategy is about allocating capital and about developing a culture which reflects the value we place on people, customers, and communities."

Jason Boyes

Jason is Chief Executive of Infratil and joined the Board in April 2021.

"As Chief Executive I am responsible for working with board and management on shaping Infratil's strategies and goals, and for ensuring that management delivers accordingly. Management has to identify opportunities, ensure that Infratil's businesses are performing to their potential, and ensure that risks are monitored, managed and are within acceptable and agreed parameters."

Anne Urlwin

Anne was appointed to the Board in January 2023. Anne is Chair of the Audit & Risk Committee and a member of the Manager Engagement Committee.

"I have governance experience in many of the sectors Infratil invests in and a strong interest in sustainability. I appreciate that the successful delivery of long-term value for shareholders and other stakeholders requires robust capital and risk management, and top talent to identify and pursue strategic investment in ideas that matter."

Paul Gough

Paul joined the Board as an independent director in December 2012. Paul is a member of the Nomination & Remuneration and Manager Engagement Committees.

"As a Kiwi who runs a private equity business investing across Europe, I add an additional international perspective to Infratil's growing portfolio and exciting pipeline of opportunities. In London I manage investments in similar fields to Infratil's, but often in a more transitional stage of development. Achieving the best investment outcome generally requires getting the best from people. The focus on performance and people is consistent with what I see at Infratil and its manager."

Report of the Board Chair

Kia ora kōutou. I am pleased to report that Infratil has had another outstanding year, during a roller coaster twelve months of global volatility, significant inflationary pressures and financial system uncertainty.

Financially, Infratil exceeded its long-term target returns, delivering an after-tax return to shareholders for the year of 14.2%. This was founded on over $1.3 billion invested, and a net parent surplus of $643 million for the year. Infratil's 10-year return to 31 March 2023 was 19.4%.

Shareholders will no doubt have observed the challenges in the global banking sector. Capital management and treasury activities have long been a key focus of the Infratil Board. Consequently, we have a healthy balance sheet, with over $590 million in cash and significant undrawn bank facilities. We also have a steady pipeline of opportunities that could see us deploy that capital. The reality is that infrastructure is seen as a safe harbour investment in challenging times, and because of its long-dated nature has a natural resilience to the choppy waters of inflation.

Globally positioned

Strategically, Infratil has improved its position in areas where we see infrastructure needs growing, particularly in renewable energy, digital infrastructure and healthcare. We have also continued to expand our geographic footprint, with a presence now in 17 countries, and a global track record that helps us access opportunities wherever they make strategic sense.

As the world has changed, so has our portfolio. We see demand for infrastructure rising in most developed economies, fuelled by long periods of public under-investment, the need to decarbonise and electrify transport infrastructure to meet Paris Accord targets, technological adoption, the need for greater domestic infrastructure security in the face of heightened global security and supply risks, and the need to meet population growth and demographic changes.

More than 50% of our assets are now international and the weighting has shifted towards digital and connectivity investments where we see further opportunities. That said, we will continue to develop new long-term ideas, such as our early position in critical healthcare infrastructure. In my view, we have built up market-leading intellectual property in the assessment of infrastructure trends and the opportunities they can generate. While this does not always translate to investments, this provides us with enduring benefits for future opportunities.

Our portfolio resilience was demonstrated throughout covid. Going forward we want to ensure the right mix to deliver long-term target returns to shareholders of 11-15% per annum. To do that we will focus on sectors and businesses with strong defensive characteristics, exposure to growth driven by macro trends and industry tailwinds, and opportunities to create infrastructure platforms to build scale.

Sustainable infrastructure

Infrastructure has been defined as the structures needed for a society or enterprise to operate. This illustrates an important symbiotic thread that connects the physical assets in which we invest, such as fibre networks, subsea cables, mobile networks, radiology infrastructure and energy networks, to the communities our portfolio serves, via essential digital connectivity, healthcare to support an ageing population, renewable energy to help economies decarbonise, and airports to physically move and connect people. Put simply, we help societies and enterprises to function well.

You will also see in this report our focus on ESG is intensifying, for example through our commitment to set science-based emission reduction targets, and the release later this year of our inaugural sustainability report. In my view we need to better articulate our approach to sustainability. Putting sustainability at the core of our strategy, portfolio and investments is not just an important leadership position but is increasingly where smart capital is flowing and new opportunities are emerging.

Sound governance

I would like to acknowledge my predecessor, Mark Tume. As you will be aware, Mark stepped down from the Board in December 2022, having guided Infratil through a decade of consistent outperformance.

In other governance changes I welcome highly experienced directors Andrew Clark, who joined the Infratil Board in June 2022, and Anne Urlwin, who joined in January 2023. As always, Infratil has aimed for seamless renewal within its management and Board ranks. I believe the financial and operational results for the year are testament to the success of this approach.

The Board also took the opportunity to visit other markets in the first half of the year. These visits highlighted the increasingly global experience and connections of the Morrison & Co team. In a world where global reach, intellectual property, and connections matter more than ever, the Morrison & Co capabilities are proving invaluable to Infratil. Its role in redefining what infrastructure is has been important to Infratil's strategic thinking and approach. The acquisition of 5.3 million Infratil shares by Morrison & Co earlier in the year further demonstrates our alignment.

Confident outlook

Looking ahead we expect to see ongoing volatility as financial, political and regulatory systems continue to grapple with global inflationary pressures and a continuing uncertain geopolitical outlook. While there are signs of stabilisation, the October 2023 general election in New Zealand will provide some additional insights into how our domestic economy will navigate these turbulent currents.

For our part, we will continue to focus on sectors we believe offer attractive long-term opportunities and are supported by strong underlying fundamentals. We will also look at selected opportunities in these areas or in close adjacencies if and when they make strategic sense.

I am proud Infratil has continued to deliver for shareholders, stakeholders and communities. I would like to acknowledge the entire Infratil team and management teams within our portfolio companies for their continued hard work. I would also like to thank shareholders for the faith placed in us. That is a trust we do not take lightly and will strive to continue to earn anew every year.

A R Gerry

Alison Gerry
Chair

"We want to be a global leader in sustainable infrastructure investment, well positioned to invest in the ideas that will emerge from this. In essence, this is what we mean by investing in ideas that matter and what we believe drives consistent, long-term outperformance against our peers."

Management agreement updates

Reflecting feedback and concerns of shareholders in recent years, Infratil and the Manager have agreed in principle to make a number of amendments to the incentive fee provisions in the Management Agreement.

No changes have been made to how the underlying calculations are performed, in that the hurdle remains at a fixed 12%, incentive fees are calculated as 20% of outperformance above that hurdle, and incentive fees can still only be earned on international assets.

The Management Agreement amendments (i) provide for offsetting the impact of underperformance against outperformance between the three categories of incentive fees for international assets and carrying forward the impact of underperformance for unrealised assets (and in some limited circumstances for realised assets) and (ii) replace the existing test for payment of deferred tranches of the annual incentive fee (i.e., that the valuation of the assets has not decreased since the annual incentive fee was calculated) with a proportionate reduction.

The amendments will apply to calculate the incentive fees due to Morrison & Co for FY2023, and the net effect of the changes for FY2023 is a reduction of $5.7 million in the total incentive fees due to Morrison & Co (assuming that deferred tranches of the FY2023 annual incentive fee are paid in full). The changes do not require shareholder approval under the NZX Listing Rules or Infratil's constitution.

A revised consolidated draft of the Management Agreement reflecting the amendments will be uploaded on Infratil's website when available.

Report of the Chief Executive

"It's an exciting time to be investing in digital assets, and Infratil holds a privileged position managing the assets we currently own, while also being well positioned to access the next set of digital opportunities globally."

A year ago, in my first shareholder report as CEO of Infratil, I was reflecting on a successful 2022 financial year which was headlined by the sale of Tilt Renewables, and significant investment activity across the portfolio.

Twelve months on, I can reflect on another active year which resulted in a strong financial result, and, even more importantly, has better positioned Infratil for what we believe is to come. What won't be apparent from the outside is the level of activity that related to ideas and deals that we decided not to progress.

On performance, we unapologetically aim high and FY2023 has been no different on that front, meeting our market guidance and achieving our target returns to shareholders in a difficult macro environment.

Measured investment

The financial achievements and portfolio repositioning were delivered in an unusual set of private market and investment dynamics. While it was a record year for private deals, there has been more competition for acquisitions, which has challenged valuations, kept some investors on the sidelines and lengthened deal timelines. Combined with volatile and inflationary conditions, it set the scene for a year where we did what we said we would, but where we also showed patience, not chasing overvalued assets and taking a long-term view about the positioning of our portfolio.

Connected and sustainable growth

On our portfolio balance, digital infrastructure is now more than 50% of our mix, reflecting the criticality and expected growth trajectory of connectivity. It is now recognised as a major infrastructure asset class. Strategic moves include the rapid expansion of CDC Data Centres to meet the explosion of demand for secure data management, including the opening of two new data centres in New Zealand and a flagship new data centre at Eastern Creek in Sydney.

November 2022 saw the sale of the One New Zealand's (formerly Vodafone New Zealand) passive mobile tower assets for $1.7 billion to Fortysouth. Fortysouth is the newly formed TowerCo and is New Zealand's largest independent mobile infrastructure business, with Infratil reinvesting in a 20% stake.

In renewables, we announced a US$500 million capital raise for Longroad Energy in August 2022, ahead of the Inflation Reduction Act which has supercharged investment in renewables in the United States. Combined with the new renewable energy platform Mint Renewables, and alongside Galileo, Manawa Energy and Gurīn Energy, we have a unique platform of connected assets and we are well positioned for growth in onshore wind and solar, as well as beyond, including an early position in offshore wind and hydrogen.

We have spoken to our investors before about how we consider new types of infrastructure, and how we continue to scan for new ideas that matter. Healthcare is now an established part of our portfolio, with radiology specifically representing an emerging sub-sector where macro trends are driving an imbalance between supply and demand. Radiology is an area where the public system has significant structural deficits in the face of an ageing population, and where the private sector must play an important role. With New Zealand's only nationally scaled radiology group in Pacific Radiology, Bay Radiology and Auckland Radiology, alongside the expanding Qscan group in Australia, we are well placed to play an important part in delivering these essential services in New Zealand and Australia.

Against the backdrop of global instability, it is worth noting more than half of our portfolio is now comprised of international assets. We recognise much of the same macroeconomic dynamics we see in New Zealand are playing out elsewhere, and a global view across our platforms gives us a unique set of insights to help manage risk across our portfolio.

We focus a lot on sustainability and identifying assets that are important to society and the environment. As Alison Gerry mentioned, we are intensifying our position in this area. Look out for our first standalone sustainability report which is being published this year. We have also committed to elevating our climate disclosures and reporting in line with the latest standards, including Aotearoa New Zealand Climate standards, GHG Protocol and Partnership for Carbon Accounting Financials, and the Science Based Targets initiative.

Supportive trends

Looking ahead, every indicator tells us the trends that are underpinning our current thinking will likely deepen over the coming decade and that sustainability and connectivity will be at the heart of these. We are well positioned, with a strong core, and set of investments with multiple growth options.

In digital infrastructure the demand for data and connectivity is expected to accelerate as new applications and use cases emerge. These use cases will be enabled by innovations in artificial intelligence, 5G, augmented and virtual reality, robotics, data security and sovereignty and the sheer, essential power of connectivity. It is an exciting time to be investing in digital assets, and Infratil is well positioned to access the next set of digital opportunities globally.

Rapid renewable energy growth will be driven by increasingly urgent policy and regulatory settings to promote decarbonisation and climate change mitigation, with staggering amounts of investment in renewables required to make the transition. Beyond the expected tripling of solar and doubling of onshore wind by 2030, hydrogen is emerging as a key renewable option, with demand expected to grow over 90% by 2030. I am also excited about the potential of Mint Renewables and Manawa Energy, which we believe can be leading players in renewable energy on this side of the world.

We like to think of healthcare as the ultimate 'idea that matters'. An ageing population, health systems stressed by years of pandemic management and the growing need for capital-intensive healthcare equipment and resources are all long-term factors in our health infrastructure thinking. Macro trends are expected to drive an increase over time in healthcare funding, outsourcing, population age, and chronic disease. We can play an important role in addressing these, with both our diagnostic imaging businesses giving us a platform to expand and potentially connect with adjacent areas.

Finally, I would like to thank the wider Infratil team and our portfolio companies for another big year, while also keeping each other and our customers safe. I also thank you, our shareholders, for going with us on this journey. Hopefully you can see from this report why we are feeling confident about the future, and why we have a high conviction in our investment approach.

Jason Boyes
Chief Executive

Management

Transparent and Reliable

Infratil's management comprises people employed by the Morrison & Co (including the Chief Executive and Chief Financial Officer), and people employed by Infratil's subsidiaries and investee companies.

Infratil has delegated the day-to-day management of the Company to Morrison & Co under a Management Agreement. The Management Agreement specifies the duties and powers of Morrison & Co, and the management fee payable to Morrison & Co for delivering those services.

The Board determines and agrees with Morrison & Co specific goals and objectives, with a view to achieving the strategic goals of Infratil. Morrison & Co is then accountable to the Board for the achievement of the strategic goals of Infratil.

As a specialist infrastructure investment manager with offices globally, Morrison & Co also manages investments on behalf of other clients; including the New Zealand Superannuation Fund, the Commonwealth Superannuation Corporation and the Australian Future Fund, each of which has investments in partnership with Infratil.

Infratil benefits from its management having the expertise of a larger and more expert group of individuals than a company of Infratil's scale could normally hope to retain and from the manager's broad contacts and global relationships.

Jason Boyes
Infratil Chief Executive, Director of Infratil and CDC Data Centres, Chair of Longroad Energy, Morrison & Co Partner

Phillippa Harford
Infratil Chief Financial Officer, Director of One New Zealand, RetireAustralia and Wellington Airport, Morrison & Co Partner

Paul Newfield
Morrison & Co Partner and Chief Executive

William Smales
Director of CDC Data Centres and Kao Data, Morrison & Co Partner, CIO and Global Head of Digital and Connectivity

Marko Bogoievski
Director of One New Zealand

Greg Boorer
Chief Executive of CDC Data Centres

Ralph Brayham
Morrison & Co Data Infrastructure & Technology Specialist

Michael Brook
Director of RHCNZ Medical Imaging and Morrison & Co Executive Director

Deion Campbell
Chair of Mint Renewables, Director of Manawa Energy, Morrison & Co Operating Partner

Kellee Clark
Director of Longroad Energy, Morrison & Co Partner and Head of Legal

Matt Clarke
Chief Executive of Wellington Airport

Susan Clifford
Client Operations & Communications

Jon Collinge
Morrison & Co Sustainability Director, Executive Director

Peter Coman
Chair of RetireAustralia, RHCNZ Medical Imaging, Qscan and Infratil Property, Morrison & Co Partner and Head of Australia and New Zealand

Clayton Delmarter
Director of Mint Renewables

Rachel Drew
Chair of Wellington Airport, Director of Qscan and RHCNZ Medical Imaging, Morrison & Co Executive Director

Mark Flesher
Capital Markets & Investor Relations, Morrison & Co Executive Director

Paul Gaynor
Chief Executive of Longroad Energy

Vincent Gerritsen
Director of Galileo and Kao Data, Morrison & Co Partner and Head of UK and Europe

Priya Grewal
Director of Gurin and Mint Renewables, Morrison & Co Investment Manager

Christina Hughes
Morrison & Co Sustainability Manager

Brendan Kevany
Infratil Company Secretary and Senior Corporate Counsel

Andrew Lamb
Infratil Infrastructure Property Development Director

Nick Lough
Morrison & Co Executive Director

Sharyn Lyford
Investor Relations & Communications

Scott McCutcheon
Morrison & Co Head of Tax

Terry McLaughlin
Chief Executive of RHCNZ Medical Imaging

Chris Munday
Chief Executive of Qscan

Jason Paris
Chief Executive of One New Zealand

Nicole Patterson
Director of CDC Data Centres NZ and Fortysouth, Morrison & Co Investment Director

David Prentice
Chief Executive of Manawa Energy

Alicia Quirke
Morrison & Co Regional Tax Director

Assaad Razzouk
Chief Executive of Gurīn Energy

Paul Ridley-Smith
Chair of Manawa Energy

Tom Robertson
Infratil Treasury & Risk Manager

Brett Robinson
Chief Executive of RetireAustralia

Matthew Ross
Director of Wellington Airport, Infratil Finance Director, Morrison & Co Executive Director

Maddy Simmonds
Infratil Senior Corporate Accountant

Louise Tong
Director of Sustainability, Risk & Funding, Morrison & Co Executive Director

Vimal Vallabh
Chair of Gurīn Energy and Galileo, Morrison & Co Partner and Global Head of Energy

Ingmar Wilhelm
Chief Executive of Galileo

Thomas Wills
Infratil Financial Performance and Analysis Manager

Somali Young
Infratil Financial Controller

Laura Beggs
Infratil Corporate Accountant

Dion Blackmore
Infratil Corporate Accountant

Delivering sustainable returns to investors

Our commitment to sustainability runs deep, and we believe that it's not just the right thing to do – it's also good for business. By integrating sustainability into everything we do, we can create lasting value for our shareholders and the wider community. Our actions and how we manage our investments have real-world impacts – and we take that responsibility seriously.

We recognise that the challenges we face – from climate change to social inequality – require a connected, sustainable response, and we believe that our continued focus on investing in ideas that matter will deliver returns for shareholders at the same time as delivering positive social and environmental outcomes.

Stakeholder Engagement

Infratil has a large and diverse shareholder base, and because of the nature of the assets that we own – which are often embedded within communities – we have an even wider set of stakeholders to which we are accountable.

We understand the responsibility of owning such privileged assets, and the importance of being transparent and open in our reporting and communication.

Our goal is to continually improve the accountability of governance and management, and the transparency with which we operate. As part of this we aim to provide regular updates on the progress of our businesses and the risks involved with each of our investments.

An important part of our stakeholder engagement is ensuring that both shareholders and our wider stakeholders have plenty of opportunities to hear from, and question, management and directors.

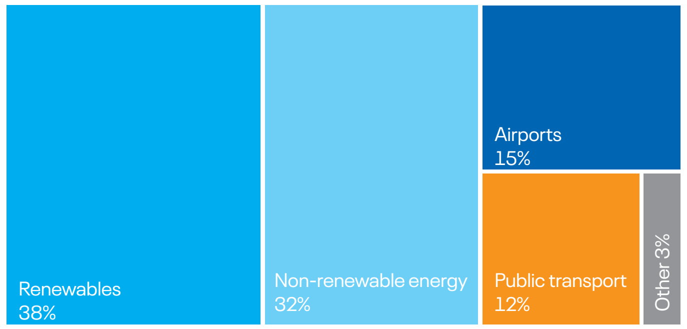
During the year to 31 March 2023 the following meetings were held with shareholders and bondholders. In all cases there were opportunities for attendees to provide feedback and raise questions and concerns with directors and management:

- The FY2022 annual results announcement on 19 May 2022 and interim results announcement on 15 November 2022;
- The annual series of presentations to retail shareholders and bondholders across 15 centres in New Zealand from 30 May 2022 to 15 June 2022;
- The Annual Meeting on 25 August 2022; including shareholder resolutions, a speech by the Chair on governance and strategy, and a presentation by management on activities and prospects; and,
- Institutional Investor Days in Sydney (October 2022) and Auckland (March 2023) which featured presentations from the management teams of Infratil's key portfolio businesses and senior executives from Infratil.

Infratil makes all this content available on our website https://infratil.com/for-investors/reports-results-meetings-investor-days/

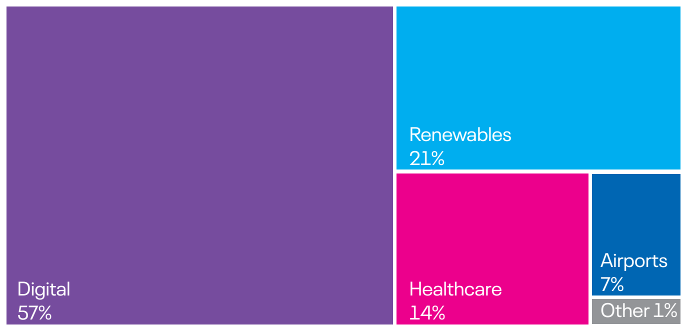
Infratil is a unique investment proposition in that the share that an investor originally purchased can look quite different to the same share an investor owns today. Different parts of Infratil's portfolio will grow at different rates, meaning Infratil's portfolio composition is constantly evolving. This is one of the reasons maintaining a regular dialogue with shareholders is so important for Infratil. This is demonstrated below. Ten years ago 80% of Infratil's portfolio was invested in New Zealand, whereas now only 35% of the portfolio is invested in New Zealand.

One Infratil share 10 years ago

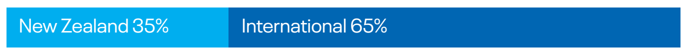


Geographic split

Infratil share today



Geographic split



Shareholder Returns and Ownership

Over the year to 31 March 2023 Infratil's share price rose from $8.25 to $9.20. In addition, Infratil paid two dividends amounting to 18.75 cps cash and 7.30 cps in imputation credits.

The total return to shareholders for the period was 14.2%, comprising a 2.3% after tax dividend return (28% tax rate) and a 11.9% capital gain. The total return of the NZX50 over the same period was negative 1.9%. The calculation of the capital gain assumes that all dividends were reinvested when received, so the shareholder neither took out, nor invested any additional cash. Infratil's after tax return since listing in March 1994 has been 18.6% per annum, and over the last ten years 19.4% per annum after tax. A shareholder who invested $1,000 in Infratil shares on 31 March 1994 and subsequently reinvested all dividends and the value of all rights issues (i.e., who neither took money out nor put money in) would, as of 31 March 2023, own 15,480 shares worth $140,379.

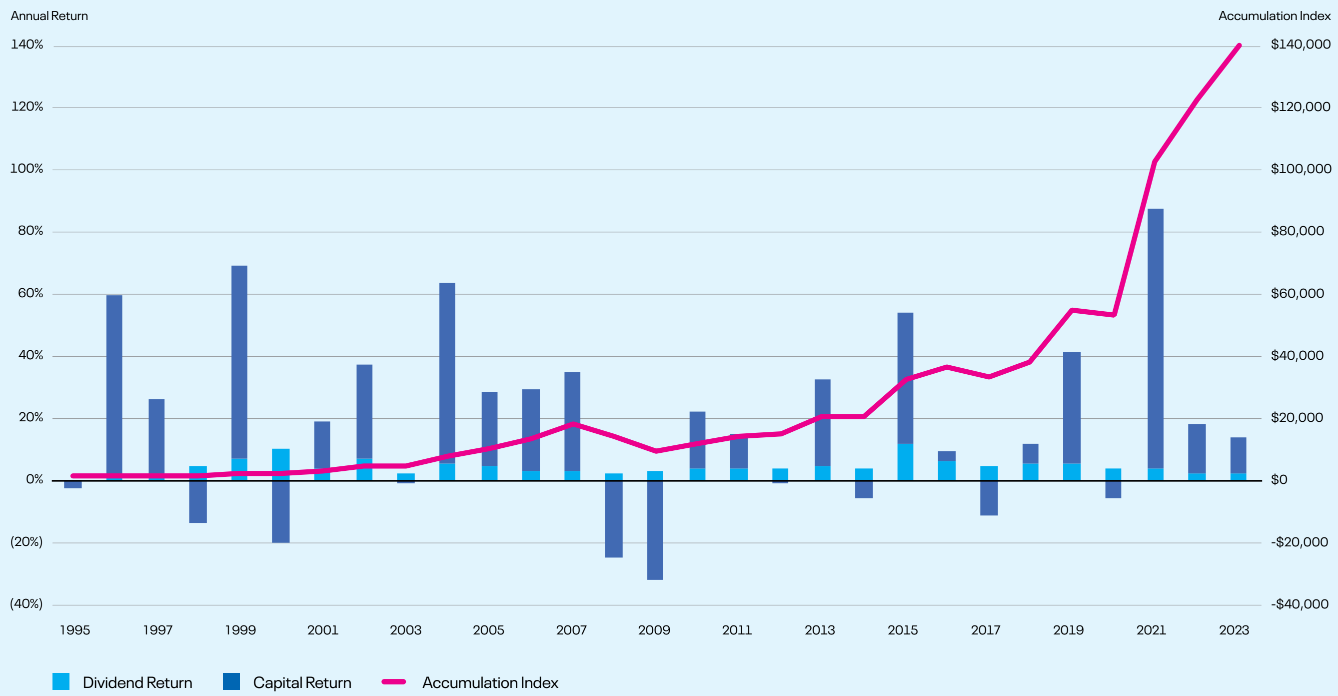
Ownership

Infratil's shareholder split has remained relatively stable during the year, with a 1.7% increase in overseas ownership as a result of a reduction in both New Zealand retail and institutional ownership.

As at 31 March 2023 the top 10 underlying shareholders owned 26.2% of shares on issue, up slightly from 25.7% in the prior year.

	31 March 2023		31 March 2022	
	Million shares	%	Million shares	%
New Zealand retail investors	346.7	47.9%	352.3	48.7%
New Zealand institutional investors	209.5	28.9%	216.0	29.8%
Overseas investors	167.7	23.2%	155.6	21.5%
	723.9		**723.9**	

29 Year Track Record



Sustainability

FY2023 Highlights

- **100% of Infratil's portfolio companies participated in GRESB Infrastructure Assessments**
- **Committed to setting an SBTi target**
- **Implementation of Persefoni climate data platform**
- **Joined the Initiative Climat International (iCI)**

Infratil invests in ideas that matter. Sustainability is inherent in this approach – both in how we invest, as well as what we invest in. Sustainability underpins key megatrends – such as decarbonisation - that help to shape our investment strategy.

Increasingly, we recognise the need to articulate more formally what this means for Infratil: integration of ESG considerations into the investment process (the how) and the sustainability credentials of our portfolio and individual assets (the what).

While this may all seem somewhat esoteric, it matters. Our investors and stakeholders need to understand, based on concrete data and with reference to recognised frameworks, what impact Infratil has on the world, and what impact the world – and external forces such as climate change – might have on our portfolio. This is known as "double materiality" – which is the approach we are taking as we seek to more deeply understand and better articulate sustainability at Infratil.

The world of sustainability is complex and rapidly evolving, so as well as drawing on our human skills, such as communication and collaboration, we're looking to leverage technology to help us navigate this journey. In doing this, we're realising the strategic objective behind our investment in Clearvision: to identify and engage with technology relevant to our investments. We are looking to leverage three key pieces of sustainability technology that will provide us with the insights and data we need to understand, measure and report on our climate-related risks and opportunities – two of which are Clearvision investees. See table below.

But it's not all about technology – sustainability is a very human endeavour too. We engage on sustainability through a range of channels with our portfolio companies – from integration into our strategy, to ESG due diligence prior to investment and ESG targets incorporating ESG considerations into our investment management process. We also engage on specific ESG topics – such as climate change – through our sustainability team. Another example of engagement is the in-person interviews we've recently undertaken with a range of stakeholders as part of a formal materiality assessment process, to understand what ESG issues matter most from their perspectives. The synthesis of this work will provide a strong foundation for our approach to sustainability.

To achieve our sustainability objectives, as well as to ensure we are keeping abreast of developments, both Infratil, and its manager, Morrison & Co, are engaged in a range of initiatives.

Infratil and all its portfolio companies undertake annual GRESB Infrastructure Assessments – a useful tool to independently benchmark progress against global and regional sector peers.

Infratil also engages with several global ESG ratings, and we welcome the introduction of some more bespoke domestic frameworks. As well as providing insights to our investors and other stakeholders, ESG ratings help Infratil understand the opportunities for lifting our ESG performance. One challenge Infratil faces is that it is often mis-classified as a "utility" for the purposes of these ratings, due to the dominance of this sector in the accounting revenue line (a different accounting treatment is applied, depending on whether our investment is under or over 50% of total equity). We are working to become more accurately classified, to reflect that we are an infrastructure investment company with a diversified portfolio.

Infratil and Morrison & Co have also recently both joined iCI, a global collaborative initiative where we can engage with peer investors to better understand and manage the risks associated with climate change in the portfolio.

We're endeavouring to follow best practice with our approach to sustainability by aligning with suitable, recognised market standards – such as our commitment to setting a SBTi-validated target. You will see more on that in our Sustainability Report, which we will produce with reference to the Global Reporting Initiative ('GRI') as well the recently published Aotearoa New Zealand Climate Reporting Standards.

We will also be disclosing information about our emissions footprint in line with the GHG Protocol and, as a financial institution, in line with the Partnership for Carbon Accounting of Financials (PCAF). This will allow us to disclose key metrics for our portfolio, such as emissions intensity per dollar invested, and on a per dollar revenue basis. This will support investors to understand the impact of including us in their investment portfolios and allow them to compare our emissions footprint with our peers. In line with PCAF, and to support consistency and comparability, we will be reporting all our portfolio emissions in Scope 3, Category 15. A summary of our emissions profile and approach is set out below.

We are committed to sustainability – we firmly believe it's an idea that matters. We take sustainability and responsible investing seriously – and assessment of ESG outcomes is embedded in our investment and asset management activities. As you can see on our progress chart, we have much work to do, but we also have successes to celebrate along the way. Our portfolio companies have some impactful sustainability workstreams underway – we look forward to sharing those with you, along with a suite of more formal ESG data and metrics, in our upcoming Sustainability Report.

PERSEFONI	Persefoni, a Clearvision investee, is a carbon accounting platform that provides a single source of carbon truth for Infratil, enabling management and reporting of carbon emissions with the same focus as financial transactions. The platform enables Infratil to analyse its carbon footprint and benchmark against sector and regional peers.
JUPITER	Jupiter, a Clearvision investee, offers a physical climate risk platform that turns sophisticated climate science into actionable data. Using the platform, Infratil can map the physical assets of its portfolio companies to provide insights on the impacts associated with various climate perils under a range of climate scenarios and timelines.
OXFORD ECONOMICS	Infratil will use Oxford Economics' climate scenarios and research to understand the impact of climate change on the global economy, different countries and sectors. We will then use the outputs of these scenarios to understand the financial risks and opportunities for our portfolio.

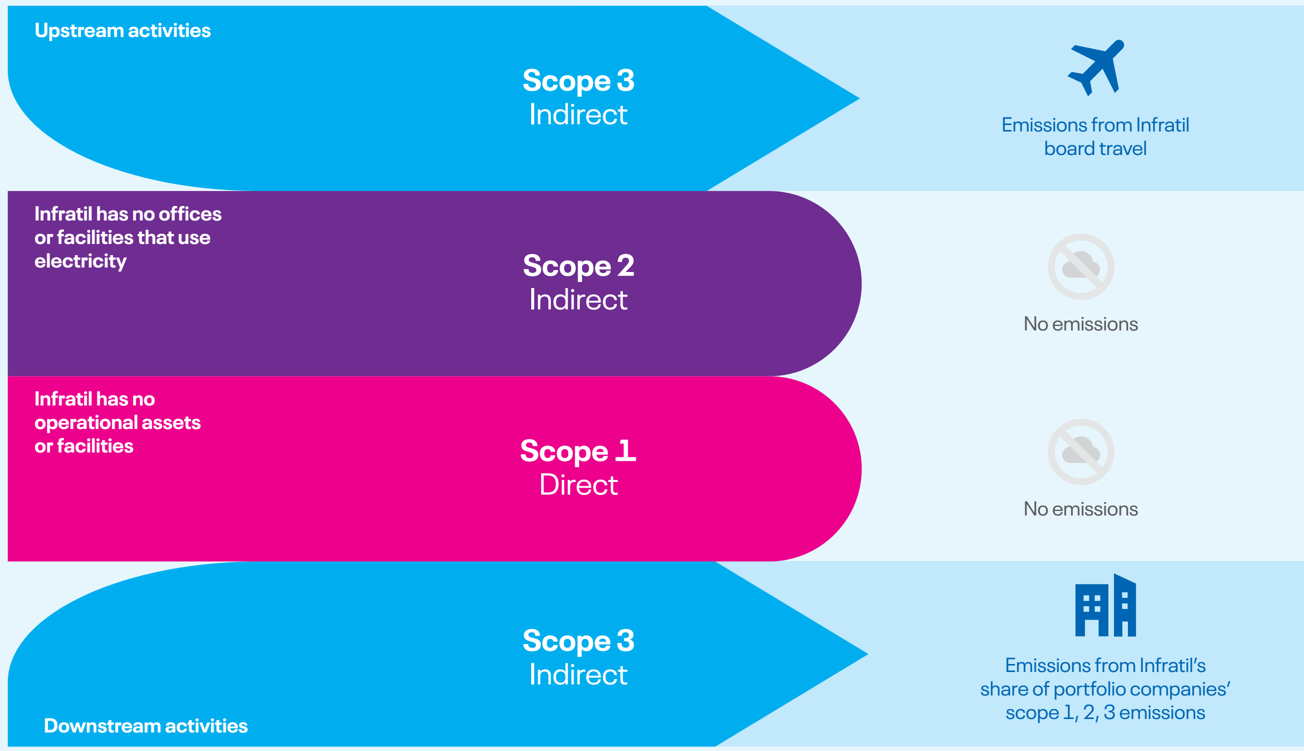
Scope 1, 2 and 3 GHG emissions

As an infrastructure investor with no offices, facilities or employees, Infratil's emissions primarily relate to its Board travel and the emissions of its portfolio companies.

Infratil's emissions measurement and reporting will align with GHG Protocol and PCAF and be independently assured. Infratil will also report a range of other emissions data and metrics that represent best practice and meet stakeholder expectations.

Infratil has committed to setting a SBTi-validated target under the framework for financial institutions. These targets will cover Board travel emissions and scope 3 emissions associated with its investments, based on a portfolio coverage approach.

Over time, each portfolio company will set its own science based target relevant to its sector and business.



Sustainability

Progress on sustainability

1990s

Infratil's inaugural investment is in renewable energy. (Trustpower, now Manawa Energy)

2000s

Renewable energy generation exceeds 2TWh

2010s

Morrison & Co becomes signatory to the Principles for Responsible Investment

Infratil's portfolio expands to social infrastructure: digital connectivity and aged care

Morrison & Co establishes dedicated sustainability team. Renewables platform expands globally

2020

Infratil's social infrastructure investments broadened to include Healthcare

Formal exclusions screening published

First Modern Slavery Position and Climate Position Statements issued

2021

GRESB Infrastructure Assessments piloted

Sustainability Strategy published

2022

GRESB Infrastructure Assessments undertaken by Infratil and all its portfolio companies

Infratil and its Manager commit to setting SBTi targets

Infratil undertakes CDP assessment

GRESB rates Wellington Airport third best airport in the world for sustainability

2023

Emissions platform, Persefoni, implemented; FY2023 portfolio emissions measured

Oxford Economics climate scenarios refreshed; physical climate risk platform selected

Renewable energy generation exceeds 5.7TWh in FY2023

Infratil and Morrison & Co join APAC chapter of initiative Climat International

Materiality assessment undertaken

Wellington Airport announces $100 million sustainability linked loans

Infratil will publish its inaugural Sustainability Report, including climate-related disclosures

Infratil to set SBTi targets

2024

Infratil to formally report under Aotearoa New Zealand's Climate Standards

SBTi Net Zero Framework for Financial Institutions expected to be published

Continue to work with portfolio companies to lift GRESB scores and implement climate strategies

Community

The unique nature of infrastructure assets often means that the physical assets that Infratil owns, and the essential services these assets provide, have a direct impact on the communities in which we operate.

We believe in making a positive contribution to those who use our services and to our communities; alongside our portfolio businesses we must be a trusted provider of services within our communities, and we must contribute back to the communities which provide us with the social licence to operate.

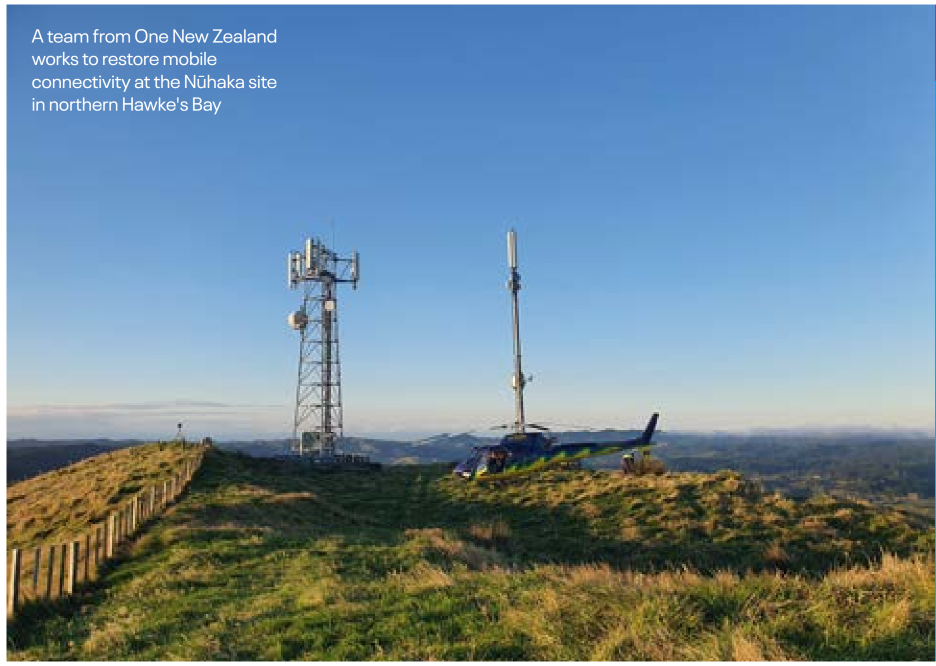
Extreme weather

In early 2023 New Zealand was battered by two extreme events, firstly massive rainfall and flooding in Auckland, followed by Cyclone Gabrielle, causing widespread damage, particularly to communities along the East Coast of the North Island.

While One New Zealand's network equipment escaped widespread damage in either event, subsequent power outages rendered many cell sites inoperable, and slips destroyed bridges and roads, cutting vital fibre links that carry data.

The New Zealand telco industry banded together to restore connectivity as quickly as possible. One New Zealand immediately mobilised teams across the business who worked around the clock to restore 53% of impacted sites in the first 48 hours and 70% within 72 hours.

To combat power outages, 70 generators were deployed to cell sites, requiring top-ups every four to eight hours. Due to the remote and inaccessible nature of many sites, helicopters and light aircraft had to be used. To connect some isolated areas, One New Zealand stood up legacy links and deployed satellite backhaul for sites until fibre links could be repaired.



A team from One New Zealand works to restore mobile connectivity at the Nūhaka site in northern Hawke's Bay

Giving back

Recognising the dire situation of many residents, One New Zealand offered all its impacted customers free unlimited mobile data for 14 days and provided free emergency phones and wireless modems via its retail stores to those in need, getting them back up and connected as quickly as possible.

One New Zealand's Te Rourou Foundation, raised almost $230,000 for the Auckland City Mission flood appeal, made up of public donations, matched donations from One New Zealand employees and an immediate donation from Te Rourou Foundation. Te Rourou Foundation also donated $30,000 to two local iwi in cyclone-impacted areas and is focusing on longer term support for impacted areas via its ongoing digital equity work.

A safer future

In April 2023, One New Zealand announced a new collaboration with SpaceX, to provide coverage to 100% of the country. One New Zealand will provide coverage where it hasn't been before, initially launching with a text and MMS service in late 2024, with data and voice to follow in 2025.

One New Zealand's award-winning mobile network will work in conjunction with SpaceX's constellation of Starlink satellites in low Earth orbit to deliver mobile coverage to One New Zealand customers across the entire country where they have line of sight to the sky, and out to its territorial limit.

One New Zealand will ensure everyone remains connected during an emergency regardless of the provider they use, as anyone with an appropriate phone will be able to call 111 in an emergency (when voice satellite calling is available). One New Zealand has dedicated part of its mid-band spectrum to enable this service.

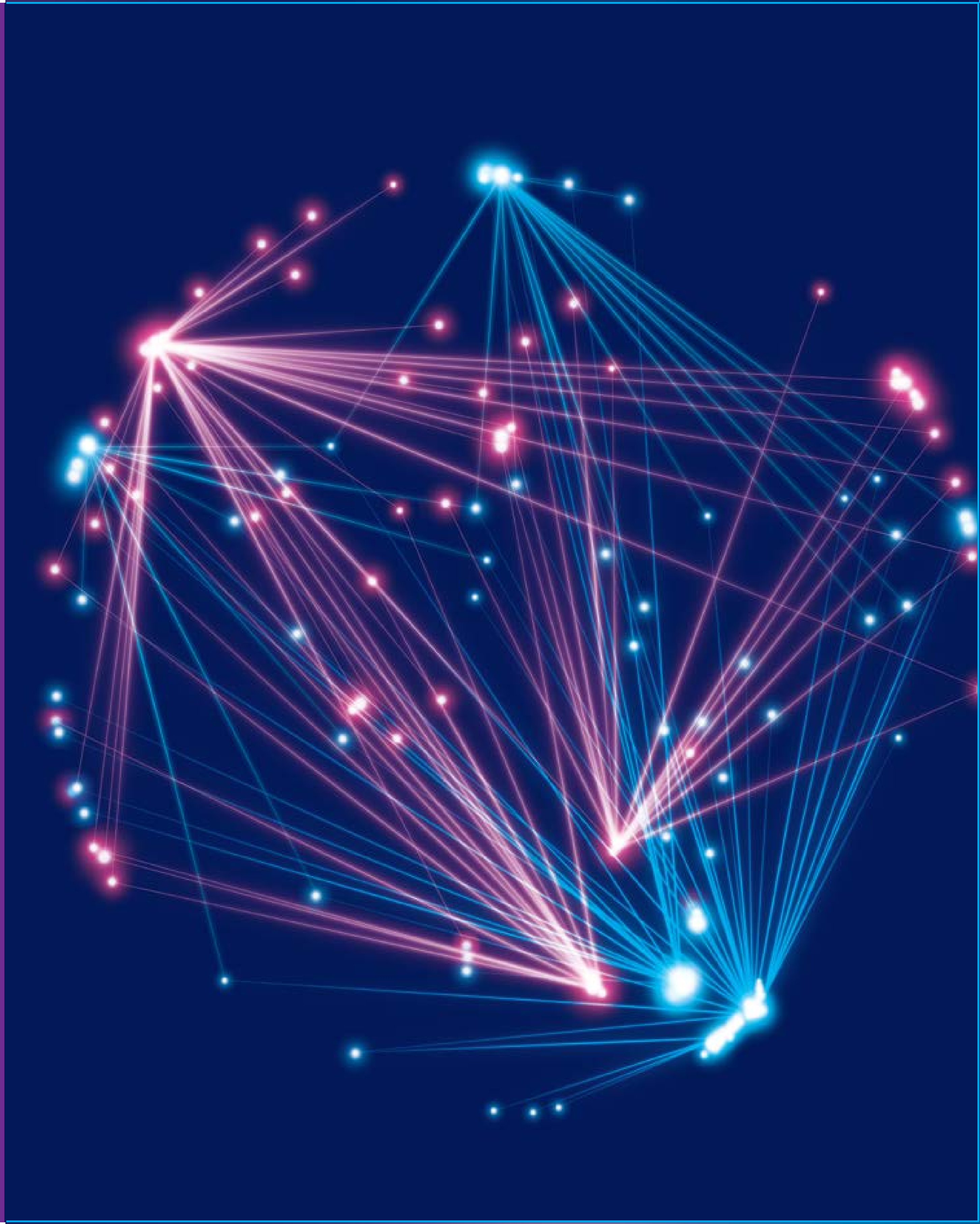
SpaceX's next generation satellites will be in orbit and ready to provide connectivity from late 2024.

This innovation will mean whatever the future holds weather-wise, New Zealanders will be connected in the years to come.

Delivering a global result for investors

Our portfolio is designed to capture value across a range of geographies, sectors, and asset classes, generating what we believe will be sustainable returns over the long-term. By investing across a globally diversified portfolio, we have been able to navigate a complex and rapidly changing market environment, while delivering strong financial results.

Our portfolio strategy remains unchanged, in that we continue to focus on delivering returns over the long-term. This approach has served shareholders well, as we seek to balance risk management and growth across the portfolio – while prioritising investment through our existing assets.



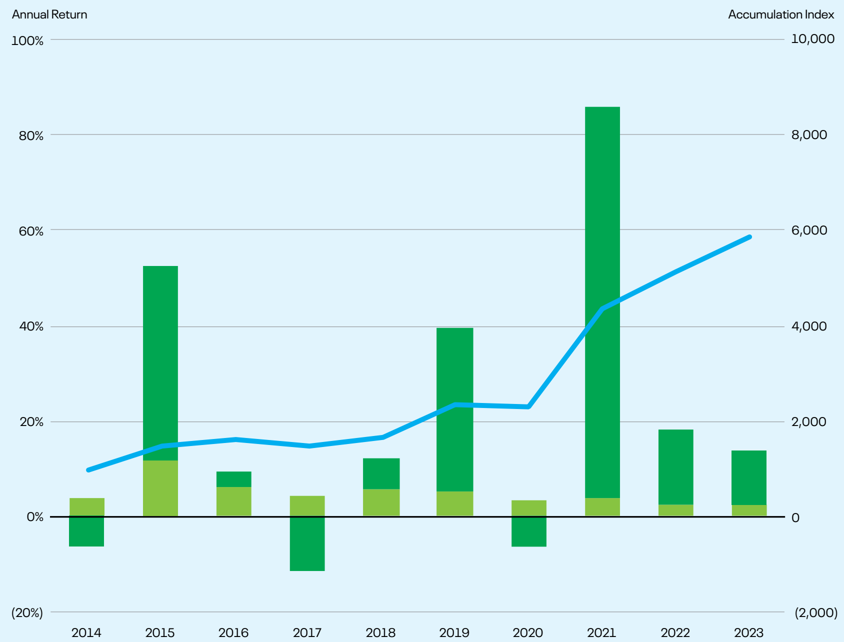
Financial Trends

These graphs were chosen to illustrate the key financial trends over the last decade.

Shareholder Returns

Between 1 April 2013 and 31 March 2023 Infratil provided its shareholders with an average after tax return of 19.4% per annum.

$1,000 invested at the start of the period would have compounded to $5,888 by 31 March 2023, assuming that all distributions were reinvested.



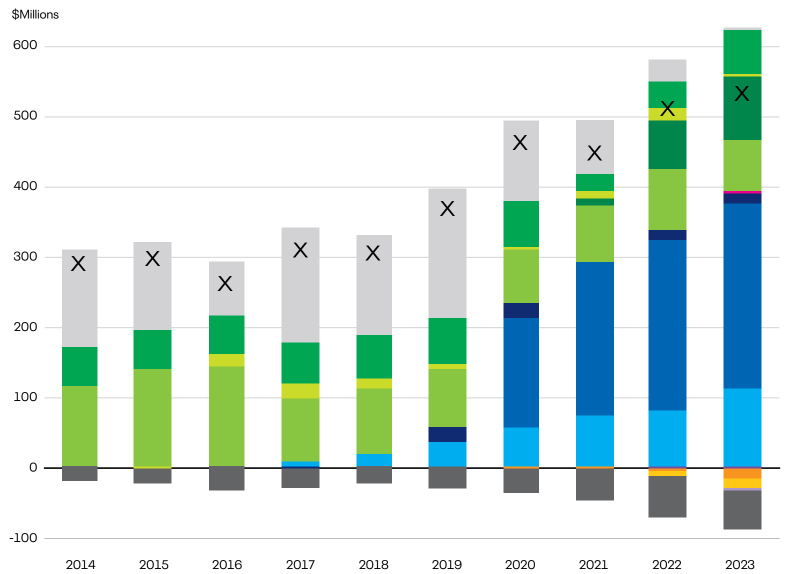
- Dividend Return
- Capital Return
- Accumulation Index

Proportionate EBITDAF

The calculation of Proportionate EBITDAF is outlined on page 7 of this report. It is intended to show Infratil's share of the operating earnings of the companies in which it invests.

Proportionate EBITDAF is a non-GAAP financial measure.

The figures include the contribution of assets held for sale.



CDC Data Centres	Gurin Energy
One NZ	Mint Renewables
Fortysouth	Diagnostic Imaging
Kao Data	RetireAustralia
Manawa Energy	Wellington Airport
Longroad Energy	Corporate
Galileo	Sold
X Total	

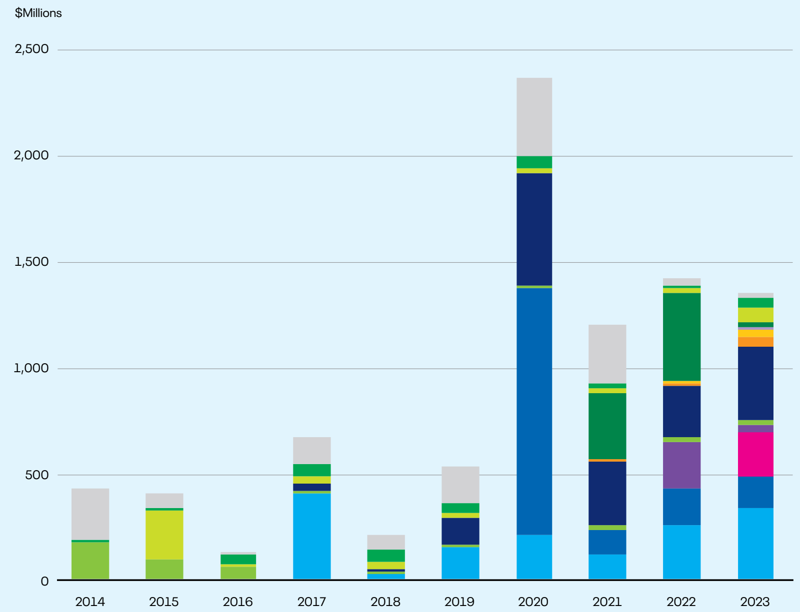
Proportionate Capital Investment

Over the decade Infratil has invested over $9.0 billion, with the majority undertaken by investee companies.

Investment has accelerated over the last 4 years, with over half of investment undertaken over the last decade during that period.

Funding for investments was provided by operating cash flows, debt and equity issuance, and the divestments of assets.

CDC Data Centres	Gurin Energy
One NZ	Mint Renewables
Fortysouth	Diagnostic Imaging
Kao Data	RetireAustralia
Manawa Energy	Wellington Airport
Longroad Energy	Corporate
Galileo	Sold



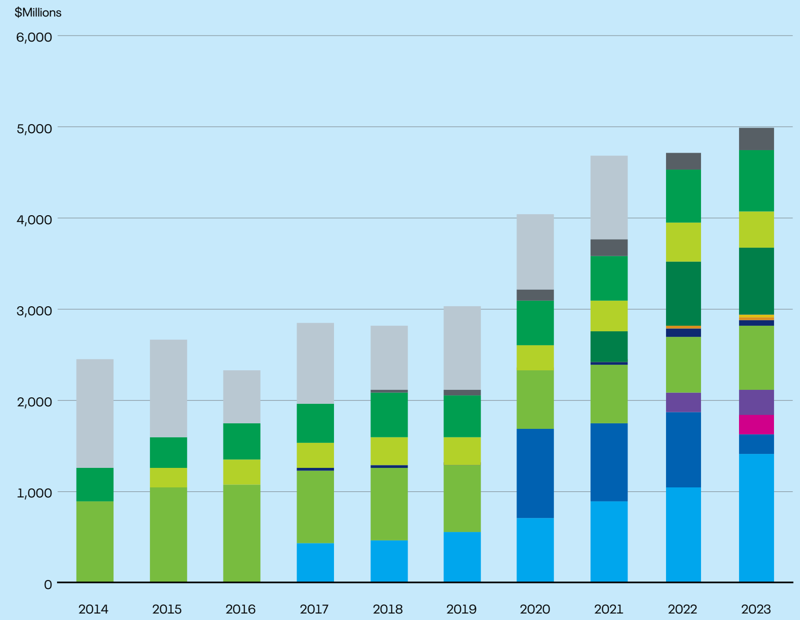
Infratil Assets

The graph shows the NZ IFRS values of Infratil's assets (book value).

As noted on page 31, the IFRS values are in some cases lower than the fair values as assessed with reference to listed markets (the NZX) or independent valuations.

This is highlighted by Infratil's investment in CDC Data Centres which currently has a book value of $1,403.4 million compared to an independent valuation of $3,660.3 million (mid-point).

CDC Data Centres	Gurin Energy
One NZ	Mint Renewables
Fortysouth	Diagnostic Imaging
Kao Data	RetireAustralia
Manawa Energy	Wellington Airport
Longroad Energy	Other
Galileo	Sold



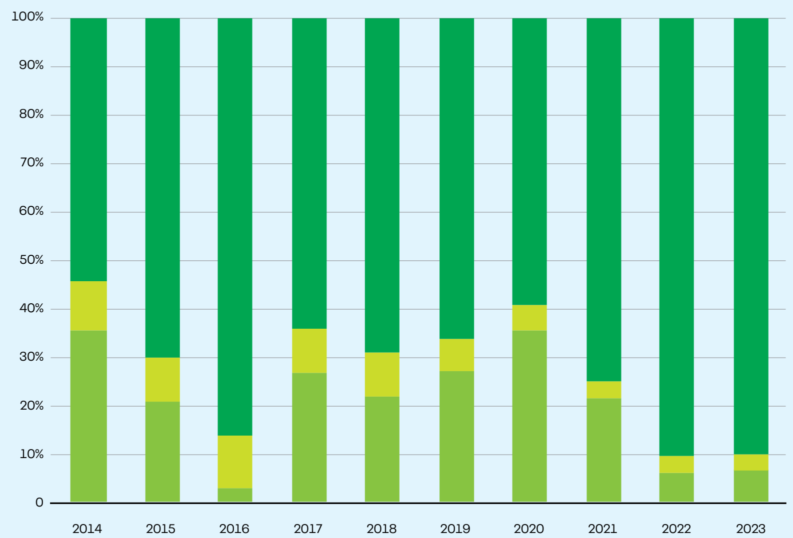
Infratil Funding

Changes to the relative funding of Infratil and its 100% subsidiaries occurs as businesses are sold and acquired, when Infratil receives funds from, or makes advances to its operating businesses, or if shares are repurchased or issued.

The use of debt is bound by Infratil's policy of maintaining credit metrics that are broadly consistent with an Investment Grade Credit Rating (Infratil is not credit rated) and with maintaining availability of funds for liquidity purposes.

As a general rule Infratil targets debt funding of 30% of assets, compared to 9.8% as at 31 March 2023.

- Net bank and dated bonds
- Perpetual bonds
- Equity (market value)



Financial Performance & Position

Proportionate EBITDAF

Proportionate EBITDAF is intended to show Infratil's share of the earnings of the companies in which it invests.

Proportionate EBITDAF is shown from continuing operations and includes corporate and management costs, however, excludes international portfolio incentive fees, acquisition or sale-related transaction costs and contributions from businesses sold, or held for sale.

A reconciliation of Proportionate EBITDAF to net surplus after tax is presented in Infratil's annual results presentation.

Year ended 31 March ($Millions)	Share	2023	2022
CDC Data Centres	48.1%	$113.7	$82.2
One NZ	50.0%	$263.6	$243.8
Fortysouth	20.0%	$4.4	-
Kao Data	39.9%	($3.0)	($1.5)
Manawa Energy	51.1%	$69.9	$83.9
Longroad Energy	37.1%	$16.4	$15.1
Galileo	40.0%	($11.8)	($5.4)
Gurīn Energy	95.0%	($15.6)	($6.0)
Mint Renewables	73.0%	($1.4)	-
RHCNZ Medical Imaging	50.1%	$54.4	$32.9
Qscan Group	55.2%	$33.8	$33.9
RetireAustralia	50.0%	$6.1	$16.9
Wellington Airport	66.0%	$59.1	$37.3
Corporate & Other		($58.1)	($58.2)
Proportionate EBITDAF		**$531.5**	**$474.9**
Tilt Renewables	65.2%	-	$7.9
Trustpower Retail business	51.1%	$1.8	$24.2
Total		**$533.3**	**$507.0**

Consolidated Results

This table shows a summary of Infratil's reported result for the period.

For the year ended 31 March 2023 the net parent surplus was $643.1 million, down from $1,169.3 million the prior year.

The main source of the difference was the $1,136.8 million gain on the sale of Tilt Renewables reported in the prior period, while the current period includes the gain on sale of the Trustpower Retail business of $328.8 million. Both of these amounts are included in discontinued operations.

Discontinued operations includes the gain on sale, as well as the operating results of one month of the Trustpower Retail business.

Revenue and expenses have increased year on year with a full period contribution from the three businesses that make up RHCNZ Medical Imaging.

Year ended 31 March ($Millions)	2023	2022
Operating revenue	$1,845.1	$1,297.4
Operating expenses	($871.8)	($779.0)
International Portfolio Incentive fees	($169.6)	($221.2)
Depreciation & amortisation	($107.6)	($91.4)
Net interest	($166.8)	($159.5)
Tax expense	($42.5)	($22.6)
Realisations and revaluations	$74.8	$82.2
Discontinued operations	$330.1	$1,125.8
Net surplus after tax	**$891.7**	**$1,231.7**
Minority earnings	($248.6)	($62.4)
Net parent surplus	**$643.1**	**$1,169.3**

Breakdown of Consolidated Results

Infratil consolidates a company when it controls it (owns more than 50%). This includes Manawa Energy, Gurīn Energy, Mint Renewables, RHCNZ Medical Imaging, Qscan Group and Wellington Airport. Associates (where Infratil has significant influence, but not control) such as CDC Data Centres, One NZ, Fortysouth, Kao Data, Longroad Energy, Galileo and RetireAustralia are not consolidated. For those investments, the EBITDAF column shows 100% of their EBITDAF and the "Revaluations & other adjustments" column includes the adjustment required to reconcile to Infratil's share of their net surplus after tax.

Year ended 31 March 2023 ($Millions)	Share	EBITDAF[1] 100%	D&A	Interest	Tax	Revaluations & other adjustments	Minorities	Infratil share of earnings
CDC Data Centres	48.1%	$236.4	-	-	-	$175.4	-	$411.8
One NZ	50.0%	$527.8	-	-	-	($323.8)	-	$204.0
Fortysouth	20.0%	$22.4	-	-	-	($27.2)	-	($4.8)
Kao Data	39.9%	($7.6)	-	-	-	$28.1	-	$20.5
Manawa Energy	51.1%	$136.7	($21.6)	($25.1)	($39.2)	$63.4	($58.1)	$56.1
Longroad Energy	37.1%	$63.6	-	-	-	($26.2)	-	$37.4
Galileo	40.0%	($29.5)	-	-	-	$18.1	-	($11.4)
Gurīn Energy	95.0%	($16.4)	($0.4)	($0.1)	-	$0.1	$0.9	($15.9)
Mint Renewables	73.0%	($2.0)	-	-	-	-	$0.5	($1.5)
RHCNZ Medical Imaging	50.1%	$108.6	($23.2)	($35.6)	($12.7)	$3.6	($20.4)	$20.3
Qscan Group	55.2%	$61.3	($33.6)	($22.5)	($1.7)	-	($1.5)	$2.0
RetireAustralia	50.0%	$12.2	-	-	-	($16.3)	-	($4.1)
Wellington Airport	66.0%	$89.6	($28.7)	($26.3)	($6.3)	($3.1)	($8.6)	$16.6
Corporate & other	-	($228.1)	($0.1)	($57.2)	$17.4	$11.4	-	($256.6)
Total (continuing)		**$975.0**	**($107.6)**	**($166.8)**	**($42.5)**	**($96.5)**	**($87.2)**	**$474.4**
Trustpower Retail business	51.1%	$3.5	($1.9)	$0.1	($0.4)	$328.8	($161.4)	$168.7
Total		**$978.5**	**($109.5)**	**($166.7)**	**($42.9)**	**$232.3**	**($248.6)**	**$643.1**

Year ended 31 March 2022 ($Millions)	Share	EBITDAF 100%	D&A	Interest	Tax	Revaluations & other adjustments	Minorities	Infratil share of earnings
CDC Data Centres	48.1%	$171.0	-	-	-	($12.9)	-	$158.1
One NZ	50.0%	$488.2	-	-	-	($477.9)	-	$10.3
Kao Data	39.9%	($3.7)	-	-	-	$1.5	-	($2.2)
Manawa Energy	51.0%	$164.4	($20.4)	($28.6)	($46.0)	$38.8	($60.0)	$48.2
Longroad Energy	40.0%	$50.1	-	-	-	($22.4)	-	$27.7
Galileo	40.0%	($13.6)	-	-	-	$9.1	-	($4.5)
Gurīn Energy	95.0%	($6.3)	($0.1)	($0.1)	-	-	$0.3	($6.2)
RHCNZ Medical Imaging	50.5%	$65.2	($9.8)	($17.2)	($10.6)	($15.6)	($6.5)	$5.5
Qscan Group	56.3%	$60.3	($30.6)	($17.4)	($3.9)	($1.3)	($3.1)	$4.0
RetireAustralia	50.0%	$33.8	-	-	-	$45.3	-	$79.1
Wellington Airport	66.0%	$56.5	($30.5)	($25.9)	($2.5)	$5.3	($1.0)	$1.9
Corporate & Other	-	($279.4)	-	($70.5)	$40.4	$23.4	-	($286.1)
Total (continuing)		**$786.5**	**($91.4)**	**($159.7)**	**($22.6)**	**($406.7)**	**($70.3)**	**$35.8**
Tilt Renewables	65.2%	$12.1	($19.5)	($6.3)	$3.8	$1,123.9	$7.8	$1,121.8
Trustpower Retail business	51.0%	$47.5	($27.0)	($1.2)	($4.6)	($3.0)	-	$11.7
Total		**$846.1**	**($137.9)**	**($167.2)**	**($23.4)**	**$714.2**	**($62.5)**	**$1,169.3**

1. EBITDAF is an unaudited non-GAAP measure and is defined on page 7.

Proportionate Capital Expenditure and Investment

This table shows Infratil's share of the investment spending of investee companies, and investments made by Infratil during the period.

In a year where Infratil acquires a new investment, this is included under investment. Thereafter, Infratil records its share of the investee company's capital expenditure.

To illustrate the calculation of Proportionate capital expenditure, Infratil owns 48.1% of CDC, CDC's capital expenditure for the period was A$648.1 million, and 48.1% of that is A$311.7 million (NZ$341.9 million).

Investment undertaken directly by Infratil for the year amounted to $324.2 million. This primarily reflects the investment into Fortysouth and continued investment in Clearvision, Galileo and Gurin.

Year ended 31 March ($Millions)	2023	2022
CDC Data Centres	$341.9	$259.9
One NZ	$151.8	$177.9
Kao Data	$36.0	-
Manawa Energy	$22.6	$23.6
Longroad Energy	$345.9	$240.2
RHCNZ Medical Imaging	$14.7	-
Qscan Group	$9.5	$13.8
RetireAustralia	$66.6	$26.1
Wellington Airport	$46.0	$11.7
Other	-	-
Capital Expenditure	**$1,035.0**	**$753.2**
Kao Data	-	$217.9
Fortysouth	$212.1	-
Gurin Energy	$41.2	$8.3
Galileo	$42.3	$13.9
Mint Renewables	$4.4	-
RHCNZ Medical Imaging	-	$408.8
Clearvision	$24.2	$4.6
Infratil Investments	**$324.2**	**$653.5**
Proportionate capital expenditure and investment	**$1,359.2**	**$1,406.7**

Infratil and Wholly Owned Subsidiaries Operating Cash Flows

This table shows the operating cashflows of Infratil and its 100% subsidiaries.

Cash inflows reflect the dividends, distributions, interest and capital returns received from investee companies.

Cash outflows reflect net interest payments and corporate operating expenses.

International Portfolio Incentive fees paid during the period include Tranche 1 of the FY2022 incentive fee ($33.2 million), Tranche 2 of the FY2021 incentive fee ($74.4 million), Tranche 3 of the FY2020 incentive fee ($41.7 million), and a realised incentive fee of $121.5 million relating to the sale of Tilt Renewables.

Year ended 31 March ($Millions)	2023	2022
CDC Data Centres	$37.1	$13.4
One NZ	$871.3	$37.1
Manawa Energy	$93.6	$56.7
Longroad Energy	$8.4	$53.9
RHCNZ Medical Imaging	$30.3	-
Qscan Group	$2.3	-
Tilt Renewables	-	$16.1
Clearvision	-	$1.7
Net interest	($48.0)	($61.2)
Corporate & other	($61.3)	($68.2)
Operating Cashflow	**$933.7**	**$49.5**
International Portfolio Incentive fees	($270.8)	($116.2)
Operating Cashflow (after incentive fees)	**$662.9**	**($66.7)**

Capital of Infratil and 100% subsidiaries

This table shows the mix of debt and equity funding at the Infratil Corporate level.

During the year Infratil refinanced $93.7 million of maturing IFT190 bonds through the issuance of $115.9 million IFT320 bonds (maturing in June 2030), a net increase of $22.2 million bonds on issue. Additionally, given Infratil's strong liquidity position post the receipt of the net proceeds from the One New Zealand towers transaction, $100 million of IFT240s were repaid in December.

As of 31 March 2023 Infratil's bank debt remains undrawn.

The increase in market value of equity reflects Infratil's share price increasing from $8.25 to $9.20 over the year.

Year ended 31 March ($Millions)	2023	2022
Net bank debt/(cash)	($593.2)	($773.0)
Infratil Infrastructure bonds	$1,085.9	$1,163.7
Infratil Perpetual bonds	$231.9	$231.9
Market value of equity	$6,660.6	$5,972.9
Total Capital	**$7,385.2**	**$6,595.5**
Dated debt/total capital	6.7%	5.9%
Total debt/total capital	9.8%	9.4%

Book Value of Infratil's Assets

This table shows the book value of Infratil's assets.

These are prepared in accordance with NZ IFRS, and are the amounts reflected in Infratil's consolidated financial statements.

This generally reflects Infratil's share of the net assets of its investee companies, and includes any goodwill at the consolidated level.

A separate adjustment has been made to the Wellington Airport book value which also excludes deferred tax.

Other includes Infratil Infrastructure Property and Clearvision Ventures, and excludes cash balances and other working capital balances at the Corporate level.

Year ended 31 March ($Millions)	2023	2022
CDC Data Centres	$1,403.4	$1,026.2
One NZ	$171.7	$838.2
Kao Data	$255.7	$203.4
Fortysouth	$207.7	-
Manawa Energy	$710.5	$607.2
Longroad Energy	$315.8	$90.5
Galileo	$53.3	$19.7
Gurin Energy	$7.9	$2.0
Mint Renewables	$3.1	-
RHCNZ Medical Imaging	$418.3	$417.1
Qscan Group	$303.7	$305.1
RetireAustralia	$410.9	$417.3
Wellington Airport	$667.4	$580.0
Parent & other	$240.4	$195.7
Total	**$5,169.8**	**$4,702.4**

Fair Value of Infratil's Assets

This table shows the fair value of Infratil's assets.

The fair value of Infratil's investments in CDC Data Centres, One NZ, Longroad Energy, Galileo, Qscan Group, RetireAustralia and RHCNZ Medical Imaging reflect independent valuations prepared for Infratil.

The fair value of Manawa Energy is shown based on the market price per the NZX.

Infratil does not commission independent valuations for its other assets and these are presented at book value.

Year ended 31 March ($Millions)	2023	2022
CDC Data Centres	$3,660.3	$3,117.3
One NZ	$1,222.8	$1,670.0
Fortysouth	$207.7	-
Kao Data	$255.7	$203.4
Manawa Energy	$795.2	$1,126.2
Longroad Energy	$1,185.8	$227.4
Galileo	$71.2	$26.1
Gurin Energy	$7.9	$2.0
Mint Renewables	$3.1	-
RHCNZ Medical Imaging	$511.6	$417.1
Qscan Group	$370.6	$305.1
RetireAustralia	$431.8	$408.9
Wellington Airport	$667.4	$580.0
Parent & other	$240.4	$195.7
	$9,631.5	**$8,279.2**
Per share	$13.31	$11.44

Bondholders

Infratil Issuance activity and market summary

Infratil is committed to the New Zealand domestic bond market and is one of the largest and longest standing issuers. Since our debut issue in 1999, our infrastructure bond programme has been a critical component of the Group's long term capital structure and is seen as fundamental to our portfolio growth over that time.

In June 2022, Infratil successfully refinanced $93.7 million of maturing IFT190s through the issuance of $115.9 million IFT320s which attracted strong demand. The interest rate on these bonds for the first four years until the Rate Reset Date (15 June 2026) is 5.93% per annum (based on the 4-year swap rate of 3.93% per annum at the time of issuance plus a credit margin of 2.00% per annum). The coupon for the second four years will be set on 15 June 2026 based on the 4-year swap rate on that date, plus a 2.00% per annum credit margin.

In December 2022, Infratil elected to fully repay $100 million of maturing IFT240 bonds given its strong liquidity position, with $823.5 million of cash reserves post receipt of the net proceeds from the Vodafone Tower sale and $897.8 million of undrawn bank debt available at the time. In the current year Infratil has a single maturity, $122.1 million of IFT210s in September 2023. A decision regarding any rollover or re-issue of these bonds will be made closer to the time.

Despite an increase in financial market volatility, the New Zealand bond market has performed well with a continuation of strong corporate issuance. The sharp rise in wholesale interest rates, with the 5-year swap rate increasing from 2.55% to 4.86% from January to December 2022, meant new bonds offered attractive coupons to investors. This underpinned retail demand whilst also enabling cost effective funding in terms of credit spreads for corporate borrowers. The combination of strong retail demand coupled with stable and attractive credit spreads encouraged a steady flow of corporate bonds to the market in 2022, resulting in a significant uplift in issuance relative to 2021. This meant that, once again, the New Zealand market compared favourably to offshore markets which saw much more challenging conditions for issuance as economic and geopolitical concerns weighed on appetite from investors in those more institutional dominant markets.

The first months of 2023 have seen strong issuance activity despite the volatility observed in March due to the collapse of Silicon Valley Bank and takeover of Credit Suisse by UBS which sparked concerns of wider banking sector liquidity issues. The performance of the New Zealand debt capital markets over the last 12-18 months highlights the value of a resilient, well-functioning debt capital market. Having reliable access to the domestic bond market allows borrowers to diversify their funding sources and extend funding tenors, de-risking their funding profiles. Infratil looks forward to continuing to provide a regular supply of bonds in the coming years.

IFTHA and IFTHC update

Wholesale interest rates rose sharply in 2022, as the Reserve Bank of New Zealand grappled with the rapid and persistent rise in inflation pressures across the economy.

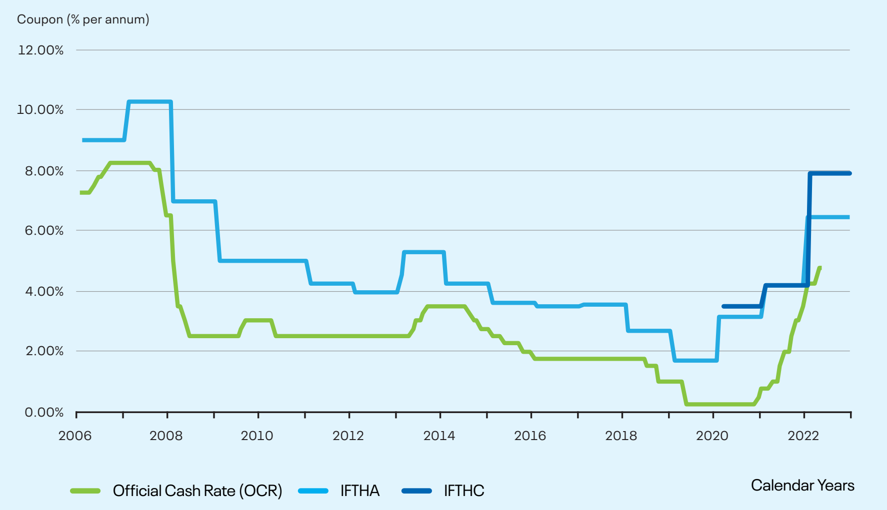
After a lengthy period of historically low interest rates (particularly in 2020/21), the change in inflationary conditions resulted in a significant uplift in the cash yield on two of Infratil's resetting bonds. The IFTHA perpetual bonds and the IFTHC bonds maturing in December 2029 both reset annually based on the 1-year swap rate at the time plus a credit margin of 1.50% per annum and 2.50% per annum respectively.

The below chart illustrates the coupons on each bond from inception against the RBNZ Official Cash Rate.

Funding Maturity Profile

Infratil proactively manages its mix of bank and bond debt and refinancing risk across both funding sources. One of the key objectives of our funding strategy is to achieve an even spread of debt maturities to minimise refinancing pressure in any one year. Our bank debt provides flexible and attractively priced debt funding typically across 1–5 year maturities, while the bond programme provides access to longer dated debt from 5–8 years (and up to 10 years in certain market conditions). This means Infratil has both diversity of funding with different characteristics, as well as a greater spread of debt maturities across longer tenors.

Infratil Annual Reset Bonds



Foreign Currency Exposure

Infratil's investment portfolio continues to grow and evolve and as a higher proportion of offshore assets are added to the portfolio, the Group's exposure to foreign exchange ('FX') risk increases. This risk principally shows up in two ways; on Infratil's cashflows denominated in foreign currencies (FX transaction risk) and on the net value of Infratil's offshore investments when translated to NZD terms (FX translation risk).

Infratil's FX transaction risks relate to investment flows to and from existing offshore assets (i.e., capital investments and distributions), and cashflows associated with any potential acquisition or divestment of a foreign investment.

The core objective in relation to management of FX transaction risk is to provide sufficient cashflow certainty in the most efficient way possible. This involves hedging once foreign cashflows are sufficiently certain and seeking to net exposures wherever practicable.

Infratil's FX translation risk relates to the Group's exposures to FX rate movements on assets and liabilities denominated in foreign currencies, creating unrealised FX gains or losses which impact Infratil's net asset position in New Zealand dollar terms. While these positions do not have an immediate cash impact, due to the value of the underlying assets, they present the most material currency exposure for Infratil.

At present Infratil does not hedge its FX translation risk, however Infratil seeks to manage its overall currency exposure as the portfolio composition evolves. The utilisation of foreign currency denominated debt facilities is a tool that Infratil may use in future to efficiently manage the Group's overall currency exposure. For example, Infratil has the ability to borrow up to circa A$283 million under its existing bank facilities which is a mechanism we could use to partially offset any Australian asset positions.

Translation Impact

Infratil's most material currency exposure is NZD/AUD due to its investments in CDC, RetireAustralia, Qscan Group and Mint Renewables. A significant increase in exposure to NZD/USD occurred in FY23 as Infratil's holding in Longroad Energy saw a significant uplift in value, attributable in part to the successful minority capital raise completed in October 2022. Infratil's stake is now valued at $1.185 billion, significantly higher than the independent valuation received on 31 March 2022 of NZ$227.4 million.

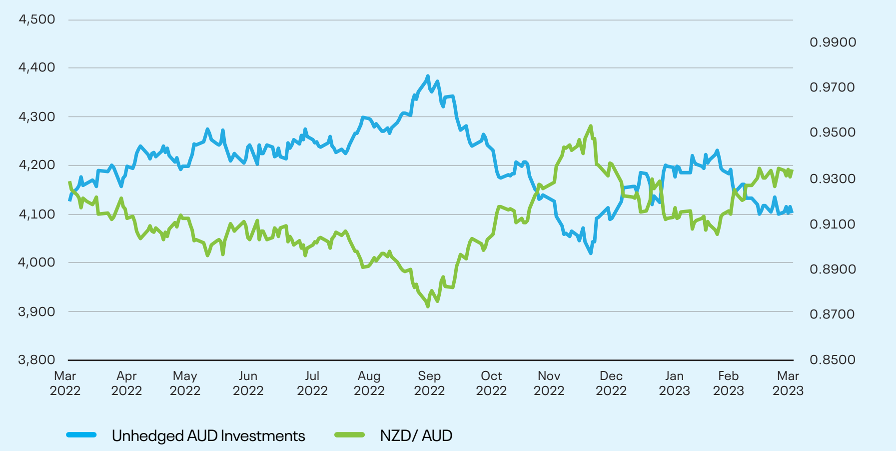
From a gross asset perspective, the Longroad transaction has contributed to an increase in Infratil's USD exposure to 13.8% (from 3.9%), while AUD and NZD exposure are 46.9% and 35.9% respectively (from 46.7% and 46.6%).

As at 31 March 2022, the carrying value of Infratil's Australian investments was A$3.83 billion, or NZ$4.13 billion when translated at the FY2022 year-end rate of 0.9287. All else being equal, when this exchange rate falls, the NZD value of our investment rises and vice versa. Holding the opening investment value constant (i.e., not taking into account any movements in the underlying assets) through the course of the year the NZD value of these investments fluctuated between NZ$4.02 billion (down NZ$106.0 million; 2.6%) and $4.38 billion (up NZ$259.4 million; 6.3%) with the total opening investment position ending the year down NZ$23.4 million, a 0.57% unrealised loss over the 12 months.

Infratil anticipates, either through internal or external investment opportunities, that currency exposures will increase as we continue to expand the portfolio outside of New Zealand. Infratil will retain the flexibility to utilise debt in foreign currency to provide a natural offset to these exposures.

Infratil is a high conviction investor. Our current approach is to not hedge the currency risk associated with the translation of our offshore assets to NZD. Should Infratil materially change this position, we will ensure the market is appropriately informed to ensure investors can assess and adjust their portfolios accordingly. We believe the best approach is for investors to be aware of the global exposures inherent within the portfolio, particularly to the Australian dollar. Each investor can then make a choice to accept or manage this exposure in the context of their own individual portfolio composition, risk appetite and objectives. It is worthwhile noting that a significant and growing proportion of Infratil shareholders are international investors and may therefore have a different perspective to foreign exchange exposures relative to a New Zealand based investor.

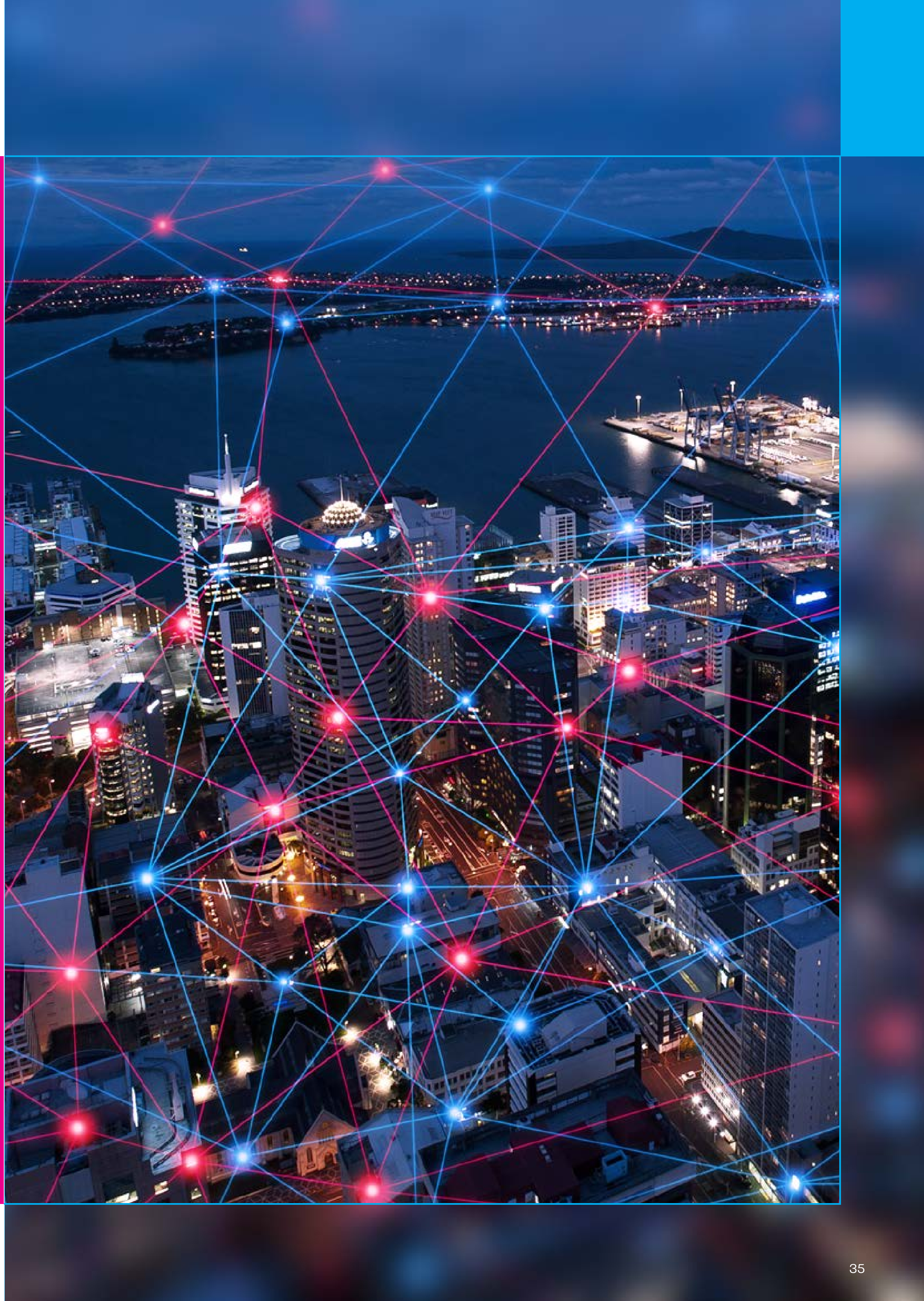
NZD Movement in unhedged AUD Investments



The power of connecting to the future

The rise of digital technology has revolutionised the way we connect with each other and access information around the world. The power of global connectivity, the internet, and other digital platforms has opened up opportunities for communication, collaboration, and innovation - allowing people to connect across borders and cultures, while enabling new technologies and applications to flourish.

High-performing, reliable global networks are essential to today's globalised, digital economy. As global network traffic continues to multiply, it is increasingly important to develop a diverse, high-capacity global network of infrastructure that will accommodate future societal needs.



Digital
Platform

Over the past decade Digital Infrastructure has matured into a standalone investment asset class. With its increasing importance has come an acceleration of investment and technological advancement.

Digital assets now comprise over 50% of Infratil's assets. When Infratil first invested in CDC Data Centres in 2016, digital assets were less than 15% of the portfolio and many investors questioned the infrastructure characteristics of data centres.

Digital infrastructure assets, in particular data centres, mobile towers, fibre optic networks and subsea cables have all now emerged as distinct infrastructure asset classes as investors seek opportunities in the physical assets that underpin the technologies that societies and enterprises rely on.

Infratil shareholders have benefitted from the early recognition of the increasing importance of these assets and the essential services they deliver.

The growth in digital can be seen in all parts of our lives, however at what point is this yesterday's news? We are still early in the digital age as significant new data-hungry applications and technologies continue to emerge.

The most recent Ericsson Mobility Report forecast that by the end of 2022, 5G subscriptions were expected to reach one billion, and by 2028 will pass five billion. Total global mobile data traffic – excluding traffic generated by Fixed Wireless Access – was expected to reach around 90 exabytes (a billion gigabytes) per month by the end of 2022 and is projected to grow by a factor of nearly 4 to reach 325EB per month in 2028.

The past year will be remembered for when artificial intelligence, or AI, took hold and captured the world's attention. For the first time we are seeing people contemplating amazing use cases for AI that are a reality, not just science fiction.

ChatGPT is just one of many industry use cases which will include a new series of applications that will reshape society. The market for AI alone is expected to grow twentyfold from nearly US$100 billion in 2021, to nearly US$2 trillion in 2030.

Forms of AI, whether it be ChatGPT or autonomous vehicles, rely on the rapid analysis of huge datasets of information, creating multitudes of new data and a need for new digital infrastructure as a result.

Beyond AI we are now also seeing robotics and automation having a greater impact on society and the way we work – sensors and actuators at the edge of digital networks are increasingly used for commercialised applications such as monitoring and control of industrial settings.

Amazon has been one of the most high-profile global companies to embrace robotics and automation. The e-commerce group handled approximately five billion packages in 2021 — about 13 million a day — with 75% of them being handled by its robots in at least one part of the delivery process.

Over the horizon, Quantum computing is likely to be the next major technological advancement. Quantum computing harnesses the laws of quantum mechanics to solve problems too complex for classical computers. Like other historical technological breakthroughs, quantum computers have the potential to fundamentally change how we work and live.

As the world continues to recover from the covid pandemic, the effects of another ongoing global challenge – the antibiotic resistance crisis – have become an increasing focus. The antibiotics crisis is a particularly urgent example of a global challenge in need of a true paradigm shift in the way we discover materials. The rapid progress in quantum computing and quantum machine-learning techniques is now creating realistic prospects of identifying new antibiotics that are structurally distinct from those currently available.

Bringing these ideas back to Infratil – all of these opportunities will require digital architecture and business models that continue to evolve. The required infrastructure needs will not just be bigger, but will require more bandwidth, they will need to be more scalable, more flexible. Latency concerns will require addressing as computing needs move closer to the edge.

Perhaps Infratil's biggest advantage will be the increased focus on security and sovereignty – already differentiators in Infratil's existing digital assets. How people choose the assets they operate on, and how they choose the capital behind those assets is increasingly coming into focus. The stability of the networks that underpin these systems and their power sources - data centres alone are estimated to be responsible for up to 3% of global electricity consumption today and are projected to touch 4% by 2030 - find themselves the focus of state and global interests.

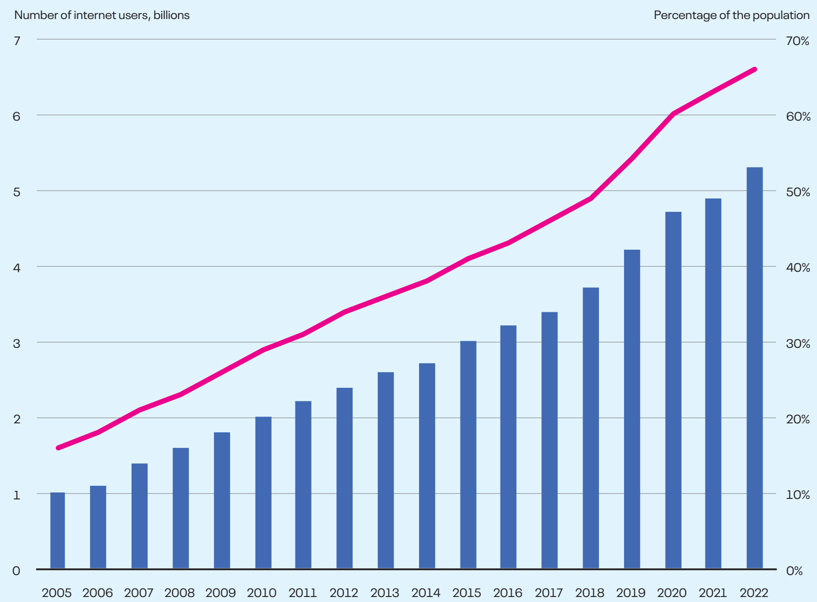
As global geopolitical tensions ratchet up all of these factors highlight Infratil's privileged position as a trusted long-term source of capital, at scale.

When we think about the assets that Infratil invests in, our focus has always been on securing privileged positions where we can roll out the next generation of technology, protected from the potential of disruption via the delivery of essential services from scaled positions. All of our current investments contain these embedded organic growth opportunities that will allow Infratil to continue to deploy capital from a trusted position.

The world is becoming more connected

As of 2022, there are 5.3 billion internet users, representing 66% of the global population, this leaves 2.7 billion people currently unconnected.

The mobile phone is the most common gateway to the internet (in most developing countries mobile phones are the main way of connecting to the internet).



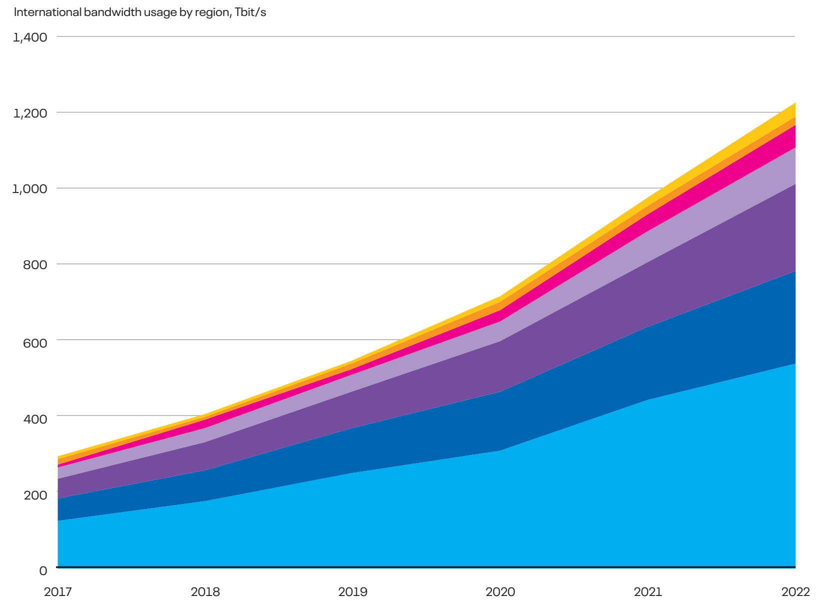
Source: ITU Measuring digital developments: facts and figures 2022.

International bandwidth usage

One Terabit per second is the equivalent of 125GB per second of data transfer.

Over the past five years the total average growth rate of global bandwidth usages has been 33% per year, on a per user basis this is an increase of 22% in bandwidth use per user per year over the past five years.

Around 99% of global data traffic passes through undersea cables, with the bandwidth limitations of satellite based connections, undersea cables remain critical to global connectivity.



Source: ITU Measuring digital developments: facts and figures 2022.

CDC Data Centres

Infratil 48.1 %
Commonwealth Superannuation Corporation 24.05%
Future Fund 24.05%
Management 3.8%

Silverdale data centre, Auckland

When thinking about digital infrastructure and the backbone it provides for the technologies we often take for granted, data centres are where that technology 'hits the ground'. These cutting-edge facilities are the beating heart of a digital world, enabling the processing speed and connectivity that underpin how these technologies serve our day-to-day lives.

The 2023 financial year saw CDC Data Centres cement itself as Australia and New Zealand's leading data centre operator, able to meet the rapidly expanding needs of a variety of business and government customers, while continuing to position itself for future growth.

Performance highlights include a significant expansion of capacity to meet new and existing customer demand, substantial capital deployment to bring new data centre capacity online, on-time and on-budget, despite global development constraints and cost pressures - and a continuation of strong financial growth, this year delivering 33% EBITDAF growth.

CDC continues to grow its data centre campuses in Auckland, Sydney and Canberra and is also well underway with development of its Melbourne site. As the Melbourne construction works ramp-up, the site accommodates a 300-strong workforce with a target delivery of the first 30MW of operating capacity in FY2024.

CDC has successfully delivered an additional 104MW of capacity and continued to onboard new customers across its campuses.

The Eastern Creek campus is worth highlighting. Home to four world-leading data centres, it has cost A$1.5 billion to date. As CDC's largest data centre campus so far, it offers a total of 123MW operating capacity, with approved plans for two more data centres on campus. To put that into context, over twenty Sydney Opera Houses would fit inside the campus boundaries. The campus is underpinned by long-term customer commitments.

The new Auckland campuses in Silverdale and Hobsonville are the largest and most secure data centres of their type in New Zealand. Built to exceed the requirements of national critical infrastructure providers and other organisations, and proven through the recent extreme weather events, they have secured significant customer commitments in the New Zealand market.

CDC also has a significant portfolio of undeveloped land which includes all the geographies in which it currently operates, and they own the land required to develop in excess of 786MW of capacity.

CDC's combination of high credit quality clients, substantial long-term contracts and high quality, highly secure data centres is a globally attractive proposition to lenders. To support CDC's continuing growth, the Company undertook a capital structure review during 2022 to determine the best way to fund its planned growth. As a result of this review, CDC diversified its capital structure into the USPP and Japanese loan markets and extended the size and tenor of its bank facilities.

Across all of its campuses, CDC is continuing to successfully grow and diversify its customer base, including government and hyperscale, as well as National Critical Infrastructure and enterprise customers. Since it was founded in 2007, a core to the CDC success has been a clear, well-executed strategy, best-in-class data security, modular optionality, 100% guaranteed availability and a highly interconnected data centre ecosystem.

Security is one of CDC's key differentiators. Starting in Canberra serving Government customers with stringent and highly sensitive security requirements meant that CDC invested in implementing best-in-class security standards from day one. As the world has shifted towards higher security expectations, CDC has diligently maintained its lead as the market demand shifted towards its higher security offerings.

CDC is committed to growing and operating sustainably, reflected in its approach to people, planet and operations. CDC is working on a science-aligned emissions reduction target. It received Toitu enviromark gold certification this year, recognising CDC has a plan to achieve its environmental goals and the basis of a robust Environmental Management System. The New Zealand data centres were powered by 100% carboNZero certified renewable electricity from day one. This year the CDC Academy, a dedicated learning programme for employees, was established. On the trust side, CDC guarantees 100% availability and continues to set the bar for the highest security, sovereignty and resilience certifications possible.

Demand for capacity in sustainable, world-class data centres continues to grow. Digital adoption is accelerating, driven by the relentless shift to cloud and emerging technology developments. New technologies such as AI are driving different data centre requirements, including on architecture, cooling designs and rack densities, which pose significant challenges to traditional data centres. Global supply chain disruptions, the threat of cyber-terrorism and geopolitical tensions have lifted the criticality of resilience, security and data sovereignty. CDC is well placed to respond to all these trends to its advantage.

As a result, in FY2024 CDC will continue to focus on growth, starting with the pipeline of 42MW under construction in Silverdale, Hobsonville and Melbourne, while planning is well advanced for its next Sydney build.

The future for CDC is exciting. When thinking of the limitless potential of new technologies and the data that these will generate, the need for more storage and the increasing importance of digital connectedness, the role of data centres is critical.

Infratil's investment in CDC is now valued between A$3.13 billion to A$3.73 billion, up from A$2.78 billion to A$2.91 billion 12 months earlier. This valuation increase reflects the benefit of CDC's refinancing and expansion of its debt facilities, the inclusion of two additional developments, and changes to the blended discount rate used for the valuation. These were partially offset by updates to macro-economic assumptions, principally an increase in the outlook for the Bank Bill Swap Rate. The independent valuation assumes 585MW of total built capacity, 268MW is in operation at 31 March 2023, 42MW is under construction and 275MW is classified as future builds. The blended cost of equity used in the valuation has decreased from 9.75% to 9.60%

Year ended 31 March	2023	2022
Data centre capacity (built)	268MW	164MW
Capacity under construction	42MW	104MW
Development pipeline	476MW	436MW
Weighted average lease term with options	24.0 years	21.6 years
Rack utilisation	66.0%	75.3%
Target PUE	1.20	1.20
Revenue [1]	A$297.3m	A$226.1m
EBITDAF [2]	**A$215.5m**	**A$161.2m**
Net profit after tax	A$762.7m	A$286.6m
Capital expenditure	A$648.1m	A$509.5m
Net debt [3]	A$2,098.1m	A$1,518.9m
Infratil cash income	NZ$37.1m	NZ$13.4m
Fair value of Infratil's investment [4]	NZ$3,660.3m	NZ$3,117.3m

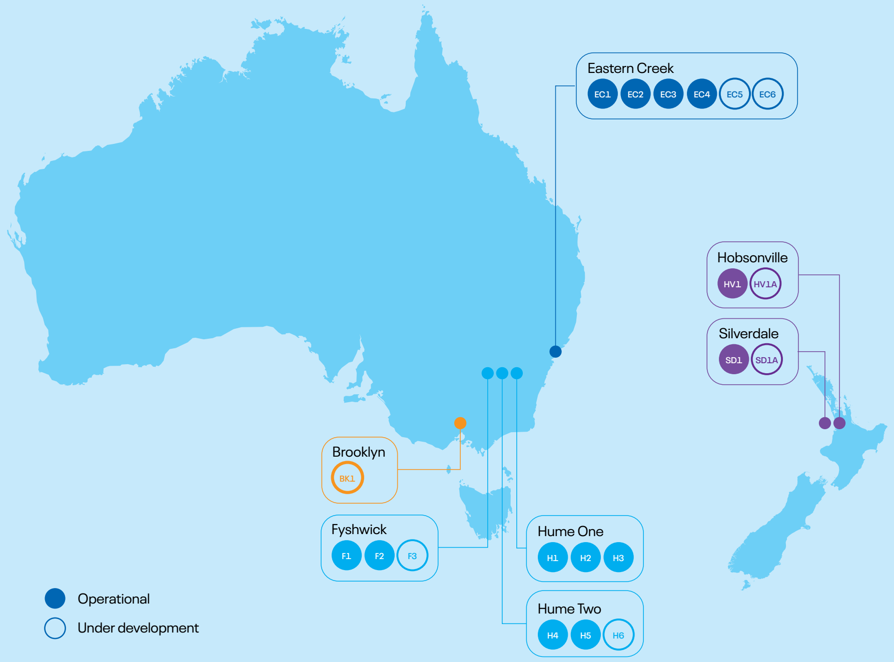
1 Revenue excludes the on charge of electricity.
2 CDC EBITDAF excludes RMS expense and significant one-off transaction expenses.
3 Accrued RMS payments to management shareholders are included in net debt.
4 Based on an independent valuation as at 31 March 2023.

CDC Data Centres

CDC locations: Current and under development

CDC's unique, highly interconnected and shareable ecosystem offers government, hyperscale and commercial clients opportunities to connect and collaborate securely, according to their strategic needs.

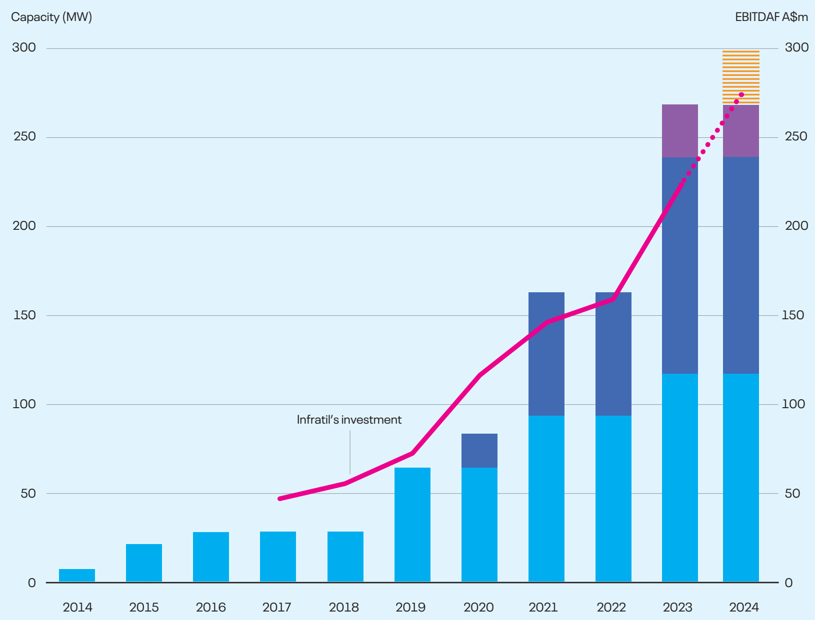
The combination of high credit quality clients and large contracts with long Weighted Average Lease Expiries is unique globally in the data centre industry.



Facilities & Capacity

When Infratil acquired its stake in CDC Data Centres in 2016 it had 28MW of available capacity spread across 2 campuses in Canberra.

At 31 March 2023 the business has grown to 268MW of operating capacity spread across 13 data centres and 4 campuses, including Sydney and Auckland. Over that time EBITDA has grown from A$47.5 million per annum to over A$215 million per annum.



Canberra capacity
Sydney capacity
Auckland capacity
Melbourne capacity
EBITDAF

Kao Data

Infratil 40%
Legal & General Capital 30%
Goldacre 30%

Construction of KLON-02 underway next to KLON-01 in Harlow

Demand for data centre capacity in the UK - and the Greater London and Slough region especially, continues to show strong momentum.

A variety of factors including continued hyperscale and enterprise growth, post-pandemic continuation of online services, and the evolution of the UK's world-leading artificial intelligence community are all key drivers. Despite constraints in land and power availability west of London, expected incremental MW-supply is forecast to mirror demand.

Momentum at Kao Data's Harlow campus is building as construction of the second facility (KLON-02) progresses to plan. Work commenced in March 2022 and operations are expected to start in September 2023. The additional 8.8MW (which can stretch to 10MW) facility will pick up on many of the design-improvements from KLON-01 and will continue to offer best-in-class sustainability credentials. Expansion of the Harlow campus is not only a strategic milestone in Kao Data's evolution, but also contributes to the development of London's eastern perimeter as a growing data centre hub.

Kao Data's Slough facility in West London is the ideal complement to the Harlow campus. This 20MW facility, all of which is booked under long-term contracts, is ideally positioned within the world's second largest data centre hub, and the highly sought-after West London Availability Zone. As one of the few larger colocation opportunities remaining in the Slough area, interest in this capacity is high and a long-term contract for the remaining capacity has recently been signed.

In March 2023, Kao Data's Harlow Campus hosted the UK's 'Quantum Data Centre of the Future' project led by ORCA Computing. Kao Data was chosen as the venue for the Quantum Data Centre of the Future demonstration, with its KLON-01 data centre already hosting some of the UK's most advanced, high performance computing infrastructure systems including NVIDIA's Cambridge-1 supercomputer. ORCA's PT-1 is the first quantum machine to run at room temperature, making it a trailblazer in terms of usability. It requires infrastructure that is not yet widely available. Kao Data is one of few data centre operators in the UK able to cater specifically for these types of deployments, and thereby enable quantum-ready forms of AI and machine learning.

Kao Data not only looks after some of the most demanding and critical use cases in the UK, but it is doing so with a market-leading sustainable approach. This year Kao Data has collaborated with its energy provider to ensure all the renewable energy it uses is now associated with a known source - Little Cheyne Court wind farm in Kent. Every electron Kao Data consumes is matched by an equivalent capacity generated by this specific wind farm. This removes uncertainty around the exact energy source and ensures its power is matched by genuine, renewable energy sources in the UK.

Looking ahead, despite the challenging macro environment, Kao Data has recently closed a number of contracts at Harlow and is in advanced stages of securing additional opportunities with a number of high profile existing and new clients. The focus for FY2024 will be on securing and onboarding these customers, while planning the next developments across Kao Data's portfolio.

This includes a third data centre facility at the Harlow campus (KLON-03), as well the first stage of Kao Data's tier 2 data centre market strategy to develop new sites within the UK. The first of these will be Manchester and plans are afoot for a 36MW facility on the outskirts of the city.

One NZ

Infratil 49.9%
Brookfield Asset Management 49.9%
Management 0.2%

2023 was a year of change as Vodafone rebranded to One New Zealand, a culmination of its second phase of transformation involving network expansion, improved customer experience, continued IT evolution and sale of passive mobile tower assets. Against this backdrop One New Zealand delivered a strong annual result with EBITDAF of $527.8 million exceeding guidance.

One New Zealand is made up of more than two million mobile connections. It maintains a network of 56 consumer retail stores, in addition to providing mobile fixed and ICT services to over 110,000 corporate, government and small to medium businesses. It consists of 2,500 team members, with capability and culture scores now in the top quartile internationally, and an experienced and highly competent management team.

Monthly mobile data consumption continued to grow, increasing by 22% in FY2023 as New Zealand got back to work, play and travel following the covid pandemic and related lockdowns. To meet demand, One New Zealand invested over $300 million during the year, including building and upgrading 294 4G and 5G sites across the country. One New Zealand has committed to rolling out 4G or 5G to everywhere currently served by 3G by August 2024, and will then begin switching off its legacy 3G network.

In mobile, trading continues to improve with One New Zealand leading the market in total post-paid mobile connection growth for the past eight quarters. Roaming has returned to 80% of pre-covid levels by 31 March 2023, and One New Zealand continues to build its stable revenues by growing its mobile average revenue per user ('ARPU') to $28.00 per month.

Whilst Consumer SME fixed ARPU was stable at $71.00, revenue has declined due to an intensely competitive market with over 100 participants and aggressive discounting. This, coupled with the annually increasing wholesale input price, puts pressure on both revenue and margins.

In Enterprise, service revenue continues to grow in line with the market as One New Zealand completes product development and builds capability into its key segments adjacent to connectivity. This performance is supported by a partner of excellence strategy, offering products and services from DEFEND, Palo Alto Networks, Microsoft, and others.

Operating expenditure increases were largely due to the in-housing of 52 One New Zealand retail stores and investment in the rebrand. Otherwise the underlying cost base remained stable and a continued focus on cost control absorbed inflationary pressures.

2023 saw continued simplification of the business, including the sale of One New Zealand's passive mobile tower assets for $1.7 billion to InfraRed Capital Partners and Northleaf Capital Partners, with Infratil also reinvesting in a 20% stake. This sale released significant capital to shareholders and allows for further increases in the coverage, capacity and the speed of One New Zealand's mobile network.

Following the towers sale, One New Zealand remains one of the country's largest fixed infrastructure owners with ownership of active mobile network infrastructure (core, backhaul power, radio network, spectrum) across more than 1,600 sites, as well as significant fibre and cable infrastructure.

One New Zealand's IT simplification programme is ongoing to deliver a leaner and more efficient business, while driving further cost savings and customer service gains. Focus areas continue to be product rationalisation, creating digital first customer journeys and the use of artificial intelligence and automation to improve productivity.

One New Zealand continues to invest in enhancing customer service including the complete onshoring of business customer services, increased onshoring of consumer customer services, completing the buyback of its retail stores, continued focus on staff training and reduced call handling times. Customer satisfaction metrics continue to improve, with work ongoing to further enhance the customer experience.

A key rationale for the Company's rebrand was to invest more in New Zealand, which is demonstrated by a collaboration with SpaceX to provide mobile coverage to 100% of New Zealand from late 2024. Current mobile networks cover 98% of New Zealand's population, however due to the length and geography of the country, almost 50% of the landmass still has no coverage. One New Zealand's mobile network will work in conjunction with SpaceX's constellation of Starlink satellites in low Earth orbit to deliver mobile coverage to One New Zealand customers across the entire country where they have a line of sight to the sky, and out to its territorial limit.

In early 2023 New Zealand was battered by two extreme events, firstly massive rainfall and flooding in Auckland, followed by Cyclone Gabrielle, causing widespread damage. Both events highlighted the criticality of the essential services that One New Zealand provides. While One New Zealand's network equipment escaped widespread damage in either event, subsequent power outages rendered many cell sites inoperable, and slips destroyed bridges and roads, cutting vital fibre links that carry data.

The new service will transform how people connect with each other, deliver increased access to emergency services and increased network resilience, including to the physical impacts of climate change. It will revolutionise how both private and public sector entities operate and transform operations in sectors such as agriculture, horticulture, fisheries, tourism, forestry, transport and logistics.

Year ended 31 March	2023	2022
Consumer & SME - Mobile	$622.7m	$560.8m
Enterprise - Mobile	$108.0m	$102.2m
Consumer & SME - Fixed & ICT	$345.1m	$384.0m
Enterprise - Fixed & ICT	$251.4m	$223.9m
Wholesale & other	$206.0m	$196.6m
Procurement & one-off revenue	$450.6m	$500.2m
Total revenue	$1,983.8m	$1,967.7m
Direct cost	($836.7m)	($916.4m)
Gross margin	$1,147.1m	$1,051.3m
Operating expenses[1]	($619.3m)	($570.3m)
EBITDA	**$527.8m**	**$481.0m**
EBITDA Margin	27%	24%
Capital expenditure (excl. Spectrum)	$303.8m	$291.4m
Net debt	$1,382.2m	$1,344.4m

1 Excludes transaction costs relating to the sale of Towerco.

One NZ connections

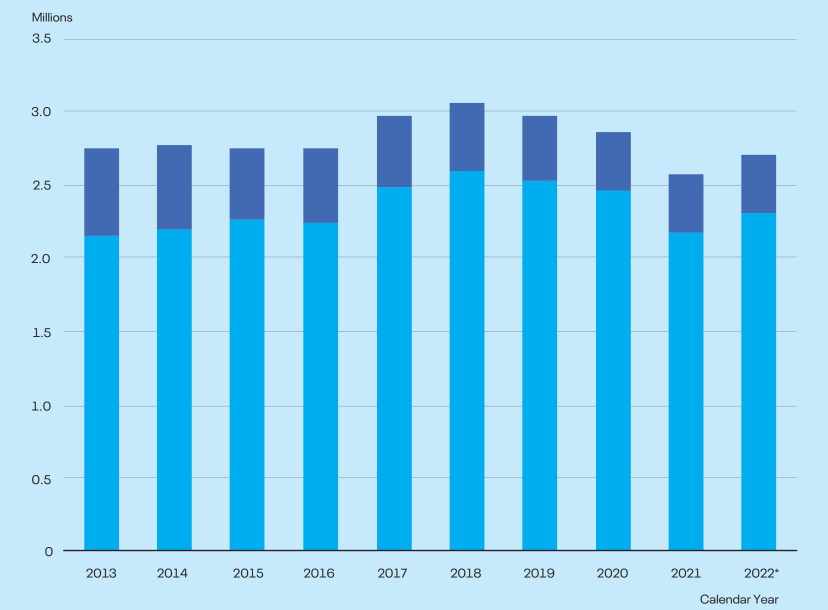
One NZ's mobile connections have grown over 6% during the year assisted by the return of roaming connections as the New Zealand borders reopened.

One NZ has improved its mobile average revenue per user during the period from $26.50 in FY2022 to $28.00 in FY2023, a 5.7% increase in average monthly mobile revenue per user.

Fixed broadband connections continue their year on year decline as the broadband market becomes increasingly competitive and wireless broadband becomes more widely adopted.

Mobile connections

Broadband connections



Source: Commerce Commission Annual Telecommunications Monitoring Report. (31 December 2021)
*Based on One NZ internal data not yet published by the Commerce Commission

Reported cyber security incidents and associated financial loss

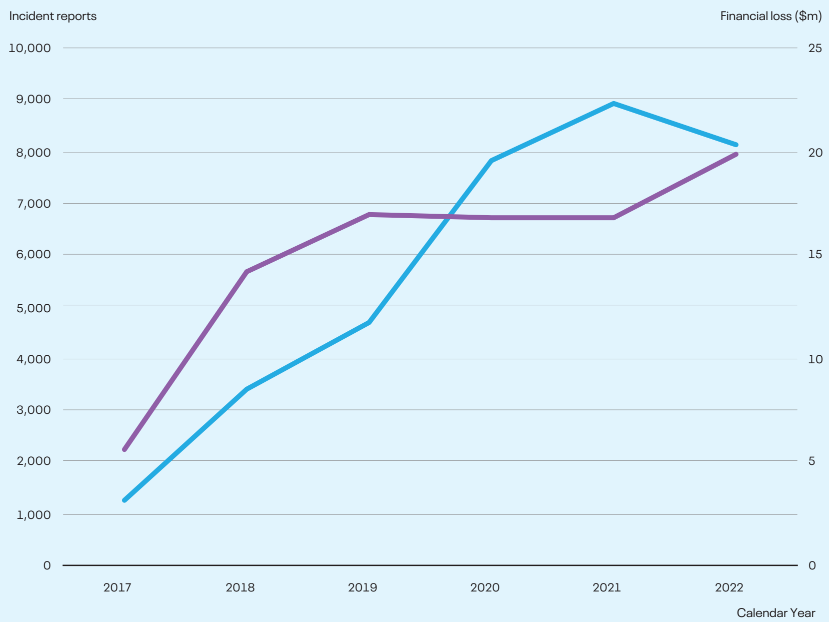
In 2022, 8,160 incidents were reported to CERT NZ, a government organisation that helps identify, track, and respond to cyber security threats and incidents that are faced by both businesses and individuals.

The most common type of cyber threat reported in New Zealand is phishing and credential harvesting, followed by scams and fraud, then unauthorised access and malware.

There is $20.0 million of financial loss directly attributable to the attacks that have been reported to CERT NZ over the year to December 2022.

Reported incidents

Financial loss



Source: CERT NZ Quarterly Report Q4 2022

Fortysouth

Infratil 20%
InfraRed Capital Partners 40%
Northleaf Capital Partners 40%

Fortysouth macro tower north of Auckland

In November 2022, a consortium of three investors comprising InfraRed Capital Partners, Northleaf Capital Partners and Infratil acquired a portfolio of passive mobile tower infrastructure from One New Zealand.

The portfolio of assets principally included passive infrastructure located at tower sites, including poles and towers, foundations, shelters, huts and fencing. Also included were freehold land interests in respect of certain sites, and leases and licences governing use of the remaining sites. One New Zealand retained ownership of the mobile infrastructure (e.g., antennas, cables, radio equipment, base stations and backhaul) affixed and associated with the tower sites.

What was established was New Zealand's largest independent tower company, with over 1,400 wholly owned towers covering 98% of New Zealand's population.

With a growing portfolio of sites across New Zealand, Fortysouth has been set up to operate as a strategic partner to mobile network operators, fixed wireless providers and critical communications services. Fortysouth provides and maintains the physical framework outlined above, from which these businesses deliver essential services.

The establishment of Fortysouth allows for separate and specialised ownership of these passive mobile towers, providing strong incentives to drive better capital efficiency, which can include increased co-location of equipment on common tower assets. This is essential as demand for data and connectivity continues to grow year on year, evidencing the importance of more intensified digital infrastructure to meet community needs.

On establishment, Fortysouth entered into a 20-year master services agreement with One New Zealand, providing One New Zealand with access to both existing and new towers, and a commitment from Fortysouth to build at least 390 additional sites over the next ten years to enhance One New Zealand's relative coverage and capacity position.

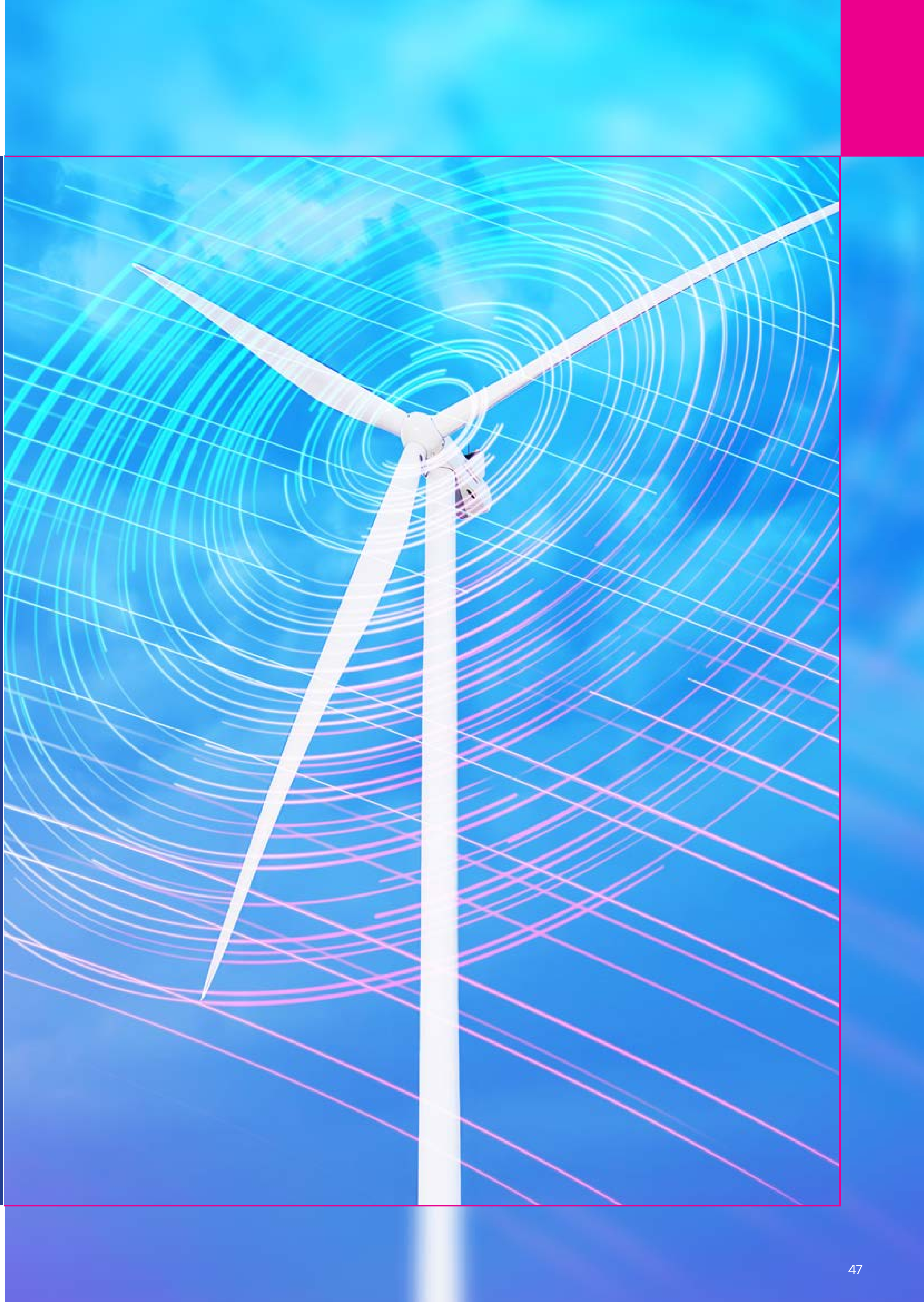
Co-location will accelerate New Zealand's 5G rollout by easing access to towers for mobile network operations.

Increased co-location is also expected to result in a reduction in the duplication of tower assets in the same locality. This would reduce the total number of towers in operation over time. It would also reduce the aggregate number of new towers being built over the mid to long-term, eliminating the need for thousands of cubic metres of concrete and hundreds of tonnes of metal.

What makes Fortysouth attractive to Infratil is that while it has long-term, inflation linked cashflows, it is also a platform with significant growth opportunities including macro tower growth, capacity for future co-tenancy, increased demand for new points of presence and step out opportunities such as small cells.

The power of sustaining a global vision

Faced with climate change, soaring energy prices and concerns about security of supply, investment in renewable energy sources such as wind and solar power needs to accelerate. The science is clear: to avoid the worst impacts of climate change, emissions need to be reduced by almost half by 2030 and reach net-zero by 2050. Renewable energy sources – which are available in abundance all around us, provided by the sun, wind, water, waste, and heat from the Earth – are replenished by nature and emit little to no greenhouse gases or pollutants into the air.



Renewables

Platform

Changes to weather patterns, unsustainable levels of carbon emissions and challenges to energy security are requiring unprecedented government policy measures across the globe.

Significant commitments to long-term decarbonisation are in place; but emissions still reached record highs in 2022. Global energy-related CO_2 emissions grew in 2022 by 0.9%, or 321 million tonnes, reaching a new high of more than 36.8 billion tonnes – albeit less than initially feared as the growth of solar, wind, electric vehicles, heat pumps and energy efficiency helped limit the impacts of increased use of coal and oil amid the global energy crisis.

Commitments from governments and calls from society are growing and will accelerate the transition to renewable energy to combat climate change. As of November 2022, around 140 countries had announced or were considering net zero targets, covering close to 90% of global emissions, compared to the 130 countries, covering about 70% of global emissions, in May 2021.

Energy security also remains high on the policy agenda as a result of the global energy crisis sparked by Russia's invasion of Ukraine. The surge in energy prices in 2022 was on a large enough scale to worsen the global economic outlook, causing difficulties for households and industry alike, and leading many governments to recalibrate their policy priorities.

With this backdrop, there continues to be unprecedented levels of investment in the renewables sector. This has primarily been in wind and solar, but also in other technologies that will help solve some of the existing problems that renewables place on the overall energy system.

Infratil is well positioned to take advantage of these opportunities – which will also be driven by government policy decisions and priorities. We cannot predict when these decisions and announcements will happen, however what Infratil has done is create a series of platforms, globally, to ensure we can address these opportunities as and when they arise.

In the last 12-months the United States-led Biden Administration's climate agenda had another boost with the signing of the Inflation Reduction Act, containing US$369 billion in federal funding towards clean energy and climate change mitigation. The Act's provisions alone are projected to help the US meet a 40% reduction on 2005 emissions by 2030, significantly closer to Biden's goal of 50% by 2030. Not to be outdone, the European Union has also increased its funding, with over €400 billion now allocated to the clean energy transition. Closer to home Australia's parliament enshrined in law the Government's elevated target of reducing greenhouse gas emissions by 43% below 2005 levels by the end of this decade, while the New Zealand Government confirmed its target of 100% renewable electricity generation by 2030.

The ability to point existing pipeline at these opportunities as they arise is what makes Infratil a truly global renewables platform. Today, we have a global footprint with activity across 29 different energy markets and a total development pipeline of over 30GW. A key part of our global strategy is the ability to combine Infratil's own expertise with local teams. Renewables is ultimately a very local endeavour, where you aim to achieve scale at a regional level and optionality at a global level.

Wind and solar will continue to form the backbone of the transition given the maturity of those technologies, however additional technologies will be required to support and enable a robust transition. One of the most talked about emerging technologies is hydrogen. While hydrogen as a technology is still in its infancy, its applications are likely to be vast – which will also create more demand for renewables. As a complement to other technologies, hydrogen has the potential to decarbonise industries including steel, petrochemicals, fertilizers, heavy-duty mobility, maritime shipping, and aviation.

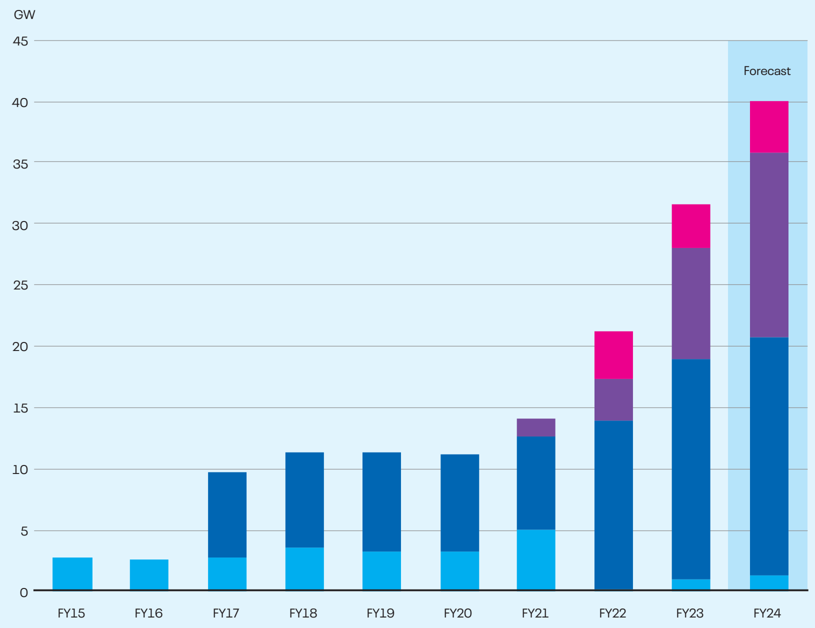
More than 680 large-scale hydrogen projects have been announced globally, amounting to US$240 billion in direct investment. The projects include giga-scale production, large-scale industrial usage, transport and infrastructure. In Europe, which accounts for 314 of the announced projects, hydrogen is expected to play a significant role in meeting decarbonisation targets, with usage across industrial applications, transportation, and power generation.

While Infratil is unlikely to be an early direct investor in hydrogen, the ability exists through its global platform to access exposure to the hydrogen opportunity in its early stages. Galileo is currently working on offshore wind projects which will export energy either as electricity directly to electricity grids or as green hydrogen, which can be piped to shore, or stored and released to provide dispatchable green energy supply. Separately, Valta Energy, in which Longroad Energy is invested, is currently developing small scale solar projects next to electrolysers to make green hydrogen, which can then be used in trucking.

Platform development pipeline by region

Infratil's Renewable Energy platform currently has a development pipeline of over 30GW across four continents and 29 markets.

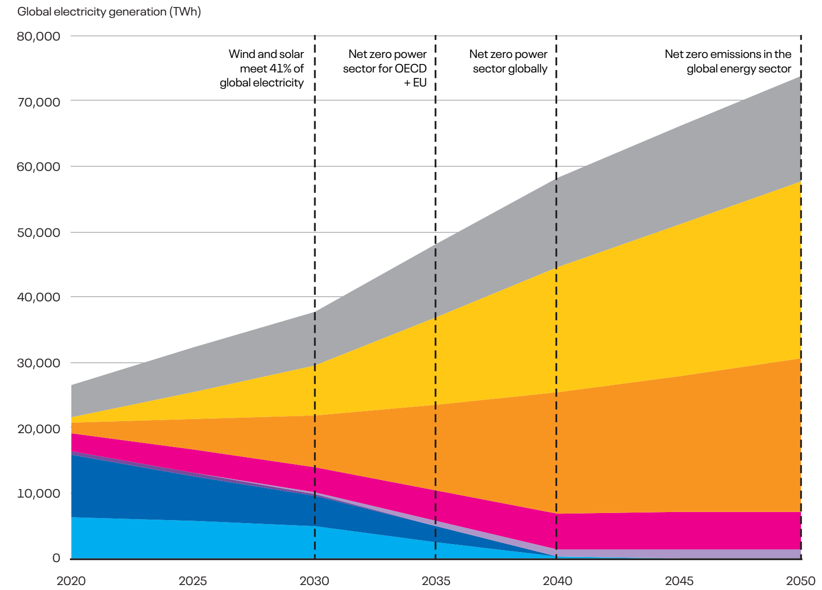
Our new Australian based renewables development business, Mint Renewables, was launched during the second half of the year and is in the early stages of establishing a pipeline in Australasia.



Power Sector transition to net zero by 2040

The International Energy Authority(IEA) Net Zero Emissions (NZE) roadmap was produced in 2021 and updated in 2022. It lays out a goal of reaching net zero emissions in the global energy sector by 2050 whilst global electricity demand grows by 150% from today.

In the IEA modelling, wind and solar are vital lynchpins to the NZE target, increasing to 41% of global electricity generation by 2030 and 70% of global electricity generation in 2050.

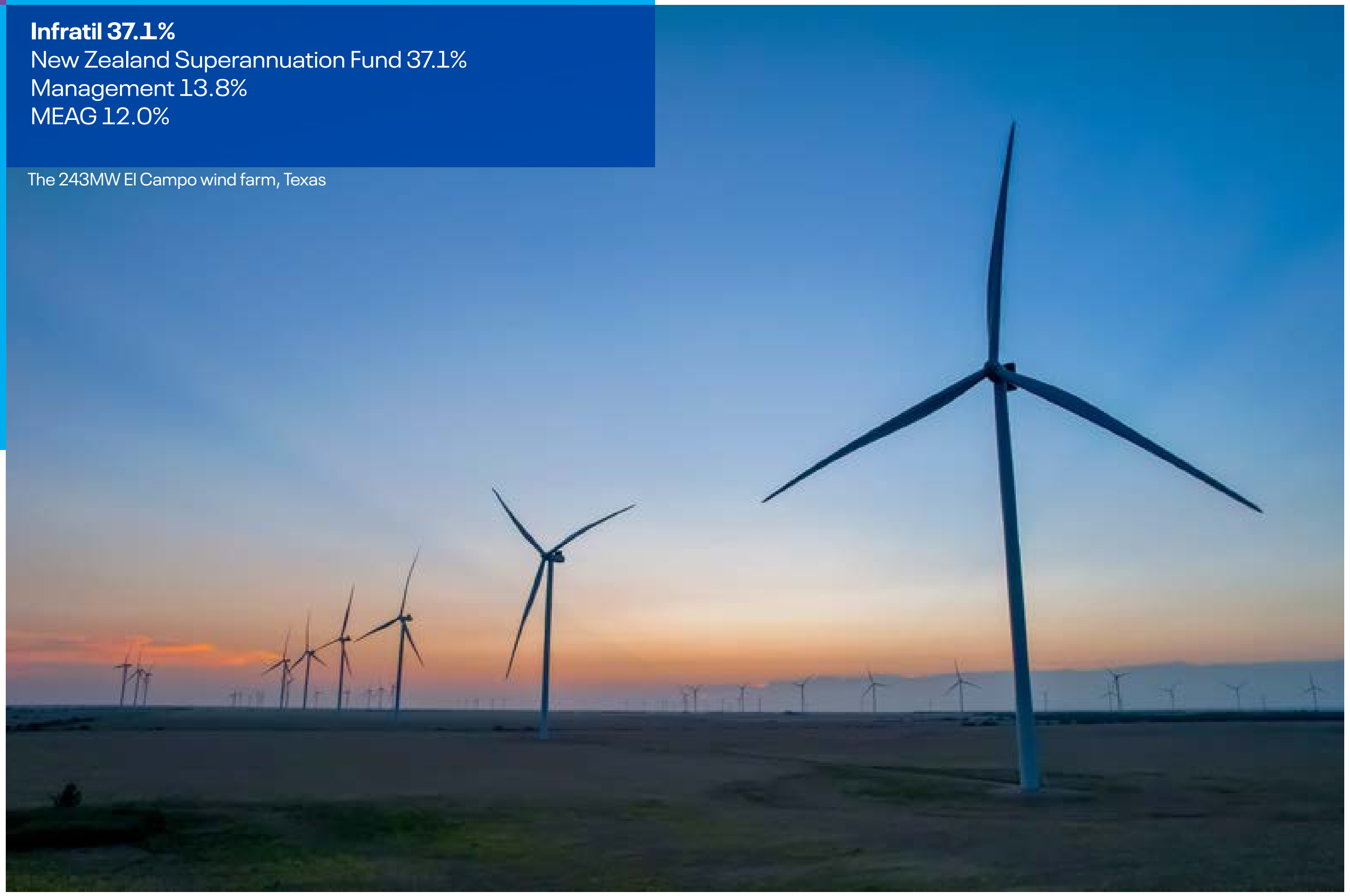


1. Carbon capture, usage and storage

Source: International Energy Authority: World Energy Outlook 2022.

Longroad Energy

Infratil 37.1%
New Zealand Superannuation Fund 37.1%
Management 13.8%
MEAG 12.0%



The 243MW El Campo wind farm, Texas

By any measure it has been a big year for Longroad, a year in which it made large strides towards its ambition of developing an operating portfolio of 8.5GW and achieving run-rate operating company EBITDA of US$500 million by 2026.

At the beginning of the year Longroad announced a strategic shift to a primarily "develop to own" model. Operating a scaled platform in comparison to the flexible and capital-lite model adopted over its first five years allows Longroad to receive the benefits of scale in an increasingly competitive environment. This includes improved purchasing power on solar panels, wind turbines and batteries, the ability to manage a larger development pipeline and increased optionality across its portfolio. With this change in operating model, also came a change in its funding requirements from shareholders.

Longroad has also set an ambitious goal of developing 1.5GW of operating assets annually, a six-fold increase in retained operating assets that would see it owning 8.5GW of generation by the end of 2026. To put the scale of this investment into perspective, 8.5GW is only slightly below the total installed generation in New Zealand. It is estimated that over five years this level of investment will require capital of US$8 billion, US$1.2 billion of which will come from Longroad shareholders.

On 1 August 2022, Longroad announced the raise of US$500 million of equity capital. This included the announcement that MEAG, acting as the asset management arm for entities of Munich Re, had agreed to invest US$300 million to acquire a 12% stake in Longroad. At the same time, Infratil and the NZ Superannuation Fund each committed to invest a further US$100 million, while retaining a 37% stake each. The transaction implied a pre-money valuation for Longroad common equity of US$2,000 million.

This capital certainty has allowed Longroad to accelerate its engineering, procurement and construction ('EPC') programme. Longroad is currently in the midst of the largest construction programme in its history, totalling 1.3GW across six projects in five states of the United States of America.

The largest of these projects is Sun Streams 3, a 285MWdc solar and 215MWac/860MWh storage project located in Maricopa County, Arizona. Longroad acquired Sun Streams 3 in early 2021 as part of a larger transaction that included the 200MWdc Sun Streams 2 solar project which has been operational since 2021 and additional projects which are still in development.

A project of the size and scale of Sun Streams 3 will produce enough energy to power 90,000 American homes, while also representing 460,000 metric tonnes of avoided CO_2 emissions annually – the equivalent of taking ~100,000 cars off the road for as long as the project operates.

The next phase of Longroad's development plan is expected to be two further solar and storage development projects in Arizona, Sun Streams 4 (677MW) and Serrano (431MW).

Longroad's success to date has been underpinned by a clear focus on building a strong pipeline of projects, ensuring sufficient access to capital for forward looking and long-dated investment, and the ability to prioritise projects out of this pipeline as market conditions and demand dictates.

During the 12 months from January 2022 to January 2023 Longroad increased its development pipeline by 4.9GW to 17.8GW. This now includes 50 active projects out to 2027 and beyond.

The benefits of having a high-quality development pipeline of renewable projects has never been more apparent following the passing into law of the Inflation Reduction Act ('IRA') in the United States. The potential impact of the IRA cannot be overstated, and it is rewriting the fundamentals of the renewables market. The Act currently contains US$369 billion in federal funding directed towards clean energy and climate funding and it is expected to double the size of the renewable energy market in the United States, with around 65GW in annual renewable energy capacity deployment needed to meet the targets outlined in the Act.

The Act provides significant incentives for the manufacturing and development of renewable energy and for its supply chain to be domestically located. This has stimulated United States based manufacturing of critical aspects of renewable energy including solar panels and batteries.

Looking ahead, Longroad has ramped up investment in its longer-term pipeline to ensure it can continue to develop 1.5GW per annum over the long-term. In some markets within the United States, it can take seven to eight years to get through the interconnection queue (ensuring your development project can be connected to the grid). Longroad is now putting projects into interconnection queues that could reach financial close around the end of the decade.

It is this type of long-term thinking, combined with long dated options that continues to make the Longroad investment proposition so compelling.

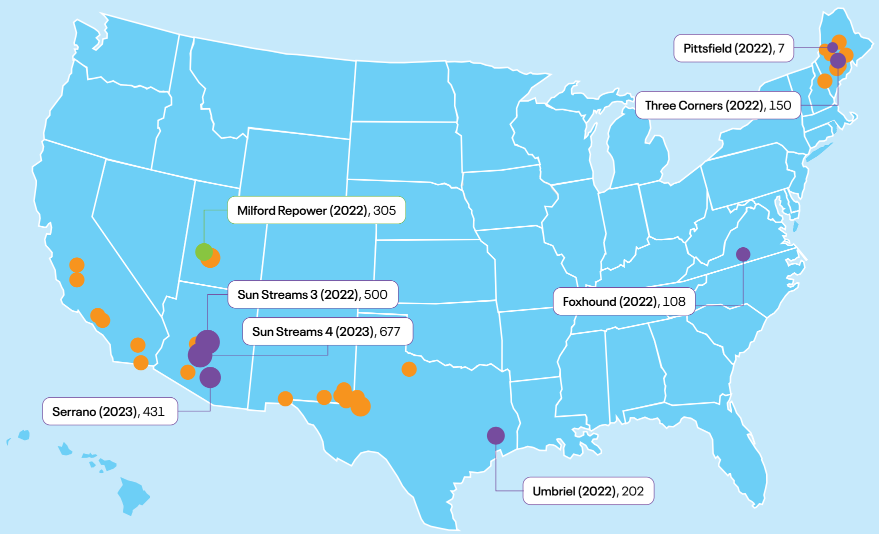
Year ended 31 March	2023	2022
Owned operating generation	1,607MW	1,583MW
Generation managed for others	1,629MW	1,873MW
Total generation developed in year	26MW	530MW
Generation under construction	1,273MW	26MW
Near term pipeline	1,218MW	1,280MW
Long-term pipeline	16.8GW	12.4GW
Employees	157	142
Infratil's aggregate investment amount	NZ$539.7m	NZ$279.5m
Aggregate capital returned	NZ$286.3m	NZ$278.1m
Infratil's cash income	NZ$8.4m	NZ$54.0m
Infratil book value	NZ$315.8m	NZ$90.5m
Fair value of Infratil's investment	NZ$1,185.8m	NZ$227.4m

Longroad Energy construction and development

Longroad currently has 1.3GW of projects under construction with a further 1.1GW of significant projects expected to reach Final Notice to Proceed (FNTP) in FY2024.

- Operating Assets
- Solar
- Solar + Storage
- Storage
- Wind

- 401+MW
- 201MW – 400MW
- 0MW - 200MW



Projects under construction and significantly advanced through pre-construction

The following projects represent the projects that Longroad currently has under construction and which are in pre-construction.

Sun Streams 4 and Serrano are currently in pre-construction and are expected to reach FNTP in FY2024.

Project	Location	Technology	MW
Sun Streams 3	Arizona	Solar	500MW
Milford Repower	Utah	Wind	305MW
Umbriel	Texas	Solar	202MW
Foxhound	Virginia	Solar	108MW
Three Corners	Maine	Solar	150MW
Pittsfield	Maine	Solar	7MW
Sun Streams 4	Arizona	Solar	677MW
Serrano	Arizona	Solar	431MW

Galileo

Infratil 40%
New Zealand Superannuation Fund 20%
Commonwealth Superannuation Corporation 20%
Morrison & Co Growth Infrastructure Fund 20%

Galileo continues to expand, more than doubling its pipeline over the last 12-months, reaching just over 9GW of dedicated projects.

In light of the Russian invasion of Ukraine, Europe is even more determined to reach its ambitious decarbonisation target of 55% emissions reduction by 2030. The profound change in energy mix will include a complete phase-out of fossil fuels, and therefore strongly reduce energy import dependency. Deployment of new wind, solar and storage capacity is the cornerstone of Europe's energy transition with an average annual addition of 50GW of solar, and 35GW of wind highlighting the targets set to achieve its 2030 goal.

To meet these targets there is strong political and regulatory support for renewable energy across Europe. This manifests in a substantial investment support programme called RepowerEU and a number of national support schemes providing production incentives, investment grants, soft loans and financial backing of long-term energy supply solutions for final customers. Moreover, governments have started to take action against restrictive permitting processes for renewable energy projects, with the aim to make these processes more predictable and much shorter.

There is strong demand for assets at an advanced permitting level, ready-to-build stage projects and operational assets. All of these stages provide attractive options for Galileo to sell-down assets partly or fully and to aggregate combinations of projects by technology, country and development stage which may allow additional value optimisation. Galileo also expects to construct and operate projects of particular merit and suitability.

Galileo's Irish wind development joint venture received planning consent for its first 45MW wind project last year. The venture is currently expanding its pipeline to ~800MW through wind and solar extensions next to existing sites. In Italy, Galileo has several development agreements in place, covering solar, wind and storage with approximately 1.1GW of dedicated projects.

Together with an Italian partner, Galileo is developing two large floating offshore wind farms, one of which is among Italy's most advanced projects in this technology segment. In Spain, Galileo has built a well-diversified pipeline of approximately 1.5GW of projects together with a series of Spanish partners.

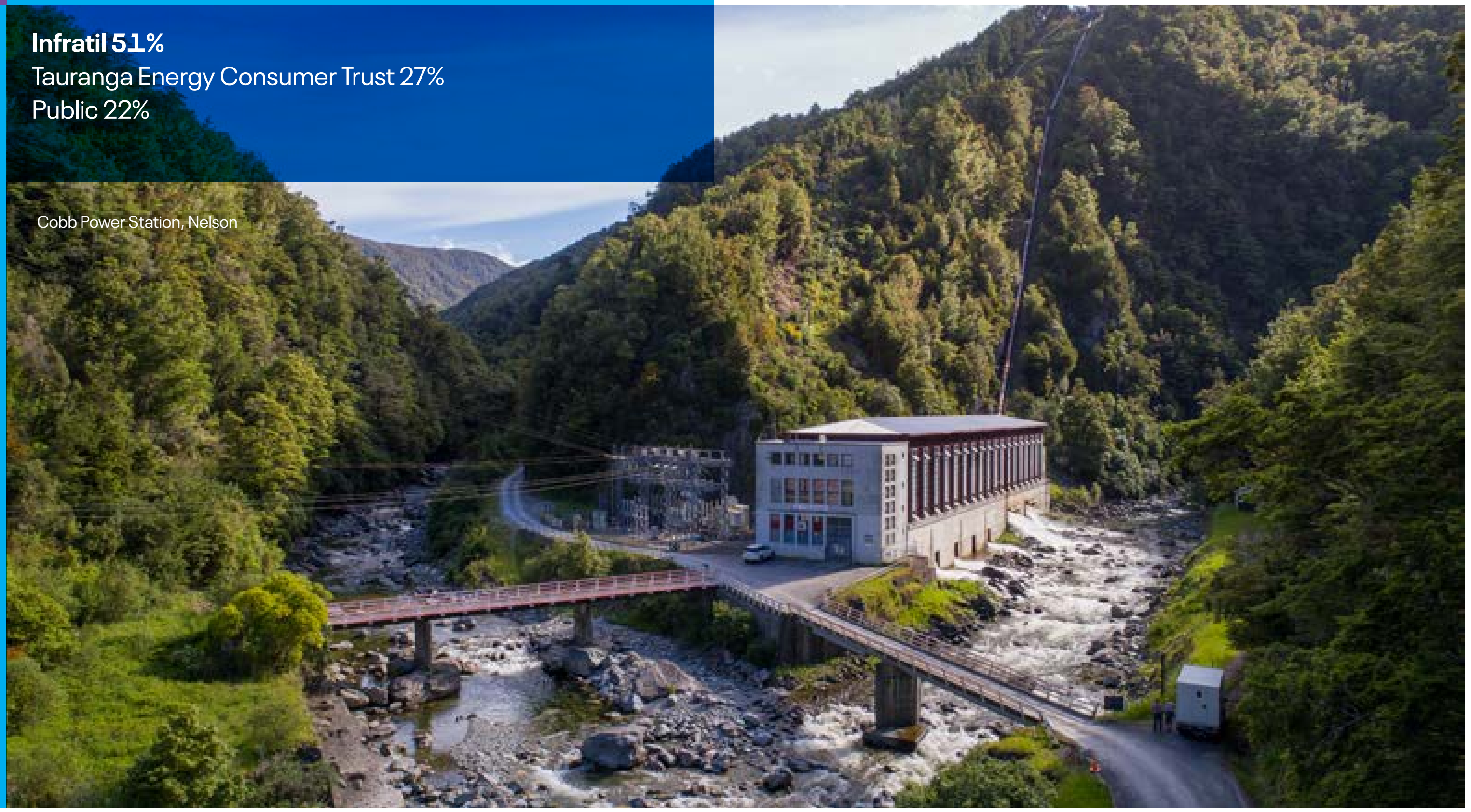
A major joint venture was created two years ago with a team of development experts from Ireland, the UK and Sweden, covering all three markets with onshore wind projects and building a pipeline of over 3GW. The co-operation is set to be extended to Germany and the technology remit will be enlarged to solar and battery projects across all markets.

With a strong focus on multiple offshore wind developments, Galileo created a dedicated platform with senior Irish, Danish, British and Norwegian development specialists that is currently progressing approximately 10 large-scale projects in the UK, Ireland and Norway.

Other important development initiatives are located in Germany where ground-mounted utility projects are being pursued with a German solar PV developer from the rooftop solar photovoltaic market for industrial and commercial customers. Additionally, there are three partnerships gaining traction in the Polish renewable energy market, and one promising early-stage development initiative which was concluded in the solar photovoltaic market in France at the end of 2022.

Manawa Energy

Infratil 51%
Tauranga Energy Consumer Trust 27%
Public 22%



Cobb Power Station, Nelson

Manawa Energy is now the largest independent generation business in New Zealand, with a geographically diverse asset base of 26 power schemes, generating enough renewable energy to power close to 270,000 average homes.

Manawa has a long and proud heritage as a renewable energy provider, and it was Infratil's first investment in the sector in 1994, under its former Trustpower structure. Today, it is completely different. A new standalone generation business, with a new brand, and a renewed focus on advancing new developments and serving commercial and industrial customers.

Manawa successfully separated from over a quarter of a century of integrated retail operations with the completion of the sale of the Trustpower mass market retail business to Mercury Energy on 1 May 2022. As part of the sale, Manawa entered into a long-term electricity hedge contract with Mercury Energy. The initial hedge volume approximated the previous Trustpower retail customer load (2,000GWh) and will reduce to zero over time (from 1 October 2024 to 30 September 2031).

This stepped reduction in volume gives Manawa time to diversify its wholesale energy sales portfolio. This is expected to expand across all channels, including building its commercial and industrial customer proposition, engaging with other retailers to provide short-term wholesale electricity, and potentially entering into power purchase agreements with wholesale energy customers seeking long-term renewable electricity supply.

The sale of its mass-market retail business has also allowed Manawa to chart a new course for the business, with a new strategy centered around three key themes; to develop new generation, to enhance existing generation assets, and to sell electricity through long-term customer relationships.

In line with its new strategy, one of the focuses for this year has been to build out a new generation pipeline from a standing start. To date Manawa has secured more than 900MW of prospective solar and wind development options across the country.

It was recently announced that Manawa has secured the rights to develop a 230MW wind generation project in the central North Island, between Taihape and Waiouru. 'Project Huriwaka' is a well-known and highly regarded site for a potential wind farm. The site has a high-quality wind resource, convenient access to transmission, good construction characteristics and is relatively close to significant demand for electricity.

If it proceeds, the wind development is expected to generate around 800GWh of electricity each year – enough to power 100,000 average New Zealand homes. Design work on what the wind farm might look like has not been completed, but the site has previously been consented for around 50 wind turbines across 47 square kilometres of privately owned rural land.

Operationally, during the year Manawa increased its installed generation capacity to 510MW from 498MW, and generated 1,917GWh of electricity, up from 1,760GWh last year. Manawa's focus on enhancing its existing generation assets is on track to have delivered ~80GWh per annum of volume uplift by FY2029, of which ~30GWh a year is already delivered.

In the current year Manawa completed significant asset enhancement projects at its Branch scheme (Marlborough) and Cobb scheme (Golden Bay). Manawa commissioned a new intake at Branch in April 2022, delivering up to an additional 10GWh per year. This enables the scheme to use its full consented water take and operate when the Branch River is in flood. The project was completed in March 2023. The second of two replacement generators was commissioned at Cobb in December 2022. These 12MW generators each weighed 40 tonnes. This project increased output by 2GWh a year and added 4MW of capacity – enough to power around 4,000 houses.

Three additional major reinvestment projects at Highbank (Canterbury), Coleridge (Canterbury) and Arnold (West Coast) were approved during the year. At Highbank, Manawa will complete a $30 million total replacement of the existing 29MW turbine and generator unit, Coleridge will get three new turbines (each 12.5MW) and one new generator, with a project budget of $27 million, while significant dam strengthening is underway at Arnold to bring the dam up to modern standards.

As noted earlier in the report, New Zealand was hit by a series of severe weather events during the year which caused widespread flooding, slips and erosion. Overall Manawa's sites came through the weather events well, and its emergency preparedness procedures and planning stood up to the test, but it is a sharp reminder of the impacts of climate change. The only exception was the small, unmanned hydro scheme in Hawke's Bay's Esk Valley which suffered significant damage from Cyclone Gabrielle in January 2023. As a result, the 3.8MW Esk scheme is expected to be out of service for 6–12 months.

EBITDA of $137 million for the year (from continuing operations) was down from $160 million in the prior year. The first half of the year was challenging, the first quarter saw Manawa navigating low hydro flows and high prices, while the second quarter was the opposite with strong hydro flows and low prices. Things settled down in the second half of the year, and the final quarter of the year finished strongly with solid wholesale prices and strong generation volumes.

As the awareness and appetite for renewable offtake agreements increases, Manawa has stepped up the level of analysis it is able to provide for customers. This occurs alongside a focus on establishing key strategic relationships with high-value customers, including some of New Zealand's biggest energy users. Manawa is working towards longer-term purchase agreements with some of these organisations, providing both parties with longer-term certainty and security, which will also help to underpin new renewable generation developments.

Customers are also increasingly wanting reliable access to renewable electricity, so this year Manawa signed up to the New Zealand Energy Certificate System to certify its renewable generation. This certification enables customers to match the amount of electricity they use in a year with an equivalent amount of electricity delivered to the national grid from one of Manawa's hydroelectric power stations (or in future, wind or solar projects) that have been certified 100% renewable.

Manawa has set itself a strong platform to contribute as demand for renewable energy continues to grow and the transition to a lower emissions economy accelerates.

Year ended 31 March	2023	2022
Generation	1,917GWh	1,760GWh
Average generation spot price	10.9c/kwh	16.6c/kwh
Generation EBITDAF (continuing)	$136.7m	$159.7m
Retail EBITDAF (discontinued)	$3.5m	$44.5m
EBITDAF	**$140.2m**	**$204.2m**
Capital expenditure	$44.2m	$46.3m
Net external debt	$446.6m	$739.4m
Infratil cash income	$93.6m	$56.7m
Fair value of Infratil's investment	$795.2m	$1,126.2m

Gurīn Energy

Infratil 95%
Management 5%

Governments continue to set ambitious net zero and renewable energy targets throughout Gurīn's key markets in Asia, for which solar and wind technologies will play a significant role. At the front of the pack are Singapore, Thailand, the Philippines and India, with non-OECD Asia targets ranging from 27% to 35% of total generation by 2030, and OECD Asia targets ranging from 15% to 40%.

To help meet these targets, private sector participation has been highly incentivised through auctions, improved tariff pricing for renewable energy projects, implementation of supportive policies, and the introduction of tax and non-tax incentives for qualifying projects. In addition, global energy storage markets are expected to grow exponentially by 2030 in response to the demand for increasing renewable energy. Multinational companies are also committing themselves to being powered by renewables. Alongside these growth ambitions, grid constraints continue to be a challenge across most countries.

During the last month of the year, three significant announcements illustrated regional ambitions well. Indonesia and Singapore agreed to jointly develop renewables that could help supply the city-state. The countries signed a memorandum of understanding to create a framework for commercial co-operation on renewables, transmission infrastructure and cross-border electricity trading. Thailand announced a new auction for 3.66GW of renewable energy and the Philippines Department of Energy announced a new auction for 11,160MW of renewable energy from 2024 to 2026.

Gurīn closed the financial year with 3.7GW of projects under development across six countries, and a team of 50. Included in this pipeline is Gurīn's bid to the Singapore Government's request for a proposal to import low-carbon power into the country to meet part of its import target of 4GW of renewable energy by 2035. At the time of writing the RFP is set to be the largest solar photovoltaic and battery energy storage system in the world.

The team continues to make good progress on large scale solar projects in South Korea through its development platform in Gwangju and has built up its capabilities on the ground. In March 2023, Gurīn also bid in the Thai Government's request for proposals to acquire 5.6GW of electricity from renewable energy sources, resulting in approvals for long-term utility power purchase agreements for two projects totalling 130MW. In the Philippines, Gurīn reached its first final investment decision on a 76MW solar project in April 2023, due to commence construction in May 2023. A further pipeline of 190MW of mid to late-stage solar development projects have also been secured.

ESG considerations remain a focus for the team across all projects under development. Metrics such as estimated greenhouse gas reductions, number of local jobs created, and number of homes powered are tracked and reported to the Gurīn Board. Community engagement is also essential, and the team is on the ground, working with landowners to ensure fair negotiations are in place.

In FY2024 Gurīn is looking to bring at least 200MW of projects to the final investment decision stage, as well as progressing a further 200MW of projects into advanced development.

Mint Renewables

Infratil 73%
Commonwealth Superannuation Corporation 27%

After more than a decade of energy policy turmoil there is finally considerable alignment in Australia between the state and federal governments who are all striving to meet net zero targets.

The Australian Government has made a firm commitment to drive Australia's transition to net zero. Australia has enshrined in law its targets of reducing greenhouse gas emissions by 43% from 2005 levels by 2030 and net zero by 2050. It is taking a whole-of-government approach to drive towards those targets, including new funding streams and investment in underpinning infrastructure.

In 2022, the Australian Government committed a record ~A$25 billion to reaching emissions targets through its Powering Australia plan, including funding for projects that unlock opportunities for investors in clean energy and other low-carbon technologies.

Despite this newfound political alignment, it remains a mammoth task to replace an ageing coal fleet which still represents over 60% of Australia's generation. The transition will be achieved through renewables, supported by substantial transmission growth and adjacent technologies, including battery storage and hydrogen.

In response to this challenge, Mint Renewables (Mint) was established in late 2022 to participate in the significant opportunity presented through Australia's increasing commitment to a strong decarbonisation agenda. Infratil has partnered with the Commonwealth Superannuation Corporation to create Mint, which will operate as a dedicated renewables developer, owner and operator based in Melbourne. An initial capital commitment of A$300 million has been provided, Infratil's share being A$219 million, which is expected to be invested over the next three to five years.

Whilst the Australian market has a clear agenda to decarbonise, the complexities to build large scale projects remains an obstacle, particularly regarding grid infrastructure and access.

Mint's initial focus will be on developing a pipeline of onshore wind, solar PV and battery storage opportunities to capitalise on what will be a long transition pathway, one that benefits from having investors like Infratil that can take a long-term view. In addition, the flexibility of Mint will ensure that it will be able to capitalise on both development and operating asset opportunities should they arise as the energy transition unfolds.

To execute the strategy, Mint has assembled a small, high quality and very experienced team, covering governance, mergers and acquisitions, site development, engineering, project execution and operations. The team reached seven members by the end of the financial year, with further selective capability additions expected to follow where these will help differentiate Mint from its competitors.

The power of connecting with our communities

Technology has an increasingly important role to play in shaping how healthcare professionals deliver essential services, whilst also helping practitioners remain connected with the communities they serve. Harnessing the power of technology will help deliver more efficient and equitable outcomes across healthcare systems globally, which are currently both under-resourced and under pressure. They will also help our partners deliver world-class radiology services closer to patients and referrers. We believe in investing in a manner that has a positive impact on communities. Our healthcare assets are privileged positions that deliver essential services into the heart of the communities they serve.

Healthcare

Platform

Healthcare remains the ultimate example of investing in ideas that matter. Strong healthcare systems are essential for societies to function properly. This includes the ability to deliver socially equitable outcomes to all patients seeking healthcare services.

When Infratil considers investing, we start by considering the big challenges society is facing and how these are likely to evolve over time. We then look to invest in businesses that are particularly well placed to address these challenges and we then continue to reinvest capital and grow those businesses over a long-term investment horizon.

We covered some of the healthcare challenges at the time of our recent investments in diagnostic imaging and they are worth revisiting as they remain acutely relevant. There is a growing societal need for investment in healthcare driven by an ageing population coupled with an increasing prevalence of chronic disease. In 2022, one in every six people in New Zealand was aged 65+ years. In 2028, it is projected that one in five people in the population will be 65+ years.

The pressures facing healthcare systems globally are diverse and multifaceted. What we know from being involved in the healthcare sector is that the issues are highly complex with a myriad interconnected elements. These include workforce challenges, technology challenges, a lack of innovation, equity of healthcare, and many competing interests. Health policymakers are struggling to provide the best possible health outcomes for populations and the solutions to many of our health challenges will not be found solely in public health systems. It is clear the private sector can play a supporting role where appropriate. Indeed, it is by the public and private systems working together that inefficiencies and inequalities in health systems will be best addressed.

As an infrastructure investor there are also characteristics that need to be present in order for us to invest. These include the ability to deliver essential services, stable market structures in which to operate and the ability to deploy follow-on capital.

Specialist medical practices such as radiology and oncology are well suited to investment from, and partnership with, Infratil as they involve the delivery of essential services, stable market structures and the ability to deploy meaningful amounts of capital and reinvest for growth to meet increasing demand. Diagnostic imaging is an essential component of the patient care pathway and plays a critical role in preventative health. Imaging also informs clinical decision making by supporting diagnosis, treatment planning, and unlocking efficiency gains across the broader healthcare system. Imaging requires substantial and growing investment in highly trained practitioners, high-tech equipment and information technology solutions.

The elements highlighted above emphasise why scale is important, as it delivers the platform on which to invest and innovate. As at 31 March 2023, Infratil's combined Australasian platform consisted of 150 clinics and employed over 289 radiologists. During the year these businesses performed over 2.3 million scans for over 1.4 million patients.

The scale of our platform means that we can continue to invest in the best technology, offer the best learning and development opportunities for our doctors and staff, leverage a deep pool of subspeciality expertise, and most importantly, make it easy for our doctors to do what they do best, which is practise medicine.

Our scale enables us to provide the best and highest quality services to patients and referrers, on behalf of funders including public systems, private insurers, and patients themselves at efficient costs. It also enables us to work with national entities to address equity concerns across broad population groups.

In New Zealand, 20 District Health Boards have been replaced by a single, centralised organisation called Te Whatu Ora/Health New Zealand. Te Whatu Ora will oversee all health services, from hospital and specialist services to primary and community care.

This will allow hospital and specialist services to be planned and delivered equitably around New Zealand - and ideally bring an end to the "postcode lottery" of healthcare, in which some patients wait longer than others or get different treatment depending on where they live. A new entity, the Māori Health Authority/Te Aka Whai Ora, has also been established to address longstanding racial inequities in healthcare. It will work alongside Te Whatu Ora and commission dedicated services for Māori.

Infratil is well placed to help both Te Whatu Ora and Te Aka Whai Ora to achieve their core objectives through a focus on partnerships and outcomes above solely transactional relationships.

While Infratil's healthcare businesses, Qscan and RHCNZ Medical Imaging, are structurally separate, organic synergies have emerged across the platform. In future these will likely include joint investment in procurement, AI, IT systems and other emerging technologies. This could also include an improved ability to load share and manage out of hours reporting with a joint teleradiology reporting hub.

As outlined earlier in the report, new use cases for AI are fast becoming a reality. Their use in healthcare, and in particular radiology, present real opportunities for Infratil's businesses. AI has the potential to assist radiologists analyse scans faster - helping save time when most practitioners are overworked, and most hospitals are short of doctors. One of the pre-requisites of AI is access to large datasets of scans to enable machine learning which is one of the benefits of a scaled platform.

Infratil's Australasian Healthcare Platform

New Zealand – 74 Clinics	Australian – 76 Clinics
Pacific Radiology, Auckland Radiology, Bay Radiology	Qscan Group, Envision Medical Imaging, Alpenglow Australia, North Coast Radiology, South East Radiology

Year ended 31 March	2023	2022
Volume scans (000's)	2,388	1,894
Sites (No. of standalone clinics)	150	147
Total patients (000's)	1,459	1,157
Total radiologists	289	272
CT machines	79	73
MRI machines	60	54
PET-CT machines	14	14
Revenue	NZ$601.2m	NZ$440.6m
Operating expenses	(NZ$431.3m)	(NZ$316.4m)
EBITDAF	**NZ$169.9m**	**NZ$124.2m**
Capital expenditure	NZ$46.6m	NZ$57.3m
Net external debt	NZ$705.1m	NZ$652.8m
Infratil book value	NZ$722.0m	NZ$722.2m
Qscan fair market value	NZ$370.6m	-
RHCNZ Medical Imaging fair market value	NZ$511.6m	-

RHCNZ Medical Imaging

Infratil 50.1%
Doctors and Management 49.9%

The new Pacific Radiology clinic in Timaru

The year saw a continuation of covid-related disruption to the healthcare system in New Zealand, as stretched providers struggled to keep up with the pent-up demand for non-covid related healthcare services. This system 'gridlock' had slowed the expected and long-running volume growth in diagnostic imaging as visits to general practitioners effectively stopped or shifted online.

However, the underlying fundamentals supporting the growth of RHCNZ Medical Imaging Group remain unchanged, and the health system is now showing signs of recovery. With this backdrop, the Group has delivered a solid financial result for the year, with underlying scan volume growth up 28% over the full year to 975,000, but with faster growth in the second half of the year. Total New Zealand revenues were up 57% to $308.6 million.

The financial result was enabled by the Group's expanding national coverage, including additional capacity in 2022 in areas including Timaru, Canterbury and Palmerston North, all supporting a diversified revenue stream and, more importantly, specialised local access for patients and referrers.

The new Timaru clinic which opened this year is a good example of this strategy being delivered. This clinic delivers a range of expanded services including CT, MRI, mammography, all forms of ultrasound and an X-ray walk-in service. This new branch replaces previous Timaru locations and the addition of X-ray, MRI and CT scanning services at this new facility is especially important in meeting regional needs.

In terms of reach, RHCNZ is New Zealand's largest radiology network, comprising Auckland Radiology, Bay Radiology and Pacific Radiology. The Group provides specialist imaging, diagnostic and preventative radiology services. Four times larger than the next largest provider, it now has 74 clinics across the country, with a specialist team of 147 radiologists, over 1,300 staff, a full suite of diagnostic imaging modalities and a 24/7 teleradiology service, made possible by a UK based operation to provide urgent radiology reading assessments in the less hospitable times in New Zealand.

Most importantly, the RHCNZ Group network offers patients and referrers the widest breadth of expertise across a full range of sub-specialisations. Scale also allows the RHCNZ Group to meaningfully invest in the most advanced new technology as well as significant investment in research and innovation to ensure New Zealanders will continue to receive world-class imaging services.

The long-run industry drivers underpinning the RHCNZ Group in New Zealand are not dissimilar to the trends in Australia, or indeed in most developed countries. Demographics are changing, with an ageing and growing population, who are by and large more health conscious. Systemically, there is a shift towards early diagnosis and preventative care, especially for Māori and Pasifika communities who are currently under-represented in access to, and use of, these services. There is also an increase in the need for diagnostic imaging to support oncology treatments, with cancer a leading cause of mortality. Post-covid there is significant pressure on New Zealand's public health system, with radiology an essential service in identification, screening, prevention and monitoring of patient health.

RHCNZ is very well established to respond to these trends. Along with its scale and reach, it has an expansive range of radiologist expertise across all specialisations and has become the employer of choice in the sector, looking to attract radiologists early in their career and building up the pipeline of talent to prepare for future growth. RHCNZ's highly sought-after local and international radiology training and fellowship programmes have been designed to bring through a sustainable and diverse radiology workforce, highly adept in meeting the evolving needs of patient healthcare.

RHCNZ is an early adopter of leading-edge technologies and continues to invest heavily in maintaining its technology leadership. It has a clear growth strategy supported by ongoing research into imaging techniques and technology. It has a sound partnership strategy through its referral network, through a partnership with radiopharmaceutical supplier Cyclotek, and has excellent relationships with health sector stakeholders.

The New Zealand health system has been undergoing significant reform, with a new national health system established in July 2022. RHCNZ has positioned itself as a key partner to Te Whatu Ora and is an integral part of the overall system, providing greater access to radiology services nationwide and solving some of the challenges of patients having to travel to undergo diagnostic imaging.

These stakeholder relationships are no accident. RHCNZ has worked hard to ensure its services are able to seamlessly contribute to better population health outcomes, and that its work can complement and support other critical aspects of the healthcare eco-system. Many of its clinics are located in or alongside private hospitals which makes it significantly easier for referrers and patients.

With these strong relationships, the Group is aiming to become the first choice for referrers and for patients, by demonstrating service delivery equity, enhanced access for all New Zealanders, exceeding patient expectations, and the provision of specialist expertise. As the new national healthcare system is implemented and the district health board model is phased out, more nationally driven contracts and funding models will likely be deployed, making partnership models and scale more critical. As such, RHCNZ believes it is well placed to respond to increasing competition within the sector.

Looking ahead, the RHCNZ team expects to see a return to pre-covid scan volume growth rates in FY2024. The industry fundamentals remain strong, the health system reforms are gathering pace, and the healthcare system and radiology referral network is continuing its recovery from covid.

To meet this projected growth, more capacity will be delivered across New Zealand, in Whangārei, Hamilton, Whanganui, Dunedin, Tauranga, Auckland and Napier, giving the Group a complete national footprint able to serve all New Zealanders. This is part of a commitment to support local and regional communities by delivering world-class radiology services closer to patients and referrers.

Qscan Group

Inside Qscan's new state-of-the-art radiology clinic in Windsor

Qscan has continued to experience a challenging operating environment throughout the year, with results also adversely impacted by an industrywide reduction in scan volume post-covid, while extreme weather conditions affecting some clinics in the early part of the year also caused disruption. Several clinics were closed or inaccessible due to flooding, including a major clinic in Brisbane which required a complete rebuild.

Despite these challenges, Qscan has continued to deliver exceptional services to patients and referrers, whilst also expanding access across its network to meet the needs of those impacted communities. In particular, Qscan has continued its significant investment in IT during this period to ensure it is best placed to take advantage of future anticipated volume growth.

Now with 76 clinics, more than 1,200 employees, and 142 radiologists, Qscan's comprehensive diagnostic medical imaging and interventional practice is continuing to expand across Australia. From its start in Queensland, it has steadily expanded its footprint nationally and regionally, building radiology and teleradiology capability with clinics now in Queensland, New South Wales, South Australia, ACT, Tasmania and, most recently expanding its Western Australian footprint.

Qscan's expansion within the Western Australian market this year was through its partnership with the leading boutique radiology group Envision Medical Imaging in Perth. Envision is the ideal complement to Qscan's existing east coast clinics, employing 23 doctors and operating across two locations in Perth.

Despite the challenging market conditions, Qscan has outperformed the diagnostic imaging market as a whole over the 2023 financial year, and while impacted by flooding in the eastern states and the industry-wide impact of covid restrictions, year on year growth has still shown material improvement. With capacity continuing to grow, including the clinic rebuild in Windsor, and expanded MRI capacity in Young in New South Wales, Annerley in Queensland, and Grafton in New South Wales, underlying scan volumes grew 20% over the full year to 1,413,000.

Medicare (Government funding) provides rebates for most diagnostic imaging services in Australia. The industry is highly sensitive to the structure of Medicare schedule fees and the proportion of rebates available. A level of inflation adjustment to these rebates was reintroduced in June 2020, providing support for continued stable, long-term growth.

From late February to early April 2022, Australia's east coast endured three intense weather systems that led to record rains and flooding. By the end of the first week in March, southern Queensland and northern New South Wales had each received more than a year's worth of rainfall in a week. Qscan's Windsor clinic was completely flooded, with 1.5 metres of water throughout the clinic building.

The Windsor clinic was closed following the flooding through to early 2023, requiring a complete rebuild. The newly rebuilt clinic opened in January 2023 as a diagnostic imaging Centre of Excellence in Queensland and features state-of-the-art equipment, including the most advanced clinical MRI machine in the Southern Hemisphere. As part of the rebuild Qscan has also developed a dedicated women's imaging area including the latest 3D digital mammography technology. Qscan Windsor has a long history in South East Queensland and therefore it was exciting for Qscan to reopen this clinic as one of the most cutting-edge radiology clinics in Queensland.

The macroeconomic tailwinds in Australia are similar to New Zealand. Australia's population is anticipated to grow steadily in the future at 1.6% per annum, while Australia's population aged 85 and above is projected to increase in number from 534,000 in 2021 to 1.28 million by 2041 – an increase of 140%. The demand drivers for Australia, similar to New Zealand, are primarily the increase in chronic disease, cardiac disease, and cancer that comes with an ageing population.

That said, as outlined above, there have been some short-term headwinds to battle through in recent years. The impact of covid on the healthcare system has meant a massive reprioritisation of healthcare resources, and fewer general practitioner visits, which has suppressed referrals for scans.

Despite the external headwinds, Qscan has made significant progress expanding its capability and enhancing its operating model over the last 12 months. This includes plans to establish a new radiologist and management leadership structure that is locally led and centrally supported, integrating IT across its network to develop teleradiology potential even further, embedding a new national and scalable radiologist reporting platform (Intelligent Orchestrated Workflow Solution), and increasingly using data and insights for decision making.

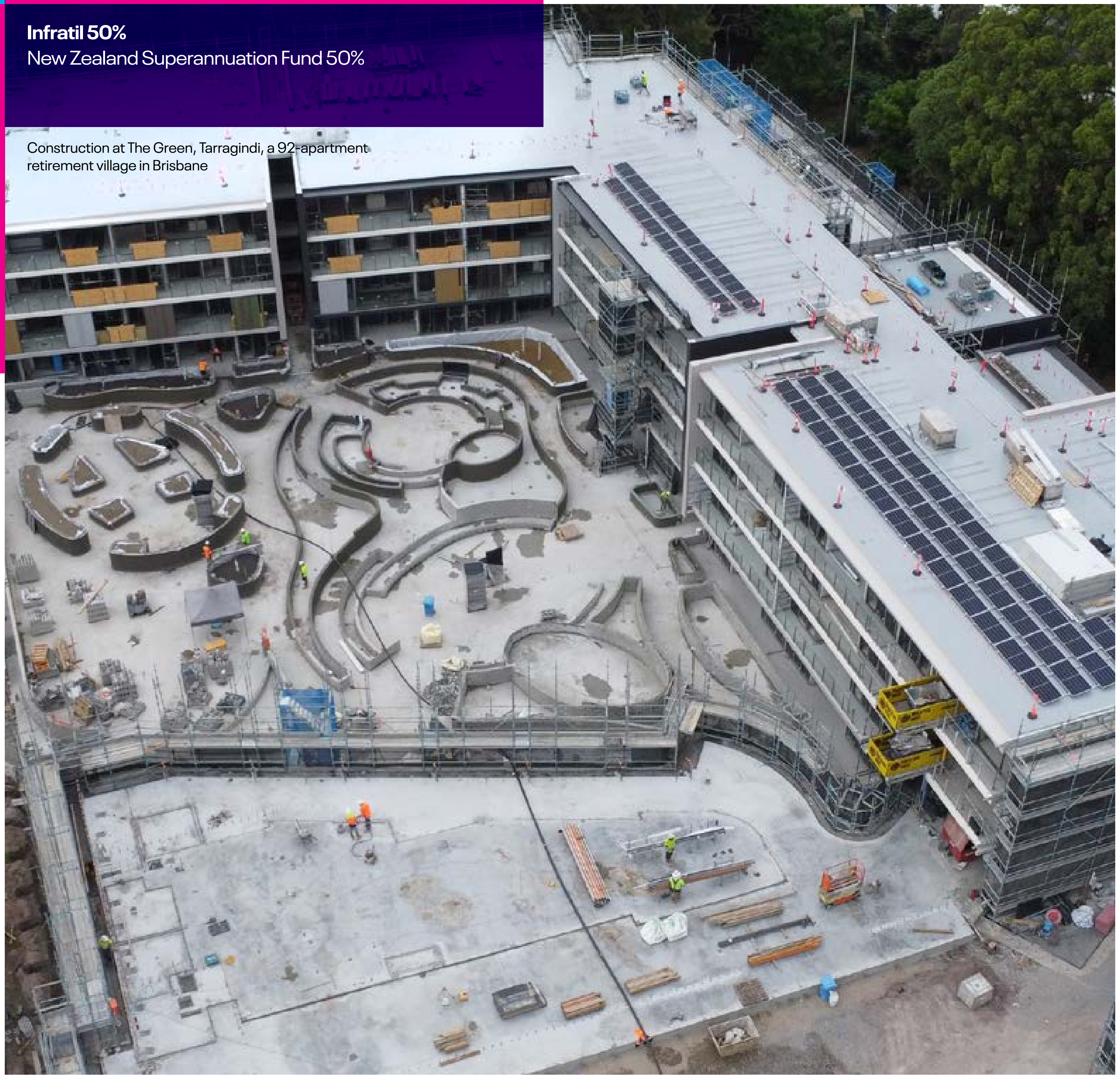
Investing heavily in doctors and in specialised talent is also pivotal to the strategy. A new doctor remuneration model is being introduced by Qscan which it believes will create stronger engagement with Qscan doctors, improved productivity through enhanced use of technology, and incentivised remuneration that benefits both doctors and clinics.

Significant opportunities exist for brownfield expansion at a number of Qscan's existing sites. Qscan is continually seeking to utilise the latest technology and state of the art medical imaging equipment across its clinics. The enhancements and delivery of new MRI installations in Young in New South Wales, Annerley and Windsor in Queensland, and Grafton in New South Wales are good examples of this in practice.

These enhancements provide significant support to local and regional communities as Qscan seeks to deliver world-class healthcare services closer to patients and referrers.

RetireAustralia

Infratil 50%
New Zealand Superannuation Fund 50%



Construction at The Green, Tarragindi, a 92-apartment retirement village in Brisbane

Demand for RetireAustralia's retirement villages continues to be strong with 432 sales (inclusive of 32 new units) during the year and waitlists now in place for over 75% of its villages.

This strong performance was delivered in a year marked by the ongoing impacts of covid, Australia-wide workforce shortages, and headwinds in the construction space, including wet weather, limited availability of building materials and rising costs.

Positively, portfolio occupancy remained above the industry average - 96.8%, compared to the Australian industry average of 90%. During FY2023, RetireAustralia lifted unit prices in the existing portfolio by 6% on average. Resident satisfaction also remained favourable with 85% of residents saying they are satisfied or very satisfied with living in their village.

RetireAustralia maintained momentum with its strategy of integrating care into its retirement villages as it focuses on attracting the growing cohort of older Australians seeking independent living with the safety net of a care offering. Through a combination of its own home care services and partnerships with select local care providers, the business has established a continuum of care to end of life for residents in its established villages.

Within its development portfolio, the business is pursuing care hubs - an innovative model of care offering round-the-clock, nurse-led care to residents in their own homes, with the option to move to a higher care environment within their community if their needs advance beyond what can be offered in their independent living environment.

Importantly, as a registered home care provider, RetireAustralia has also invested in systems and processes, and employee training and education to ensure it meets the clinical quality and safety requirements emerging from the Aged Care Royal Commission.

RetireAustralia continued to advance its development pipeline with the completion of 22 independent living units at Forresters Beach Retirement Village, 16 of which have now settled.

Since year end, RetireAustralia has also completed construction of 34 independent living apartments ('ILAs') at The Rise Wood Glen on the NSW Central Coast, with 14 now settled.

During the year construction started on 42 ILAs at Tarragal Glen on the NSW Central Coast, and 62 ILAs and a 10-bed care hub in Stage 3 of The Verge in Queensland. Completion of The Verge Stages 2 and 3 are expected in FY2024 and The Tarragal Glen project in FY2025.

Construction is also due to complete on a further 92 ILAs at The Green, Tarragindi in Brisbane.

Looking ahead to FY2024, these developments underpin total forecast sales of between 520 and 560 units, including between 150 to 185 new units, with a high volume of units already deposited. The business is also on track to achieve a development run rate of 200+ new units per annum over the coming three financial years, given its current pipeline.

During FY2023 RetireAustralia also extended its development pipeline with the purchase of a site adjacent to its Cleveland Manor Retirement Village in Queensland. The business is planning to build 146 ILAs and a 10-bed care hub on this site.

Year ended 31 March	2023	2022
Residents	5,225	5,127
Serviced apartments	552	500
Independent living apartments	3,583	3,569
Unit resales	400	489
New unit sales	32	76
Resale gain per unit	A$154,666	A$135,665
New unit average value	A$701,844	A$676,941
Occupancy receivable/unit	A$137,914	A$132,428
Embedded resale gain/unit	A$61,838	A$51,584
Underlying profit	**A$30.3m**	**A$56.5m**
Net profit after tax	(A$7.5m)	A$149.1m
Capital expenditure	A$121.4m	A$49.2m
Net external debt	A$247.2m	A$161.7m
Infratil book value	NZ$410.9m	NZ$417.3m
Fair value of Infratil's investment	NZ$431.8m	NZ$408.9m

Wellington Airport

Infratil 66%
Wellington City Council 34%

After a period of covid turbulence, the last 12 months have seen Wellington Airport not only continue its recovery but also resume planning to accommodate future growth.

The significant impact of the covid pandemic on travel demand is well known and Wellington Airport was not immune. That said, the early actions it took to ensure the resilience of the business meant it has positioned itself well for the inevitable recovery of travel demand.

With international borders now fully re-opened, major events taking place, and the terminal bustling once again, recovery is well on its way. Trans-Tasman travel recommenced starting with Air New Zealand the day before the start of the financial year on 31 March 2022, followed by Qantas in May 2022, and Jetstar and Fiji Airways in June 2022.

While Singapore Airlines and Virgin Australia have not yet returned to Wellington, momentum is building and both Jetstar and Fiji Airways have increased their international flights over winter.

In its first full year of travel without covid restrictions since the start of the pandemic, Wellington Airport hosted 5.26 million passengers, with 4.7 million domestic passengers and 560,000 international passengers passing through its terminals. While passenger numbers have yet to fully return to pre-covid levels, domestic numbers were at 90% of pre-pandemic levels, while international numbers were up to 76% at 31 March 2023.

This helped drive an improved financial result from the previous year, with EBITDA up 57.6% to $89.6 million, reflecting a solid recovery across all revenue lines and in line with the growth in passenger numbers.

Wellington Airport has used the downturn in demand to invest in resilience and prepare its business for the expected growth over the longer term, as part of its 2040 Masterplan.

In June, the Airport's designation for Airport Purposes over the southern part of Miramar Golf course was confirmed by the Environment Court. This means the Airport has secured development rights to expand onto the southern half of the Miramar Golf Course. This provides vital space needed to meet the demands of Wellington's population growth and new, lower emissions aircraft technology. This expansion will happen incrementally over time as required, and eventually will include a new international terminal and increased space for aircraft parking.

In addition, the airport has continued to invest in attracting new airlines and new routes to better connect Wellington to the rest of New Zealand and to the world.

The extreme weather events experienced in 2023 in parts of New Zealand highlighted the importance of resilient infrastructure. Wellington Airport has been upgrading a range of infrastructure this year, including the major apron taxiway, along with a new stormwater management system and airfield lighting. Resilience work is also underway on sea walls and breakwater infrastructure.

This investment has not come at the expense of passenger experience - with 98% of passengers over the year rating the Airport Good, Very Good or Excellent in surveys. It has been a privilege for the Airport to welcome more travellers back, and that welcome has included new check-in and boarding technology, new food and beverage options, and having its ambassadors on-site seven days a week.

This investment in growth is supported by secure long-term funding. Along with prudent expenditure management, the year saw the issuance of $75 million in retail bonds, the ninth retail bond issue for the Airport. It also converted $100 million of bank finance into its inaugural sustainability linked lending. This creates incentives by aligning interest rates with agreed sustainability targets.

Growth is important to Wellington as a region and to the Airport, but it must be sustainable. Wellington Airport made some excellent progress over the year towards its sustainability goals of reaching net zero emissions by 2030 and absolute zero by 2050. As a consequence, it was rated an incredible third in the world for airport sustainability by GRESB, a global organisation that independently benchmarks ESG performance.

To enable more sustainable transit to and from the Airport, the year saw the launch of a new electric bus service. In July 2022, the Airport Express commenced service, along with an electric bus charging facility, as well as a partnership with GWRC to develop a new bus terminal which has overnight bus charging capabilities and driver amenities.

In addition, the Airport joined the new Industry Advisory Board for Heart Aerospace to support the development of sustainable aviation technologies and worked closely with aviation partners on Sustainable Aviation Fuel as the industry responds to climate change imperatives.

Wellington Airport is extremely proud to have achieved its goal of zero harm to health and safety for the year across its operations. Like others in the aviation sector, Wellington Airport faces intense competition for talent. This year it held its first job fair, attracting over 600 people and resulting in 70 roles being filled. The Airport's reputation as an employer helped, and is demonstrated through its staff benefits, its commitment to diversity and inclusion, and its investment in developing people.

Other projects on the horizon include an upgrade of the international arrivals hall to manage peaks, baggage handling enhancements, a multi-level terminal retail development, the completion of a new Airport Fire Station and a new Aviation Ground Services building.

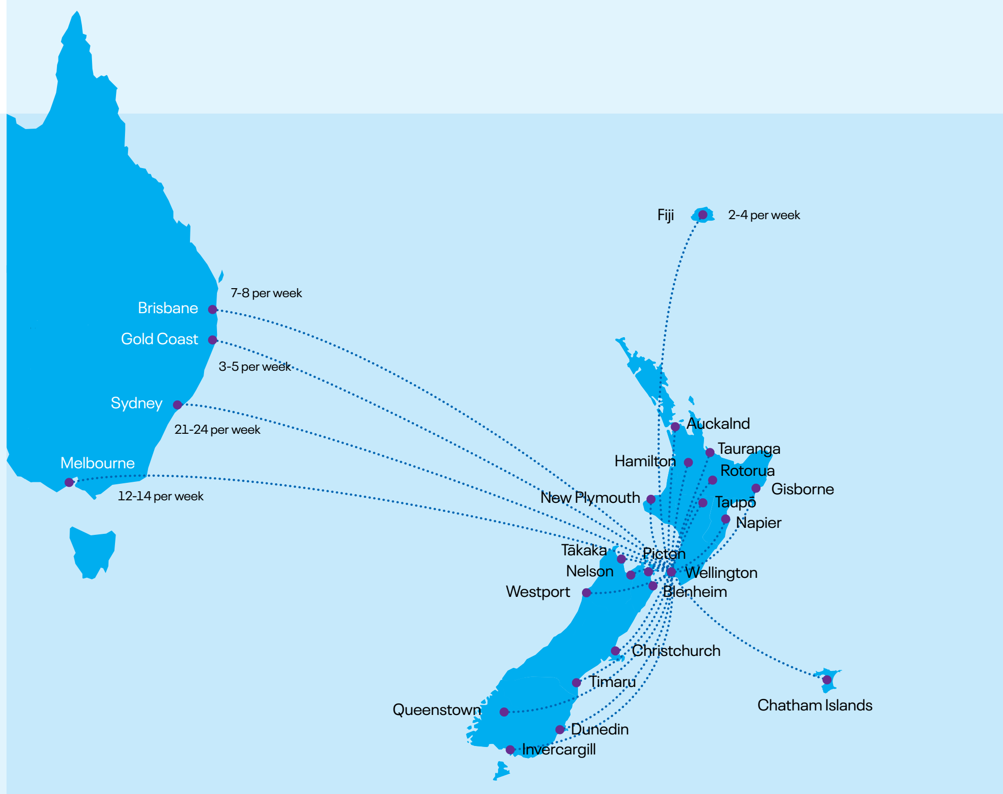
Financially, in the short-term some lighter turbulence is expected, as airline capacity ramps up to meet demand following the operational adjustments needed during the peak of the pandemic, and as inflation and cost of living pressures suppress discretionary spending. That said, the Airport is well positioned. Its underlying fundamentals are strong, its commercial and operational performance is proven, its sustainability goals are on track and consultation with airlines on pricing for FY2025-2029 will shortly commence.

Year ended 31 March	2023	2022
Passengers Domestic	4,690,238	3,480,581
Passengers International	562,927	48,667
Aeronautical income	$77.3m	$54.3m
Passenger services income	$38.1m	$22.3m
Property/other income	$15.7m	$13.8m
Operating costs	($41.5m)	($33.6m)
EBITDAF	**$89.6m**	**$56.8m**
Net profit/(loss) after tax	$25.1m	$3.0m
Capital expenditure	$69.7m	$17.8m
Net external debt	$582.0m	$584.5m
Infratil cash income	-	-
Infratil book value	$667.4m	$580.0m

Passengers & Routes

In the last 12 months Wellington Airport welcomed over 5.2 million travellers, an increase from just 3.5 million in FY2022. Domestic travel is approaching normal with around 4.7 million domestic passengers using the airport during the year and most domestic routes have now reopened.

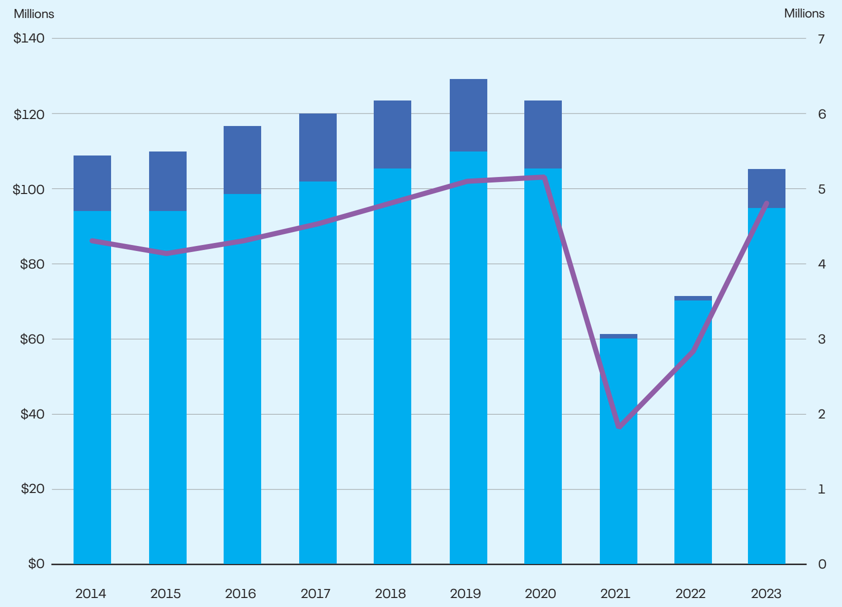
It was a steady rebuild for international travel with Air New Zealand resuming regular international flights on 31 March 2022, followed by Qantas in May 2022 and then Jetstar and Fiji Airways in June 2022. Singapore Airlines and Virgin Australia have not yet returned to Wellington.

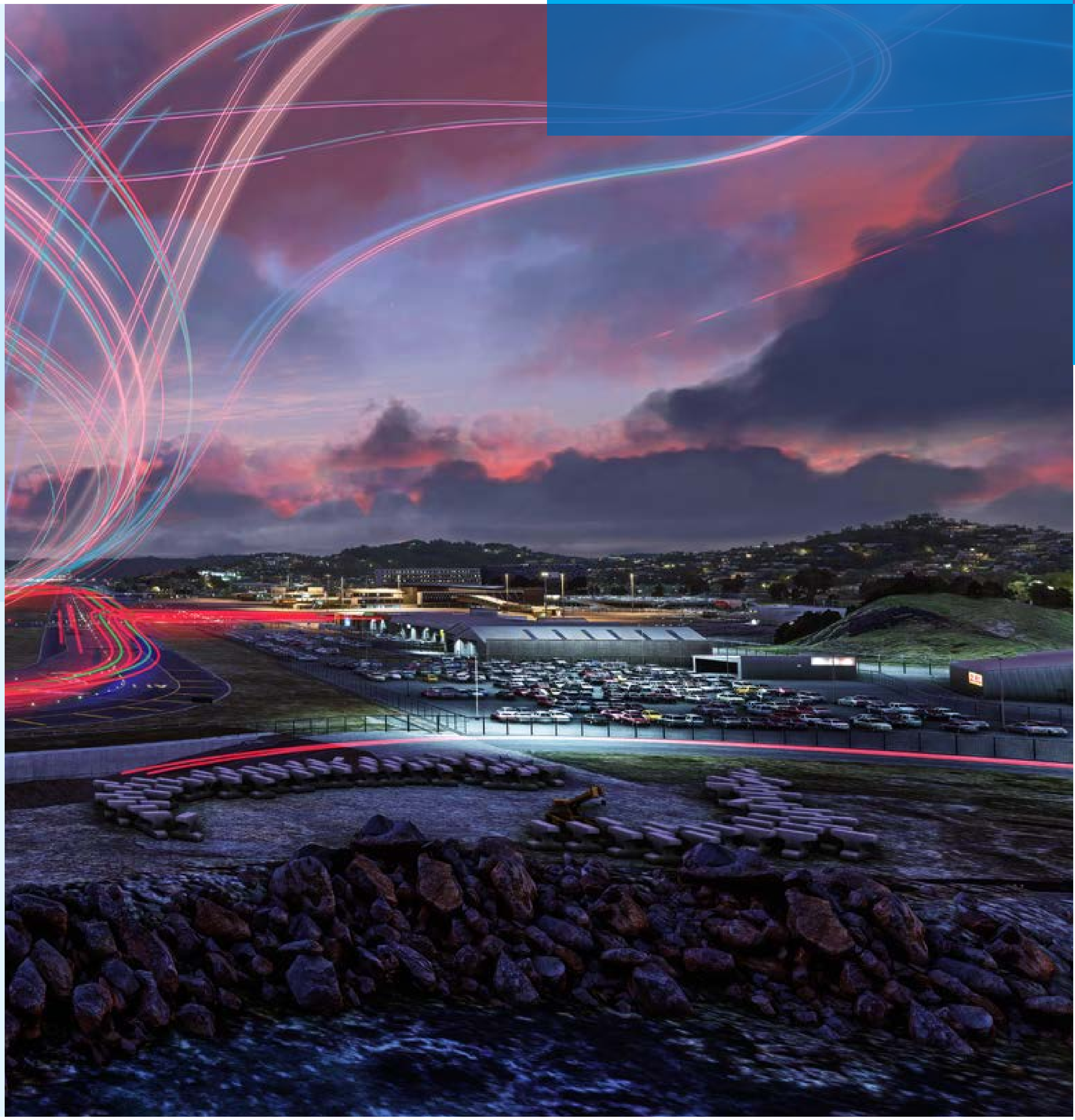


EBITDAF & Passengers

In the decade to FY2020, passengers rose stably at 2% per year and earnings 4%. The restrictions on movement and travel that were put in place to prevent the spread of covid clearly had a huge impact on passenger numbers. Earnings are expected to reach FY2020 levels in the year ahead (FY2024), while passenger numbers are expected to continue growing sustainably, returning to pre-covid levels by mid-decade.

Domestic Passengers
International Passengers
EBITDAF





Financial Statements

Contents

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2023

	Notes	2023 $Millions	2022 $Millions (Restated)
Operating revenue	11	1,191.7	1,027.2
Dividends		-	1.7
Total revenue		**1,191.7**	**1,028.9**
Share of earnings of associate companies	6	653.4	268.5
Total income		**1,845.1**	**1,297.4**
Depreciation	14,16	102.5	84.6
Amortisation of intangibles	18	5.1	6.8
Employee benefits		374.9	275.3
Operating expenses	12	666.5	724.9
Total operating expenditure		**1,149.0**	**1,091.6**
Operating surplus before financing, derivatives, realisations and impairments		696.1	205.8
Net gain on foreign exchange and derivatives		91.9	68.0
Net realisations, revaluations and impairments		(17.1)	14.2
Interest income		22.0	6.4
Interest expense		188.8	165.9
Net financing expense		166.8	159.5
Net surplus before taxation		**604.1**	**128.5**
Taxation expense	13	42.5	22.6
Net surplus for the year from continuing operations		**561.6**	**105.9**
Net surplus from discontinued operations after tax	10	330.1	1,125.8
Net surplus for the year		**891.7**	**1,231.7**
Net surplus attributable to owners of the Company		643.1	1,169.3
Net surplus attributable to non-controlling interests		248.6	62.4
Other comprehensive income, after tax			
Items that will not be reclassified to profit and loss:			
Net change in fair value of property, plant & equipment recognised in equity		65.4	83.6
Share of associates other comprehensive income		27.7	19.5
Net change in fair value of equity investments at fair value through other comprehensive income		(2.3)	14.8
Realisations on disposal of equity investments at FVOCI		-	5.6
Income tax effect of the above items		(5.3)	(20.2)
Items that may subsequently be reclassified to profit and loss:			
Differences arising on translation of foreign operations		(3.6)	(30.7)
Realisations on disposal of subsidiary, reclassified to profit and loss		-	(444.4)
Effective portion of changes in fair value of cash flow hedges		6.8	(53.6)
Income tax effect of the above items		(1.9)	21.2
Total other comprehensive income/(loss) after tax		**86.8**	**(404.2)**
Total comprehensive income/(loss) for the year		**978.5**	**827.5**
Total comprehensive income for the year attributable to owners of the Company		710.1	1,191.7
Total comprehensive income for the year attributable to non-controlling interests		268.4	(364.2)
Earnings per share			
Basic and diluted (cents per share) from continuing operations	4	43.2	6.0
Basic and diluted (cents per share)	4	88.8	161.7

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2023

	Notes	2023 $Millions	2022 $Millions
Cash and cash equivalents	23.1	774.5	851.0
Trade and other accounts receivable and prepayments	23.1	148.9	107.5
Electricity market security deposits		45.8	64.8
Derivative financial instruments	23.4	25.3	65.3
Inventories		2.3	2.0
Income tax receivable		9.1	12.3
Assets held for sale	10	169.8	194.8
Current assets		**1,175.7**	**1,297.7**
Trade and other accounts receivable and prepayments	23.1	16.4	8.6
Property, plant and equipment	14	3,560.1	3,401.1
Investment properties	15	132.2	279.3
Right of use assets	16.1	161.2	159.2
Derivative financial instruments	23.4	207.4	80.9
Intangible assets	18	128.7	121.3
Goodwill	17	1,846.1	1,807.2
Investments in associates	6	2,388.9	2,125.9
Shareholder loans to associates	6	429.6	469.4
Other investments	7	142.6	101.2
Non-current assets		**9,013.1**	**8,554.1**
Total assets		**10,188.8**	**9,851.8**
Accounts payable, accruals and other liabilities		361.9	445.9
Interest bearing loans and borrowings	19	494.6	215.5
Lease liabilities	16.2	19.0	22.7
Derivative financial instruments	23.4	37.0	48.3
Income tax payable		5.7	9.4
Infratil Infrastructure bonds	20	122.0	193.5
Manawa Energy bonds	21	-	127.7
Wellington International Airport bonds	22	75.0	-
Liabilities directly associated with the assets held for sale	10	70.1	50.9
Total current liabilities		**1,185.3**	**1,113.9**
Interest bearing loans and borrowings	19	305.3	851.7
Accounts payable, accruals and other liabilities		177.9	151.3
Lease liabilities	16.2	189.2	226.6
Deferred tax liability	13.3	253.7	257.4
Derivative financial instruments	23.4	80.0	70.5
Infratil Infrastructure bonds	20	957.4	963.1
Perpetual Infratil Infrastructure bonds	20	231.9	231.9
Manawa Energy bonds	21	372.0	223.0
Wellington International Airport bonds and senior notes	22	625.4	621.7
Non-current liabilities		**3,192.8**	**3,597.2**
Attributable to owners of the Company		4,208.1	3,713.9
Non-controlling interest in subsidiaries		1,602.6	1,426.8
Total equity		**5,810.7**	**5,140.7**
Total equity and liabilities		**10,188.8**	**9,851.8**
Net tangible assets per share ($ per share)		4.24	3.61

Approved on behalf of the Board on 20 May 2023

Alison Gerry
Director

Anne Urlwin
Director

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2023

	Notes	2023 $Millions	2022 $Millions
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		1,180.1	1,585.5
Distributions received from associates		167.7	61.2
Other dividends		0.6	2.1
Interest received		21.0	6.9
		1,369.4	**1,655.7**
Cash was disbursed to:			
Payments to suppliers and employees		(1,173.5)	(1,364.0)
Interest paid		(139.7)	(157.4)
Taxation paid		(47.4)	(51.5)
		(1,360.6)	(1,572.9)
Net cash inflow from operating activities	25	**8.8**	**82.8**
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sale of associates		-	-
Capital returned from associates		748.4	43.3
Proceeds of Shareholder (loan)		0.8	-
Proceeds from sale of subsidiaries (net of cash sold)		0.7	1,654.5
Proceeds from the sale of the Trustpower Retail business		462.5	-
Proceeds from sale of property, plant and equipment		0.8	0.1
Proceeds from sale of investment property		0.2	0.2
Proceeds from sale of investments		0.2	44.3
Return of security deposits		158.6	189.2
		1,372.2	**1,931.6**
Cash was disbursed to:			
Purchase of investments		(566.4)	(313.1)
Proceeds to shareholder (loan)		-	(0.4)
Lodgement of security deposits		(141.4)	(172.4)
Purchase of intangible assets		(2.7)	(6.1)
Interest capitalised on construction of fixed assets		-	-
Purchase of shares in subsidiaries, net of cash acquired		(39.2)	(1,159.4)
Purchase of investment properties		-	-
Purchase of property, plant and equipment		(137.4)	(115.6)
		(887.1)	(1,767.0)
Net cash inflow / (outflow) from investing activities		**485.1**	**164.6**
Cash flows from financing activities			
Cash was provided from:			
Proceeds from issue of shares		-	8.3
Proceeds from issue of shares to non-controlling interests		10.4	372.9
Bank borrowings		88.6	1,023.8
Issue of bonds		290.9	227.4
		389.9	**1,632.4**
Cash was disbursed to:			
Repayment of bank debt		(359.5)	(1,018.7)
Repayment of lease liabilities		(26.9)	(26.1)
Loan establishment costs		(8.6)	(7.3)
Repayment of bonds		(271.5)	(251.9)
Infrastructure bond issue expenses		(25.8)	(2.2)
Share buyback		-	-
Shares acquired from non-controlling shareholders in subsidiary companies		(10.0)	(6.7)
Dividends paid to non-controlling shareholders in subsidiary companies		(122.4)	(66.7)
Dividends paid to owners of the Company	3	(135.7)	(130.1)
		(960.4)	**(1,509.7)**
Net cash inflow / (outflow) from financing activities		**(570.5)**	**122.7**
Net increase / (decrease) in cash and cash equivalents		(76.6)	370.1
Foreign exchange gains / (losses) on cash and cash equivalents		-	(4.3)
Cash and cash equivalents at beginning of the year		851.0	133.8
Cash balances on acquisition		0.1	9.8
Adjustment for cash classified as assets held for sale	10	-	341.6
Cash and cash equivalents at end of the year		**774.5**	**851.0**

Consolidated Statement of Changes in Equity

For the year ended 31 March 2023

	Capital $Millions	Revaluation reserve $Millions	Foreign currency translation reserve $Millions	Other reserves $Millions	Retained earnings $Millions	Total $Millions	Non-controlling $Millions	Total equity $Millions
Balance as at 1 April 2022	1,057.3	576.9	(1.3)	53.8	2,027.2	3,713.9	1,426.8	5,140.7
Net surplus/(deficit) for the year	-	-	-	-	643.1	643.1	248.6	891.7
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	(6.8)	-	-	(6.8)	3.0	(3.8)
Items reclassified to profit and loss on disposal of subsidiaries	-	-	-	-	-	-	-	-
Net change in fair value of equity investments at FVOCI	-	-	-	(2.3)	-	(2.3)	-	(2.3)
Realisations on disposal of equity investments at FVOCI	-	-	-	-	-	-	-	-
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	3.3	-	3.3	1.8	5.1
Fair value movements in relation to the executive share scheme	-	-	-	-	-	-	-	-
Fair value change of property, plant & equipment recognised in equity	-	45.1	-	-	-	45.1	15.0	60.1
Share of associates other comprehensive income	-	-	-	27.7	-	27.7	-	27.7
Total other comprehensive income	**-**	**45.1**	**(6.8)**	**28.7**	**-**	**67.0**	**19.8**	**86.8**
Total comprehensive income for the year	**-**	**45.1**	**(6.8)**	**28.7**	**643.1**	**710.1**	**268.4**	**978.5**
Contributions by and distributions to non-controlling interest								
Distribution to outside equity interest in associates	-	-	-	(74.6)	-	(74.6)	-	(74.6)
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	-	-	13.5	13.5
Issue of shares to non-controlling interests	-	-	-	(4.5)	-	(4.5)	17.3	12.8
Issue/(acquisition) of shares held by outside equity interest	-	-	-	(1.1)	-	(1.1)	(1.0)	(2.1)
Total contributions by and distributions to non-controlling interest	-	-	-	(80.2)	-	(80.2)	29.8	(50.4)
Contributions by and distributions to owners								
Shares issued	-	-	-	-	-	-	-	-
Share buyback	-	-	-	-	-	-	-	-
Shares issued under dividend reinvestment plan	-	-	-	-	-	-	-	-
Conversion of executive redeemable shares	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	(135.7)	(135.7)	(122.4)	(258.1)
Total contributions by and distributions to owners	-	-	-	-	(135.7)	(135.7)	(122.4)	(258.1)
Balance at 31 March 2023	**1,057.3**	**622.0**	**(8.1)**	**2.3**	**2,534.6**	**4,208.1**	**1,602.6**	**5,810.7**

Consolidated Statement of Changes in Equity

For the year ended 31 March 2022

	Capital $Millions	Revaluation reserve $Millions	Foreign currency translation reserve $Millions	Other reserves $Millions	Retained earnings $Millions	Total $Millions	Non-controlling $Millions	Total equity $Millions
Balance as at 1 April 2021	1,049.0	767.3	28.2	64.0	735.5	2,644.0	1,445.2	4,089.2
Net surplus for the year	-	-	-	-	1,169.3	1,169.3	62.4	1,231.7
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	(29.3)	-	-	(29.3)	5.2	(24.1)
Items reclassified to profit and loss on disposal of subsidiaries	-	(232.3)	(0.2)	(14.4)	232.3	(14.6)	(429.8)	(444.4)
Net change in fair value of equity investments at FVOCI	-	-	-	14.8	-	14.8	-	14.8
Realisations on disposal of equity investments at FVOCI	-	-	-	(14.6)	20.2	5.6	-	5.6
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	(15.5)	-	(15.5)	(23.5)	(39.0)
Fair value change of property, plant & equipment recognised in equity	-	41.9	-	-	-	41.9	21.5	63.4
Share of associates other comprehensive income	-	-	-	19.5	-	19.5	-	19.5
Total other comprehensive income	-	(190.4)	(29.5)	(10.2)	252.5	22.4	(426.6)	(404.2)
Total comprehensive income for the year	**-**	**(190.4)**	**(29.5)**	**(10.2)**	**1,421.8**	**1,191.7**	**(364.2)**	**827.5**
Contributions by and distributions to non-controlling interest								
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	-	-	401.6	401.6
Issue of shares to non-controlling interests	-	-	-	-	-	-	10.8	10.8
Issue/(acquisition) of shares held by outside equity interest	-	-	-	-	-	-	-	-
Total contributions by and distributions to non-controlling interest	-	-	-	-	-	-	412.4	412.4
Contributions by and distributions to owners								
Share issued	-	-	-	-	-	-	-	-
Share buyback	-	-	-	-	-	-	-	-
Shares issued under the dividend reinvestment plan	8.3	-	-	-	-	8.3	-	8.3
Dividends to equity holders	-	-	-	-	(130.1)	(130.1)	(66.6)	(196.7)
Total contributions by and distributions to owners	8.3	-	-	-	(130.1)	(121.8)	(66.6)	(188.4)
Balance at 31 March 2022	**1,057.3**	**576.9**	**(1.3)**	**53.8**	**2,027.2**	**3,713.9**	**1,426.8**	**5,140.7**

The accompanying notes form part of these consolidated financial statements.

Notes to the Financial Statements

For the year ended 31 March 2023

1 Accounting policies

A Reporting Entity

Infratil Limited ('the Company') is a company domiciled in New Zealand and registered under the Companies Act 1993. The Company is listed on the NZX Main Board ('NZX') and Australian Securities Exchange ('ASX'), and is an FMC Reporting Entity in terms of Part 7 of the Financial Markets Conduct Act 2013.

B Basis of preparation

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Principles ('NZ GAAP') and comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable financial reporting standards as appropriate for profit-oriented entities. The consolidated financial statements comprise the Company, its subsidiaries and associates ('the Group'). The presentation currency used in the preparation of these consolidated financial statements is New Zealand dollars, which is also the Group's functional currency, and is presented in $Millions unless otherwise stated. The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. Comparative figures have been restated where appropriate to ensure consistency with the current period.

The consolidated financial statements comprise statements of the following: comprehensive income; financial position; changes in equity; cash flows; significant accounting policies; and the notes to those statements. The consolidated financial statements are prepared on the basis of historical cost, except certain property, plant and equipment which is valued in accordance with accounting policy (D), investment property valued in accordance with accounting policy (E), financial derivatives valued in accordance with accounting policy (K) and financial assets valued in accordance with accounting policy (R).

Restatement of Electricity Revenue

Following the sale of the Trustpower Retail business, Manawa Energy has restated the presentation of revenue from electricity sold into the wholesale electricity market. This is now presented gross (previously this revenue was presented net with the cost of electricity purchased from the wholesale market) in the 31 March 2023 and 31 March 2022 financial statements. This presentation resulted in a $168.3 million increase in operating revenue and operating expenses at 31 March 2022 and has no impact on the net surplus or statement of financial position. This presentation also results in a $168.3 million increase in receipts from customers and payments to suppliers and employees in the cash flow statement, with no impact on net cash from operating activities. Note 11 Revenue and Note 12 Operating Expenses have been updated to reflect the restatements.

Accounting estimates and judgements

The preparation of consolidated financial statements in conformity with NZ IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Future outcomes could differ from those estimates. The principal areas of judgement in preparing these consolidated financial statements are set out below.

Valuation of property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment losses, or at fair value less accumulated depreciation and impairment losses. Where property, plant and equipment is recorded at fair value, valuations can include an assessment of the net present value of the future earnings of the assets, the depreciated replacement cost, and other market-based information in accordance with asset valuation standards. The key inputs and assumptions that are used in valuations, that require judgement, can include projections of future revenues, volumes, operational and capital expenditure profiles, capacity, terminal values, the application of discount rates and replacement values. Key inputs and assumptions are reassessed at each balance date to ensure there has been no material change that may impact the valuation.

With respect to assets held at cost, judgements are made about whether costs incurred relate to bringing an asset to its working condition for its intended use, and therefore are appropriate for capitalisation as part of the cost of the asset. The determination of the appropriate life for a particular asset requires judgements about, among other factors, the expected future economic benefits of the asset and the likelihood of obsolescence.

Assessing whether an asset is impaired involves estimating the future cash flows that the asset is expected to generate. This will, in turn, involve a number of assumptions, including the assessment of the key inputs that impact the valuation.

Valuation of investments including Associates

Infratil completes an assessment of the carrying value of investments at least annually and considers objective evidence for impairment on each investment, taking into account observable data on the investment, the status or context of markets, its own view of fair value, and its long term investment intentions. Infratil notes the following matters which are specifically considered in terms of objective evidence of impairment of its investments, and whether there is a significant or prolonged decline from cost, which should be recorded as an impairment, and taken to profit and loss: any known loss events that have occurred since the initial recognition date of the investments, including its investment performance, its long term investment horizon, specific initiatives which reflect the strategic or influential nature of its existing investment position and internal valuations; and the state of markets. The assessment also requires judgements about the expected future performance and cash flows of the investment.

Derivatives

Certain derivatives are classified as financial assets or financial liabilities at fair value through profit or loss. The key assumptions and risk factors for these derivatives relate to energy price hedges and their valuation. Energy price hedges are valued with reference to financial models of future energy prices or market values for the relevant derivative. Accounting judgements have been made in determining hedge designation for the different types of derivatives employed by the Group to hedge risk exposures. Other derivatives including, interest rate instruments and foreign exchange contracts, are valued based on market information and prices.

C Basis of preparing consolidated financial statements

Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated Group. A list of significant subsidiaries and associates is shown in Note 8. Consistent accounting policies are employed in the preparation and presentation of the Group consolidated financial statements.

D Property, plant and equipment

Property, plant and equipment ('PPE') is recorded at cost less accumulated depreciation and impairment losses, or at fair value less accumulated depreciation and impairment losses. Where property, plant and equipment is recorded at fair value, valuations are undertaken on a systematic basis. No individual asset is included at an independent external valuation undertaken more than five years previously. PPE that is revalued, is revalued to its fair value determined by an independent valuer or by the Directors with reference to independent experts, in accordance with NZ IAS 16 Property, Plant and Equipment. Where the assets are of a specialised nature and do not have observable market values in their existing use, depreciated replacement cost is used as the basis of the valuation. Depreciated replacement cost measures net current value as the most efficient, lowest cost which would replace existing assets and offer the same amount of utility in their present use. For non-specialised assets where there is no observable market an income-based approach is used.

Land, buildings, vehicles, plant and equipment, leasehold improvements and civil works are measured at fair value or cost.

Renewable generation assets are shown at fair value, based on periodic valuations by independent external valuers or by Directors with reference to independent experts, less subsequent depreciation.

Depreciation is provided on a straight line basis and the major depreciation periods (in years) are:

Buildings and civil works	2-120
Vehicles, plant and equipment	1-40
Renewable generation	12-200
Office and IT equipment	2-5 years
Land	not depreciated
Leasehold improvements	4-40
Capital work in progress	not depreciated until asset in use

E Investment properties

Investment properties are property (either owned or leased) held to earn rental income. Investment properties are measured at fair value with any change therein recognised in profit or loss. Property that is being constructed for future use as investment property is measured at fair value and classified as investment properties. Where a leased property is held to earn rental income, the right of use asset is included within Investment properties.

F Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for expected credit losses. The Group applies the simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables and contract assets. These provisions take into account known commercial factors impacting specific customer accounts, as well as the overall profile of the debtor portfolio. In assessing the provision, factors such as past collection history, the age of receivable balances, the level of activity in customer accounts, as well as general macro-economic trends, are also taken into account.

G Investments in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Investments in associates are accounted for using the equity method. Under the equity method, the investment in the associate is carried at cost plus the Group's share of post-acquisition changes in the net assets of the associate and any impairment losses. The Group's share of the associates' post-acquisition profits or losses is recognised in profit or loss, and the Group's share of post-acquisition movements in reserves is recognised in other comprehensive income.

H Goodwill and intangible assets

Goodwill

The carrying value of goodwill is subject to an annual impairment test to ensure the carrying value does not exceed the recoverable amount at balance date. For the purpose of impairment testing, goodwill is allocated to the individual cash-generating units to which it relates. Any impairment losses are recognised in the statement of comprehensive income. In determining the recoverable amount of goodwill, fair value is assessed, including the use of valuation models to calculate the present value of expected future cash flows of the cash-generating units, and where available with reference to listed prices.

Intangible assets

Intangible assets include lease agreements & software, customer acquisition costs, customer contracts and brands.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

- Lease agreements and software: 3 - 7 years
- Customer acquisition costs: 1 - 20 years
- Customer contracts: 1-5 years
- Radio spectrum licences: 15 - 20 years
- Fibre capacity agreements: 15 - 20 years
- Indefeasible rights of use: 25 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Brand names

Brand names that are acquired as part of a business combination are recognised separately from goodwill and included in intangible assets. These assets are carried at their fair value at the date of acquisition less impairment losses. Brand names are valued using the relief from royalty method. Brand names are determined to have indefinite useful lives and therefore do not attract amortisation. Key factors taken into account in concluding this was the ongoing strong recognition of the brands, and the absence of any legal, technical or commercial factors indicating that a finite life would be more appropriate.

The carrying value of a brand is subject to an annual impairment test (with goodwill) to ensure the carrying value does not exceed the recoverable amount at balance date.

I Assets and disposal groups held for sale

Assets and disposal groups classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition and the sale of the asset (or disposal group) is expected to be completed within one year from the date of classification.

J Taxation

Income tax comprises both current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised in respect of the differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, or there are deferred tax liabilities to offset it.

Preparation of the consolidated financial statements requires estimates of the amount of tax that will ultimately be payable, the availability and recognition of losses to be carried forward and the amount of foreign tax credits that will be received.

K Derivative financial instruments

When appropriate, the Group enters into agreements to manage its interest rate, foreign exchange, operating and investment risks.

In accordance with the Group's risk management policies, the Group does not hold or issue derivative financial instruments for speculative purposes. However, certain derivatives do not qualify for hedge accounting and are required to be accounted for at fair value through profit or loss. Derivative financial instruments are recognised initially at fair value at the date they are entered into. Subsequent to initial recognition, derivative financial instruments are stated at fair value at each balance sheet date. The resulting gain or loss is recognised in the profit or loss immediately unless the derivative is designated effective as a hedging instrument, in which event, recognition of any resultant gain or loss depends on the nature of the hedging relationship. The Group identifies certain derivatives as hedges of highly probable forecast transactions to the extent the hedge meets the hedge designation tests.

Hedge accounting

The Group designates certain hedging instruments as either cash flow hedges or hedges of net investments in equity. At the inception of the hedge relationship the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an on-going basis, the Group documents whether the hedging instrument that is used in the hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and presented in equity. The gain or loss relating to the ineffective portion is recognised in profit or loss. The amounts presented in equity are recognised in profit or loss in the periods when the hedged item is recognised in profit or loss.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss recognised in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is recognised in profit or loss.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised directly in equity, in the foreign currency translation reserve, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged net investment is disposed of, the cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss on disposal.

L Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on the translation of the net investment in a foreign operation.

Foreign operations

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition, are translated to New Zealand dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to New Zealand dollars at the average rate for the reporting period.

M Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

N Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. A description of the nature and timing of the various performance obligations in the Group's contracts with customers and when revenue is recognised is outlined at Note 11 (Revenue).

Interest revenues are recognised as accrued, taking into account the effective yield of the financial asset. Revenue from services is recognised in the profit or loss over the period of service. Dividend income is recognised when the right to receive the payment is established.

O Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit or loss over the period of the borrowing using the effective interest rate. Bond and bank debt issue expenses, fees and other costs incurred in arranging finance are capitalised and amortised over the term of the relevant debt instrument or debt facility.

P Discontinued operations

Classification as a discontinued operation occurs on disposal, or when the operation meets the criteria to be classified as a non-current asset or disposal group held for sale (see paragraph (I)), if earlier, and represents a separate major line of business or geographical area of operations. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

Q Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group is organised into seven main business segments, Manawa Energy, Mint Renewables, Wellington International Airport, Diagnostic Imaging, Gurīn Energy, Associate Companies and Other. Other comprises investment activity not included in the specific categories.

R Financial assets - available for sale

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

S New standards, amendments and pronouncements not yet adopted by the Group

There are no new standards that are not yet effective that would be expected to have a material impact on the Group in the current or future reporting periods and foreseeable future transactions.

2 Nature of business

The Group owns and operates infrastructure businesses and investments in New Zealand, Australia, the United States, Asia, United Kingdom and Europe. The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 5 Market Lane, Wellington, New Zealand.

More information on the individual businesses is contained in Note 5 (Operating segments) and Note 6 (Investments in associates) including the relative contributions to total revenue and expenses of the Group.

3 Infratil shares and dividends

Ordinary shares (fully paid)

	2023	2022
Total authorised and issued shares at the beginning of the year	723,983,582	722,952,533
Movements during the year:		
New shares issued	-	-
New shares issued under dividend reinvestment plan	-	1,031,049
Treasury stock reissued under dividend reinvestment plan	-	-
Share buyback	-	-
Total authorised and issued shares at the end of the year	**723,983,582**	**723,983,582**

All fully paid ordinary shares have equal voting rights and share equally in dividends and equity. At 31 March 2023 the Group held 1,662,617 shares as Treasury Stock (31 March 2022: 1,662,617).

Dividends paid on ordinary shares

	2023 Cents per share	2022 Cents per share	2023 $Millions	2022 $Millions
Final dividend prior year	12.00	11.50	86.8	83.0
Interim dividend current year	6.75	6.50	48.9	47.1
Dividends paid on ordinary shares	**18.75**	**18.00**	**135.7**	**130.1**

4 Earnings per share

	2023 $Millions	2022 $Millions
Net surplus from continuing operations attributable to ordinary shareholders	313.0	43.5
Basic and diluted earnings per share (cps) from continuing operations	43.2	6.0
Net surplus attributable to ordinary shareholders	643.1	1,169.3
Basic and diluted earnings per share (cps)	88.8	161.7
Weighted average number of ordinary shares		
Issued ordinary shares at 1 April	724.0	723.0
Effect of new shares issued	-	-
Effect of new shares issued under dividend reinvestment plan	-	0.3
Effect of Treasury stock reissued under dividend reinvestment plan	-	-
Effect of shares bought back	-	-
Weighted average number of ordinary shares at end of year	**724.0**	**723.3**

5 Operating segments

Manawa Energy, Gurin Energy and Mint Renewables are renewable generation investments, Wellington International Airport is an airport investment and Qscan Group and RHC NZ Medical Imaging make up the Group's Diagnostic Imaging platform. Associates comprises Infratil's investments that are not consolidated for financial reporting purposes including CDC Data Centres, One New Zealand, RetireAustralia, Longroad Energy, Kao Data, Galileo and Fortysouth. Further information on these investments is outlined in Note 6. The Group's investment in the Trustpower Retail business, which was previously part of Manawa Energy, is treated as a Discontinued Operation at 31 March 2023 and held for sale at 31 March 2022. The Group's investment in the Trustpower Retail business and Tilt Renewables are treated as Discontinued Operations as at 31 March 2022. Further information on these investments is outlined in Note 10.1 and 10.2. All other segments and corporate predominately includes the activities of the Parent Company. The group has no significant reliance on any one customer. Inter-segment revenue primarily comprises dividends from Manawa Energy.

	Manawa Energy New Zealand $Millions	Mint Renewables Australasia $Millions	Wellington International Airport New Zealand $Millions	Diagnostic Imaging Australasia $Millions	Gurin Energy Asia $Millions	Associates $Millions	All other segments and corporate New Zealand $Millions	Eliminations & discontinued operations $Millions	Total $Millions
For the year ended 31 March 2023									
Total revenue	482.2	-	139.8	601.2	0.7	-	147.8	(54.0)	1,317.7
Share of earnings of associate companies	-	-	-	-	-	653.4	-	-	653.4
Inter-segment revenue	-	-	-	-	-	-	(126.0)	-	(126.0)
Total income	482.2	-	139.8	601.2	0.7	653.4	21.8	(54.0)	1,845.1
Operating expenses (excluding depreciation and amortisation)	(342.0)	(2.0)	(50.2)	(431.3)	(17.1)	-	(123.3)	(75.5)	(1,041.4)
Interest income	0.7	-	2.0	0.8	-	-	18.5	-	22.0
Interest expense	(25.7)	-	(28.3)	(58.9)	(0.1)	-	(75.6)	(0.2)	(188.8)
Depreciation and amortisation	(23.5)	-	(28.7)	(56.8)	(0.4)	-	-	1.8	(107.6)
Net gain/(loss) on foreign exchange and derivatives	62.9	-	-	3.3	0.1	-	25.7	(0.1)	91.9
Net realisations, revaluations and impairments	329.3	-	(3.1)	0.3	-	-	(14.4)	(329.2)	(17.1)
Taxation expense	(39.6)	-	(6.3)	(14.4)	-	-	17.4	0.4	(42.5)
Net surplus/(loss) for the year	444.3	(2.0)	25.2	44.2	(16.8)	653.4	(129.9)	(456.8)	561.6
Net surplus/(loss) attributable to owners of the company	224.8	(1.5)	16.6	22.3	(15.9)	653.4	(129.9)	(295.4)	474.4
Net surplus/(loss) attributable to non-controlling interests	219.5	(0.5)	8.6	21.9	(0.9)	-	-	(161.4)	87.2
Current assets	137.6	4.2	144.8	85.0	26.7	-	607.7	169.7	1,175.7
Non-current assets	1,965.8	0.4	1,660.0	2,334.6	2.8	2,818.4	504.9	(273.8)	9,013.1
Current liabilities	156.4	0.4	108.1	554.2	26.0	-	297.7	42.5	1,185.3
Non-current liabilities	678.1	-	823.3	479.7	0.3	-	1,427.7	(216.3)	3,192.8
Net assets	1,268.9	4.2	873.4	1,385.7	3.2	2,818.4	(612.8)	69.7	5,810.7
Non-controlling interest percentage	48.9%	27.0%	34.0%	47.4%	5.0%				
Capital expenditure and investment	44.2	-	69.7	62.8	2.9	532.5	24.2	-	736.3

	Manawa Energy New Zealand $Millions	Tilt Renewables Australasia $Millions	Wellington International Airport New Zealand $Millions	Diagnostic Imaging Australia $Millions	Gurin Energy Asia $Millions	Associates $Millions	All other segments and corporate New Zealand $Millions	Eliminations & discontinued operations $Millions	Total $Millions
For the year ended 31 March 2022									
Total revenue	1,187.8	60.0	95.6	440.5	-	-	87.4	(759.0)	1,112.3
Share of earnings of associate companies	-	-	-	-	-	268.5	-	-	268.5
Inter-segment revenue	-	-	-	-	-	-	(72.8)	(10.6)	(83.4)
Total income	1,187.8	60.0	95.6	440.5	-	268.5	14.6	(769.6)	1,297.4
Operating expenses (excluding Depreciation and amortisation)	(983.2)	(47.9)	(39.1)	(341.3)	(6.3)	-	(222.7)	640.3	(1,000.2)
Interest income		0.4	0.2	-	-	-	6.2	(0.4)	6.4
Interest expense	(29.8)	(6.7)	(26.1)	(34.4)	(0.1)	-	(76.7)	7.9	(165.9)
Depreciation and amortisation	(47.4)	(19.5)	(30.5)	(40.4)	(0.1)	-	-	46.5	(91.4)
Net gain/(loss) on foreign exchange and derivatives	42.9	(12.7)	(1.1)	9.2	-	-	17.0	12.7	68.0
Net realisations, revaluations and impairments	-	-	6.5	0.1	-	-	1,144.4	(1,136.8)	14.2
Taxation expense	(50.6)	3.8	(2.5)	(14.5)	-	-	40.3	0.9	(22.6)
Net surplus/(loss) for the year	119.7	(22.6)	3.0	19.2	(6.5)	268.5	923.1	(1,198.5)	105.9
Net surplus/(loss) attributable to owners of the company	59.8	(14.8)	2.0	9.6	(6.2)	268.5	923.1	(1,198.5)	43.5
Net surplus/(loss) attributable to non-controlling interests	59.9	(7.8)	1.0	9.6	(0.3)	-	-	-	62.4
Current assets	300.0	-	55.9	74.1	3.6	-	780.3	83.8	1,297.7
Non-current assets	1,951.2	-	1,474.7	2,250.2	0.5	2,595.2	425.7	(143.4)	8,554.1
Current liabilities	452.8	-	17.9	133.8	2.3	-	471.5	35.6	1,113.9
Non-current liabilities	755.8	-	762.2	821.0	-	-	1,401.6	(143.4)	3,597.2
Net assets	1,042.6	-	750.5	1,369.5	1.8	2,595.2	(667.1)	48.2	5,140.7
Non-controlling interest percentage	49.0%	34.9%	34.0%	46.8%	5.0%				
Capital expenditure and investments	46.3	33.7	19.6	433.7	8.3	307.9	-	(33.7)	815.8

Entity wide disclosure - geographical

The Group operates in two principal areas, New Zealand and Australia, as well as having certain investments in the United States, the United Kingdom, Asia and Europe. The Group's geographical segments are based on the location of both customers and assets. The Group's investment in Trustpower's Retail business was classified as a Discontinued Operations as at 31 March 2023 and held for sale at 31 March 2022. The Group's investment in Trustpower's Retail business and Tilt Renewables are treated as a Discontinued Operation as at 31 March 2022.

	New Zealand $Millions	Australia $Millions	Asia $Millions	United States $Millions	United Kingdom & Europe $Millions	Eliminations & discontinued operations $Millions	Total $Millions
For the year ended 31 March 2023							
Total revenue	1,078.4	292.5	0.7	-	-	(54.0)	1,317.6
Share of earnings of associate companies	199.1	407.7	-	37.5	9.1	-	653.4
Inter-segment revenue	(125.9)	-	-	-	-	-	(125.9)
Total income	1,151.6	700.2	0.7	37.5	9.1	(54.0)	1,845.1
Operating expenses (excluding Depreciation and amortisation)	(841.5)	(233.3)	(17.1)	-	-	50.5	(1,041.4)
Interest income	21.7	0.3	-	-	-	-	22.0
Interest expense	(165.5)	(23.0)	(0.1)	-	-	(0.2)	(188.8)
Depreciation and amortisation	(75.5)	(33.5)	(0.4)	-	-	1.8	(107.6)
Net gain/(loss) on foreign exchange and derivatives	91.9	-	0.1	-	-	(0.1)	91.9
Net realisations, revaluations and impairments	312.1	-	-	-	-	(329.2)	(17.1)
Taxation expense	(41.3)	(1.7)	-	-	-	0.5	(42.5)
Net surplus/(loss) for the year	453.5	409.0	(16.8)	37.5	9.1	(330.7)	561.6
Current assets	931.5	47.3	26.7	-	-	170.2	1,175.7
Non-current assets	5,671.1	2,759.5	2.8	441.1	308.8	(170.2)	9,013.1
Current liabilities	1,019.2	70.0	26.0	-	-	70.1	1,185.3
Non-current liabilities	3,041.0	367.8	0.3	-	-	(216.3)	3,192.8
Net assets	2,542.4	2,369.0	3.2	441.1	308.8	146.2	5,810.7
Capital expenditure and investments	355.9	47.6	2.9	266.4	63.5	-	736.3

	New Zealand $Millions	Australia $Millions	Asia $Millions	United States $Millions	United Kingdom & Europe $Millions	Eliminations & discontinued operations $Millions	Total $Millions
For the year ended 31 March 2022							
Total revenue	1,613.8	257.7	-	-	-	(759.0)	1,112.5
Share of earnings of associate companies	10.3	237.1	-	27.7	(6.6)	-	268.5
Inter-segment revenue	(72.8)	-	-	-	-	(10.6)	(83.4)
Total income	1,551.3	494.8	-	27.7	(6.6)	(769.6)	1,297.6
Operating expenses (excluding Depreciation and amortisation)	(1,482.0)	(214.5)	(6.3)	-	-	702.4	(1,000.4)
Interest income	8.7	(1.9)	-	-	-	(0.4)	6.4
Interest expense	(152.2)	(21.7)	(0.1)	-	-	8.1	(165.9)
Depreciation and amortisation	(103.0)	(34.8)	(0.1)	-	-	46.5	(91.4)
Net gain/(loss) on foreign exchange and derivatives	68.7	(13.4)	-	-	-	12.7	68.0
Net realisations, revaluations and impairments	1,176.8	(25.9)	-	-	-	(1,136.7)	14.2
Taxation expense	(33.1)	9.6	-	-	-	0.9	(22.6)
Net surplus/(loss) for the year	1,035.2	192.2	(6.5)	27.7	(6.6)	(1,136.1)	105.9
Current assets	1,197.5	16.0	3.6	-	-	80.6	1,297.7
Non-current assets	6,359.2	1,868.1	0.5	183.5	223.0	(80.2)	8,554.1
Current liabilities	1,055.5	27.1	2.3	-	-	29.0	1,113.9
Non-current liabilities	3,689.3	51.3	-	-	-	(143.4)	3,597.2
Net assets	2,811.9	1,805.7	1.8	183.5	223.0	114.8	5,140.7
Capital expenditure and investments	474.8	76.0	8.3	58.7	231.7	(33.7)	815.8

6 Investments in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The Group's investments in associates are made through a combination of equity, and in certain instances shareholder loans to those entities.

		2023 $Millions	2022 $Millions
Investments in associates are as follows:			
Equity investments in associates		2,388.9	2,125.9
Shareholder loans to associates		429.6	469.4
Investments in associates		2,818.5	2,595.3

	Note	2023 $Millions	2022 $Millions
Investments in associates are as follows:			
One New Zealand	6.1	171.7	838.2
CDC Data Centres	6.2	1,403.4	1,026.2
RetireAustralia	6.3	410.9	417.3
Longroad Energy	6.4	315.8	90.5
Kao Data	6.5	255.7	203.4
Galileo	6.6	53.3	19.7
Fortysouth	6.7	207.7	-
Investments in associates		**2,818.5**	**2,595.3**

	Note	2023 $Millions	2022 $Millions
Equity accounted earnings of associates are as follows:			
One New Zealand	6.1	204.0	10.3
CDC Data Centres	6.2	411.8	158.1
RetireAustralia	6.3	(4.1)	79.1
Longroad Energy	6.4	37.4	27.7
Kao Data	6.5	20.5	(2.2)
Galileo	6.6	(11.4)	(4.5)
Fortysouth	6.7	(4.8)	-
Share of earnings of associate companies		**653.4**	**268.5**

6.1 One New Zealand (formerly Vodafone New Zealand)

One New Zealand ('One NZ') is one of New Zealand's leading digital services and connectivity companies. Infratil holds a 49.95% shareholding (31 March 2022: 49.95%) in ICN JV Investments Limited (the ultimate parent company of One New Zealand), alongside investment partners Brookfield Asset Management Inc. ('Brookfield') (49.95%) and One NZ management (0.10%).

Movement in the carrying amount of the Group's investment in One NZ:	2023 $Millions	2022 $Millions
Carrying value at 1 April	838.2	857.3
Acquisition of shares	-	-
Capitalised transaction costs	-	-
Shareholder loans	-	-
Total capital contributions during the year	-	-
Interest on shareholder loan	15.6	9.7
Share of associate's surplus/(loss) before income tax	93.0	2.0
Share of associate's income tax (expense)	95.4	(1.4)
Total share of associate's earnings during the year	204.0	10.3
Share of associate's other comprehensive income	0.7	7.8
less: Distributions received	(107.4)	(27.5)
less: Return of capital	(690.2)	-
less: Shareholder loan repayments including interest	(73.6)	(9.7)
Carrying value of investment in associate	171.7	838.2

Summary financial information:	2023 $Millions	2022 $Millions
Summary information for One NZ is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	428.2	459.7
Non-current assets	3,090.7	3,544.0
Total assets	3,518.9	4,003.7
Current liabilities	572.7	528.1
Non-current liabilities	2,869.0	2,362.8
Total liabilities	3,441.7	2,890.9
Net assets (100%)	77.2	1,112.8
less: Non-controlling interest	(4.6)	-
Group's share of net assets	36.1	555.7
Revenues	1,983.8	1,963.5
Net surplus/(loss) after tax	554.9	11.4
Total other comprehensive income	1.7	13.3

	2023 $Millions	2022 $Millions
Reconciliation of the carrying amount of the Group's investment in One NZ:		
Group's share of net assets	36.1	555.7
add: Shareholder loan	224.2	282.3
less: Infratil's share of the gain on sale of Aotearoa Towers limited	(88.8)	-
add: Capitalised transaction costs	0.2	0.2
Carrying value of investment in associate	171.7	838.2

6.1.1 Sale of Vodafone's passive tower assets

On 18 July 2022, One NZ announced the sale of its passive mobile tower assets for $1,700 million to funds managed, or advised, by investors InfraRed Capital Partners (40%) and Northleaf Capital Partners (40%).

On 1 November 2022, One NZ completed the sale of Aotearoa Towers Limited (holder of the passive mobile tower assets) which resulted in a gain on sale to One NZ of $444.0 million (Infratil share: $221.8 million). As part of the transaction, Infratil reinvested to hold 20% of Aotearoa Towers Limited (now operating as Fortysouth), which requires Infratil to eliminate 20% of the allocated gain on sale from the transaction.

The sale resulted in One NZ entering a Master Services Agreement ('MSA') to obtain access to both existing and new towers, and a commitment from Aotearoa Towers Limited to build at least 390 additional sites over the next 10 years to enhance One NZ's relative coverage and capacity position. Concurrent with completion of the sale on 1 November 2022, Aotearoa Towers Limited has novated the MSA to Aotearoa Towers Group LP. One New Zealand recognised a sale under the Share Purchase Agreement and lease back under the MSA.

6.2 CDC Data Centres

CDC Data Centres ('CDC') is an owner, operator and developer of data centres, with operations in Canberra, Sydney and Auckland. Infratil holds a 48.08% shareholding (31 March 2022: 48.10%) in CDC Group Holdings Pty Ltd (the ultimate parent company of CDC Data Centres), alongside investment partners the Commonwealth Superannuation Corporation (24.04%), Future Fund (24.04%) and CDC Data Centres management (3.84%).

Movement in the carrying amount of the Group's investment in CDC:	2023 $Millions	2022 $Millions
Carrying value at 1 April	1,026.2	873.0
Acquisition of shares	14.2	17.3
Capitalised transaction costs	-	0.1
Shareholder loans	-	-
Total capital contributions during the year	14.2	17.4
Interest on shareholder loan	8.8	8.5
Share of associate's surplus/(loss) before income tax	574.1	204.6
Share of associate's income tax (expense)	(171.8)	(58.5)
add: share of associate's share capital issue, net of dilution	0.7	3.5
Total share of associate's earnings during the year	411.8	158.1
Share of associate's other comprehensive income	5.1	(0.6)
less: Distributions received	(29.5)	(2.0)
less: Shareholder loan repayments including interest	(7.6)	(11.4)
Foreign exchange movements recognised in other comprehensive income	(16.8)	(8.3)
Carrying value of investment in associate	1,403.4	1,026.2

Summary financial information:	2023 A$Millions	2022 A$Millions
Summary information for CDC is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	110.1	146.2
Non-current assets	5,762.3	4,084.1
Total assets	5,872.4	4,230.3
Current liabilities	74.0	102.1
Non-current liabilities	3,428.1	2,497.4
Total liabilities	3,502.1	2,599.5
Net assets (100%)	2,370.3	1,630.8
Group's share of net assets	1,139.7	784.4
Revenues	345.0	259.6
Net surplus/(loss) after tax	762.7	286.6
Total other comprehensive income	10.7	(1.2)

	2023 $Millions	2022 $Millions
Reconciliation of the carrying amount of the Group's investment in CDC:		
Group's share of net assets in NZD	1,220.2	844.5
Goodwill	6.2	4.7
add: Shareholder loan	177.0	177.0
Carrying value of investment in associate	1,403.4	1,026.2

CDC's functional currency is Australian Dollars (A$) and the summary financial information shown is presented in this currency. The NZD/AUD exchange rates used to convert the summary financial information to the Group's functional currency (NZ$) were 0.9340 (Spot rate) and 0.9114 (Average rate) (2022: Spot rate 0.9287, Average rate 0.9429).

6.3 RetireAustralia

RetireAustralia is an owner, operator and developer of retirement villages, with villages in New South Wales, Queensland and South Australia. Infratil holds a 50% shareholding in RA (Holdings) 2014 Pty Limited (the ultimate parent company of RetireAustralia), with investment partner the New Zealand Superannuation Fund holding the other 50%.

Movement in the carrying amount of the Group's investment in RetireAustralia:	2023 $Millions	2022 $Millions
Carrying value at 1 April	417.3	340.9
Acquisition of shares	-	-
Total capital contributions during the year	-	-
Share of associate's surplus/(loss) before income tax	(6.4)	79.1
Share of associate's income tax (expense)	2.3	-
Total share of associate's earnings during the year	(4.1)	79.1
Share of associate's other comprehensive income	-	-
less: Distributions received	-	-
Foreign exchange movements recognised in other comprehensive income	(2.3)	(2.7)
Carrying value of investment in associate	410.9	417.3

Summary financial information:	2023 A$Millions	2022 A$Millions
Summary information for RetireAustralia is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	189.5	212.1
Non-current assets	2,871.0	2,681.1
Total assets	3,060.5	2,893.2
Current liabilities	2,033.0	1,948.4
Non-current liabilities	259.9	169.7
Total liabilities	2,292.9	2,118.1
Net assets (100%)	767.6	775.1
Group's share of net assets	383.8	387.6
Group's share of net assets and carrying value of investment in associate ($NZD)	410.9	417.3
Revenues	61.0	117.8
Net surplus/(loss) after tax	(7.5)	149.1
Total other comprehensive income	-	-

RetireAustralia's functional currency is Australian Dollars (A$) and the summary financial information shown is presented in this currency. The NZD/AUD exchange rates used to convert the summary financial information to the Group's functional currency (NZ$) were 0.9340 (Spot rate) and 0.9114 (Average rate) (2022: Spot rate 0.9287, Average rate 0.9429).

6.4 Longroad Energy

Longroad Energy Holdings, LLC ('Longroad Energy'), is a Boston, MA, headquartered renewable energy developer focused on the development, ownership, and operation of utility-scale wind and solar energy projects throughout North America. Infratil holds a 37.05% (2022: 40.0%) shareholding in Longroad Energy, alongside investment partners the New Zealand Superannuation Fund (37.05%) (2022: 40.0%), MEAG (12.0%) (2022: nil) and Longroad Energy management (13.9%) (2022: 20.0%).

On 1 August 2022, Infratil, together with its co-investors the NZ Super Fund and the Longroad Energy management team, announced that MEAG, acting as the asset management arm for entities of Munich Re, had agreed to invest US$300 million to acquire a 12% stake in Longroad Energy. MEAG's investment was subject to certain conditions, primarily customary US regulatory approvals from the Federal Energy Regulatory Commission and the Committee on Foreign Investment in the United States. These conditions were met, and the transaction completed on 6 October 2022.

Immediately prior to completion of the transaction both Infratil and the NZ Super Fund each contributed US$85.0 million to Longroad Energy which resulted in US$20.2m million being recognised as goodwill. Following the transaction, Infratil and the NZ Super Fund each retain a 37% stake in Longroad Energy. As part of the transaction both Infratil and the NZ Super Fund also agreed to invest a further US$100 million, which will be used to fund Longroad Energy's near-term development pipeline.

With MEAG entering as a co-investor (12%) but contributing 40% of the US$500 million capital commitment, if this capital commitment was called upfront on day one, Infratil would have recognised an upfront gain on sale on the sale of an interest to MEAG of US$72.9 million. However, the gain on sale will depend on the net assets of the associate at the time the commitment is called. At 31 March 2023, US$39.5m was recognised as a gain on sale on the transaction, with US$225 million outstanding to be called (Infratil share: US$45.0 million). When the remainder of the commitment is called, it is expected that Infratil will continue to recognise gains on the sale of an interest to MEAG until the full commitment is utilised.

Movement in the carrying amount of the Group's investment in Longroad Energy:	2023 $Millions	2022 $Millions
Carrying value at 1 April	90.5	44.9
Capital contributions	242.2	58.7
Shareholder loans	-	-
Total capital contributions during the year	242.2	58.7
Share of associate's surplus/(loss) before income tax	(25.8)	27.7
Share of associate's income tax (expense)	-	-
Gain/(loss) on sale of interest	63.2	-
Total share of associate's earnings during the year	37.4	27.7
Share of associate's other comprehensive income	20.3	13.4
Share of associates other reserves	(74.6)	-
Fair value movements	-	-
less: Distributions received	(7.7)	(10.7)
less: Capital returned	-	(43.3)
Foreign exchange movements	7.7	(0.2)
Carrying value of investment in associate	315.8	90.5

Summary financial information:	31 December 2022 US$Millions	31 December 2021 US$Millions
Summary information for Longroad is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	230.8	116.3
Non-current assets	2,736.3	2,142.8
Total assets	2,967.1	2,259.1
Current liabilities	250.7	223.2
Non-current liabilities	1,207.0	1,041.3
Total liabilities	1,457.7	1,264.5
Net assets (100%)	1,509.4	994.6
Adjustment for movements between 31 December and 31 March	(51.5)	24.4
less: Non-controlling interests at 31 March	(977.5)	(865.5)
Net assets attributable to owners of Longroad Energy as at 31 March	480.4	153.5
Group's share of net assets at 31 March	178.0	61.9
Group's share of net assets at 31 March (NZ$)	283.6	88.7
Adjust Montgomery Street Holdings carrying value to nil at 31 March (NZ$)	-	1.8
Goodwill	32.2	-
Carrying value of investment in associate (NZ$)	315.8	90.5
Revenues	136.3	139.1
Net surplus/(loss) after tax	(24.1)	21.7
Total other comprehensive income	-	11.2

Longroad's functional currency is United States Dollars (US$) and the summary financial information shown is presented in this currency. The NZD/USD exchange rates used to convert the summary financial information to the Group's functional currency (NZ$) were 0.6275 (Spot rate) and 0.6240 (Average rate) (2022: Spot rate 0.6975, Average rate 0.6969).

The summary information provided is taken from the most recent audited annual financial statements of Longroad Energy Holdings, LLC which have a balance date of 31 December and are reported as at that date.

At 31 March 2023, Infratil has contributed US$152.0 million (2022: US$68.0 million), in the form of capital contributions.

Letter of credit facility

Longroad has obtained an uncommitted secured letter of credit facility of up to US$200million (31 March 2022: US$225 million) from HSBC Bank. Letters of credit under the Facility are on issue to beneficiaries to support the development and continued operations of Longroad. Infratil has provided shareholder backing of the Longroad Letter of Credit facility, specifically, Infratil (the New Zealand Superannuation Fund and MEAG) have collectively agreed to meet up to US$200 million of capital calls (i.e. subscribe for additional units) equal to Longroad's reimbursement obligation in the event that a Letter of Credit is called and Longroad cannot fund the call, taking into account immediately available working capital. As at 31 March 2023, Infratil's share of Longroad's Letter of Credit facility is 43.0%. Letters of Credit on issue under the Longroad Letter of Credit facility at 31 March 2023 are US$90.2 million (Infratil share: US$38.8 million) (31 March 2022: US$76.8 million (Infratil share: US$38.4 million)).

6.5 Kao Data

Kao Data develops and operates advanced data centres in the United Kingdom. Infratil holds a 39.88% shareholding in Kao Data, alongside Goldacre (30.06%) and Legal & General Group (30.06%).

Movement in the carrying amount of the Group's investment in Kao Data:	2023 $Millions	2022 $Millions
Carrying value at 1 April	203.4	-
Cost of equity	21.2	212.8
Capitalised transaction costs	-	5.1
Shareholder loans	-	-
Total capital contributions during the period	21.2	217.9
Share of associate's surplus/(loss) before income tax	20.5	(2.2)
Share of associate's income tax (expense)	-	-
Total share of associate's earnings in the period	20.5	(2.2)
Share of associate's other comprehensive income	-	-
less: Distributions received	-	-
less: shareholder loan repayments including interest	-	-
Foreign exchange movements	10.6	(12.3)
Carrying value of investment in associate	255.7	203.4

Summary financial information:	2023 £Millions	2022 £Millions
Summary information for Kao Data is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	22.4	44.6
Non-current assets	343.8	253.4
Total assets	366.2	298.0
Current liabilities	61.8	44.3
Non-current liabilities	62.4	65.7
Total liabilities	124.2	110.0
Net assets (100%)	242.0	188.0
Group's share of net assets	96.5	21.5
Revenues	44.1	7.0
Net profit/(loss) after tax	26.7	(9.8)
Total other comprehensive income	-	-

	2023 $Millions	2022 $Millions
Reconciliation of the carrying amount of the Group's investment in Kao Data:		
Group's share of net assets in NZD	190.7	141.2
Goodwill	59.9	57.1
add: Capitalised transaction costs	5.1	5.1
Carrying value of investment in associate	255.7	203.4

Kao Data's functional currency is the Pound Sterling (GBP) and the summary financial information shown is presented in this currency. The NZD/GBP exchange rates used to convert the summary financial information to the Group's functional currency ($NZD) were 0.5060 (Spot rate) and 0.5175 (Average rate) (31 March 2022: Spot rate 0.5308, Average rate 0.5100).

At 31 March 2023, Infratil has contributed £117.3 million (2022: £106.4 million), in the form of capital contributions.

6.6 Galileo

Galileo's focus is primarily the development of wind, solar PV energy projects and storage solutions across parts of Europe. Infratil holds a 40% shareholding in Galileo, alongside the New Zealand Superannuation Fund (20%), Commonwealth Superannuation Corporation (20%) and the Morrison & Co Growth Infrastructure Fund (20%).

Movement in the carrying amount of the Group's investment in Galileo:	2023 $Millions	2022 $Millions
Carrying value at 1 April	19.7	10.8
Cost of equity	26.6	10.5
Capitalised transaction costs	-	-
Shareholder loans	15.7	3.3
Total capital contributions during the period	42.3	13.8
Interest on shareholder loan (including accruals)	0.2	0.1
Share of associate's surplus/(loss) before income tax	(11.3)	(4.0)
Share of associate's income tax (expense)	(0.3)	(0.6)
Total share of associate's earnings in the period	(11.4)	(4.5)
Share of associate's other comprehensive income	-	-
less: Distributions received	-	-
less: shareholder loan repayments including interest	-	-
Foreign exchange movements	2.7	(0.4)
Carrying value of investment in associate	53.3	19.7

Summary financial information:	2023 €Millions	2022 €Millions
Summary information for Galileo is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	51.9	5.9
Non-current assets	39.7	26.5
Total assets	91.6	32.4
Current liabilities	6.1	2.7
Non-current liabilities	48.3	16.5
Total liabilities	54.4	19.2
Net assets (100%)	37.2	13.2
Group's share of net assets	14.0	5.4
Revenues	(2.3)	0.7
Net profit/(loss) after tax	(17.4)	(0.9)
Total other comprehensive income	-	-

	2023 $Millions	2022 $Millions
Reconciliation of the carrying amount of the Group's investment in Galileo:		
Group's share of net assets in NZD	24.3	8.5
add: Shareholder loan	27.9	10.2
add: Capitalised transaction costs	1.1	1.0
Carrying value of investment in associate	53.3	19.7

Galileo's functional currency is the Euro (EUR) and the summary financial information shown is presented in this currency. The NZD/EUR exchange rates used to convert the summary financial information to the Group's functional currency ($NZD) were 0.5749 (Spot rate) and 0.5993 (Average rate) (31 March 2022: Spot rate 0.6241, Average rate 0.5996).

At 31 March 2023, Infratil has contributed €41.9 million in total (2022: €22.7 million), in the form of shareholder loan drawdowns (€15.9 million) and capital contributions (€26.0million) (31 March 2022: shareholder loan drawdowns: €6.3 million, capital contributions: €10.4 million).

Letter of credit facility

In accordance with Galileo's investors initial commitment to provide support of up to €100 million to facilitate Galileo obtaining a Letter of Credit facility ('LC'), on 9 October 2020, Galileo executed a €90 million LC facility with ANZ (London Branch). The purpose of the Uncommitted Standby LC is to secure any customary development or other obligations arising from energy development and construction projects in Europe. At 31 March 2023 €39.0 million LCs have been issued by ANZ (Infratil share: €15.6 million) (31 March 2022: €31.0 million, Infratil share: €12.4 million).

6.7 Fortysouth

On 1 November 2022, One New Zealand ('formerly Vodafone New Zealand'), sold their passive mobile tower assets for $1,700 million to InfraRed Capital Partners (40%) and Northleaf Capital Partners (40%). As part of the transaction, Infratil reinvested to hold 20% in Fortysouth. The Group has determined that its investment in Fortysouth is an investment in associate, and provisional equity accounting has been applied below. The Group's share of associate's earnings for the period includes Infratil's share of transaction costs that were incurred at the holding structure level.

The fair value of the assets acquired and liabilities assumed resulted in provisional goodwill of $576.6 million, $817.2 million of customer network service contracts and $102.6 million of network locations being recognised by Fortysouth.

Movement in the carrying amount of the Group's investment in Fortysouth:	2023 $Millions	2022 $Millions
Carrying value at 1 April	-	-
Cost of equity	212.1	-
Capitalised transaction costs	0.4	-
Total capital contributions during the period	212.5	-
Interest on shareholder loan (including accruals)	-	-
Share of associate's surplus/(loss) before income tax	(4.8)	-
Share of associate's income tax (expense)	-	-
Total share of associate's earnings in the period	(4.8)	-
Share of associate's other comprehensive income	-	-
less: Distributions received	-	-
Carrying value of investment in associate	207.7	-

Summary financial information:	2023 $Millions	2022 $Millions
Summary information for Fortysouth is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	49.7	-
Non-current assets	1,814.5	-
Total assets	1,864.2	-
Current liabilities	24.1	-
Non-current liabilities	803.6	-
Total liabilities	827.7	-
Net assets (100%)	1,036.5	-
Group's share of net assets	207.3	-
Revenues	32.1	-
Net profit/(loss) after tax	(23.8)	-
Total other comprehensive income	-	-

	2023 $Millions	2022 $Millions
Reconciliation of the carrying amount of the Group's investment in Fortysouth:		
Group's share of net assets	207.3	-
Goodwill	-	-
add: Capitalised transaction costs	0.4	-
Carrying value of investment in associate	207.7	-

7 Other investments

	2023 $Millions	2022 $Millions
Clearvision Ventures	125.2	93.2
Other	17.4	8.0
Other investments	**142.6**	**101.2**

Clearvision Ventures

In February 2016 Infratil made an initial commitment of US$25 million to the California based Clearvision Ventures. Further commitments of US$25 million and US$50 million were made in May 2020 and May 2022 respectively bringing Infratil's total commitments to US$100 million. The strategic objective of the investment is to help Infratil's businesses identify and engage with technology changes that will impact their activities. As at 31 March 2023, Infratil has made total contributions of US$46.4 million (31 March 2022: US$31.1 million), with the remaining US$53.6 million commitment uncalled at that date.

8 Investment in subsidiaries and associates

The significant companies of the Infratil Group and their activities are shown below. The financial year end of all the significant subsidiaries and associates is 31 March with exceptions noted.

	2023 Holding	2022 Holding	Principal Activity
Subsidiaries			
New Zealand			
Infratil Finance Limited	100%	100%	Finance
Infratil Infrastructure Property Limited	100%	100%	Property
Manawa Energy Limited	51.1%	51.0%	Renewable Energy Generation
Wellington International Airport Limited	66.0%	66.0%	Airport
RHCNZ Limited (Pacific Radiology, Auckland Radiology Group and Bay Radiology)	50.1%	50.5%	Diagnostic Imaging
Mint Renewables Limited	73.0%	-	Renewable Energy Development
Australia			
Qscan Group Holdings Newco Pty (Qscan Group)	55.1%	56.3%	Diagnostic Imaging
Asia			
Gurīn Energy Pte. Limited	95.0%	95.0%	Renewable Energy Development
Associates			
New Zealand			
ICN JV Investments Limited (One New Zealand)	49.9%	49.9%	Telecommunications
Mahi Tahi Towers Limited (Fortysouth)	20.0%	-	Mobile Towers
Australia			
CDC Group Holdings Pty Ltd (CDC Data Centres)	48.1%	48.1%	Data Centres
RA (Holdings) 2014 Pty Limited (RetireAustralia)	50.0%	50.0%	Retirement Living
United States			
Longroad Energy Holdings, LLC (31 December year end)	37.1%	40.0%	Renewable Energy Development
Europe			
Galileo Green Energy, LLC	40.0%	40.0%	Renewable Energy Development
United Kingdom			
Kao Data Limited	39.9%	39.9%	Data Centres

9 Acquisition and establishment of new subsidiaries

9.1 RHCNZ acquisition of Auckland Radiology and Bay Radiology

During the prior year RHC Holdco NZ Limited acquired 100% of Auckland Radiology Group Services Limited, ('Auckland Radiology') and 100% of Bay Radiology Limited ('Bay Radiology'). The acquisition accounting required under IFRS 3 in relation to the Auckland Radiology and Bay Radiology transactions had not been finalised as at 31 March 2022, and therefore certain amounts recorded in the financial statements at that date were reported as provisional.

The acquisition accounting required under NZ IFRS 3 in relation to the acquisitions has now been finalised. Goodwill of $324.1 million has been recognised based on the carrying value of the identifiable assets and liabilities acquired, including intangible assets. The fair value of intangible assets (customer contracts and brands) was valued at $28.7 million. A corresponding deferred tax liability of $7.7 million has also been recognised on the brand intangibles.

9.2 Qscan acquisition Envision Medical Imaging

On 7 April 2022, Qscan Group ('Qscan') acquired 100% of Envision Medical Imaging ('Envision'), Perth's largest privately owned medical imaging clinic. Qscan has determined that Envision is a subsidiary based on its voting equity interest and has therefore consolidated Envision from the acquisition date. As a result of the transaction, Infratil's shareholding in Qscan Group Holdings Newco Pty, which in turns owns 100% of the Qscan Group, was diluted from 56.25% to 55.1%.

The transaction was settled in cash through external debt funding by Qscan, inclusive of transaction costs relating to the acquisition, for A$33.8 million and A$11.9 million settled through equity in Qscan Group Holdings Limited. The total acquisition cost of A$45.7 million.

The acquisition accounting required under NZ IFRS 3 in relation to the Envision transaction has been finalised, and goodwill of A$39.0 million has been recognised in the 31 March 2023 financial statements.

Goodwill has been recognised based on the carrying value of the identifiable assets and liabilities acquired, including intangible assets. The fair value of intangible assets (customer contracts and brands) has been valued at A$3.9 million. A corresponding deferred tax liability of A$1.2 million has also been recognised on the brand intangibles.

9.3 Mint Renewables

On 15 December 2022, Infratil announced the establishment of Mint Renewables Limited ('Mint Renewables'), a renewable energy platform focused on Australia. Infratil has invested 73% in Mint Renewables alongside the Commonwealth Superannuation Corporation (27%). Infratil has committed capital of A$219 million that is expected to be invested over the next 3 to 5 years. As at 31 March 2023, A$4.2 million of capital had been called from Infratil.

Infratil has determined that Mint Renewables is a subsidiary based on its voting equity interest and has therefore consolidated Mint Renewables from the acquisition date.

As the newly formed entity had no material assets on establishment, no fair value exercise was required.

10 Discontinued operations and assets held for sale

	Notes	2023 $Millions	2022 $Millions
Summary of results of discontinued operations			
Tilt Renewables	10.1	-	1,114.1
Trustpower Retail Business	10.2	330.1	11.7
Net surplus from discontinued operations after tax		**330.1**	**1,125.8**

10.1 Tilt Renewables

On 3 August 2021, the Group completed the sale of its 65.15% stake in Tilt Renewables for gross proceeds of $1,984.1 million to a consortium comprising Powering Australian Renewables and Mercury NZ Limited. After sales costs, the net proceeds from the sale of Infratil's 65.15% interest were $1,959.2 million, resulting in a gain on sale of the 65.15% interest of $1,136.8 million. The Group's share of Tilt Renewable's operating earnings for the period was $1,114.1 million.

As the carrying amount of the Group's investment in Tilt Renewables has been recovered through the sale transaction, the investment in Tilt Renewables was classified as a discontinued operation at 31 March 2022. A detailed note disclosure is included in the published financial statements for the year ended 31 March 2022.

10.2 Trustpower Retail Business

On 21 June 2021, Trustpower announced the conditional sale of its gas, telecommunication and retail electricity supply business (excluding the supply of electricity to commercial and industrial customers) to Mercury NZ Limited.

On 2 May 2022, Trustpower announced the conditions of the Trustpower Retail business to Mercury NZ Limited had been met and completion of the sale occurred (effective as of 1 May 2022). The sale price was $467.4 million including working capital adjustments. A working capital wash-up process was then completed which resulted in Mercury NZ Limited paying an additional $2.0 million to bring the final sale proceeds to $469.4 million. After sale costs, the net proceeds from the sale were $467.0 million, resulting in a gain on sale at the group consolidated level of $328.8 million. At that date the company also confirmed its name change to Manawa Energy Limited.

As the carrying amount of the Group's investment in the Trustpower Retail business has been recovered through a sale transaction, the Trustpower Retail business has been classified as a discontinued operation at 31 March 2023 and 31 March 2022.

	2023 $Millions	2022 $Millions
Results of discontinued operation		
Revenue	54.0	699.0
Operating expenses	50.5	654.5
Results from operating activities	3.5	44.5
Depreciation and amortisation	(1.9)	(27.0)
Net realisations, revaluations, impairments	328.8	-
Net financing expense	0.1	(1.2)
Net surplus/(loss) before tax	330.5	16.3
Taxation (expense)/credit	(0.4)	(4.6)
Net surplus/(loss) from discontinued operation after tax	330.1	11.7
Current assets	166.5	194.8
Current liabilities	(41.5)	(50.9)
Net assets of discontinued operation	125.0	143.9
The net gain on sale is calculated as follows:		
Gross sale proceeds	469.4	
Carrying amount of assets and liabilities as at the date of sale (including goodwill)	(124.9)	
Infratil goodwill	(13.3)	
Gain on sale	331.2	
less: Transaction costs	(2.4)	
Net gain on sale	328.8	
Included in operating expenses are $2.4 million of disposal costs (31 March 2022: $3.0 million).		
Cash flows from/(used in) discontinued operations		
Net cash from/(used in) operating activities	(18.7)	32.6
Net cash from/(used in) investing activities	414.9	(13.2)
Net cash from/(used in) financing activities	(0.1)	(9.5)
Net cash flows for the year	**396.1**	**9.9**

10.3 Infratil Infrastructure Property Limited

In June 2022, the Infratil Infrastructure Property Limited ('IIPL') Board approved the marketing of IIPL's investment property at 100 Halsey Street ('Wynyard 100') for a potential sale. The sales process remains ongoing at 31 March 2023. As such, the investment property at 100 Halsey Street is deemed to be held for sale at 31 March 2023. Included in assets and liabilities held for sale are investment property ($99.2 million), right of use assets ($70.6 million) and lease liabilities ($70.1 million).

At 31 March 2023, the investment property at 100 Halsey Street is not deemed to be a discontinued operation as it does not represent a separate major line of business or geographic area of operation for the Group.

11 Revenue

	2023 $Millions	2022 $Millions (Restated)
Electricity - wholesale and retail	418.3	452.9
Revenue allocated to customer incentives	-	0.7
Aircraft movement and terminal charges	77.3	54.3
Transport, hotel and other trading activities	50.5	28.1
Radiology practice services	147.9	135.9
Radiology services	445.2	300.8
Other	52.5	54.5
Total operating revenue	1,191.7	1,027.2

Revenue Recognition Policies

The nature and timing of the various performance obligations in the Group's contracts with customers and property leases and when revenue is recognised is outlined below:

Description of performance obligations	Timing and satisfaction of performance obligations
Electricity and Gas - Sales to customers	
Revenue received or receivable from the sale of electricity to mass market, commercial and industrial customers by Manawa Energy. Where Manawa Energy provides a bundle of services (such as electricity) to a customer and a discount is provided for one of those services, the discount is allocated to each distinct performance obligation based on the relative standalone selling price of those services. Where a discount is offered for prompt payment, revenue is initially recognised net of estimated discount based on accumulated experience used to estimate the quantum of discounts extended to customers.	Revenue is recognised at the point in time of supply and customer consumption. Customer consumption of electricity is measured and billed by calendar month for half hourly metered customers and in line with meter reading schedules for non-half hourly metered customers. Accordingly, revenues from electricity and gas sales include an estimated accrual for units sold but not billed at the end of the reporting period for non-half hourly metered customers.
Aircraft movement and terminal charges	
Aircraft movement and terminal charges consists of Wellington International Airport's airfield income, passenger service charges and terminal service charges. Airfield income consists of landing charges and aircraft parking charges.	Landing charges and aircraft parking charges are paid by the airlines and recognised as revenue at the point in time the airport facilities are used by the arriving or departing aircraft. Passenger services charges and terminal service charges relating to arriving, departing and transiting passengers are paid by the airlines and recognised as revenue at the point in time when the passenger travels or the airport facilities are used.
Transport, hotel and other trading activities	
Transport, hotel and other trading activities includes Wellington International Airport's hotel and access to the airport's car parking facilities. This category also includes income from the hotel and carpark owned by Infratil Infrastructure Property Limited.	Revenue from car parking is recognised at the point in time where the utilisation of car parking facilities has been completed. Revenue from the hotels is recognised at the point in time the service is delivered.
Radiology practice services	
Radiology practice services revenue is derived by Diagnostic Imaging from services to medical practitioners. Revenue is recognised net of amounts payable to doctors under Practice Management Agreements.	Radiology practice services revenue is recognised at the point in time when the services are delivered to the medical practitioner.
Radiology services	
Radiology services revenue is derived by Diagnostic Imaging from providing radiology services to patients.	Radiology services revenue is recognised at the point in time when the radiology or other medical imaging services are provided to a patient and a charge is levied for this service.

Other revenue includes Manawa Energy's non-electricity revenue and Wellington International Airport's retail concession fees and rental income. Retail concession fees are recognised as revenue based upon passenger throughput or the turnover of the concessionaires and in accordance with the related agreements. Rental income is recognised as revenue on a straight-line basis over the term of the leases on leases where the group is the lessor.

12 Operating expenses

	Note	2023 $Millions	2022 $Millions (Restated)
Trading operations			
Energy and wholesale costs		134.2	170.8
Line, distribution and network costs		57.1	37.9
Generation production & development costs		28.9	27.8
Other energy business costs		43.6	45.3
Diagnostic imaging costs		113.5	114.4
Airport business costs		33.4	28.0
Other operating business costs		-	-
Bad debts written off		0.4	0.1
Increase/(Decrease) in provision for doubtful debts	23.1	1.2	0.5
Directors' fees	27	4.3	3.9
Administration and other corporate costs		16.1	16.6
Management fee (to related party Morrison & Co Infrastructure Management)	28	232.9	278.7
Donations		0.7	0.9
Total other operating expenses		**666.5**	**724.9**

Fees paid to auditors (including fees paid by Associates)

	2023 Fees paid to the Group auditor $000's	2023 Audit fees paid to other auditors $000's	2023 Total $000's	2022 Fees paid to the Group auditor $000's	2022 Audit fees paid to other auditors $000's	2022 Total $000's
Audit and review of financial statements	1,230.3	-	1,230.3	1,114.6	682.0	1,796.6
Regulatory audit work	36.0	-	36.0	42.0	-	42.0
Other assurance services	98.2	-	98.2	-	-	-
Taxation services	122.6	-	122.6	30.0	-	30.0
Other services	59.0	-	59.0	105.0	-	105.0
	1,546.1	-	1,546.1	1,291.6	682.0	1,973.6
Audit fees paid to the Group auditor recognised through associates	1,930.4	-	1,930.4	1,955.6	-	1,955.6
Other fees paid to the Group auditor recognised through associates	207.6	-	207.6	404.3	-	404.3
Total fees paid to the Group auditor	**3,684.1**	**-**	**3,684.1**	**3,651.5**	**682.0**	**4,333.5**

The audit fee includes the fees for both the annual audit of the financial statements and the review of the interim financial statements. Regulatory audit work consists of the audit of regulatory disclosures. Other assurance services comprise of agreed upon procedures and audit of compliance reports. Tax services relate to tax compliance work and tax advisory services provided to a subsidiary of the group.

Other services relate to a Māori Culture capability assessment.

13 Taxation

13.1 Tax Reconciliation

	2023 $Millions	2022 $Millions
Net surplus before taxation from continuing operations	604.1	128.5
Taxation on the surplus for the year @ 28%	169.1	36.0
Plus/(less) taxation adjustments:		
Effect of tax rates in foreign jurisdictions	(0.4)	2.7
Net benefit of imputation credits	(8.5)	-
Timing differences not recognised	(0.6)	1.5
Tax losses not recognised/(utilised)	2.1	0.6
Effect of equity accounted earnings of associates	(165.9)	(59.9)
Recognition of previously unrecognised deferred tax	-	-
Attributed to CFC and FIF income	25.1	6.5
(Over)/under provision in prior periods	(22.8)	1.9
Net investment realisations	0.4	-
Other permanent differences	44.0	33.3
Taxation expense	**42.5**	**22.6**
Current taxation	50.5	54.1
Deferred taxation	(8.0)	(31.5)
Tax on discontinued operations	0.4	0.9

13.2 Income tax recognised in other comprehensive income

	2023		
	Before tax $Millions	Tax (expense) $Millions	Net of tax $Millions
Differences arising on translation of foreign operations	(3.6)	(0.2)	(3.8)
Realisations on disposal of subsidiary, reclassified to profit and loss	-	-	-
Net change in fair value of available for sale financial assets	(2.3)	-	(2.3)
Ineffective portion of hedges taken to profit and loss	-	-	-
Effective portion of changes in fair value of cash flow hedges	6.8	(1.7)	5.1
Fair value movements in relation to executive share scheme	-	-	-
Net change in fair value of property, plant & equipment recognised in equity	65.4	(5.3)	60.1
Share of associates other comprehensive income	27.7	-	27.7
Balance at the end of the year	**94.0**	**(7.2)**	**86.8**

	2022		
	Before tax $Millions	Tax (expense) $Millions	Net of tax $Millions
Differences arising on translation of foreign operations	(30.7)	6.6	(24.1)
Realisations on disposal of subsidiary, reclassified to profit and loss	(444.4)	-	(444.4)
Net change in fair value of available for sale financial assets	14.8	-	14.8
Ineffective portion of hedges taken to profit and loss	-	-	-
Effective portion of changes in fair value of cash flow hedges	(53.6)	14.6	(39.0)
Fair value movements in relation to executive share scheme	-	-	-
Net change in fair value of property, plant & equipment recognised in equity	83.6	(20.2)	63.4
Share of associates other comprehensive income	19.5	-	19.5
Balance at the end of the year	**(410.8)**	**1.0**	**(409.8)**

13.3 Deferred tax

Deferred tax assets and liabilities are offset on the Statement of Financial Position where they relate to entities with a legally enforceable right to offset tax.

	2023 $Millions	2022 $Millions
Balance at the beginning of the year	(257.4)	(284.8)
Charge for the year	8.0	31.5
Charge relating to discontinued operations	-	-
Deferred tax recognised in equity	(14.2)	1.2
Acquired with Business Combination	(11.1)	(6.3)
Disposal of subsidiaries	-	-
Effect of movements in foreign exchange rates	0.7	(0.6)
Tax losses recognised	7.0	1.0
Transfers to liabilities classified as held for sale	13.3	0.6
Balance at the end of the year	**(253.7)**	**(257.4)**

The Infratil New Zealand Group is forecasting to derive taxable profits in future periods, sufficient to utilise the tax losses carried forward and deductible temporary differences. As a result deferred tax assets and liabilities have been recognised where they arise, including deferred tax on tax losses carried forward.

13.4 Recognised deferred tax assets and liabilities

	Assets $Millions	Liabilities $Millions	Net $Millions
31 March 2023			
Property, plant and equipment	-	(355.0)	(355.0)
Investment properties	(1.4)	(1.1)	(2.5)
Derivative financial instruments	(10.4)	(7.7)	(18.1)
Employee benefits	11.8	-	11.8
Customer base assets	-	(35.9)	(35.9)
Provisions	5.9	-	5.9
Tax losses carried forward	155.2	-	155.2
Other items	31.7	(46.8)	(15.1)
Total	**192.8**	**(446.5)**	**(253.7)**
31 March 2022			
Property, plant and equipment	0.4	(341.7)	(341.3)
Investment properties	-	(2.5)	(2.5)
Derivative financial instruments	(7.0)	2.0	(5.0)
Employee benefits	10.4	-	10.4
Customer base assets	-	(33.0)	(33.0)
Provisions	5.7	-	5.7
Tax losses carried forward	142.4	-	142.4
Other items	8.9	(43.0)	(34.1)
Total	**160.8**	**(418.2)**	**(257.4)**

13.5 Changes in temporary differences affecting tax expense

	Tax expense/(credit)		Other comprehensive income	
	2023 $Millions	2022 $Millions	2023 $Millions	2022 $Millions
Property, plant and equipment	(5.2)	(6.5)	(9.0)	(20.2)
Investment properties	-	1.6	-	-
Derivative financial instruments	(8.7)	(6.7)	(1.7)	(23.8)
Employee benefits	1.4	(4.9)	(0.2)	-
Customer base assets	0.8	(0.3)	-	-
Provisions	0.1	1.1	-	-
Tax losses carried forward	14.1	59.4	-	-
Other items	5.5	(12.2)	3.5	6.4
	8.0	**31.5**	**(7.4)**	**(37.6)**

13.6 Imputation credits available to be used by Infratil Limited

	2023 $Millions	2022 $Millions
Balance at the end of the year	28.7	13.7
Imputation credits that will arise on the payment/(refund) of tax provided for	-	-
Imputation credits that will arise on the (payment)/receipt of dividends accrued at year end	-	-
Imputation credits available for use	**28.7**	**13.7**

14 Property, plant and equipment

	Land and civil works $Millions	Buildings $Millions	Vehicles, plant and equipment $Millions	Capital work in progress $Millions	Leasehold improvements $Millions	Renewable Generation Assets $Millions	Total $Millions
2023							
Cost or valuation							
Balance at beginning of year	724.8	649.0	240.8	103.4	80.3	1,808.0	3,606.3
Additions	-	-	22.1	147.8	0.8	-	170.7
Additions on acquisition of subsidiary	-	-	5.2	-	2.1	-	7.3
Capitalised Interest and financing costs	0.3	0.2	0.1	1.2	-	-	1.8
Disposals	-	-	(20.8)	-	(0.6)	(0.9)	(22.3)
Impairment	-	-	-	-	-	(12.8)	(12.8)
Revaluation	91.0	(53.2)	-	-	-	(78.0)	(40.2)
Transfers between categories	42.6	5.4	36.2	(73.7)	8.7	(19.2)	-
Transfers to assets classified as held for sale	-	-	-	-	-	-	-
Transfer to right of use assets	-	-	-	-	-	-	-
Transfers to intangible assets	-	-	-	-	-	-	-
Transfers from/(to) investment properties	-	-	-	(3.3)	-	-	(3.3)
Effect of movements in foreign exchange rates	-	2.5	(1.0)	-	(0.5)	-	1.1
Balance at end of year	**858.7**	**603.9**	**282.6**	**175.4**	**90.8**	**1,697.1**	**3,708.5**
Accumulated depreciation							
Balance at beginning of year	17.2	55.5	96.8	-	4.0	31.7	205.2
Depreciation for the year	8.2	14.8	34.3	-	6.2	16.1	79.6
Transfer from/(to) investment properties	-	-	-	-	-	-	-
Revaluation	-	(68.3)	-	-	-	(47.3)	(115.6)
Disposals	-	(1.0)	(18.7)	-	(0.1)	(0.5)	(20.3)
Transfers to assets classified as held for sale	-	-	-	-	-	-	-
Effect of movements in foreign exchange rates	-	-	(0.4)	-	(0.1)	-	(0.5)
Balance at end of year	**25.4**	**1.0**	**112.0**	**-**	**10.0**	**-**	**148.4**
Carrying value at 31 March 2023	833.3	602.9	170.6	175.4	80.8	1,697.1	3,560.1

Capital work in progress in the year primarily relates to construction costs associated with Manawa Energy's large generator, dam strengthening and reconsenting costs and works at Wellington Airport.

Carrying value by Subsidiary

	Land and civil works $Millions	Buildings $Millions	Vehicles, plant and equipment $Millions	Capital work in progress $Millions	Leasehold improvements $Millions	Renewable Generation Assets $Millions	Total $Millions
2023							
Manawa Energy	17.0	2.0	12.1	88.8	0.1	1,697.1	1,817.1
Wellington International Airport	816.3	600.9	16.2	69.7	-	-	1,503.1
Qscan Group	-	-	76.9	2.6	46.9	-	126.4
RHCNZ Holdco Limited	-	-	65.1	12.3	33.8	-	111.2
Gurīn Energy	-	-	0.3	2.0	-	-	2.3
Mint Renewables	-	-	-	0.3	-	-	0.3
Carrying value at 31 March 2023	**833.3**	**602.9**	**170.6**	**175.4**	**80.8**	**1,697.1**	**3,560.1**

	Land and civil works $Millions	Buildings $Millions	Vehicles, plant and equipment $Millions	Capital work in progress $Millions	Leasehold improvements $Millions	Renewable Generation Assets $Millions	Total $Millions
2022							
Cost or valuation							
Balance at beginning of year	684.3	589.9	205.4	111.7	39.1	1,774.0	3,404.4
Additions	-	1.1	32.7	42.2	1.9	29.6	107.5
Additions on acquisition of subsidiary	-	-	42.3	13.1	23.5	-	78.9
Capitalised Interest and financing costs	1.2	1.1	0.2	(1.3)	-	-	1.2
Disposals	-	(0.1)	(8.7)	(2.3)	(1.7)	-	(12.8)
Impairment	-	-	-	-	-	-	-
Revaluation	31.9	51.7	-	-	(0.3)	-	83.3
Transfers between categories	8.2	17.9	11.0	(59.5)	18.0	4.4	-
Transfers to assets classified as held for sale	-	(8.8)	(41.4)	-	-	-	(50.2)
Transfer to right of use assets on transition to NZ IFRS 16	-	-	-	(0.6)	-	-	(0.6)
Transfers to intangible assets	-	-	-	-	-	-	-
Transfers from/(to) investment properties	(0.8)	(3.8)	-	-	-	-	(4.6)
Effect of movements in foreign exchange rates	-	-	(0.7)	0.1	(0.2)	-	(0.8)
Balance at end of year	**724.8**	**649.0**	**240.8**	**103.4**	**80.3**	**1,808.0**	**3,606.3**
Accumulated depreciation							
Balance at beginning of year	8.3	40.2	101.0	-	0.5	15.7	165.7
Depreciation for the year	8.9	15.3	35.4	-	4.4	16.0	80.0
Transfer from/(to) investment properties	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Disposals	-	-	(7.4)	-	(0.9)	-	(8.3)
Transfers to assets classified as held for sale	-	-	(32.4)	-	-	-	(32.4)
Effect of movements in foreign exchange rates	-	-	0.2	-	-	-	0.2
Balance at end of year	**17.2**	**55.5**	**96.8**	**-**	**4.0**	**31.7**	**205.2**
Carrying value at 31 March 2022	707.6	593.5	144.0	103.4	76.3	1,776.3	3,401.1

Carrying value by Subsidiary

	Land and civil works $Millions	Buildings $Millions	Vehicles, plant and equipment $Millions	Capital work in progress $Millions	Leasehold improvements $Millions	Renewable Generation Assets $Millions	Total $Millions
2022							
Manawa Energy	17.0	1.6	0.6	38.6	0.1	1,776.9	1,834.8
Wellington International Airport	690.6	591.6	20.0	56.9	-	-	1,359.1
Qscan Group	-	-	63.4	4.9	43.5	-	111.8
RHCNZ Holdco Limited	-	-	59.8	2.6	32.7	-	95.1
Gurīn Energy	-	-	-	0.3	-	-	0.3
Carrying value at 31 March 2022	**707.6**	**593.2**	**143.8**	**103.3**	**76.3**	**1,776.9**	**3,401.1**
Trustpower Retail Business (included within assets held for sale)	-	8.8	9.0	-	-	-	17.8

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment losses, or at fair value less accumulated depreciation and impairment losses.

Fair value is determined by an independent valuer or by management with reference to independent experts, using recognised valuation techniques. An independent valuer is engaged to provide a valuation if management does not have sufficient expertise to perform the valuation. These valuations are undertaken on a systematic basis at least every five years. In years where a valuation is not undertaken, a material change assessment of each asset class is performed to assess whether carrying amounts differ materially from fair value. This assessment is undertaken with assistance from independent experts and includes reference to projections of future revenues, volumes, operational and capital expenditure profiles, capacity, terminal values, the application of discount rates and replacement values (as relevant to each class of asset) as an indicator of a possible material change in fair value. Where a material change in fair value is identified, the carrying value is adjusted to bring carrying value materially in line with fair value.

There were independent external valuations of property, plant and equipment performed as at 31 March 2023 for Manawa Energy's Renewable generation assets and Wellington International Airport's land and buildings.

As at 31 March 2023 a material change assessment was performed for each asset class recorded at fair value less accumulated depreciation where no external valuation was undertaken. A summary of the fair value consideration is provided below.

Manawa Energy's Renewable Generation Assets

Manawa Energy's renewable generation assets are measured at fair value and are revalued by Independent external valuers, every three years or more frequently if there is a significant change in value.

Manawa Energy's renewable generation assets include land and buildings which are not separately identifiable from other generation assets. Renewable generation assets were last independently revalued, using a discounted cash flow methodology, as at 31 March 2023, to their estimated market value as assessed by Deloitte Corporate Finance.

The valuation of Manawa Energy's renewable generation assets are sensitive to the inputs used in the discounted cash flow valuation model. A sensitivity analysis of key inputs is given in the table below. The overall valuation has been determined to be between $1,663.9 million to $1,952.4 million and, while the mid-point selected for revaluation purposes, any value within this range would be considered appropriate. The sensitivities around weighted average cost of capital have been used to create this overall range. The range is wider than in the prior year where only weighted average cost of capital has been used to determine the overall range.

The following table summarises the valuation approach and key assumptions used by the independent valuer to arrive at fair value at the date of the last external valuation.

Renewable Generation Assets	Low	High	Valuation impact
New Zealand Assets			
Forward electricity price path	Decreasing in real terms from $140/MWh to $85/MWh by 2028. Thereafter held constant.	Decreasing in real terms from $140/MWh to $95/MWh by 2024. Thereafter held constant.	-/+ $123.0 m
Inflation	1.7% p.a.	2.3% p.a.	-$90.0m / + $100.0m
Generation volume	1,841 GWh p.a.	2,030 GWh p.a.	-/+ $149.0m
Operating costs	$60.0 million p.a.	$73.0 million p.a.	-/+ $96.0m
Capital expenditure	$27.0 million p.a. average	$33.0 million p.a. average	-/+ $53.0m
Weighted average cost of capital	6.70%	7.70%	- $144.0m / + $174.0m

Wellington International Airport's property, plant and equipment

WIAL's Land, Civil Assets and Buildings are measured at fair value.

Land and Buildings

Land and buildings were revalued at 31 March 2023 by CBRE (31 March 2018 by Savills (NZ) Limited). There were no other independent external revaluations performed as at 31 March 2023.

Civil Assets

At 31 March 2023, a material change assessment was performed for Civil asset class given no independent external valuation was undertaken. Based on the Group's assessment which includes reference to the Waka Kotahi Construction index and the Producers Price index, and assisted by WSP Opus International Consultants Limited, a fair value increase of $16.9 million has been made to the carrying value of these assets in the Asset Revaluation Reserve and Other Comprehensive Income (2022: $20.5 million).

The following table summarises the valuation approach and key assumptions used by the independent valuers to arrive at fair value at the date of the last independent external valuation. Where there have been fair value adjustments in the year ended 31 March 2023, further detail has been provided under the respective asset classes below.

Asset classification and description	Valuation approach	Key valuation assumptions		+/- 5% Valuation impact
Land				
Aeronautical land - used for airport activities and specialised aeronautical assets.	Market Value for Existing Use ('MVEU')	Average MVAU rate per hectare	$2.74 million per hectare	+/- $28.0m
Non-aeronautical land - used for non-aeronautical purposes e.g. industrial, service, retail, residential and land associated with the vehicle business.		Developer's WACC rate	12.20%	+/- $15.0m
		Holding period	6 years	+/- $22.0m

External valuation undertaken as at 31 March 2023 by independent valuers, CBRE Limited, valued land at $571.2 million.

Asset classification and description	Valuation approach	Key valuation assumptions		+/- 5% Valuation impact
Civil				
Civil works includes sea protection and site services, excluding such site services to the extent that they would otherwise create duplication of value.	Optimised Depreciated Replacement Cost ('ODRC')	Average cost rates per sqm for concrete, asphalt, base course and foundations	Concrete $887 Asphalt $989 Basecourse $127 Foundations $20	+/- $9.5m
		Estimated remaining useful life	Average remaining useful life 30 years	+/- $9.5m

Last external valuation undertaken as at 31 March 2020 by independent valuers, WSP Opus International Consultants Limited. For the year ended 31 March 2023, a material change assessment has been undertaken, and further work carried out which resulted in a fair value increase of $16.9 million. In relation to the value at 31 March 2023, a 5% change in the indices referenced equates to +/- $0.8 million in fair value.

Asset classification and description	Valuation approach	Key valuation assumptions		+/- 5% Valuation impact
Buildings				
Specialised buildings used for identified airport activities	Optimised Depreciated Replacement Cost ('ODRC')	Average modern equivalent asset rate (per square metre)	$9,273	+/- $15.7m
Non-specialised buildings used for purposes other than for identified airport activities, including space allocated within the main terminal building for retail activities, offices and storage.			$2,089	+/- $0.2m
Vehicle business assets associated with car parking and taxi, shuttle and bus services (excluding land and civil)	Discounted Cash flows ('DCF') and Capitalisation Rate	Revenue growth	2.2%	+/- $0.5m
		Cost growth	2.12%	+/- $0.5m
		Discount rate	9.75%	+/-$4.8m
		Capitalisation	7.75%	+/-$7.5m

External valuation undertaken as at 31 March 2023 by independent valuers, CBRE Limited, valued buildings at $600.8 million.

Asset classification and description	Valuation approach	Key valuation assumptions		+/- 5% Valuation impact
Hotel business assets	Discounted Cash flows ('DCF') and Capitalisation Rate	Capitalisation rate	7.25%	+/- $1.6m
		Discount rate	9.25%	+/- $0.8m

External valuation undertaken as at 31 March 2023 by independent valuers, CBRE Limited, valued the Hotel business assets at $44.5 million.

Effect of level 3 fair value measurements on profit or loss and other comprehensive income

The following table summarises for property, plant and equipment measured at fair value, classified as level 3 in the fair value hierarchy, the effect of the fair value movements on profit or loss and other comprehensive income for the year. Items classified as level 3 contain valuation inputs for the asset that are not based on observable market data.

2023 Level 3 fair value movements	Recognised in profit or loss $Millions	Recognised in OCI $Millions	Total $Millions
Renewable Generation Assets	(12.8)	(30.7)	(43.5)
Land and civil works	-	91.0	91.0
Buildings	-	15.1	15.1
	(12.8)	**75.4**	**62.6**

2022 Level 3 fair value movements	Recognised in profit or loss $Millions	Recognised in OCI $Millions	Total $Millions
Renewable Generation Assets	-	-	-
Land and civil works	-	31.9	31.9
Buildings	-	51.7	51.7
	-	**83.6**	**83.6**

There were no transfers between property, plant and equipment assets classified as level 1 or level 2, and level 3 of the fair value hierarchy during the year ended 31 March 2023 (2022: nil).

Revalued assets at deemed cost

For each revalued class the carrying amount that would have been recognised had the assets been carried on a historical cost basis are as follows:

2023	Cost $Millions	Accumulated depreciation $Millions	Net book value $Millions
Renewable Generation Assets	766.9	-	766.9
Land and civil works	345.2	(70.8)	274.4
Buildings	692.8	(217.6)	475.2
	1,804.9	**(288.4)**	**1,516.5**

2022	Cost $Millions	Assets under construction $Millions	Accumulated depreciation $Millions	Net book value $Millions
Renewable Generation Assets	1,022.1	33.9	(289.1)	766.9
Land and civil works	345.2	-	(65.7)	279.5
Buildings	670.6	-	(199.9)	470.7
	2,037.9	**33.9**	**(554.7)**	**1,517.1**

15 Investment properties

2023	Owned property $Millions	Right of use assets $Millions	Total $Millions
Balance at beginning of year	197.4	81.9	279.3
Additions	-	3.6	3.6
Disposals	-	(1.0)	(1.0)
Transfers from/(to) property, plant and equipment	3.3	-	3.3
Investment properties revaluation net increase/(decrease)	(4.5)	21.3	16.8
Transfers to assets held for sale	(99.2)	(70.6)	(169.8)
Balance at end of year	**97.0**	**35.2**	**132.2**

2022	Owned property $Millions	Right of use assets $Millions	Total $Millions
Balance at beginning of year	178.0	82.1	260.1
Additions	0.2	-	0.2
Disposals	(0.4)	-	(0.4)
Transfers from/(to) property, plant and equipment	4.6	-	4.6
Investment properties revaluation net increase/(decrease)	15.0	(0.2)	14.8
Balance at end of year	**197.4**	**81.9**	**279.3**

The fair value of investment properties at Wellington International Airport and Infratil Infrastructure Property estimated each year by an independent valuer, Jones Lang LaSalle, which reflects market conditions at balance date. Changes to market conditions or to assumptions made in the estimation of fair value will result in changes to the fair value of the investment properties.

The valuation of Wellington International Airport's investment properties is based on a discounted cash flow and capitalisation rate approach. The fair value at 31 March 2023 is $97.0 million (2022: $97.2 million).

The valuation of Infratil Infrastructure Property Limited's investment properties is based on a capitalisation of net income, forecast EBITDA and discounted cashflow approach. The fair value at 31 March 2023 is (2022: $100.4 million). There were no capital works in progress included in investment properties at 31 March 2023 (2022: none). Infratil Infrastructure Property investment property has been classified as held for sale at 31 March 2023.

Where a lease pertains to property held to earn rental income, the right of use asset is included within Investment Property and is measured at fair value. Rental income from investment properties of $14.2 million was recognised in profit or loss during the year (2022: $12.2 million). Direct operating expenses arising from investment properties of $2.7 million were also recognised in profit or loss during the year (2022: $2.1 million).

The following table summarises the valuation approach and key assumptions used by the valuer to arrive at fair value. The last external valuation as at 31 March 2023 by independent valuers, Jones Lang LaSalle.

Description	Valuation approach	Fair value hierarchy level	Significant unobservable inputs		Relationship of unobservable inputs to fair value
Wellington International Airport					
Airport Retail Park and other properties held to earn rental income.	DCF and Cap rate	3	Weighted average discount rate	7.56% (2022: 7.02%)	An increase in the discount rate will decrease the fair value.
			Weighted average income capitalisation rate	7.05% (2022: 6.48%)	An increase in the capitalisation rate will decrease the fair value.
			Weighted average lease term	3.20 years (2022: 3.90 %)	An increase in the average lease term will ordinarily increase the fair value.
Infratil Infrastructure Property					
Investment property assets situated at 100 Halsey Street, Wynyard Quarter, Auckland. The site includes a commercial, car park and hotel building, as well as the ground lease for the adjacent bus depot site.	DCF and Cap rate	3	Weighted average discount rate	9.06% (2022: 8.21%)	An increase in the discount rate will decrease the fair value.
			Weighted average income capitalisation rate	7.87% (2022: 6.19%)	An increase in the capitalisation rate will decrease the fair value.

Last external valuation undertaken as at 31 March 2023 by independent valuers, Jones Lang LaSalle.

16 Leases

16.1 Right of use assets

Right of use assets related to leased properties that do not meet the definition of investment properties are summarised below. Land and buildings right of use assets include land held under ground leases and rental of office space.

2023	Land and Buildings $Millions	Plant and equipment $Millions	Total $Millions
Cost			
Balance at beginning of year	179.0	0.4	179.4
Additions	15.4	0.2	15.6
Additions on acquisition of subsidiary	7.5	-	7.5
Disposals	(2.8)	-	(2.8)
Remeasurements	4.4	-	4.4
Effect of movements in exchange rates	(0.7)	-	(0.7)
Transfers to assets held for sale	-	-	-
Balance at end of year	**202.8**	**0.6**	**203.4**
Accumulated depreciation			
Balance at beginning of year	19.9	0.3	20.2
Depreciation for the year	22.6	0.2	22.8
Effect of movements in exchange rates	(0.4)	-	(0.4)
Disposals	(0.4)	-	(0.4)
Transfers to assets held for sale	-	-	-
Balance at end of year	**41.7**	**0.5**	**42.2**
Carrying value at 31 March 2023	**161.1**	**0.1**	**161.2**

2022	Land and Buildings $Millions	Plant and equipment $Millions	Total $Millions
Cost			
Balance at beginning of year	117.5	18.2	135.7
Additions	22.7	0.4	23.1
Additions on acquisition of subsidiary	74.9	0.2	75.1
Disposals	(1.4)	-	(1.4)
Remeasurements	0.6	-	0.6
Effect of movements in exchange rates	(1.0)	-	(1.0)
Transfers to assets held for sale	(34.3)	(18.4)	(52.7)
Balance at end of year	**179.0**	**0.4**	**179.4**
Accumulated depreciation			
Balance at beginning of year	9.0	11.2	20.2
Depreciation for the year	19.1	5.8	24.9
Effect of movements in exchange rates	0.2	-	0.2
Transfers to assets held for sale	(8.4)	(16.7)	(25.1)
Balance at end of year	**19.9**	**0.3**	**20.2**
Carrying value at 31 March 2022	**159.1**	**0.1**	**159.2**

16.2 Lease liabilities

	2023 $Millions	2022 $Millions
Maturity analysis - contractual undiscounted cash flows		
Between 0 to 1 year	34.9	56.8
Between 1 to 2 years	30.8	27.0
Between 2 to 5 years	81.8	72.8
More than 5 years	410.6	336.2
Transfers to liabilities held for sale	(221.6)	(29.0)
Total undiscounted lease liabilities	**336.5**	**463.8**

	2023 $Millions	2022 $Millions
Lease liabilities included in the statement of financial position		
Split as follows:		
Current	19.0	22.7
Non-current	189.2	226.6
	208.2	**249.3**

	2023 $Millions	2022 $Millions
Amounts recognised in the consolidated statement of comprehensive income		
Interest on lease liabilities	12.8	15.2
Variable lease payments not included in the measurement of lease liabilities	-	-
Expenses relating to short-term leases	0.7	0.7
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-	0.2

The weighted average incremental borrowing cost applied to lease liabilities at 1 April 2022 was 5.05% (1 April 2021: 4.62%). Total cash outflow for leases for the year ended 31 March 2023 was $28.1 million (2022: $35.4 million).

16.3 Leases as a lessor

The Group has receivables from operating leases relating to the lease of premises. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2023 $Millions	2022 $Millions
Operating lease receivables as lessor		
Between 0 to 1 year	15.4	17.7
Between 1 to 2 years	10.3	14.7
Between 2 to 5 years	21.0	29.1
More than 5 years	43.1	48.8
Total undiscounted lease payments	**89.8**	**110.3**

17 Goodwill

	2023 $Millions	2022 $Millions
Balance at beginning of the year	1,807.2	752.7
Goodwill arising on acquisitions	42.8	1,079.2
Goodwill disposed of during the year	-	-
Transfers to disposal group assets classified as held for sale	-	(17.5)
Effects of movements in exchange rates	(3.9)	(7.2)
Balance at the end of the year	**1,846.1**	**1,807.2**
The aggregate carrying amounts of goodwill allocated to each cash generating unit are as follows:		
Manawa Energy	61.9	61.9
Qscan Group	703.9	666.1
RHCNZ Holdco Limited	1,080.5	1,079.2
	1,846.1	1,807.2

As outlined in note 9.1, RHC Holdco Limited completed the acquisition accounting of Auckland Radiology and Bay Radiology during the year, therefore finalising the goodwill balances.

The carrying value of Goodwill is allocated across the three subsidiaries and is subject to an annual impairment at the CGU level to ensure the carrying value does not exceed the recoverable amount at balance date. This is outlined below for each company.

Manawa Energy

CGUs and Impairment testing

The CGU is the operating segment of Manawa for impairment testing within the Group. In determining whether an impairment is necessary, the fair value of the Company's investment in Manawa is assessed with reference to the market share price quoted on the NZX at each reporting date.

Qscan Group

CGUs

Qscan goodwill is allocated to the following CGUs within the business- Queensland, Tasmania and Western Australia ('QTWA'), Northern New South Wales ('NNSW'), Australian Capital Territory ('ACT'), Southern New South Wales ('SNSW'), Regional, Western Australia, ('WA').

Impairment testing

The recoverable amount of the CGUs has been calculated using the FVLCD approach on a discounted cash flow model (classified as a Level 3 fair value based on the inputs in the valuation).

The future cash flows were discounted using a post-tax weighted cost of capital ('WACC') for the Qscan group of 10.38%.

The cash flow forecasts cover a period of 5 years with a terminal growth rate thereafter. The terminal growth rate, being 3%, was determined based on management's estimate of the long-term annual EBITDA growth rate for the Qscan Group.

The cashflow forecasts are initially based on the FY2024 Board approved budget, with forecasts beyond year one taking into consideration:

- Historical revenue growth and EBITDA margins achieved by each CGU as well as the trends within the Australian Medical Imaging industry, including the recovery in demand following the disruption caused by the COVID-19 pandemic;
- Estimated cashflows related to new clinic growth including capital expenditure to support these activities; and
- Estimated cash flows related to Information Technology projects to support future growth in revenue and EBITDA margins.

RHCNZ Medical Imaging

Cash Generating Units (CGUs)

Goodwill is allocated to the operating entities within RHCNZ of Pacific Radiology Group ('PRG'), Auckland Radiology Group Services Limited ('ARG'), and Bay Radiology Limited ('BRL')

Impairment testing

The recoverable amount of the CGU's has been calculated based on a value in use model using an internal discounted cash flow (DCF) valuation model.

The future cash flows were discounted using a post-tax WACC for the RHCNZ Group of 10.1%, with a CGU risk specific equity premium applied to ARG and BRL.

The cash flows in the model cover a period of 10 years with a terminal growth rate of 2.5% thereafter. The cash flows are initially based on the FY2024 Board approved budget, with forecasts beyond year one taking into the following key inputs and assumptions: long-term industry growth (aligning with independent market research and global trends), patient volume growth, operating costs (specifically staff), and machinery and facility utilisation.

Conclusion

During the year, no impairment was deemed necessary across the three operating segments.

18 Intangibles

	Lease agreements & software $Millions	Customer acquisition costs $Millions	Customer contracts $Millions	Brands $Millions	Total $Millions
2023					
Cost or valuation					
Balance at beginning of the year	12.7	-	10.9	106.8	130.4
Additions at cost	1.8	-	-	-	1.8
Additions on acquisition of subsidiary	-	-	1.1	11.9	13.0
Disposals	(2.4)	-	-	-	(2.4)
Impairment	-	-	-	-	-
Transfers from property, plant and equipment	-	-	-	-	-
Reclassification of SaaS costs previously capitalised	-	-	-	-	-
Effect of movements in exchange rates	-	-	0.1	(0.4)	(0.3)
Balance at end of year	**12.1**	**-**	**12.1**	**118.3**	**142.5**
Amortisation and impairment losses					
Balance at beginning of the year	(5.5)	-	(3.6)	-	(9.1)
Amortisation for the year	(3.0)	-	(2.9)	-	(5.9)
Disposals	1.2	-	-	-	1.2
Impairment	-	-	-	-	-
Transfers	-	-	-	-	-
Reclassification of SaaS costs previously capitalised	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Balance at end of year	**(7.3)**	**-**	**(6.5)**	**-**	**(13.8)**
Carrying value 31 March 2023	4.8	-	5.6	118.3	128.7

	Lease agreements & software $Millions	Customer acquisition costs $Millions	Customer contracts $Millions	Brands $Millions	Total $Millions
2022					
Cost or valuation					
Balance at beginning of the year	119.9	83.3	4.7	38.6	246.5
Additions at cost	6.7	-	-	-	6.7
Additions on acquisition of subsidiary	2.2	-	6.2	68.7	77.1
Disposals	(0.4)	-	-	-	(0.4)
Impairment	-	-	-	-	-
Transfers from property, plant and equipment	0.6	-	-	-	0.6
Reclassification of SaaS costs previously capitalised	(0.2)	-	-	-	(0.2)
Transfers to assets classified as held for sale	(116.1)	(83.3)	-	-	(199.4)
Effect of movements in exchange rates	-	-	-	(0.5)	(0.5)
Balance at end of year	**12.7**	**-**	**10.9**	**106.8**	**130.4**
Amortisation and impairment losses					
Balance at beginning of the year	(96.6)	(75.8)	-	-	(172.4)
Amortisation for the year	(13.4)	(1.4)	(2.5)	-	(17.3)
Disposals	0.1	-	(1.1)	-	(1.0)
Impairment	-	-	-	-	-
Reclassification of SaaS costs previously capitalised	-	-	-	-	-
Transfers to assets classified as held for sale	104.7	77.2	-	-	181.9
Effect of movements in exchange rates	(0.3)	-	-	-	(0.3)
Balance at end of year	**(5.5)**	**-**	**(3.6)**	**-**	**(9.1)**
Carrying value 31 March 2022	7.2	-	7.3	106.8	121.3

19 Loans and borrowings

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings.

	2023 $Millions	2022 $Millions
Current liabilities		
Unsecured bank loans	51.6	180.1
Secured bank loans	455.4	41.3
less: Loan establishment costs capitalised and amortised over term	(12.4)	(5.9)
	494.6	215.5
Non-current liabilities		
Unsecured bank loans	23.1	217.9
Secured bank loans	286.9	650.1
less: Loan establishment costs capitalised and amortised over term	(4.7)	(16.3)
	305.3	851.7
Facilities utilised at reporting date		
Unsecured bank loans	74.6	398.1
Unsecured guarantees	-	-
Secured bank loans	742.4	691.3
Secured guarantees	5.1	4.6
Facilities not utilised at reporting date		
Unsecured bank loans	1,233.9	1,335.9
Unsecured guarantees	-	-
Secured bank loans	140.0	198.4
Secured guarantees	-	-
Facilities utilised at reporting date		
Interest bearing loans and borrowings - current	494.6	215.5
Interest bearing loans and borrowings - non-current	305.3	851.7
Total interest bearing loans and borrowings	799.9	1,067.2

	2023 $Millions	2022 $Millions
Maturity profile for bank facilities (excluding secured guarantees):		
Between 0 to 1 year	843.0	281.4
Between 1 to 2 years	542.2	362.3
Between 2 to 5 years	805.7	1,980.0
Over 5 years	-	-
Total bank facilities	**2,190.9**	**2,623.7**

Financing arrangements

Wholly owned subsidiaries

Infratil Finance Limited, a wholly owned subsidiary of the Company, has entered into bank facility arrangements with a negative pledge agreement, which, with limited exceptions does not permit the Infratil Guaranteeing Group ('IGG') to grant any security over its assets. The IGG comprises entities subject to a cross guarantee and comprises Infratil Limited, Infratil Finance Limited and wholly owned subsidiaries. These facilities are primarily used to fund the corporate and investment activities of the Company. The IGG does not incorporate the underlying assets of the Company's non-wholly owned subsidiaries and associates. The IGG bank facilities also include restrictions over the sale or disposal of certain assets without bank agreement. Liability under the cross guarantee is limited to the amount of debt drawn under the IGG facilities, plus any unpaid interest and costs of recovery.

At 31 March 2023 there was no drawn debt or accrued interest payable under the IGG facilities (31 March 2022: nil) and undrawn IGG facilities totalled $898.4 million (31 March 2022: $1,169.0 million).

Non-wholly owned subsidiaries

The Group's non-wholly owned subsidiaries also enter into bank facility arrangements. Amounts outstanding under these facilities are included within loans and borrowings in the table above. These facilities are primarily used to fund the activities of those non-wholly owned subsidiaries. Wellington International Airport and Manawa Energy's facilities are both subject to negative pledge arrangements, which with limited exceptions does not permit those entities to grant security over their respective assets. Qscan Group and RHCNZ Medical Imaging borrow under syndicated bank debt facilities, under which security is granted over their respective assets. All non-wholly owned subsidiary facilities are subject to restrictions over the sale or disposal of certain assets without bank agreement.

The various bank facilities across the Group require the relevant borrowing group to operate within defined performance and gearing ratios as is typical of debt facilities of this nature. Throughout the period the Group has complied with all debt covenant requirements as imposed by the respective lenders, other than RHCNZ Medical Imaging who sought and received waivers (post balance date) from it's banking group in relation to an adjustment for Covid-19 impacts in the calculation of EBITDA for the purposes of some FY2023 test dates.

Interest rates

Interest rates payable on bank loan facilities are floating rate determined by reference to prevailing money market rates at the time of draw-down plus a margin. Interest rates paid during the year ranged from 1.40% to 8.44% (31 March 2022: 0.75% to 4.32%).

20 Infratil Infrastructure bonds

	2023 $Millions	2022 $Millions
Balance at the beginning of the year	1,388.5	1,378.9
Issued during the year	115.9	102.4
Exchanged during the year	-	(54.8)
Matured during the year	(193.7)	(39.1)
Purchased by Infratil during the year	-	-
Bond issue costs capitalised during the year	(1.5)	(1.2)
Bond issue costs amortised during the year	2.1	2.3
Balance at the end of the year	**1,311.3**	**1,388.5**
Current	122.0	193.5
Non-current fixed coupon	835.3	841.1
Non-current variable coupon	122.1	122.0
Non-current perpetual variable coupon	231.9	231.9
Balance at the end of the year	**1,311.3**	**1,388.5**
Repayment terms and interest rates:		
IFT190 maturing in June 2022, 6.85% p.a. fixed coupon rate	-	93.7
IFT240 maturing in December 2022, 5.65% p.a. fixed coupon rate	-	100.0
IFT210 maturing in September 2023, 5.25% p.a. fixed coupon rate	122.1	122.1
IFT230 maturing in June 2024, 5.50% p.a. fixed coupon rate	56.1	56.1
IFT260 maturing in December 2024, 4.75% p.a. fixed coupon rate	100.0	100.0
IFT250 maturing in June 2025, 6.15% p.a. fixed coupon rate	43.4	43.4
IFT300 maturing in March 2026, 3.35% p.a. fixed coupon rate	120.3	120.3
IFT280 maturing in December 2026, 3.35% p.a. fixed coupon rate	156.3	156.3
IFT310 Maturing in December 2027, 3.60% p.a. fixed coupon rate	102.4	102.4
IFT270 maturing in December 2028, 4.85% p.a. fixed coupon rate until December 2023	146.2	146.2
IFT320 maturing in June 2030, 5.93% p.a. fixed coupon rate until June 2026	115.9	-
IFTHC maturing in December 2029, 7.89% p.a. variable coupon rate, reset annually	123.2	123.2
IFTHA Perpetual Infratil infrastructure bonds	231.9	231.9
less: Issue costs capitalised and amortised over term	(7.4)	(8.2)
add: Issue premium capitalised and amortised over term	0.9	1.1
Balance at the end of the year	**1,311.3**	**1,388.5**

Fixed coupon

The fixed coupon bonds the Company has on issue are at a face value of $1.00 per bond. Interest is payable quarterly on the bonds.

IFTHC bonds

The IFTHC bonds the Company has on issue are at a face value of $1.00 per bond. Interest is payable quarterly on the bonds. The coupon for the IFTHC bonds for the period from (but excluding) 15 December 2023 was fixed at 7.89% per annum (for the period to 15 December 2022 the coupon was 4.19%). Thereafter the rate will be reset annually at 2.50% per annum over the then one year swap rate for quarterly payments.

IFT270 bonds

The interest rate of the IFT270 bonds is fixed at 4.85% for the first five years and then reset on 15 December 2023 for a further five years. The interest rate for the IFT270 bonds for the period from (but excluding) 15 December 2023 until the maturity date will be the sum of the five year swap rate on 15 December 2023 plus a margin of 2.50% per annum.

IFT320 bonds

The interest rate of the IFT320 bonds is fixed at 5.93% for the first four years and will then reset on 15 June 2026 for a further four years. The interest rate for the IFT320 bonds for the period from (but excluding) 15 June 2026 until the maturity date will be the sum of the four year swap rate on 15 June 2026 plus a margin of 2.00% per annum.

Perpetual Infratil infrastructure bonds ('PIIBs')

The Company has 231,916,000 (31 March 2022: 231,916,000) PIIBs on issue at a face value of $1.00 per bond. Interest is payable quarterly on the bonds. On 15 November 2022 the coupon was set at 6.45% per annum until the next reset date, being 15 November 2023 (2022: 3.14%). Thereafter the rate will be reset annually at 1.50% per annum over the then one year swap rate for quarterly payments, unless Infratil's gearing ratio exceeds certain thresholds, in which case the margin increases. These infrastructure bonds have no fixed maturity date. No PIIBs (2022: nil) were repurchased by Infratil Limited during the year.

Throughout the year the Company complied with all debt covenant requirements as imposed by its bond supervisor.

At 31 March 2023 Infratil Infrastructure bonds (including PIIBs) had a fair value of $1,203.4 million (31 March 2022: $1,322.8 million).

21 Manawa Energy bonds

Unsecured senior bonds	2023 $Millions	2022 $Millions
Repayment terms and interest rates:		
MNW150 maturing in December 2022, 4.01% p.a. fixed coupon rate	-	127.7
MNW180 maturing in July 2026, 3.35% p.a. fixed coupon rate	125.0	125.0
MNW190 maturing in September 2027, 5.36% p.a. fixed coupon rate	150.0	-
MNW170 maturing in February 2029, 3.97% p.a. fixed coupon rate until 22 February 2024	100.0	100.0
less: Issue costs capitalised and amortised over term	(3.0)	(2.0)
Balance at the end of the year	**372.0**	**350.7**
Current	-	127.7
Non-current	372.0	223.0
Balance at the end of the year	**372.0**	**350.7**

Manawa Energy's unsecured senior bonds rank equally with their bank loans. Manawa Energy borrows under a negative pledge arrangement, which with limited exceptions does not permit Manawa Energy to grant any security interest over its assets. The Trust Deed for these bonds requires Manawa Energy to maintain certain levels of shareholders' funds and operate within defined performance and debt gearing ratios. The arrangements under the Trust Deed may also create restrictions over the sale or disposal of certain assets unless the senior bonds are repaid or renegotiated. Throughout the year Manawa Energy complied with all debt covenant requirements as imposed by its bond supervisor.

At 31 March 2023 Manawa Energy's unsecured senior bonds had a fair value of $364.4 million (31 March 2022: $350.8 million).

22 Wellington International Airport bonds and USPP notes

	2023 $Millions	2022 $Millions
Repayment terms and interest rates:		
WIA030 Retail bonds maturing May 2023, 4.25% p.a. fixed coupon rate	75.0	75.0
WIA040 Retail bonds maturing August 2024, 4.00% p.a. fixed coupon rate	60.0	60.0
WIA050 Retail bonds maturing June 2025, 5.00% p.a. fixed coupon rate	70.0	70.0
WIA060 Retail bonds maturing April 2030, 4.00% p.a. fixed coupon rate until 1 April 2025	97.0	97.9
WIA070 Retail bonds maturing August 2026, 2.50% p.a. fixed coupon rate	100.0	100.0
WIA080 Retail bonds maturing September 2031, 3.32% p.a. fixed coupon rate	120.5	121.7
WIA090 Retail bonds maturing August 2028, 5.78% p.a. fixed coupon rate	75.0	-
USPP Notes - Series A (US$36 million)	53.7	51.1
USPP Notes - Series B (US$36 million)	53.7	51.1
less: Issue costs capitalised and amortised over term	(4.5)	(5.1)
Balance at the end of the year	**700.4**	**621.7**
Current	75.0	-
Non-current	625.4	621.7
Balance at the end of the year	**700.4**	**621.7**

The Trust Deed for the retail bonds requires Wellington International Airport ('Wellington Airport') to operate within defined performance and debt gearing ratios. The arrangements under the Trust Deed creates restrictions over the sale or disposal of certain assets. Throughout the year Wellington Airport complied with all debt covenant requirements as imposed by the retail bond supervisor.

Wellington Airport's USPP comprised two equal tranches, Series A of US$36 million 10 year Note with a coupon of 3.47%, maturing July 2027 and Series B of US$36 million 12 year Note with a coupon of 3.59%, maturing July 2029. In conjunction with the USPP issuance, Wellington Airport entered into cross currency interest rate swaps ('CCIRS') to hedge the exposure to foreign currency risk over the term of the notes.

At 31 March 2023 Wellington Airport's bonds had a fair value of $581.0 million (2022: $522.9 million), and Wellington Airport's USPP Notes had a fair value of $115.3 million (2022: $110.9 million).

The USPP notes are measured at amortised cost, translated to New Zealand dollars using the spot rate at balance date.

Financial Covenants and Other Restrictions

As at 31 March 2023 Wellington Airport has bank facilities amounting to $100 million, which remain undrawn (31 March 2022: $100 million). These facilities and the US$72 million USPP Notes have certain financial covenants which were all met as at 31 March 2023.

23 Financial instruments

The Group has exposure to the following risks due to its business activities and financial policies:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

23.1 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The Group is exposed to credit risk in the normal course of business including those arising from trade receivables with its customers, financial derivatives and transactions (including cash balances) with financial institutions. The Group minimises its exposure to credit risk of trade receivables through the adoption of counterparty credit limits and standard payment terms. Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions and organisations in the relevant industry. The Group's exposure and the credit ratings of significant counterparties are monitored, and the aggregate value of exposures are spread across approved counterparties. The carrying amounts of financial assets recognised in the Statement of Financial Position best represent the Group's maximum exposure to credit risk at the reporting date. Generally no security is held on these amounts.

Exposure to credit risk

	2023 $Millions	2022 $Millions
The Group had exposure to credit risk with financial institutions at balance date from cash deposits held as follows:		
Financial institutions with 'AA' credit ratings	-	-
Financial institutions with 'AA-' credit ratings	547.6	685.2
Financial institutions with 'A+' credit ratings	-	-
Financial institutions with 'A' credit ratings	226.6	160.4
Unrated financial institutions	0.3	5.4
Total cash deposits with financial institutions	774.5	851.0
Cash on hand	-	-
Total cash and cash equivalents	**774.5**	**851.0**

No cash was included in assets held for sale at 31 March 2023 (31 March 2022: nil). Credit ratings are from S&P Global Ratings or equivalent rating agencies.

Trade and other receivables

The Group has exposure to various counterparties. Concentration of credit risk with respect to trade receivables is limited due to the Group's large customer base in a diverse range of industries and geographies.

Ageing of trade receivables

	2023 $Millions	2022 $Millions
The ageing analysis of trade receivables is as follows:		
Not past due	77.1	63.8
Past due 0-30 days	18.4	10.8
Past due 31-90 days	6.7	2.5
Greater than 90 days	6.2	2.0
Total	108.4	79.1
The ageing analysis of impaired trade receivables is as follows:		
Not past due	(0.4)	(0.6)
Past due 0-30 days	(0.2)	(0.4)
Past due 31-90 days	(0.2)	(0.6)
Greater than 90 days	(6.0)	(3.1)
Total	(6.8)	(4.7)

	2023 $Millions	2022 $Millions
Movement in the provision for expected credit loss for the year was as follows:		
Balance as at 1st April	4.7	5.5
Acquired through acquisition of subsidiary	0.5	2.0
Expected credit loss recognised (charged to operating expenses)	1.2	3.7
Bad debts recovered	(0.6)	(0.5)
Provisions made/(utilised)	1.0	(2.6)
Transfers to assets classified as held for sale	-	(3.4)
Balance as at 31 March	6.8	4.7
Other prepayments and receivables	63.7	41.7
Total trade, accounts receivable and prepayments	165.3	116.1

23.2 Liquidity risk

Liquidity risk is the risk that assets held by the Group cannot readily be converted to cash to meet the Group's contracted cash flow obligations. Liquidity risk is monitored by continuously forecasting cash flows and matching the maturity profiles of financial assets and liabilities. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due and make value investments, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, the spreading of debt maturities, and its credit standing in capital markets.

The tables below analyse the Group's financial liabilities, excluding gross settled derivative financial liabilities, into relevant maturity groupings based on the earliest possible contractual maturity date at year end. The amounts in the tables below are contractual undiscounted cash flows, which include interest through to maturity. Perpetual Infratil Infrastructure Bonds cash flows have been determined by reference to the longest dated Infratil bond maturity in the year 2030. Contractural cashflows include liabilities held for sale at 31 March 2023.

	Balance sheet $Millions	Contractual cash flows $Millions	6 months or less $Millions	6-12 months $Millions	1-2 years $Millions	2-5 years $Millions	5 + years $Millions
31 March 2023							
Accounts payable, accruals and other liabilities	793.5	945.2	756.8	39.2	90.1	57.1	2.0
Lease liabilities	208.2	555.5	16.3	16.2	30.8	81.8	410.4
Unsecured & secured bank facilities	799.9	900.2	84.1	470.1	56.2	289.8	-
Infratil Infrastructure bonds	1,079.4	1,310.9	148.9	23.6	47.1	669.1	422.2
Perpetual Infratil Infrastructure bonds	231.9	339.9	7.5	7.5	15.0	44.9	265.0
Wellington International Airport bonds	700.4	853.7	89.1	12.5	83.7	279.9	388.5
Manawa Energy bonds	372.0	445.6	8.1	8.1	16.2	310.2	103.0
Derivative financial instruments	117.0	249.8	51.5	30.8	164.1	3.3	0.1
	4,302.3	5,600.8	1,162.3	608.0	503.2	1,736.1	1,591.2
31 March 2022							
Accounts payable, accruals and other liabilities	598.1	632.2	488.2	2.3	107.6	33.3	0.8
Lease liabilities	249.3	463.8	13.9	14.3	27.0	72.8	335.8
Unsecured & secured bank facilities	1,067.2	881.5	25.1	57.7	74.5	723.4	0.8
Infratil Infrastructure bonds	1,156.6	1,357.5	120.8	122.2	160.8	553.2	400.5
Perpetual Infratil Infrastructure bonds	231.9	287.9	3.6	3.6	7.3	21.8	251.6
Wellington International Airport bonds	621.7	769.4	11.7	11.7	96.8	279.0	370.2
Trustpower bonds	350.7	401.1	6.6	133.1	8.2	146.3	106.9
Derivative financial instruments	118.8	128.7	18.2	20.2	81.4	6.0	2.9
	4,394.3	4,922.1	688.1	365.1	563.6	1,835.8	1,469.5

23.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and energy prices will affect the Group's income or the value of its holdings of financial assets and liabilities. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

23.3.1 Interest rate risk (cash flow and fair value)

Interest rate risk is the risk of interest rate volatility negatively affecting the Group's interest expense cash flow and earnings. Infratil mitigates this risk by managing it's interest rate exposures in accordance with it's Group Treasury Policy, which sets out defined maximum and minimum hedging levels that are maintained as a proportion of forecast total drawn debt. Infratil achieves compliance with these thresholds by issuing fixed rate bonds or entering into interest rate derivatives to adjust it's fixed rate exposure profile. Borrowings issued at fixed rates does expose the Group to fair value interest rate risk.

	2023 $Millions	2022 $Millions
At balance date the face value of interest rate contracts outstanding were:		
Interest rate swaps - notional value	2,672.2	1,459.3
Fair value of interest rate swaps	43.5	24.2
Fair value adjustments	3.3	-
Cross currency interest rate swaps - notional value	99.8	99.8
Fair value of cross currency interest rate swaps	6.9	1.6
The termination dates for the interest rate swaps are as follows:		
Between 0 to 1 year	420.0	-
Between 1 to 2 years	250.2	50.0
Between 2 to 5 years	1,448.0	934.3
Over 5 years	554.0	475.0
The termination dates for the cross currency interest rate swaps are as follows:		
Between 0 to 1 year	-	-
Between 1 to 2 years	-	-
Between 2 to 5 years	49.9	-
Over 5 years	49.9	99.8

Interest rate sensitivity analysis

The following table shows the impact on post-tax profit and equity of a movement in bank interest rates of 100 basis points higher/lower with all other variables held constant.

	2023 $Millions	2022 $Millions
Profit or loss		
100 bp increase	18.4	17.6
100 bp decrease	(18.7)	(17.9)
Other comprehensive income		
100 bp increase	4.0	3.0
100 bp decrease	(4.3)	(3.4)

Assumptions used in the interest rate sensitivity analysis include:

Reasonably possible movements in interest rates were determined based on a review of historical movements. A movement of 100 basis points higher/lower is considered appropriate to demonstrate the sensitivity of the Group to movements in interest rates. The sensitivity was calculated by taking interest rate instruments including loans and borrowings, bonds, interest rate swaps and cross currency interest rate swaps at balance date and adjusting the interest rate upwards and downwards to quantify the resulting impact to profit or loss and other comprehensive income.

23.3.2 Foreign currency risk

The Group has exposure to foreign currency risk on the value of its net investment in foreign investments, assets and liabilities, future investment obligations and future income. Foreign currency obligations and income are recognised as soon as the flow of funds is likely to occur. Decisions on buying forward cover for likely foreign currency investments is subject to the Group's expectation of the fair value of the relevant exchange rate.

The Group may enter into forward exchange contracts to reduce the risk from price fluctuations of foreign currency commitments associated with the construction of generation assets and to hedge the risk of its net investment in foreign operations. Any resulting differential to be paid or received as a result of the currency hedging of the asset is reflected in the final cost of the asset. The Group has elected to apply cash flow hedge accounting to these instruments.

The following table shows the impact on post-tax profit and equity if the New Zealand dollar had weakened or strengthened by 10 per cent against the currencies with which the Group has foreign currency risk with, all other variables held constant.

	2023		2022	
	+10% $Millions	-10% $Millions	+10% $Millions	-10% $Millions
Profit or loss				
AUD	(11.7)	11.7	(11.3)	11.3
EUR	(0.7)	0.7	(0.3)	0.3
GBP	-	-	-	-
USD	(0.1)	0.1	(0.1)	0.1
Other comprehensive income				
AUD	(117.9)	118.3	(84.6)	83.3
EUR	(0.8)	0.8	(0.3)	0.3
GBP	(6.5)	6.5	(5.7)	5.7
USD	(27.4)	29.7	(19.2)	21.4

Assumptions used in the foreign currency exposure sensitivity analysis include:

Reasonably possible movements in foreign exchange rates were determined based on a review of historical movements. A movement of plus or minus 10% has been applied to the NZD/AUD, NZD/USD, NZD/EUR and NZD/GBP exchange rates to demonstrate the sensitivity of foreign currency risk of the company's investment in foreign operations and associated derivative financial instruments. The sensitivity was calculated by taking each currency pair's spot rate as at balance date, moving this spot rate by plus and minus 10% and then reconverting the foreign currency balances with the 'new spot-rate'.

Unhedged foreign currency exposures

At balance date the Group has the following unhedged exposure to foreign currency risk arising on foreign currency monetary assets and liabilities that fall due within the next twelve months:

	2023 $Millions	2022 $Millions
Cash, short term deposits and trade receivables		
United States Dollars (USD)	1.6	3.9
Australian Dollars (AUD)	4.6	4.5
Euro (EUR)	1.3	0.5
Pound Sterling (GBP)	0.8	0.2

23.3.3 Energy price risk

Energy Price Risk is the risk that financial performance will be impacted by fluctuations in spot energy prices. The Group meets its energy sales demand by purchasing energy on spot markets, physical deliveries and financial derivative contracts. This exposes the Group to fluctuations in the spot and forward price of energy. The Group has entered into a energy hedge contract to reduce the energy price risk from price fluctuations. This hedge contract establishes the price at which future specified quantities of energy are purchased and settled. Any resulting differential to be paid or received is recognised as a component of energy costs through the term of the contract. The Group has elected to apply cash flow hedge accounting to those instruments it deems material and which qualify as a cash flow hedge.

The electricity price CFD entered with Mercury NZ Limited was transferred at a price of $1 per the mass market retail business sale and purchase agreement. When valued against the wholesale electricity price curve, this derivative had a value on day 1 of negative $521.7 million. NZ IFRS 9 Financial Instruments requires that where the fair value differs to the transaction price for a Level 3 instrument, the valuation must be calibrated to reflect the transaction price. As a result, no day 1 fair value has been recorded. The day 1 loss of $521.7 million will be recognised in profit and loss as contractual cash flows on the swap are settled and fair value gains/losses on the calibrated swap are realised over time. During the period $122.2 million of the deferred day 1 value has been recognised through wholesale electricity revenue as the calibrated CFD cash flows have been realised throughout the period. The remaining $399.6 million of the day 1 loss will be recognized accordingly in future periods over the remaining term of the contract. These CFD cash settlements have reduced the impact of changes in wholesale electricity prices on Manawa Energy's revenue. A fair value gain of $97.4 million, over the period from 1 May 2022 to 31 March 2023, has been booked with $27.8 million taken to the cash flow hedge reserve and $69.6 million taken to net fair value gains on financial instruments.

	2023	2022
At balance date the aggregate notional volume of outstanding energy derivatives were:		
Electricity (GWh)	12,926.0	3,621.0
Fair value of energy derivatives ($millions)	62.5	3.0

As at 31 March 2023, the Group had energy contracts outstanding with various maturities expected to occur continuously throughout the next five years. The hedged anticipated energy purchase transactions are expected to occur continuously throughout the contract period from balance sheet date consistent with the Group's forecast energy generation and retail energy sales. Gains and losses recognised in the cash flow hedge reserve on energy derivatives as of 31 March 2023 will be continuously released to the income statement in each period in which the underlying purchase transactions are recognised in the profit or loss.

	2023 $Millions	2022 $Millions
The termination dates for the energy derivatives are as follows:		
Between 0 to 1 year	634.2	129.7
Between 1 to 2 years	650.7	123.8
Between 2 to 5 years	628.3	133.0
Over 5 years	72.1	-
	1,985.3	386.5

Energy price sensitivity analysis

The following table shows the impact on post-tax profit and equity of an increase/decrease in the Level 3 forward electricity prices with all other variables held constant:

	2023 $Millions	2022 $Millions
Profit and loss		
10% increase in energy forward prices	(12.2)	(15.2)
10% decrease in energy forward prices	12.2	15.2
Other comprehensive income		
10% increase in energy forward prices	104.4	1.0
10% decrease in energy forward prices	(104.4)	(1.0)

Assumptions used in the energy forward price sensitivity analysis include:

Reasonably possible movements in energy forward prices were determined based on a review of historical movements. A movement of 10% higher/lower is considered appropriate to demonstrate sensitivity to movements in forward energy prices. The sensitivity was calculated by taking balances that incorporate expectations of forward electricity prices at balance date and adjusting the forward electricity price upwards and downwards to quantify the resulting impact to profit or loss and other comprehensive income.

If the discount rate for valuing electricity price increased/decreased by 1% then the fair value of the electricity price derivatives would have decreased/increased by $1.4 million (2022: $13.6 million). If the forecast inflation rate has increased/decreased by 1% then the fair value of electricity price derivatives would have increased/decreased by $16.2 million (2022: nil).

23.4 Fair values

With the exception of bond debt and senior notes which are measured at amortised cost, financial assets and financial liabilities are measured at fair value. The fair value of bond debt and senior notes at 31 March 2023 is $2,264.1 million (31 March 2022: $2,307.3 million) compared to an amortised cost value of $2,383.7 million (31 March 2022: $2,360.9 million).

The carrying value of derivative financial assets and liabilities recorded in the statement of financial position are as follows:

	2023 $Millions	2022 $Millions
Assets		
Derivative financial instruments - energy	156.0	106.2
Derivative financial instruments - cross currency interest rate swaps	6.9	1.6
Derivative financial instruments - foreign exchange	3.3	-
Derivative financial instruments - interest rate	66.5	38.4
	232.7	146.2
Split as follows:		
Current	25.3	65.3
Non-current	207.4	80.9
	232.7	146.2
Liabilities		
Derivative financial instruments - energy	93.5	103.2
Derivative financial instruments - cross currency interest rate swaps	-	-
Derivative financial instruments - foreign exchange	0.5	1.4
Derivative financial instruments - interest rate	23.0	14.2
	117.0	118.8
Split as follows:		
Current	37.0	48.3
Non-current	80.0	70.5
	117.0	118.8

Estimation of fair values

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and liabilities are calculated using market-quoted rates based on discounted cash flow analysis.
- The fair value of derivative financial instruments are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve or available forward price data for the duration of the instruments.

Where the fair value of a derivative is calculated as the present value of the estimated future cash flows of the instrument, the two key types of variables used by the valuation techniques are:

- forward price curve (for the relevant underlying interest rates, foreign exchange rates or commodity prices); and
- discount rates.

Valuation input	Source
Interest rate forward price curve	Published market swap rates
Foreign exchange forward prices	Published spot foreign exchange rates
Electricity forward price curve	Market quoted prices where available and management's best estimate based on its view of the long run marginal cost of new generation where no market quoted prices are available
Discount rate for valuing interest rate derivatives	Published market interest rates as applicable to the remaining life of the instrument
Discount rate for valuing forward foreign exchange contracts	Published market rates as applicable to the remaining life of the instrument
Discount rate for valuing electricity price derivatives	Assumed counterparty cost of funds ranging from 3.1% to 6.1% (31 March 2022: 2.2% to 3.4%)

The selection of variables requires significant judgement and therefore there is a range of reasonably possible assumptions in respect of these variables that could be used in estimating the fair value of these derivatives. Maximum use is made of observable market data when selecting variables and developing assumptions for the valuation techniques.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The following tables present the Group's financial assets and liabilities that are measured at fair value.

31 March 2023	Level 1 $Millions	Level 2 $Millions	Level 3 $Millions	Total $Millions
Assets per the statement of financial position				
Derivative financial instruments - energy	-	-	156.0	156.0
Derivative financial instruments - cross currency interest rate swaps	-	6.9	-	6.9
Derivative financial instruments - foreign exchange	-	3.3	-	3.3
Derivative financial instruments - interest rate	-	66.5	-	66.5
Total	**-**	**76.7**	**156.0**	**232.7**
Liabilities per the statement of financial position				
Derivative financial instruments - energy	-	-	93.5	93.5
Derivative financial instruments - cross currency interest rate swaps	-	-	-	-
Derivative financial instruments - foreign exchange	-	0.5	-	0.5
Derivative financial instruments - interest rate	-	23.0	-	23.0
Total	**-**	**23.5**	**93.5**	**117.0**

31 March 2022	Level 1 $Millions	Level 2 $Millions	Level 3 $Millions	Total $Millions
Assets per the statement of financial position				
Derivative financial instruments - energy	-	-	106.2	106.2
Derivative financial instruments - cross currency interest rate swaps	-	1.6	-	1.6
Derivative financial instruments - foreign exchange	-	-	-	-
Derivative financial instruments - interest rate	-	38.4	-	38.4
Total	**-**	**40.0**	**106.2**	**146.2**
Liabilities per the statement of financial position				
Derivative financial instruments - energy	-	-	103.2	103.2
Derivative financial instruments - cross currency interest rate swaps	-	-	-	-
Derivative financial instruments - foreign exchange	-	1.4	-	1.4
Derivative financial instruments - interest rate	-	14.2	-	14.2
Total	**-**	**15.6**	**103.2**	**118.8**

There were no transfers between derivative financial instrument assets or liabilities classified as level 1 or level 2, and level 3 of the fair value hierarchy during the year ended 31 March 2023 (31 March 2022: none).

The following table reconciles the movements in level 3 Electricity price derivatives that are classified within level 3 of the fair value hierarchy because the assumed location factors which are used to adjust the forward price path are unobservable.

	2023 $Millions	2022 $Millions
Assets per the statement of financial position		
Opening balance	106.2	145.6
Foreign exchange movement on opening balance	-	-
Acquired as part of business combination	-	-
Gains and (losses) recognised in profit or loss	29.8	74.4
Gains and (losses) recognised in other comprehensive income	20.0	(113.8)
Transfer to assets held for sale	-	-
Closing balance	156.0	106.2
Total gains/(losses) for the year included in profit or loss for assets held at the end of the reporting year	41.4	1.4
Liabilities per the statement of financial position		
Opening balance	103.2	121.7
Foreign exchange movement on opening balance	-	-
Acquired as part of business combination	-	-
(Gains) and losses recognised in profit or loss	(9.7)	(18.4)
(Gains) and losses recognised in other comprehensive income	-	(0.1)
Transfers to liabilities held for sale	-	-
Closing balance	93.5	103.2
Total gains/(losses) for the year included in profit or loss for liabilities held at the end of the reporting year	33.1	-
Settlements during the year	(11.2)	(14.0)

23.5 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of Infratil's risk management framework. Infratil has established an Audit and Risk Committee's ('ARC') and a comprehensive enterprise risk management framework. The ARC's risk management responsibilities include reviewing management practices in relation to the ongoing identification, assessment and management of risks which are grouped into principal risk categories; portfolio, operational, stakeholder and regulatory and compliance. Particular attention is given to strategic risks that have the potential to materially impact the overall performance of the Infratil portfolio. Infratil Management provide regular reporting to the ARC on the relevant risks and the controls and treatments for those risks, with escalation to the Board where necessary. Through its material Board representation across each significant subsidiary and associate, Infratil seeks to ensure that the Board and Management teams of each entity have robust governance and risk management processes in place to effectively identify, assess and monitor the operational and strategic risks relevant to each individual business.

23.6 Capital Management

The Group's capital includes share capital, reserves, retained earnings and non-controlling interests of the Group. From time to time the Group purchases its own shares on the market with the timing of these purchases dependent on market prices, an assessment of value for shareholders and an available window to trade on the NZX. Primarily the shares are intended to be held as treasury stock and may be reissued under the Dividend Reinvestment Plan or cancelled. During the prior year the Group issued 1,031,049 shares under the dividend reinvestment plan.

The Group seeks to manage it's maturity concentration through the regular assessment of it's funding maturity profile and maintaining aggregate concentration below an acceptable limit. Discussions on refinancing of facilities will normally commence at least six months before maturity. Facilities are maintained with highly rated financial institutions, and with a minimum number of bank counterparties to ensure diversification.

24 Capital commitments

	2023 $Millions	2022 $Millions
Committed but not contracted for	135.5	41.2
Contracted but not provided for	32.8	56.3
Capital commitments	168.3	97.5

Capital commitments are primarily associated with RHCNZ's capital expenditure in relation to projects including completion costs for new branches, branch expansion and the purchase of various new and replacement machinery. See Note 6 for Infratil's commitment to Longroad, Galileo and Kao Data, Note 7 for Infratil's commitment to Clearvision Ventures and Note 9 for Infratil's commitment to Mint Renewables.

At 31 March 2023, Infratil has committed US$19.0 million of capital contributions to Gurīn Energy (2022: US$5.7 million).

25 Reconciliation of net surplus with cash flow from operating activities

	2023 $Millions	2022 $Millions
Net surplus for the year	891.7	1,231.7
(Add) / Less items classified as investing activity:		
(Gain)/Loss on investment realisations, impairments and disposals of discontinued operations	(328.7)	(1,014.7)
Transaction costs: payables relating to investing activities	23.9	0.7
Add items not involving cash flows:		
Movement in financial derivatives taken to the profit or loss	(91.5)	(60.6)
Decrease in deferred tax liability excluding transfers to reserves	(14.6)	(35.9)
Changes in fair value of investment properties	4.3	(15.3)
Equity accounted earnings of associate net of distributions received	(486.1)	(207.3)
Depreciation	102.2	124.3
Movement in provision for bad debts	-	0.5
Amortisation of intangibles	5.8	18.4
Other	(8.7)	16.0
Movements in working capital:		
Change in receivables	(25.8)	48.6
Change in inventories	(0.1)	(0.2)
Change in trade payables	27.1	(10.0)
Change in accruals and other liabilities	(99.3)	(42.5)
Change in current and deferred taxation	8.6	29.1
Net cash flow from operating activities	**8.8**	**82.9**

26 Key management personnel disclosures

Key management personnel have been defined as the Chief Executives and direct reports for the Group's operating subsidiaries (including executive Directors).

	2023 $Millions	2022 $Millions
Key management personnel remuneration comprised:		
Short-term employee benefits	15.7	16.0
Post employment benefits	-	-
Termination benefits	-	0.1
Other long-term benefits	1.8	0.6
Share based payments	1.1	2.6
	18.6	19.3

Directors fees paid to directors of Infratil Limited and its subsidiaries during the year were $4.3 million (2022: $3.9 million).

27 Related parties

Certain Infratil Directors have relevant interests in a number of companies with which Infratil has transactions in the normal course of business. A number of key management personnel are also Directors of Group subsidiary companies and associates.

Morrison & Co Infrastructure Management Limited ('MCIM') is the management company and receives management fees in accordance with the applicable management agreement. MCIM is owned by H.R.L. Morrison & Co Group Limited Partnership ('MCO'). Jason Boyes is a director and Chief Executive of Infratil. Entities associated with Mr Boyes have a beneficial interest in MCO.

There are related party transactions between companies within the Group. These are carried out in the ordinary course of business at the appropriate market rate. The arrangements are not deemed material for separate disclosure.

Management and other fees paid by the Group (including associates) to MCIM, MCO or its related parties during the year were:

	Note	2023 $Millions	2022 $Millions
Management fees	28	232.9	278.7
Executive secondment and consulting		1.0	0.7
Directors' fees		2.8	2.2
Financial management, accounting, treasury, compliance and administrative services		1.9	1.7
Total management and other fees		**238.6**	**283.3**

As at 31 March 2023 no amounts included in the above table related to discontinued operations (2022: $0.2 million).

At 31 March 2023 amounts owing to MCIM of $5.7 million (excluding GST) are included in trade creditors (2022: $5.2 million).

MCO, or Employees of MCO received directors fees from the Company, subsidiaries or associates as follows:

	2023 $000's	2022 $000's
CDC Group Holdings Pty Ltd	241.4	159.0
Fortysouth Limited	-	-
Galileo Green Energy, LLC	350.4	350.2
Gurīn Energy	480.9	-
Infratil Infrastructure Property Limited	33.8	45.0
Longroad Energy Holdings, LLC	240.5	215.2
RHCNZ Holdco Limited	180.0	150.0
Manawa Energy Limited	438.8	380.4
Mint Renewables Limited	82.3	-
Qscan Group Holdings Newco Pty	-	-
RA (Holdings) 2014 Pty Limited	306.3	309.1
Tilt Renewables Limited	-	162.5
Vodafone New Zealand Limited	-	-
Wellington International Airport Limited	441.5	400.9
	2,795.9	2,172.3

A loan has been provided to the co-investor of Gurīn Energy. Given this entity represents the key management personnel of Gurīn Energy, it has been identified as a related party loan. The loan balance at 31 March 2023 is $2.9 million and is included within trade and other receivables at 31 March 2023.

28 Management fees paid under the Management Agreement with Morrison & Co Infrastructure Management Limited

The day-to-day management responsibilities of the Company have been delegated to Morrison & Co Infrastructure Management Limited ('MCIM') under a Management Agreement. The Management Agreement specifies the duties and powers of MCIM, and the management fees payable to MCIM for delivering those services. These include a New Zealand Portfolio Management Fee, International Portfolio Management Fee and International Portfolio Incentive Fees.

Management fees paid under the Management Agreement during the year were:

	2023 $Millions	2022 $Millions
New Zealand & International Portfolio Management Fees	63.3	57.5
International Portfolio Incentive Fees	169.6	221.2
	232.9	**278.7**

New Zealand Portfolio Management Fee

The New Zealand base management fee is paid on the 'New Zealand Company Value' at 0.80% p.a. on the New Zealand Company Value above $150 million, 1.00% p.a. on the New Zealand Company Value between $50 million and $150 million and 1.125% p.a. on New Zealand Company value up to $50 million. The New Zealand Company Value is defined as:

- the Company's market capitalisation as defined in the Management Agreement (the aggregated market value of the Company's listed securities, being ordinary shares, partly paid shares and, Infratil Infrastructure bonds);
- plus the Company and its wholly owned subsidiaries' net debt (excluding listed debt securities and the book value of the debt in any non-Australasian investments);
- minus the cost price of any non-Australasian investments; and,
- an adjustment for foreign exchange gains or losses related to non-New Zealand investments.

International Portfolio Management Fee

The international fund management fee is paid at the rate of 1.50% per annum on:

- the cost price of any non-Australasian investments; and,
- the book value of the debt in any wholly owned non-Australasian investments.

International Portfolio Incentive Fees

International Investments are eligible for International Portfolio incentive fees ('Incentive fees') under the Management Agreement between MCIM and Infratil. The Agreement allows for incentives to be payable for performance in excess of a minimum hurdle of 12% per annum in three separate areas:

- Initial Incentive Fees;
- Annual Incentive Fees; and,
- Realised Incentive Fees.

To the extent that there are assets that meet these criterion, independent valuations are performed on the respective International Investments to determine whether any Incentive Fees are payable.

International Portfolio Initial Incentive Fee

International Investments become eligible for the Initial Incentive Fee assessment on the third balance date (31 March) that they have been held continuously by the Company. All International Investments that are acquired in any one financial year are grouped together for the purposes of the Initial Incentive Fee, and an Initial Incentive Fee is payable at 20% of the outperformance of those assets against a benchmark of 12% p.a. after tax, compounding.

The Company's investment in Qscan Group is eligible for the International Portfolio Initial Incentive Fee assessment as at 31 March 2023 (31 March 2022: Galileo). No International Portfolio Initial Incentive Fee has been accrued as at 31 March 2023.

International Portfolio Annual Incentive Fee

Thereafter International Investments are grouped together, and an Annual Incentive Fee is payable at 20% of the outperformance of those assets against the higher of, a benchmark of 12% p.a. after tax, relative to the most recent 31 March valuation, or cost.

The Company's investments in CDC Data Centres, Galileo, Longroad Energy, and RetireAustralia are eligible for the International Portfolio Annual Incentive fee assessment as at 31 March 2023 (31 March 2022: CDC Data Centres, Longroad Energy, RetireAustralia).

Based on independent valuations obtained as at 31 March 2023, an Annual Incentive Fee of $169.6 million has been accrued as at that date (31 March 2022: $99.7 million).

International Portfolio Annual Incentive Fees

	2023 $Millions	2022 $Millions
CDC Data Centres	38.6	84.7
Longroad Energy	136.7	14.1
RetireAustralia	(5.2)	0.9
Galileo Green Energy	(0.5)	-
	169.6	99.7

Payment of Annual Incentive Fees

Any Annual Incentive Fee calculated in respect of a Financial Year is earned and paid in three annual instalments, with the second and third instalments only being earned and payable if, at each relevant assessment date, the fair value of the relevant asset (including distributions, if any) exceeds the greater of fair value or cost as at the 31 March for which the Incentive Fee was first calculated.

Realised Incentive Fees are payable within 7 Business Days of receipt by the Company of a certificate from the International Portfolio Independent Valuer.

International Portfolio Realised Incentive Fees

	2023 $Millions	2022 $Millions
Tilt Renewables	-	122.1
ASIP	-	(0.6)
	-	121.5

International Portfolio Realised Incentive Fee

Realised Incentive Fees are payable on the realised gains from the sale, or other realisation of International Investments at 20% of the outperformance (since the last valuation date) against the higher of, a benchmark of 12% p.a. after tax, relative to the most recent 31 March valuation, or cost.

No Realised Incentive Fees were payable as at 31 March 2023 (31 March 2022: $121.5 million).

29 Contingent liabilities

The Company and certain wholly owned subsidiaries are guarantors of the bank debt facilities of Infratil Finance Limited under a Deed of Negative Pledge, Guarantee and Subordination and the Company is a guarantor to certain obligations of subsidiary companies.

30 Events after balance date

Dividend

On 20 May 2023, the Directors approved a fully imputed final dividend of 12.5 cents per share to holders of fully paid ordinary shares to be paid on 13 June 2023.

Incentive Fee payment by Share Issue

On 19 May 2023, the Company gave notice to Morrison & Co, as Manager, that it had elected to pay $60.0 million of the third tranche of the FY2021 Annual Incentive Fee by way of issue of shares on 29 May 2023, under clause 9.6.1 of the Management Agreement. The shares will be issued in accordance with clause 4.1 of the Company's constitution and rule 4.1.1 of the NZX Listing Rules. At the Company's 2022 annual meeting held on 25 August 2022, the Company's shareholders approved as an ordinary resolution, the Company issuing shares to the Manager in the manner contemplated by the Management Agreement, to pay all or a portion of the third tranche of the FY2021 Annual Incentive Fee.

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Independent Auditor's Report

To the shareholders of Infratil Limited

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the consolidated financial statements of Infratil Limited (the 'company') and its subsidiaries (the 'group') on pages 74 to 133 present fairly, in all material respects:

i. the Group's financial position as at 31 March 2023 and its financial performance and cash flows for the year ended on that date;

in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board.

We have audited the accompanying consolidated financial statements which comprise:

— the consolidated statement of financial position as at 31 March 2023;

— the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and

— notes, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has also provided other services to the group in relation to taxation services, audit of regulatory disclosures, other assurance engagements and a cultural capability assessment. Subject to certain restrictions, partners and employees of our firm may also deal with the group on normal terms within the ordinary course of trading activities of the business of the group. These matters have not impaired our independence as auditor of the group. The firm has no other relationship with, or interest in, the group.

Scoping

The scope of our audit is designed to ensure that we perform adequate work to be able to give an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the financial reporting systems, processes and controls, and the industry in which it operates.

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The context for our audit is set by the group's major activities in the financial year ended 31 March 2023. In establishing the overall approach to the group audit, we determined the type of work that needed to be performed at the component level by us, as the group engagement team, or component auditors operating under our instruction.

A full scope audit was performed on the most significant investments for the group using component materialities which were lower than group materiality. The component materiality took into account the size and the risk profile of each component.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those investments to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the group financial statements as a whole. We kept in regular communication with component audit teams throughout the year with phone calls, discussions and written instructions and ensured that the component audit teams had the appropriate skills and competencies which are needed for the audit. We reviewed the work undertaken by component auditors in order to ensure the quality and adequacy of their work

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at $75 million determined with reference to a benchmark of group total assets. We chose the benchmark because, in our view, this is a key measure of the group's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Carrying value of Goodwill	
As disclosed in note 17, the carrying value of the group's goodwill as at 31 March 2023 was $1,846.1 million. This comprises of $1,080.5 million relating to three cost generating units (CGUs) from the RHC Group, and $703.9 million relating to six CGU's from the Qscan Group. The goodwill is valued is based on discounted cash flow models which include a range of judgemental assumptions about the future performance of the relevant CGU. The impairment testing focuses on those assumptions which have the most impact on value and therefore indicate a higher risk of impairment.	Our audit procedures over the goodwill included: — Assessing the appropriateness of the CGUs determined; — Comparing the methodology adopted in the valuation models to accepted valuation approaches; — Comparing the cash flow forecasts to Board approved budgets; — Comparing the revenue and EBITDA forecast to historic cash flows, and growth rates achieved; — Using our valuation specialists to assess the reasonableness of the discount and terminal growth rates used for each CGU; and

The key audit matter	How the matter was addressed in our audit
Given the significance of the goodwill to the group, we consider this to be a key audit matter.	— Performing sensitivity analysis and considering a range of likely outcomes for various scenarios.

Valuation of Property, Plant and Equipment

As disclosed in note 14 of the financial statements, the group has property, plant and equipment of $3,560.1 million (2022: $3,401 million), with renewable generation assets, land and civil works and buildings making up the majority of this balance. The group has a policy of recording classes of property, plant and equipment at cost less accumulated depreciation, or at valuation, with valuations undertaken at least every three years with a material change assessment carried out in the intervening years.

The key audit matter	How the matter was addressed in our audit
Renewable generation assets ($1,697.1 million). Valuation of renewable generation assets is considered to be a key audit matter due to both its magnitude and the judgement involved in the assessment of the fair value of these assets by the group's Directors. The judgement relates to the valuation methodology used and the assumptions included within that methodology. A full external revaluation of generation assets was carried out as at 31 March 2023. Fair value is determined using a discounted cash flow methodology. The valuation of generation assets involves a number of significant assumptions including; — forward electricity prices; — the weighted average cost of capital used to discount future cash flows; — the inflation rate; and — operational inputs such as future generation volumes, operating costs and capital expenditure. All these assumptions involve judgements about the future.	Utilising our energy sector valuation specialist we have challenged the key assumptions used to independently determine an estimated valuation range. Our procedures included: — Comparing the forward electricity price path to current externally derived market forecast data; — Comparing the weighted average cost of capital against our independently calculated rate reflecting current market conditions; and — Comparing the inflation rate used to the Reserve Bank of New Zealand forecast. We assessed the appropriateness of the operational inputs and assumptions for generation volumes and costs by: — Comparing forecast generation volumes to actual realised volumes over time; and — Assessing forecasted operating and capital expenditure by understanding and evaluating the reasons for any significant changes between the costs included in the last revaluation and the current forecast, agreeing forecasts to supporting documentation including the Asset Management Plan and comparing to historical actuals. Additionally we: — Assessed the competence, independence and objectivity of the Group's valuation specialists; — Met with the independent valuer to discuss the assumptions and judgements used to determine their valuation range estimate; — Tested the veracity of Managements valuation model to ensure it calculated correctly; — Assessed the overall appropriateness of the valuation range; and — Considered the adequacy of the related financial statement disclosures.
Land and civil works ($833.3 million) and Buildings ($602.8 million).	Our audit procedures to assess the fair value of land, buildings and civil works included, amongst others:

The key audit matter	How the matter was addressed in our audit
Valuation of land and civil works and buildings, specifically in relation to airport assets, is considered to be a key audit matter due to the magnitude and judgement involved in the assessment of the fair value of these assets by the group's Directors. The judgement relates to the valuation methodologies used and the assumptions included in each of those methodologies. A full external revaluation of land and buildings was carried out as at 31 March 2023. The last independent valuation of civil works asset was carried out as at 31 March 2020. In years where an external revaluation is not undertaken, a material change assessment for each asset class is performed to assess whether the carrying values of each class materially vary from their fair value. This assessment is undertaken with assistance from external independent valuers. The valuation methodology estimates the cost of building the airport in its current location to the specification required to provide its current services, and the business value of the existing vehicle and hotel assets. The assumptions that have the largest impact on the fair value assessment are: — The potential value of the airport land if there was no airport on the site primarily driven by the weighted average cost of capital; — The replacement cost of buildings including the main terminal building with reference to relevant indices; — The replacement cost of civil works including the runway, taxiways and roads with reference to relevant indices; and — The estimated future cash flows and expected rate of return from the vehicle and hotel business assets.	— Assessing the competence, independence and objectivity of each valuer used by the group to determine the value of the airport assets; — Comparing the valuation methodologies used by the valuer for the group, to the valuation methodologies used by other airports within New Zealand for comparability; — In conjunction with our valuation specialists, assessing the key assumptions which are judgemental in nature and which have the largest impact on the value of land, buildings and civil works. This comprised assessing: — the weighted average cost of capital/discount rate against observable market data; — the reasonableness of income capitalisation rates; — changes in the ODRC of civil works with reference to the relevant indices; — the ODRC of specialised buildings with reference to underlying market evidence; — the value of underlying land prices with reference to underlying market evidence; and — the future cash flows against budgets and historical financial performance.

Carrying value of investment in associate

The key audit matter	How the matter was addressed in our audit
The carrying value of the group's investment in associates as at 31 March 2023 was $2,818.5 million. Investments in associates contribute a significant portion of the group's net surplus and total assets. Given the significance of these investments to the group, we consider this to be a key audit matter.	Our procedures performed to assess the carrying value of associates included, amongst others: — Recalculating the share of profit from equity accounted investments using investee financial information; — Testing a sample of acquisitions made and distributions received from associates during the year;

The key audit matter	How the matter was addressed in our audit
	— Consideration of associate's performance to date with reference to the most recent audited financial statements and assessment of relevant indicators of impairment; and — Where valuation models have been used to support carrying value, we have utilised our valuation specialists to consider the discount rates and cash flow projections used within the models.

Other information

The Directors, on behalf of the group, are responsible for the other information included in the entity's Annual Report. Other information includes discussion and analysis of the business on pages 1 to 73 and corporate governance disclosures on pages 140 to 153. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

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 in the audit or otherwise appears materially misstated. If, based on 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.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent 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 shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the company, are responsible for:

— the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board;

— implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and

— assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

— to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and

— to issue an independent 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 ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Brent Manning

For and on behalf of

KPMG

KPMG
Wellington

20 May 2023

Corporate Governance

The Board is committed to undertaking its role in accordance with internationally accepted best practice, within the context of Infratil's business. Infratil's corporate governance practices have been prepared with reference to the Financial Markets Authority's Corporate Governance Handbook, the requirements of the NZX Listing Rules and the recommendations in the NZX Corporate Governance Code ('NZX Code').

Copies of Infratil's key corporate governance documents are available on the corporate governance section of Infratil's website: https://infratil.com/about-infratil/board/#our-governance-documents.

These include Infratil's Constitution, the Management Agreement, the Board and Committee Charters, the Corporate Governance Statement (which discloses Infratil's compliance with the NZX Code) and key corporate governance policies.

Corporate Governance Structure

The Board is elected by the shareholders with overall responsibility for the governance of Infratil, while the day-to-day management of Infratil has been delegated to Morrison & Co. The respective roles of the Board and Morrison & Co within this corporate governance structure are summarised below.

The Board

Role of the Board

The Board's role and responsibilities are set out in the Board Charter. The primary role of the Board is to approve and monitor the strategic direction of Infratil recommended by Morrison & Co and add long-term value to Infratil's shares, having appropriate regard to the interests of all material stakeholders.

Further information on the Board's role is set out in the Corporate Governance Statement and the Board Charter.

Board Committees

The Board has established three standing committees, and other committees may be formed when it is efficient or necessary to facilitate efficient decision-making or when required by law:

- **Audit and Risk Committee**
  The Board has established this Committee to oversee financial reporting, accounting policies, financial management, internal control systems, risk management systems, systems for protecting assets and compliance.
- **Nomination and Remuneration Committee**
  The Board has established this Committee to manage the identification, consideration and recommendation of director appointments to the Board, succession planning for Directors, ensuring written agreements are in place for all Directors, the induction programme for new Directors and recommending remuneration for Directors for consideration by shareholders.
- **Manager Engagement Committee**
  The Board has established the Manager Engagement Committee to monitor Morrison & Co's performance and compliance with the Management Agreement.

Further information on the Audit and Risk Committee, Nomination and Remuneration Committee and Manager Engagement Committee is set out in the Corporate Governance Statement.

Board Membership

The number of Directors is determined by the Board, in accordance with Infratil's constitution, to ensure it is large enough to provide a range of knowledge, views and experience relevant to Infratil's business. The composition of the Board will reflect the duties and responsibilities it is to discharge and perform in setting Infratil's strategy and seeing that it is implemented. The Board Charter requires both a majority of the Board, and the Chairman, to be independent Directors.

The Board currently comprises seven Directors (six independent Directors and one non-independent Director). The composition of the Board, experience and Board tenure are set out below:

Alison Gerry (BMS(Hons), MAppFin)
Chair and Independent Director
Alison Gerry has been Chair since May 2022, a director since 2014, and was last re-elected in 2022. She is currently Chair of Sharesies and a director of Air New Zealand and ANZ Bank New Zealand. She also has more than 20 years' executive experience working for both corporates and for financial institutions in Australia, Asia and London in trading, finance and risk roles.

Jason Boyes (BCA, LLB(Hons))
Non-Independent Director
Jason Boyes is Chief Executive of Infratil and joined the Board in 2021. Mr Boyes is Chair of Longroad Energy and a director of CDC Data Centres. He was a director of Galileo until March 2023. He joined Morrison & Co in 2011 after a 15-year legal career in corporate finance and M&A in New Zealand and London. Mr Boyes has an interest in Morrison & Co, which has the Management Agreement with Infratil.

Andrew Clark (MBA, BEng, BSc)
Independent Director
Andrew Clark joined the Board as an independent director on 1 June 2022. Mr Clark is an experienced strategist and transformation executive with over 30 years of diverse management consulting experience. During this time he held a number of senior roles within the Boston Consulting Group (BCG).

Paul Gough (BCom(Hons))
Independent Director
Paul Gough joined the Board in 2012 and was last re-elected in 2021. He is managing partner of the UK private equity fund STAR Capital. He is a director of several international companies in the transport, logistics, healthcare, infrastructure and financial services sectors. Mr Gough previously worked for Credit Suisse First Boston in New Zealand and London.

Kirsty Mactaggart (BAcc, CA)
Independent Director
Kirsty Mactaggart joined the Board in 2019, and was last re-elected in 2022. Ms Mactaggart is a director of Sharesies Investment Management Limited and a senior advisor at Montarne. Prior to her director and advisory career, she was Head of Equity Capital Markets, and Corporate Governance for Fidelity International in Asia, and prior to that a Managing Director at Citigroup based in Hong Kong and London. She has over 25 years of global equity market experience with a unique investor perspective and a focus on governance.

Peter Springford (MBA)
Independent Director
Peter Springford joined the Board in 2016 and was last re-elected in 2020. He is also a director of Zespri and has extensive experience in managing companies in Australia, New Zealand and Asia, including five years based in Hong Kong as President of International Paper (Asia) Limited and four years as Chief Executive Officer and Managing Director of Carter Holt Harvey Limited.

Anne Urlwin (BCom, CA)
Independent Director
Anne Urlwin joined the Board in January 2023 as an independent director. She is a chartered accountant and an experienced finance and governance professional. Her current directorships include Precinct Properties, Vector and Ventia and she has previously been a director of Summerset Holdings, Tilt Renewables, Chorus and Meridian Energy. Ms Urlwin is Chair of the Audit and Risk Committee and has a significant accounting, financial, risk and sustainability background.

Director skill matrix

Name		Alison Gerry	Jason Boyes	Andrew Clark	Paul Gough	Kirsty Mactaggart	Peter Springford	Anne Urlwin
Qualifications		BMS (Hons), MAppFin	BCA, LLB (Hons)	MBA, BEng, BSc	BCom (Hons)	BAcc, CA	MBA	BCom, CA
Skill	Capability							
Decision making, risk taking and collaboration	Ability to deal with ambiguity and digest and comprehend complex information quickly. Having a curious mindset and an appetite for taking risk. Collaboration and constructive engagement and high-quality decision making.	●	●	●	●	●	●	●
Corporate Governance	Listed company governance experience. Stakeholder management (including ESG issues). Experience dealing with an external manager and managing conflicts.	●	○		○	●	○	●
Investment & Funds Management	Capital or private market investment or funds management and institutional investment experience including capital management, risk allocation, risk adjusted returns and portfolio construction.	○	○		●	●		
Commercial	General commercial, transactional, strategy and asset management experience.	○	●	○	○	○	●	○
Financial	Audit, accounting, risk management and capital structuring experience.	●				○	○	●
Leadership	Experience as a CEO or senior executive in a large operational business, including the ability to set appropriate organisation culture.		○	●			●	
Value creation	Long-term and future thinking with an entrepreneurial mindset, identifying opportunities to unlock and crystallise value through investment, platform development and strategy execution.		●	●	●		○	

● High capability ○ Medium capability

Independence

The Board Charter sets out the standards for determining whether a Director is independent for the purposes of service on the Board and committees. These standards reflect the requirements of the NZX Listing Rules.

A Director is independent if the Board affirmatively determines that the Director satisfies these standards. The Board has determined that:

- All the non-executive Directors (namely, A Gerry, A Clark, P Gough, K Mactaggart, P Springford and A Urlwin) are independent Directors.
- The Chief Executive (J Boyes), as an employee of Morrison & Co and occupying a position analogous to an executive director, is not an independent Director.

Tenure

Directors are not appointed for fixed terms. However, the Constitution and the NZX Listing Rules require all Directors to stand for re-election at the 3rd annual meeting after appointment or after three years (whichever is longer).

A Director appointed by the Board to fill a casual vacancy must also stand for election at the following annual meeting.

Board and Committee Meetings

The Board will normally hold at least six meetings in each year, and additional Board meetings are held where necessary in order to prioritise and respond to issues and opportunities as they arise.

The Board and Committee meetings and attendance in Financial Year 2023 are set out below

	Full agenda board meetings	Limited agenda board meetings	Audit and risk committee	Nomination and remuneration committee	Manager engagement committee
A Gerry	8/8	6/6	4/4	2/2	4/4
J Boyes	8/8	6/6	-	-	-
A Clark[1]	6/7	6/6	3/3	-	4/4
P Gough	8/8	5/6	-	2/2	3/4
K Mactaggart	8/8	6/6	4/4	-	4/4
P Springford	8/8	6/6	-	-	4/4
A Urlwin[2]	2/2	-	1/1	-	1/1
M Tume[3]	6/6	6/6	-	2/2	3/3

1 Appointed 1 June 2022

2 Appointed 1 January 2023

3 Retired on 31 December 2022

Independent Professional Advice and Training

With the approval of the Chair, Directors are entitled to seek independent professional advice on any aspect of the Directors' duties, at Infratil's expense. Directors are also encouraged to identify and undertake training and development opportunities.

Board Performance and Skills

The Board, the Audit and Risk Committee and individual Directors are subject to a performance appraisal from time to time, further information on which is set out in the Corporate Governance Statement.

Directors' and Officers' Insurance

Infratil has arranged Directors' and Officers' liability insurance covering Directors acting on behalf of Infratil. Cover is for damages, judgments, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for Infratil. The types of acts that are not covered are dishonest, fraudulent, malicious acts or omissions, willful breach of statute or regulations or duty to Infratil, improper use of information to the detriment of Infratil, or breach of professional duty.

Takeover Protocols

The Board has approved protocols that set out the procedure to be followed if there is a takeover offer for Infratil, which reflect the requirements of the Takeovers Code, market practice and recommendations by the Takeovers Panel.

Morrison & Co

Role of Morrison & Co

The day-to-day management responsibilities have been delegated to Morrison & Co under the Management Agreement. The Management Agreement specifies the duties and powers of Morrison & Co, and the management fee payable to Morrison & Co (which is summarised in note 27 to the Financial Statements on page 131 of this annual report).

The Board determines and agrees with Morrison & Co specific goals and objectives, with a view to achieving the strategic goals of Infratil. Between Board meetings, the Chair maintains an informal link between the Board and Morrison & Co and is kept informed by Morrison & Co on all important matters. The Chair is available to Morrison & Co to provide counsel and advice where appropriate. Decisions of the Board are binding on Morrison & Co. Morrison & Co is accountable to the Board for the achievement of the strategic goals of Infratil. At each of its Board meetings, the Board receives reports from or through Morrison & Co including financial, operational and other reports and proposals.

Infratil's management comprises people employed by the Morrison & Co (including the Chief Executive and Chief Financial Officer), and people employed by Infratil's subsidiaries and investee companies.

Manager Performance

A key responsibility of the Board is monitoring Morrison & Co's performance and compliance with the Management Agreement (including potential conflicts between the interests of Morrison & Co and the interests of Infratil shareholders). Given the importance of this responsibility in the context of Infratil's business, the Board has established the Manager Engagement Committee as a dedicated Board committee charged with this responsibility.

The Board also recognises the potential for conflicts to arise in the allocation of investment opportunities among clients of Morrison & Co (including Infratil). Infratil has used investment joint ventures for many years and expects to continue to do so, and the Board encourages Morrison & Co to identify aligned parties with which Infratil can co-invest. Accordingly, the Board and Morrison & Co have established a deal allocation process, so Infratil has visibility of all investment opportunities that fit with Infratil's investment strategy and clear investment rights in respect of those opportunities.

The Board initiates a review of the Management Agreement from time to time. An external review of the management fee payable to Morrison & Co under the Management Agreement was conducted in Financial Year 2021 (and the key conclusions of that were noted in the 2021 Annual Report).

Health And Safety

Health and safety is managed by Infratil's operational businesses and Morrison & Co (rather than in aggregate at a group level), and the Board is provided with regular health and safety reports for those operating businesses and Morrison & Co.

Diversity

Infratil has a Diversity Policy, which describes Infratil's approach to diversity and inclusion and how diversity and inclusion is promoted and embedded within Infratil, portfolio businesses and Morrison & Co as manager of Infratil. The policy applies to the Board and also sets out the diversity principles which Infratil expects portfolio businesses and Morrison & Co as manager of Infratil to adopt for their own businesses.

Further information on the Diversity Policy is set out in the Corporate Governance Statement.

The following table provides a quantitative breakdown as at 31 March 2023 as to the gender composition of the Board, Infratil's Officers, and senior executives and employees in portfolio businesses and Morrison & Co:

2023 Position	Number			Proportion		
	Female	Male	Gender Diverse	Female	Male	Gender Diverse
Board	3	4	-	43%	57%	0%
Officers[1]	1	2	-	33%	67%	0%
Morrison & Co	90	97	-	48%	52%	0%
Senior Executives[2]	27	92	-	23%	77%	0%
Organisation[3]	3,706	2, 945	10	56%	44%	0%

2022 Position	Number			Proportion		
	Female	Male	Gender Diverse	Female	Male	Gender Diverse
Board	2	4	-	33%	67%	0%
Officers[1]	1	2	-	33%	67%	0%
Morrison & Co	72	90	-	44%	56%	0%
Senior Executives[2]	22	80	-	22%	78%	0%
Organisation[3]	3,542	2,595	3	58%	42%	0%

1 Officers comprise the Chief Executive, Chief Financial Officer and Company Secretary

2 Senior Executives are defined as a CEO or CEO direct report, or a position that effectively carries executive responsibilities, in portfolio businesses

3 Organisation includes all portfolio businesses

Risk Management

Risk Management and Compliance

The Audit and Risk Committee is responsible for ensuring that Infratil has an effective risk management framework to identify, treat and monitor key business risks and regulatory compliance, and also reviews management practices in these areas. Formal systems have been introduced for regular reporting to the Board on business risk, including impacts and mitigation strategies and compliance matters.

Morrison & Co (via the Chief Executive and Chief Financial Officer) is required to, and has confirmed to the Audit and Risk Committee and the Board in writing that, in its opinion:

- Financial records have been properly maintained and Infratil's financial statements present a true and fair view, in all material respects, of Infratil's financial condition, and operating results are in accordance with relevant accounting standards;
- The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice and comply with International Financial Reporting Standards and other applicable financial reporting standards for profit-oriented entities;
- This opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively; and
- That the system of risk management and internal control is appropriate and effective internal controls and risk management practices are in place to safeguard and protect Infratil's assets, to identify, assess, monitor and manage risk, and identify material changes to Infratil's risk profile.

Cybersecurity and Data

Neither Infratil, nor its Manager Morrison & Co, have had any significant breaches of information, complaints from third parties or regulatory bodies about any data or privacy breaches, or any identified leaks, thefts or losses of confidential or private data in the year ending 31 March 2023.

Internal Financial Control

The Board has overall responsibility for Infratil's system of internal financial control. Infratil does not have a separate internal audit function, however the Board has established procedures and policies that are designed to provide effective internal financial control:

- Annual budgets, forecasts and reports on the strategic direction of Infratil are prepared regularly and reviewed and agreed by the Board.
- Financial and business performance reports are prepared monthly and reviewed by the Board throughout the year to monitor performance against financial and non-financial targets and strategic objectives.

External Auditor

The Audit and Risk Committee is also responsible for the selection and appointment of the external auditor (which is included within the External Audit Relationship section of the Audit and Risk Committee Charter) and ensuring that the external auditor or lead audit partner is changed at least every five years.

Going Concern

After reviewing the current results and detailed forecasts, taking into account available credit facilities and making further enquiries as considered appropriate, the Directors are satisfied that Infratil has adequate resources to enable it to continue in business for the foreseeable future. For this reason, the Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements.

Reporting and Disclosure

Disclosure

Infratil is committed to promoting investor confidence by providing forthright, timely, accurate, complete and equal access to information, and to providing comprehensive continuous disclosure to shareholders and other stakeholders, in compliance with the NZX Listing Rules. This commitment is reflected in Infratil's Disclosure and Communications Policy. Under this policy:

- All shareholder communications and market releases are subject to review by Morrison & Co (including Chief Executive, Chief Financial Officer and legal counsel), and information is only released after proper review and reasonable inquiry.
- Full year and half year results releases are approved by the Audit and Risk Committee and by the Board.

Shareholder and other Stakeholder Communications

Infratil aims to communicate effectively, give ready access to balanced and understandable information about Infratil group and corporate proposals and make it easy to participate in general meetings. Infratil seeks to ensure its shareholders are appropriately informed on its operations and results, with the delivery of timely and focused communication, and the holding of shareholder meetings in a manner conducive to achieving shareholder participation.

Shareholder meetings are generally held in a location and at a time which is intended to maximise participation by shareholders. Full participation of shareholders at the annual meeting is encouraged to ensure a high level of accountability and identification with Infratil's strategies and goals. Shareholders have the opportunity to submit questions prior to each meeting and Morrison & Co, senior management of portfolio businesses and auditors are present to assist in and provide answers to questions raised by shareholders. There is also generally an opportunity for informal discussion with Directors, Morrison & Co and senior management for a period after the meeting concludes.

Infratil supports the efforts of the New Zealand Shareholders' Association ("NZSA") to raise the quality of relations between public companies and their shareholders. Shareholders wishing to learn more about the NZSA can find information on its website (http://www.nzshareholders.co.nz). While Infratil supports the general aims and objectives of the NZSA, its specific actions and views are not necessarily endorsed by Infratil, or representative of Infratil's view.

Further information on Infratil's shareholder and other stakeholder communications is set out in the Corporate Governance Statement.

Renumeration and Performance

Directors' Remuneration

The Board determines the level of remuneration paid to Directors within the amounts approved from time to time by shareholders. For the year ended 31 March 2023, this was $1,329,375 per annum, which was approved by shareholders at the 2019 annual meeting. Directors are paid a base fee and may also be paid, as additional remuneration:

- an appropriate extra fee as Chair or Member of a Board Committee; and
- an appropriate extra fee for any special service as a Director as approved by the Board.

In addition, Directors are entitled to be reimbursed for costs directly associated with the performance of their role as Directors, including travel costs. The Chair approves all Directors' expenses, and the Chair of the Audit and Risk Committee approves the Chair's expenses.

Mr Boyes is not paid fees in his capacity as a Director, and receives no remuneration from Infratil for his role as Chief Executive, and his remuneration as Chief Executive is paid by Morrison & Co.

Director remuneration is reviewed annually by the Board, and fees are reviewed against fee benchmarks in New Zealand and Australia and to take into account the size and complexity of Infratil's business. The fee structure approved by the Board for the year ended 31 March 2023 is set out below:

Annual fee structure	Financial year 2023 (NZD)	Financial year 2022 (NZD)
Base Fees:		
Chair of the Board	286,100	273,800
Director	137,400	131,500
Overseas Director (P Gough)	171,800	164,212
CEO (J Boyes)	Nil	Nil
Board Committee Fees:		
Audit and Risk Committee		
Chair	41,800	40,000
Member	21,500	20,600
Nomination and Remuneration Committee		
Chair	Nil	Nil
Member	Nil	Nil
Manager Engagement Committee		
Chair	15,000	Nil
Member	7,800	7,500

Directors' Remuneration paid by Infratil

Directors' remuneration (in their capacity as such) in respect of the year ended 31 March 2023 and 31 March 2022 paid by the Company was as follows (these amounts exclude GST, where appropriate):

Director	Financial year 2023 (NZD)	Financial year 2022 (NZD)
A Gerry (Chair)	269,765	179,000
CEO (J Boyes)	-	-
A Clark[1]	165,627	-
P Gough	179,600	171,875
K Mactaggart	173,900	159,600
P Springford	145,200	139,000
A Urlwin[2]	46,750	-
C Savage[3]	-	133,433
M Tume[4]	156,585	273,800
Total	**1,137,427**	**1,056,708**

1 Appointed 1 June 2022
2 Appointed 1 January 2023
3 Retired on 31 January 2022
4 Retired on 31 December 2022

Directors' Remuneration paid by Infratil Subsidiaries

No benefits have been provided by Infratil or its subsidiaries to a director for services as a director or in any other capacity, other than as disclosed in the related party note to the financial statements, or in the ordinary course of business. No loans have been made by Infratil or its subsidiaries to a director, nor has Infratil or its subsidiaries guaranteed any debts incurred by a director.

Employee Remuneration

During the year ended 31 March 2023, the following number of employees (and former employees) and Infratil and its subsidiaries received remuneration and other benefits in their capacity as employees of at least $100,000. These disclosures are provided in accordance with sections 211(1)(g) and 211(2) of the Companies Act 1993 and, accordingly:

- These disclosures provide information in respect of employees (and former employees) of the portfolio businesses which are subsidiaries of Infratil. These businesses are Mint Renewables, Gurīn Energy, Infratil Infrastructure Property, Qscan, RHCNZ Medical Imaging, Manawa Energy and Wellington International Airport.
- These disclosures do not provide information in respect of employees (or former employees) of the portfolio businesses. These businesses are CDC Data Centres, Galileo Green Energy, Kao Data, Longroad Energy, RetireAustralia and One New Zealand.
- These disclosures do not provide information in respect of employees (or former employees) of Morrison & Co (who include most of the management team listed on page 16 of this annual report, including the Chief Executive and Chief Financial Officer), as these employees are remunerated by Morrison & Co and the only cost to Infratil of these employees is the Management Fee payable to Morrison & Co.

Remuneration band	Number of employees
$100,000 to $110,000	158
$110,001 to $120,000	154
$120,001 to $130,000	117
$130,001 to $140,000	97
$140,001 to $150,000	76
$150,001 to $160,000	50
$160,001 to $170,000	39
$170,001 to $180,000	35
$180,001 to $190,000	15
$190,001 to $200,000	16
$200,001 to $210,000	17
$210,001 to $220,000	7
$220,001 to $230,000	12
$230,001 to $240,000	13
$240,001 to $250,000	21
$250,001 to $260,000	13
$260,001 to $270,000	11
$270,001 to $280,000	4
$280,001 to $290,000	3
$290,001 to $300,000	7
$300,001 to $310,000	5
$310,001 to $320,000	8
$320,001 to $330,000	8
$330,001 to $340,000	7
$340,001 to $350,000	10
$350,001 to $360,000	4
$360,001 to $370,000	4
$370,001 to $380,000	4
$380,001 to $390,000	2
$390,001 to $400,000	2
$400,001 to $410,000	7

Remuneration band	Number of employees
$420,001 to $430,000	4
$430,001 to $440,000	4
$440,001 to $450,000	1
$450,001 to $460,000	2
$460,001 to $470,000	2
$470,001 to $480,000	2
$490,001 to $500,000	1
$500,001 to $510,000	2
$510,001 to $520,000	1
$520,001 to $530,000	2
$540,001 to $550,000	1
$550,001 to $560,000	1
$570,001 to $580,000	1
$580,001 to $590,000	1
$600,001 to $610,000	2
$610,001 to $620,000	2
$620,001 to $630,000	2
$650,001 to $660,000	1
$660,001 to $670,000	1
$670,001 to $680,000	3
$700,001 to $710,000	2
$710,001 to $720,000	1
$730,001 to $740,000	1
$780,001 to $790,000	1
$790,001 to $800,000	1
$820,001 to $830,000	1
$890,001 to $900,000	1
$1,000,001 to $1,010,000	1
$1,020,001 to $1,030,000	1
$1,130,001 to $1,140,000	1
$1,670,001 to $1,680,000	1

Disclosures

Directors Holding Office

Infratil's Directors as at 31 March 2023 were:

- Alison Gerry (Chair)
- Jason Boyes
- Andrew Clark
- Paul Gough
- Kirsty Mactaggart
- Peter Springford
- Anne Urlwin

Entries in the Interests Register

Statement of Directors' Interests

As at 31 March 2023, Directors had relevant interests (as defined in the Financial Markets Conduct Act 2013) in quoted financial products of Infratil or any related body corporate of Infratil, as follows:

	Beneficial interests	Non-beneficial interests
Infratil Limited (IFT) ordinary shares		
A Gerry	34,048	
J Boyes	936,346	
A Clark	55,000	
P Gough	197,533	
K Mactaggart	64,870	
P Springford	44,766	
A Urlwin	-	
Manawa Energy ordinary shares		
K Mactaggart	8,300	
IFTHA Bonds		
Andrew Clark	205,000	
IFT210 Bonds		
P Springford	40,000	
WIA030 Bonds		
P Springford	30,000	

As at 31 March 2023, Directors and senior executives (directors or employees of Morrison & Co) held, in aggregate, 1.29% of the Infratil ordinary shares.

Dealing in Securities

The following table shows transactions by Directors recorded in respect of those securities during the period from 1 April 2022 to 31 March 2023:

Director	No of securities bought/(sold)	Cost/(proceeds) (NZD)
Infratil Limited (IFT) ordinary shares		
Jason Boyes – beneficial		
On market acquisitions - 10/08/2022	150,000	1,357,623.00
Jason Boyes – beneficial		
On market acquisitions - 11/08/2022	71,000	638,950.30
Andrew Clark - beneficial		
On market acquisitions – 17/08/2022	55,000	500,691.75
Jason Boyes – beneficial		
Allocation of beneficial ownership of shares in connection with Fixed Trading Plan as announced on 30 March 2021 – 30/03/2023	715,346	n/a
Infratil Limited (IFT) Perpetual Infrastructure Bonds (IFTHA)		
Andrew Clark - beneficial		
Initial Disclosure Notice – 01/06/2022	205,000	n/a

Use of Company information

During the period the Board has received no notices from any Director of the Company or its subsidiaries requesting to use company information received in their capacity as a Director, which would not otherwise have been available to them.

Directors' Relevant Interests

The following are relevant interests of the Company's Directors as at 31 March 2023:

A Gerry

Director of Air New Zealand Limited

Director of ANZ Bank New Zealand Limited

Director of Glendora Avocados Limited

Director of Glendora Holdings Limited

Director of On Being Bold Limited

Chair of Sharesies Limited

Director of Sharesies AU Group Limited

Director of Sharesies Group Limited

Director of Sharesies Nominee Limited

Director of Sharesies Investment Management Limited

J Boyes

Director of various Infratil wholly owned companies

Director of Infratil Trustee Company Limited

Chair of Longroad Energy Holdings, LLC

Director of various companies wholly owned by the H.R.L. Morrison & Co Group Limited Partnership

Director of Morrison & Co Employee Co-Invest (PIP 2) Limited

Director of Morrison & Co Employee Co-Invest (PIP 3) Limited

Director of Morrison Asian Investments Limited

Director of Morrison Leasing Limited

Director of MGIF European Renewables Pty Limited

A Clark

Chair of the Regional Education Support Network

P Gough

Partner of STAR Capital Partners

Director of various STAR Capital Group entities

Director of Star Asset Finance Limited

Director of Eversholt Investments GP Limited

Director of Gough Capital Limited

Director of OPM Investments Limited

Director of Tipu Capital Limited

Director of Tipu Capital (NZ) Limited

Director of STAR Mayan Limited

Director of Urban Splash Residential Limited and various Urban Splash Residential Group entities

Director of STAR Errigal Topco Limited

Director of STAR Errigal Midco Limited

Director of STAR Errigal BidCo Limited

Director of STAR III Limited

Director of Safair Holdings (Pty) Ltd

Director of Safair Lease Finance (Pty) Ltd

Director of SAFOPS Investment Holdings (Pty) Ltd

Director of STAR Throne Midco Limited

Director of STAR Throne Bidco DAC

Director of ASL Aviation Holdings DAC

Director of STAR III Executive Co-Investment Nominee Limited

Director of STAR Strategic Assets III-A nominee Limited

Director of STAR Strategic Assets III Nominee Limited

Director of STAR Fusion Topco Limited

Director of STAR Fusion Midco Limited

Director of STAR Fusion Bidco Limited

K Mactaggart

Director and shareholder of Luxury Stays Ltd.

Director of Sharesies Investment Management Limited

P Springford

Director and Shareholder of Cerbere Investments Limited

Director and Shareholder of Charlie Farley Forestry Limited

Director and Shareholder of Medicann Investments Limited

Director and Shareholder of Omahu Ventures Limited

Director and Shareholder of Springford and Newick Limited

Director of Zespri Group Limited

Director of Zespri International Limited

A Urlwin

Director and Shareholder of Maigold Holdings Limited

Director and Shareholder of Urlwin Associates Limited

Director and Shareholder of Clifton Creek Limited

Director of Vector Limited

Director of Precinct Properties New Zealand Limited

Director of Ventia Services Group Limited

Director of City Rail Link Limited

P Gough

Aotea Energy Limited effected public offering of securities insurance brokered by Marsh & McLennan Agency Limited for the benefit of Z Energy Limited, Aotea Energy Investments Limited, Aotea Energy Holdings Limited and its subsidiaries, NZSF Aotea Limited and its subsidiaries, Guardians of New Zealand Superannuation as manager and administrator of the New Zealand Superannuation Fund as shareholder of NZSF Aotea Limited, Infratil Limited and its subsidiaries, Morrison & Co and its subsidiaries (subject to a professional indemnity exclusion), and the directors and employees of the foregoing.

All Directors

Infratil has arranged Directors' and Officers' liability insurance covering any past, present or future director, officer, executive officer, non-executive director or employee acting in a managerial or supervisory capacity or named as a co-defendant with Infratil or a subsidiary of Infratil. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for Infratil or a subsidiary, but excluding dishonest, fraudulent, malicious acts or omissions, willful breach of statute or regulations or duty to Infratil or a subsidiary, improper use of information to the detriment of Infratil or a subsidiary, or breach of professional duty.

As permitted by its Constitution, Infratil Limited has entered into a deed of indemnity, access and insurance indemnifying certain directors and senior employees of Infratil, its wholly-owned subsidiaries and other approved subsidiaries and investment entities for potential liabilities, losses, costs and expenses they may incur for acts or omissions in their capacity as directors or senior employees, and agreeing to effect directors' and officers' liability insurance for those persons, in each case subject to the limitations set out in the Companies Act 1993.

Directors of Infratil Subsidiary Companies

Subsidiary Company	Director of Subsidiary
Alpenglow Australia Pty Ltd	Gary Shepherd, Chris Munday
ANZ Renewables Limited	David Prentice
Athena Power Co., Ltd.	Ratchaneewan Pulnil
Auckland Radiology Group Services Limited	Michael Brook, Peter Coman
Bay Echo Limited	Michael Brook, Peter Coman, Graeme Porter, Stuart Tie, Jonathan Tisch, Calum Young
Bay Radiology Limited	Michael Brook, Peter Coman
Berera Radiology Holdings Pty Ltd	Gary Shepherd, Chris Munday
Breast Screen Bay of Plenty Ltd	Michael Brook, Bruce Chisholm, Peter Coman, Antony Moffatt
Canterbury Breast Care Limited	Birgit Dijkstr, Philippa Mercer, Gemma Sutherland, Berenika Willi-Sedlacek
Cleveland X-Ray Services Pty Ltd	Gary Shepherd, Chris Munday
Cyclotek Pharmaceuticals Limited	Trevor Fitzjohn, Gregory Santamaria, Jeremy Sharr, Robert Ware
Envision Medical Imaging Pty Ltd	Gary Shepherd, Chris Munday
Envision Medical Real Estate Pty Ltd	n/a
GE-SK Pte. Ltd.	Assaad Wajdi Razzouk, Michele Boardman
Gurīn Service Korea LLC	Kim Hannah, Kajal Bhimani Singh
Gurīn Services (Thailand) Co., Ltd.	Michele Boardman, Ratchaneewan Pulnil
Gurīn Services Philippines Inc.	Reden Dodriguez, Estelito Madridejos, Maria Canimo
Gurīn Services Pte. Ltd.	Assaad Razzouk, Robert Driscoll, Michele Boardman
Gurīn Solar PH I Pte. Ltd.	Michele Boardman, Robert Driscoll
Heart Vision Limited	Ross Keenan, Tracey Barron, Clive Low, Graham Muir
HR Clinic Asset Pty Ltd	Gary Shepherd, Chris Munday
HR Clinic Services Pty Ltd	Gary Shepherd, Chris Munday
HR Clinic Services Unit Trust	n/a
Ilesilver Pty Ltd	Gary Shepherd, Chris Munday
Infratil 1998 Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil 2018 Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil 2019 Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil AR Limited (established 22 April 2021)	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil Australia Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil CHC Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil Energy Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil Energy New Zealand Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil Europe Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil Finance Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil Gas Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil HC Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil HPC Limited (established 25 June 2021)	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil Infrastructure Property Limited	Peter Coman and Kevin Baker
Infratil Investments Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil No.1 Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil No.5 Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil PPP Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil Renewables Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil RHC NZ Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil RV Limited	Marko Bogoievski and Phillippa Harford
Infratil Trustee Company Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil US Renewables, Inc.	Jason Boyes and Vimal Vallabh
Infratil Ventures 2 Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Infratil Ventures Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
J One Solar Corporation	Kim Hannah, Koh Seung Tae, Kajal Bhimani Singh
J Three Solar Corporation	Kim Hannah, Koh Seung Tae, Kajal Bhimani Singh
J Two Solar Corporation	Kim Hannah, Koh Seung Tae, Kajal Bhimani Singh
King Country Energy Holdings Ltd	David Prentice
King Country Energy Ltd	Kevin Palmer, Peter Calderwood
Manawa Energy Insurance Limited (formerly known as Trustpower Insurance Limited)	Joanna Breare, David Prentice
Manawa Energy Limited (Formerly Trustpower Limited)	David Prentice
Manawa Energy Metering Limited (previously known as Trustpower Metering Limited)	David Prentice
Manawa Generation Limited (Formerly known as Hopsta Limited & Energy Direct NZ Limited)	David Prentice
Medex Radiology Ltd	Michael Brook, Peter Coman
Meitaki Limited	Martin Harrington, Matthew Clarke and A Willis (based in the Cook Islands)
North Coast Radiology Holdings Pty Ltd	Gary Shepherd, Chris Munday
North Coast Radiology Trust	n/a
Northern Suburbs Investment Trust	n/a
Northwest Auckland Airport Limited	Tim Brown, Jason Boyes
NZ Airports Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
Pacific Imaging Services Holdings Pty Ltd	Adrian Balasingam, Terrence McLaughlin, Andrew Phillips
Pacific Radiology Group Limited	Michael Brook, Peter Coman
Pacific Radiology Limited (UK)	Dr M D Brew
Pacific Radiology Pty Ltd	Adrian Balasingam, Terrence McLaughlin, Andrew Phillips
Premier Medical Imaging Pty Ltd	Gary Shepherd, Chris Munday
Proximal Pty Ltd	Gary Shepherd, Chris Munday

Subsidiary Company	Director of Subsidiary
PT Vanda Energy Indonesia	Diko Dewantomo Darwoto, Michele Boardman
Qscan Cleveland CT JV Pty Ltd	Gary Shepherd, Chris Munday
Qscan Dental JV Pty Ltd	Mark Hansen, Hal Rice
Qscan Everton Park CT JV Pty Ltd	Gary Shepherd, Chris Munday
Qscan Everton Park Pty Ltd	Gary Shepherd, Chris Munday
Qscan Group Bidco Pty Ltd	Gary Shepherd, Chris Munday
Qscan Group Midco Pty Ltd	Gary Shepherd, Chris Munday
Qscan Group Pty Ltd	Gary Shepherd, Chris Munday
Qscan Intermediary 1 Pty Ltd (formerly Qscan Group Holdings Pty Ltd)	Gary Shepherd, Chris Munday
Qscan Intermediary 2 Pty Ltd (formerly Qscan Mezzco Pty Ltd)	Gary Shepherd, Chris Munday
Qscan Intermediary 3 Pty Ltd (formerly Qscan Finance Pty Ltd)	Gary Shepherd, Chris Munday
Qscan Intermediary 4 Pty Ltd (formerly Qscan Bidco Pty Ltd)	Gary Shepherd, Chris Munday
Qscan NZ Limited	Michael Brook
Qscan Pty Ltd	Gary Shepherd, Chris Munday
Qscan Services Pty Ltd	Gary Shepherd, Chris Munday,
Queensland Cardiovascular Imaging Pty Ltd	Mark Hansen, Hal Rice
Renew Nominees Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
RHCNZ Limited	Michael Brook, Peter Coman
RHCNZ Midco Limited	Michael Brook, Peter Coman
ScreenSouth Ltd (Shares held by Canterbury Breast Care Ltd)	Shelley Boyd, Diana Burgess, Jacqueline Copland, Lynda Gray, Keiran Horne, Gemma Sutherland
Skynet Broadband Pty Ltd	Matthew Swain
South East Radiology Pty Ltd	Gary Shepherd, Chris Munday
SRE Green Power Pte. Limited	Robert Driscoll, Michele Boardman, Stanley Lim
Stella Power 1 Co., Ltd.	Ratchaneewan Pulnil, Kajal Bhimani Singh, Somkiat Masunthasuwun, Prapon Chinudomsub, Akarin Prathuangsit
Stella Power 2 Co., Ltd.	Ratchaneewan Pulnil, Kajal Bhimani Singh, Somkiat Masunthasuwun, Prapon Chinudomsub, Akarin Prathuangsit
Stella Power 3 Co., Ltd.	Ratchaneewan Pulnil
Strickland Crescent Nominees Pty Ltd	n/a
Suna Solar Inc.	Reden Dodriguez, Estelito Madridejos, Carol Salazar, Robert Driscoll, Jose Leviste, Jr.
Swift Transport Limited	Mark Tume (ceased 15 July 2022), Alison Gerry (appointed 15 July 2022, ceased 12 December 2022), Phillippa Harford (appointed 12 December 2022) and Jason Boyes
The Northern Exposure Trust	n/a
Tiro Medical Ltd (Shares held by Canterbury Breast Care Ltd)	James Chase, Colin Dawson, Richard Wien
UMI Canberra Unit Trust	n/a
UMIC Newco Pty Ltd	Gary Shepherd, Chris Munday
UMIC Pty Ltd	Gary Shepherd, Chris Munday
Vanda RE Pte. Ltd.	Michele Boardman, Robert Driscoll, Emma Biddles, Jeremy Chong, Mohammad Azhar, Ghoh Ban Lee
Wellington Airport Noise Treatment Limited	Martin Harrington, Matthew Clarke
Wellington International Airport Limited	Rachel Drew, Wayne Eagleson, Phillippa Harford, Matthew Ross, Phillip Walker, and Tory Whanau
Whare Manaakitanga Limited	Martin Harrington, Matthew Clarke
X Radiology Australia Pty Ltd	Gary Shepherd, Chris Munday

Directors' Fees paid by Infratil Subsidiary Companies

(not otherwise disclosed in the Annual Report)

Subsidiary company	Director of subsidiary	Currency	2023
Gurīn Energy Pte. Ltd	Vimal Vallabh (Chair)	USD	75,000
	Priya Grewal	USD	75,000
	Anthony Muh	USD	75,000
	Jonty Palmer	USD	75,000
	Assaad Razzouk	USD	-
	Angela Qu	USD	85,000
Qscan Group Holdings Pty Ltd	Peter Coman (Chair)	AUD	-
	Lilian Bianchi	AUD	84,240
	Rachel Drew	AUD	-
	Dr Ian Cappe	AUD	42,180
	Dr Mark Hansen	AUD	158,253
	Dr Rajeev Jyoti	AUD	31,659
	Dr Tanya Wood	AUD	61,746
	John Livingston	AUD	140,144
	Alan McCarthy	AUD	21,090
RHC Holdco NZ Limited	Peter Coman (Chair)	NZD	60,000
	Dr Adrian Balasingham	NZD	19,846
	Michael Brook	NZD	60,000
	Dr Andrew Gooding	NZD	60,231
	Phillippa Harford	NZD	45,000
	Dr Nick Kenning	NZD	60,231
	Alan McCarthy	NZD	80,000
	Dr Katherine O'Connor	NZD	61,538
	Rachel Drew	NZD	15,000
Manawa Energy Limited	Paul Ridley-Smith (Chair)	NZD	146,250
	Kevin Baker	NZD	146,250
	Joanna Breare	NZD	115,539
	Sheridan Broadbent	NZD	75,706
	Peter Coman	NZD	21,667
	David Gibson	NZD	923
	Michael Smith	NZD	95,000
	Deion Campbell	NZD	124,583
Wellington International Airport Limited	Rachel Drew (Chair)	NZD	102,878
	Tim Brown	NZD	3,411
	Peter Coman	NZD	111,328
	Wayne Eagleson	NZD	99,331
	Andrew Foster	NZD	52,635
	Matthew Ross	NZD	25,193
	Tory Whanau	NZD	30,141
	Phillippa Harford	NZD	104,850
	Phillip Walker	NZD	93,813
Mint Renewables Limited	Deion Campbell (Chair)	AUD	18,750
	Will McIndoe	AUD	18,750
	Priya Grewal	AUD	18,750
	Clayton Delmarter	AUD	18,750

Donations

The Group made donations of $0.7 million during the year ended 31 March 2023 (2022: $0.9 million).

Auditors

It is proposed that KPMG be reappointed automatically at the annual meeting pursuant to section 200(1) of the Companies Act 1993.

NZX Waivers

Infratil was granted and has relied on the following waivers from the NZX Listing Rules (all of which are available on Infratil's website: www.infratil.com/for-investors/announcements):

- On 22 May 2020, Infratil was granted a standing waiver from NZX Listing Rule 5.2.1 (this was originally granted on 8 May 2017 from the previous NZX Listing Rule 9.2.1 and was re-documented under NZX's transition arrangements for the current NZX Listing Rules). The effect of the waiver is to waive the requirement for Infratil to obtain an Ordinary Resolution from shareholders to enter into a Material Transaction with a Related Party to the extent required to allow Infratil to enter into transactions with co-investors that have also engaged an entity related to H.R.L. Morrison & Co Group LP for investment management or advisory services. The waiver is provided on the conditions specified in paragraph 2 of the waiver decision. Infratil has not relied on this waiver during Financial Year 2023.
- On 26 June 2020, Infratil was granted a standing waiver from NZX Listing Rule 7.8.5(b) to the extent that rule would otherwise require Infratil to prepare an appraisal report to accompany any Notice of Meeting at which shareholders will consider and vote on, an Ordinary Resolution in accordance with NZX Listing Rule 4.1.1 and NZX Listing Rule 4.2.1, to approve a proposal for the issue of Infratil ordinary shares to Morrison & Co by way of satisfaction of Infratil's contractual obligation to pay Incentive Fees to Morrison & Co in accordance with the prescribed payment mechanisms set out in the Management Agreement. The waiver is provided on the conditions specified in paragraph 5 of the waiver decision. During Financial Year 2023, Infratil relied on this waiver in seeking approval from shareholders at the 2022 Annual Meeting to give the Board the option to exercise Infratil's rights under the Management Agreement to issue shares to Morrison & Co to pay the second instalment of the Financial Year 2022 international portfolio annual incentive fee and/or the third instalment of the Financial Year 2021 international portfolio annual incentive fee in 2023.

NZX Corporate Governance Code

Infratil considers that, during Financial Year 2023, Infratil materially complied with the NZX Code, but from time to time there may be recommendations which Infratil does not consider appropriate for it, and where it has adopted alternative arrangements which the Board considers are more appropriate.

Recommendation 5.3 states that an issuer should disclose the remuneration arrangements in place for the CEO in its annual report. Infratil does not disclose remuneration for the CEO in the Annual Report for the reasons set out in the Corporate Governance Statement.

Credit Rating

Infratil does not have a credit rating. As at 31 March 2023, Wellington International Airport Limited had a BBB/Stable/A-2 rating from S&P Global Ratings.

Continuing share buyback programme

Infratil maintains an ongoing share buyback programme, as outlined in its 2022 Notice of Meeting. Infratil did not repurchase any shares during Financial Year 2023 pursuant to that programme (which allows up to 20,000,000 shares to be bought back).

Shareholder information programme

Infratil is incorporated in New Zealand and is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001. The acquisition of securities in Infratil may be limited under New Zealand law by the Takeovers Code (which restricts the acquisition of control rights of more than 20% of Infratil other than via a takeover offer under the Code) or the effect of the Overseas Investment Act 2005 (which restricts the acquisition of New Zealand assets by overseas persons).

Substantial Product Holders

The following information is pursuant to Section 293 of the Financial Markets Conduct Act 2013. According to notices received by Infratil under that Act, the following persons were substantial product holders in Infratil as at 31 March 2023:

Substantial product holder	Number held	Date of Disclosure
Fisher Funds Management Limited and Kiwi Wealth Investments Limited	36,843,087 (5.0889%)	6 December 2022

The actual number of shares held by a substantial product holder may vary from that which has been disclosed to the market. Updated disclosures are required where an entity's total percentage holding moves by 1%, or greater, or an entity ceases to be a substantial product holder.

On 27 April 2023, Fisher Funds Management Limited and Kiwi Wealth Investments Limited Partnership advised that it had ceased to be a substantial product holder.

The total number of voting securities of the Company on issue as at 31 March 2023 was 723,983,582 fully paid ordinary shares (31 March 2022: 723,983,582).

Twenty Largest Shareholders as at 31 March 2023

Tea Custodians Limited	44,583,575
Forsyth Barr Custodians Limited	34,195,053
Bnp Paribas Nominees NZ Limited Bpss40	33,666,030
HSBC Nominees (New Zealand) Limited	33,648,578
Citibank Nominees (Nz) Ltd	32,787,718
Custodial Services Limited	32,522,053
JPMORGAN Chase Bank	31,369,830
HSBC Nominees (New Zealand) Limited	30,733,375
FNZ Custodians Limited	29,659,385
Accident Compensation Corporation	28,779,521
JBWERE (Nz) Nominees Limited	18,187,038
New Zealand Superannuation Fund Nominees Limited	16,834,739
National Nominees New Zealand Limited	15,166,627
New Zealand Permanent Trustees Limited	14,746,939
Robert William Bentley Morrison & Andrew Stewart & Anthony Howard	14,449,720
New Zealand Depository Nominee	10,929,765
Morrison & Co Property	9,376,562
Premier Nominees Limited	9,164,802
HSBC Custody Nominees (Australia) Limited	8,234,231
Hobson Wealth Custodian Limited	6,651,772

Spread of Shareholders as at 31 March 2023

Number of shares*	Number of holders	Total shares held	%
1-1,000	5,198	2,416,711	0.3%
1,001-5,000	8,376	22,035,271	3.0%
5,001-10,000	3,550	25,735,844	3.6%
10,001-50,000	3,786	76,539,817	10.6%
50,001-100,000	389	26,558,688	3.7%
100,001 and Over	243	570,697,251	78.8%
Total	**21,542**	**723,983,582**	**100.0%**

* 321 shareholders hold less than a marketable parcel of Infratil shares

Twenty Largest Infrastructure Bondholders as at 31 March 2023

JBWERE (Nz) Nominees Limited	167,494,666
Forsyth Barr Custodians	163,888,075
Custodial Services Limited	141,082,838
FNZ Custodians Limited	117,052,350
New Zealand Central Securities	56,758,611
Hobson Wealth Custodian	51,245,167
Investment Custodial Services	24,412,178
Pin Twenty Limited	16,168,166
Forsyth Barr Custodians	10,807,258
The Tindall Foundation	10,165,000
Rgtkmt Investments Limited	8,250,000
JBWERE (Nz) Nominees Limited	6,000,000
Forsyth Barr Custodians	5,252,937
FNZ Custodians Limited	4,426,080
FNZ Custodians Limited	3,968,100
Tappenden Holdings Limited	3,770,000
JBWERE (Nz) Nominees Limited	3,098,500
Garth Barfoot	2,500,000
Andrew Patrick Cunningham & Elizabeth Anne Cunningham	2,340,000
Sterling Holdings Limited	2,306,000

Spread of Infrastructure Bondholders as at 31 March 2023

Number of bonds	Number of holders	Total bonds held	%
1-1,000	3	3,000	-
1,001-5,000	1,116	5,527,844	0.4%
5,001-10,000	2,956	28,327,270	2.1%
10,001-50,000	8,028	225,492,474	17.1%
50,001-100,000	1,262	101,809,660	7.7%
100,001 and Over	756	956,694,777	72.7%
Total	**14,121**	**1,317,855,025**	**100.0%**

Directory

Directors
Alison Gerry (Chair)
Jason Boyes
Andrew Clark
Paul Gough
Kirsty Mactaggart
Peter Springford
Anne Urlwin

Company Secretary
Brendan Kevany

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NSW 2000
Telephone: +61 2 8098 7500

Manager
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5 Market Lane
PO Box 1395
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Telephone: +64 4 473 2399
Internet address: www.hrlmorrison.com

Share Registrar - New Zealand
Link Market Services
Level 30, PwC Tower
15 Customs Street West
PO Box 91976
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Telephone: +64 9 375 5998
E-mail: enquiries@linkmarketservices.co.nz
Internet address: www.linkmarketservices.co.nz

Share Registrar - Australia
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