

Annual Report 2025



Welcome To This Report

Annual Report Overview

This 2025 Annual Report outlines the operational and financial performance of Channel Infrastructure NZ Limited for the 12 months ended 31 December 2025. Comparative financial information reflects continuing operations of the fuels import terminal for the 12 months ended 31 December 2024. This Annual Report also includes an overview of the Company's Strategy and Corporate Governance Framework and includes the annual Remuneration Report.

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

Channel Infrastructure has used non-GAAP (Generally Accepted Accounting Principles) measures when discussing financial performance in this report. The directors and management believe that these measures provide useful information as they are used internally to evaluate business performance, to establish operational goals and to allocate resources. Non-GAAP measures are not prepared in accordance with New Zealand International Financial Reporting Standards (NZ IFRS) and are not uniformly defined, therefore the non-GAAP measures reported in this document may not be comparable with those that other companies report and should not be viewed in isolation or considered as a substitute for measures reported by Channel Infrastructure in accordance with NZ IFRS. The non-GAAP measures Channel Infrastructure has used are EBITDA, EBITDA margin and Normalised Free Cash Flow (FCF). The definitions of these can be found on page 118 of this report.

Reporting Suite

The 2025 Annual Report is published in conjunction with the 2025 Sustainability Report which provides information on our approach, progress and performance in relation to Channel Infrastructure's most material environmental, social and governance (ESG) issues as well as our climate related physical and transition risks, measures and targets. Channel Infrastructure is a climate reporting entity for the purposes of the Financial Markets Conduct Act 2013 (FMCA 2013), and the Sustainability Report has been prepared in compliance with Part 7A of the FMCA 2013, NZ XRB's Climate-related Disclosure Standards (NZ CS) and the NZX Corporate Governance Code (refer to www.nzx.com).

This Annual Report, the 2025 Sustainability Report and Channel Infrastructure's Governance Statement together form an integrated suite of reports and should be read in conjunction with each other, and where possible, we have drawn links between each. They are all available for download at: www.channelnz.com, along with several underlying documents and policies referred to throughout this report.

Directors' Statement

The Directors are pleased to present Channel Infrastructure NZ Limited's Annual Report and Financial Statements for the year ended 31 December 2025.

This Annual Report is dated 26 February 2026 and is signed on behalf of the Board by:



JB Miller, ONZM
Chair of the Board



AM Molloy
Chair, Audit and
Finance Committee

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About us

Channel's customers import

~3.5 Billion Litres

of fuel through Channel's infrastructure

**New Zealand's
only natural deep
water harbour**

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



170km
pipeline to Auckland

Only pipeline capable
of transporting liquid
fuels to Auckland



~350ML

tank capacity available
for conversion

~290ML

of shared and dedicated
storage in service



180 hectares of highly strategic land
of which only 1/3 is currently in use



Long-term resource consents
relating to fuel manufacturing



Marsden Point Energy Precinct
zoning overlay



Industrial gas, water and
electricity grid connections

Fuel supply
into Northland



Fuel supply
into Auckland



Key supply route
to Auckland
International
Airport



40%

of New Zealand's liquid
transport fuel demand

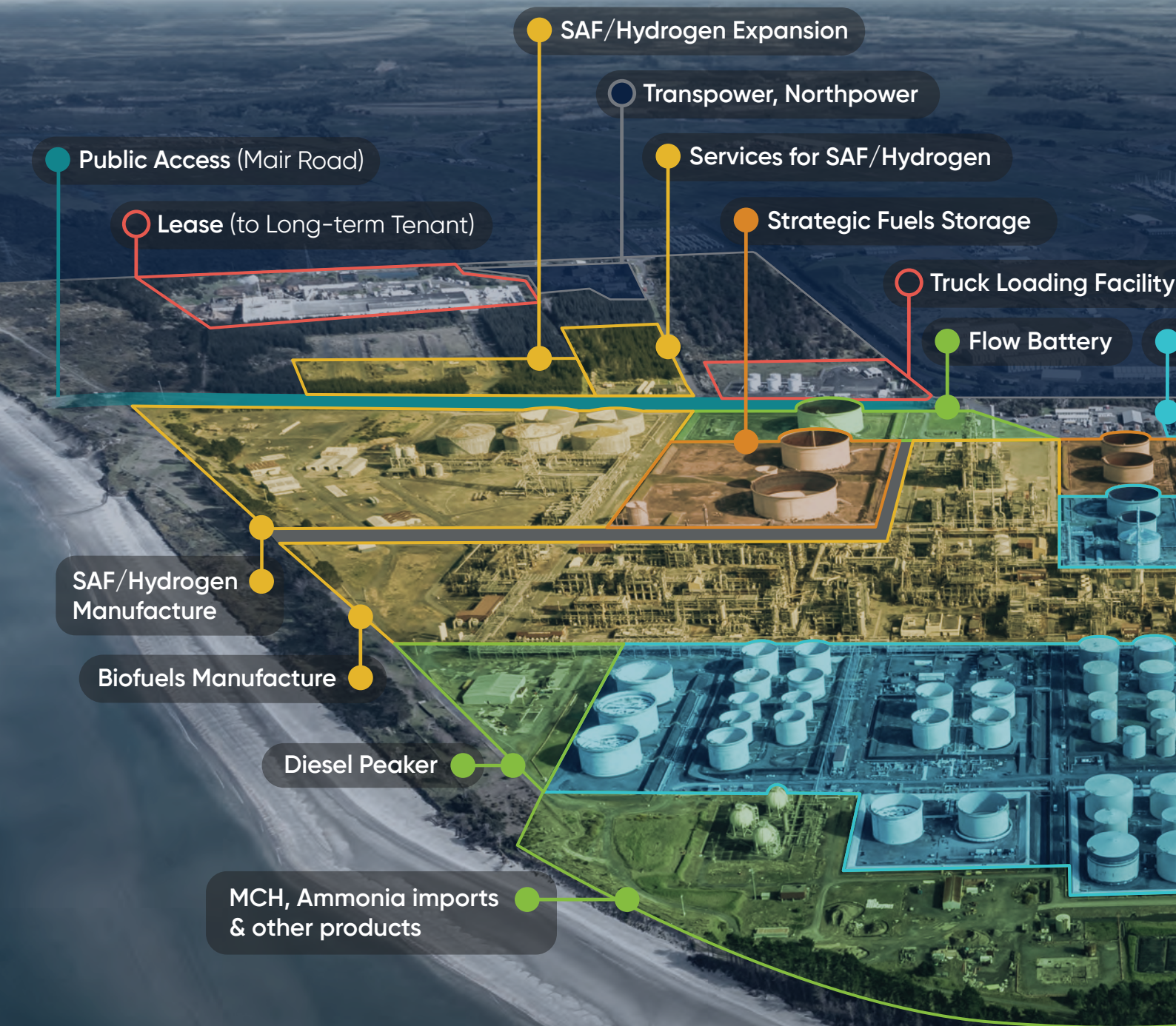


80%

of New Zealand's
jet fuel demand



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



Marsden Point Energy Precinct Concept



- Energy Security Opportunities
- Future Fuels Manufacturing Opportunities
- Additional Storage Opportunities
- Current Facility
- Leased to Third Parties
- Owned by Others

(Leased)

IPL

● Diesel/Biofuels Compound
(120 Million Litres Capacity)

● Jet/SAF Compound
(120 Million Litres Capacity -
75 Million Litres Contracted)

● Stormwater Retention Basin

Jetties

● Bitumen Terminal

2025 Highlights

Safe, reliable & efficient

Zero

Tier 1 or 2 process
safety incidents
(FY24: Zero)



3

TRC

Total Recordable
Cases
(FY24:4)



51

Ships received
and discharged
(FY24: 61)



ASSET AVAILABILITY

>99%

Pipeline availability

>99%

Tank availability

>99%

Jetty availability



Execution of Growth Strategy

One growth contract secured
delivering ~\$50 million of incremental
revenue. Over last two years,
four contracts signed delivering
an additional ~\$170 million (before
PPI indexation) in incremental
revenue over 15 years



First measured growth
step-out with strategic
acquisition of 25%
interest in the Somerton
jet fuel pipeline to
Melbourne Airport
in November 2025



~\$48M

Invested in Channel's
infrastructure in 2025



\$30M

committed in site
redevelopment to support
Marsden Point
Energy Precinct,
to commence 2026



PROVEN CAPITAL PROJECT DELIVERY

- ✓ Safely
- ✓ On time
- ✓ On budget

Keeping New Zealand moving

~3.5BL

of Customers' fuel delivered to market from Marsden Point Terminal



83%

Pipeline utilisation
(average FY25)
(82% PCP)



JET FUEL

1,422ML

(+1% PCP)



DIESEL

1,089ML

(~ PCP)



PETROL

1,024ML

(+3% PCP)

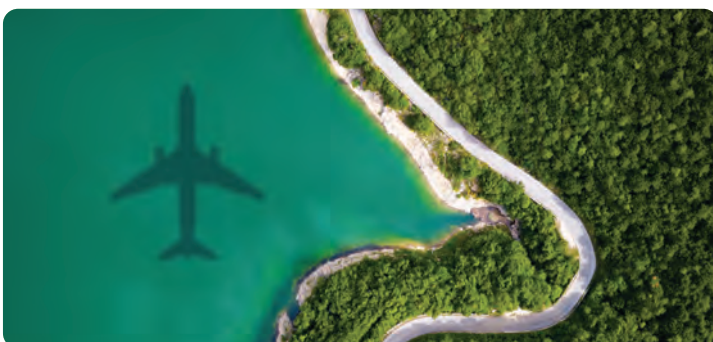


Good neighbour, good citizen

A high standard of environmental performance maintained and a continued focus on reducing our impact on the surrounding environment



Iwi internship programme launched



Use of electric tower crane for tank conversions: operational efficiency gains and a reduction in emissions



Numbers at a glance

Sustainable financial performance

REVENUE

\$140.2M **93%**
subject to PPI
indexation



EBITDA

\$93.4M



67%

EBITDA
margin



72%

EBITDA to FCF
conversion



Strong cashflow and balance sheet

NET DEBT¹

\$330M
as at 31 December 2025



LEVERAGE

3.6
x EBITDA



NET TANGIBLE ASSETS

\$1.85
per share



¹Excludes Fair Value Hedge Movements

Delivering to shareholders

TOTAL DIVIDEND

13

CPS



DIVIDEND YIELD²

7%



TSR

63%

Total shareholder
return in 2025



²Based on the 31 December 2024 share price of \$1.87





Letter from the Chair

Letter from the Chair

Dear Shareholder,

2025 has been another year of significant progress for Channel, and I am pleased to update you on our efforts as we continue to execute on our growth ambitions and deliver stable and growing returns to you, our shareholders.

Your Board has a clear strategy against which we continue to make excellent progress, with our driving focus being the critical role that Channel plays in providing resilient energy infrastructure solutions across Australasia.

Selective and disciplined growth

Channel's plan for growth is centred on delivering the Marsden Point Energy Precinct, which will be transformational for the Company, and for Northland. The extensive and varied energy projects under consideration as part of the Marsden Point Energy Precinct will have a measurable impact for New Zealand, and we do not take for granted the critical role we play in New Zealand's economy. Independent estimates by PwC have determined that projects under contemplation at Marsden Point could lead to a boost of \$3.3 billion to New Zealand's overall GDP and around 20,000 new jobs during the 10-15 year construction phase. Once fully operational, the projects could generate around \$290 million annually in GDP and contribute around 1,150 FTE jobs. In 2025, we focused on detailed planning towards the delivery of these projects, and we are looking forward to making continued progress in 2026.

Given our increasing confidence in the significant opportunity ahead of us, in late 2025 the Board confirmed we will invest \$30 million at Marsden Point as part of critical infrastructure upgrades in support of the Energy Precinct redevelopment. This upgrade to our facilities is a statement of intent about the importance of Marsden Point, and Northland, to our future. The relocation of the control room and a new combined administration building will allow us to make space for upcoming precinct projects, and provide a modern working environment for our people who are at the core of our success, and the execution of our world class terminal operations strategy. It was pleasing to see the enabling works progressing for the new building in early 2026.

We have been signalling for some time now that while Marsden Point remains our priority, we would also look to grow beyond our Marsden Point site where there are sensible on strategy consolidation opportunities. Our primary focus is on Channel's current supply chain to Auckland International Airport; but the Board will

also consider measured step-out opportunities in New Zealand and Australia where these would enable us to leverage our experience as a proven operator of high hazard facilities and in-depth knowledge of the operational requirements of our global customers or where there is access to a growing market or adjacent growth opportunities.

We were proud to make our first steps in the Australian market in November, with the acquisition of a strategic position in Melbourne's jet fuel supply chain. The acquisition of a 25% interest in the Somerton jet fuel Pipeline meets the disciplined investment criteria we apply to how we allocate Shareholders' capital and establishes a footprint in the Australian jet fuel supply chain which complements our strong position in the New Zealand market. In 2026, we will continue to assess possible expansion opportunities through the lens of our disciplined investment criteria.

Through the efforts of our team, who have a proven track record of executing on our growth strategy, the delivery of large capital projects and creating value for our customers through operational excellence, we are successfully positioned as one of the few natural consolidators of energy infrastructure, to enable our company growth.

Recognising the key strategic opportunities for the Company to secure new customers, assets and other competitive advantages that would position the Company to deliver long-term value to shareholders, the Board is pleased to have retained Rob Buchanan as Chief Executive through the remainder of this decade and with Rob incentivised toward achievement of these goals.

Board update

In 2025, we saw the completion of our Board renewal process, with both Vanessa Stoddart and Paul Zealand stepping down from the Board at May's Annual Shareholders Meeting, as was well signalled. Vanessa made an outstanding contribution to the Board during her 12 years, and has been a passionate advocate for diversity and building a strong company-wide culture. Paul brought world-class experience and expertise in oil and energy and high hazard facilities management, and supported the Company and its people for many years in delivering high-performing operations and an excellent safety culture. Once again, I want to thank them both for their many years of dedicated service to the Company, and we wish them both well for the future.

With these Board changes, we have completed our Board refresh process that was signalled as we converted to a simpler import terminal business model. We now have a six-person Board, which provides the right mix of skills and experience for our Company,

aligned with our strategy and feedback from the investor community.

Foreign exempt dual listing on the ASX completed

In late December, the Company marked another significant milestone in its growth as we listed on the ASX as a foreign exempt issuer. This milestone is important for the Company as it provides access to a broader pool of institutional and retail shareholders to support Channel's continued growth, to the benefit of all shareholders.

Capital allocation and shareholder returns

The Board refreshed the Capital Allocation Framework in May, reflecting its confidence in the business outlook and access to capital for growth initiatives, while seeking to be efficient with Shareholders' capital. The Board increased the dividend payout ratio to 70-90% from 60%-70% of Normalised Free Cash Flow.

The Board also broadened the Company's target credit metrics from those consistent with a shadow BBB+ credit rating to a shadow BBB/BBB+ credit rating, appropriate in the context of Channel's current operations to provide greater funding flexibility. In the short-term, it is not anticipated that the broader leverage target would result in a meaningful step-change in leverage for the business absent any additional significant growth opportunities.

Following a stronger than anticipated Normalised Free Cash Flow generation the Board is delighted to have declared a FY25 final unimputed dividend of 6.75 cents per share, representing an increase of 18% on last year and exceeding our dividend guidance range by 0.5 cents per share which will be paid on 26 March 2026. This brings the total dividend to 13.0 cents per share, up from 11.0 cents per share last year.

Recognising that some shareholders prefer the opportunity to increase their investment in Channel instead of receiving a cash dividend, a Dividend Reinvestment Plan (DRP) was also introduced at the half year results. The DRP has been well received, with a strong uptake of 21%. Shares issued under the DRP for the FY25 final dividend will be offered at a discount of 1% to a price based on the market price, calculated in accordance with the DRP Offer dated 26 February 2026.

In 2025, we have delivered another exceptional year of returns for our shareholders with a dividend yield of 7%, alongside a free cash flow yield of 8.7% and a Total Shareholder Return of 63%.

Channel remains critical to New Zealand

In all that we do, our critical role for New Zealand's energy security is at the forefront of the Board's decision making. Channel remains a dedicated partner to the

New Zealand Government in its drive to establish a resilient energy supply chain and we enjoyed a number of significant visits with Members of Parliament from across the House in 2025. Channel remain's under active consideration as one of New Zealand's first Special Planning Zone, areas which would be a crucial policy lever to support us to enhance New Zealand's energy security, and unlock even more value for shareholders.

We do not take for granted the important role we play as New Zealand's largest fuels import terminal, and we are committed to continued responsible management of our existing assets for the long-term benefit of New Zealand, while also deploying our experience and knowledge as we look at expansion of the business. We look forward to continuing our strong working relationship with Ministers in 2026 as we bring our clear vision to life and deliver more jobs and investment to Northland.

Thank you

Once again, I want to end by thanking our Shareholders and Bondholders for your continued support throughout 2025.

I also want to thank my fellow Board members for their support through what has been another busy year, and to pay tribute to the world-class team at Channel. The efforts of our people are core to the Company's success, and they are the key to unlocking our ambitions for the Company. I also want to thank our customers for their ongoing support, and the Northland community for continuing to work with us for the benefit of New Zealand.

James Miller, ONZM
Chair

An aerial photograph of a river or coastline, showing a mix of green water and brownish sediment. A large, semi-circular cutout in the top half of the image reveals a dark, solid black background. The text 'Letter from the Chief Executive' is centered in the white space of this cutout.

Letter from the Chief Executive



Letter from the Chief Executive

2025 has been another big year for Channel Infrastructure, and our success is testament to the hard work and dedication of our team, who once again have ensured the Company delivers a strong performance for our Shareholders, and our community.

Journey to world-class operations

In 2025, the continued drive towards world-class operations has helped us to unlock significant opportunities that can only come by proving our capabilities to our existing, and new, customers.

Underpinning this drive for world-class, is the commitment we have to health and safety. In 2025, we engaged with dss+ to benchmark and take stock of our safety systems and culture. This project has been critical to providing us with a clear pathway to world class safety maturity. Maintaining our strong safety record is critical to our future success as a Company, and we owe it to our people, and our wide contractor workforce to set in place safety protocols and foster a culture of care that will ensure we get everyone on site "safely home, every day".

Another important aspect of Channel's focus on world-class is in the availability of our assets. In 2025, we are proud to report both pipeline and tank availability remained at 99%. Asset availability is fundamental to our customers and an important measure of the operational readiness of an asset. It reflects the effectiveness of our long-term asset management planning, an area we approach with rigour and discipline at Channel. In 2025, we continued to invest in our assets, with \$12 million spent on maintenance capital expenditure, ensuring the longevity of our tanks, jetties, and pipeline.

During 2025 over 3.5 billion litres of jet fuel, diesel and petrol went through our infrastructure. Despite Air New Zealand's well signalled aircraft availability issues, we still saw strong demand in jet fuel in the last quarter of the year with jet volumes the highest we have seen since 2019. Petrol and diesel demand remain in line with the Envisory forecast we commissioned in 2024, with petrol stronger than anticipated.

Strong financial result in line with guidance

Revenue was \$140.2 million, broadly in line with last year, reflecting increased PPI indexation and throughput, and a full year contribution from the transmix contract. This was offset by a contracted step down in the fixed terminal fee and the conclusion of the legacy Wiri leasing arrangement from the 1990s. Total expenses

were up \$2.1 million, primarily reflecting one-off ASX listing fees of \$1 million and \$1.5 million of growth-related costs including the acquisition of the Somerton pipeline. Reported EBITDA was \$93.4 million, compared to \$95.1 million in 2024. Taking out the one-off impacts of the Wiri lease, pro-forma EBITDA increased from \$89.1 million to \$92.4 million. Normalised Free Cash Flow was \$66.9 million, which represents a 72% Free Cash Flow conversion. Following the review of our Capital Allocation Framework we are now targeting credit rating metrics consistent with a BBB/BBB+ shadow credit rating and net debt finished the year at \$330 million with leverage well within this target band at 3.6x.

Looking forward to 2026, Channel Infrastructure expects FY26 EBITDA from continued operations in the range of \$95-100 million and maintenance capital expenditure is expected to stay in the range of 8-10% of revenue.

Proven execution capabilities with projects delivered safely, on budget, and on time

At the same time as managing the ongoing operation of New Zealand's largest fuels import terminal, our team has been working hard to execute on a number of large scale and complex capital projects, and we are proud that we have continued to deliver these safely, on budget, and on time.

Over the past two years, the Channel team has executed four new growth opportunities, delivering an additional ~\$170 million (before PPI indexation) in incremental revenue over 15 years. In 2025, Channel delivered an extension to its previously announced additional storage contract, set to generate \$50 million of additional revenue over the nine-year contract extension term (pre-PPI indexation), and commencing in the first quarter of 2028.

The Z Energy jet storage project which was signed in August 2024 is tracking ahead of schedule and in line with budget, and is likely to be delivered in the third quarter of 2026, ahead of the original schedule of Q1 2027. This important project will provide a much-needed boost to New Zealand's jet fuel resilience, with capacity for enough fuel for around 10,000 flights between Auckland and Wellington. Marsden Point is already home to New Zealand's largest jet fuel tank, and upon completion, the new Z Energy tank will be equally as large, demonstrating the critical role that Channel plays in providing jet fuel resilience for New Zealand.

We were pleased to commence works for the new Higgins bitumen import terminal with a "sod turning"

event with Minister for Infrastructure Hon Chris Bishop in September 2025. This project is expected to generate total revenue over the term of the contract of ~\$45 million (prior to PPI indexation) commencing in the fourth quarter of 2026. Work continues to progress and we look forward to welcoming Higgins (soon to become part of the multi-national French infrastructure firm Vinci Group) to Marsden Point, and supporting their work to deliver the Government's Land Transport investment agenda.

Marsden Point Energy Precinct

We continue to make good progress towards the Marsden Point Energy Precinct, which remains Channel's number one growth priority.

The consortium investigating the Marsden Point Biorefinery project is continuing its work, with Air New Zealand now joining the consortium. Engineering work has progressed, with further refinement of the plant configuration and deeper design integration with existing site infrastructure, and Channel continues to work through with the consortium the consenting requirements and commercial arrangements in its capacity as landlord and ancillary infrastructure provider. A final investment decision from the consortium is expected in 2026.

Channel has completed FEED on a 72MW diesel-powered electricity peaking plant within the Marsden Point Energy Precinct, with the cost of the FEED having been borne by two electricity market participants. Electricity market participants with whom Channel has engaged see a diesel peaker situated north of Auckland as a useful resilience asset for firming renewables, supporting Upper North Island grid stability and assisting with dry year risk on a separate node to other key thermal generation assets in New Zealand. Channel's project would be relatively fast to construct and benefits from the significant fuel reserves already stored on Channel's Marsden Point site, providing for near-immediate start up as required.

Channel was in advanced discussions with several parties regarding a long-term capacity contract to underwrite the development costs of the project, to be funded by Channel. Following the New Zealand Government's announcement that it is considering proposals relating to a potential LNG import facility, development of the project has been paused, pending the outcome of the Government's work on the facility.

With the Government confirming an increase to the requirements for in-country storage of fuels through changes to New Zealand's Minimum Stockholding Obligation, we continue to work with our customers, who will be impacted by these changes, to evaluate increased fuel storage options at Marsden Point. These changes take effect from 1 July 2028, and the conversations with our customers remain ongoing.

Strategic position in Melbourne's jet fuel supply chain

In November, we announced the strategic acquisition of a 25% stake in the Somerton jet fuel pipeline, which forms part of the only jet fuel pipeline supply chain servicing Melbourne Airport. This measured step out presents the Company with a unique and exciting opportunity and enhances the quality of Channel's overall business with a complementary dedicated jet fuel asset in a high growth market.

Melbourne Airport travel is expected to grow strongly in the coming years, and it is already Australia's second busiest airport. As part of considering this investment, we have identified a number of adjacent growth opportunities which have the potential to materially enhance the value of our existing investment and provide new capital deployment opportunities, while adding to the resilience of jet fuel supply to Melbourne Airport.

Thank you

2025 was another big year, and we couldn't have achieved these excellent results without the hard work and dedication of the entire Channel team. We are committed to achieving our world-class aspirations because it will enable us to deliver on our ambitious growth agenda and it enables us to offer our people meaningful career opportunities that are making an important difference to New Zealand. I am proud of all that we have achieved together in 2025.

Rob Buchanan
Chief Executive

In Memoriam

We acknowledge the passing of two long standing colleagues from Channel over the past year – both of whom made a long and lasting impact at Marsden Point over many years of dedicated service. In September 2025, we lost Jock (Brian) Dickson, and in January 2026, we lost Kerry McDonald. Jock worked at Marsden Point for over 40 years of dedicated service, and in that time he saw immense change at our site. Jock knew every corner of the control network where he worked, but more than that, he was instrumental in helping us adapt and transform our technology and plan for the future. Jock's contribution, optimism, and vision remain woven into the fabric of Marsden Point.

Kerry's sudden and unexpected passing at the start of this year has been a shock to all who knew and worked with him. Kerry applied his decades of experience to lead the safe decommissioning of the refinery and contributed to the projects to establish a world-class terminal operations. Kerry cared deeply about the future of the site, and he played an important role in shaping what comes next at Marsden Point. He will be remembered not only for his contribution over many years, but for the person he was – capable, genuine, and respected by all who knew him.



Brian Dickson

Tenure: 1984 to 2025



Kerry McDonald

Tenure: 1986 to 2026

Our Strategy





Our strategic framework

Our Vision

World-class energy infrastructure company



Our Purpose



Delivering resilient infrastructure solutions to meet changing fuel and energy needs

Our Strategic Priorities

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

Our Strategy

Infrastructure Partner of Choice

STRATEGIC PILLAR	2025 HIGHLIGHTS
World-class Operator	Safe and reliable operator of critical infrastructure Ongoing survey shows continued improvement in customer satisfaction Supply chain efficiencies for customers with fewer ship visits and a reduction in alongside time World-class availability of infrastructure with pipeline, tank and jetty availability above 99%
High Performance Culture	+7 percentage point lift in engagement and +33 percentage point lift since conversion to an import terminal Specific skills and knowledge recruited into the business to drive strategic outcomes and enhanced world-class capability dss+ health & safety and visible leadership training programme launched

Grow through supporting the Energy Transition

STRATEGIC PILLAR	2025 HIGHLIGHTS
Grow from the Core	Growth contract secured delivering ~\$50 million of incremental revenue, and four customer contracts signed over the last two years delivering an additional ~\$170 million of incremental revenue (before PPI indexation) Continue to investigate other potential energy opportunities to support the energy transition First measured growth step-out with strategic acquisition of 25% interest in Somerton Pipeline to Melbourne Airport
Support Energy Transition	\$30 million investment announced in critical infrastructure upgrades in support of the Energy Precinct redevelopment Marsden Point biorefinery project remains on track for final investment decision in 2026 Engaging with electricity market participants on the construction of a diesel powered electricity peaking plant

More sustainable future

STRATEGIC PILLAR	2025 HIGHLIGHTS
Disciplined Capital Management	Capital Allocation Framework updated with increased dividend payout ratio of 70– 90% of Normalised Free Cash Flow Target leverage range broadened to BBB/BBB+ (currently equivalent to a leverage ratio of between 3x and 4.5x Net Debt/EBITDA) to provide funding flexibility for growth Delivered EBITDA, Normalised Free Cash Flow and maintenance capex guidance Listed on the Australian Securities Exchange (ASX) under the ticker ASX:CHI
Good Neighbour, Good Citizen	Maintained a high standard of environmental performance and continue to focus on reducing our impact on the surrounding environment Engaging with the local community through local business forums and regular meetings with iwi Iwi internship programme launched Use of an electric tower crane for tank conversions Reduced Scope 1 and 2 emissions by over 80%

Board of Directors and Leadership Team



Board of Directors



James Miller, ONZM

Chair

BCom, FCA

Term of office

James was appointed as an Independent Director on 1 November 2018.

Board committees

James is Chair of the Board and a member of the Audit and Finance Committee, the People and Culture Committee and Chair of the Nominations Committee.

Experience

James brings deep experience in capital markets and the downstream energy sector. He is currently Deputy Chair of Fletcher Building and a Director of Ryman Healthcare Limited and Vista Group International Limited.

James has previously held a range of Board and senior leadership roles, including at Craigs Investment Partners and ABN AMRO. His governance experience also includes serving as a Director of Auckland International Airport, the Accident Compensation Corporation, Vector, and as an inaugural Director of the Financial Markets Authority. He has also been a member of INFNZ and the Financial Reporting Standards Board.

James is a qualified Chartered Accountant and a Fellow of Chartered Accountants Australia and New Zealand, a Certified Securities Analyst Professional, a member of the Institute of Directors in New Zealand, and a graduate of the Advanced Management Program at Harvard Business School.



Andrew Brewer

Non-Independent Director

BEng (Hons), BSc, Post Grad. Dip.
In Management

Term of office

Andrew was appointed as a non-Independent Director on 6 December 2023.

Board committees

Andrew is Chair of the Health, Safety, Environment and Operations Committee.

Experience

Andrew is a respected business leader, with deep experience in process industries and complex supply chains. He has held senior operational and executive roles across large-scale downstream refining and terminal operations in Australia, New Zealand and Canada, including serving as Chief Operating Officer at Refining NZ (now Channel Infrastructure), during the company's Strategic Review.

Andrew has a Bachelor of Engineering (Honours) and a Bachelor of Science from the University of Adelaide and a Diploma in Management from Deakin University.



Anna Molloy
Independent Director

BEng, BCom, CFA

Term of office

Anna was appointed as an Independent Director on 4 April 2022.

Board committees

Anna is Chair of the Audit and Finance Committee and a member of the Nominations Committee.

Experience

Anna brings over 15 years' experience across equity capital markets, investment management, private equity and business development. She is also an Independent Director of ANZ Investments.

Anna's prior experience includes roles as an equity analyst with Masfen Securities and Artemis Capital, as well as serving as a Future Director on the NZX Board. She has a strong background in financial markets, capital allocation and strategic analysis.

Anna holds a Bachelor of Engineering (Chemicals & Materials) and a Bachelor of Commerce from the University of Auckland. She is a Chartered Financial Analyst (CFA) and a member of the New Zealand Institute of Directors.

Anna contributes a unique combination of engineering expertise and advanced financial, strategic and analytical capability to the Channel Infrastructure Board, supporting informed decision-making and disciplined capital management.



Andrew Holmes
Independent Director

BSc (Hons), MBA

Term of office

Andrew was appointed as an Independent Director on 4 April 2022.

Board committees

Andrew is Chair of the People and Culture Committee and a member of the Health, Safety, Environment and Operations Committee and the Nominations Committee.

Experience

Andrew has a deep understanding of business opportunities in the downstream energy industry and a proven track record in delivering radical operational change across all facets of petroleum businesses. He is currently involved in consulting and advisory roles for energy transition start-ups, as well as advising on energy industry commercial matters.

Andrew brings more than 40 years' experience in the energy sector. He was BP's most senior executive in the Asia-Pacific region and also led BP's Global Aviation Fuels Division. His early career was based in UK refineries before progressing into senior commercial and leadership roles across the UK, China and Europe, including responsibility for supply, wholesale and retail operations in Northern Europe.

He is a Director of Lochard Energy, a gas storage and energy infrastructure business, and Chair of Urban Analytica, an energy transition start-up. Andrew holds a Bachelor of Science (Honours) in Chemical Engineering from the University of Bath and an MBA from the University of Strathclyde.



Felicity Underhill

Independent Director

BA, MA (Dist), Ngāti Raukawa

Term of office

Felicity was appointed as an Independent Director on 15 March 2024.

Board committees

Felicity is a member of the Health, Safety, Environment and Operations Committee.

Experience

Felicity brings extensive international experience in strategy, business development and energy transition to Channel Infrastructure. Following an early career at Shell in global roles, she worked on major gas and green energy projects with Origin Energy in Australia. As a senior executive at Fortescue, she was accountable for developing and commercialising large-scale renewable energy and hydrogen projects across Asia, Australia and New Zealand, leading complex partnerships, investment decisions and market development. Felicity is a Commissioner of the Climate Change Commission for New Zealand, and Director of Australian renewable energy platform Intera Renewables.

Felicity holds a Master of Arts in International Relations and Conflict Resolution, and is a member of both the NZ Institute of Directors and the Australian Institute of Company Directors.



Angela Bull

Independent Director

BA/LLB

Term of office

Angela was appointed as an Independent Director on 24 October 2024.

Board committees

Angela is a member of the People and Culture Committee and the Audit and Finance Committee.

Experience

Angela brings extensive executive experience in commercial property and retail development. Angelas current governance appointments include Property for Industry (NZX: PFI), Vital Healthcare Property Trust (NZX: VHP), Fulton Hogan, Foodstuffs South Island and Bayleys Real Estate, and she also serves as a Trustee of St Cuthbert's College.

Angela was formerly Chief Executive of the Tramco Group and, prior to this, held the role of General Manager, Property Development at Foodstuffs North Island. She holds a Bachelor of Laws and a Bachelor of Arts (Political Science), and practised environmental law before transitioning into her executive career.

Leadership Team



Rob Buchanan

Chief Executive

BCom, M.Bus
Executive Certificate in
Management and Leadership

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

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

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

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



Alexa Preston

Chief Financial Officer

BBus, CA

Alexa joined Channel as Chief Financial Officer in late 2023, and has played a crucial role in the business, leading Channel Infrastructure's Finance, Human Resources and IT functions as well as the strategic acquisition of 25% interest in the Somerton Pipeline to Melbourne Airport in 2025.

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

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



Jack Stewart

General
Manager Operations

BE (Mech)

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

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



Chris Bougen

General Counsel and
Company Secretary

LLB (Hons), LLM

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

Chris was heavily involved in the preparations for the Company's transition to Channel Infrastructure, including securing the overwhelming support of shareholders for this change. Since then, Chris has played a crucial role negotiating new contracts and growth for the Company, including its M&A activity in Australia and ASX listing.

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



Peter van Cingel

Business
Development Manager

BE(Mech) (Hons)

Peter is Channel Infrastructure's Business Development Manager and is responsible for securing new contracts and business development activities.

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

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



Steve Levell

General Manager IPL

DipEng, CMS

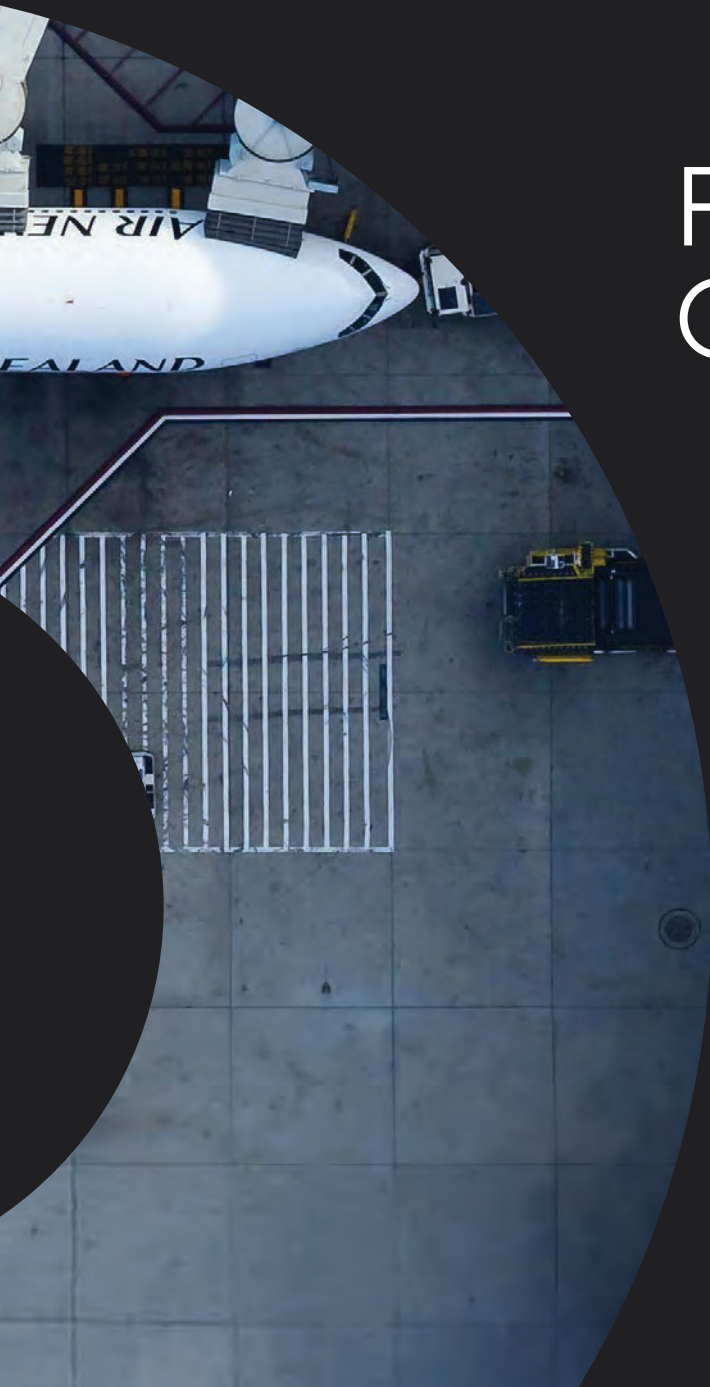
Steve is General Manager IPL, the fuel testing business which is a wholly-owned subsidiary of Channel Infrastructure.

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

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



Financial Commentary



Import terminal delivers stable and growing returns

2025 Highlights

FY25 REVENUE

\$140.2M



EBITDA

\$93.4M

Strong financial performance



EBITDA TO FCF
CONVERSION

72%



TOTAL DIVIDEND

13

CPS



2026 Outlook

FY26 EBITDA
GUIDANCE

**\$95–
100M**



8–10%
OF REVENUE

FY26 Maintenance
Capex Guidance



Income Statement

Continuing Operations

The results from continuing operations include import terminal fees earned under the Terminal Services Agreements and Contracted Storage Agreements and the results of Independent Petroleum Laboratory.

	FY24 \$ MILLION	FY25 \$ MILLION
Revenue	139.8	140.2
Operating Costs	44.7	46.8
EBITDA	95.1	93.4
Depreciation	38.7	45.1
Financing costs	20.0	16.4
Net Profit before tax	36.4	31.9
Income tax expense	10.5	11.0
Net Profit after tax from continuing operations	26.0	20.9

Revenue

Channel Infrastructure's primary source of revenue comes from the fees earned under the Terminal Services Agreements, a combination of fixed and throughput related fees (including wharfage), for fuels delivered via Channel's pipeline to Auckland and the Truck Loading Facility to Northland. Fixed and variable terminal fees exceeded \$110 million in 2025.

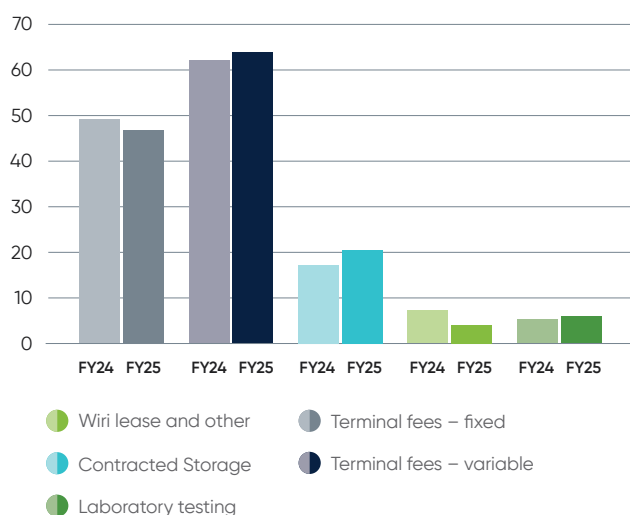
Additional revenue is earned through Contracted Storage Agreements. Contracted revenue relates to capacity based fees (i.e. independent of throughput) for product storage and the handling, storage and export of transmix with revenue of \$20 million in 2025.

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

The legacy Wiri lease relates to a lease arrangement that was entered into in 1990 which expired in February 2025 with the legal ownership of the Wiri terminal assets reverting to bp, Mobil and Z Energy. FY25 revenue was ~\$1 million.

Revenue

(Continuing Operations)(\$m)



Operating Costs

Channel Infrastructure's largest costs are electricity and utilities, and salaries, wages and benefits (labour costs), together making up 49% of total operating costs.

Electricity supply is a key operating cost for our business and Channel has a long term fixed price variable volume contract for the supply of renewable electricity. The contract is for a period of six years with the right to extend a further 2.25 years to 31 March 2032 at Channel's election.

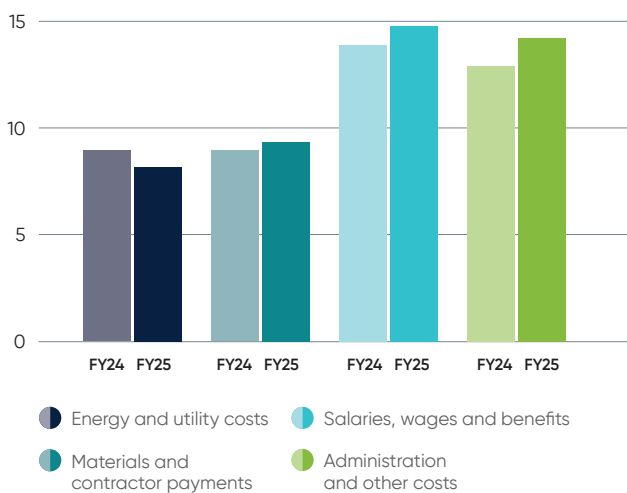
Labour costs reflect the salary and other employee costs of import terminal, laboratory and corporate staff.

Administration and other costs comprise insurance, IT, rates and governance and compliance costs and include one-off costs associated with the Australian Stock Exchange (ASX) listing fees of ~\$1 million and \$1.5 million of growth-related costs including the acquisition of the Somerton pipeline.

Materials and contractor payments relate to the cost of site and asset maintenance, including the biennial pipeline inspection gauge.

Operating Costs

(Continuing Operations)(\$m)



Depreciation

The higher depreciation charge of \$45.1 million reflects the increase in the carrying value of the assets following the revaluation of the import terminal assets as at 31 December 2024 and new assets capitalised including statutory tank inspection upgrades, private storage bunds and transmix infrastructure upgrades.

Financing Costs

The effective interest rate applying in the twelve months ended 31 December 2025 was 5.1% with the majority of debt fixed as at 31 December 2025 providing funding cost certainty.

Discontinued Operations

A net loss after tax of (\$9.1) million is reported from discontinued operations in 2025 which reflects the results from refining activities. This includes \$0.3 million of revenue recognised in relation to scrap metal sales. Total expenses amounted to \$11.6 million, comprising operating costs of \$1 million, conversion costs of \$4.5 million and the revaluation and disposal of assets (relating to the change in fair value of the refining plant) of \$6 million and non-cash financing costs of \$0.3 million.

Cashflow

Strong operating cash flows from continuing operations funded a significant portion of capital expenditure related to conversion and growth capex spend. The 25% interest in the Somerton Jet fuel pipeline was funded through Channel's existing debt facilities, with net debt increasing to \$330 million.

Capital Expenditure

Channel invested approximately \$48 million into infrastructure upgrades throughout 2025 with \$36 million invested in growth and conversion projects. Projects completed throughout the year have been delivered as part of the multi-year \$220 million conversion project and \$50 million Private Storage project. Growth also includes spend on the Z Energy jet storage contract (announced August 2024) and the bitumen import terminal (announced November 2024) and the additional storage contract extension announced August 2025.

Mergers & Acquisitions

Channel acquired a strategic 25% interest in the Somerton Jet fuel pipeline, a critical infrastructure asset in Melbourne's jet fuel supply chain for A\$14.1 million. The acquisition was debt funded and is expected to be cash flow accretive from FY2026.

Following the acquisition, Channel remains within its target credit metrics of between 3x and 4.5x Net Debt to EBITDA, consistent with a shadow BBB/BBB+ credit rating.

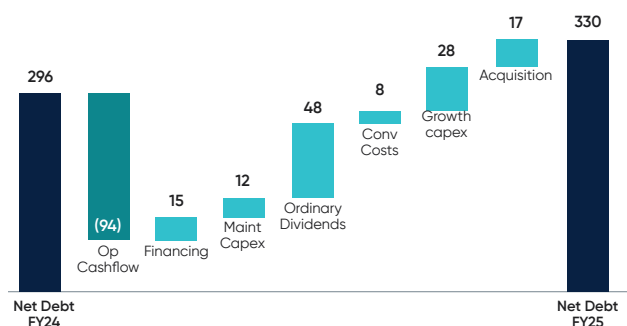
Leverage

The strong cash flow performance for the year has enabled the Board to declare an unimputed final ordinary dividend of 6.75 cents per share that will be paid on 26 March 2026, a total FY25 dividend of 13.0 cents per share (representing a dividend yield of 7.0%) and an increase of 18% on last year.

The Company's Dividend Reinvestment Plan (DRP) will be operative for this final dividend, and shares will be offered at a 1% discount.

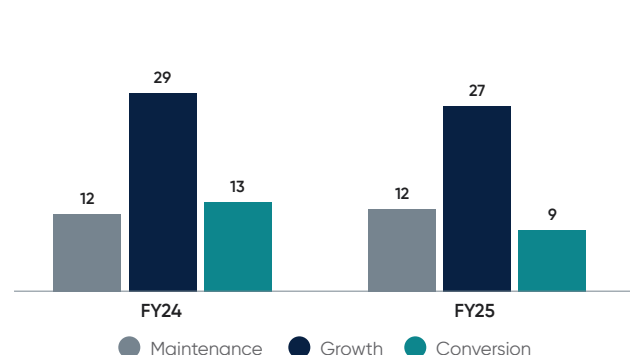
Net Debt Movement

(\$m)



Capex

(\$m)



Balance Sheet

Net Assets

Net assets of the Company are \$780 million or \$1.89 per share as at 31 December 2025.

Provisions

Provisions related to the conversion to an import terminal are \$79.3 million. Movements in the provision include utilisation of \$3.4 million, cost incurred for shutdown and decommissioning of refining tankage, demolition and site restoration activities. Provisions previously recognised for shutdown and decommissioning were released as these obligations are no longer required, with corresponding additions recognised within the long-term demolition provision. A reduction in the discount rate resulted in a \$1.9 million increase in conversion-related provisions, with an associated \$0.8 million recognised through the unwinding of the provision discount.

An additional \$5.4 million has been recognised relating to the long-term demolition provision reflecting the change in foreign exchange rates only. The long-term demolition scope was reassessed by specialist contractor Liberty Industrial as at June 2024.

Working Capital

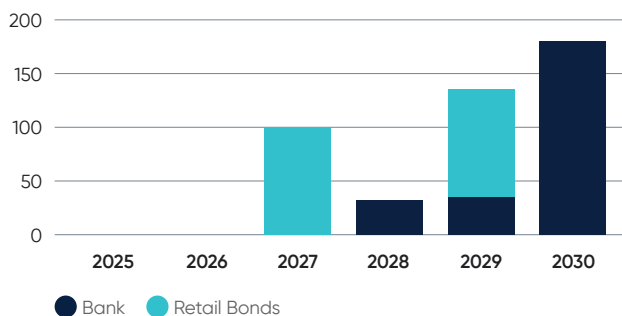
Net working capital after excluding current conversion provisions is positive \$8 million.

Borrowings

Total available debt facilities are currently \$438 million with no maturities within 12 months and a weighted average debt maturity of 3.6 years as at 31 December 2025.

Debt Maturity Profile

(as at 31 December 2025)(\$m)



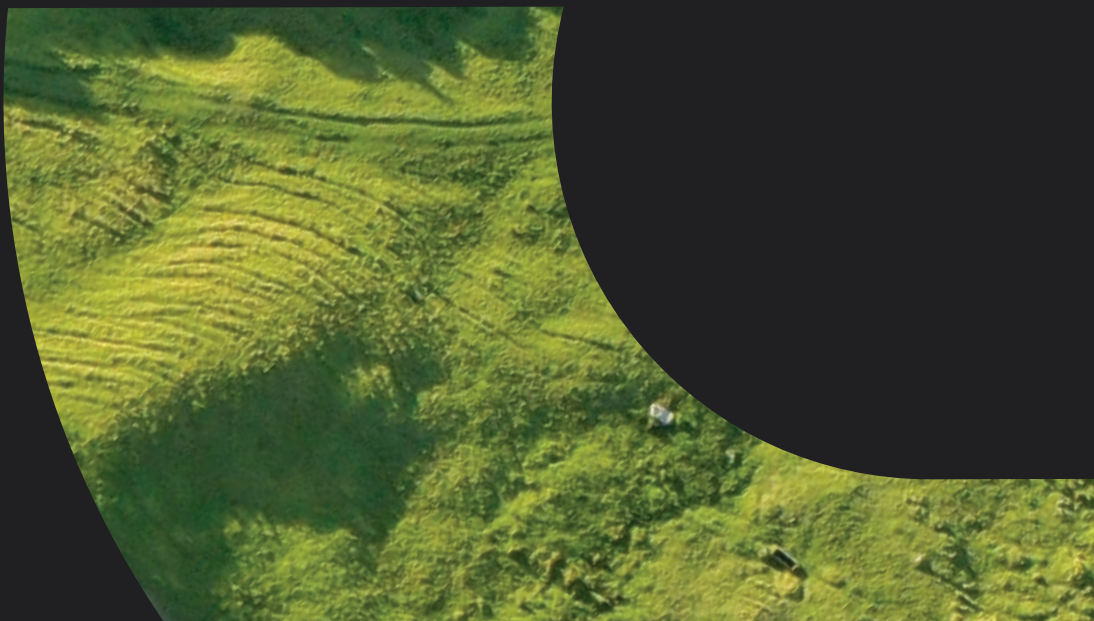
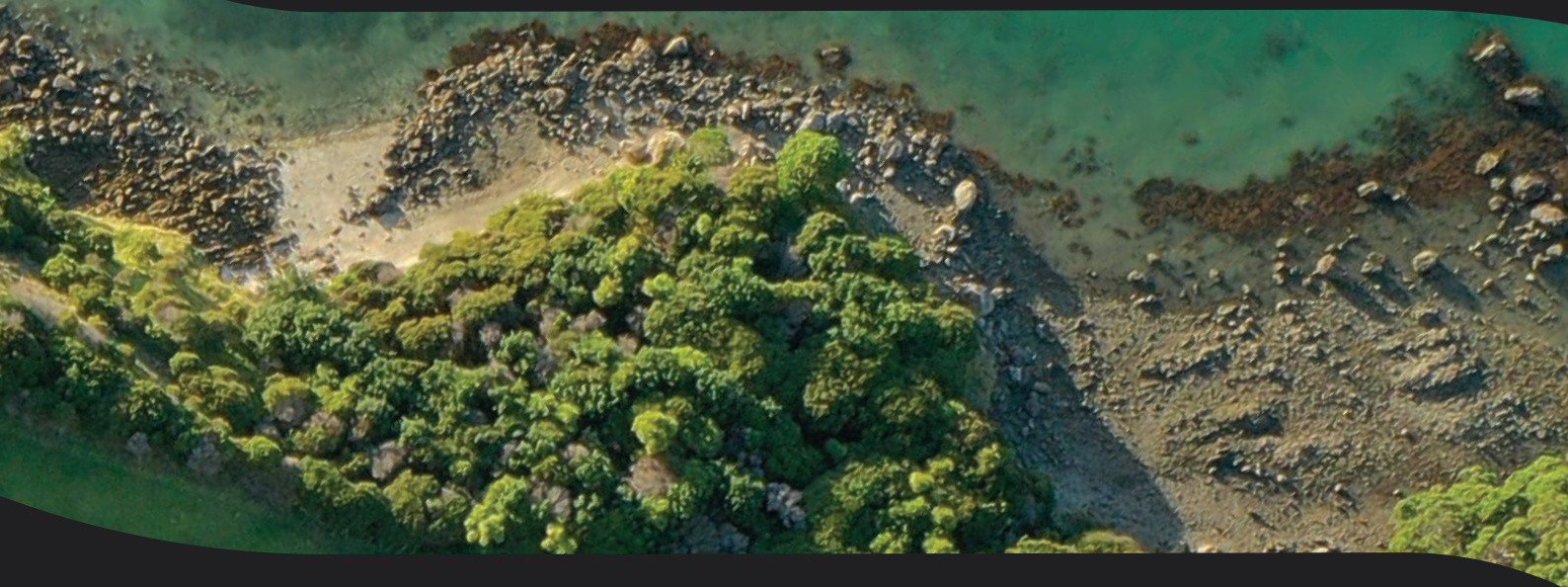
The Group's net debt as at 31 December 2025 was \$330 million, resulting in total remaining net debt headroom of \$108 million.

Tax Losses

The Company generated significant tax losses through the conversion to an import terminal. As at 31 December 2025, the Company held tax losses amounting to c.\$374 million which will be used to offset against future assessable income in New Zealand.

Governance





Governance

Channel Infrastructure NZ Limited operates in New Zealand and is listed on the NZX Main Board. Channel has also recently listed on the ASX as a foreign exempt issuer. As such, the Company is subject to regulatory control and monitoring by the NZX, the ASX (to the extent applicable) and the Financial Markets Authority. Channel confirms that for the purposes of ASX Listing Rule 1.15.3, it has complied with, and continues to comply with, the NZX Listing Rules. Our corporate governance framework sets out our Board's practices and processes to provide accountability to shareholders for Channel Infrastructure's actions and performance.

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

The Board considers that it has followed the recommendations in the NZX Corporate Governance Code during the financial year ended 31 December 2025.

The Governance Statement is annually reviewed and approved by the Board and is current as at 26 February 2026.

Composition of Board

The Board currently consists of five Independent Directors, being James Miller (Chair), Angela Bull, Andrew Holmes, Anna Molloy and Felicity Underhill and one Non-Independent Director, being Andrew Brewer.

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

Responsibilities of the Board and its Committees

The Board is responsible for setting the Company's strategic direction and for providing oversight of the management of the Company, with the aim of increasing shareholder value and ensuring the obligations of the Company are properly met. The Board is accountable to

shareholders for the performance of the Company, with day-to-day management of the Company delegated to the Chief Executive.

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

There are currently four Board committees:

- The Audit and Finance Committee comprising three members, all of which are Independent Directors,
- The People and Culture Committee comprising three members, all of which are Independent Directors,
- The Health, Safety, Environment and Operations Committee comprising three members, of which two are Independent Directors
- The Nominations Committee, comprising three members, all of which are Independent Directors

The roles of the Board, its committees and management (the Leadership Team) are set out in the Board's and relevant committees' charters.

The committees annually evaluate their own performance against their charters to ensure that they are discharging their applicable charter responsibilities and assisting the Board in effectively fulfilling its role and meeting its duties. The Board also undertakes a periodic evaluation of its performance, and the Board engaged an external consultant in the second half of 2025 to prepare an evaluation report.

Risk Management

The Company's approach to risk management is set out from page 48 and in the Sustainability Report and Governance Statement. A summary of the categories of risk identified as currently being the key material enterprise risks to Channel Infrastructure's business are set out on the following page.

Meeting Attendance

Director attendances at Board and committee meetings during 2025 were as follows:

		APPOINTED	RESIGNED	BOARD MEETING ¹	AUDIT AND FINANCE COMMITTEE	PEOPLE AND CULTURE COMMITTEE	HEALTH, SAFETY, ENVIRONMENT AND OPERATIONS COMMITTEE	NOMINATIONS COMMITTEE	SITE WALKS ²
J Miller	Independent Chair	1 Nov 2018		8/8	4/4	3/3		3/3	1
A Brewer	Non-independent	6 Dec 2023		8/8	1/1 ³		4/4		4
A Bull	Independent	24 Oct 2024		7/8	3/3	3/3	1/1 ³	1/1 ³	3
A Holmes	Independent	4 Apr 2022		8/8		3/3	4/4	3/3	3
A Molloy	Independent	4 Apr 2022		8/8	4/4	1/1	3/4 ³	3/3	4
V Stoddart	Independent	20 May 2013	23 May 2025	3/3		1/1			
F Underhill	Independent	15 Mar 2024		8/8	3/4		4/4		4
P Zealand	Independent	29 Aug 2016	23 May 2025	2/3	1/1		1/2		2

1 Includes 23 May Annual Shareholders' Meeting.

2 Combination of physical walks and virtual engagements.

3 Attended as an observer

Enterprise Risk Management

Enterprise risk management supports the achievement of the Company's purpose and strategic objectives and protects stakeholder value.

The Channel Infrastructure Board is responsible for reviewing and managing enterprise risk, including those related to climate change. Day-to-day risk management is delegated to the Chief Executive.

Channel's Leadership Team, led by the Chief Executive, is responsible for the identification, assessment and management of risks and opportunities.

The risk assessment process has identified the nine categories of risk as currently being the key material enterprise risks to Channel Infrastructure's business. The Leadership Team review these enterprise risks each quarter.

The Board sets the Company's risk appetite on an annual basis, and receives semi-annual reporting from management on the risk tolerances and metrics. Management also provides deep dive risk assessments, for each identified risk category, to the relevant sub-committee, or the full Board, on an annual basis.

The deep dive assessments include identification of the risk vectors and mitigants, and consideration of the operational effectiveness of the controls in place to manage the risk. Risks are assessed through Channel's Risk Assessment Matrix which assesses the likelihood of the event occurring and the impact on the business should it occur, to produce a total "risk rating" that is either low, moderate, high or critical.

The following diagram outlines the structure of Channel's Enterprise Risk Framework.

Risk Appetite Statement

The overall qualitative statement that articulates the Board's risk appetite at a high level. Reviewed annually.

Health, Safety, Environment & Operations Committee

RISK CATEGORIES

Health and Safety

Process Safety

Environment

Critical Infrastructure

Board

RISK CATEGORIES

Strategic

Cyber Security

Regulatory and compliance

Audit & Finance Committee

RISK CATEGORIES

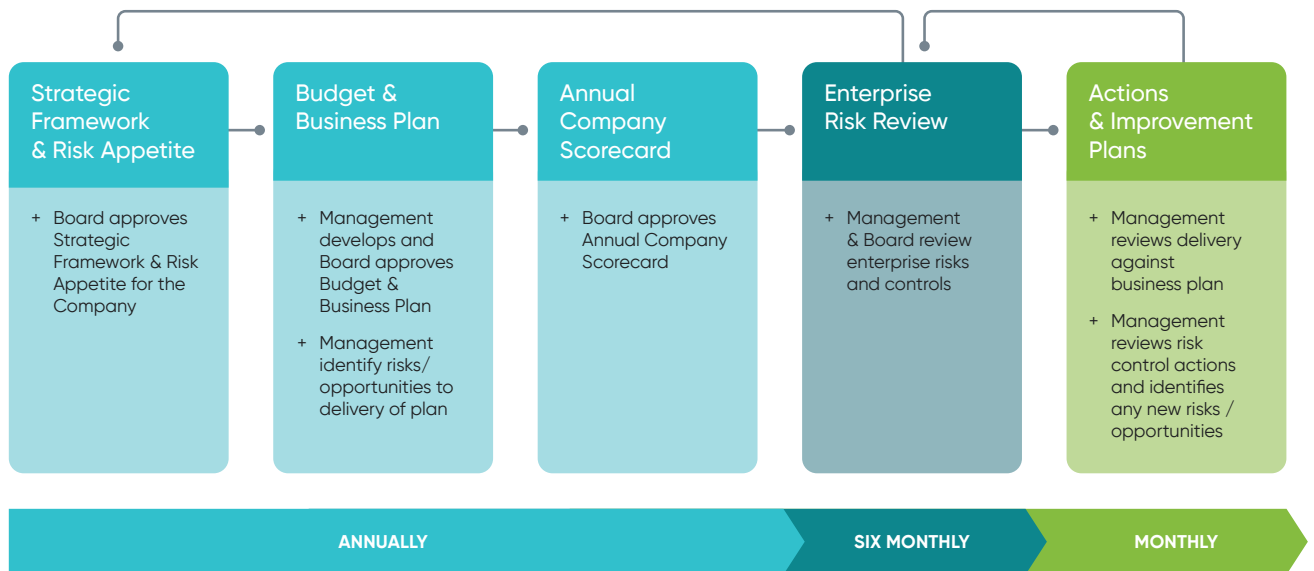
Financial

People & Culture Committee

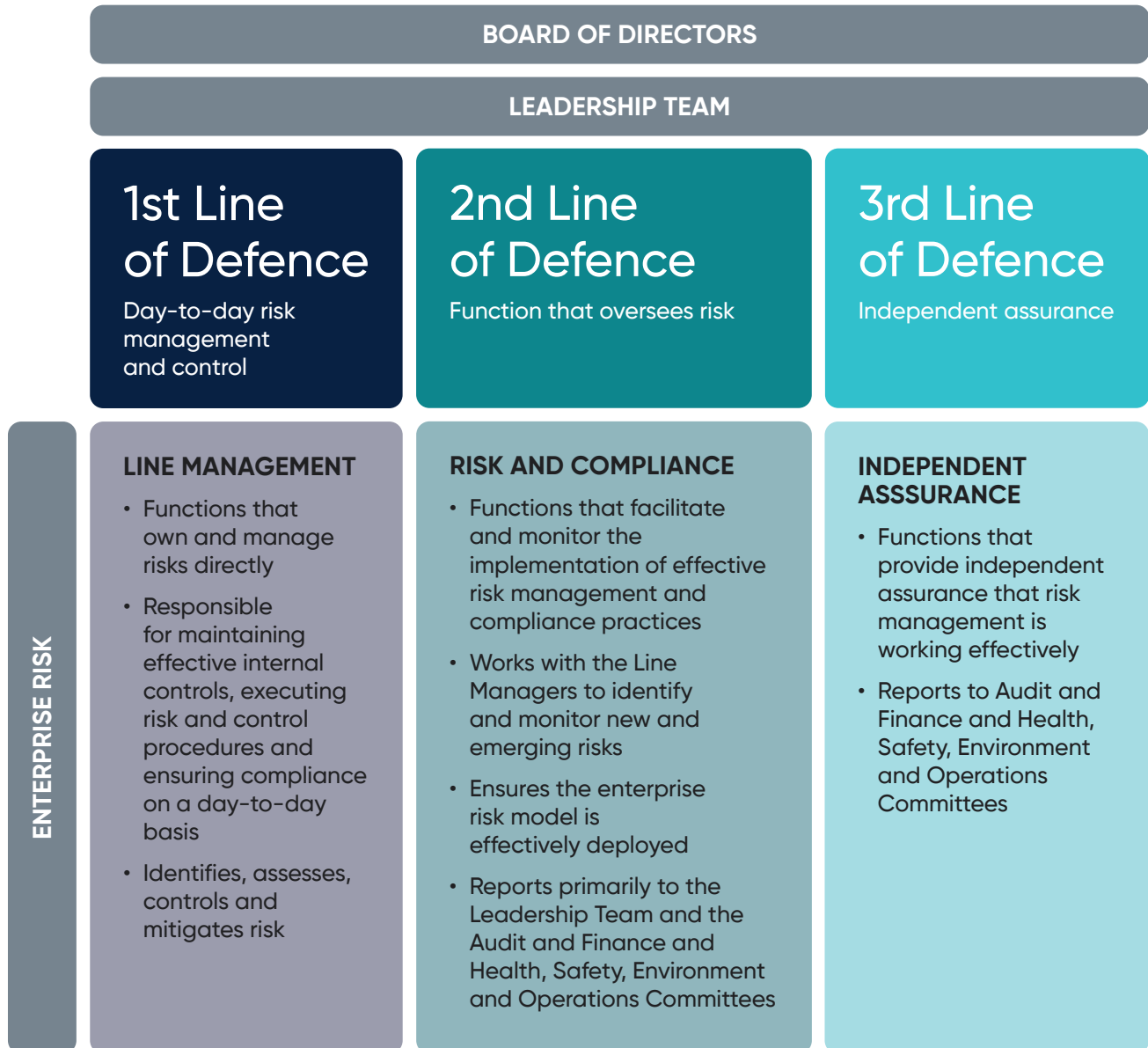
RISK CATEGORIES

People

The Company has an integrated approach to business planning and risk management in place, as shown below.



Channel Infrastructure uses the “three lines of defence” model to coordinate its approach to risk and assurance. The model, set out below, focuses on managing material risks, including environmental, social and governance risks, at the strategic, tactical and operational levels.





Remuneration Report

Remuneration Governance

Channel Infrastructure's remuneration framework and policies are overseen by the People and Culture Committee (the **P&C Committee**). The composition of the P&C Committee as at the date of this report is set out in the Governance section on page 46 of this report. All members of the P&C Committee are currently independent directors. Management only attends P&C Committee meetings by invitation.

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

The Company has adopted a Director and Executive Remuneration Policy which outlines the remuneration philosophy and framework for the Channel Infrastructure group, including the principles and procedures for the approval of remuneration for Directors and the Leadership Team. A copy of the Director and Executive Remuneration Policy can be found on the Company's website.

Key remuneration principles

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

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

The Channel Infrastructure Board considers the main objectives and purpose driving the remuneration policy, the links to performance and delivery of overall company strategy and qualitative factors. The Company takes independent advice and establishes market

rates and medians against New Zealand businesses of comparable size and complexity, having regard to industry specific and generalist roles. Individual performance and market relativity are key considerations in setting remuneration levels.

Channel Infrastructure is committed to pay equity, and has adopted processes and procedures to monitor, and identify opportunities to address, the pay equity gap. As at October 2025, the pay equity gap was 22% and outside of the Leadership Team the pay equity gap is 15%. The pay equity gap shows the difference in median salary for males and females. Within each pay grade women and men are paid equally for equal work adjusting for experience, performance and seniority in role.

Channel remains committed to closing the gap and actively monitors remuneration levels especially during the appointment of staff into new roles to ensure that women are actively supported into broader and more senior roles in the Company.

Directors' Remuneration and Fee Review

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

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

The remuneration and other benefits, excluding reimbursements, received by the individual Directors of the Company during the 2025 financial year were as follows:

	BOARD FEES (\$)	AUDIT AND FINANCE COMMITTEE FEES (\$)	PEOPLE AND CULTURE COMMITTEE FEES (\$)	HEALTH, SAFETY, ENVIRONMENT AND OPERATIONS COMMITTEE FEES (\$)	TOTAL REMUNERATION (\$)
JB Miller	200,350	-	-	-	200,350
AT Brewer	100,175	-	-	17,365	117,540
AJ Bull	100,175	6,053	5,206	-	111,434
A Holmes	100,175	-	9,461	7,529	117,165
AM Molloy	100,175	27,418	2,180	-	129,773
FJC Underhill	100,175	10,704	-	7,522	118,401
VCM Stoddart ¹	38,842	-	8,323	-	47,165
PA Zealand ¹	38,842	5,351	-	9,909	54,101

¹ Resigned 23 May 2025.

With effect from 1 January 2026, a breakdown of fees for board and committee roles is as follows:

Role	Fee (\$)
Board Chair ¹	209,000
Base director fee	104,500
Audit and Finance Committee Chair	25,000
Audit and Finance Committee member	10,000
Health, Safety, Environment and Operations (HSEO) Committee Chair	25,000
HSEO Committee member	10,000
People and Culture Committee Chair	12,000
People and Culture Committee member	5,000
Nominations Committee Chair	-
Nominations Committee member	-

¹ The Chair does not receive additional fees for being on a board committee.

Directors do not participate in any profit-based incentive system. No Director of the Company has received, or become entitled to receive, a benefit (other than a benefit included in the total emoluments received or due and receivable by Directors shown in this report), including shares, remuneration paid by subsidiary company or other payments from services provided (including payments under Directors and Officers insurance cover). No loans have been made to Directors. The Directors of subsidiary companies (refer to page 70) are not remunerated in those positions.

Chief Executive Remuneration

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

Rob Buchanan's total remuneration package, combining fixed and variable remuneration and applicable from 26 February 2026, is outlined below:

Fixed Remuneration

Component	Description
Base Salary	Fixed cash salary, subject only to annual CPI increase.
Benefits	Miscellaneous benefits such as mileage, accommodation costs when travelling and KiwiSaver at 5%.

The term of the Chief Executive's updated employment agreement ends on 31 December 2029. If the Chief Executive's employment ends prior to this date, the Chief Executive will receive a sum equal to the base salary he would have received between the date of termination and the end date (except if the Chief Executive resigns outside of a change of control situation, is dismissed for serious misconduct, or abandons his employment).

Variable Remuneration

The Chief Executive's variable remuneration is comprised of a short-term cash incentive and a share-based LTI.

The short-term cash incentive is an annual cash payment based on performance against a company scorecard and an individual CEO scorecard, the details of which are set out below.

The share-based LTI comprises three types of performance share right awards issued under the Company's share rights plan¹ being:

- an initial award granted to the Chief Executive on him joining the Company in March 2023 which is tenure based in nature, over a 5-year performance period;

- annual awards of share rights, subject to performance conditions based on total shareholder returns over a three-year vesting period; and
- a one-off Competitive Advantage Award. The award is granted in the context of a unique point in time for the Company, where there are significant prospects for energy infrastructure consolidation and meaningful organic growth as well as stakeholder support of the Company's business plans. This creates a window of opportunity to seize transformative, albeit difficult to achieve, outcomes which create a long-term competitive advantage for the Company, tied to the exceptional development of the Marsden Point Energy Precinct and the Company's wider infrastructure portfolio in New Zealand and Australia. If achieved, the value would continue to be realised well into the long term, and therefore beyond the Chief Executive's tenure. As such, this award has been granted to incentivise and reward long term outcomes that will not otherwise be fully reflected in the Company's performance under the initial and annual awards, and which the Board did not consider appropriate to reward with a discretionary cash bonus.

¹ See page 105 of the Company's financial statements for further details of this plan.

Component	Description	Performance measures ¹	Potential value
Short-term cash incentive	The STI is a discretionary scheme based on achievement of KPIs. It is paid as cash remuneration, in the following financial year.	50% based on delivery against Company scorecard 50% based on delivery against CEO scorecard	35% of base salary (provided all performance targets are achieved), increasing up to 45% depending on performance
Share-based LTI (awarded as performance share rights)	Share rights allow the participant to receive shares for nil cash cost, subject to vesting hurdles.	Initial grant: Achievement of a minimum "on target" performance against annual controllable KPIs during a 5-year vesting period as determined and assessed by the Board at the end of that period.	90% of base salary in FY23 ²
	Vesting of all grants is subject to remaining employed (subject to good leaver scenarios) and no workplace death occurring during the vesting period, where the Company is found to be responsible for such death.	Annual grant: The performance conditions over a 3-year vesting period are:	45% of base salary in FY25 ²
		• 50% based the Company's Total Shareholder Returns (TSR) exceeding an absolute TSR comparator based on the company's cost of equity plus an agreed premium (0.5%) compounding annually over the vesting period.	45% of base salary in FY26 ²
		• 50% based on the extent to which the Company's TSR exceeds a comparator group comprising selected members of the NZX50.	30% of base salary in FY27 ²
		The conditions for each annual grant are tested once at the end of the applicable 3-year vesting period.	15% of base salary in FY28 ²
		One-off Competitive Advantage grant: The performance conditions over a performance period from 18 September 2025 to 31 December 2029:	\$4 million as at the start of the performance period ²
		• 50% based on the successful execution of designated projects for the Marsden Point Energy Precinct that seek to secure a long-term competitive advantage.	
		• 50% based on the successful execution of designated strategic acquisitions or developments outside of Marsden Point that seek to secure a long-term competitive advantage.	
		The conditions are tested once by the Board at its discretion, in good faith, at the end of the performance period (on 31 December 2029).	
		The Competitive Advantage Grant is also subject to special conditions requiring the maintenance of security of product supply into Auckland, other than for force majeure events, and there not being environmental issues which result in a regulatory prosecution of Channel Infrastructure during the CEO's tenure, each as determined at the Board's discretion. The Hurdle Rate Conditions must also be satisfied (see page 59 below).	

¹ See page 58 for further detail on the STI performance measures and page 59 for details on LTI performance measures.

² The Chief Executive's cumulative share-based LTI entitlement (including the initial LTI award, annual LTI award and one-off Competitive Advantage Award) is subject to a (non-discretionary) \$10 million cap. Capacity under the value cap will be assessed on the date of issuance of shares under the relevant award by reference to the price of Channel Infrastructure shares on the NZX at the time of the issues of the shares.

Chief Executive Remuneration Outcomes Summary

FINANCIAL YEAR	FIXED REMUNERATION		SHORT TERM INCENTIVE (STI) ¹		TOTAL CASH-BASED REMUNERATION EARNED (\$000)	NUMBER OF SHARES VESTED	LONG TERM INCENTIVE		TOTAL COST RECOGNISED FOR EQUITY LTI AWARDS (\$000) ²	TOTAL (\$000)
	BASE SALARY (\$000)	OTHER BENEFITS (\$000)	STI EARNED (\$000)	AMOUNT AS A % OF TARGET AWARD			% OF MAXIMUM AWARDED FOR THE RELEVANT PERFORMANCE PERIOD	MARKET PRICE AT VESTING DATE		
Rob Buchanan										
FY25	742	67	338	129%	1,147	-	-	-	142	1,288
FY24	570	42	257	129%	869	-	-	-	99	968
FY23	506	37	248	129%	791	-	-	-	63	854
Naomi James										
FY23	249	625	112	100%	986	4,039,122	100%	\$1.48	192	1,178
FY22	995	43	647	100%	1,685	-	-	-	1,041	2,726
FY21	995	47	647	100%	1,689	-	-	-	417	2,106

1 STI payments earned in the current financial year are paid in the following financial year.

2 No LTI entitlement was paid to the current CEO in 2023, 2024, 2025 as none of the current LTI entitlements have vested. This cost recognition reflects accounting treatment, not amounts paid to the CEO.

Details of short-term incentive

The Chief Executive's KPIs for his short-term incentive entitlement are based on delivery against the Company Scorecard, which is a company-wide scorecard used to benchmark overall performance for all staff and an

individual CEO Scorecard, with performance objectives which are specific to the Chief Executive, both of which are aligned to the Company's publicly available strategy.

The KPIs agreed with the Board for the 2025 financial year related to:

KPI Category			Weighting ¹
Delivery against Company scorecard	Strategic Pillar	Key Performance Metric	50%
	Infrastructure Partner of Choice	Safety engagements and performance Customer satisfaction	
	Grow through supporting the Energy Transition	New contracted revenue originated during the year	
	More Sustainable Future	EBITDA and Normalised Free Cash Flow performance against budget Key environmental metrics	
Delivery against Chief Executive scorecard	Strategic Pillar	Key Performance Metric	50%
	World Class Operator	Terminal performance, onsite health and safety compliance and project delivery	
	High performance culture	Workforce engagement and development plans	
	Grow from the core	Maintain diversified pipeline of growth opportunities, and progress prioritised growth opportunities	
	Support energy transition	Progress on the Marsden Point Energy Precinct	
	Disciplined capital management	Performance against market EBITDA guidance and budget free cash flow targets Delivery of shadow BBB/BBB+ credit metrics Relationships with investors and lenders	
	Good neighbour, good citizen	Key stakeholder engagement Performance against key environmental KPIs	

1 Unless determined otherwise by the Board. Amounts paid in cash, and the amount earned as a percentage of target award, are set out in the CEO Remuneration Outcomes Summary table on page 58.

Long-Term Remuneration Incentive outcomes

The table below provides a summary of share rights currently issued to the Chief Executive. Upon vesting, each share right shall be eligible to be converted to one ordinary share in Channel which may either be newly issued or transferred to the Chief Executive.

Each of the Chief Executive's share-based LTI awards have yet to vest and none have lapsed since their grant. Information on the performance hurdles to achieving vesting is set out below.

Award	Grant Date	Performance period	Vesting Date	Number of rights awarded ¹	Value At Grant Date (Per Right) ²
Awarded after the reporting period					
Competitive Advantage Award	26 February 2026	18 September 2025 – 31 December 2029	31 December 2029	1,563,599	\$2.5582
Awarded during the reporting period					
2025 Annual LTI Award	11 April 2025	28 February 2025 – Q1 2028	Q1 2028	152,624	\$1.8575
Awarded in prior reporting periods					
2024 Annual LTI Award	10 April 2024	1 March 2024 – Q1 2027	Q1 2027	175,709	\$1.4598
2023 Initial Award	27 March 2023	31 January 2023 – 31 January 2028	31 January 2028	337,975	\$1.4794

1 As at the date of this report, a total of 2,229,907 share rights have been issued to Rob Buchanan.

2 The price shown here was calculated as a 20 day VWAP following commencement of the performance period.

Details of LTI Performance hurdles

Set out below is further detail on the performance hurdles applicable to the Chief Executive's long term incentive remuneration. As noted above, none of the relevant performance periods have ended. Therefore, this is a general description of the performance hurdles only:

- Initial Award:** The initial award is tenure based in nature and due to vest on 31 January 2028, subject to achievement of a minimum "on target" performance against annual controllable KPIs during the 5-year vesting period as determined and assessed by the Board at the end of that period.
- Annual LTI Award:** The annual LTI award vests:
 - 50% based the Company's TSR exceeding an absolute TSR comparator based on the Company's cost of equity plus an agreed premium (0.5%) compounding annually over the 3-year vesting period (**TSR Comparator**). This is a binary outcome. If the Company's TSR over the vesting period does not exceed the TSR Comparator, this portion of an annual award will not vest; and
 - 50% based on the extent to which the Company's TSR exceeds a comparator group comprising selected members of the NZX50. Vesting is assessed on the below scale, with the outcome depending on the percentile into which the Company's TSR falls over the 3-year vesting performance period:
 - Below the 50th percentile TSR – 0% vests;
 - 50th percentile TSR – 50% vests;
 - Between the 50th and 75th percentile TSR – 50%-100% vests, calculated on a straight-line basis; and
 - ≥ 75th percentile TSR – 100% vests.
- Competitive Advantage Award:** The award vests depending on the Board's assessment of the following at its discretion, in good faith, at the end of the vesting period ending on 31 December 2029:
 - 50% based on the successful execution of designated projects for the Marsden Point Energy Precinct that seek to secure a long-term competitive advantage for the Company. The projects seek to unlock significant value over time as strategic tenants are attracted.
 - 50% based on the successful execution of designated strategic acquisitions and developments outside of Marsden Point that seek to secure a long-term competitive advantage for the Company. The acquisitions or developments seek to enhance the overall quality of the business with measured step-outs in New Zealand and Australia, improve the scale of the business in New Zealand by acquisition or development of other fuel infrastructure and associated fuels supply chain consolidation.

Any acquisitions, or capital expenditure for incremental infrastructure and storage (including developments), undertaken in satisfaction of the performance conditions in a limb must respectively generate or be invested for returns at or above the Company's applicable hurdle rate. Further, any acquired business or assets must have long-term contracted revenues with strong counterparties ("Hurdle Rate Conditions").

The Competitive Advantage Award is designed to create long term competitive advantage for the Company. The performance conditions are therefore expected to be demonstrably difficult to achieve and will be assessed by the Board as such. The vesting conditions must also be satisfied (described on page 59).

For each designated project, acquisition or development that the Board assesses to be successfully achieved, progressively more of the share rights within each limb of the award would ultimately vest on the 31 December 2029 vesting date (subject to satisfaction of all vesting conditions). This vesting operates on the following three-tier scale :

- **Good:** if one-third of the projects, acquisitions or developments, as the case may be, in the limb are achieved, then only 25% of share rights attributable to that limb would vest;
- **Great:** if two-thirds of the projects, acquisitions or developments, as the case may be, in the limb are achieved, then only 50% of share rights attributable to that limb would vest; and
- **Exceptional:** if all of the projects, acquisitions or developments, as the case may be, in the limb are achieved, then 100% of share rights attributable to that limb would vest.

Leadership Team and Other Employees' Remuneration Profile

The Leadership Team and employees with Individual Employment Agreements are remunerated with a mix of base salary, benefits, and short-term performance incentives. The determination of fixed remuneration is based on responsibilities, individual performance, experience, and market data.

We believe that setting fixed remuneration in this way is necessary to attract and retain appropriately qualified and experienced individuals to drive delivery of the Company's strategy and rewards ongoing performance. At risk, variable remuneration, comprises short-term incentives based on the KPIs in the Company Scorecard and individual performance.

The Company Scorecard included metrics for safety engagements, process safety incident performance, customer satisfaction performance and implementation of employee engagement action plans, new revenue

growth, EBITDA performance, normalised Free Cash Flow performance and spills to ground, which take into account our three strategic pillars. An above target outcome was recorded overall against these KPIs, and STI payments in respect of this 2025 performance will be made in 2026 totalling \$2.0 million (FY24: \$1.5 million) and equivalent to 42% (FY24: 45%) of overall STI entitlement for the Leadership Team. For the Leadership Team, other than the Chief Executive, the STI opportunity for FY25, was between 15% to 30% of base salary (provided all performance targets are met), depending on their role.

In 2025, selected members of the Leadership Team other than the Chief Executive were also issued with LTI Share Rights (total 166,478 share rights), which are subject to the same vesting conditions as the 2025 Annual LTI Award issued to the Chief Executive (as outlined on page 59). For FY25, other than for the Chief Executive, the LTI opportunity was 15% - 30% of base salary, depending on role.

Employee Share Purchase Scheme

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

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

The Company estimates that the annual cost of operating the scheme is approximately \$71,000. The value of the awards under the Employee Share Purchase Scheme amounted to \$1,200 for each eligible employee in 2025.

The funds, totalling \$76,847 for the award, were provided to CRS Nominees Limited (Trustee), as Trustee of the Employee Share Purchase Scheme, to pay the subscription price in cash for the issue of the shares as fully paid ordinary shares. The shares are held by the Trustee for the participating employees until they are withdrawn by the participants following a restricted period of three years from the acquisition date, unless released earlier in certain limited circumstances (for example death, sickness, redundancy etc). The participating employees may vote the shares and receive dividends, if paid.

The total financial assistance given in 2025 in the form of advances to the Trustee to acquire the shares and fund

the annual costs of operating the Scheme amounted to \$147,847 (2024: \$141,847).

Employee Remuneration

The following table shows the number of employees and former employees (including members of the Leadership Team), not being Directors, who, in their capacity as employees, received remuneration and other benefits during 2025 of at least \$100,000.

The remuneration figures include all monetary payments made during the year, including redundancy payments and contributions made by the Company as part of the Employee Share Purchase Scheme. No employees

appointed as a Director of any subsidiary company of Channel Infrastructure NZ Limited receive or retain any remuneration or other benefits for holding this office.

The analysis (see table) is compiled on a cash basis; the variable performance rewards (linked to individual and business performance for a financial reporting period) in respect of the 2025 financial year, will be paid in March 2026 and reported as part of the remuneration banding for the 2026 year.¹

The ratio between employee remuneration (median) and Chief Executive's total annualised, on-target remuneration for the 2025 financial year (on a cash basis) was 1:6 (2024: 1:8).

AMOUNT OF REMUNERATION \$000	2025 NO. OF EMPLOYEES	2024 NO. OF EMPLOYEES
100-109	5	12
110-119	17	10
120-129	7	8
130-139	4	5
140-149	2	5
150-159	5	5
160-169	2	4
170-179	5	4
180-189	4	4
190-199	3	7
200-209	6	2
210-219	2	3
220-229	2	1
230-239	-	-
240-249	1	1
250-259	2	-
260-269	1	-
270-279	-	2
280-289	1	1
290-299	1	-
300-309	-	-
320-329	1	1
340-349	1	-
350-359	1	-
430-439	-	2
470-479	1	-
620-629	1	-
840-849	-	1
1,040-1049	1	-

¹ The value of any shares received for this purpose, was valued at the closing price of the Company's shares on NZX on the relevant issue date.



Shareholder and Bondholder Information





Top Twenty Shareholders - as at 31 December 2025

	Shareholders	Total shares held	% of total
1	Custodial Services Limited	65,101,440	15.8
2	HSBC Nominees (New Zealand) Limited* ¹	56,268,138	13.7
3	Citibank Nominees (New Zealand) Limited*	30,961,661	7.5
4	Forsyth Barr Custodians Limited	29,140,876	7.1
5	BNP Paribas Nominees (NZ) Limited*	24,332,989	5.9
6	JP Morgan Chase Bank Na NZ Branch-Segregated Clients Acct*	22,454,903	5.4
7	FNZ Custodians Limited	13,770,116	3.3
8	New Zealand Depository Nominee Limited	10,865,391	2.6
9	BNP Paribas Nominees (NZ) Limited*	10,343,874	2.5
10	HSBC Nominees (New Zealand) Limited A/C State Street*	9,706,447	2.4
11	Apex Custodian Nominees (NZ) Limited*	9,050,185	2.2
12	Accident Compensation Corporation*	7,565,917	1.8
13	HSBC Nominees A/C NZ Superannuation Fund Nominees Limited*	6,103,597	1.5
14	Mirrabooka Investments Limited	5,015,000	1.2
15	Hamish Alexander Jones	4,801,356	1.2
16	Wairahi Investments Limited	4,000,000	1.0
17	Public Trust Class 10 Nominees Limited*	3,396,945	0.8
18	PT (Booster Investments) Nominees Limited	2,268,022	0.6
19	Forsyth Barr Custodians Limited	1,980,081	0.5
20	JBWere (NZ) Nominees Limited	1,846,147	0.4
	Total	318,973,085	77.4

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

Shareholder Statistics - as at 31 December 2025

No of financial products	No of shareholders	% holder	Shares	% of shares
1 - 499	266	6.1	59,250	0.0
500 - 999	260	5.9	177,637	0.0
1,000 - 1,999	458	10.5	614,669	0.2
2,000 - 4,999	1,005	23.0	3,230,941	0.8
5,000 - 9,999	765	17.5	5,259,972	1.3
10,000 - 49,999	1,288	29.4	26,954,575	6.5
50,000 - 99,999	173	4.0	11,693,923	2.8
100,000 - 499,999	111	2.5	19,977,744	4.9
500,000 - 999,999	14	0.3	8,323,468	2.0
1,000,000 - upwards	34	0.8	335,906,052	81.5
Total	4,374	100.0	412,198,231	100.0

Top Twenty Bondholders CHI020 5.80% Bonds - as at 31 December 2025

	Bondholder	Total bonds held	% of total
1	Forsyth Barr Custodians Limited	29,337,000	29.3
2	Citibank Nominees (New Zealand) Limited*	15,541,000	15.5
3	FNZ Custodians Limited	11,661,000	11.7
4	Apex Custodian Nominees (NZ) Limited*	4,633,000	4.6
5	Investment Custodial Services Limited	4,574,000	4.6
6	Custodial Services Limited	3,226,000	3.2
7	Forsyth Barr Custodians Limited	2,460,000	2.5
8	PT (Booster Investments) Nominees Limited*	2,323,000	2.3
9	NZX WT Nominees Limited	1,495,000	1.5
10	Mint Nominees Limited*	1,322,000	1.3
11	NZPT Custodians (Grosvenor) Limited*	1,100,000	1.1
12	Forsyth Barr Custodians Limited	720,000	0.7
13	FNZ Custodians Limited	689,000	0.7
14	I J Investments Limited	500,000	0.5
15	JBWere (NZ) Nominees Limited	447,000	0.4
16	Catherine Jane Gibb	403,000	0.4
16	Forsyth Barr Custodians Limited	298,000	0.3
18	Westpac Banking Corporate NZ Financial Markets Group*	278,000	0.3
19	Andrew Brodie Thomson & Razimah Ismail	250,000	0.3
20	Craig John Thompson	218,000	0.2
	Total	81,475,000	81.4

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

Bondholder Statistics CHI020 5.80% Bonds - as at 31 December 2025

No of financial products	No of bondholders	% holder	Bonds	% of bonds
1 - 4,999	-	-	-	-
5,000 - 9,999	71	10.7	401,000	0.4
10,000 - 49,999	454	68.7	9,580,000	9.6
50,000 - 99,999	85	12.9	5,034,000	5.0
100,000 - 499,999	37	5.6	5,404,000	5.4
500,000 - 999,999	3	0.4	1,909,000	1.9
1,000,000 - upwards	11	1.7	77,672,000	77.7
Total	661	100	100,000,000	100

Top Twenty Bondholders CHI030 6.75% Bonds – as at 31 December 2025

	Bondholder	Total bonds held	% of total
1	Forsyth Barr Custodians Limited	30,870,000	30.9
2	Custodial Services Limited	23,716,000	23.7
3	FNZ Custodians Limited	11,672,000	11.7
4	Citibank Nominees (New Zealand) Limited*	8,761,000	8.8
5	Apex Custodian Nominees (NZ) Limited*	2,298,000	2.3
6	Forsyth Barr Custodians Limited	1,897,000	1.9
7	JBWere (NZ) Nominees Limited	1,805,000	1.8
8	Investment Custodial Services Limited	915,000	0.9
9	ANZ Custodial Services New Zealand Limited*	793,000	0.8
10	Forsyth Barr Custodians Limited	754,000	0.8
11	Custodial Services Limited	684,000	0.7
12	Masfen Securities Limited	620,000	0.6
13	Custodial Services Limited	581,000	0.6
14	CML Shares Limited	562,000	0.6
15	NZX WT Nominees Limited	459,000	0.5
16	Sterling Holdings Limited	455,000	0.5
17	FNZ Custodians Limited	412,000	0.4
18	RGTKMT Investments Limited	400,000	0.4
19	Wellspring Television Limited	400,000	0.4
20	FNZ Custodians Limited	391,000	0.4
	Total	88,445,000	88.7

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

Bondholder Statistics CHI030 6.75% Bonds – as at 31 December 2025

No of financial products	No of bondholders	% holder	Bonds	% of bonds
1 - 4,999	-	-	-	-
5,000 - 9,999	96	20.7	626,000	0.6
10,000 - 49,999	293	63.3	6,167,000	6.2
50,000 - 99,999	36	7.8	2,409,000	2.4
100,000 - 499,999	24	5.2	4,870,000	4.9
500,000 - 999,999	7	1.5	4,909,000	4.9
1,000,000 - upwards	7	1.5	81,019,000	81.0
Total	463	100	100,000,000	100



Statutory Disclosures

Directors' and Officers' Insurance

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

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

Independent Professional Advice

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

Use of Company Information

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

Donations

The Company and its subsidiaries made donations of \$37,100 during the year ended 31 December 2025 (2024: \$38,987). No political donations were made.

Substantial product holders – as at 31 December 2025

	Date of notice	No. of ordinary shares ¹
Milford Asset Management Ltd	24 March 2025	32,325,443
Forsyth Barr Investment Management Limited	14 December 2022	22,838,492

¹ As at 31 December 2025, the total number of voting securities on issue was 412,198,231

Channel Infrastructure Subsidiary Directors

SUBSIDIARY	NAME OF DIRECTORS
Independent Petroleum Laboratory Limited	Rob Buchanan, Chris Bougen
Channel Terminal Services Limited	Rob Buchanan, Chris Bougen
CHI Future Developments Limited	Rob Buchanan, Chris Bougen
Maranga Rā Holdings Limited	Rob Buchanan, Chris Bougen
Channel Infrastructure Australia Pty Ltd	Andrew Brewer, Rob Buchanan, Chris Bougen ¹
Channel Infrastructure Somerton Pty Ltd	Andrew Brewer, Rob Buchanan, Chris Bougen ¹
CM-Somerton Pty Ltd	Andrew Brewer, Rob Buchanan, Chris Bougen ¹

¹ Rob Buchanan and Chris Bougen were appointed Directors as at 10 February 2026.

Directors' interests in Channel Infrastructure quoted financial products

Set out below are the relevant interests (as defined in the Financial Markets Conduct Act 2013) of the Company's directors in its quoted financial products as at 31 December 2025:

NAME	NUMBER OF ORDINARY SHARES	NUMBER OF BONDS
James Miller	216,501 ¹	30,000
Andrew Brewer	27,500	Nil
Angela Bull	17,682	Nil
Andrew Holmes	25,930 ²	Nil
Anna Molloy	27,554	30,000
Felicity Underhill	5,000	Nil

1 Beneficial interest through ordinary shares held by Custodial Services Limited for Mr JB & Mrs GM Miller.

2 Beneficial interest through ordinary shares held by Ausholmes Pty Ltd.

NAME	DATE OF TRANSACTION	NATURE OF TRANSACTION	NATURE OF RELEVANT INTEREST	CONSIDERATION	NUMBER OF ORDINARY SHARES
Andrew Holmes	18 December 2025	On-market acquisition of ordinary shares	Beneficial Owner Andrew Holmes Registered holder Ausholmes Pty Ltd	AU\$21,670	8,930
Angela Bull	24 September 2025	Transfer of ordinary shares as a result of participation in Channel's Dividend Reinvestment Plan	Registered holder and beneficial owner	\$419	182
Anna Molloy	24 September 2025	Transfer of ordinary shares as a result of participation in Channel's Dividend Reinvestment Plan	Registered holder and beneficial owner	\$1,133	492
Angela Bull	12 September 2025	On-market acquisition of ordinary shares	Registered holder and beneficial owner	\$9,217	3,998
Angela Bull	11 September 2025	On-market acquisition of ordinary shares	Registered holder and beneficial owner	\$8,050	3,502
Andrew Holmes	10 September 2025	On-market acquisition of ordinary shares	Beneficial Owner Andrew Holmes Registered holder Ausholmes Pty Ltd	\$39,222	17,000
Andrew Brewer	2 September 2025	On-market acquisition of ordinary shares	Registered holder and beneficial owner	\$23,800	10,000
Andrew Brewer	12 March 2025	On-market acquisition of ordinary shares	Registered holder and beneficial owner	\$10,338	5,306
Andrew Brewer	11 March 2025	On-market acquisition of ordinary shares	Registered holder and beneficial owner	\$5,883	2,994
Andrew Brewer	11 March 2025	On-market acquisition of ordinary shares	Registered holder and beneficial owner	\$17,981	9,200

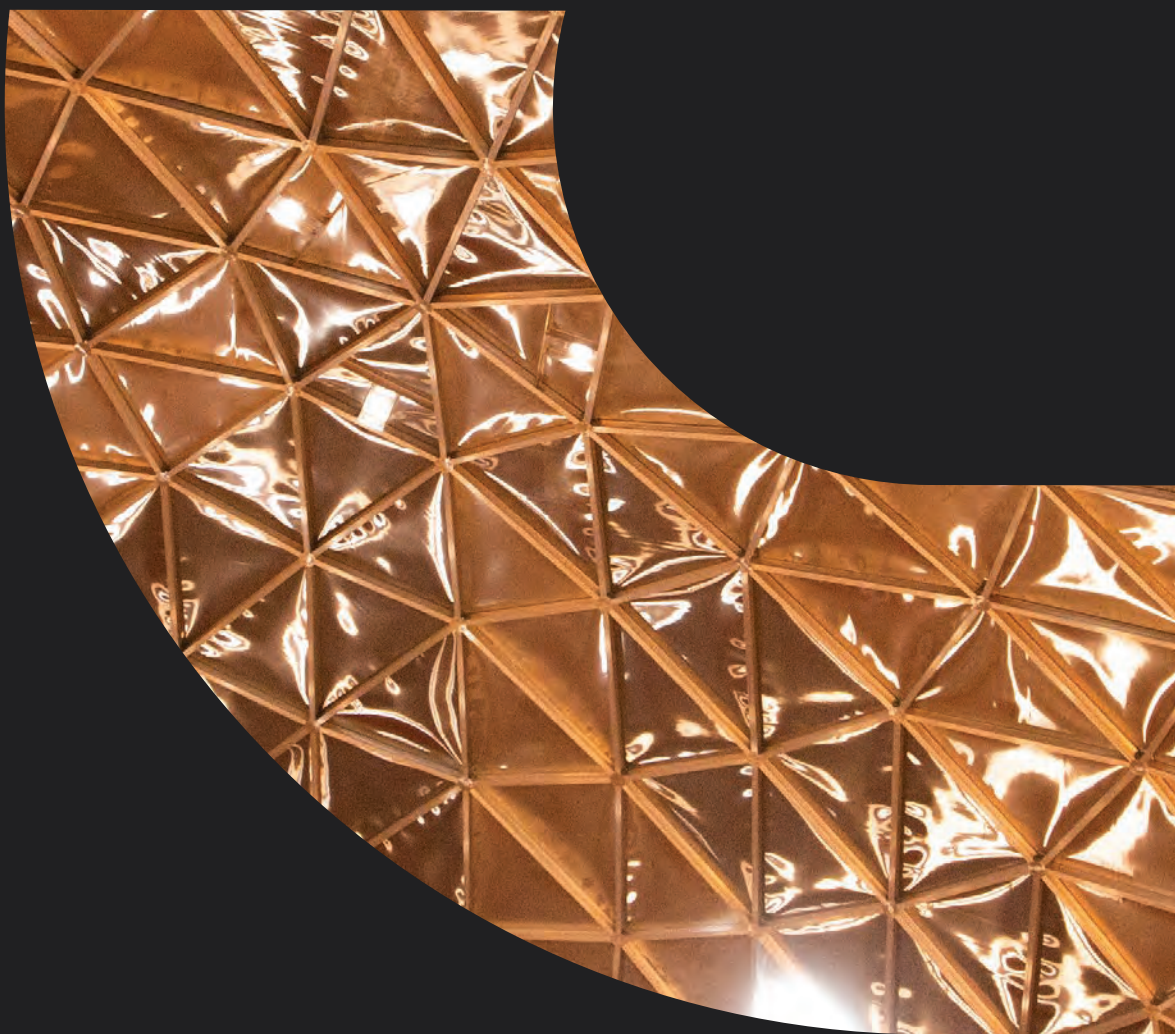
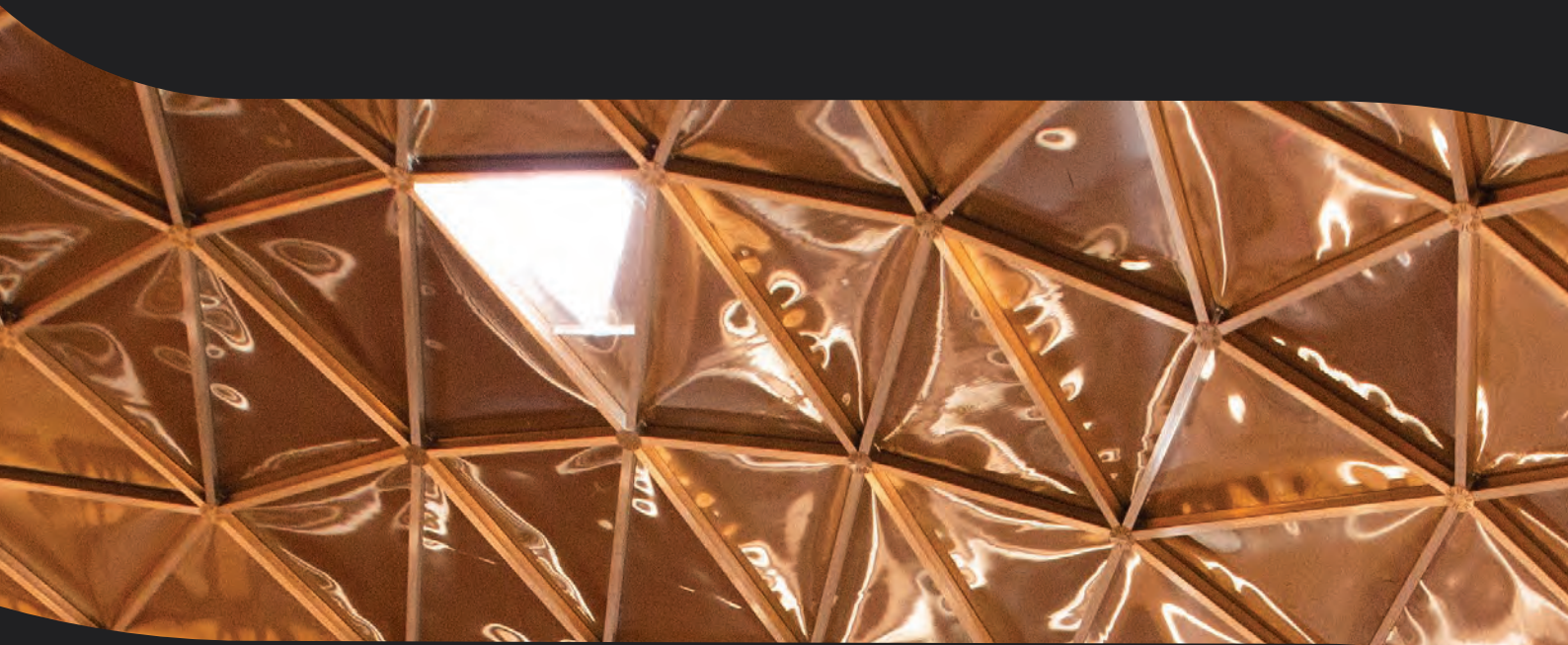
General notice of director's interests

No disclosures were made of interests in transactions under s140(1) of the Companies Act. Directors have made general disclosures of interests in accordance with s140(2) of the Companies Act.

Current interests as at 31 December 2025, including those which ceased during the year, are tabulated below.

James Miller	Ryman Healthcare Limited	Director
	Vista Group International Limited	Director
	Mercury Energy Limited (ceased September 2025)	Director
	Fletcher Building Limited (appointed 1 June 2025)	Director
	Fletcher Building Industries Limited (appointed 1 June 2025)	Director
Andrew Brewer	Emerald Fields Trading Inc Philippines	Director
	Ocean Tankers Corporation Philippines	Director
	Seaoil Philippines Inc	Director
	Bonney Energy Victoria Pty Ltd	Director
	Bonney Energy Corporate Pty Ltd	Director
	Bonney Energy Group Pty Ltd	Director
	Channel Infrastructure Australia Pty Ltd (appointed 3 November 2025)	Director
Angela Bull	Vital Healthcare Properties Management Limited	Director
	Property for Industry (PFI)	Director
	Foodstuffs South Island Ltd and Foodstuffs (NZ) Ltd	Director
	Fulton Hogan	Director
	Bayleys Corporation Ltd	Director
Andrew Holmes	St Cuthbert's College Trust Board	Trustee
	Urban Analytica (ceased May 2025)	Chair
	Ausholmes Pty Ltd	Director
	Lochard Energy (appointed 2 May 2025)	Director
Anna Molloy	ANZ New Zealand Investments Limited	Director
	Molloy International Limited	Shareholder
Felicity Underhill	Intera Renewables (on behalf of H.E.S.T Australia)	Director
	Climate Change Commission	Commissioner

Consolidated Financial Report



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Consolidated Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTE	GROUP 2025 \$000	GROUP 2024 \$000
CONTINUING OPERATIONS			
INCOME			
Revenue		140,188	139,822
TOTAL INCOME	1	140,188	139,822
EXPENSES			
Energy and utility costs		8,224	9,343
Materials and contractor payments		9,421	8,899
Salaries, wages and benefits		14,903	13,522
Administration and other costs		14,274	12,973
TOTAL EXPENSES		46,822	44,737
EARNINGS BEFORE DEPRECIATION, FINANCE COSTS AND INCOME TAX	22	93,366	95,085
DEPRECIATION	2	45,071	38,662
NET PROFIT BEFORE FINANCE COSTS AND INCOME TAX		48,295	56,423
Finance income		(121)	(227)
Finance costs	2	16,524	20,209
NET FINANCE COSTS		16,403	19,982
NET PROFIT BEFORE INCOME TAX		31,892	36,441
Income tax expense	5	10,952	10,487
NET PROFIT AFTER INCOME TAX FROM CONTINUING OPERATIONS		20,940	25,954
Net loss after income tax from discontinued operations	4	(9,147)	(12,067)
NET PROFIT AFTER INCOME TAX		11,793	13,887
ATTRIBUTABLE TO:			
Owners of the Parent		11,793	13,887
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS			
		CENTS	CENTS
Basic and diluted earnings per share from continuing operations	6	5.1	6.8
Basic and diluted earnings per share	6	2.9	3.7

The above Consolidated Income Statement is to be read in conjunction with the notes on pages 84 to 114.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2025

	GROUP 2025 \$000	GROUP 2024 \$000
NET PROFIT AFTER INCOME TAX	11,793	13,887
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to the Income Statement		
Defined benefit plan and medical scheme actuarial (loss)/gain	(1,310)	3,590
Revaluation of property, plant and equipment	-	380,509
Deferred tax	367	(77,803)
Total items that will not be reclassified to the Income Statement	(943)	306,296
Items that may be subsequently reclassified to the Income Statement		
Movement in cash flow hedge reserve	(2,953)	(4,772)
Deferred tax	827	1,336
Total items that may be subsequently reclassified to the Income Statement	(2,126)	(3,436)
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME AFTER INCOME TAX	(3,069)	302,860
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, AFTER INCOME TAX	8,724	316,747
ATTRIBUTABLE TO:		
Owners of the Parent	8,724	316,747

The above Consolidated Statement of Comprehensive Income is to be read in conjunction with the notes on pages 84 to 114.

Consolidated Balance Sheet

AS AT 31 DECEMBER 2025

	NOTE	GROUP 2025 \$000	GROUP 2024 \$000
CURRENT ASSETS			
Cash and cash equivalents		2,902	1,283
Trade and other receivables	8	21,288	15,956
Other assets	12	-	4,487
Derivative financial instruments	20	387	845
Inventories		5,052	5,440
TOTAL CURRENT ASSETS		29,629	28,011
NON-CURRENT ASSETS			
Derivative financial instruments	20	2,707	6,161
Goodwill	3	6,604	-
Intangibles	9	6,036	1,590
Property, plant and equipment	10	1,297,424	1,294,180
Other assets	12	8,427	17,315
Right-of-use assets		732	882
TOTAL NON-CURRENT ASSETS		1,321,930	1,320,128
TOTAL ASSETS		1,351,559	1,348,139
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	18,314	19,413
Derivative financial instruments	20	-	1,071
Lease liabilities		133	115
Employee benefits	14	3,261	2,791
Provisions	15	7,030	9,215
TOTAL CURRENT LIABILITIES		28,738	32,605
NON-CURRENT LIABILITIES			
Derivative financial instruments	20	369	-
Borrowings	16	334,723	299,742
Lease liabilities		702	811
Employee benefits	14	2,978	3,119
Provisions	15	72,242	69,996
Deferred tax liabilities	5	132,195	123,609
TOTAL NON-CURRENT LIABILITIES		543,209	497,277
TOTAL LIABILITIES		571,947	529,882
NET ASSETS		779,612	818,257

Consolidated Balance Sheet

AS AT 31 DECEMBER 2025

	NOTE	GROUP 2025 \$000	GROUP 2024 \$000
EQUITY			
Contributed equity	17	371,465	366,420
Revaluation reserve	10	726,482	726,482
Treasury stock		(256)	(341)
Share-based payments reserve	18	502	315
Cash flow hedge reserve	20	1,013	3,139
Retained earnings		(319,594)	(277,758)
TOTAL EQUITY		779,612	818,257

The Board of Directors of Channel Infrastructure NZ Limited authorised these financial statements for issue on 26 February 2026.

For and on behalf of the Board



J B Miller, ONZM
Chair of the Board



A M Molloy
Chair, Audit and Finance Committee

The above Consolidated Balance Sheet is to be read in conjunction with the notes on pages 84 to 114.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTE	CONTRIBUTED EQUITY \$000	REVALUATION RESERVE \$000	TREASURY STOCK \$000	SHARE- BASED PAYMENTS RESERVE \$000	CASH FLOW HEDGE RESERVE \$000	RETAINED EARNINGS \$000	TOTAL EQUITY \$000
AT 1 JANUARY 2024		318,123	422,771	(1,317)	1,081	6,575	(248,022)	499,211
COMPREHENSIVE INCOME								
Net profit after income tax		-	-	-	-	-	13,887	13,887
Other comprehensive income								
Revaluations of property, plant and equipment	10	-	380,509	-	-	-	-	380,509
Movement in cash flow hedge reserve		-	-	-	-	(4,772)	-	(4,772)
Defined benefit actuarial gain		-	-	-	-	-	3,590	3,590
Deferred tax on other comprehensive income		-	(76,798)	-	-	1,336	(1,005)	(76,467)
TOTAL OTHER COMPREHENSIVE GAIN, AFTER INCOME TAX		-	303,711	-	-	(3,436)	2,585	302,860
TRANSACTIONS WITH OWNERS OF THE PARENT								
Shares issued	17	48,297	-	-	-	-	-	48,297
Equity-settled share-based payments		-	-	-	210	-	-	210
Shares vested to employees		-	-	976	(976)	-	-	-
Dividends paid	17	-	-	-	-	-	(46,208)	(46,208)
TOTAL TRANSACTIONS WITH OWNERS OF THE PARENT		48,297	-	976	(766)	-	(46,208)	2,299
AT 31 DECEMBER 2024		366,420	726,482	(341)	315	3,139	(277,758)	818,257

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTE	CONTRIBUTED EQUITY \$000	REVALUATION RESERVE \$000	TREASURY STOCK \$000	SHARE- BASED PAYMENTS RESERVE \$000	CASH FLOW HEDGE RESERVE \$000	RETAINED EARNINGS \$000	TOTAL EQUITY \$000
AT 1 JANUARY 2025		366,420	726,482	(341)	315	3,139	(277,758)	818,257
COMPREHENSIVE INCOME								
Net profit after income tax		-	-	-	-	-	11,793	11,793
Other comprehensive income								
Movement in cash flow hedge reserve		-	-	-	-	(2,953)	-	(2,953)
Defined benefit actuarial loss		-	-	-	-	-	(1,310)	(1,310)
Deferred tax on other comprehensive income		-	-	-	-	827	367	1,194
TOTAL OTHER COMPREHENSIVE LOSS, AFTER INCOME TAX		-	-	-	-	(2,126)	(943)	(3,069)
TRANSACTIONS WITH OWNERS OF THE PARENT								
Shares issued	17	5,045	-	-	-	-	-	5,045
Equity-settled share- based payments		-	-	-	272	-	-	272
Shares vested to employees		-	-	85	(85)	-	-	-
Dividends paid	17	-	-	-	-	-	(52,686)	(52,686)
TOTAL TRANSACTIONS WITH OWNERS OF THE PARENT		5,045	-	85	187	-	(52,686)	(47,369)
AT 31 DECEMBER 2025		371,465	726,482	(256)	502	1,013	(319,594)	779,612

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the notes on pages 84 to 114.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTE	GROUP 2025 \$000	GROUP 2024 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		139,121	148,749
Payment for supplies and expenses		(35,187)	(46,092)
Payments to employees		(14,822)	(17,957)
Interest received		121	227
Interest paid		(14,976)	(20,018)
Income tax paid		96	(21)
NET CASH INFLOW FROM OPERATING ACTIVITIES		74,353	64,888
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiary, net of cash acquired		(17,141)	-
Proceeds from sale of legacy platinum		7,825	3,533
Payments for property, plant and equipment		(50,118)	(52,616)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(59,434)	(49,083)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and borrowings	16	34,438	33,500
Repayment of subordinated notes	16	-	(54,901)
Proceeds from Equity issuance	17	-	48,297
Lease payments		(97)	(80)
Dividends paid	17	(47,641)	(46,208)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(13,300)	(19,392)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,619	(3,587)
Cash and cash equivalents at the beginning of the year		1,283	4,870
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		2,902	1,283

The above Consolidated Cash Flow Statement is to be read in conjunction with the notes on pages 84 to 114.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Reporting Entity

Channel Infrastructure NZ Limited ('Parent', 'Company' or 'Channel Infrastructure') is a profit-oriented company registered under the Companies Act 1993 and an FMC Reporting Entity for the purposes of the Financial Markets Conduct Act 2013. The Company is domiciled and incorporated in New Zealand.

The Company's ordinary shares are quoted under the ticker CHI on the NZX Main Board Equity Market ('NZX Main Board') and as a Foreign Exempt Listing on the Australian Securities Exchange operated by ASX Limited. The Company's corporate bonds (ticker CHI020 and CHI030) are quoted on the NZX Debt Market.

These consolidated financial statements ('financial statements') comprise Channel Infrastructure together with its subsidiaries ('the Group'). Subsidiaries are all entities over which the Group has control and include Channel Terminal Services Limited, Independent Petroleum Laboratory Limited and Channel Infrastructure Australia Pty Ltd.

Basis of Preparation

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

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

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

Consideration of climate change

In preparing these financial statements the Group has considered the impact that climate change and the

transition to a low carbon economy may have on the business.

The impact of climate change has been considered in determining the fuels demand outlook assumption used in the valuation of the Import Terminal System (refer to Note 10 for further details) and also in the assessment of future taxable profits used to support the recoverability of tax losses.

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

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

- the use of its existing infrastructure to store and transport current and lower-carbon future fuels without the need for capital expenditure, and
- the repurposing of existing infrastructure for lower-carbon fuel production (refer to Note 10 for details of potential arrangements).

Further information on climate-related risks and opportunities are presented in the Company's 2025 Sustainability Report.

Use of Judgements and Estimates

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

- **Fair value of property, plant and equipment** – the Group adopts the fair value model as the measurement base for property, plant and equipment (refer to Note 10 for further details).
- **Assets held for sale** – the Group continues to report decommissioned refinery assets that are subject to a conditional sale agreement, as property, plant and equipment, rather than as assets held for sale. (Refer to Note 10 for further details).
- **Provisions** – the Group continues to recognise several provisions in relation to the conversion of the refinery

into a dedicated fuels import terminal operation (refer to Note 15 for further details).

- **Recoverability of tax losses** – the Group's accumulated tax losses amount to \$374 million at 31 December 2025. A deferred tax asset in respect of these unutilised tax losses is recognised, having regard to the Shareholder Continuity Test and an assessment of future taxable profits available against which the tax losses can be recovered.
- **Discontinued operations** – the Group continues to present the results from discontinued operations associated with the refining operations which ceased in March 2022 (refer to Note 4 for further details).

Material Accounting Policies

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

Accounting standards not yet effective

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

Segment reporting

The Group operates in one reportable segment, Infrastructure, which comprises the fuels import terminal system based at Marsden Point (including jetty infrastructure at Marsden Point, storage tanks, and the Marsden Point to Auckland pipeline), the Somerton pipeline (25% interest acquired on 28 November 2025), and fuel testing laboratories. The Group operates in New Zealand and Australia.

1 Income

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

	GROUP 2025 \$000	GROUP 2024 \$000
CONTINUING OPERATIONS		
Import terminal fees	110,434	110,352
Contracted storage	20,298	17,325
Laboratory testing	5,624	5,090
Wiri lease and other revenue	3,832	7,055
TOTAL REVENUE FROM CONTINUING OPERATIONS	140,188	139,822
DISCONTINUED OPERATIONS		
Revenue	323	183
TOTAL REVENUE FROM DISCONTINUED OPERATIONS	323	183
TOTAL REVENUE	140,511	140,005

Major customers

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

	GROUP 2025 \$000	GROUP 2024 \$000
Major customer A	57,996	52,984
Major customer B	42,466	41,937
Major customer C	32,950	34,817

2 Expenses

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

Auditor's fees

	GROUP 2025 \$000	GROUP 2024 \$000
Auditor's fees comprises:		
Audit of financial statements	329	297
Review of interim financial statements	65	-
Reimbursement of travel and accommodation	13	13
Other assurance services:		
Greenhouse gas inventory assurance	52	69
Agreed upon procedures:		
Agreed upon procedures - interim reporting	-	20
Agreed upon procedures - assessing AGM votes cast	-	10
AUDITOR'S FEES	459	409

Finance costs

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

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

	GROUP 2025 \$000	GROUP 2024 \$000
Interest on bank borrowings and related interest rate swaps ¹	3,891	5,704
Interest on subordinated notes	-	522
Interest on bonds and related interest rate swaps	12,733	12,724
Fair value hedge adjustment on bond	(106)	754
Interest on lease liabilities	21	26
Unwinding of discount rates and changes in discount rates on provisions	493	479
Interest capitalised on qualifying assets	(508)	-
TOTAL FINANCE COSTS	16,524	20,209

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

Depreciation

	GROUP 2025 \$000	GROUP 2024 \$000
Depreciation on Property, Plant and Equipment	43,883	38,106
Depreciation on Right-to-Use Assets	132	83
Amortisation	86	228
Loss on disposal of Property, Plant and Equipment	970	245
DEPRECIATION CHARGE	45,071	38,662

3 Somerton Pipeline Acquisition

On 28 November 2025 the Group acquired 100% of the shares in DIF CIF I Australia Pty Ltd, subsequently renamed Channel Infrastructure Somerton Pty Ltd. Channel Infrastructure Somerton Pty Ltd holds a 25% interest in the Somerton Pipeline Joint Venture ('Somerton Pipeline JV') through its wholly owned subsidiary CM Somerton Pty Ltd.

The 34km Somerton jet fuel pipeline forms part of the only jet fuel pipeline supply chain servicing Melbourne Airport.

The acquisition aligns with the Channel's strategy to grow inorganically whilst enhancing the quality of the Group's existing asset portfolio and expanding the Group's footprint in liquid fuels growth markets.

The Somerton Pipeline JV is an unincorporated joint venture, governed by a Participants Agreement. The governance and decision-making arrangements in the Participants Agreement provide the joint venture participants with joint control of the Somerton Pipeline JV. From the date of acquisition Channel has recognised its share of assets held jointly and liabilities incurred jointly, and its share of the revenue earned by Somerton Pipeline JV and its share of expenses incurred jointly.

The identifiable assets and liabilities acquired are measured at fair value at the date of acquisition, with any difference between the consideration paid and the value of the net identifiable assets (or liabilities) acquired, recognised as goodwill.

Due to the timing of the acquisition relative to the reporting date, provisional amounts have been recognised for the fair value of certain identifiable assets and liabilities including the 25% interest in Somerton Pipeline JV and intangible assets. These provisional amounts may be adjusted during the measurement period (not exceeding 12 months) as further information becomes available about facts and circumstances that existed at the acquisition date.

An independent valuer, Deloitte Australia, has been appointed to determine the fair value of the acquired identifiable assets and liabilities. The provisional amounts have been determined as follows:

- The fixed assets have been valued on a Depreciated Replacement Cost approach considering a modern equivalent asset. The key inputs and assumptions that are used in measuring the fair value include the discount rate, the effective useful life of the asset, and the current operational use and functional requirements.
- The customer relationships have been valued by applying the multi-period excess earnings method, which calculates the present value of the incremental cash flows attributable only to that asset. The key inputs and assumptions that are used in measuring the fair value include the notional attrition rate, the discount rate and forecast cash flows.

The following table shows the provisional amounts of the acquisition date fair values of the assets acquired and liabilities assumed at the date of acquisition:

Acquired assets / (liabilities)	Acquisition date fair value NZ\$000's
Cash	102
Distribution receivable from Somerton Pipeline JV	788
25% interest in Somerton Pipeline	6,593
Intangible assets	4,497
Provision for income tax	8
Deferred tax	(1,349)
Total identifiable assets / (liabilities) at fair value	10,639

Goodwill arising from the acquisition has been recognised as follows:

	NZ\$000's
Consideration paid (cash)	17,243
Total identifiable assets / (liabilities) at fair value	10,639
Goodwill	6,604

Goodwill is mainly attributable to the rights to future income through the existing Joint Venture participation agreement, the reliability of the joint venture operator and the other joint venture participants, and anticipated

organic growth in total jet fuel market for Melbourne Airport through airline route development, population growth and a planned third runway.

For the period from 28 November 2025 to 31 December 2025, the Somerton Pipeline JV acquisition contributed revenue of NZ\$181,000 and a net loss after tax of NZ\$804,000 to the Group's results, which includes acquisition related costs of \$865,000 that are recognised in Administration and other costs in the Income Statement for the year ended 31 December 2025.

If the acquisition had occurred on 1 January 2025, the estimated impact on consolidated revenue and net profit after tax for the year ended 31 December 2025, excluding acquisition related costs, would have been NZ\$2,375,000 and NZ\$920,000 respectively. In determining these amounts, it is assumed that the fair value adjustments that arose on the date of acquisition would have been materially the same if the acquisition had occurred on 1 January 2025.

4 Discontinued Operations

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

The results from discontinued operations include revenue from scrap metal and redundant equipment sales and on-going costs associated with ceasing refining operations, including retiree medical scheme and defined benefit plan costs and costs associated with the sale of the decommissioned refining plant.

Disposals relate to legacy capitalised project costs that are no longer expected to be completed and brought into service.

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

Revaluation of assets relates to the change in fair value of the decommissioned refining plant (refer to note 10 for further details).

	NOTE	GROUP 2025 \$000	GROUP 2024 \$000
INCOME			
Revenue	1	323	183
TOTAL INCOME		323	183
EXPENSES			
Salaries, wages and benefits		215	530
Administration and other costs		884	3,228
TOTAL EXPENSES		1,099	3,758
NET LOSS BEFORE DISPOSALS, CONVERSION COSTS, ASSET REVALUATION, FINANCE COSTS AND INCOME TAX		(776)	(3,575)
Disposals		3,542	-
Conversion costs		4,483	3,314
Revaluation of assets - net revaluation loss	10	2,500	7,000
TOTAL DISPOSALS, CONVERSION COSTS AND ASSET REVALUATION LOSS		10,525	10,314
NET LOSS BEFORE FINANCE COSTS AND INCOME TAX		(11,301)	(13,889)
Finance costs		349	1,641
NET FINANCE COSTS		349	1,641
NET LOSS BEFORE INCOME TAX		(11,650)	(15,530)
Income tax (income)		(2,503)	(3,463)
NET LOSS AFTER INCOME TAX		(9,147)	(12,067)

	2025 \$000	2024 \$000
CASH FLOWS FROM / (USED IN) DISCONTINUED OPERATIONS		
Net cash used in operating activities	(4,989)	(9,601)
Net cash from investing activities	7,825	3,533
Net cash used in financing activities	-	-
NET CASH FLOWS FROM DISCONTINUED ACTIVITIES FOR THE PERIOD	2,836	(6,068)

5 Taxation

(a) Income tax expense

	GROUP 2025 \$000	GROUP 2024 \$000
CONTINUING OPERATIONS		
Net profit before income tax expense	31,892	36,441
Tax at the New Zealand corporate income tax rate of 28% (2024: 28%)	8,930	10,203
Tax effect of amounts which are either non-deductible or taxable in calculating taxable income:		
Income not assessable for tax	-	-
Expenses not deductible for tax	322	53
Adjustments in respect of current income tax in respect of previous years	1,679	202
Other	21	29
INCOME TAX EXPENSE	10,952	10,487
Represented by:		
Current tax expense	19	20
Deferred tax recognised in the income statement	10,933	10,467
INCOME TAX EXPENSE	10,952	10,487

(b) Deferred tax

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

	NET DEFERRED TAX ASSET / (LIABILITY) 1 JAN 2025 \$000	RECOGNISED IN PROFIT OR LOSS \$000	RECOGNISED IN OTHER COMPREHENSIVE INCOME \$000	RECOGNISED ON ACQUISITION \$000	NET DEFERRED TAX ASSET / (LIABILITY) 31 DEC 2025 \$000	DEFERRED TAX ASSET \$000	DEFERRED TAX LIABILITY \$000
Property, plant and equipment	(270,211)	5,162	-	-	(265,049)	-	(265,049)
Provisions	23,222	(515)	-	-	22,707	22,707	-
Employee benefits	593	(115)	367	-	845	845	-
Financial instruments	(1,575)	-	827	-	(748)	-	(748)
Intangibles	-	-	-	(1,349)	(1,349)	-	(1,349)
Right-of-use assets and leases	(160)	72	-	-	(88)	-	(88)
Inventory	6,114	-	-	-	6,114	6,114	-
Supplementary dividend credits	659	-	-	-	659	659	-
Tax losses	117,749	(13,035)	-	-	104,714	104,714	-
TOTAL	(123,609)	(8,431)	1,194	(1,349)	(132,195)	135,039	(267,234)

The Group generated significant tax losses through the conversion to an import terminal and has unused tax losses of \$374 million (2024: \$421 million) available to carry forward. A deferred tax asset in respect of these unutilised tax losses is recognised, having regard to the Shareholder Continuity Test and an assessment of future taxable profits available against which the tax losses can be recovered.

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

6 Earnings Per Share

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

		TOTAL 2025	TOTAL 2024
Profit after tax from continuing operations attributable to shareholders of the Company	(\$000)	20,940	25,954
Loss after tax from discontinued operations attributable to shareholders of the Company	(\$000)	(9,147)	(12,067)
Profit after tax attributable to shareholders of the Company	(\$000)	11,793	13,887
Weighted average number of shares on issue	000's	410,377	380,198
BASIC AND DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	Cents	5.1	6.8
BASIC AND DILUTED EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS	Cents	(2.2)	(3.2)
BASIC AND DILUTED EARNINGS PER SHARE	Cents	2.9	3.7

7 Cash and Cash Equivalents

The Group's cash and cash equivalents comprise cash held on deposit at banks.

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

	GROUP 2025 \$000	GROUP 2024 \$000
NET PROFIT AFTER INCOME TAX	11,793	13,887
Adjusted for non-cash transactions:		
Depreciation and disposal costs	48,613	38,662
Revaluation of assets	2,500	7,000
Movement in deferred tax	6,083	83,471
(Less)/add movement in deferred tax on items included in other comprehensive income or recognised on acquisition	(155)	(76,467)
Movement in provisions	61	(6,818)
Less (increase)/decrease in provisions relating to property, plant and equipment	-	1,307
Employee share scheme entitlement	272	210
Decrease in intangibles	-	195
Interest and other non-cash movements	736	(2,895)
Adjusted for movements in working capital items		
(Increase)/decrease in trade and other receivables	(57)	10,038
(Increase)/decrease in other assets	8,888	(3,688)
Less non cash portion	(751)	(4,289)
Increase/(decrease) in trade and other payables	(1,107)	(704)
Less increase/(decrease) in trade and other payables relating to property, plant and equipment and intangibles	(1,987)	1,525
Decrease/(increase) in employee benefits liabilities	329	(190)
Less employee entitlements included in other comprehensive income	(1,310)	3,590
(Increase)/decrease in income tax receivable	57	(20)
(Increase)/decrease in inventories	388	74
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	74,353	64,888

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

8 Trade and Other Receivables

	GROUP 2025 \$000	GROUP 2024 \$000
Trade receivables	14,315	13,434
Other receivables and prepayments	6,973	2,522
TOTAL TRADE AND OTHER RECEIVABLES	21,288	15,956

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

Other receivables includes \$3.8 million held in the Employment Court's trust account, to be returned to the Company following the Employment Court's judgment in relation to a claim that the Group incorrectly calculated redundancy compensation payments. The amount is to be returned to the Company following its successful appeal (on certain matters) of the Employment Relations Authority's determination that the Group incorrectly calculated redundancy compensation payments (refer Note 12 for further details).

9 Intangibles

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

Intangible assets comprise the following:

- \$1.5 million (2024: \$1.6 million) relating to the cost of renewing the Marsden Point resource consents in 2021. The costs are amortised on a straight-line basis over the 35-year consent period.
- \$4.5 million (2024: nil) relating to customer contracts recognised on acquisition of the 25% share of the Somerton Pipeline Joint Venture in November 2025. The costs are amortised on a straight-line basis over 22 years.

10 Property, Plant and Equipment

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

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

Revaluations

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

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

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

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

Depreciation

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

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

	UNUTILISED LAND \$000	DECOMMISSIONED REFINING PLANT \$000	IMPORT TERMINAL SYSTEM \$000	CAPITAL WORK IN PROGRESS \$000	TOTAL \$000
AT 1 JANUARY 2024					
Assets at revalued amount	15,619	28,800	845,776	-	890,195
Assets at cost	-	-	-	51,505	51,505
Accumulated depreciation and impairment losses	-	-	(35,340)	-	(35,340)
NET BOOK AMOUNT	15,619	28,800	810,436	51,505	906,360
YEAR ENDED 31 DECEMBER 2024					
Opening net book value	15,619	28,800	810,436	51,505	906,360
Additions	-	-	-	54,440	54,440
Disposals	-	-	(1,215)	(808)	(2,023)
Depreciation charge	-	-	(38,106)	-	(38,106)
Transfers	-	-	68,827	(68,827)	-
Revaluation	106,230	(7,000)	274,279	-	373,509
CLOSING NET BOOK AMOUNT	121,849	21,800	1,114,221	36,310	1,294,180
AT 31 DECEMBER 2024					
Assets at revalued amount	121,849	21,800	1,114,221	-	1,257,870
Assets at cost	-	-	-	36,310	36,310
Accumulated depreciation	-	-	-	-	-
NET BOOK AMOUNT	121,849	21,800	1,114,221	36,310	1,294,180
YEAR ENDED 31 DECEMBER 2025					
Opening net book value	121,849	21,800	1,114,221	36,310	1,294,180
Additions	-	-	20,665	23,481	44,146
Acquisition	-	-	6,593	-	6,593
Disposals	-	-	(1,112)	-	(1,112)
Depreciation charge	-	-	(43,883)	-	(43,883)
Transfers	-	-	9,253	(9,253)	-
Revaluation	-	(2,500)	-	-	(2,500)
CLOSING NET BOOK AMOUNT	121,849	19,300	1,105,737	50,538	1,297,424
AT 31 DECEMBER 2025					
Assets at fair value	121,849	19,300	1,159,632	-	1,300,781
Assets at cost	-	-	-	50,538	50,538
Accumulated depreciation	-	-	(53,895)	-	(53,895)
NET BOOK AMOUNT	121,849	19,300	1,105,737	50,538	1,297,424

During the year the Group has capitalised borrowing costs amounting to \$0.5 million (2024: nil) on qualifying assets. Borrowing costs were capitalised at the weighted average rate of its general borrowings of 5.1%.

Revaluation reserve

The movements in the revaluation reserve is shown below.

	GROUP 2025 \$000	GROUP 2024 \$000
Balance at 1 January	726,482	422,771
Revaluation of the ITS	-	274,279
Deferred tax on revaluation of the ITS	-	(76,798)
Revaluation of Land	-	106,230
Deferred tax on revaluation of Land	-	-
Balance at 31 December	726,482	726,482

The carrying amount of the import terminal system and land that would be recognised under the cost model is \$344.2 million and \$4.6 million respectively (31 December 2024: ITS \$306.0 million; land \$4.6 million). The carrying amount of the decommissioned refining plant that would be recognised under the cost model is \$19.3 million (31 December 2024: \$21.8 million).

Revaluation of the Import Terminal system

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

The fair value of the ITS excludes the unutilised land, the residual value of the decommissioned refining plant and the revenue from tanks that require additional growth capex as at the valuation date, including the 10-year jet fuel storage contract with Z Energy (announced in August 2024) and the contract to develop a bitumen import terminal for Higgins (announced in November 2024).

The key assumptions used in the ITS valuation include the September 2024 Envisory fuel demand forecasts, forecast import terminal fees, forecast operational and capital expenditure, and discount rates. A review of the key inputs used in the 2024 valuation, updated to 31 December 2025 indicates that there has been no material change in the fair value of the import terminal assets at 31 December 2025.

Assumptions underpinning the ITS valuation

The key assumptions used in the FY24 ITS valuation are described below.

- **Fuel demand outlook.** Demand outlooks were formulated by Envisory, a third party oil and gas market expert, and are consistent with the outlook published on Channel's website (www.channelnz.com). The forecast reflects the political consensus to make progress towards net-zero emissions by 2050, national fuels volume forecast, Channel's market share and Auckland Airport demand data. For the ITS valuation, the 2060 demand forecast is considered "steady-state" with volumes assumed flat thereafter. The jet fuel forecast has the most significant impact on the valuation and the broadest range of forecast outcomes. In the review of key inputs at 31 December 2025, the fuel demand outlook for FY26 was updated to reflect managements estimate of jet fuel demand for the 2026 financial year.
- **Import terminal fees.** Terminal fees were estimated based on the fuel demand outlooks, and the pricing that is consistent with Terminal Services Agreements ("TSA") and Contracted Storage Agreements agreed with the customers, and subject to a PPI escalation. Approximately 50% of Channel's current revenue is fixed and independent of fuel volume. The current TSA's are forecast to roll-over at the expiry date in August 2042. Each of the existing storage contracts are forecast to roll-over at their respective expiry, indexed at PPI. Contracted storage tanks that require additional growth capex as at the valuation date have not been included in the valuation. In the review of key inputs at 31 December 2025 there were no changes to these assumptions.

- **Long term growth rate (PPI).** The long term inflation rate adopted in the ITS valuation is 2%. In the review of key inputs at 31 December 2025 there was no change to this assumption.
- **Discount rate.** The nominal post-tax weighted average cost of capital was estimated to be in a range of 6.5% to 7.5%, with the mid-point estimate of 7.0%. In the review of key inputs at 31 December 2025 there was no change to this assumption.

Other assumptions used in the FY24 ITS valuation include:

- **Operating costs and capital spend.** Operating costs and capital spend associated with the fuel only import terminal operation are consistent with Channel's current cost structure, subject to inflationary increase in the longer-term. Cash flows used for the ITS valuation exclude those conversion costs that are related to refining assets and the winding up of refining operations. Capital spend on growth projects has been excluded.
- **Terminal value.** The cashflow forecasts were extended beyond FY60 until the incremental annual free cash flows are de minimis after discounting. The forecast extension beyond FY60 included a replacement level of capex.
- **Tax amortisation benefit.** In a well-structured, competitive sales process, an acquirer would ascribe full value to the higher depreciable tax base of the property, plant and equipment in an asset acquisition. The tax amortisation benefit included in FY24 valuation is \$146 million. In the review of key inputs at 31 December 2025 the tax amortisation benefit was \$141 million.

Sensitivity analysis

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

	Change in value of assumption	Valuation impact (\$million)	
Jet fuel volume	Faster / slower transition to a low carbon emissions economy	-154	+153
Long term growth rate (FY26 onwards)	+0.5%	N/A	+154
Discount rate	+/-0.5%	-77	+90

Revaluation of unutilised land

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

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

A review of recent market activity updated to December 2025 indicates that there has been no material change in the fair value of the unutilised land at 31 December 2025.

Valuation inputs and sensitivity

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

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

Revaluation of decommissioned refining plant

The fair value of the refining plant is primarily based on an estimate of the quantity (tonnes) of ferrous and non-ferrous materials embedded in the refining plant and an estimate of scrap metal prices for the expected grade quality of the materials.

The quantity of ferrous and non-ferrous materials is estimated based on industry norms, and the scrap metal prices are estimated based on market pricing provided by a local (New Zealand) scrap metal merchant. The most recent pricing was provided in December 2025.

The fair value of the decommissioned refining plant was updated at December 2025 to reflect changes in scrap metal prices. This resulted in recognition of a impairment of \$2.5 million in discontinued operations.

Valuation inputs and sensitivity

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

Assumption	Value used	Sensitivity	Valuation impact (\$million)	
Quantity of metals	58,927 tonnes	+/-10%	+1.9	-1.9
Metals commodity prices	\$328 per tonne	+/-10%	+1.9	-1.9

Conditional agreements for sale of decommissioned assets

On 8 July 2023, the Company entered into an Asset Sale Agreement (ASA) with US-based Seadra Energy Incorporated (Seadra), granting Seadra an option to purchase certain decommissioned assets from the hydrocracking complex (part of the former refinery) for US\$33.875 million. Channel has received US\$4.7 million in option payments (recognised as deferred income, refer to Note 13).

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

Non-current assets are classified by the Group as assets held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable within 12 months. Due to the challenges of developing technically feasible and financially viable projects involving second-hand refining plant globally, and specifically noting the agreement with Seadra is conditional, the decommissioned assets subject to the PDA have not been classified as assets held for sale at 31 December 2025.

11 Contractual Commitments

The Group has contractual obligations to purchase assets and complete capital project works relating to the development of a bitumen import terminal for Higgins, the extension of an additional storage contract and critical infrastructure upgrades including the relocation of the control room. At 31 December 2025 contractual commitments amounted to \$43 million (31 December 2024: \$29 million).

12 Other Assets

	GROUP 2025			GROUP 2024		
	CURRENT \$000	NON-CURRENT \$000	TOTAL \$000	CURRENT \$000	NON-CURRENT \$000	TOTAL \$000
Investment properties	-	5,300	5,300	-	5,100	5,100
Defined benefit pension plan	-	3,127	3,127	-	3,490	3,490
Platinum	-	-	-	-	8,725	8,725
Security deposit	-	-	-	4,487	-	4,487
TOTAL	-	8,427	8,427	4,487	17,315	21,802

Platinum

During the year the platinum reclamation process was completed, utilising \$0.7 million of the Demolition and Restoration provision (refer Note 15), and the platinum sold, generating net proceeds of \$7.6 million. In addition, the foreign exchange forward contract and commodity price hedge associated with this transaction matured.

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

Security Deposit

In August 2024, the Employment Relations Authority (the Authority) issued its determination in relation to a claim that the Group incorrectly calculated redundancy compensation payments, finding in favour of the former employees. The Company appealed the Authority's determination to the Employment Court. As part of the appeal process the Company was required to pay \$4.5 million into the Employment Court, representing the best estimate of the amount of the Authority's determination, to be held on trust pending the outcome of the appeal.

The Employment Court issued its judgment in December 2025, finding that the Authority erred in its determination on certain matters. The amount to be returned to the Company (\$3.8 million) is recognised as a receivable at 31 December 2025 (refer to Note 8).

Investment Properties

Investment properties are recognised at fair value. To determine fair value, investment property valuation movements are assessed annually by a qualified independent valuer. The investment property is revalued by a qualified independent valuer at least every three years or more frequently if the annual assessment indicates a material movement in fair value of the property. Gains and losses from changes in fair value are recognised in the Consolidated Income Statement.

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

Defined benefit pension plan

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

13 Trade and Other Payables

	GROUP 2025 \$000	GROUP 2024 \$000
Trade payables	8,767	9,831
Goods and services tax payable	1,311	1,381
Deferred income	7,696	7,576
Revenue received in advance	540	625
TOTAL TRADE AND OTHER PAYABLES	18,314	19,413

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

Deferred income includes option payments totalling US\$4.7 million (2024: US\$4.7 million), received from Seadra Energy Incorporated ("Seadra") for an option to purchase certain decommissioned assets. The option payments will be recognised in the income statement when the decommissioned assets are sold, or in the event Seadra does not exercise its purchase option. Refer to Note 10 for further information.

14 Employee Benefits

Liabilities for employee benefits comprise the following:

	CURRENT	2025 NON-CURRENT	TOTAL	CURRENT	2024 NON-CURRENT	TOTAL
	\$000	\$000	\$000	\$000	\$000	\$000
Defined benefit pension plan	-	-	-	-	-	-
Medical plan	185	2,978	3,163	184	3,119	3,303
Wages, salaries, annual leave and sick leave	3,076	-	3,076	2,607	-	2,607
TOTAL	3,261	2,978	6,239	2,791	3,119	5,910

Defined benefit pension plan

The Group contributes to a defined benefit pension fund which has been closed to new members since 2002. As at 31 December 2025 there is one active member contributing to the Plan (2024: 1). In addition, there are 74 pensioner members (2024: 88).

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

The latest triennial actuarial review, completed as at 31 March 2025, reported an actuarial surplus (actuarial value of assets was greater than the present value of accrued benefits using expected investment returns). In 2025 the Group contributed \$0.4 million to cover the administration expenses of the Plan and fund the benefit of the remaining members (2024: \$0.3 million).

During the year, the pensioners were offered the opportunity to cash-out their pension entitlements. Eleven pensioners requested 100% commutation of their pension with a further two pensioners requesting a 50% commutation. The total commutations were \$3.2 million and payment was made in December 2025.

The net amount of the fund assets less the present value of the defined benefit obligation is recognised in the statement of financial position. This is calculated annually by independent actuaries using the projected unit credit method with present value of the estimated future cash outflows using interest rates of Government bonds (rather than expected investment returns). At 31 December 2025 the net amount recognised by the Group is an asset (refer Note 12). The modified duration of the defined benefit liability was approximately nine years (2024: nine years).

Medical plan

The Group pays health insurance premiums in respect of six beneficiaries (2024: seven) until their death. This scheme was closed in 1996 and has not been offered to new employees since. The medical plan is accounted for in a similar manner to the defined benefit plan outlined above, with an accounting valuation performed by an independent actuary at 31 December each year. Expected contributions to the medical plan in 2026 are \$0.2 million (actual contribution in 2025: \$0.2 million).

15 Provisions

Provisions are liabilities of uncertain timing and amount, recognised where the Group has an obligation (legal or constructive) whose settlement will require an outflow of resources and can be reliably measured. All provisions are recognised in amounts reflecting the present value of future expected cash outflows. In estimating the provisions, the Group assumed a long-term inflation rate of 2.2% (2024: 1.9%) and discount rates between 2.5% and 5.2% (2024: between 3.6% and 5.1%).

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

	SHUT DOWN AND DECOMMISSIONING \$000	DEMOLITION AND RESTORATION \$000	WORKFORCE AND OTHER PROVISIONS \$000	TOTAL \$000
AT 1 JANUARY 2025	8,300	70,911	-	79,211
Additions – conversion related	-	5,376	-	5,376
Utilisation	(1,774)	(1,592)	-	(3,366)
Disposal	(4,587)	(59)	-	(4,646)
Adjustment for change in discount rate	666	1,189	-	1,855
Finance costs	(1,110)	1,952	-	842
AT 31 DECEMBER 2025	1,495	77,777	-	79,272
Current	-	7,030	-	7,030
Non-current	1,495	70,747	-	72,242

The provisions relate to:

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

Utilisation of the Demolition and restoration provision includes \$0.7 million relating to platinum reclamation (refer to Note 12).

16 Borrowings

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

At 31 December 2025 the Group has total debt funding facilities available of \$438.1 million (31 December 2024: \$435.0 million), represented by \$215.0 million NZD bank facilities, A\$20.0 million AUD bank facilities and \$200.0 million NZD retail bonds.

The Group borrows under a Common Terms Deed which requires the Group to maintain an Interest Rate Ratio of at least 2.5 to 1, and a Gearing Ratio of not more than 55% at each reporting date (30 June and 31 December). The Group was in compliance with these financial undertakings at the end of, and in respect of, the years ended 31 December 2024 and 31 December 2025.

The borrowings are unsecured.

At 31 December 2025 the average tenor is 3.6 years (31 December 2024: 4.2 years).

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

At 31 December 2025, the fair value of the CHI020 retail bond is \$102.9 million compared to its carrying amount of \$100.0 million. The fair value is based on the quoted market price at 31 December 2025 and is classified as Level 1 in the fair value hierarchy as described in Note 20.

At 31 December 2025, the fair value of the CHI030 retail bond is \$107.7 million compared to its carrying amount of \$101.8 million. The CHI030 retail bond (\$100 million, maturing in November 2029) is subject to a fair value hedge for a notional amount of \$50 million maturing in May 2027. The fair value is based on the quoted market price at 31 December 2025, adjusted for effective changes in the fair value of the hedging instrument and is classified as Level 2 in the fair value hierarchy as described in Note 20.

The table below outlines the maturity profile of the facilities as at 31 December 2025:

		GROUP 2025 \$000	GROUP 2024 \$000
	MATURITY DATE		
BORROWINGS			
Non-current borrowings:			
Revolving cash advances	Nov-30	132,938	98,500
Retail bonds - CHI020 (5.8%) ¹	May-27	100,028	99,596
Retail bonds - CHI030 (6.75%) ¹	Nov-29	101,757	101,646
Total non-current borrowings		334,723	299,742
TOTAL BORROWINGS		334,723	299,742
UNDRAWN FACILITIES			
Revolving cash advances	Nov-27	-	30,000
Revolving cash advances	Nov-28	30,000	-
Revolving cash advances	Nov-29	35,000	106,500
Revolving cash advances	Nov-30	40,207	-
TOTAL UNDRAWN BORROWING FACILITIES		105,207	136,500

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

	GROUP 2025 \$000	GROUP 2024 \$000
NET DEBT		
Total Borrowings	334,723	299,742
Less: Fair value adjustment	(1,912)	(2,018)
Less: Cash and cash equivalents	(2,902)	(1,283)
NET DEBT	329,909	296,441

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

	GROUP 2025 \$000	GROUP 2024 \$000
Opening borrowings	299,742	320,622
Proceeds from loans and borrowings	34,438	33,500
Repayment of subordinated notes	-	(54,901)
Non-cash movements	543	521
CLOSING BORROWINGS	334,723	299,742

17 Equity and Dividends

Capital management

The Group's capital management framework is to maintain a capital structure mix of shareholders' equity and debt that maintains investor, creditor and market confidence, and supports its growth strategy. The capital management framework includes a dividend policy of paying 70–90% of normalised free cash flow and maintaining credit metrics consistent with a BBB/BBB+ shadow credit rating.

Contributed Equity. The issued capital of the Company at 31 December 2025 is represented by 412,198,231 issued and fully paid ordinary shares (2024: 410,004,702). All ordinary shares rank equally with one vote attached to each share. The shares have no par value.

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

Issued and fully paid capital	2025		2024	
	\$000	Number of shares	\$000	Number of shares
At 1 January	366,420	410,004,702	318,123	378,756,041
Shares issued under the dividend reinvestment plan	5,045	2,193,529	-	-
Shares issued on 3 December 2024 at an issue price of \$1.60 per share (institutional offer)	-	-	22,470	14,043,840
Shares issued on 16 December 2024 at an issue price of \$1.60 per share (retail entitlement offer)	-	-	27,528	17,204,821
Offer costs	-	-	(1,701)	-
At 31 December	371,465	412,198,231	366,420	410,004,702

Treasury stock. Treasury stock represents the value of shares acquired on-market by CRS Nominees Limited in respect of the Employee Share Purchase Scheme. At 31 December 2025 CRS Nominees Limited held 197,576 treasury shares (2024: 276,494).

Reserves

Revaluation reserve. Revaluation reserve represents an accumulated revaluation gain on property, plant and equipment valued at fair value (refer to Note 10 for further details).

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

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

Dividends

Dividends	2025		2024	
	\$000	cents per share	\$000	cents per share
2023 special dividend	-	-	5,681	1.50
2023 final dividend	-	-	23,862	6.30
2024 interim dividend	-	-	16,665	4.40
2024 final dividend	27,061	6.60	-	-
2025 interim dividend	25,625	6.25	-	-
Dividends distributed	52,686	12.85	46,208	12.20
Less dividends reinvested				
2025 interim dividend	(5,045)		-	
Dividends paid	47,641		46,208	

Dividend reinvestment plan

During the year the Board established a dividend reinvestment plan (DRP). The DRP provides shareholders with the opportunity to reinvest all or part of the net proceeds of their cash dividend into additional fully paid Channel shares. For each dividend declared, the Board will determine whether the DRP will apply, the period over which the market price is calculated, and whether a discount to the market price will apply.

The DRP was applicable for the 2025 interim dividend, with a 1% discount to the market price.

Dividends Declared

On 26 February 2026, the Directors approved the payment of the final dividend of 6.75 cents per share. The dividends will not be imputed and are expected to be paid on 26 March 2026.

The shareholder continuity requirement for imputation purposes was breached in December 2023. As at 31 December 2025, imputation credits available to shareholders are \$49,000 (2024: \$64,000).

18 Share-based payments

The Group operates the following share schemes:

Employee Share Purchase Scheme (ESS)

The Scheme qualifies as an "Exempt ESS" under section CW26C of the Income Tax Act 2007 and is classified for accounting purposes as equity-settled transactions. In 2025 Eligible employees were offered in total \$1,200 worth of shares each. In 2024 Eligible employees were offered in total \$1,071 worth of shares each. The shares are held by CRS Nominees Limited during a three year restricted period.

In 2025 the Company recognised an expense of \$0.1 million (2024: \$0.1 million) in relation to the Employee Share Scheme.

Share Rights Scheme (Long-Term Incentive)

2025 share rights issue

In April 2025 the Company issued 319,102 share rights to the Leadership Team (of which 152,624 were issued to the Chief Executive) under the Company's Share Rights Plan. Each share right converts on a 1:1 basis for nil cash consideration into fully paid ordinary shares following the release of the Company's financial results for the year ending 31 December 2027, subject to a workplace safety condition being satisfied and performance of the Company's Total Shareholder Return (TSR):

- 50% of the award is conditional on the performance of the Company's TSR relative to a comparator group of selected members of the NZX50 at 28 February 2025, and
- 50% of the award is conditional on the Company's TSR exceeding its cost of equity plus 0.5% compounding annually from 1 March 2025 to the vesting date.

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

In 2025 the Company recognised an expense of \$0.1 million in relation to the Share Rights Scheme.

2024 share rights issue

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

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

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

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

Chief Executive Share Rights Scheme

2023 Initial Share Rights

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

In 2025 the Company recognised an expense of \$0.1 million (2024: \$0.1 million) in relation to the 2023 Initial Share Rights Scheme.

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

		2025			2024	
	CEO SHARE RIGHTS SCHEME (2023 INITIAL SHARE RIGHTS)	SHARE RIGHTS SCHEME (LTI)	EMPLOYEE SHARE SCHEME	CEO SHARE RIGHTS SCHEME (2023 INITIAL SHARE RIGHTS)	SHARE RIGHTS SCHEME (LTI)	EMPLOYEE SHARE SCHEME
AT 1 JANUARY	337,975	312,559	161,774	337,975	-	297,287
Granted	-	319,102	40,448	-	312,559	42,420
Vested	-	-	(78,918)	-	-	(155,105)
Lapsed	-	-	(6,156)	-	-	(22,828)
AT 31 DECEMBER	337,975	631,661	117,148	337,975	312,559	161,774

Subsequent event

Competitive Advantage Award and other changes to Chief Executive arrangements

On 26 February 2026 the Board approved various changes to the Chief Executive employment arrangements. The most significant of which is an additional, one-off share rights based incentive scheme, the Competitive Advantage Award. This scheme grants the Chief Executive 1,563,599 share rights that convert on a 1:1 basis for nil cash consideration into fully paid ordinary shares, subject to satisfaction of certain performance conditions, to be met over a 4-year vesting period up to 31 December 2029.

The granting of the Competitive Advantage Award does not impact the financial results of the Group for the year ended 31 December 2025. Further details are set out in the Remuneration Report section of the Annual Report.

19 Related parties

Key management personnel compensation

Directors' fees and Leadership Team remuneration is shown below.

		GROUP 2025 \$000	GROUP 2024 \$000
	NOTE		
Salaries and other short-term employee benefits		2,986	2,570
Post-employment benefits		142	74
Share-based payments	18	214	129
KEY MANAGEMENT PERSONNEL COMPENSATION		3,342	2,773
Directors' fees		896	921
KEY MANAGEMENT PERSONNEL COMPENSATION & DIRECTORS' FEES		4,238	3,694

Subsidiaries

The subsidiaries of the Group are listed below.

The Australian subsidiaries were incorporated or acquired in November 2025. The financial year ends of Channel Infrastructure Somerton Pty Ltd and CM Somerton Pty Ltd were changed from 30 June to 31 December to synchronise the year ends of those entities with Channel Infrastructure NZ Limited. This change was made in reliance on the relief provided under ASIC instrument "ASIC Corporations (Synchronisation of Financial Years) Instrument 2016/189".

	Country of incorporation	Ownership interest	
		2025	2024
		%	%
Channel Terminal Services Limited	New Zealand	100	100
Independent Petroleum Laboratory Limited	New Zealand	100	100
Maranga Rā Holdings Limited	New Zealand	100	100
CHI Future Developments Limited	New Zealand	100	100
Channel Infrastructure Australia Pty Ltd	Australia	100	-
Channel Infrastructure Somerton Pty Ltd	Australia	100	-
CM Somerton Pty Ltd	Australia	100	-

20 Financial Risk Management

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

FINANCIAL RISK	EXPOSURE	MANAGEMENT OF RISK AND SENSITIVITY
Market risk		
Electricity price risk	Changes in market prices	Electricity price fluctuation risk is managed using physical supply contracts. Sensitivity: The Group has fixed price variable volume contract for the supply of renewable electricity for an initial term of six years (to 2029), therefore the income statement is not currently sensitive to changing market prices.
Currency risk	Movement in foreign exchange rates	Significant foreign currency purchases or receipts (both operating and capital in nature) are hedged using forward currency exchange contracts. Sensitivity: As at 31 December 2025 the Group held no foreign exchange contracts (2024: the Group held a US dollar foreign exchange contract and the impact of US dollar appreciation/depreciation by +/-10% on before-tax profit/loss and other comprehensive income was -/+ \$0.9m).
Interest rate risk	Movement in interest rates	Interest rate risk managed through fixed rate borrowings and interest rate swaps. Sensitivity: At 31 December 2025, the impact of inter-bank interest rates changing by +/-75 basis points on before tax profit/loss is -/+ \$0.02m (2024: -/+ \$0.01m) and on other comprehensive income is -\$3m and +\$2.8m respectively (2024: +/- \$0.7m).
Liquidity risk	Risk that the Group will not be able to meet its financial obligations as they fall due	The Group monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on the Group's undrawn borrowing facilities. No surplus cash is held by the Group over and above the balance required for working capital management.
Credit risk	Risk of loss to the Group due to customer or counterparty default	The Group is exposed to credit risk if counterparties fail to make payments in respect of payment of trade receivables as invoices fall due. Most common payment terms are on the 20th of the following month. The receivables from the Group's three major customers present a concentration of credit risk, however, management has assessed the credit quality of these customers as being high. Based on the analysis of the historical payments and with reference to their credit rating and short payment terms, the Group assessed the expected credit losses in respect to 31 December 2025 receivables to be immaterial. No collateral is held over trade receivables. Overdue trade receivable balances at 31 December 2025 totalled \$0.4 million (2024: \$0.5 million), and no provision for doubtful debt was recognised.
	Risk of derivative counterparties and cash deposits being lost	For banks, only parties with a minimum long-term credit rating of A+ or A1 are accepted. For investments gross limits are set for financial institutions and the usage of these limits is determined by assigning product weightings to the principal amount of the transaction. Transactions are spread across several counterparties to avoid concentrations of credit exposure. No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by counterparties.

Non-Derivative Financial Liabilities

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

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

		CARRYING AMOUNT	CONTRACTUAL CASH FLOWS					TOTAL CASH FLOWS
			LESS THAN 6 MONTHS	BETWEEN 6 MONTHS -1 YEAR	BETWEEN 1-2 YEARS	BETWEEN 2-5 YEARS	OVER 5 YEARS	
GROUP 2025	NOTE	\$000	\$000	\$000	\$000	\$000	\$000	\$000
NON-DERIVATIVE FINANCIAL LIABILITIES								
Trade payables	13	(8,767)	(8,767)	-	-	-	-	(8,767)
Lease liabilities		(835)	(96)	(96)	(157)	(233)	(552)	(1,134)
Bank borrowings	16	(132,938)	(1,197)	-	-	(132,938)	-	(134,135)
Retail bonds	16	(201,785)	(6,275)	(6,275)	(109,650)	(113,500)	-	(235,700)
TOTAL NON-DERIVATIVE FINANCIAL LIABILITIES		(344,325)	(16,335)	(6,371)	(109,807)	(246,671)	(552)	(379,736)

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

Derivative Financial Instruments

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

	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS					TOTAL CASH FLOWS
		LESS THAN 6 MONTHS	BETWEEN 6 MONTHS -1 YEAR	BETWEEN 1-2 YEARS	BETWEEN 2-5 YEARS	OVER 5 YEARS	
GROUP 2025	\$000	\$000	\$000	\$000	\$000	\$000	\$000
DERIVATIVE FINANCIAL INSTRUMENTS							
Net settled derivatives	2,725	1,216	804	532	(3,260)	(3,335)	(4,043)
Gross settled derivatives							
Outflows	-	-	-	-	-	-	-
Inflows	-	-	-	-	-	-	-
Total gross settled derivatives	-	-	-	-	-	-	-
NET DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)	2,725	1,216	804	532	(3,260)	(3,335)	(4,043)
CONTRACTUAL CASH FLOWS							
	CARRYING AMOUNT	LESS THAN 6 MONTHS	BETWEEN 6 MONTHS -1 YEAR	BETWEEN 1-2 YEARS	BETWEEN 2-5 YEARS	OVER 5 YEARS	TOTAL CASH FLOWS
		\$000	\$000	\$000	\$000	\$000	\$000
GROUP 2024	\$000	\$000	\$000	\$000	\$000	\$000	\$000
DERIVATIVE FINANCIAL INSTRUMENTS							
Net settled derivatives	7,006	2,621	1,776	2,499	1,581	-	8,477
Gross settled derivatives							
Outflows	-	(10,461)	-	-	-	-	(10,461)
Inflows	-	9,368	-	-	-	-	9,368
Total gross settled derivatives	(1,071)	(1,093)	-	-	-	-	(1,093)
NET DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)	5,935	1,528	1,776	2,499	1,581	-	7,384

Hedging

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

Fair value measurement

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

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

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

- Interest rate swaps: fair value calculated as the present value of the estimated future cash flows based on observable yield curves.
- Forward foreign exchange contracts (prior year only): fair value determined using forward exchange rates at the balance date, with the resulting value discounted back to present value.
- Commodity price hedge (prior year only): fair value determined using observable market prices for platinum.

Hedge accounting

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

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

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

Hedging activity

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

Cash flow hedges

	FOREIGN EXCHANGE FORWARD CONTRACTS (USD)	INTEREST RATE SWAPS	PLATINUM COMMODITY PRICE
31 DECEMBER 2025			
Carrying amount – net asset/(liability) (\$000)	-	1,121	-
Notional amount (equivalent of NZ\$000)	-	215,000	-
Maturity date	-	2026-2033	-
Hedge ratio	-	1:1	-
Change in fair value of hedging instrument (\$000)	-	(3,099)	-
Weighted average hedged rate	-	3.1%	-
31 DECEMBER 2024			
Carrying amount – net asset/(liability) (\$000)	(1,071)	4,220	845
Notional amount (equivalent of NZ\$000)	9,368	115,000	8,831
Maturity date	2025	2026-2028	2025
Hedge ratio	-	1:1	-
Change in fair value of hedging instrument (\$000)	(1,183)	(4,574)	1,448
	US\$/NZ\$		US\$
Weighted average hedged rate	0.6290	1.5%	US\$910/Toz

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

For the instruments (interest rate swaps) designated in a hedge relationship, the potential sources of ineffectiveness relate to a change in the expected timing of repayment of the hedged item. The equity raise in December 2024, resulted in the total notional amount of hedged item (bank borrowings) being less than the notional amount of interest rate swaps designated as cash flow hedges. The short-term period of over-hedge led to hedge ineffectiveness of \$0.1 million (2024: \$0.1 million) recognised in finance costs.

Fair value hedges

Potential sources of ineffectiveness relate to a change in the expected timing of repayment of the hedged item. During the year the hedge ineffectiveness from the fair value hedge amounted to nil (2024: nil).

	2025		2024	
	HEDGING INSTRUMENT \$000	HEDGED ITEM \$000	HEDGING INSTRUMENT \$000	HEDGED ITEM \$000
	INTEREST RATE DERIVATIVES	BORROWINGS	INTEREST RATE DERIVATIVES	BORROWINGS
Fair value hedge:			-	
Notional amount ¹	50,000	-	50,000	-
Carrying amount - net asset/(liability)	1,604	(51,912)	1,941	(52,018)
Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item	-	(1,912)	-	(2,018)
Change in fair value of hedging instrument	(337)	-	678	-
Change in fair value of hedged item	-	106	-	(755)
Maturity date	2027	-	2,027	-
Hedge ratio	1:1	-	1:1	-
Weighted average hedge rate	Floating	-	Floating	-

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

Cash flow hedge reserve

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

In the prior year, the Group entered into a fixed price, variable volume electricity supply contract which meant that the contracts for difference held for the 2024 financial year were no longer required. The Group entered into equal and opposite contracts for difference such that no ineffectiveness was recognised. All contracts for difference held were settled during the 2024 financial year.

The net movement in the cash flow hedge reserve comprises:

	2025 \$000	2024 \$000
Movement in value of interest rate swaps held throughout the year	(2,584)	(4,433)
Interest rate swaps entered into during the year	(369)	-
Contracts for differences settled in the year	-	(339)
Gross movement in cash flow hedge reserve	(2,953)	(4,772)
Deferred tax	827	1,336
Net movement in cash flow hedge reserve	(2,126)	(3,436)

21 Contingencies

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

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

At 31 December 2024 the Group had a contingent liability in relation to a claim that the Group incorrectly calculated redundancy compensation payments. The Employment Court issued its judgment in December 2025 and the outcome is reflected in these financial statements (refer Notes 8 and 12).

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

22 Non-GAAP disclosures

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

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

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

EBITDA from Continuing Operations:	Earnings before depreciation, net finance costs and income tax from continuing operations		
EBITDA from Discontinued Operations:	Earnings before conversion costs, asset revaluation, net finance costs and income tax from discontinued operations		
		2025	2024
		\$000	\$000
CONTINUING OPERATIONS			
Net profit after income tax		20,940	25,954
Add: Depreciation		45,071	38,662
Add: Net finance costs		16,403	19,982
Add: Income tax		10,952	10,487
EBITDA from continuing operations		93,366	95,085
DISCONTINUED OPERATIONS			
Net loss after income tax		(9,147)	(12,067)
Add: Conversion costs		4,483	3,314
Add: Disposals		3,542	-
Add: Revaluation of assets		2,500	7,000
Add: Net finance costs		349	1,641
Less: Income tax		(2,503)	(3,463)
EBITDA from discontinued operations		(776)	(3,575)



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

Opinion

We have audited the financial statements of Channel Infrastructure NZ Limited (the "Company") and its subsidiaries (together the "Group") on pages 77 to 114 which comprise the consolidated balance sheet of the Group as at 31 December 2025, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the Group, and the notes to the consolidated financial statements including material accounting policy information.

In our opinion, the consolidated financial statements on pages 77 to 114 present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

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

Basis for opinion

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

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standard 1.

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

Ernst & Young provides other assurance services relating to the Group's greenhouse gas emissions reporting. We have no other relationship with, or interest in, the Group.

Key audit matters

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

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



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the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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

Why significant	How our audit addressed the key audit matter
The Group records property, plant and equipment ("PPE") at fair value of \$1.297 billion as at 31 December 2025. Included in PPE are the Import Terminal System assets ("ITS") which are recorded at \$1.106 billion, representing 85% of total PPE and 82% of total assets. In accordance with the revaluation model under NZ IAS 16 <i>Property, Plant and Equipment</i> and the fair value principles in NZ IFRS 13 <i>Fair Value Measurement</i>, the Group undertook an assessment of the fair value of this asset group as at 31 December 2025 to consider whether the recorded book value remained appropriate. The review included an assessment of whether there had been any significant changes to the key valuation assumptions applied in the most recent external valuation undertaken in FY24. The Group concluded that there were no material changes in those assumptions and that the carrying amount of the ITS remained within a reasonable fair value range at balance date. As a result, no revaluation gain or loss was recognised in the current year. The most significant inputs used in the valuation of the ITS assets include forecast fuel demand, discount rate and the tax amortisation benefit a market participant would ascribe to the property, plant & equipment in an asset acquisition. Disclosures related to the valuation of the ITS and the method and assumptions used are included in note 10 of the consolidated financial statements.	Our audit procedures included the following: ▶ Assessing the Group's process to consider possible changes in key valuation assumptions and the sufficiency of the review process they undertook; ▶ Involving our own valuation specialists to: ▶ Consider whether the discount rate applied in the prior year valuation remains appropriate for the current reporting period, having regard to prevailing market conditions and any changes since the prior year; and ▶ Assessing relevant comparable company and transaction multiples used in the valuation cross check, to consider whether there was any market evidence that the recorded book value was not appropriate or that there had been significant changes in value since the previous year; ▶ Assessing the Group's assumptions used in the model for the current year and comparing them to those used in prior year with a focus on significant assumptions where changes had been made or would have been expected; and ▶ Assessing the adequacy of the financial statement disclosures in note 10.

Information other than the financial statements and auditor's report

The directors of the Company are responsible for the other information. The other information comprises the annual report, which includes the Climate Statement but does not include the financial statements and our auditor's report thereon.

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



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

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

Directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Chartered Accountants
Auckland
26 February 2026

Glossary

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

Corporate Directory

Registered Office

Marsden Point
Ruakākā

Mailing Address

Private Bag 9024
Whangārei 0148
Telephone: +64 9 432 5100

Website

www.channelnz.com

General Enquiries

corporate@channelnz.com

Investor Enquiries

investorrelations@channelnz.com

Auditor

Ernst & Young

Bankers

ANZ Bank New Zealand Limited
ASB Bank Limited
Bank of New Zealand
China Construction Bank (New Zealand) Limited
Commonwealth Bank of Australia
Industrial and Commercial Bank of China (New Zealand) Limited
National Australia Bank Limited
Westpac New Zealand Limited

Directors

J B Miller (Chair)
A T Brewer (Non-independent)
A J Bull
A Holmes
A M Molloy
F J C Underhill

Chief Executive

R C Buchanan

General Counsel & Company Secretary

C D Bougen

Share Register

New Zealand

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
Telephone: +64 9 488 8777
enquiry@computershare.co.nz

Australia

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford VIC
Australia 3067
Telephone (inside Australia): 1300 850 505
Telephone (outside Australia): +61 3 9415 4000

Managing your shareholding online

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

Feedback

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

