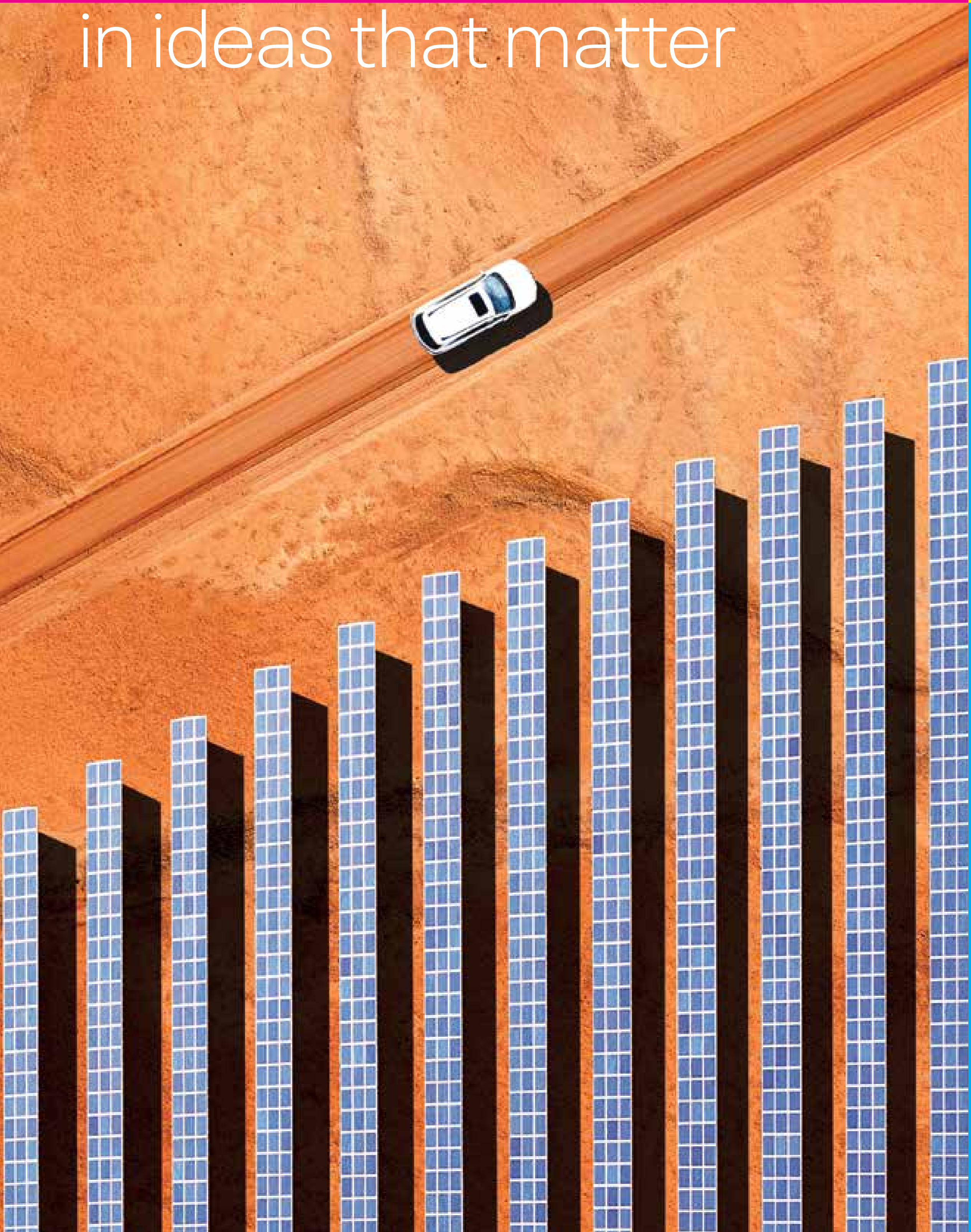
Annual Report 2022

Infratil

Investing wisely in ideas that matter



Infratil
Annual Report
2022

Contents

We believe that infrastructure underpins the abilities of communities to grow, society to function and economies to thrive.

We anticipate the systems and assets needed to connect people to places, sustainable resources and the services of modern life.

We use our proven judgement and experience to invest in bold infrastructure that will stimulate sectors, invigorate communities and reward our investors over the longer-term. This purpose speaks to our foresight to look for opportunities to shift the present.

Evolution of our symbol

The Infratil logo is made up of the 'square symbol'. It reflects our focus, foresight and ability to look for opportunities to invest wisely in ideas that matter.

It is an evolution of our original network symbol, simplifying it down for longevity to four vibrant colours.

The framing symbolises Infratil's ability to focus on ideas that are the building blocks of modern societies.

Infratil

Portfolio Overview

Infratil

Renewable Energy	Digital Infrastructure	Healthcare	Airports
Manawa Energy	cdc Data Centres	Qscan Group	Wellington Airport
longroad energy	vodafone	Pacific Radiology	
Galileo Green Energy	KAO DATA	Bay Radiology	
gurīn energy	CLEARVISION	Auckland Radiology Group	
		retire australia	

Our assets

Our assets represent a unqiue portfolio of high conviction positions, diversified by geography, across four growth sectors.

Financial Highlights

Net parent surplus
$1,169.3 million

Proportionate EBITDAF [1]
$474.9 million

Proportionate capital expenditure [2]
$1,412.9 million

Net debt [3]
$622.6 million

Share price
$8.25

Market capitalisation
$6.0 billion

Cash dividend declared
12.00 cps
4.67 cps imputation

Shareholder returns [4]
$18.4% p.a.

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[1] EBITDAF is an unaudited non-GAAP measure of net earnings before interest, tax, depreciation, amortisation, financial derivative movements, revaluations, and non-operating gains or losses on the sales of investments and assets. EBITDAF does not have a standardised meaning and should not be viewed in isolation, nor considered a substitute for measures reported in accordance with NZ IFRS, as it may not be comparable to similar financial information presented by other entities. Proportionate EBITDAF shows Infratil's operating costs and its share of the EBITDAF of the companies it has invested in. It excludes discontinued operations, acquisition or sale-related transaction costs and management incentive fees. A reconciliation of net profit after tax to Proportionate EBITDAF is provided in the 31 March 2022 annual results presentation.

[2] Investment and capital spending by Infratil and its 100% subsidiaries and Infratil's share of investee company capital spending.

[3] Infratil parent and 100% subsidiaries.

[4] Shareholder returns are one-year returns assuming that Dividends are invested on date of payment.

Directors

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

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

Further commentary on the Board is set out on pages 147 - 152 of this report.

Mark Tume

Mark joined the Infratil board as an independent director in 2007 and was appointed Chair in 2013. Mark is Chair of the Nomination & Remuneration, and Management Engagement committees.

"I maintain ties with Infratil's many stakeholders and ensure that directors are delivering on their responsibilities. My experience in finance and from serving on a number of boards gives me an appreciation of the issues faced by Infratil and its businesses."

Jason Boyes

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

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

Alison Gerry

Alison joined the Infratil board as an independent director in July 2014. Alison is Chair of the Audit & Risk committee, and a member of the Nomination & Remuneration, and Management Engagement committees.

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

Paul Gough

Paul joined the Infratil board as an independent director in December 2012. Paul is a member of the Nomination & Remuneration and Management Engagement committees.

"As a Kiwi who works in London, I'm very aware of how global events impact New Zealand and Australia. In London I manage investments in similar fields to Infratil's, but often with more development risk. Achieving the best outcome requires the best from people. The focus on performance and people is consistent with what I see at Infratil."

Kirsty Mactaggart

Kirsty joined the Infratil board as an independent director in March 2019. Kirsty is a member of the Audit & Risk and Management Engagement committees.

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

Peter Springford

Peter joined the Infratil board as an independent director in November 2016. Peter is a member of the Management Engagement committee.

"Having led a major industrial company based in New Zealand and Australia, businesses in Asia, and been chair or director of companies operating internationally, I recognise that a key ingredient of successful investment is having the right people who provide diversity of experience and perspective. This is a challenging investment environment, but there are good opportunities available to Infratil because of its capabilities and access to capital."

Report of the Board Chair

Mark Tume

Infratil's 2022 financial year was dominated by excellent results and a number of highly promising new investment opportunities, delivering returns to shareholders of 18.4%. These were achieved despite an increasingly volatile world with the ongoing pandemic, rising economic pressures, continuing climate volatility, and - who would have thought - war in Europe.

In recent months, capital markets have been adjusting to multiple economic, political and social challenges. But as unpredictable as the world currently is, recent events in no way reduces the high conviction we have in Infratil's long-term investment strategy. If anything, the turmoil and disruption reinforces our belief in continuing global demand for infrastructure.

The world is trending to a more nationalist setting as states shift away from the interdependence that dominated since the late-1980s. Globalisation seems to have peaked as countries look to join like-minded blocs not dissimilar to the Cold War divisions. Individual states are reviewing their own infrastructure with a view to protecting themselves from an over reliance on others. Nowhere is this more palpable than watching Western Europe moving to decouple from its reliance on Russian oil and gas. But what we see in that sector and region is also playing out across other regions and sectors, including digital and healthcare infrastructure.

For the last decade, many viewed the renewables investment proposition as a response to climate change and the need to decarbonise. While that remains a core consideration – as the latest Intergovernmental Panel on Climate Change ('IPCC') report makes abundantly clear - renewable energy is also increasingly important from an energy security perspective, as countries focus on their need for less reliance on energy imports and more self-sufficiency. New domestically-located renewable generation strengthens energy security, reduces reliance on fragile supply chains, and boosts clean energy generating capacity to replace fossil fuels.

The security and integrity of digital services are also increasingly front of mind across the world. Before the recent international ructions, Covid-19 had highlighted the role digital technologies play in supporting people and building resilience to unexpected events. We are seeing governments take a hands on approach in considering the adequacy of secure digital infrastructure – secure connectivity and adequate data storage - to support faster innovation, increased capacity, efficiency, and economies of scale.

As the board and management have outlined in presentations and reports over the past few years, Infratil works to be ahead of the pack in investing in long-term mega trends – which is driving our focus on the digital infrastructure, renewables and healthcare sectors. What is occurring across the world has reinforced the robustness of our investment thesis. These three sectors are especially attractive in inflationary environments, and often less correlated with what is occurring elsewhere in the general economy.

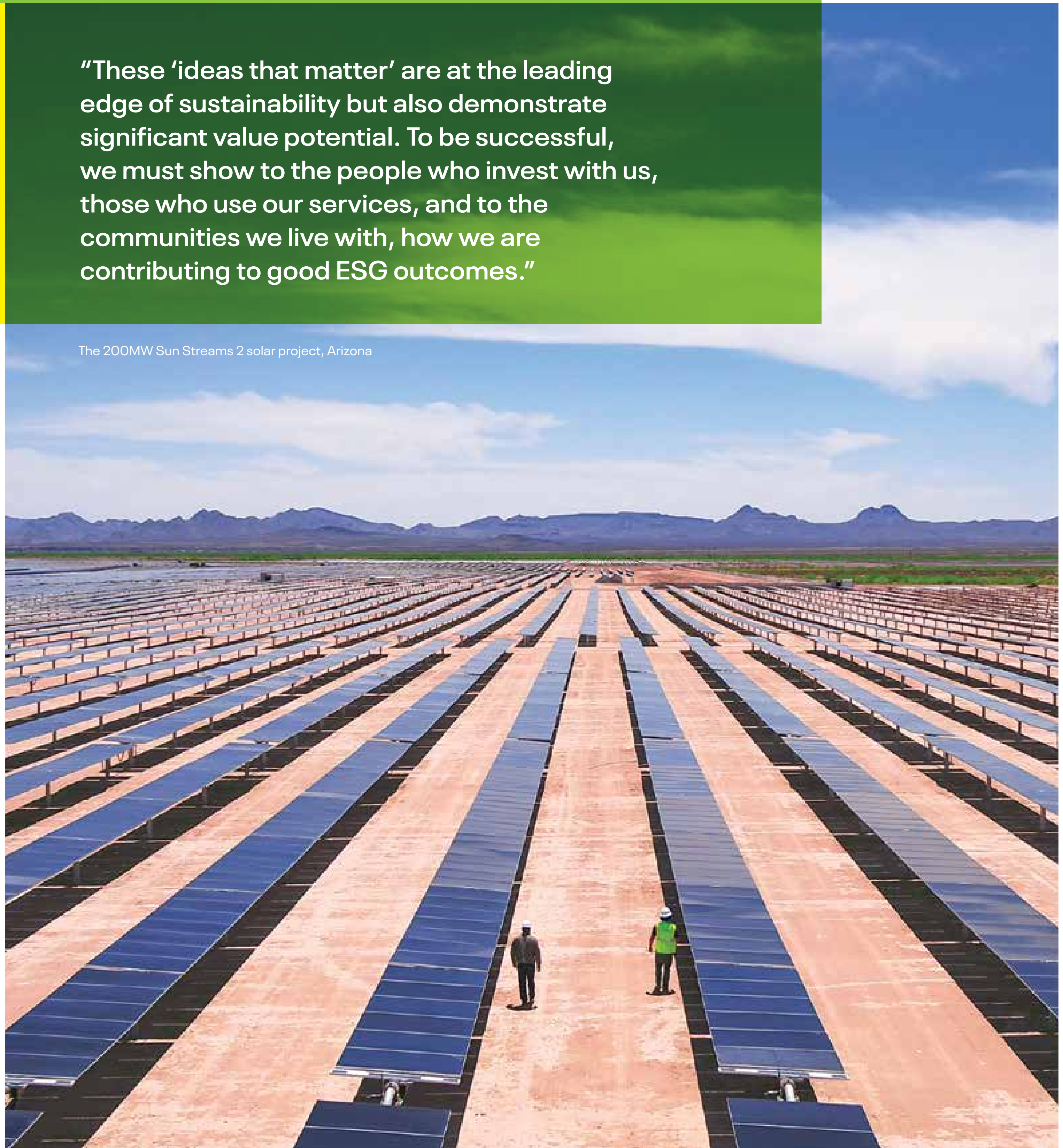
The investment returns which accrue to shareholders from being at the forefront of trends is well illustrated by the Tilt Renewables sale. While the sale reflects exceptionally well in this year's annual result, it is testament to a clear strategy, careful planning and quality execution over the last 24 years. The fact it took over two decades for realisation to occur is a salient reminder of how we prefer to operate.

Developing infrastructure is a slow and patient process. While annual revenues and cashflow are very important, taking a long-term approach to value creation is key to delivering outsized returns. It takes time to transform an "idea that matters" from a single asset into a wider next generation platform with strong long-term value creation potential.

We sold our investment in Tilt Renewables for $2 billion; the transaction completing in August. The over $1 billion gain on sale reflects a series of decisions starting in 1994. A clear strategic view, active asset management, and a deep understanding of risk, across the full life-cycle of projects and operations, culminated in an excellent result for shareholders.

We often celebrate the big deals, be it a significant purchase or the Tilt sale. What is not as obvious is the amount of effort that goes into deals which we do not end up transacting. There are deals we work very hard on, both as a management team and board, expending a lot of time and money, but ultimately do not complete.

"Developing infrastructure is a slow and patient process. While annual revenues and cashflow are very important, taking a long-term approach to value creation is key to delivering outsized returns. It takes time to transform an "idea that matters" from a single asset into a wider next generation platform with strong long-term value creation potential."



> “These ‘ideas that matter’ are at the leading edge of sustainability but also demonstrate significant value potential. To be successful, we must show to the people who invest with us, those who use our services, and to the communities we live with, how we are contributing to good ESG outcomes.”

The 200MW Sun Streams 2 solar project, Arizona

Part of Infratil’s competitive advantage is its ability, as a company, to pull together many threads in what is often very short spaces of time. The management team produces top rate analysis and insights on complex businesses and transactions, and presents them in a manner which is digestible. It leads not only to great rigour from the board but also to good decisions. A major deal will also create related work-streams - such as negotiating a next level funding facility, whether there is merit in an equity raise, and can these be executed within the deal window. When we do not transact it will be because we back our process, maintain our very strong value discipline, but cannot meet vendor expectations.

The Intellectual Property we develop in non-completed deals is of tremendous value. Throughout my time on Infratil’s board, we have been adept at making early stage investments into poorly understood sectors based on disciplined investment analysis. We have a clear strategy guiding us. We back our team, we back our research, and we back our discipline. Our results suggest that we get it right more often than not. I am immensely proud of our combined - board and management - performance in this regard.

The strength of our bench was apparent as we transitioned to a new chief executive, with Jason Boyes taking over from Marko Bogoievski on 1 April 2021. It was a demonstration of the capability of Infratil’s manager, Morrison & Co, and Jason, that such a change took place amid a busy and volatile period with no drop off in performance and continuing excellent results. We have noted on many occasions the confidence we have in the ability of our management to keep Infratil at the forefront of next generation assets. Our outperformance – 28 years of over 18% after tax returns per annum – bears testimony to that.

Over the last 12 months, the Infratil board and management team have been formalising our sustainability vision for the business together with long-term environmental, social and governance (‘ESG’) objectives. It also includes a series of ESG medium-term targets and outlines the expectations we have for our portfolio companies. We are focussed on ensuring that Infratil is financially resilient to the physical and transitional impacts of climate change, and committed to reporting to stakeholders in line with the recommendations of the Taskforce for Climate-related Financial Disclosures.

If this sounds familiar to Infratil shareholders, that is because the Company’s business has been investing in clean, renewable energy, sustainable transport platforms and identifying the emergence of digital infrastructure to facilitate connection. These ‘ideas that matter’ are at the leading edge of sustainability but also demonstrate significant value potential. To be successful, we must show to the people who invest with us, those who use our services, and to the communities we live with, how we are contributing to good ESG outcomes.

The year is also seeing some transition on our Board. Catherine Savage left the Board in January. She made a substantial contribution and brought a fresh perspective over an extremely busy period, including the CEO leadership transition, dealing with a takeover offer, and through an investment period involving some significant acquisitions and realisations. I have also announced I will be stepping down as Chair from 30 May 2022 but remain as a director as part of our transition. Incoming chair Alison Gerry steps up to the role having been an independent director on Infratil’s Board and Chair of the Audit and Risk Committee since 2014.

It is pleasing to be stepping down in a year when Infratil was acknowledged as New Zealand’s Company of the Year in the Deloitte Top 200 awards. From Infratil’s beginnings as one of the world’s first listed infrastructure funds with a minority stake in Trustpower, we are now a global infrastructure investor with a diverse portfolio across digital infrastructure, renewables, social infrastructure and transport in multiple jurisdictions.

It has been a huge honour to have you place your trust in me, allowing me to be part of a company that has delivered so much to shareholders while owning and developing high quality assets which bring benefits to the communities they serve. I have great confidence that the new Chair, reshaped board and Infratil’s management will continue to deliver outstanding results through multiple market cycles for shareholders.

Mark Tume
Chair

Report of the Chief Executive

Jason Boyes

I am very happy to be writing this to you after my first year as CEO of Infratil.

In reviewing Infratil's last 12 months, the highs of our best ever one-off result – the sale of Tilt Renewables for a gain of over $1 billion – stands out. This saw Infratil deliver a Net Parent Surplus of $1,169.3 million, which accompanied Proportionate EBITDAF for the year of $474.9 million.

Alongside those returns for shareholders, this year has seen significant new investment activity with overall investment of over $1.4 billion across opportunities in our key sectors of renewable energy, digital infrastructure and healthcare.

Our healthcare portfolio expanded with the acquisition of three diagnostic imaging businesses to go with the 2020 purchase of Qscan, one of Australia's largest diagnostic imaging businesses. With Pacific Radiology, Auckland Radiology and Bay Radiology, we now also lead that market segment in New Zealand.

Our healthcare portfolio is strategically compelling with strong synergy opportunities. The investment outlook is very positive, benefitting from the long-term tailwinds of an ageing demographic and increasing healthcare expenditure. Sophisticated diagnostics, in particular, exhibit predictable volume growth and is supported by stable funding regimes and barriers to entry. Revenues are, therefore, highly defensive and growing. A feature of these acquisitions has been the continued participation of existing doctor shareholders and management, generating incentives to drive the continued growth of these companies.

We see significant opportunities for further growth, with additional investments possible to create a meaningful Australasian healthcare platform with a number of adjacent opportunities. We expect this sector to deliver attractive mid-teens equity returns for Infratil shareholders.

There was considerable investment activity in Infratil's global renewables platform in a year which, as Mark Tume notes in his report, energy security became an increasingly important perspective in understanding renewable generation. Longroad Energy, our United States joint venture with the New Zealand Superannuation Fund, now has a substantial development pipeline of new wind and solar generation underway. Galileo in Europe likewise has a busy period of development ahead. In September, we announced Infratil's commitment of US$233 million to establish Gurīn Energy, a renewable energy development platform headquartered in Singapore.

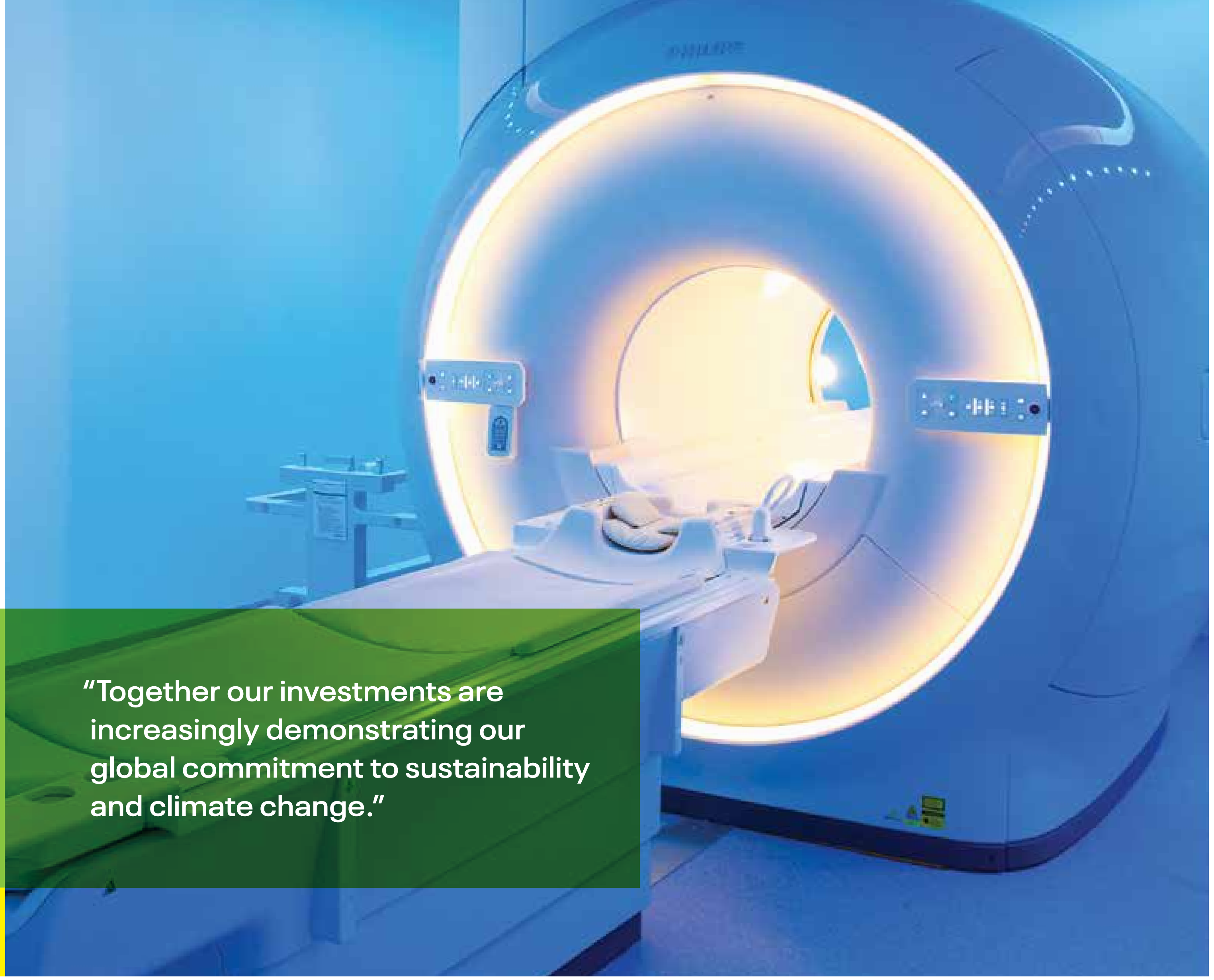
Gurīn will focus on greenfield renewable projects across Asia where there is a significant opportunity to enter markets which are following a 'transition to renewables' roadmap laid out by Europe and North America a decade earlier. The region is characterised by combined tailwinds of demand growth, a growing commitment at national levels to decarbonisation, an increasing desire to reduce dependency on imported fuels, and to build self-sufficiency and security of supply. The breadth of the Asian market allows us to diversify our risk profile, both from geographic and technology perspectives.

Investor demand for these sorts of assets is only increasing. Manawa Energy, formerly Trustpower, has sold its retail business to Mercury to refocus on developing new renewable generation capacity to help meet the anticipated significant increase in demand for electricity to contribute towards New Zealand's climate targets. It is currently New Zealand's fifth largest electricity generator with 26 hydro power schemes and a total installed capacity of 498MW.

Just as energy security is increasingly important in a volatile world, so too is digital security. With global demand for connectivity continuing to rise, the last 12 months saw further expansion of Infratil's digital infrastructure portfolio to build on our successful data centre platform in Australia and New Zealand.

In October we announced the commitment of £120-130 million of growth capital for a 40% stake in London data centre business, Kao Data. The aim is to build Kao Data into a £500 million multi-site data centre platform in the medium term. It currently owns a 15-acre data centre campus in Harlow powered by 100% renewable energy and has acquired two more prime location data centres. Kao Data's technically advanced data centres are designed to meet specialist high-performance computing requirements - it houses NVIDIA's Cambridge-1, the most powerful supercomputer in the United Kingdom.

> "Our healthcare portfolio is strategically compelling with strong synergy opportunities. The investment outlook is very positive, benefitting from the long-term tailwinds of an ageing demographic and increasing healthcare expenditure."



“Together our investments are increasingly demonstrating our global commitment to sustainability and climate change.”

CDC Data Centres (‘CDC’) continued to demonstrate considerable value potential. As at 31 March 2022, its most recent independent valuation saw a 30% increase in the value of our investment in CDC from 12 months previously. Infratil’s 48.1% investment in CDC is now valued at between A$2.8 billion to A$2.9 billion. The valuation increase reflects construction nearing completion, the pipeline of development and strong customer interest in CDC’s services. CDC currently has four data centres under construction in Auckland, Canberra and Sydney. It recently announced expansion to Melbourne. This, along with CDC’s track record and customer demand, is providing strong confidence in the medium-term growth outlook.

Vodafone has been performing well on its path to become one of the lowest cost and most efficient telecommunication providers in New Zealand. As the easing global pandemic allows for more international travel, the business should see a rebound in roaming revenues. It is continuing to drive efficiencies realised through cost management initiatives and focusing on removing business complexity. Meanwhile, it signalled the possible sale of its passive mobile tower infrastructure assets. It currently has the largest tower portfolio in New Zealand, covering 98% of the population.

Wellington Airport has endured another tough year. Repeated changes to pandemic settings and the emergence of Delta and Omicron were, as you are aware, damaging across the aviation and tourism sectors. With its high level of domestic business traffic and lower reliance on the international visitor market, Wellington Airport’s results are more robust than its peers in the sector. A return to pre-Covid-19 levels of passenger traffic and revenues is dependent on how the pandemic recovery unfolds over the next financial year. Nonetheless, we continue to see good long-term value outlooks for the asset, particularly in an inflationary environment. It remains on track to deliver a 30% reduction in operational carbon emissions by 2030. Its carbon emissions target is an absolute target, which means it will reduce emissions irrespective of its footprint or the number of passengers serviced.

Infratil’s balance sheet remains strong, even after a busy 12 months of new investments, giving us the flexibility to fund growth investments across our existing portfolio companies and to take advantage of new acquisition opportunities. There is a significant pipeline of opportunities, both across our existing platforms and also as we evaluate additional opportunities in key sectors and new geographies. Morrison & Co is supporting Infratil’s increasingly global focus, opening offices in New York and Singapore in the last year, alongside its offices in London, Australia and New Zealand. Morrison & Co now has over 150 employees, more than half of whom are investment professionals. A far cry from the 40 or so staff when I joined.

None of that growth has changed our investment methodology. We will continue to apply a disciplined approach to allocating capital when assessing potential investments to maintain our record of delivering strong returns to shareholders in line with our ten-year total shareholder return target of 11-15%.

Together our investments are increasingly demonstrating our global commitment to sustainability and climate change. It is a key aspect in our ESG framework, which Infratil has now formalised to report on each year. It is the right thing to do – for communities we serve, for the environment, for our people and for our shareholders. Capital markets are increasingly demanding it with investments meeting ESG benchmarks attracting higher volumes of interest and capital inflows, as investors look to reduce their exposure to less sustainable investment classes and sectors. Sustainable approaches to the environment, society and our governance are critical at all levels of our business and operations.

The year is also notable for Chair Mark Tume’s stepping down from that role although he will remain as a director for a period. His tenure began in 2007 and he has helped to oversee a period of remarkable growth and excellent returns for shareholders. One of the strengths of this Company is its high-quality Board. They consistently provide a clear strategic direction, pose challenging questions, and demand excellent execution from the management team. While I have been Chief Executive for only a year, I have worked with Mark and the Board he has led for over a decade, and their collective excellence in governance has been a major contributor to the development of the Company and the returns enjoyed by our shareholders.

Leading a global infrastructure investor through the disruptive lows of a global pandemic has been a challenge. Of course, the real work is done within our platforms, and you’ll see from their individual reports they’ve all had their fair share of headwinds and of course successes. Even setting aside the extraordinary outcome from the Tilt Renewables sale, the resilience of this year’s underlying result is a testament to their hard work, and the diversified nature of our portfolio.

Ordinarily, as an incoming chief executive I would have spent a considerable amount of time meeting shareholders, and visiting each of our global platforms, directly gauging perceptions of the Company and its performance, meeting staff and managers across the Company.

Much of the year and, especially many long nights, have instead been spent on video calls to staff in Europe, Asia and North America, and investors around the world. This is not a woe, it is my reflection. My sympathies lie with those looking for shrewd, insightful analysis and guidance from me at midnight via my laptop. If there is one thing to hope for in the coming 12 months, it will be the opportunity to meet and engage in person with our shareholders, staff and other stakeholders.

I am very fortunate to work with an amazing group of people here at Morrison & Co, and across Infratil’s investments. While at times intellectually and emotionally challenging, it is most stimulating, often surprising, and there is so much to explore and learn as we continue to “invest wisely in ideas that matter” for our shareholders and all our other stakeholders.

Jason Boyes
Chief Executive

It also couldn’t go without mention, that after more than a quarter of a century at Infratil, Tim Brown formally retired from his day-to-day responsibilities on 30 November.

Over the years, Tim became one of Infratil’s most recognisable faces and made an immeasurable contribution to its success and reputation. He joined in September 1994, when Infratil’s market capitalisation was roughly $51 million. He retired with Infratil’s market cap having reached an all-time high at over $6 billion - a feat that we are sure, would have seemed astonishing at its inception. Through this period, Infratil also became the largest issuer of unrated bonds in New Zealand, with a current total of $1.4 billion of bonds on issue.

Tim developed a formidable following at the annual Infratil retail roadshow, wowing audiences and developing a strong following. He is an engaging storyteller and had authored all of Infratil’s annual and interim reports over the past 27 years, along with regular shareholder newsletters and operational updates to the market. He did so in a distinctive manner which achieved the writer’s grail of being (mostly) decipherable, interesting and informative. He had a special ability to provide stakeholders with the thesis for Infratil’s new investments and then take them on the journey as those investments progressed. Although his penchant for throwing in the odd word such as “ineluctable” kept everyone on their toes – a trait his peer reviewers were never able to quash!

Tim was also Infratil’s government relations representative – for which there have been many discussions, including campaigning for commercial development at Whenuapai to become a regional airport to serve the northwest of Auckland, the Wellington Airport runway extension proposal, and, of course, the more recent and contentious debates on the climate change challenge and the merits and dynamics of an emissions trading regime.

On top of all of this, it should come as no surprise to anyone that Tim was an exceptionally encouraging and enthusiastic colleague. Tim always had time for his colleagues, always had a good story to tell, and was always the first person up for a debate or robust conversation. We wish him very well in whatever his next endeavours may be.

Management

Transparent and Reliable

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

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

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

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

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

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

Phillippa Harford
Infratil Chief Financial Officer, Director of Pacific Radiology, RetireAustralia and Wellington Airport, Morrison & Co Partner

Paul Newfield
Chair of Qscan Group, Morrison & Co Partner and Chief Executive

Marko Bogoievski
Director of Vodafone New Zealand, Morrison & Co Operating Partner

Greg Boorer
Chief Executive of CDC Data Centres

Ralph Brayham
Morrison & Co Data Infrastructure & Technology Specialist

Michael Brook
Director of Qscan Group and Pacific Radiology, Morrison & Co Executive Director

Deion Campbell
Morrison & Co Operating Partner, Renewables

Kellee Clark
Morrison & Co Partner and Head of Legal

Matt Clarke
Chief Executive of Wellington Airport

Jon Collinge
Morrison & Co Sustainability Director

Peter Coman
Chair of Pacific Radiology, RetireAustralia, Wellington Airport, Director of Manawa Energy and Infratil Property, Morrison & Co Partner and Co-Head of Australia and New Zealand

Rachel Drew
Director of Wellington Airport, Morrison & Co Executive Director

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

Paul Gaynor
Chief Executive of Longroad Energy

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

Priya Grewal
Director of Gurīn Energy, Morrison & Co Investment Manager

Brendan Kevany
Infratil Company Secretary and Senior Corporate Counsel

Andrew Lamb
Infratil Infrastructure Property Development Director

Scott McCutcheon
Morrison & Co Head of Tax

Terry McLaughlin
Chief Executive of Pacific Radiology

Hamish Mikkelsen
Infratil Corporate Accountant

Chris Munday
Chief Executive of Qscan Group

Lee Myall
Chief Executive of Kao Data

Jason Paris
Chief Executive of Vodafone New Zealand

Nicole Patterson
Director of CDC Data Centres NZ and Vodafone New Zealand, Morrison & Co Investment Director

Olivia Pitt
Morrison & Co Sustainability Executive

David Prentice
Chief Executive of Manawa Energy

Alicia Quirke
Morrison & Co Regional Tax Director

Assaad Razzouk
Chief Executive of Gurīn Energy

Paul Ridley-Smith
Chair of Manawa Energy

Tom Robertson
Infratil Treasury & Risk Manager

Brett Robinson
Chief Executive of RetireAustralia

Matthew Ross
Infratil Finance Director, Morrison & Co Executive Director

Maddy Simmonds
Infratil Senior Corporate Accountant

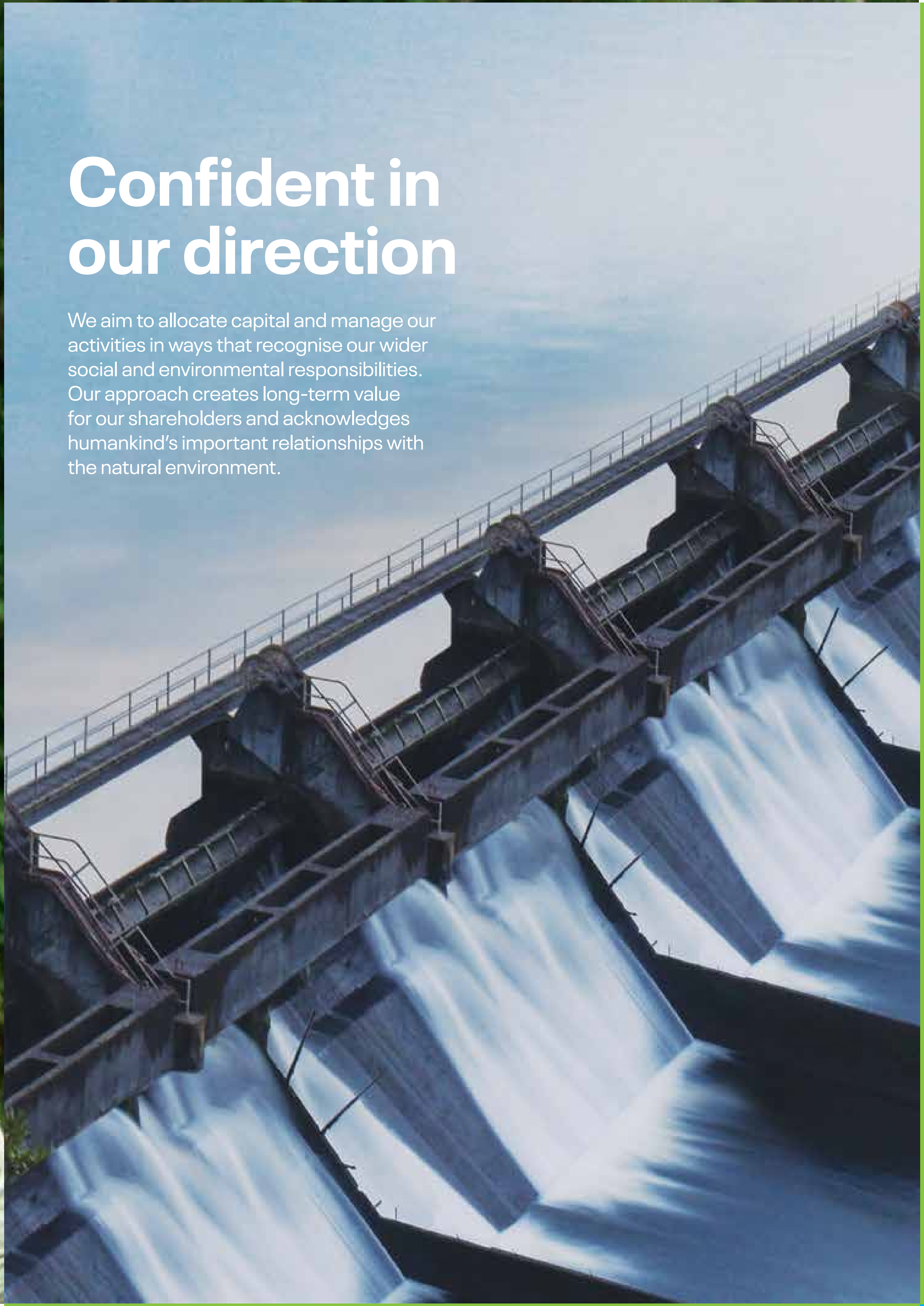
William Smales
Director of CDC Data Centres, Kao Data and Longroad Energy, Morrison & Co Partner, CIO and Global Head of Digital and Connectivity

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

Ingmar Wilhelm
Chief Executive of Galileo Green Energy

Thomas Wills
Infratil Financial Performance and Analysis Manager

Somali Young
Infratil Financial Controller



Confident in our direction

We aim to allocate capital and manage our activities in ways that recognise our wider social and environmental responsibilities. Our approach creates long-term value for our shareholders and acknowledges humankind's important relationships with the natural environment.

Infratil's Sustainability Strategy

With its Aotearoa New Zealand origins at its core, Infratil's purpose is to invest wisely in ideas that matter and, in doing so, create long-term value for our shareholders.

We focus our sustainability efforts on six key pillars where we believe our activities can have the most impact, as described in our Sustainability Framework below.

Infratil's sustainability strategy identifies a series of sustainability commitments, investee company expectations and medium-term sustainability targets.

We have developed an Impact Measurement Framework against these six key pillars that we will publish in the upcoming year and will use to assess the performance of our activities against annually.

Climate Change

We believe that global emissions must be reduced and that we must address climate change and emission reduction, fairly and efficiently

Our goal is to invest in a manner that contributes positively to global decarbonisation and benefits from the transition to a low-carbon economy, and to advocate for societal responses to climate change

Community

We believe in making a positive contribution to those who use our services and to our communities; we must be a trusted provider of services within our communities

Our goal is to invest in a manner that has a positive impact on communities while doing so responsibly and in accordance with social standards

Transparent & Reliable

We believe that providing clear and accessible information to capital providers and other key stakeholders will enable informed investment decision making

Our goal is to improve the accountability of governance and management, and the company's transparency

Natural Environment

We believe that each business has an obligation and responsibility to protect and foster the physical environment in which it operates

Our goal is to invest in a manner that acknowledges humankind's important relationship with and commitment to the natural environment, and ensure that Infratil's ecological commitments are delivered

Our people

We believe that the wellbeing, health and safety of Infratil's people is a high priority, as reflected in our Diversity Policy, Position Statement on Modern Slavery, Code of Ethics and other policies

Our goal is to operate in a manner that supports the wellbeing of our people in a physical, emotional, intellectual, and material sense

Leadership & Accountability

We actively allocate capital and manage activities in recognition of our wider social and environmental responsibilities as these evolve over time

Our goal is to implement internationally accepted governance practices as appropriate to the unique structure of Infratil

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Committed to Sustainability

We have a vision for Infratil to be a leader in sustainable infrastructure investment.

Infratil's goal is to provide excellent risk- adjusted returns for shareholders and, in so doing, to allocate capital and to manage our activities and investment.

But alongside the return on financial capital, we also endeavour to deliver positive returns on all of human, social and natural capital. We recognise that sustainable approaches to the environment, society and our governance are critical at all levels of our business and operations.

Part of being a sustainable business is understanding the impacts arising from our investments and how we manage their operations and ourselves. We must also be accountable through measurement, reporting, and transparency to enable positive impacts for people and communities, and the environment. This year's annual report outlines the vision and objectives we have put in place to gauge and report the progress we make towards improved environmental, societal and governance objectives, and which compares our performance alongside our peers.

This formalises our focus and how Infratil has operated over the past two-and-a-half decades. We were early with our interest in developing clean, renewable energy, sustainable transport and identifying the importance of digital innovation to facilitate connections. These sectors can both demonstrate significant value potential and be at the leading edge of sustainability.

As an global infrastructure investor, our goal is to work with 'ideas that matter', executing in ways which are efficient, effective, and accountable. Anticipating and preparing for change is the foundation of how Infratil allocates its capital through ideas such as:

- Tackling the threat of climate change with our investments in renewable generation.
- Lowering the emission intensity of transport as the demand for travel expands.
- Delivering data processing, storage facilities and telecommunications infrastructure with carbon emissions, energy and water minimisation at the core.
- Improving health outcomes and access through more efficient and affordable technological responses.

The challenge for Infratil is to manage our existing and new investments in ways which continue to improve the sustainability of communities and our environments – whether it be low emission air travel, sustainably designed communication systems, and more equitable access to high quality health services. As we consider new investments, we incorporate sustainability into our management practices and this underpins how we identify risks and opportunities, and underpins our delivery of risk-adjusted returns to our investors.

We will maintain high standards of governance practice as we manage and disclose material sustainability risks effectively and transparently. We will ensure our internal systems of practices, controls, and procedures allow us to make effective decisions on behalf of our investors, our companies and our communities, while treating our employees with respect and inclusivity.

Communities, consumers and investors are demanding responses on a range of environmental and societal issues. Corporates are increasingly being asked to account for environmental, social and governance issues as well as deliver commercial returns. Businesses which try to operate in a purely commercial vacuum are finding that to be an uncomfortable place.

Climate-related disclosures

We are focussed on ensuring that Infratil is financially resilient to the physical and transitional impacts of climate change and committed to reporting to stakeholders in line with the recommendations of the Taskforce for Climate-related Financial Disclosures ('TCFD'). We also intend to provide comprehensive reporting on Infratil's financed carbon emissions, together with carbon emission trajectories and targets. Our reporting will be aligned with the Partnership for Carbon Accounting Financials' ('PCAF') Global GHG Accounting & Reporting Standard for the Financial Industry.

Tackling the threat of climate change

The Infratil Board acknowledges that climate change is happening and that emissions must be reduced. It is committed to understanding, overseeing and providing transparency over what climate change and the transition to lower emissions could mean for Infratil and its long-term financial performance.

Infratil's approach

The global response to climate change presents strategic opportunities for Infratil. For example, Infratil has long prioritised decarbonisation in its investment strategy and has successfully invested in the transition to a low carbon economy in Australia, New Zealand and the United States. It is likely that this transition could accelerate further over the short to medium-term leading to the potential for Infratil to deploy significantly more capital into decarbonisation-linked activities through existing businesses – Longroad Energy, Manawa Energy, Gurīn Energy, and Galileo Green Energy – or entities that we may invest in or establish in the future.

Scenario analysis

To assess the actual and potential impacts of climate change on its strategy, portfolio entities and financial planning, Infratil has identified a number of scenarios that it will use to assess the future risks and opportunities associated with climate change. These scenarios are not intended to predict the future, but rather to help us understand the financial resilience of Infratil's strategy to climate change and the actions required to enhance resilience and preparedness.

Working together with a leading global economics consultant, Infratil has developed and assessed four climate scenarios which describe transition and mitigation pathways over the next 30 years. Informed by the scientific work assessing carbon emission pathways and resulting degrees of warming undertaken by the Network for Greening the Financial System – a network of central banks including the Reserve Bank of New Zealand, the International Energy Agency, and the Intergovernmental Panel on Climate Change - these four 'bookend' scenarios range from, in essence, society doing a lot to mitigate climate change, to doing very little.

There are two 'transition' scenarios: **Organised & Decisive** where early coordinated global action occurs with moderate climate change mitigation policies (2°C global warming trajectory); and **Disorganised & Fragmented** with delayed and more severe government action in future years (2-2.5°C trajectory).

There are also two 'no transition' scenarios: The **Status Quo / Baseline** scenario which assumes no material step-change in carbon reduction action beyond current announced policies and initiatives (>3°C trajectory); and **Too Little Too Late**, an extreme downside scenario which assumes failure of current policies and further inaction eventually resulting in extreme physical impacts (extreme warming).

The consultant's 'Global Equilibrium Model' was used to map the respective carbon emission and climate pathways of the four scenarios and project the transition and physical risks in a macroeconomic framework. That work produced a set of macroeconomic and operating variables which can be applied at the asset level and portfolio level to assess the potential aggregate economic impacts on Infratil.

The key findings

Transition scenarios: Achieving a 2°C or lower pathway represents a major departure from today's global trajectory.
It will require a rapid transition across all industry sectors as well as substantial investments in low and negative emissions technologies e.g., direct air capture and carbon storage. Whenever the response occurs, it will require strong government support which may include fiscal policy and other measures that result in a period over the next 10-20 years where the economy moves away from the equilibrium. The earlier global coordinated action commences, the less severe the mitigation policies and actions required to achieve the transition and the lower the level of disruption to the economy.

No transition scenarios: If a transition does not occur over the next 20 years the economy is expected to continue relatively unaffected until the greenhouse gases in the atmosphere pass a tipping point that would result in much higher temperatures and severe physical damage, the worst of which would materialise after 2050.
The high temperatures and severe physical damage could lead to a rapid decline in global productivity and prosperity post-2050.

The following pages describe at a high level the potential impacts on society and the economy of each climate change scenario that we have assessed. We will utilise these scenarios to undertake detailed financial analysis to inform Infratil's investment strategy and risk management processes.

Managing climate change risk

It is clear that the investments within Infratil's portfolio are not equally exposed to climate-related risks.

An airport faces different risks to a medical radiology business or a large-scale renewable energy project.

Different infrastructure investments face different market, operational, physical, regulatory and reputational risks associated with increasing climate volatility and change. The risks depend on multiple factors including but not limited to the asset's geography, the nature of its activities e.g., dependence on fossil fuels, or the correlation of its financial performance with macroeconomic variables e.g., GDP, energy prices and inflation. Climate change risks could therefore materialise in different ways, such as reduced customer demand, increased financing costs, capital expenditure to protect asset value, or changes in insurance costs and/or coverage.

Underpinned by the scenario analysis described earlier, Infratil will continue to actively review the risks and opportunities associated with climate change across different time horizons.

The following pages describe at a high level the potential impacts of various climate change scenarios on society and the economy that Infratil will use to comply with its TCFD obligations.

Emissions

Greenhouse gases in the atmosphere increase due to fossil fuel-related energy use and other non-energy related emissions.

Rising Temperatures

Global temperatures rise due to a linear relationship with greenhouse gases in the atmosphere.

Economic Impact

As temperatures increase, economic productivity is impacted. The relationship is non-linear.

The Recommendations of the Taskforce for Climate-related Financial Disclosures

The Financial Stability Board established the Task Force on Climate-Related Financial Disclosures ('TCFD') to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks.

Its disclosure recommendations are structured around four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets. These thematic areas are intended to interlink and inform each other.

- **Governance:** Disclose the organisation's governance around climate related risks and opportunities.
- **Strategy:** Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.
- **Risk management:** Disclose how the organisation identifies, assesses, and manages climate-related risks.
- **Metrics and targets:** Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Public support for the TCFD (demonstrated via the initiative's website) has grown to 3,400 organisations as of February 2022, from 513 in September 2018. Infratil became a public supporter of the TCFD in September 2020.

In 2021, New Zealand became the first country in the world to pass a law that will ensure financial organisations disclose and ultimately act on climate-related risks and opportunities.

The new law will require around 200 large financial institutions (including Infratil) to start making climate-related disclosures. Organisations will be expected to publish disclosures from financial years commencing in 2023 (for Infratil the year ended 31 March 2024), subject to the publication of climate standards from the External Reporting Board. The standards will be developed in line with the recommendations of the TCFD.

Climate Change Scenario

No Transition Scenarios

Scenario	Implications of climate change on the economy Now – 2030	2030 – 2040	2040 – 2050	Long Run
Too Little Too Late Limited climate action and failure in meeting current Nationally Determined Contributions (NDCs) **Extreme Warning RCP 7.0** **No further mitigation** **Severe irreversible physical damage**	• No change to status quo.	• Inflationary pressures build as fossil fuel demand outstrips supply.	• Global productivity and output decline as the impact of climate increases and physical damage materialise.	• Chronic and acute climate change risks materialise, resulting in irreversible severe physical damage and lost productivity and output. • Quality of life impacted with day-to-day life changing permanently and potential climate migration away from vulnerable regions. • Global temperatures continue to increase until a tipping point is reached.
Status Quo / Baseline Status quo. Reflects existing policy and commitments as made in countries' NDCs **>3°C Trajectory RCP 6.0** **Limited (current) mitigation policies** **Unmitigated irreversible physical damage**	• No change to status quo.	• No change to status quo.	• Productivity and output stagnate as the impact of climate increases.	

Implications of climate change on society

Living with a new (worse) climate

Life gets gradually harder and more uncomfortable

Short-termism, selfishness and political ill will lead to consumers, businesses and governments not addressing climate change issues.

Developing nations follow the technology path of developed nations i.e.,carbon intensive energy and industry.

Significant global warming occurs (7°C by 2100), extreme weather events become more frequent, economic productivity diminishes leading to job losses, mass climate migration place pressure on more resilient nations.

The eventual response to the climate disaster comes too late and the worst impacts are irreversible. Life changes permanently.

Transition Scenarios

Scenario	Now – 2030	2030 – 2040	2040 – 2050	Long Run
Disorganised & Fragmented Delayed and disorganised global action requires severe response to meet mitigation goals **>2–2.5°C Trajectory RCP 2.6–4.5** **Severe mitigation policies** **Physical damage largely mitigated**	• No change to status quo.	• Period of potential reduced output as global economy structurally transitions to a low carbon economy. • Due to delayed action, the measures required to meet mitigation goals are likely to be more severe compared to the Organised & Decisive scenario.	• Successful transition to low carbon economy. • Economy trends towards a new, more productive equilibrium.	• Low-carbon economy settles at a new equilibrium and overall output increases above baseline. • Society reaps the long-term environmental, social and economic benefits of the transition. • Physical risks of climate change mitigated.
Organised & Decisive Immediate and coordinated global action by all stakeholders to meet mitigation goals, allowing for phased and moderate economic responses **2°C Trajectory RCP 2.6–4.5** **Moderate mitigation policies** **Physical damage mitigated**	• Global stakeholders implement a range of mitigation measures to drive transition. Mitigation measures may include market intervention policies. • Period of potential reduced output as global economy structurally transitions to a low carbon economy.	• Successful transition to low carbon economy. • Economy trends towards a new, more productive equilibrium.	• Global economies likely to start outperforming 'Baseline' long-term forecasts due to mitigated climate risks.	

Life in a low-carbon world

Society suffers short-term pain to achieve long-term gain

Governments, businesses and consumers acknowledge the potential impact of climate change and act accordingly.

Developing nations choose a different technology path to developed nations.

Increased societal pressure to make more sustainable choices e.g., transport, building materials and design, lifestyle choices etc.

Society reaps the long-term environmental, social and economic benefits of the transition and life returns to normal.

Financial Trends

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

Shareholder Returns

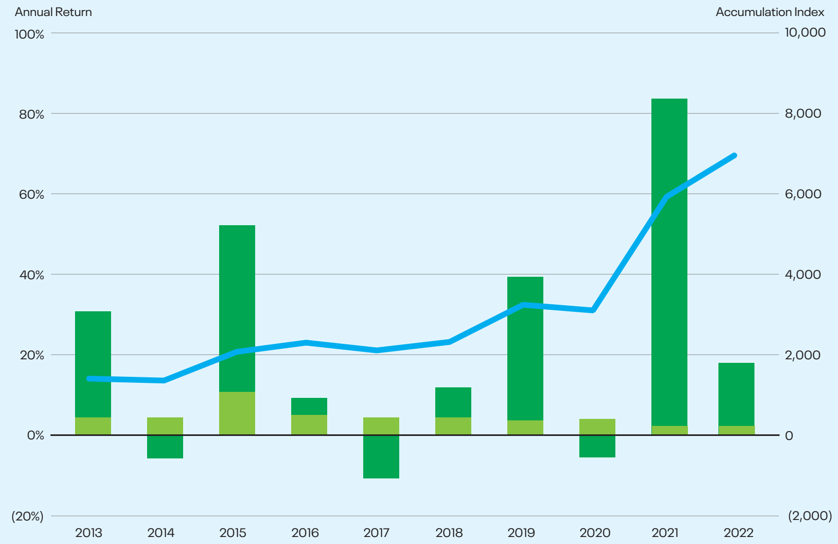
Between 1 April 2012 and 31 March 2022 Infratil provided its shareholders with an average after tax return of 21.6% per annum.

$1,000 invested at the start of the period would have compounded to $7,044 by 31 March 2022, assuming that all distributions were reinvested.

■ Dividend Return

■ Capital Return

▬ Accumulation Index



Proportionate EBITDAF

The calculation of Proportionate EBITDAF is outlined on page 5 of this report. It is intended to show Infratil's share of the operating earnings of the companies in which it invests.

Proportionate EBITDAF is a non-GAAP financial measure.

The figures include the contribution of assets held for sale.

■ CDC Data Centres

■ Vodafone

■ Longroad Energy

■ Kao Data

■ Manawa Energy

■ Retire Australia

■ Wellington Airport

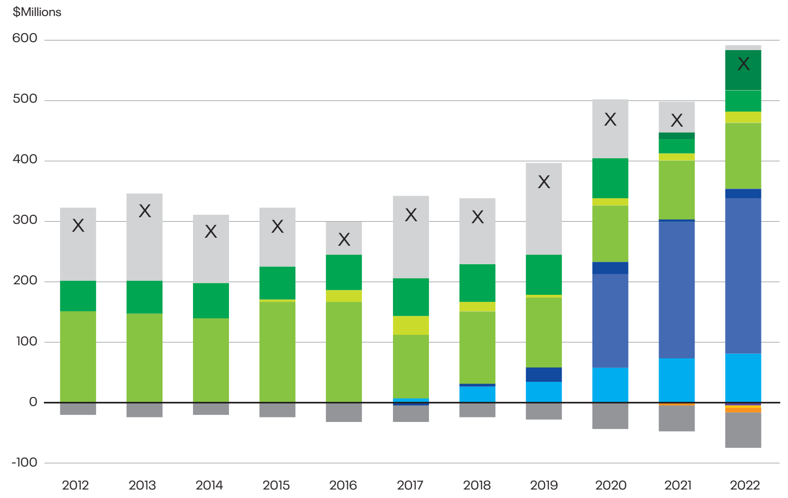
■ Qscan Group & Pacific Radiology

■ Gurin Energy

■ Galileo Green Energy

■ Sold

■ Corporate



Proportionate Capital Investment

Over the decade Infratil has invested over $7.8 billion, with the majority undertaken by investee companies.

Investment has accelerated over the last 3 years, with over half of investment undertaken over the last decade during that period. Funding for investments was provided by operating cash flows, debt and equity issuance, and the divestments of assets.

■ CDC Data Centres

■ Vodafone

■ Longroad Energy

■ Kao Data

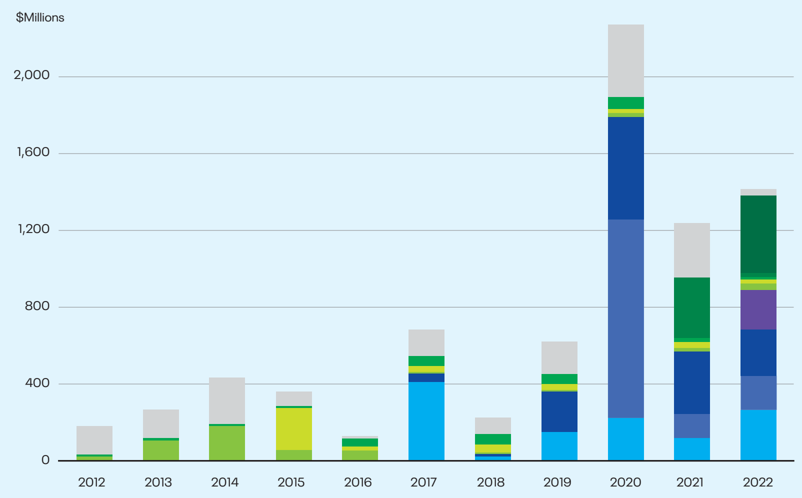
■ Manawa Energy

■ Retire Australia

■ Wellington Airport

■ Qscan Group

■ Pacific Radiology



Infratil Assets

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

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

This is highlighted by Infratil's investment in CDC Data Centres which currently has a book value of $1,026.2 million compared to an independent valuation of $3,015 - $3,226 million.

■ CDC Data Centres

■ Vodafone

■ Longroad Energy

■ Kao Data

■ Manawa Energy

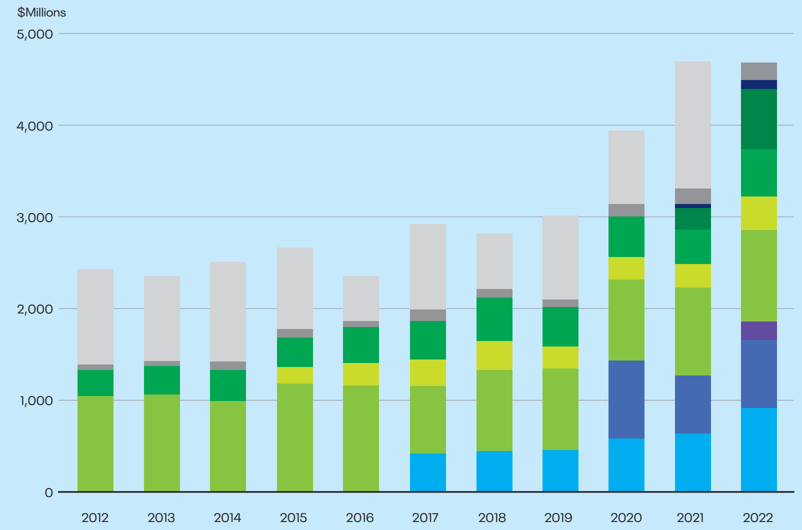
■ Retire Australia

■ Wellington Airport

■ Qscan Group & Pacific Radiology

■ Sold

■ Other



Infratil Funding

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

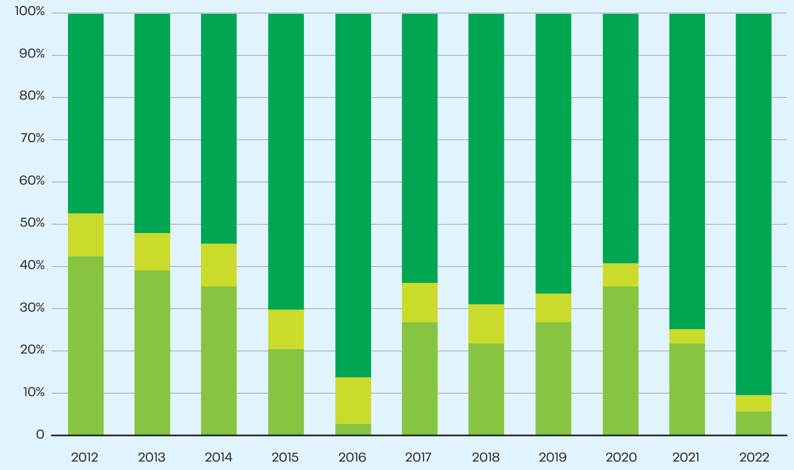
The use of debt is bound by Infratil's policy of maintaining credit metrics that are broadly consistent with an Investment Grade Credit Rating (Infratil is not credit rated) and with maintaining availability of funds for investment purposes.

As a general rule Infratil targets debt funding of 30% of assets, compared to 9.4% as at 31 March 2022.

■ Net bank and dated bonds

■ Perpetual bonds

■ Equity (market value)



Financial Performance & Position

Proportionate EBITDAF

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

Proportionate EBITDAF is shown from continuing operations and includes corporate and management costs, however, excludes international portfolio incentive fees, acquisition or sale-related transaction costs and contributions from businesses sold, or held for sale. During the year the Group adopted a change in accounting standards relating to the treatment of configuration and customisation costs incurred in implementing Software-as-a-Service ('SaaS') cloud computing arrangements.

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

Year Ended 31 March ($Millions)	Share	2022	2021
CDC Data Centres	48.1%	$82.2	$75.8
Vodafone	50.0%	$243.8	$217.9
Kao Data	39.9%	($1.5)	-
Manawa Energy	51.0%	$83.9	$79.9
Longroad Energy	40.0%	$15.1	$0.1
Galileo Green Energy	40.0%	($5.4)	($3.6)
Gurīn Energy	95.0%	($6.0)	-
Pacific Radiology Group	50.5%	$32.9	-
Qscan Group	56.3%	$33.9	$11.0
RetireAustralia	50.0%	$16.9	$10.4
Wellington Airport	66.0%	$37.3	$23.7
Corporate & other		($58.2)	($44.0)
Proportionate EBITDAF		**$474.9**	**$371.2**
Tilt Renewables	65.2%	$7.9	$52.6
Trustpower Retail	51.0%	$24.2	$22.2
		$507.0	**$446.0**

Consolidated Results

For the year to 31 March 2022 the net parent result was a gain of $1,169.3 million, up from a loss of $49.2 million the prior year.

The main source of the difference was the $1,136.8 million gain on the sale of Tilt Renewables during the year.

Revenue and expenses have increased year on year with a full year contribution from Qscan, and the contribution from the New Zealand diagnostic imaging group from 1 June 2021.

This year also includes an incentive fee accrual of $221.2 million (which includes a realised incentive fee of $122.1 million relating to the sale of Tilt Renewables). More information on the calculation of these fees is included in note 28 of the financial statements.

Discontinued operations includes the gain on sale, as well as the operating results of both Tilt Renewables and the Trustpower Retail business for the year.

Year ended 31 March ($Millions)	2022	2021
Operating revenue	$1,129.1	$590.8
Operating expenses	($610.7)	($257.1)
International Portfolio Incentive fees	($221.2)	($223.1)
Depreciation & amortisation	($91.4)	($60.4)
Net interest	($159.5)	($137.2)
Tax expense	($22.6)	$9.7
Realisations & revaluations	$82.2	($24.6)
Discontinued operations	$1,125.8	$85.9
Net surplus after tax	**$1,231.7**	**($16.0)**
Minority earnings	($62.4)	($33.2)
Net parent surplus	**$1,169.3**	**($49.2)**

For 2022 the average exchange rates were NZ$/A$ 0.9429 and NZ$/US$ 0.6969 (2021: 0.9338 and 0.6711).

Breakdown of Consolidated Results

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

Year ended 31 March 2022 ($Millions)	Share	EBITDAF[1] 100%	D&A	Interest	Tax	Revaluations & other adjustments	Minorities	Infratil share of earnings
CDC Data Centres	48.1%	$170.9	-	-	-	($12.8)	-	$158.1
Vodafone	50.0%	$488.2	-	-	-	($477.9)	-	$10.3
Kao Data	39.9%	($3.7)	-	-	-	$1.5	-	($2.2)
Manawa Energy	51.0%	$164.4	($20.5)	($28.6)	($46.0)	$38.8	($59.9)	$48.2
Longroad Energy	40.0%	$50.1	-	-	-	($22.4)	-	$27.7
Galileo Green Energy	40.0%	($13.6)	-	-	-	$9.1	-	($4.5)
Gurīn Energy	95.0%	($6.3)	($0.1)	($0.1)	-	-	$0.3	($6.2)
Pacific Radiology Group	50.5%	$65.2	($9.7)	($17.1)	($10.6)	($15.7)	($6.5)	$5.5
Qscan Group	56.3%	$60.3	($30.6)	($17.4)	($3.9)	($1.2)	($3.1)	$4.0
RetireAustralia	50.0%	$33.7	-	-	-	$45.4	-	$79.1
Wellington Airport	66.0%	$56.5	($30.5)	($25.9)	($2.5)	$5.3	($1.0)	$1.9
Corporate & other		($279.4)	-	($70.5)	$40.4	$23.3	-	($286.2)
Total (continuing)		**$786.3**	**($91.4)**	**($159.6)**	**($22.6)**	**($406.7)**	**($70.2)**	**$35.7**
Tilt Renewables	65.2%	$12.1	($19.5)	($6.3)	$3.8	$1,123.9	$7.8	$1,121.8
Trustpower Retail	51.0%	$47.5	($27.0)	($1.2)	($4.6)	($3.0)	-	$11.8
Total		**$845.9**	**($137.9)**	**($167.1)**	**($23.4)**	**$714.2**	**($62.4)**	**$1,169.3**

Year ended 31 March 2021 ($Millions)	Share	EBITDAF[1] 100%	D&A	Interest	Tax	Revaluations & other adjustments	Minorities	Infratil share of earnings
CDC Data Centres	48.1%	$157.7	-	-	-	($23.5)	-	$134.2
Vodafone	49.9%	$436.6	-	-	-	($463.8)	-	($27.2)
Manawa Energy	51.0%	$156.7	($23.1)	($29.0)	($4.7)	($83.5)	($13.4)	$3.0
Longroad Energy	40.0%	$7.7	-	-	-	$40.2	-	$47.9
Galileo Green Energy	40.0%	($9.0)	-	-	-	$5.4	-	($3.6)
Qscan Group	56.3%	$19.6	($7.9)	($5.1)	($2.0)	($16.9)	$5.4	($6.9)
RetireAustralia	50.0%	$20.8	-	-	-	$10.4	-	$31.2
Wellington Airport	66.0%	$36.0	($29.6)	($26.5)	$12.4	$10.1	($0.6)	$1.8
Corporate & other		($267.2)	-	($76.6)	$4.1	$48.7	($0.1)	($291.1)
Total (continuing)		**$558.9**	**($60.6)**	**($137.2)**	**$9.8**	**($472.9)**	**($8.7)**	**($110.7)**
Tilt Renewables	65.2%	$80.2	($43.8)	($11.8)	($31.5)	$78.5	($24.5)	$47.1
Trustpower Retail	51.0%	$43.5	($22.2)	($1.3)	($5.6)	-	-	$14.4
Total		**$682.6**	**($126.6)**	**($150.3)**	**($27.3)**	**($394.4)**	**($33.2)**	**($49.2)**

[1] EBITDAF is an unaudited non-GAAP measure and is defined on page 5.

Proportionate Capital Expenditure and Investment

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

To illustrate the calculation of Proportionate capital expenditure, Infratil owns 48.1% of CDC, CDC's capital expenditure for the period was A$509.5 million, and 48.1% of that is $259.9 million.

Investment undertaken by Infratil for the year amounted to $653.4 million. This primarily reflects the investments in Pacific Radiology Group and Kao Data.

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

Year Ended 31 March ($Millions)	2022	2021
CDC Data Centres	$259.9	$119.3
Vodafone	$177.9	$120.9
Tilt Renewables	-	$247.3
Manawa Energy	$23.6	$18.6
Longroad Energy	$246.5	$325.9
Qscan Group	$13.8	-
RetireAustralia	$26.1	$29.8
Wellington Airport	$11.7	$23.1
Other	-	$12.5
Capital Expenditure	**$759.5**	**$897.4**
Kao Data	$217.9	-
Galileo Green Energy	$13.8	$11.8
Gurīn Energy	$8.3	-
Pacific Radiology Group	$408.8	-
Qscan Group	-	$309.6
Clearvision Ventures	$4.6	$11.0
Investment	**$653.4**	**$332.4**
Proportionate capital expenditure and investment	**$1,412.9**	**$1,229.8**

Infratil and Wholly Owned Subsidiaries Operating Cash Flows

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

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

Cash outflows reflect net interest payments and corporate operating expenses.

International Portfolio Incentive fees paid during the period include tranche 1 of the FY2021 incentive fee ($74.4 million) and tranche 2 of the FY2020 incentive fee ($41.8 million).

Year Ended 31 March ($Millions)	2022	2021
CDC Data Centres	$13.4	$5.8
Vodafone	$37.1	$96.7
Tilt Renewables	$16.1	$179.6
Manawa Energy	$56.7	$51.9
Longroad Energy	$53.9	$39.5
Wellington Airport	-	$38.1
Clearvision Ventures	$1.7	-
Net interest	($61.2)	($67.8)
Corporate & other	($68.2)	($57.1)
Operating Cashflow	**$49.5**	**$286.7**
International Portfolio Incentive fee payment	($116.2)	($41.7)
Operating Cashflow (after incentive fees)	**($66.7)**	**$245.0**

Capital of Infratil and 100% Subsidiaries

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

During the year $93.9 million of bonds matured of which $54.8 million were exchanged for IFT310 bonds and the remaining $39.1 million were repaid. A further $47.6 million of IFT310 bonds were issued, taking the total issue to $102.4 million, a net increase of $8.5 million of bonds on issue.

On receipt of the Tilt Renewables proceeds in August 2021, Infratil repaid all of its bank debt. This remains undrawn at 31 March 2022.

1,031,049 shares were issued in December 2021 under the Dividend Reinvestment Plan, however, the largest driver of the change in the market value of equity was as a result of Infratil's share price increasing from $7.13 to $8.25 over the year.

Year ended 31 March ($Millions)	2022	2021
Net bank debt	($773.0m)	$328.2m
Infratil Infrastructure bonds	$1,163.7m	$1,155.2m
Infratil Perpetual bonds	$231.9m	$231.9m
Market value of equity	$5,972.9m	$5,154.7m
Total Capital	**$6,595.5m**	**$6,870.0m**
Dated debt/total capital	5.9%	21.6%
Total debt/total capital	9.4%	25.0%

Infratil Assets Book Values

This table shows the book value of Infratil's assets

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

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

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

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

Year Ended 31 March ($Millions)	2022	2021
CDC Data Centres	$1,026.2	$873.0
Vodafone	$838.2	$857.3
Kao Data	$203.4	-
Manawa Energy	$607.2	$629.9
Longroad Energy	$90.5	$44.9
Galileo Green Energy	$19.7	$10.8
Gurīn Energy	$2.0	-
Pacific Radiology Group	$417.1	-
Qscan Group	$305.1	$308.4
RetireAustralia	$417.3	$340.9
Wellington Airport	$580.0	$511.2
Parent & other	$195.7	$227.3
Total	**$4,702.4**	**$3,803.7**
Tilt Renewables	-	$864.4
	$4,702.4	**$4,668.1**

Fair Value of Infratil's Assets

This table shows the fair value of Infratil's assets

The fair value of Infratil's investments in CDC Data Centres, Vodafone, Longroad Energy, Galileo Green Energy and RetireAustralia reflect independent valuations prepared for Infratil.

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

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

Year Ended 31 March ($Millions)	2022	2021
CDC Data Centres	$3,117.3	$2,401.4
Vodafone	$1,670.0	$857.3
Kao Data	$203.4	-
Manawa Energy	$1,126.2	$1,314.7
Longroad Energy	$227.4	$136.2
Galileo Green Energy	$26.1	$10.8
Gurīn Energy	$2.0	-
Pacific Radiology Group	$417.1	-
Qscan Group	$305.1	$308.4
RetireAustralia	$408.9	$361.0
Wellington Airport	$580.0	$511.2
Parent & other	$195.7	$227.3
	$8,279.2	**$6,128.3**
Tilt Renewables	-	$1,869.3
	$8,279.2	**$7,997.6**
Per share	$11.44	$11.06

Shareholder Returns and Ownership

Over the year to 31 March 2022 Infratil's share price rose from $7.13 to $8.25. In addition, Infratil paid two dividends amounting to 18.00 cps cash and 6.03 cps in imputation credits.

The total return to shareholders for the year was 18.4%, comprising a 2.4% after tax (28% tax rate) dividend return and a 16.0% capital gain. The calculation of the capital gain assumes that all dividends were reinvested when received, so the shareholder neither took out, nor invested any additional cash.

Infratil's after tax return since listing in March 1994 has been 18.7% per annum, and over the last ten years 21.6% per annum after tax.

A shareholder who invested $1,000 in Infratil shares on 31 March 1994 and subsequently reinvested all dividends and the value of all rights issues (i.e., who neither took money out nor put money in) would, as of 31 March 2022 own 15,219 shares worth $122,600.

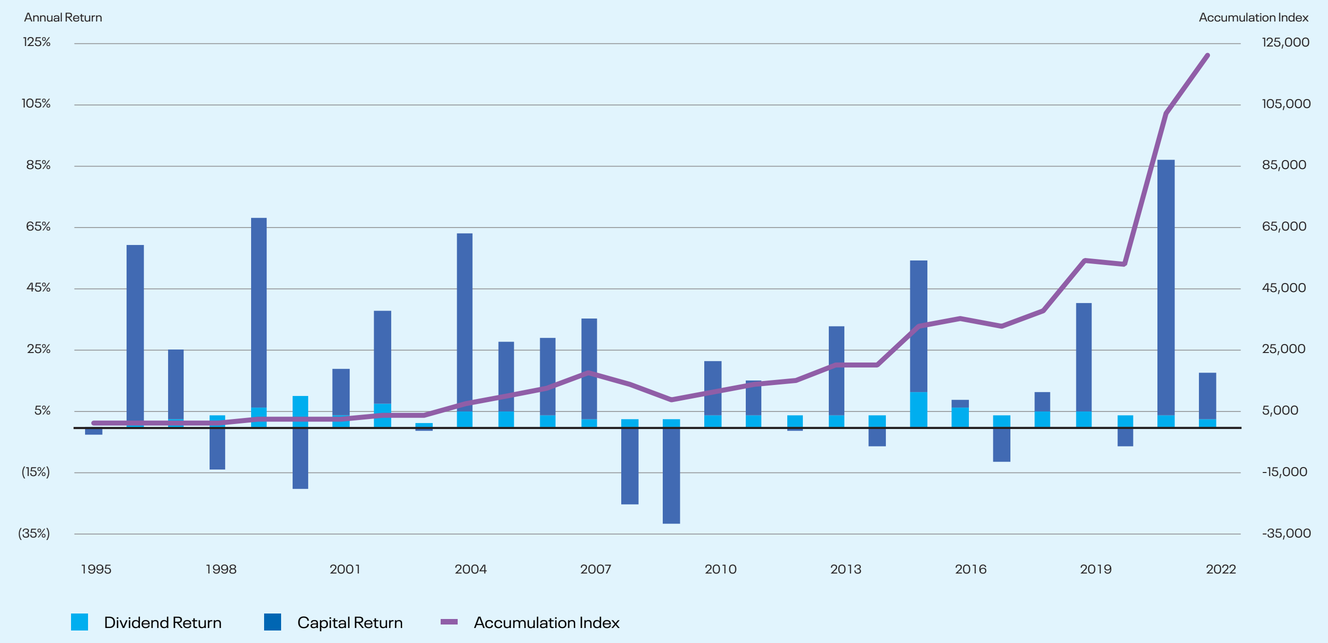
Ownership

During the year 1,031,049 shares were issued under Infratil's dividend reinvestment plan at $8.01 a share.

As at 31 March 2022 Infratil had 723,983,582 shares on issue.

	31 March 2022		31 March 2021	
	Million shares	%	Million shares	%
NZ retail investors	352	48.7%	343	47.4%
NZ institutional investors	216	29.8%	211	29.2%
Overseas investors	156	21.5%	169	21.5%
	724		**723**	

28 Year Track Record



Bondholders

In June 2021, Infratil successfully refinanced $93.9 million of maturing IFT220's through the issuance of $102.4 million of the new IFT310's. These bonds hold a coupon of 3.60% and a 15 December 2027 maturity date. Infratil initially sought to make an offer of up to $50 million, with exceptionally strong demand resulting in the oversubscriptions under the offer of $52.4 million.

No other bonds matured or were bought back over the year, although Infratil has two maturities in the 2023 financial year. The next bond maturity is $93.7 million of IFT190's in June 2022. During the last year Infratil has undertaken a review of its bond programme and anticipates offering holders a reinvestment option as outlined below.

2021 saw extremely strong conditions for issues of corporate bonds, with credit spreads (the difference between a corporate borrower's coupon rate and wholesale interest rates) reducing to levels not seen since pre 2007/2008. This, combined with low interest rates, supported corporate bond issuers to raise funds with historically low coupons.

However, the first months of 2022 have seen inflation take centre stage and central banks take their first steps to reverse accommodative policy settings. The RBNZ has begun raising rates to fulfil its price stability mandate, with the 5-year swap rate increased from 1.87% on 30 September 2021 to 3.40% on 31 March 2022. This impact can be seen in the secondary market yield for the IFT310's which were trading at a price of 5.00% on 31 March 2022. This reflects the strong appetite from retail investors for bonds issued in the primary market with materially higher coupons than those seen in recent years.

Bond Programme Review

The nature of the New Zealand bond market has changed significantly since Infratil started issuing bonds, a review was conducted on Infratil's issuance process with the following objectives:

1. Ensure an efficient process exists for existing bondholders to rollover their bonds.
2. Create a process that appeals to and attracts a wide range of investors through alignment with broad market preferences.

The review involved dialogue with a wide range of market participants and has resulted in the following key changes to Infratil's approach:

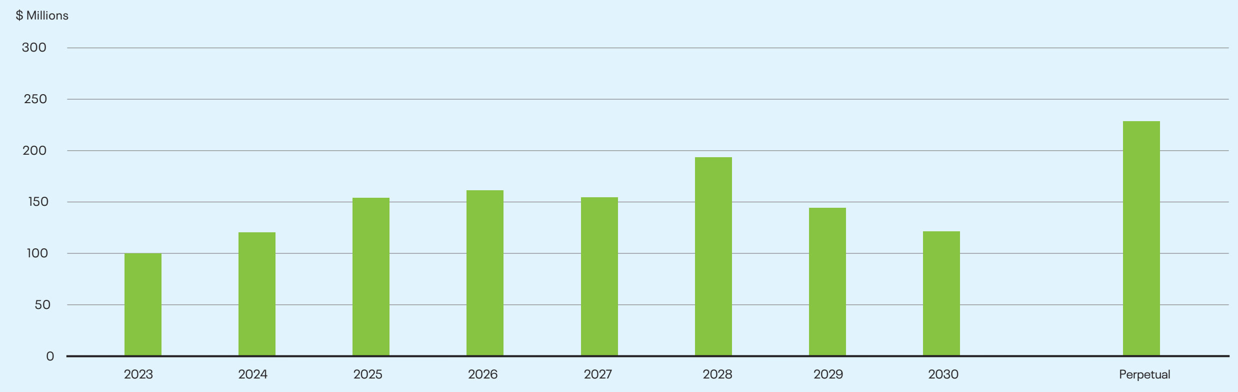
- Infratil intends to offer existing bondholders a firm rollover option in future via an online election process, removing reliance on manual application forms.
- When Infratil seeks to raise additional funds in excess of any rollover, this will be conducted through a traditional bookbuild approach with a fixed timetable, issuance size and indicative pricing similar to the majority of issues seen in the New Zealand corporate bond market.

Infratil has the maturing IFT190's in June 2022 and the IFT240's in December 2022 which present the first opportunities to take this new approach to market.

Infratil's Bond Maturity Profile

Infratil's bond maturity profile is set out below. The goal with the bond maturities is that they are evenly spread to minimise refinancing pressure in any one year. With $1,387 million of bonds on issue, Infratil is one of the largest borrowers from the domestic corporate bond market.

Infratil's Bond Maturity Profile



Foreign Currency Exposure

As Infratil's portfolio has evolved over time, so has the Group's exposure to foreign exchange ('FX'), and therefore foreign exchange risk. This risk principally shows up in two ways; on Infratil's cashflows denominated in foreign currencies and on Infratil's asset carrying values translated from foreign currencies.

Infratil's FX cashflow risks relate to its net investment flows into existing offshore assets (i.e., capital calls and dividends), and more materially, the forecast cost of any acquisition, or divestment of a foreign asset.

Infratil's FX translation risk relates to the Group's exposures to FX rate movements on assets and liabilities denominated in foreign currencies, creating unrealised FX gains or losses which impact Infratil's net asset position. While these positions are unrealised, due to the size of the underlying assets they do present the most material currency exposure for Infratil.

Infratil's FX hedging policy's core objective is to preserve available liquidity sources and reduce the overall cashflow volatility of the Group due to movements in FX. This means Infratil seeks to hedge cashflow risks related to its net investment flows into existing offshore assets or relating to acquisitions or realisations where management is satisfied a transaction has a high probability of occurring.

At present Infratil does not hedge its FX translation risk, however Infratil does seek to manage its overall currency exposure as the portfolio composition evolves, with an objective of maintaining a balanced currency mix. The utilisation of foreign currency denominated debt facilities is a tool that management will use in future to help smooth the Group's overall currency exposure. For example, Infratil now has access to A$415 million in undrawn revolving credit facilities which would act to partially offset any Australian asset positions, while a number of Infratil's investments also borrow in their respective local currencies.

Infratil's investment thesis is based on the premise of pursuing high conviction strategies. Given the existing unhedged position of the portfolio, we believe the best approach is for investors to be aware of the global exposures Infratil now provides particularly to the Australian dollar ('AUD') and for each investor to have the freedom to manage this in the context of their own individual portfolio composition and objectives.

Translation Impact

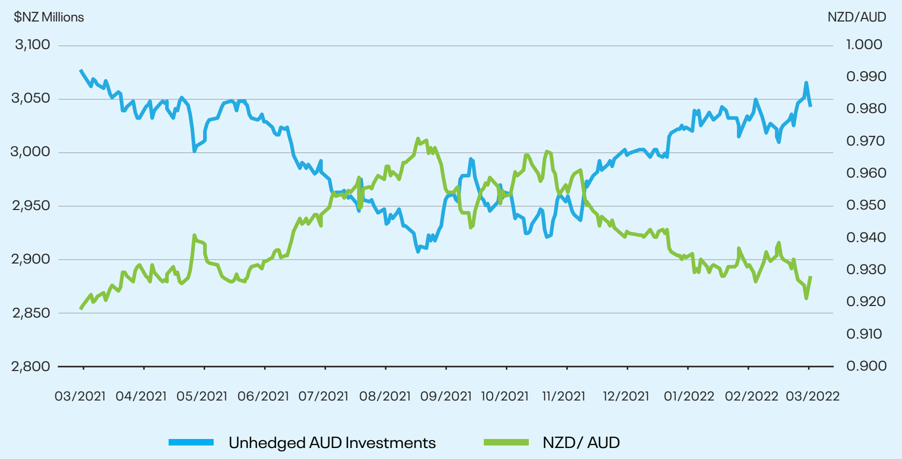
Infratil's most material currency exposure is AUD due to its investments in CDC Data Centres, RetireAustralia and Qscan Group. As of 31 March 2021, the carrying value of these investments was A$2.82 billion, or NZ$3.08 billion when translated at the year-end rate of 0.9182.

Holding the opening investment value constant (i.e., not taking into account any movements in the underlying assets) through the course of the year the NZD value fluctuated between $2.91 billion (down $168.6 million; 5.5%) and $3.08 billion (the opening position was the highest value of the year) with the total opening investment position ending the year down $34.8 million, a 1.13% unrealised loss over the 12 months.

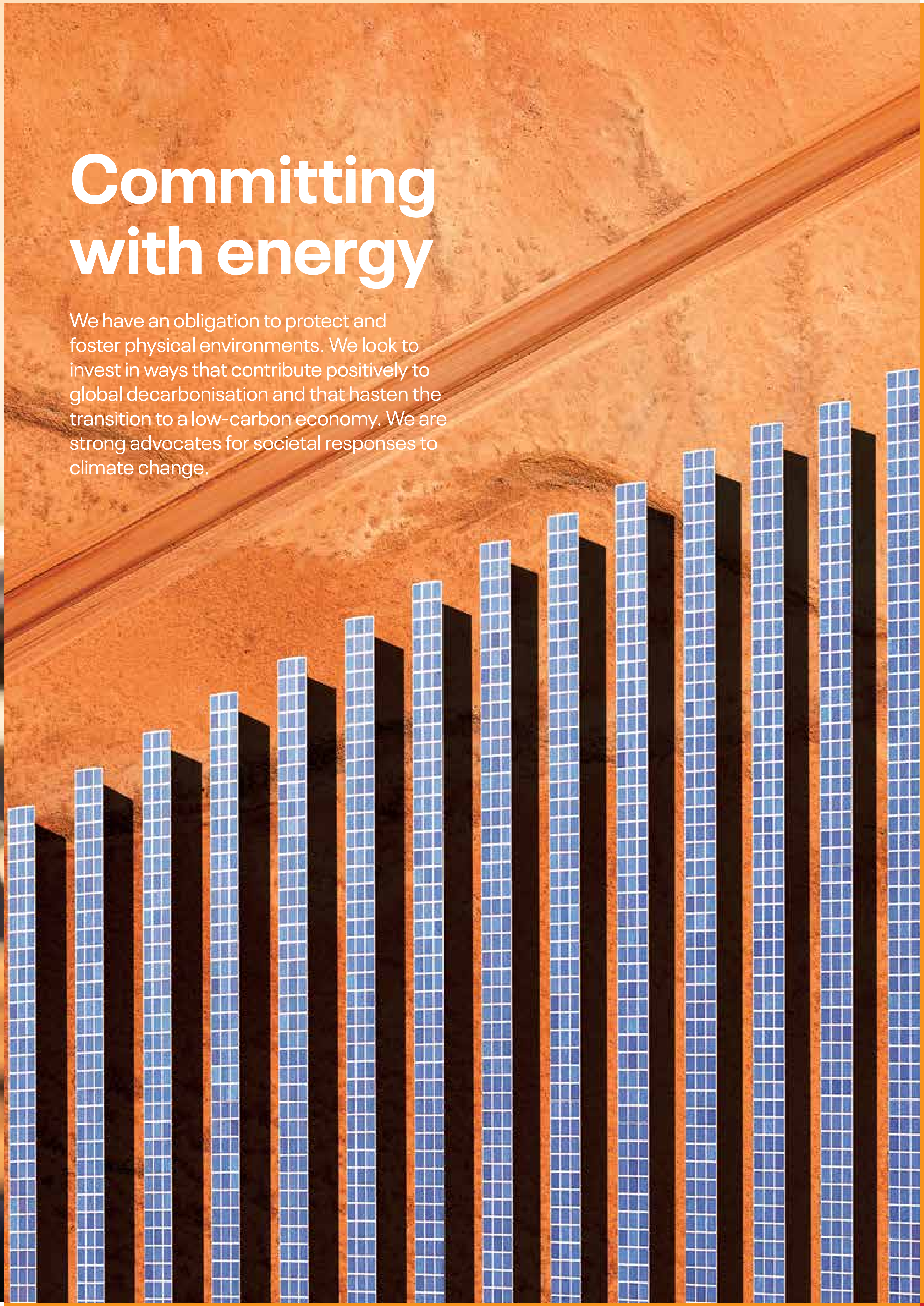
As further context the NZD/AUD exchange rate is currently trading towards the top end of its 20-year range, but it has not appreciated in a linear fashion over those 20 years. Displaying a period of steady appreciation (2000-2005), followed by a period of decline (2005-2011), a sharp appreciation (2011-2013). Since recovering back above 0.9000 in 2013, it has spent most of its time trading between 0.9000-0.9500 with very brief periods spent above or below these levels.

Infratil has not been able to establish a clear historic correlation between its most material currency exposure (NZD/AUD) and its market capitalisation. This is not unexpected given the variety of underlying value drivers and external market factors that influence the Infratil share price, however this will continue to be monitored over time.

As at 31 March 2022, 47% of Infratil's assets were denominated in New Zealand dollars, 45% in Australian dollars, 5% in United States dollars and 3% in Euros and Pounds. This excluded cash balances held at the corporate level which are held in NZD.


Carrying value of Infratil's Australian Investments


Manawa Energy's Pātea Dam, Taranaki



Committing with energy

We have an obligation to protect and foster physical environments. We look to invest in ways that contribute positively to global decarbonisation and that hasten the transition to a low-carbon economy. We are strong advocates for societal responses to climate change.

Renewable Energy

A global platform

MANAWA ENERGY

longroad ENERGY

Galileo Green Energy

gurīn ENERGY

Infratil has consolidated its position as a global player in renewable energy generation and supply, at a time where we are seeing continuing changes to weather patterns, unsustainable levels of carbon emissions requiring unprecedented government policy alignment across the globe, and significant challenges to global energy security.

The commitment to achieve net-zero emissions by mid-century has dramatically shifted over the past two years with the global coalition for net-zero emissions growing. India is the most recent major emitter to announce a net zero goal. Together with China, the EU, and United States, these four regions represent more than half of global greenhouse gas emissions. But, despite this, the Nationally Determined Contributions ('NDCs') – as required by the Paris Agreement and which set out countries' planned combined emissions reductions by 2030 - still fall far short of the level of ambition needed to achieve the 1.5 °C goal.

We believe more action will be needed because the impacts of climate change will be catastrophic without abatement, and even incremental increases will be devastating, impacting at first the world's most vulnerable communities.

Alongside the huge cost to communities, the economic impacts will be profound. Climate related economic losses have increased sevenfold from between the 1970s' to the 2010s', rising from US$49 million per day to US$383 million per day on average in 2019.

To meet our required targets, nothing less than a complete transformation of how we produce, transport and consume energy is needed.

At a global level, renewable energy technologies are the key to reducing emissions from electricity supply. The share of renewables in total electricity generation globally is forecast to increase from 29% in 2020 to over 60% in 2030 and to nearly 90% in 2050. To achieve this, annual capacity additions of wind and solar between 2020 and 2050 will be five-times higher than the average over the last three years.

Alongside the urgent environmental drivers of change, lies geopolitical upheaval and realignment. The Ukrainian crisis has only re-highlighted the geopolitical risks surrounding energy security and the interconnected nature of global energy markets. Governments are becoming increasingly interventionist with energy policies being changed with the stroke of a pen, as governments seek to tackle decarbonisation and energy security agendas.

In Europe, following the Ukrainian invasion, the EU launched a plan to fund a transition away from Russian gas by two thirds by the end of 2022 and on all Russian gas by 2027. The plan will also assess whether markets are fit for purpose in delivering both decarbonisation and energy security agendas. Germany has announced the intention to bring forward its 100% electricity grid ambitions by 15 years to 2035 as a result of the Ukrainian conflict.

The challenges outlined require a global focus and combined response. We expect to invest more in this sector over time, capitalising on our early start, through our existing businesses and new ones we expect to establish in the future.

The International Energy Agency estimates that to reach net zero emissions by 2050, annual clean energy investment worldwide will need to more than triple by 2030 to around $4 trillion. Combined with the energy security challenges this represents one of the largest investment opportunities in history. Enormous amounts of capital are now being mobilised and are coming into the sector. This includes investment in technology, and direct investments in generation fleet and capacity.

We see the next steps including large increases in electricity demand due to a strong electrification of transport and heat sectors. The increase of electricity demand, combined with the reduction of electricity generation from fossil fuels will result in a big gap in power generation which will need to be filled by a mix of low-carbon generators.

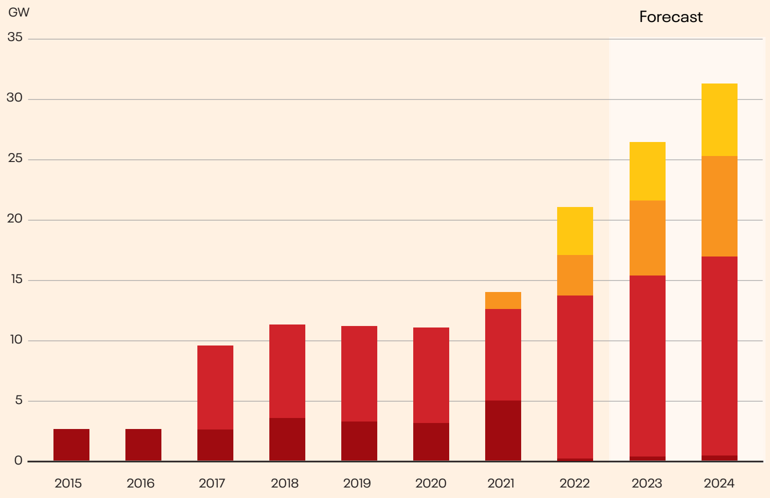
Infratil was an early investor in the Renewable Energy sector, with its first investment being an investment in Manawa Energy in April 1994. Today, we have a genuinely global footprint with activity across 26 markets and a total development pipeline of over 20GW. Our approach has been deliberate, establishing local presences in Australasia, North America, Europe and Asia backed by a global perspective. This allows us to optimise our capital investment as markets shift, while also addressing market, timing, weather and technology risks. Our investment thesis was reinforced following the sale of Tilt Renewables during the last year, as we saw the value that markets are placing on quality assets with significant growth potential.

Platform development pipeline by region

Infratil's Renewable Energy platform currently has a development pipeline of over 20GW across across 4 continents and 26 markets.

The sale of Tilt Renewables during the year included its 5GW Australasian pipeline. This was replaced by over 6GW across Asia and Europe. Over time we expect to rebuild our Australasian pipeline.

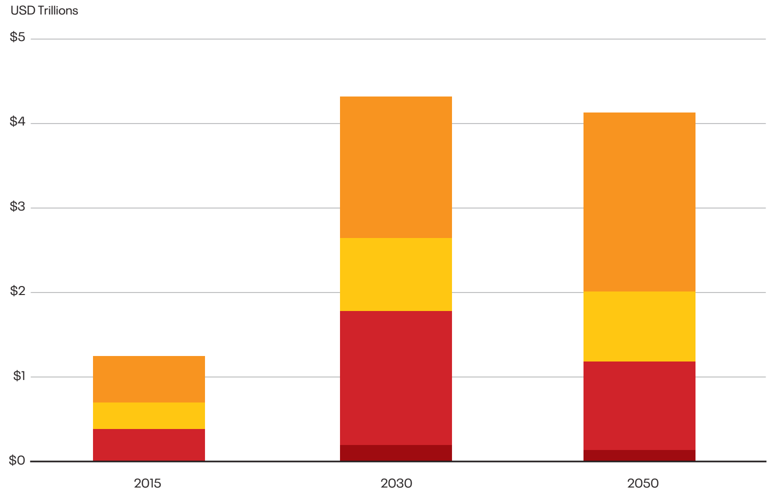
🟥 Australasia
🟧 Europe
🟥 North America
🟨 Asia



Annual clean energy investment required in the net zero pathway

In its Net Zero by 2050 Roadmap for the Global Energy Sector, the International Energy Agency estimates to reach net zero emissions by 2050, annual clean energy investment worldwide will need to more than triple by 2030 to around US$4 trillion.

Clean electricity generation, network infrastructure and the electrification of end-use sectors are key areas for increased investment. Enabling infrastructure and technologies are also vital for transforming the energy system.

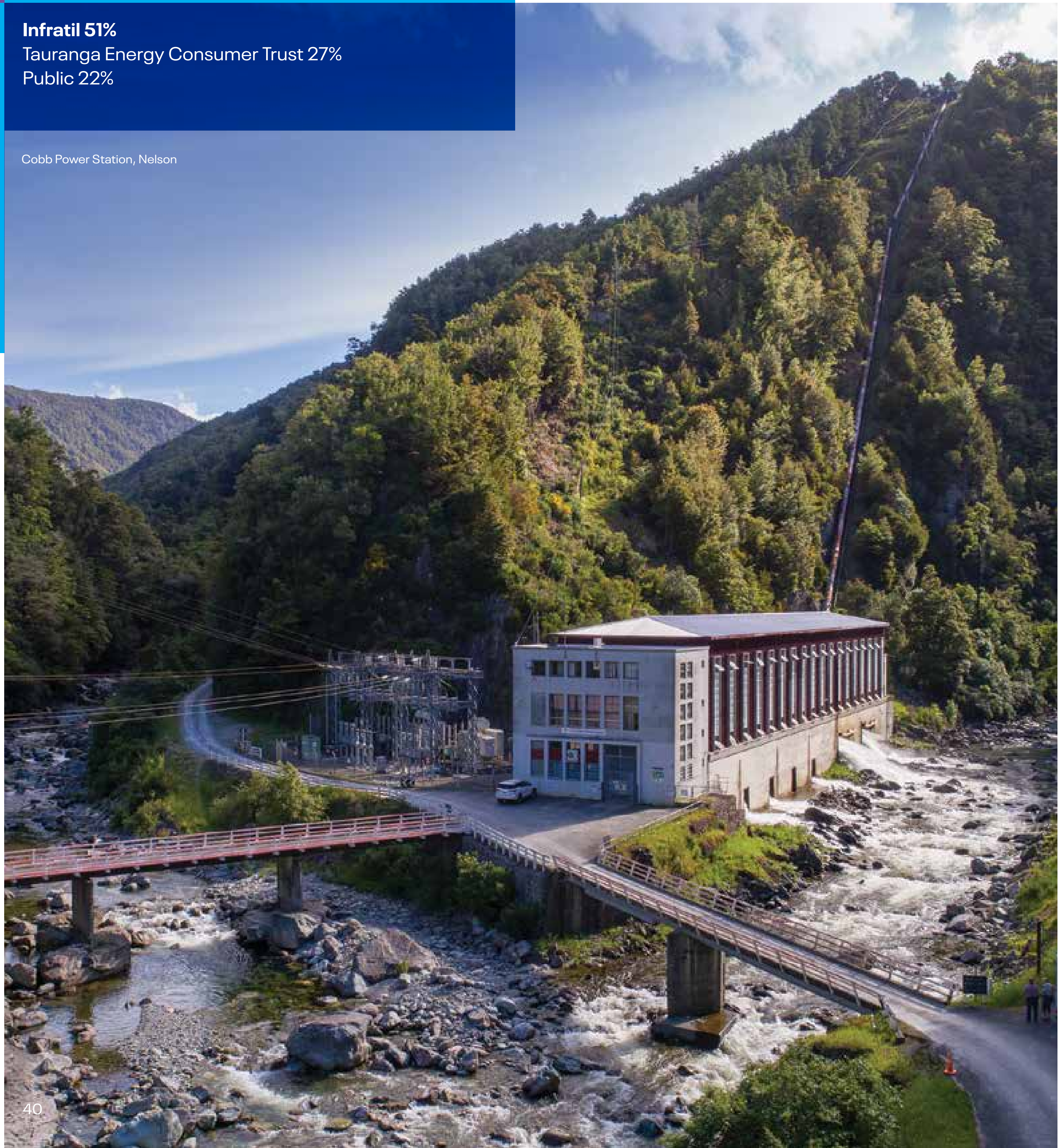


🟥 Low-emission fuels
🟧 Energy Infrastructure
🟨 Electricity Generation
🟥 End-Use

Source: The International Energy Agency's Net Zero by 2050 Roadmap for the Global Energy Sector

Manawa Energy

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



Cobb Power Station, Nelson

Amid the ongoing challenges of Covid-19, persistent below-average inflows, and sustained regulatory uncertainty, Manawa Energy – Trustpower's new name - successfully separated over a quarter of a century of integrated retail operations during the year with the completion of its retail business sale to Mercury on 1 May 2022.

This achieves the objective Manawa set out over a year ago – to transition to a standalone renewable generation business. Many years of work went into setting up this business for a strong future and this was reflected in the $467 million sale. The retail operations were in strong shape, thanks to significant efforts to maintain momentum in growth and customer service through the transition. The sale saw approximately 238,000 customers nationwide, across a diversified portfolio of services including electricity, gas, broadband and mobile, sold to Mercury.

At the operating level, Manawa achieved EBITDAF of $204.2 million, up from $200.2 million in the prior year. Generation volumes across both its North and South Island assets were 1,760GWh – an increase of 3% on last year. Generation production volumes across both the North and South Islands were 1,760GWh – an increase of 3% on last year. Inflows were up on FY2021's record low, although they remained materially lower than average. However, work on asset enhancements delivered additional output which contributed to the 52GWh increase.

This was achieved despite the challenges of Covid-19 to safely deliver scheme upgrades, including major maintenance and asset renewals at Waipori, installing a new generating unit runner at Coleridge, and a new infiltration gallery intake at Branch River that will yield an additional 10GWh a year.

The retail business contributed EBITDAF of $44 million, up slightly from the prior year, reflecting its ongoing strong performance. The mass market retail business saw net customer growth over the year and maintained customer retention rates above market average.

Manawa continues to service around 680 commercial and industrial customers at more than 14,000 electricity connections nationally. In FY2022, 1,219GWh of electricity was supplied to these customers, over 65% at the wholesale spot price. The aim is to meet more of this demand from Manawa's own generation portfolio, while working alongside its customers to help them make informed decisions about energy consumption, load management and costs.

The commercial and industrial customer segment shows strong growth potential. Increased demand for renewable energy from new industry as well as further development in existing industry is forecast as businesses look to decarbonise through electrification from alternative energy sources.

Over 500 roles shifted to Mercury with the retail business sale, reducing the Manawa Energy workforce to around 240 full time equivalent employees. Staff were provided regular opportunities for open dialogue and targeted wellbeing initiatives. Manawa's approach was recognised in February with an Excellence Award in the Health and Wellbeing category of the HRD Awards, New Zealand's leading independent awards programme for the human resources profession.

Year ended 31 March	2022	2021
Retail electricity sales	1,819GWh	1,824GWh
Generation	1,760GWh	1,708GWh
Average Generation spot price	16.6c/kwh	14.4c/kwh
Total Utility Accounts	431,000	421,000
Generation EBITDAF	$159.7m	$156.7m
Retail EBITDAF	$44.5m	$43.5m
Total EBITDAF	**$204.2m**	**$200.2m**
Capital expenditure	$46.3m	$36.2m
Net external debt	$739.4m	$726.8m
Infratil's cash income	$56.7m	$51.9m
Fair value of Infratil's investment	$1,126.2m	$1,314.7m

Following the sale, Manawa is now New Zealand's largest independent (without an integrated mass-market retail business) electricity generator and renewables developer, representing about five percent of the country's existing generation capacity with a substantial portfolio of hydroelectric power schemes. It is enhancing the value of its existing generation assets and is currently on track to deliver more than 67GWh a year of enhancement uplifts - 55GWh a year of which have either been completed or are due to be completed by the end of FY2026.

The shorter-term focus is to deliver 15GWh a year of enhancement growth in 2023, with 10GWh a year from the Branch intake enhancement project (about to be completed), 2GWh a year from generator upgrades at Cobb (to be completed in January 2023), along with the completion of Waipori's Deepstream Phase Two project (3GWh a year).

A Memorandum of Understanding has been signed with Hawke's Bay Airport to progress the development of a 24MW solar farm. The development is planned for otherwise unused airport land (due to strict height limitations for structures next to the runway) and utilises Hawke's Bay's high sunshine hours. The solar farm will power most of the airport's operations and other nearby users, generating up to 36,000 megawatt hours a year - the equivalent of powering 5,000-6,000 homes. The next stage of the development will be to seek a resource consent and formalise a Joint Venture Agreement.

Looking ahead, a continued focus from the Government and industry regulators is absolutely critical to ensuring that the energy system provides a platform for achieving New Zealand's net zero climate ambitions.

There is an expectation that most of the emissions reductions will be enabled by the energy sector – primarily through electrification of transport and industrial process heat, with support from increasing renewable electricity generation. Development of the Government's National Energy Strategy during the second half of 2022 will be important for establishing the roadmap for the energy sector's transition towards meeting these ambitions while ensuring security, reliability and affordability of supply.

The Government has acknowledged that a target of 100 percent renewable electricity by 2030 is aspirational, and it intends to review this target in 2025. Reaching 100 percent renewable electricity supply will be challenging and costly. Technology advances in grid scale solar, wind generation, a better understanding of the roles of hydrogen and biomass powered thermal generation, and further investment by others in the industry in geothermal, will all accelerate New Zealand's decarbonisation.

The Government is also continuing work on the Lake Onslow "New Zealand Battery" project, with $100 million allocated or spent to date on feasibility, with a total cost estimate ranging from $4 billion to more than $10 billion. Lake Onslow's huge cost could be better spent on increasing the overall stock of renewable generation and improving the distribution and transmission network throughout New Zealand. Provided regulatory settings remain stable and balanced, Infratil is confident that Manawa Energy can play a significant part in meeting the above challenges.

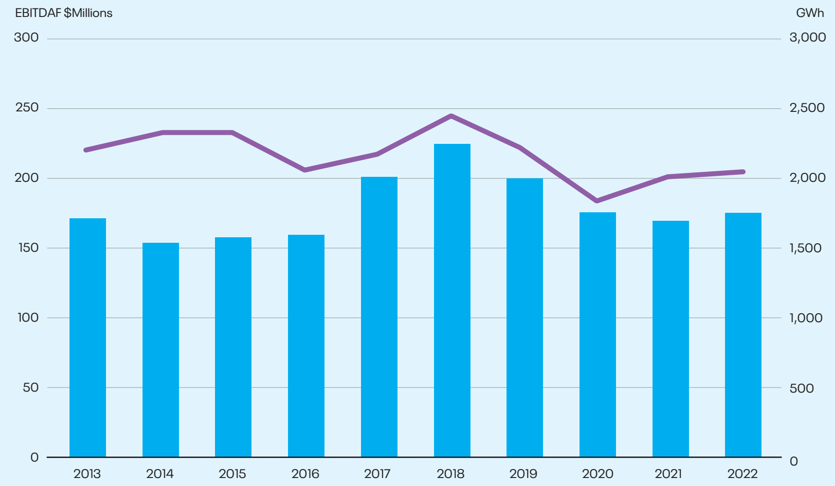
> "
>
> During our retail sale process and the transition to Manawa Energy, we engaged with investors, shareholders, and iwi. We have spent time understanding the needs and aspirations of our communities, our customers, and our people. In addition to the support and sponsorships we provide to local communities and environmental groups associated with our generation assets, we are committed to deepening our bicultural maturity.
>
> Our commitment to more meaningful iwi partnerships begins with our relationship with Ngati Hangarau. We have been consulting with Ngati Hangarau for many years, and in our transition to our new identity, we have begun to build a more mutually beneficial relationship based on our shared heritage and our mutual desire for Manawa Energy to develop greater cultural awareness and capability.
>
> Our lakes, rivers and streams not only provide the capability for us to generate renewable electricity, they are important to our communities for recreation and hold great cultural significance for tangata whenua.
>
> **David Prentice**
> Manawa Energy
> Chief Executive

EBITDAF and Generation

Over the last ten years Manawa Energy's hydro generation has mainly fluctuated with the level of rainfall within its catchments.

EBITDAF has been relatively flat over the same period with changes reflecting generation levels, wholesale electricity prices, and the contribution from utility retailing.

■ Generation (GWh) — EBITDAF



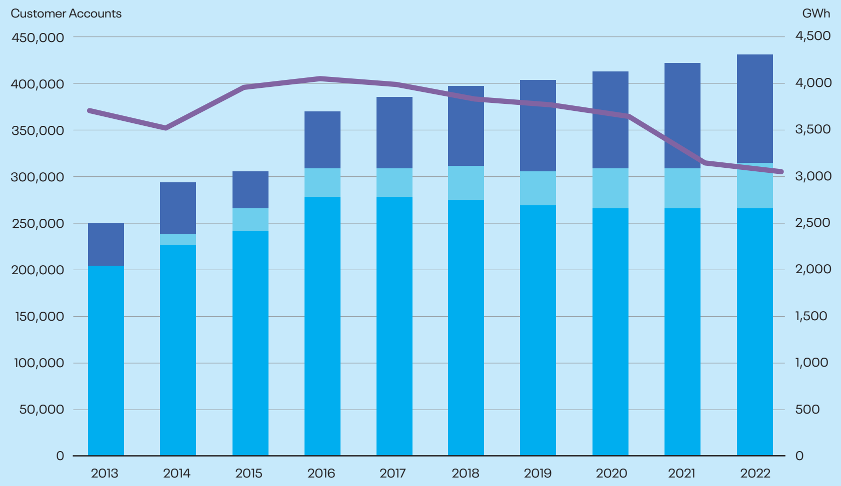
Customers and retail electricity sales

In an intensely competitive energy market, bundling utility services was a key ingredient in the retail success of the Trustpower brand.

Bundling utility products like this has been attractive to customers, and Manawa benefitted from customers spending more and staying for longer. All key metrics in the retail business, including fibre and mobile connections, products per customer and digital uptake, continued to show positive momentum during the year.

With more than 400,000 accounts across the country, as of April 2022, the retail business was in great shape to hand over and feel confident that with Mercury, Manawa's retail customers will be in good hands.

■ Electricity connections
■ Gas connections
■ Telecommunication customers
— NZ retail electricity sales volume (GWh)

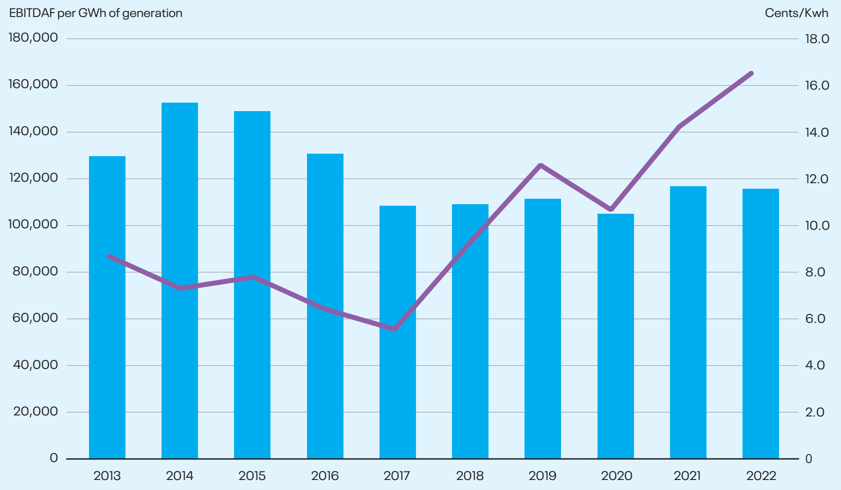


EBITDAF per unit of generation and the average market price of electricity

Historically Manawa Energy's success as a utilities retailer has meant that earnings per unit of generation have been higher than had the generation been sold straight into the wholesale market.

As New Zealand looks to reduce reliance on controlled thermal generation, this may increase the volatility of wholesale prices, increasing the value of Manawa's storage and controllable generation.

■ EBITDAF / GWh — NZ Market Price



Longroad Energy

Infratil 40%
New Zealand Superannuation Fund 40%
Management 20%

The 243MW El Campo wind farm, Texas

Longroad Energy has been established for five years as a vertically integrated developer, owner, and operator of wind, solar, and storage energy in the United States, with its headquarters in Boston. In addition to developing, financing, and constructing renewable energy projects, Longroad Energy provides operations and asset management services to wind and solar projects across the United States.

Since its inception, it has developed and acquired 3.2GW of renewable energy projects, of which 1.8GW have been sold and 1.4GW retained. By 2026, it is aiming to have developed or acquired 8.5GW of renewable energy projects. If Longroad was a New Zealand generator, that would represent around 85% of the country's total current generation capacity.

Longroad's plan for the next three years through to the end of 2024 is for the development of 4.5GW over that period – delivering around 1.5GW a year. These targets are inclusive of storage capacity.

The last year was challenging with supply chain constraints and significant inflationary pressures on inputs such as steel, photovoltaic ('PV') panels and lithium. The goal of the years 2021/22 of commencing construction of 1.8GW of 1.8GW across 12 projects was impacted, while Longroad reached commercial operations on just two projects in 2021.

Pleasingly, of the 12 projects targeted for 2021/22 none have been terminated, and the capital discipline shown by the Longroad team has allowed for a number of these projects to be reworked given the global supply chain impacts. Balancing those supply chain impacts and cost pressures, higher pricing for renewable energy is expected to maintain the economics of Longroad.

One of the projects that achieved commercial operation during the period was the 200MW Sun Streams 2 solar project in Maricopa County, Arizona. The Longroad team acquired the project from First Solar as a construction project in 2021, then managed completion of construction post acquisition and arranged project-level financing. The project has a long-dated power purchase agreement ('PPA') with a high credit-quality off taker and contract structure which effectively removes irradiance risk (the amount of solar energy captured).

As part of the same transaction, Longroad acquired two even larger projects: Sun Streams 3 (500MW) and Sun Streams 4 (790MW) projects. These are in mid-stage development in the Longroad pipeline so entail more work and risk to bring to fruition, Longroad expects higher profits in return.

The global supply crisis is likely to continue to impact the pace and cost of development, with continuing impacts on project completion, and inflation causing project developers and power purchasers to re-evaluate economics and schedule. Longroad benefits from having been in the market for five years and building strong relationships with key suppliers. It also benefits from its focus on developing generation in high-value markets which can drive premium values.

As at 31 March	2022	2021
Owned operating generation	1,652MW	1,053MW
Generation managed for others	1,875MW	1,873MW
Total Generation developed in year	530MW	1,751MW
Generation under construction	26MW	530MW
Near-term pipeline	1,271MW	
Long-term pipeline	12.4GW	7.7GW
Employees	142	128
Net Debt (US) - 31 December 2021	$951.4m	$852.6m
Captial Expenditure (US) - year to 31 December 2021	$451.3m	$710.8m
Infratil's aggregate investment amount (NZD)	$279.5m	$220.8m
Aggregate capital returned (NZD)	$287.2m	$224.2m
Infratil's cash income (NZD)	$54.0m	$39.5m
Infratil's book value (NZD)	$90.5m	$44.9m
Fair Value of Infratil's investment (NZD)	$235.8m	$136.2m

The outlook remains encouraging with significant industry tailwinds. While President Joe Biden's Build Back Better initiative failed to secure a Congressional majority, the reintroduction of climate legislation is possible – although Longroad's assumptions are based on it not occurring. But as has been the case for decades when Washington has failed to support clean energy policy, state level support mechanisms in key states like California continue to strengthen. There is also significant impetus driven from the business community with corporate buyers of renewable energy at an all time high with over 31GW purchased in 2021.

Competition is high across the sector in the United States. A rush of capital into the market makes for stronger competitors with more dollars to spend on assets and development. This increasing competitive intensity is prompting Longroad to make a strategic shift to primarily "develop-to-own" to build scale which will assist it to maximise its competitive position. It currently has operating assets of 1.4GW. With the growth targeted in the next five years, it could own around 8.5GW of operational assets by the end of 2026. This will enable Longroad to enjoy benefits of greater scale, including improved purchasing power on solar panels, turbines and batteries, the operating ballast to maintain a larger development pipeline, and heightened optionality to optimise its asset fleet, including the option to bundle projects for full or partial sale.

This strategic shift will require around US$8 billion in investment, US$1.2 billion of which would come from Longroad's shareholders. Longroad, with the support of its shareholders, has initiated a process to assess new minority investor(s) to give Longroad further flexibility and strategic options in the future as this scale builds. It is currently looking to raise around US$500 million of new capital with the process expected to be completed by mid-2022.

Even without climate legislation, the range of wind, solar and storage forecast growth out to 2030 is around 40-45GW per year. Longroad's development pipeline of 1.5GW a year represents 3.5-4.0% of market share. Since 2018, its market share has been 3.7%. Longroad's focus on higher value markets means it enjoys higher than industry profit levels on a dollar per kilowatt basis. Given that its pipeline is largely focused on these same markets, the expectation is that this will continue, even accounting for increased competition

Infratil remains very optimistic in the investment thesis, based on Longroad's track record, pipeline, and team. It is well-positioned in a key geography, with high-quality platform and operating assets, built-in growth through its development portfolio, and a proven team.

> "
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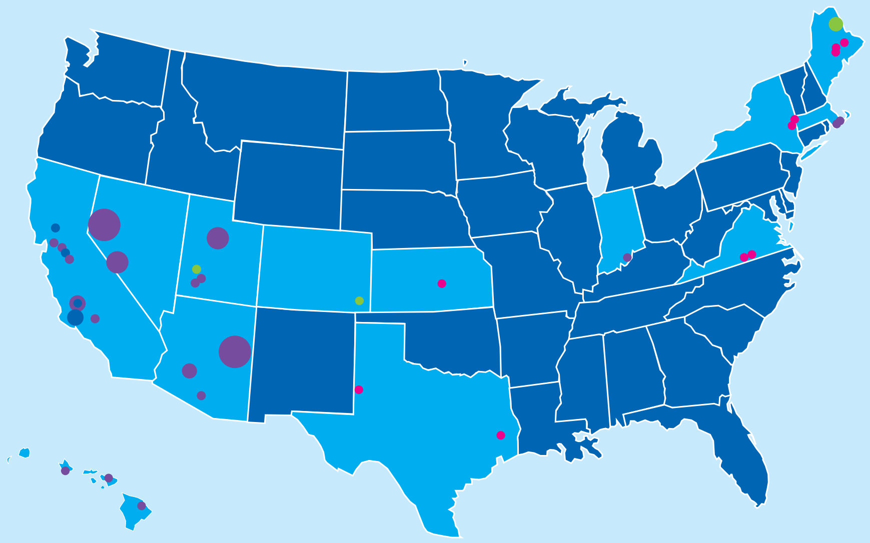
> Our robust ESG policy is a critical success factor for creating and sustaining long-term value for all of our stakeholders. We strive to use natural resources responsibly and to minimise the environmental impact of our business activities.
>
> Our culture and values are rooted in respect, integrity, community, excellence and teamwork and our operating principles are founded on making and honouring well thought out commitments and doing what we say we are going to do.
>
> Longroad Energy employees are our most valuable asset. We are committed to their development and well-being. We believe it is important to stay connected and involved in the communities in which we work and live. We also like to engage with vendors and suppliers who operate using socially responsible business practices.
>
> Longroad Energy is committed to doing the right thing, conducting ourselves in a legal, ethical, and trustworthy manner, upholding our regulatory obligations, and complying with all laws. We have a code of conduct that provides mechanisms to prevent dishonest or unethical conduct, and fosters a culture of transparency, honesty and accountability. This code of conduct outlines the responsibilities of our employees, including ensuring that our suppliers are aware of their obligation to conduct themselves in a legal and ethical way.
>
> **Paul Gaynor**
> Longroad Energy
> Chief Executive

Longroad Energy development pipeline

Longroad is targeting to grow its operating base from 1.4GW to over 8.5GW in five years by developing and retaining its pipeline of projects.



Longroad Energy near-term pipeline

The following projects represent the projects Longroad expects to bring to FNTP (Full Notice to Proceed) in the near-term.

Project	2022	Technology	MW
Sun Streams 3	Arizona	Solar & Storage	500MW
Pittsfield	Maine	Solar	7MW
Three Corners	Maine	Solar	150MW
Umbriel	Texas	Solar	200MW
Foxhound	Virginia	Solar	108MW
Milford Wind Repowering 1	Utah	Wind	204MW
Milford Wind Repowering 2	Utah	Wind	102MW

Galileo Green Energy

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

Galileo saw its development activities accelerate over the past year amid an increasing focus on the renewables transition needed to combat climate change, followed in the second half of the year by exceptional momentum triggered by security of supply shocks as a result of the Russian invasion of Ukraine.

Over the course of last year, the development pipeline of Galileo doubled, to over 3.4GW across three technologies - solar PV, onshore wind and battery storage, and with a strong geographical diversification with projects located in Germany, Ireland, Italy, Spain, Sweden and the United Kingdom.

We will bring our first 4 solar PV projects counting for approximately 30MW in Italy to "Ready-to-build" status by end of the current financial year.

The accelerated pipeline growth was mainly achieved on the basis of joint development agreements with professional local partners, both in terms of the expansion of existing agreements, and through the implementation of new ones.

Europe is a very large, and in the main, a cohesive market with internationally leading policies and commitments. Over the next eight years, renewable energy is set to increase its contribution to Europe's power mix by around 900 terawatt hours (an increase of over 50%), providing over 60% of the electrical energy consumed in 2030.

The war in Ukraine is posing significant strategic questions for Europe regarding the security of future energy supply, especially in Germany. With reliance on Russia at a historic high, European economies face the double challenge of boosting renewable energy and, at the same time, finding a transitional energy source that is different from Russian gas. The size of the challenge is huge: in 2021, the EU imported more than 40% of its total gas consumption, 27% of its oil imports and 46% of its coal imports from Russia, representing 62% of total EU imports from Russia, at a cost of nearly €100 billion.

Liquified natural gas from the United States, Norway and North Africa will play a role in the diversification of gas imports, but the EU's 'RePower' plan proposes moving considerably faster on wind and solar power. Recognising some of the bottlenecks which hinder the roll out of renewable energy projects, the plan is encouraging fast permitting for renewable energy projects. Power purchase agreements is another identified area where guidelines on counterparty risk mitigation at the EU level could accelerate change and ensure the most efficient development.

European countries are also moving to address the transmission challenges from the shift to renewables. If the historic generation fleet in Europe, dominated by very large fossil and nuclear units meant a few thousand generation facilities were spinning across the continent, new wind and solar generation plants will translate into millions of generation units with many being close to both populations and industry. There will be huge demand for storage facilities of various kinds, providing secure, 24-hour power supply across weeks and months. There will also be significant developments required in software and data collection, as well as processing required to optimise a much more complex energy system.

The increasingly complex context brings uncertainties and risks on various fronts. However, it also confirms the growth opportunities and investment thesis behind the establishment of Galileo's plan to become a major European renewable energy developer, investor and owner. The specific focus of Galileo to develop agile interdisciplinary competences to cover all phases of the project-lifecycle has gained even more in relevance over the recent months.

Galileo's growth plan foresees a ramp-up to 300MW - 500MW of investable new projects per year. Supporting this is a target pipeline of approximately 20GW of quality projects by 2026, with wide technological and geographical diversification.

Two of the unique initiatives Galileo is currently progressing are a joint venture to develop over 2,000MW of onshore wind projects across Sweden, Scotland and Wales, and a single 500MW offshore wind project in Italy.

In a challenging consenting environment for onshore wind projects across Europe, the importance on focusing on quality projects with quality partners is critical. Together with an entrepreneurial partner in a joint venture called GGE Nordics, Galileo has developed a strong and diversified portfolio of potential projects across Sweden, Scotland and Wales. With continued diligence and stakeholder engagement, Galileo anticipates positive outcomes on a number of projects, ranging from some dozens of MW to several hundreds of MW per single project.

Located in Southern Italy, a floating offshore wind project is currently under development by Galileo jointly with an experienced entrepreneur and local developer. It is currently one of the most advanced projects in the Mediterranean Sea. With this first development, Galileo positions itself in a nascent offshore wind geography, driven in particular by promising advancements of the floating offshore wind technology.

Galileo has built up a core team of around 30 people, with another 20 energy and development experts involved in its Nordic joint venture. With another 11 joint development agreements across Spain, Italy, Germany, Sweden, the UK, Ireland and soon Poland, an additional 100 people are currently involved in building out Galileo's development pipeline.

> "
>
> The distributed nature of new renewable infrastructure assets – predominantly wind and solar PV power plants - means bringing local communities with us is a major facet of any project. A new wind farm, for example, in parallel to the many economic and ecological advantages, can be considered intrusive and a significant change to an existing local environment. Part of the role of my team is to engage early on in discussions with communities, local businesses and energy customers about the virtues of renewable power generation, the possibilities to adapt the project to the specific context and about how to make local stakeholders participate in it.
>
> We are convinced that projects will proceed faster and hold for longer if they can integrate within the communities which are hosting them.
>
> Communicating and engaging with local communities in a transparent and fair manner is crucial if we are to get the buy-in and the licence to build and operate new renewable power plants. We do know that compensation can be part of the mix – such as clean energy for a local school or other community facilities. Where we can, we will involve locals as co-investors in our projects and select local businesses as service providers to support during the operational life of the plants. Long-term participation and fair partnerships are key ingredients of our development approach.
>
> **Ingmar Wilhelm**
> Galileo Green Energy
> Chief Executive

Gurīn Energy

Infratil 95%
Management 5%

In September 2021, Infratil announced a commitment of US$233 million to establish Gurīn Energy, a renewable energy development platform headquartered in Singapore which is focused on developing greenfield renewable projects across Asia.

Asia presents a significant opportunity for Infratil to enter markets which are following a 'transition to renewables' roadmap similar to the ones ongoing in Europe and North America. Markets across Asia are characterised by combined tailwinds of demand growth, a growing commitment at national levels to decarbonisation and an increasing desire to reduce dependency on imported fuels as well as build self-sufficiency and security of supply.

It is estimated that the Southeast Asia region alone needs US$2,000 billion worth of investment by 2030 to build renewable generation, transmission and sustainable infrastructure to reduce greenhouse gas emissions in line with Paris-accord commitments.

The Asia and Pacific region accounts for more than half of global energy consumption, with 85% of that regional consumption coming from fossil fuels.

Yet, one tenth of the over 4 billion people in the region, lack access to electricity, and many more rely on traditional biomass use (such as wood combustion) for cooking and heating.

The breadth of the Asian market allows us to diversify Infratil's risk profile, both from geographic and technology perspectives. Together with the US, European and New Zealand platforms, the investment in Gurīn demonstrates Infratil's global commitment to combatting climate change and extends our ability to manufacture quality renewable energy assets to Asia at a time when investor demand for these sorts of assets is only increasing.

Gurīn will invest in the development of wind and solar PV energy projects, and storage solutions across Asia, including Southeast Asia, North Asia and India. It is rapidly progressing an initial pipeline of projects at various stages of development and is currently focused on two prime opportunities – a significant Singapore renewable project and a South Korean development - while also progressing opportunities in Japan, India and Philippines.

All these markets are currently heavily dependent on imported fossil fuels and exposed to price volatility and security of supply risks.

Singapore faces a number of challenges as it looks to boost its renewable energy capacity in order to achieve the nation's net-zero targets, while decreasing its dependency on imported fuels. While Singapore receives plenty of sunshine, it lacks the land to build large solar energy projects. What's more, Singapore's average wind speed is less than the minimum needed to operate wind turbines and it lacks a river system that could harness hydro power - its electricity system is currently 95% reliant on natural gas, all imported.

Singapore has recently launched an ambitious scheme that will see it work with other Southeast Asian countries – and in time, Australia - to produce and import low-carbon energy, setting a target to import around 30% of its electricity from low carbon sources by 2035. The process began in November last year when it launched a tender process for the import of 1.2GW of low-carbon electricity.

Gurīn is part of a consortium tendering to deliver a large-scale solar generation solution located in Indonesia with a significant battery storage component to be able to deliver 300MW daily to the Singapore grid. The overall investment for this component is expected to be around US$2.5 billion if the project is selected to proceed. Much of this will be financed by debt, but it would still require significant equity from Gurīn and its partners.

South Korea's energy sector is also characterised by the dominance of fossil fuels in the energy mix and a strong dependence on energy imports. With such a high dependency of energy imports, the country is extremely vulnerable to changes in the global energy market, including a rise in prices and a supply-demand imbalance.

To accelerate the transition to low-carbon energy, the government is prioritising innovation in demand-side management and the pursuit of a clean and safe energy mix. The Korean government has committed to increasing the share of renewable electricity to 20% by 2030 and to 30-35% by 2040; to gradually phase-out coal and nuclear from the energy mix while significantly improving energy efficiency; and to foster the country's nascent hydrogen industry.

Gurīn is currently progressing a 297MW solar development in South Korea. The joint venture has leased land and is now progressing environmental assessments and consents.

The Philippines opportunity involves a strong local team working on three solar PV projects totalling 180MW, of which one is operating, one is about to start construction and one is in the late stages of development.

"

Our executive remuneration is dependent on many aspects but meeting ESG commitments is a key element. An average of 7.5% of the executive pay of the senior and mid-level Gurīn team is withheld from their salary each month until the end of the year and paid back to team members only if they have performed on their individual ESG goals. In addition, an ESG bonus of up to 7.5% of salary is paid (separate and distinct from any other KPIs) only if the firm as a whole has met its ESG objectives.

How that works at a project level will be illustrated by the Singapore project if our tender is successful. We have designed the project around the involvement of the local community on the land it will be sited on in Indonesia. If it proceeds, the community's participation could be reflected, for example, via an equity stake in the joint venture. This would not only assist the project through the development phase but also reflects the long-term nature of infrastructure investment and the importance of relationships within the communities where we operate. We will benefit, and so will the local community.

Gurīn intends to replicate this approach as it looks to work with communities in Indonesia, the Philippines, South Korea and elsewhere.

Assaad Razzouk
Gurīn Energy
Chief Executive

Connecting with the future

We invest in businesses that connect people and communities. Our goal is to encourage human interaction, to increase communication and to have positive impacts on communities. We seek to do this responsibly and in accordance with social standards.

Digital Infrastructure

Connecting with the future

Global demand for digital infrastructure is accelerating with the outlook remaining strong. New uses for technology and ways of working – as economies and communities have adjusted their work and life patterns under the covid pandemic – are only accelerating this trend.

Alongside the impacts of Covid-19, countries across the world are placing renewed emphasis on the security and integrity of their digital services and the heightened role digital technologies play in providing resilience. As disruptions occur in places like Europe, it only reinforces to governments, business and communities the need for secure and reliable digital infrastructure - connectivity and data storage - to support economic growth and social service delivery as well as facilitating basic communication.

Business activity growth is continuing to generate new workloads and data needs. Public and private sector organisations continue to migrate workloads off premise for security and operational efficiency. These workloads are moving to co-location or cloud environments, benefitting data centre and fibre operators. More and more we see organisations on multiple platforms for regulatory and internal purposes, resulting in greater need for connectivity and data sharing across networks, offices, campuses, and with peers.

Additionally, the constant of technology innovation and new consumer needs - with the expansion of gaming, autonomous vehicles, the internet of things (IoT), to name a few - requires dense and decentralised digital infrastructure going forward.

Data creation across the globe defied the systemic downward pressure applied by the Covid-19 pandemic on many industries. The Global DataSphere, which is the amount of data created, captured, and replicated in any given year across the world, is expected to more than double in size from 2022 to 2026.

Global data traffic has also expanded exponentially, increasing tenfold from 31EB (an exabyte (EB) is one billion gigabytes) per month in 2012 to 300EB per month in 2021. Global public cloud spend has tripled from US$145 billion in 2017 to US$411 billion in 2021. Lit capacity more than tripled on many international fibre optic cable routes between 2016 and 2020.

Infratil is well exposed across the digital ecosystem with our investments in fibre, subsea connections, wireless infrastructure, and data centres. Our most prominent investments are our 48% stake in CDC Data Centres and a 50% stake in Vodafone New Zealand, while the last year saw us invest over $200 million in London based data centre operator Kao Data.

Infratil invested early in these trends when it acquired its stake in CDC Data Centres in September 2016. Infratil's investment rationale at the time was that this would provide an "attractive entry point into an infrastructure growth sector. Data centre capacity demand growth is being supported by two substantive trends; significant increases in data storage and computing capacity, and the on-going outsourcing by Government and businesses of their data storage and computing requirements".

Infratil's investments continue to be supplemented by our US$50 million commitment to Silicon Valley based Clearvision Ventures. The strategic objective of this investment is to help us identify and engage with technology changes that will impact our investments. Clearvision is currently focused on investing in companies that can apply innovations in IoT, Big Data, and Security technology, to drive meaningful disruptions in energy and infrastructure sustainability, and establish clear category dominance and leadership.

Looking ahead, we expect to see continued acceleration of digital infrastructure demand worldwide. Global data traffic is expected to triple from 300EB per month in 2021 to 920EB per month in 2027. Mobile operators around the world will spend around US$1 trillion on capex for 5G deployment between 2020 and 2025. Over US$8 billion worth of new subsea cables are expected to enter service between 2021 and 2023. US$1.3 trillion of investment is expected to be spent on data centres by data centre operators and hyperscalers around the world between 2021 and 2026.

Investor sentiments remain favourable as well. According to a recent BCG survey, almost 60% of investors expect to increase investment allocation to digital infrastructure, the highest among all infrastructure asset classes.

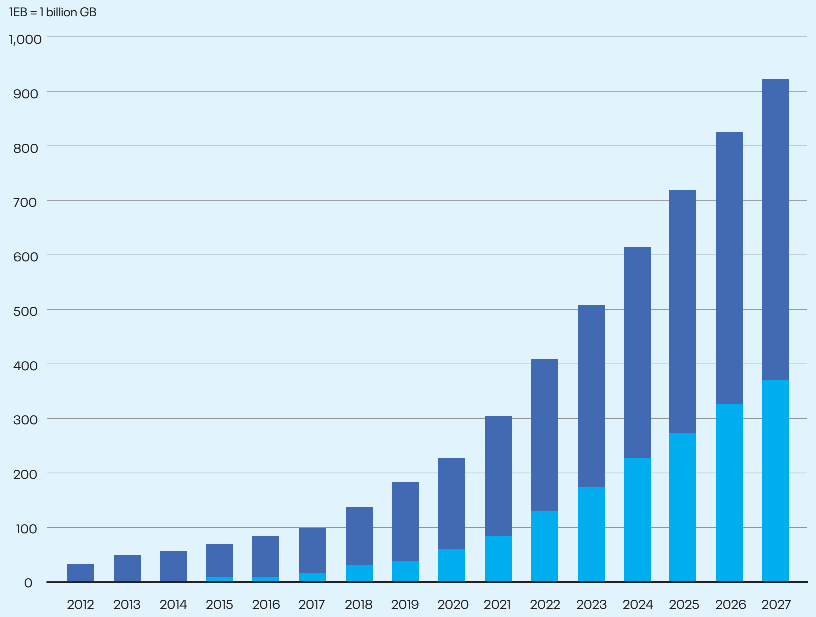
This can be seen in the growth of data infrastructure transactions over the last six years, with over US$150 billion in transactions happening in 2021 alone.

Global data traffic (EB/Month)

Total global mobile data traffic – excluding traffic generated by fixed wireless access (FWA) – was estimated to reach around 65EB per month by the end of 2021, and is projected to reach 288EB per month in 2027. Including FWA traffic, this takes the total mobile network traffic to around 80EB per month by the end of 2021, and 370EB per month by the end of 2027.

In 2027, it is estimated 5G networks will account for nearly half of all mobile subscriptions and carry 62% of the world's smartphone traffic.

It is estimated that 5G networks would cover over 2 billion people at the end of 2021. By end of 2027, it is estimated that 5G population coverage will have reached around 75%.



Source: Ericsson Mobility Report

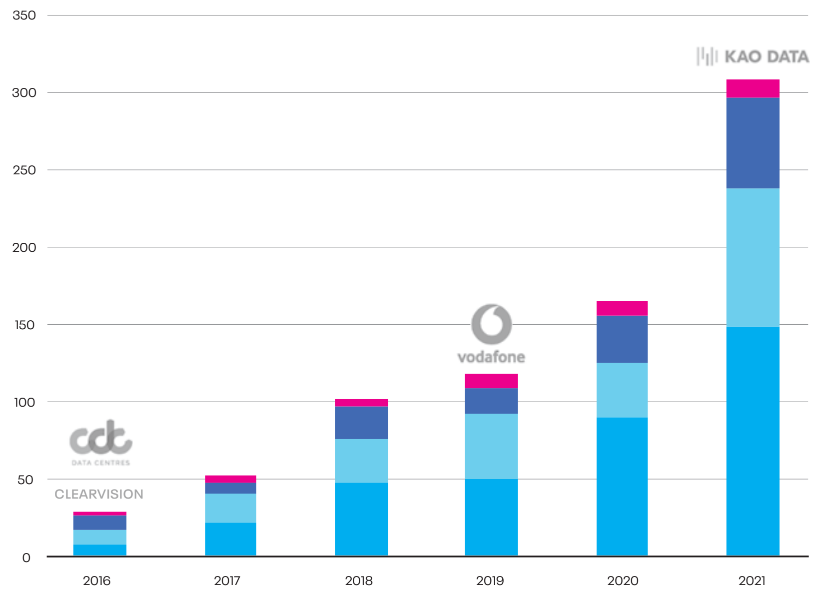
🟦 Mobile Data
🟦 Fixed Data

Number of Data Infrastructure transactions

Digital infrastructure transactions continue to increase globally, with investors particularly focused currently on mobile towers, data centres and fibre networks.

According to infrastructure news, data, and analytics platform, Inframation, over 300 Digital Infrastructure transactions took place in 2021. This was up from under 50 in 2016, the year we acquired our initial stake in CDC and made our first commitment to Clearvision Ventures.

🟦 Fixed Line
🟦 Wireless
🟦 Data Centre
🟥 Other



Source: Inframation: infrastructure news, data, and analytics platform

CDC Data Centres

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

Hume 4 data centre, Canberra

The last 12 months was a year of execution on a number of substantial capital developments. CDC is poised to bring online significant new capacity which has been developed in Auckland, Sydney and Canberra – increasing CDC's total built capacity by over 60%. This represents a step change in the scale and opportunities of the business. A significant portion of this capacity is already contracted and will therefore become immediately income generating.

Across most infrastructure sectors, supply chain shortages, labour shortages and inflationary pressure have made the management of capital developments challenging and complex. CDC was not immune to these dynamics but has been able to manage these pressures well. Its partnerships with local contractors on each of its developments has meant it was less impacted by pandemic-imposed travel restrictions than might otherwise have been the case. CDC's execution excellence focus has resulted in no significant cost escalations in its data centre developments to date.

At the close of FY2022, CDC's total operating capacity was 164MW. By mid FY2023, it expects to have 268MW of capacity.

CDC delivered another strong financial performance in FY2022 that was in line with expectations, with higher revenues and a measured increase in functional capabilities resulting in an EBITDA of A$161.2 million.

With new capacity on track to be delivered and become revenue generating by mid year, FY2023 growth is expected to be above trend.

CDC's customer base is displaying high loyalty driven by the quality and security in its facilities. Alongside that is significant interest from global managed service providers interested in securing long-term contracts in both Australia and New Zealand. Both factors have resulted in CDC's weighted average lease expiry increasing materially year-on-year. CDC expects to see re-contracting for longer tenures going forward in recognition of the significant logistical and business considerations associated with relocating from a data centre.

Infratil's investment in CDC is now valued between A$2.78 billion to A$2.91 billion, up from A$2.14 billion to A$2.30 billion 12 months earlier. Key changes to the valuation were the inclusion of new planned facilities in Melbourne, the inclusion of new contracts signed during the period, and a reduction in the discount rate from 10.31% to 9.75%, as construction underway nears completion.

The long-term outlook for data centres remains positive with considerable new demand anticipated due to a number of drivers. Many countries are seeing critical infrastructure regularly targeted by malicious cyber actors seeking to exploit victims for profit, impacting essential services. Russia's aggression against Ukraine is exacerbating the heightened cyber threat environment globally, and the risk of cyberattacks has increased significantly on networks, either directly or inadvertently. Governments in many jurisdictions are moving to ensure essential services are resilient and protected.

The impact of Covid-19 alongside the increasing geopolitical uncertainty has prompted the Australian Government to significantly expand the number of sectors it designates as 'National Critical Infrastructure' to manage the increasingly complex national security risks of sabotage, espionage and coercion.

What is deemed 'critical infrastructure' previously covered the ports, water, electricity and gas sectors. In March 2022, legislation passed in the Australian Parliament expanded it to include services that are essential for everyday life such as energy, communications, water, transport, health, food and grocery, banking and finance, and government services. It imposes new security obligations on entities which own or operate critical infrastructure assets in Australia, including where their data is stored, meaning there is a premium for highly secure data storage which is systemically resilient, as CDC's facilities are designed and certified to be.

Alongside the demand for resilience and security, the global expansion of digital services is also driving highly accelerated (if not exponential) growth in demand for data storage capacity. Significant technology developments are occurring in the quantum and high-performance computing, artificial intelligence and virtual/augmented reality.

This is creating new demand on top of - rather than replacing - existing demand. The global data centre sector is struggling to meet the demand for these new layers of capacity. This has led to customers looking to build their own data centres, and a number of new, well funded competitors. However, CDC continues to be well-placed with its differentiated high security facilities and excellent development expertise and track record. This will augur well for CDC's ongoing growth outlook.

Year ended 31 March	**2022**	**2021**
Data Centre capacity (built)	164MW	164MW
Capacity under construction	104MW	104MW
Development pipeline	436MW	286MW
Weighted average lease term with options (years)	21.6	14.4
Rack utilisation	75.3%	69.2%
Target PUE	1.20	1.20
EBITDAF[1]	**A$161.2m**	**A$147.3m**
Net profit after tax	A$286.6m	A$234.2m
Capital expenditure	A$509.5m	A$231.9m
Net external debt	A$1,518.9m	A$1,098.5m
Infratil's cash income	NZ$13.4m	NZ$5.8m
Fair value of Infratil's investment	NZ$3,117m	NZ$2,401m

[1] CDC EBITDAF excludes RMS payments to management shareholders. Accrued payments under this scheme are included in net external debt.

There is also increasing customer demand for data centre services which draw from renewable energy sources providing low emissions intensity. The Auckland and Canberra facilities are well positioned in this respect, as much of the ACT and New Zealand generation comes from renewable sources. CDC is also putting considerable work into reducing the emissions associated with its facilities in Sydney.

CDC's major focus for FY2023 is the completion of the four new data centres in Auckland, Canberra and Sydney, which are on track to be operational before the end of the first half of the year.

During the FY2022 year CDC has also secured suitable land in Melbourne to accommodate a development pipeline of 150MW of potential capacity. The Melbourne opportunity is exciting as it enables CDC to deliver more geographic diversity and expand its ecosystem, making it highly attractive to existing clients with data centre needs outside Canberra and Sydney. CDC will be able to cater for all its existing customer segments in Melbourne and accommodate expected growth in demand from existing and new customers.

To reduce the lead time between demand and development of data centres, CDC is continuing to source land for future opportunities. Recent acquisitions include more land in Canberra and New Zealand, both of which have been settled, while also continuing to explore entering new markets.

> Historically, the technology infrastructure sector has been lagging other sectors such as finance, public sector and media, in attracting a diverse workforce.
>
> As digital permeates through all aspects of our lives, we need to take decisive steps to ensure that the organisations we build and scale reflect the communities and societies we are a part of.
>
> At CDC, we are deliberately seeking to play an important role in our communities in being a strong advocate for greater diversity and inclusion in all their forms.
>
> Our growing workforce spans a wide range of age, cultural and linguistic profiles.
>
> We are proud to invest in building the next generation of skills, starting with cadet and graduate positions across many areas of our business, while also harnessing diverse ideas, contributions and learnings from age diversity.
>
> We are also proud of the wide variety of cultural and linguistic backgrounds in our business that enhance us as an organisation, and allow us to better connect with the communities we are part of and we seek to make a contribution to.
>
> Our engagements in the community – from assisting and contributing to organisations that help those disadvantaged, to supporting local sports, to preferencing local manufacturers to help create new jobs – also reflect these diverse perspectives.
>
> This is only the beginning.
>
> As our workforce is growing, we are doubling our efforts to significantly increase our diversity and inclusion and become an employer of choice in the technology infrastructure sector.
>
> This means taking a deliberate approach in everything we do, from having the right settings - such as role and workplace flexibility and generous parental and community leave - to driving a culture that recognises and celebrates diversity and inclusion in all their forms.
>
> It also means working collaboratively across academia, industry, government and community to help drive the cultural shift towards open and inclusive environments where diversity is celebrated and recognised for the value it brings to business and community at large.
>
> **Greg Boorer**
> CDC Data Centres
> Chief Executive

CDC Facilities

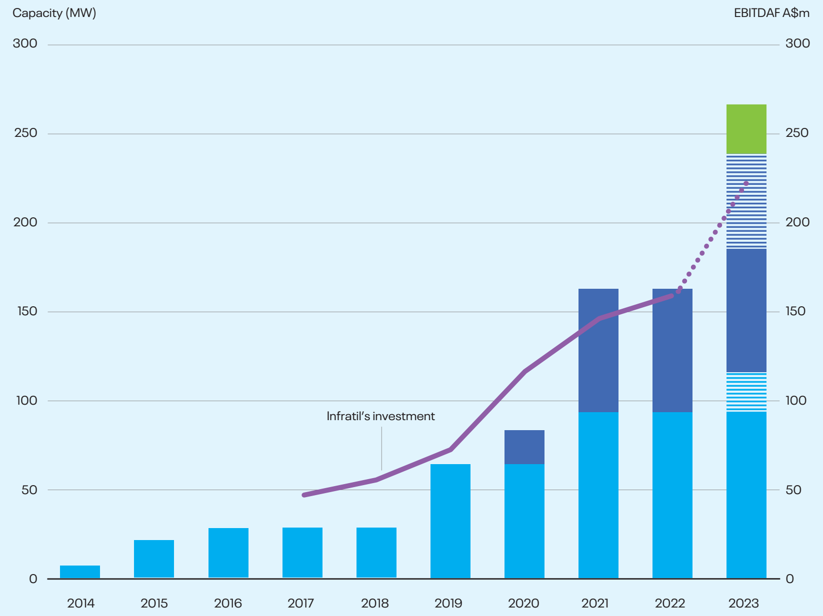
	Year commissioned	Status	Built capacity
Hume 1 & 2	2008 & 2011	Operating	12MW
Hume 3	2016	Operating	9MW
Hume 4	2019	Operating	29MW
Hume 5	2022	Under Construction	22MW
Fyshwick 1	2015	Operating	19MW
Fyshwick 2	2018	Operating	26MW
Eastern Creek 1	2018	Operating	7MW
Eastern Creek 2	2019	Operating	20MW
Eastern Creek 3	2020	Operating	42MW
Eastern Creek 4	2022	Under Construction	54MW
Auckland 1 & 2	2022	Under Construction	28MW
Total Operating and under Construction			**268MW**
Canberra	Future Build	Future Build	178MW
Sydney	Future Build	Future Build	108MW
Melbourne	Future Build	Future Build	150MW

Facilities & Capacity

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

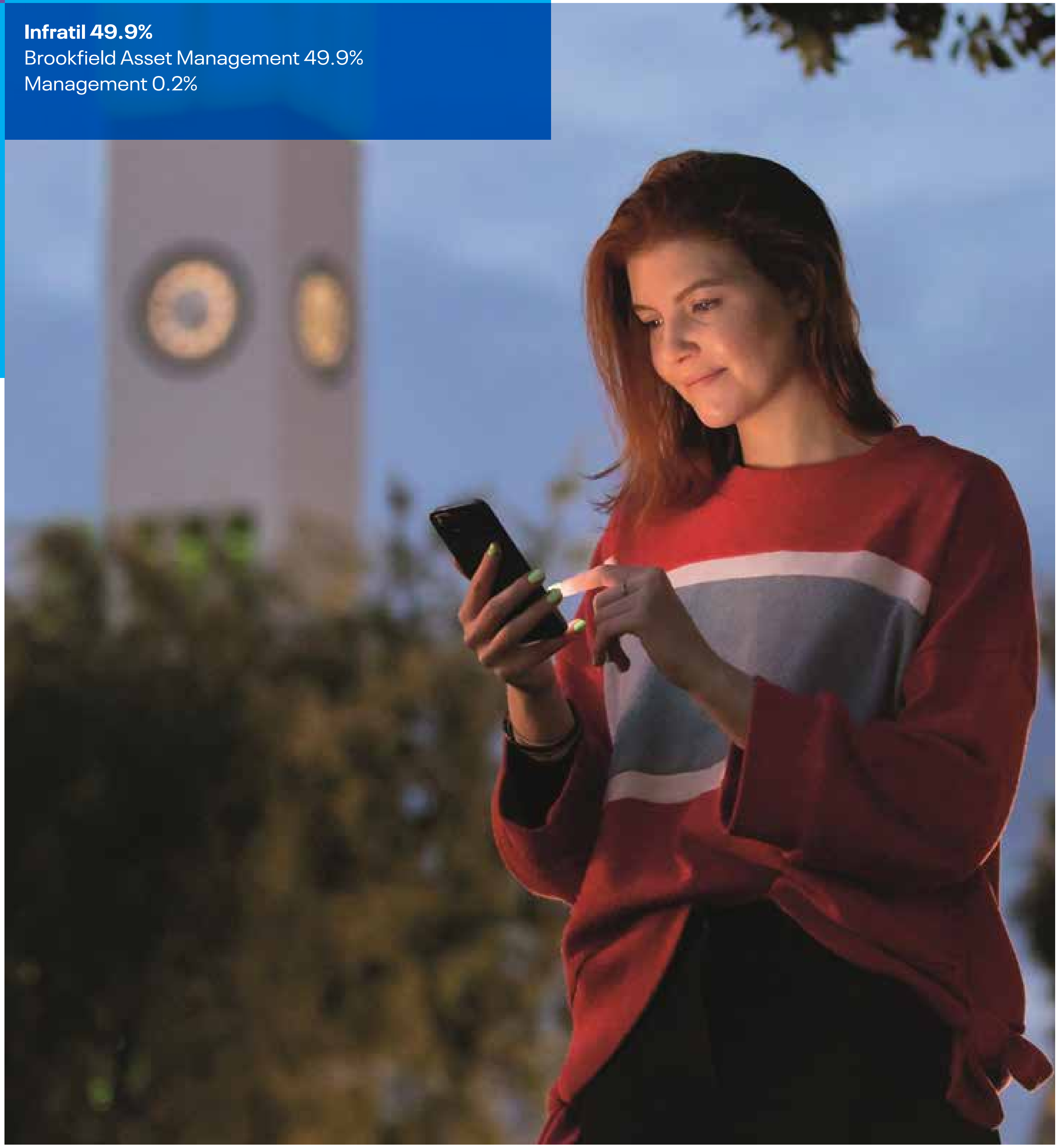
At the end of 2022 the business will have grown to 268MW of operating capacity spread across 13 data centres and 4 campuses, including Sydney and Auckland.

Over that time EBITDA will have grown from A$47.5 million to over A$220 million.



Vodafone

Infratil 49.9%
Brookfield Asset Management 49.9%
Management 0.2%



A successful year saw Vodafone deliver full year EBITDA of $481.0 million as it focused on expanding its 4G and 5G networks, improving the customer experience by transforming IT and customer service capability, while also focusing on making the business more efficient.

With New Zealanders increasingly going online to work, live, learn, and play, monthly mobile data consumption was up 60% on its network compared with FY2021 – a trend expected to continue. The acceleration of data consumption shows no sign of slowing as technology advancements such as 5G deliver new platforms for developers to provide valuable applications for customers. To meet this ongoing demand growth and to keep Aotearoa connected when it matters more than ever, Vodafone is continuing to invest hundreds of millions every year into its network and services.

The mobile market continues to be characterised by competitive, but sensible behaviour, with each player looking to grow sustainable revenues through average revenue per user ('ARPU') improvements as opposed to short-term connections. Vodafone's trading continues to improve, with March 2022 representing the highest ever pay-monthly base, reflecting the improvements in customer experience, network performance and the competitiveness of its products. That said, there continued to be Covid-19 headwinds from the erosion of foot traffic to retail stores and the border closures impacting roaming and pre-pay revenues. We are looking forward to welcoming back more roaming, seasonal worker and tourist revenues over time, as well as the supply chain and labour market pressures easing across the business.

Mobile contrasts with the fixed market which continues to be problematic with new entrants, such as energy companies, having different drivers for participating. There are now over 100 participants in what remains a small market by international standards. This puts ongoing pressure on retail price points, fixed wireless access migration and margins. While the market remains highly competitive and commoditised, nonetheless Vodafone has stabilised ARPU, connections and churn.

The merger of 2Degrees and Vocus that will compete in both these markets will, on balance, be a good thing for the industry and New Zealand overall.

Vodafone continued to see growth in Enterprise revenue, with ICT helping to drive this. This was supported by the partner strategy that Vodafone has pursued in order to deliver a full range of tech services to New Zealand businesses, and this will be further strengthened post the recent partial acquisition of DEFEND. DEFEND is a leading New Zealand cybersecurity firm. As New Zealand businesses continue to adopt new technologies, the partnership provides both DEFEND and Vodafone New Zealand customers increased capability and capacity against the growing threat of cyber-crime.

Vodafone's capital investment programme saw it invest $356.2 million during the year. This included service enhancements, spectrum purchase, as well as upgrading and expanding its mobile and fixed networks, introducing 5G to Manawatu/Whanganui and the Bay of Plenty, and upgraded 4G and 5G coverage in Hamilton, Taranaki and Southland, with many more locations to come.

Vodafone was recently awarded New Zealand's 'Best in Test' mobile network by global leader in mobile testing, Umlaut. Our network performed considerably better in major cities than any other operator, recording much higher mobile download speeds - with at least 385Mbps for the fastest 10% of the users. Umlaut's certification report also found that Vodafone provided customers the best voice experience, leading significantly in voice call clarity as well as call setup time.

Year ended 31 March	2022	2021
Mobile revenue	$804.9m	$793.7m
Fixed revenue	$710.5m	$728.1m
Other revenue	$452.0m	$431.9m
Operating costs[1]	($1,486.4m)	($1,517.1m)
EBITDAF[1]	**$481.0m**	**$436.6m**
Capital expenditure	$356.2m	$242.2m
Net debt	$1,344.4m	$1,300.8m
Infratil cash income	$37.2m	$96.7m
Infratil book value	$838.2m	$857.3m
Fair value of Infratil's investment[2]	$1,535m–$1,805m	n/a

[1] Numbers have been restated for the recent Software-as-a-Service accounting clarification as published by IFRS Interpretations Committee in April 2021.

[2] Based on an independent valuation as at 31 March 2022.

Looking ahead to 2023, Vodafone is transitioning into the 2nd phase of its transformation strategy where it will maintain and build on the gains made over the last two years by having an even greater focus on customer service and winning in the market to accelerate top line growth. One of the key areas of investment that will facilitate this and underpin Vodafone's customer ambitions going forward is its major IT modernisation programme currently underway to replace legacy technology and remove complexity from its processes, products and plans – with the first drop planned for later this year. Changes to sales and service channels will also see Vodafone transform the way that it sells to, and serves customers through in-store, on-call, or on-line.

As part of its ongoing transformation and growth strategy Vodafone has been actively exploring options for releasing value from parts of its passive infrastructure. Vodafone is currently undertaking a process to engage with the market on a potential sale of its passive mobile tower assets.

As the necessary infrastructure to support digital economies grows in importance, and as telecommunications companies look to unlock value that can be reinvested, separate ownership of passive mobile tower assets has become increasingly common.

Passive mobile tower assets include the physical towers (ground based and rooftops), foundations and fencing, access rights and shelters. However, excludes the active parts of the network including antennas, cables, radio equipment, base stations and backhaul. As part of any sale Vodafone would enter into a long-term arrangement guaranteeing access to the tower network.

Vodafone currently has the largest tower portfolio in New Zealand, covering over 98% of New Zealand's population, comprising around 1,489 wholly owned mobile towers spread across New Zealand.

Our view is that both Vodafone customers and the wider telecommunications sector will benefit from a more focused investment on active mobile network assets, as we are seeing occur in other countries. Other benefits include more specialised passive infrastructure ownership and stronger incentives to co-locate on common tower assets, in turn driving better capital efficiency and reduced environmental impacts.

> "
>
> Increasing digital inclusion and closing the rural-urban digital divide is a major focus of our community and sustainability work as we seek to offer affordable data services to more New Zealanders.
>
> Through our Foundation, we are partnering, for example, with Waikato-Tainui to deliver connectivity to 100 whānau and hāpu who might not otherwise be able to access the benefits of the digital world. Our Foundation is also piloting a device equity programme with Aurora College and Te Wharekura o Arowhenua in Invercargill to provide their NCEA students with repurposed donated laptops. If successful, the programme has the potential to expand to all decile 1 and 2 high schools in New Zealand within five years (around 86,000 students).
>
> Our Te Rourou-Vodafone Aotearoa Foundation was established in 2002 and since then Vodafone has invested more than $47 million, supporting more than 1,000 community organisations, including a strategic partnership with Te Rūnanga o Ngāi Tahu.
>
> Recently the Foundation has developed the OHI Data Navigator, a free interactive digital tool that draws on government and community-based data to create a searchable snapshot of young people's lives, enabling organisations to better determine how advantage and disadvantage are playing out around Aotearoa, allowing a better informed view when shaping and funding for work with young people.
>
> There are also ongoing connectivity challenges within rural New Zealand due to the long, thin and sparsely populated geography. With operator investment focusing on areas of highest demand, alternative funding is required to support non-economic areas. The Government funding via the Rural Broadband Initiative 1 and 2 has been successful in building the rural coverage footprint. We are keen to continue to work with the Government's RBI initiatives to bridge those gaps which are being exacerbated by the fast pace of technological change. We want to ensure that all in New Zealand have access to world-class connectivity.
>
> **Jason Paris**
> Vodafone
> Chief Executive

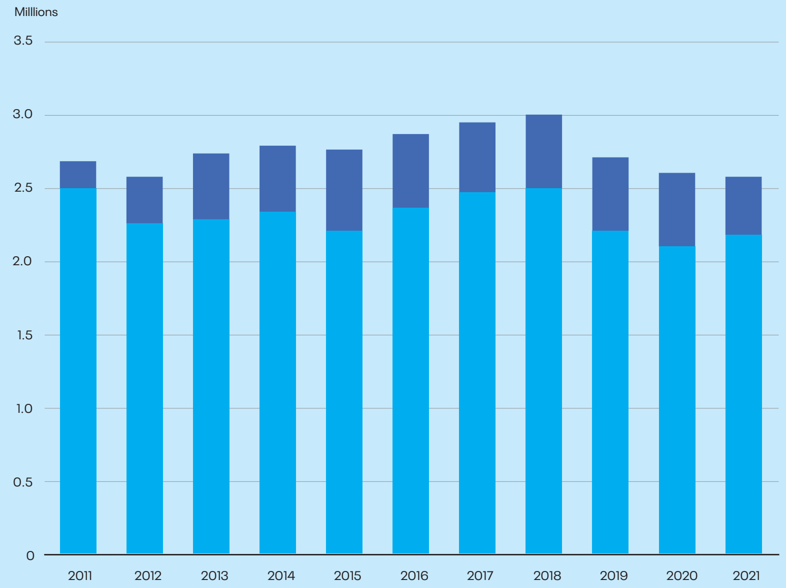
Vodafone connections

Over the decade Vodafone's mobile connections have remained reasonably flat, however they have now returned to growth post covid headwinds impacting inbound roaming and the prepay base in FY2020, with Vodafone having 38% of mobile market share.

There is a continued growing trend for third parties to lease network capacity and to retail this via their own branded phones. Commerce Commission data shows that in 2021 this amounted to 106,000 connections, which is expected to increase.

Vodafone's share of the fixed broadband market was slightly down at 21% in 2021, although it has continued to drive a positive mix shift towards wireless broadband connections and higher value fibre plans. Smaller retailers are continuing to grow their share of market connections in a competitive fixed market.

■ Mobile ■ Fixed Line



Source: Commerce Commission Annual Telecommunications Monitoring Report. (31 December 2021)

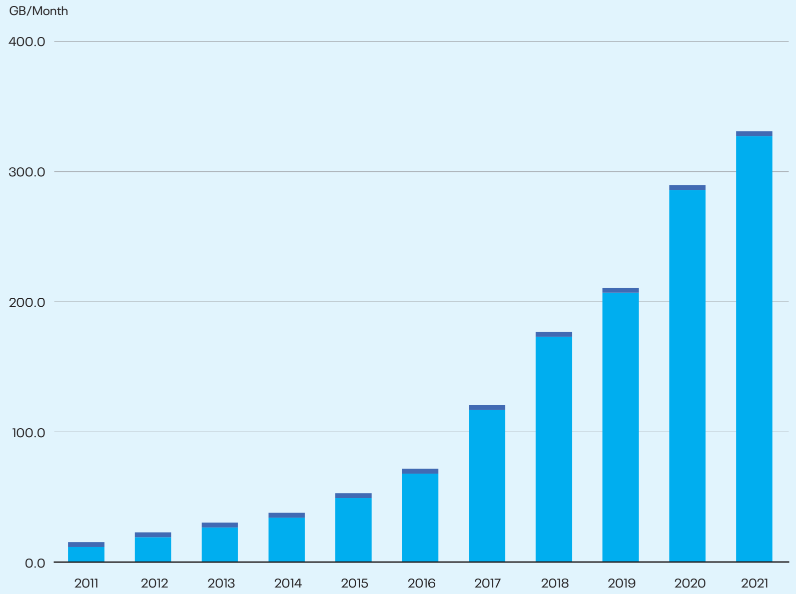
Average consumer monthly data use

Since 2011, New Zealand's monthly data usage per consumer has increased from 10GB to 334GB.

Data usage has continued to increase since the accelerated growth seen during the 2020 covid lockdowns, with people continuing to work remotely and connectivity being more important than ever.

Mobile data remains at only a fraction of total data traffic, but continues to accelerate with the Commerce Commission Annual Telecommunication report stating that over 40% of on account customers are now on endless data mobile plans.

■ Average Fixed Broadband ■ Average Mobile Device



Source: Commerce Commission Annual Telecommunications Monitoring Report. (31 December 2021)

Kao Data

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

KLON-01 data centre, Harlow

In October Infratil committed £120-130 million to purchase 40% of London data centre business Kao Data. The remaining 60% is owned by Legal & General Capital, one of Europe's largest asset managers, and Goldacre, founder of Kao Data and part of the Noé Group, a family run investment and asset management business. They each retain a 30% stake.

The objective is to build Kao Data into a £500 million multi-site data centre platform in the medium-term. It currently owns a 15-acre data centre campus in Harlow, north of London. It has built one data centre on that campus, with construction of a second having just commenced. Once fully developed, the campus will be home to four energy efficient data centres, all powered by 100% renewable energy.

In March, construction commenced on a second data centre at the Harlow campus. The new facility, named KLON-02, will double Kao Data's capacity at Harlow with up to 10MW of capacity and provide an energy efficient home for almost 1,800 racks of IT equipment across 3,400m² of technical space. Once fully operational, the facility will be certified to enable high performance computing ('HPC'), artificial intelligence ('AI'), and enterprise computing users to scale quickly and efficiently.

In similar fashion to KLON-01 (the existing Harlow facility), the new carrier-neutral data centre (ie. not tied to any one service provider) will benefit from access to resilient, 'low-latency connectivity' via multiple major networks – meaning it can process very high volumes of data messaging quickly. Furthermore, Kao Data's continued partnership with IT networks provider Megaport will deliver high-performance connectivity to all major Tier I and Tier II cloud service providers, including Amazon Web Services, Google Cloud, Microsoft Azure and Alibaba Cloud.

Central to the design and build of KLON-02 will be the highest sustainability features. The new architecture is BREEAM 'Excellent' certified – an international building sustainability measure. Both its Technology Suites and related cooling infrastructure are configured to hyperscale design principles, ensuring customers' workloads are delivered with a PUE of less than 1.2 – meaning it is a very energy efficient data centre. It will be powered using 100% renewable energy, with 100% sustainable, hydrotreated vegetable oil in its backup generators.

The Harlow campus is located in the UK Innovation Corridor between London and Cambridge, home to world class academic, technology and bioscience institutions and companies. Kao Data's technically advanced data centres are designed to meet their specialist high-performance computing requirements. KLON-01 houses NVIDIA's Cambridge-1, the most powerful supercomputer in the UK, which provides computing capacity to healthcare companies such as AstraZeneca and GSK.

Since Infratil's initial investment, Kao Data has also completed an agreement to acquire two UK prime location data centres with a long-term anchor lease from a large financial services business.

The acquisition includes the availability of a 16 MW, carrier-neutral data centre in Slough, West London. The launch of the new Slough data centre offers data-intensive enterprises within the highly sought-after West London Availability Zone, the opportunity to benefit from significant new capacity alongside Kao Data's award-winning, sustainable infrastructure and expert technical and operations teams.

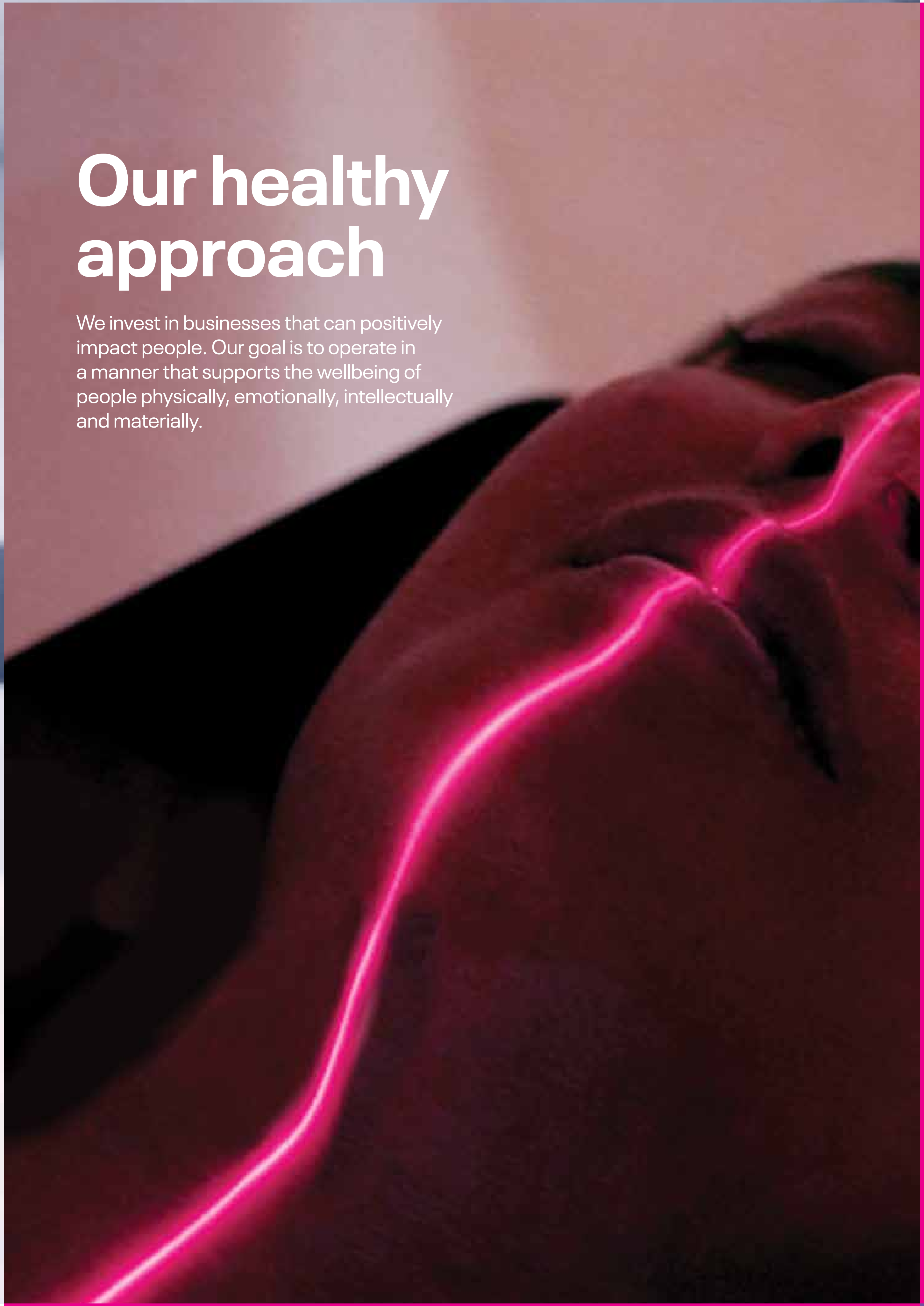
With a strong and varied existing customer base from key sectors including financial services, life sciences, defence, artificial intelligence and the cloud, Kao Data's expansion into the West of London presents its current colocation customers with increased diversity and resilience. Further, it offers new customers the immediate scope to quickly scale their existing colocation footprints and safeguard their future power provision.

In November 2021, Kao Data announced that it had formed a strategic partnership with IT solutions provider Scan Business – a leader in provisioning and managing NVIDIA-based technologies. Together, Kao Data and Scan have established a dedicated HPC and AI ecosystem for advanced computing users who utilise NVIDIA's latest generation hardware. This strategic and timely alliance follows the UK government's plans to establish a National AI Strategy, which aims to boost business use of AI, attract international investment and develop the next generation of tech talent within the UK.

Ten years ago, something like high performance computing was primarily the realm of research and academics. Today, artificial intelligence powered by HPC is seen by many as an engine of productivity and economic growth. Kao Data is well positioned to play a leading role in helping deliver the National AI Strategy through its existing focus on HPC and AI.

From its inception, Kao Data's leadership team has been committed to developing and operating one of the UK's most sustainable and energy efficient data centres. This ambition included a number of technical design and engineering "firsts" that were incorporated into the structure and operations of the facility, in addition to committing the campus to 100% certified, renewable energy.

> "
>
> The last two years have undoubtedly been challenging times for society as collectively we've had to respond on an unprecedented scale, in real-time, to the evolving Covid-19 pandemic. This has brought its fair share of restrictions and complications to overcome, but it has also fostered tremendous innovation and learning.
>
> One of the key outcomes has been the fundamental importance of digital infrastructure, data centres and the high-performance computing they host to not only our immediate response to the Covid-19 pandemic, but also how our everyday lives have become entirely reliant on the digital world thereafter.
>
> Data centres now underpin so many of our daily activities, support our work, entertainment, retail and financial choices and even facilitate human inter-communication. Put simply, we couldn't live without them. This was why earlier this year we launched the 'Kao Academy' – a first-of-its-kind STEM resource to encourage greater awareness of data centres with young people globally.
>
> Now the challenge is to ensure the computing power and accessibility data centres provide doesn't compromise the very environment we live in. This is why Kao Data is pioneering the design and development of ultra-sustainable data centres, supported by HVO fuelled generators, with an ambition to operate fully 'net zero' by 2030. Sustainability is the next global challenge of our generation and Kao Data are ready to play our role.
>
> **Lee Myall**
> Kao Data
> Chief Executive



Our healthy approach

We invest in businesses that can positively impact people. Our goal is to operate in a manner that supports the wellbeing of people physically, emotionally, intellectually and materially.

Healthcare

Positively impacting people

Strong healthcare systems are essential for societies to function properly. Never has this been made more apparent than now, as we observe the demands placed on global healthcare systems by the Covid-19 pandemic.

The last year saw a significant expansion in Infratil's healthcare portfolio, as it evolved into a major Australasian diagnostic imaging platform. Infratil has now invested over $700 million in this sector. Diagnostic imaging involves highly trained doctors and medical staff using scanning equipment to diagnose, monitor and provide treatment for medical conditions, the range of which is expanding as technology improves.

Common examples of diagnostic imaging include CT & MRI scans, X-ray and Ultrasound.

Diagnostic imaging is an essential component of a patient's care pathway and plays a critical role in preventative health. Imaging informs clinical decision-making by supporting diagnosis, treatment planning, and unlocking efficiency gains from high-cost acute care. Early diagnosis and preventative care can materially reduce overall system costs and improve patient outcomes which is why we are seeing funding bodies increasing focus in this area.

The outlook for the diagnostic imaging sector also benefits from the long-term macroeconomic and socio-economic tailwinds of a growing and ageing demographic with an increasing prevalence of chronic disease.

Infratil's entry to healthcare began with the 2020 purchase of Qscan. Qscan operates predominantly on the eastern seaboard of Australia. As one of Australia's largest radiology providers, Qscan operates over 75 clinics across Australia.

The last 12 months saw the addition of three significant New Zealand radiology groups, providing Infratil with a major footprint in the sector on both sides of the Tasman.

The first acquisition was the purchase of a shareholding in of Pacific Radiology, New Zealand's largest private diagnostic imaging service provider, operating 46 clinics and employing 90 radiologists. It has a significant presence in the South Island and lower North Island with private hospital co-location in 9 private hospitals in Wellington, Christchurch, and Dunedin. Its existing doctor shareholders retained a shareholding, creating alignment and setting the business up for continued growth and development.

Using a similar partnership model, we then purchased majority stakes in Auckland Radiology and Bay Radiology. Auckland Radiology is the largest private radiology provider in Auckland, operating 15 strategically located clinics in the greater Auckland area, and employing 32 radiologists. Bay Radiology is the largest private radiology provider in the Bay of Plenty region, operating eight strategically located clinics and employing 16 radiologists. Following the three acquisitions, Infratil holds 50.5% of the combined New Zealand platform, with the remainder held by doctors and management.

Qscan is considered a market leader in PET-CT imaging in Australia. Using very small, safe amounts of radioactive tracers, PET is an imaging technique most frequently used to detect and assess disease within the body. PET images are then fused with anatomical CT images to produce three dimensional images of the body. The combination of PET and CT produces a highly sensitive imaging device able to detect early stages of disease often undetectable by CT alone, or by other imaging procedures such as MRI. PET-CT scans are simple and painless, offering patients and their families information that helps doctors detect and diagnose disease early and begin treatment quickly.

Pacific Radiology introduced PET to the New Zealand market and is a national leader. There is high demand for increased PET-CT capability throughout New Zealand. The increased roll out of PET-CT across both sides of the Tasman is likely to improve patient outcomes while also increasing demand for services.

As at 31 March, the combined Australasian platform consisted of almost 150 clinics and employed over 270 radiologists. During the year the platform performed over 1.7 million scans and saw over 1 million patients.

While the businesses are structurally separate on each side of the Tasman, we are already seeing organic synergies emerging across the platform. As the platform evolves these are likely to include joint investment in procurement, AI, IT systems and other emerging technologies. Over time this might also include an improved ability to load share and manage out of hours reporting with a joint teleradiology reporting hub.

More excitingly, from a patient and doctor perspective, is the increasing pool of clinicians including leading sub-specialty experts, which enables enhanced collaboration, research and learning and development opportunities.

We are continuing to see more opportunities for strategic bolt-on acquisitions as well as scale acquisitions in adjacent healthcare sectors. Having established a scaled Australasian diagnostic imaging platform, we have identified a number of attractive markets with similar operating dynamics and favourable funding schemes and demographic tailwinds.

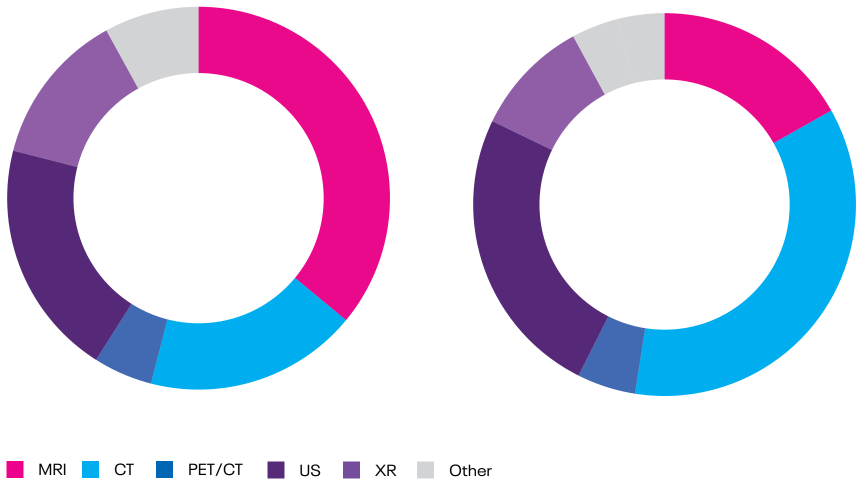
A large part of the upside for an Infratil healthcare platform is the ability to invest in technological innovation and enhancements over the long-term for a combined group.

Year ended 31 March	2022	2021[1]
Volume scans ('000)	1,767.0	586.2
Sites (No. of standalone clinics)	148	72
Total patients ('000)	1,088.8	n/a
Total radiologists	272	94
CT machines	81	62
MRI machines	54	23
PET-CT machines	14	9
Revenue (NZD)	$440.6m	$65.5m
Operating expenses (NZD)	($315.1m)	($44.7m)
EBITDAF (NZD)	$125.5m	$20.8m
Capital expenditure (NZD)	$57.3m	$7.4m
Net external debt (NZD)	**$667.6m**	**$244.8m**
Infratil book value (NZD)	$722.2m	$308.4m

[1] Only from acquisition date of 22 December 2020

Modality Mix - New Zealand

Modality Mix - Australia



MRI – Magnetic resonance imaging (MRI scan) is an imaging technology that produces three-dimensional images of the inside of your body using strong magnets and radio waves

CT – A computerised tomography scan (CT scan) is a special type of computerised x-ray that gives a highly detailed picture of the organs and other structures in your body

PET-CT – PET is an imaging technique using very small, safe amounts of radioactive tracers (a special dye) to detect abnormalities within the body. PET images are then fused with anatomical CT images to produce highly sensitive three-dimensional images of your body

US - An ultrasound uses high frequency sound waves to create images of the inside of your body

XR – An x-ray uses a small amount of radiation to create images of your bones and internal organs

Australian Diagnostic Imaging

Qscan Group

Infratil 56.3%
Doctors and Management 29.7%
Morrison & Co Growth Infrastructure Fund 14.0%

The last year, from both an operating and financial perspective was a tale of two halves and two variants. The Covid-19 lockdowns impacted on patient volumes across the group, particularly in the key catchments of Southeast Queensland and New South Wales (including regional areas), and also ACT.

Firstly, the tail end of the Delta outbreak and in the second half of the year the Omicron variant further delayed the recovery in patient volumes. In addition, requirements to isolate from 'close contacts' impacted staff availability within Qscan and also with its referrers externally.

The extreme rainfall event and subsequent flooding in Southeast Queensland and Northern New South Wales in March also posed challenges for health service providers including Qscan. A number of clinics were forced to close for short periods in Byron Bay, Ballina, Lismore, Casino and Maclean due to severe weather conditions and difficulty accessing them. In addition, the extreme flooding severely damaged the Windsor (Brisbane) clinic, causing it to remain closed. It is expected to reopen later this year after a complete refit, with flood mitigation measures implemented. Despite Covid-19 and flood interruptions Qscan still opened four new PET-CT clinics as well as a major clinic upgrade during the year.

Qscan also maintained a full service offering for patients throughout the period. Its growth consistently outperformed the overall market in terms of both examinations and billings, resulting in billing growth over the year of 6% vs. market growth of 2% for the same period.

While health specialists are a precious international commodity, Qscan is recognised as a top employer with strong radiologist advocacy. The company had a strong track record, successfully recruiting 20 additional radiologists during the year, including many with subspecialty expertise.

Qscan continues to invest heavily in new equipment and is skewed towards high-value modalities which are more profitable and demonstrate above-market growth. Qscan now owns over 300 machines which typically have a useful life of 10-15 years. There has been significant investment in the fleet in recent years, with the average age of its highest value equipment (e.g., CT, MRI and PET) less than five years.

Qscan is continuing to roll out new greenfield clinics in key regions, including Western Australia, South Australia and New South Wales. In March 2022, Qscan opened its ninth standalone PET-CT clinic in the eastern Perth area of Midland. This clinic is expected to complement Qscan's sole, existing clinic in the south of Perth and will provide digital X-Ray, CT, Ultrasound and PET-CT services. New facilities offering PET-CT services also opened in Adelaide's Windsor Gardens and Sydney's Kingswood area.

An additional comprehensive PET-CT clinic in Sydney's Westmead has recently opened, with a full time radiologist and nuclear medicine physician on site. Construction was slightly delayed due to Covid-19 disruption impacting building supplies and access to site.

Qscan was an early mover in the deployment of the PET scanning, which identifies and measures tumours and other cancers, outside hospitals and is currently a market leader in Australia. The business has a successful partnership with Icon Group, Australia's largest private cancer care provider, for new PET sites. PET has experienced strong growth due to increased oncology demand, with incidences of cancer forecast to increase in Australia.

In addition to its existing network of clinics, Qscan is actively pursuing partnership opportunities to accelerate growth. Diagnostic imaging remains a fragmented market. Qscan remains focused on identifying and executing on acquisitions of high-quality operators in key locations, similar to the strategy Infratil is following in New Zealand with Pacific Radiology Group and the bolt-on acquisitions of two more radiology providers.

On 7 April 2022, Qscan completed the acquisition of Envision Medical Imaging (EMI). EMI is the largest private comprehensive and sub specialist led medical imaging clinic in Perth, located opposite one of the city's largest hospitals. EMI has a high-quality group of over 20 radiologists and operates a full range of imaging services including MRIs, CT, PET-CT and nuclear medicine.

This acquisition will expand Qscan's network to 81 clinics and over 130 radiologists.

Changes in federal health spending are also positive for the sector. In its recent budget, the Australian Government announced that it intends to invest A$66 million to deregulate and expand access to Medicare funded MRI services and provide critical diagnostic imaging services to more regional and rural Australians from 1 November 2022.

Reforming the licencing requirements will mean regional and rural Australians can find the most appropriate quality diagnostic scan in a timely and affordable manner closer to home. Currently, over 50% of rural and remote patients travel significant distances to receive their Medicare funded MRI. This will allow Qscan to roll out more MRI machines across its regional and rural network, improving services across its catchments.

"

The Qscan Group continues to pride itself on growing not only its national footprint, but its model of patient care, its contribution to the radiology and health care industry generally, and the positive impact on our wider communities as a whole.

In this regard, as part of our focus on ESG we have set targets for net zero carbon emissions by 2030. This includes the provision of green energy in all new energy contracts, and sourcing 100% of energy from renewable sources by 2025. As we build new clinics and upgrade existing clinics, we are working with the best industry advisors to find ways to reduce our carbon footprint and use recyclables in construction and fit-outs.

Qscan Group has a long proud history of supporting rural communities. We continued that investment in the 2022, increasing our investment in diagnostic imaging in regional and remote areas, including CT, MRI and PET-CT into locations that historically would not have had access to these modalities. Further, as part of our Reconciliation Action Plan we have partnered with not-for-profit Indigenous education support group, Yalari, to sponsor the secondary education of two Indigenous children from regional areas for the entirety of their secondary education.

Our people remain our greatest asset and so we have continued to prioritise the investment in their ongoing learning and professional development. Our workforce has access to the latest in online learning technologies as we develop our capability to ensure we continue to provide the highest quality patient care. As our group of doctors grows, we are seeing more opportunities for doctors to engage with each other, share ideas and explore new and exciting opportunities of working together. Ongoing learning and development are a key strategic imperative for Qscan as we strive towards our goal of being the number 1 employer in market.

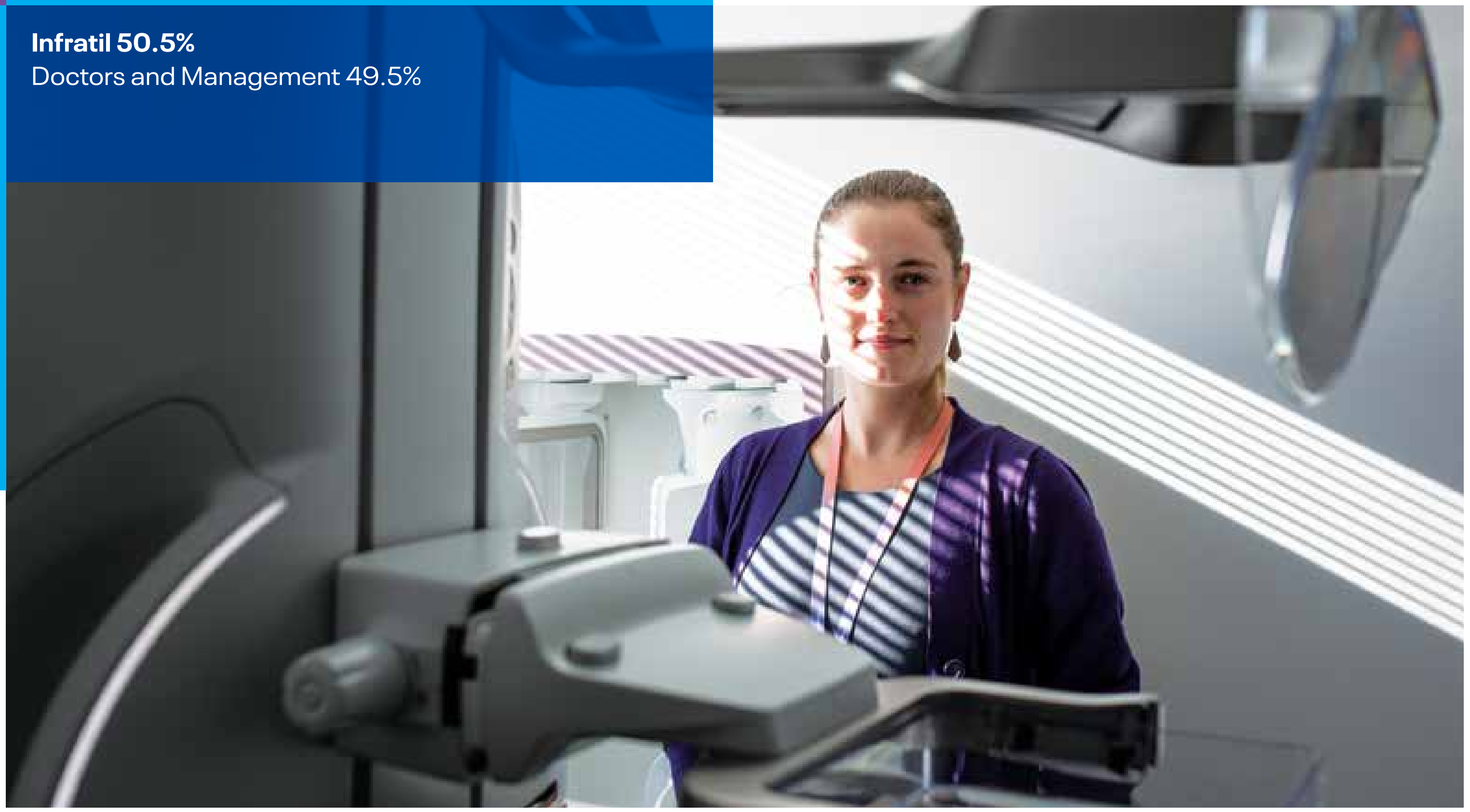
We also continue to support advances in healthcare research by providing clinical trial examinations across our national network. Our contribution to healthcare research has made meaningful differences to everyday people by providing better treatment options for patients suffering from cancers, concussions, and many other clinical conditions. We remain committed and passionate about our strategic partnerships and have more recently collaborated with Astra Zeneca and Mundipharma to trial novel medicines in the treatment of prostate cancer.

Chris Munday
Qscan Group
Chief Executive

New Zealand Diagnostic Imaging

Pacific Radiology, Auckland Radiology and Bay Radiology

Infratil 50.5%
Doctors and Management 49.5%



The year saw the entire health sector grappling with the challenges and disruptions associated with the covid pandemic, as lockdowns and restrictions impacted on service delivery. Despite this Infratil's New Zealand radiology group - which grew following the partnerships with Auckland Radiology and Bay Radiology – delivered a strong result.

Auckland Radiology is the largest private radiology provider in Auckland, operating 15 strategically located clinics in the greater Auckland area, and employing 32 radiologists. Bay Radiology is the largest private radiology provider in the Bay of Plenty region, operating eight strategically located clinics and employing 16 radiologists.

Together with Pacific Radiology, the combined nation-wide platform now consists of 70 clinics and employs 141 radiologists.

The August lockdown was particularly challenging, and this continued in the Auckland region with its prolonged restrictions as a result of the Delta outbreak, and then Omicron's emergence across New Zealand over the summer period. As the pandemic settings eased, there was a good bounce-back in demand for services which is expected to continue through FY2023.

Notwithstanding the temporary reduced revenues, the long-term outlook is very promising. Our acquisitions have given Infratil a significant foothold in the sector. We then saw other deals with new investors following our lead with purchases of other radiology players, giving confidence in the value proposition. We also saw a new generation of specialist associates join as shareholders. The sector has excellent growth prospects – illustrated by Pacific Radiology opening new facilities in Rolleston, Queenstown and at Wellington's Wakefield Hospital during the year. These purpose-built regional facilities were all delivered on time and within budget.

The decision, like the one to invest in a brand-new purpose-built Queenstown facility, aligns well to the group's commitment to supporting local regional communities, by delivering world-class radiology locally. Services available at Kawarau Park in Queenstown, include MRI, CT, Breast Imaging, Ultrasound, X-ray imaging and specialised interventional services such as musculoskeletal injections.

Currently, New Zealand has a unique healthcare system with a diversified range of funding sources including ACC (for accident-related injuries), District Health Boards, Ministry of Health (cancer screening), private healthcare insurance and direct patient fees. The Government's restructuring of the health system is expected to deliver benefits across the sector.

There is an expectation of more nationally driven service contracts as the District Health Board-model disappears and is taken over by Health New Zealand and the Māori Health Authority. The restructured system is intended to place much greater emphasis on primary health services and higher levels of diagnostic screening, particularly for Māori and Pacific communities who currently under-present for these services.

This funding environment is expected to remain stable given broad acceptance of private clinics, capacity constraints in the public system, and diagnostic imaging's critical role in preventative health and informing clinical decision-making.

New Zealand's public healthcare expenditure has increased at 6.3% over the last five years, driven largely by population growth and an ageing population – contributing to higher healthcare expenditure per capita. This growth rate is expected to taper with expenditure forecast to increase to $23 billion by FY2025 (representing a 10-year increase of 4.3% per annum) and then continuing to be broadly in line with historical increases. Total public healthcare expenditure is forecast to peak in FY2021 and FY2022 largely due to the Government's response to Covid-19 (including vaccination costs, the national health response, and managed isolation and quarantine costs).

As the shift to larger, more centralised contracting systems occurs, the group is well placed. It has a roughly 35% share of the country's radiology services, employing over 1,200 staff, with 70 clinics nationwide. The majority of patient exam fee revenue comes from complex modalities (CT, MRI and PET), which are expected to grow at a faster rate than total public healthcare expenditure.

Pacific Radiology also continues to place emphasis on contributing to research with its specialist radiologists contributing to new research in areas like prostate screening and neurodegenerative disorders. This is an important part of its community and sustainability contribution. It also delivers free breast screening services across the South Island to assist with early identification and treatment of breast cancer.

Recent developments in a global study including Pacific Radiology's Research & Development Group highlight some of the research they are doing and mean that patients with neurodegenerative disorders could soon receive quicker, more accurate diagnoses. In collaboration with research teams in Melbourne and Munich, as well as the Christchurch based New Zealand Brain Research Institute, Pacific Radiology is using a new radioactive tracer to image particularly hard to diagnose conditions that often present deep in the brain. The tracer works by binding to the abnormal proteins in the brain, meaning they show up clearly on a PET scan.

With New Zealand's ageing population, it is hoped this technology can save time and money, as well as providing more timely assistance to referrers and their patients.

> "
>
> The radiologist doctors working for Pacific Radiology, Auckland Radiology and Bay Radiology have a long tradition of working in both the public and private systems. Collectively we employ around one third of radiologists in New Zealand which means we are an integral part of the overall health ecosystem in the country. The group has an on-going commitment to maintaining and strengthening our relationships with District Health Boards and their successor regional groupings being established under Health New Zealand over the next year. Similarly, we are committed to helping the new Māori Health Authority deliver better outcomes for Māori. We are currently shaping up a joint venture with an iwi health provider to improve equity of access which we are confident will deliver immediate outcomes through better equity of access to diagnostic imaging. Similarly, we are exploring mobile services to improve equity of access which is consistent with our long-term mantra of delivering world class radiology locally. A current example of this our long running mobile mammography service in the South Island, providing easier access for many isolated rural communities.
>
> **Terry McLaughlin**
> Pacific Radiology
> Chief Executive

RetireAustralia

Infratil 50%
New Zealand Superannuation Fund 50%

The past year has presented significant challenges due to the Covid-19 pandemic, including supply chain issues, workforce pressures and increased costs of materials for refurbishments and construction activities.

Positively, a continued focus on, and commitment to the safety and wellbeing of residents against the backdrop of a buoyant property market contributed to a record-breaking year financially.

The company delivered an underlying profit of A$56.5 million, up from A$30.2 million on the prior year and a net profit after tax of A$149.1 million, up from A$55.6 million on the prior year. The increase in demand for the safety and security that a retirement community provides drove established community resales to 489, an increase of 51.4% from the prior year.

Portfolio occupancy during the financial year remained above the industry average. 15 villages are now operating waitlists and overall village occupancy has increased to ~95% compared to the Australian industry average of 90%.

Absolute clarity of strategy, and a deep understanding of their residents has been one of the significant drivers of performance for RetireAustralia. Resident satisfaction remained stable and positive, with 88% of residents saying they are satisfied or very satisfied with life in their village. RetireAustralia has seen no serious illness from Covid-19 amongst residents and staff and has maintained a continuity of care and support for residents despite staff shortages.

After the pandemic-induced slowdown with developments in 2021, the Group is accelerating construction with four sites under construction. A further 34 apartments are being built at The Rise at Wood Glen, and 22 units at Forresters Beach - both are premium villages on the NSW Central Coast. In South East Queensland, construction of a further 66 apartments is underway at The Verge on the Gold Coast as well as 92 apartments at The Green at Tarragindi, Brisbane.

RetireAustralia is also continuing to build up its development pipeline for the next five years and beyond. An A$40 million third stage at The Verge on the Gold Coast has recently been approved. The stage will include 62 independent living apartments as well as a care hub with 10 to 12 beds, alongside the 106 apartments already completed or under construction.

A systematic review of opportunities at a village level during the year resulted in the sale of the 50-unit Harwin Retirement Village in South Australia in April 2022. Pleasingly, the majority of residents opted to stay with RetireAustralia and were relocated to other villages nearby.

RetireAustralia's strong performance reinforces Infratil's decision (along with our investment partner, the New Zealand Superannuation Fund) to undertake a strategic review of our shareholding in the business. We each acquired 50% of RetireAustralia in 2014 for a combined A$618 million (debt A$210 million and equity A$408 million).

With a strong management team in place and the business performing well, it is time to consider what ownership structure is best for RetireAustralia and for Infratil's shareholders. While we are reviewing our position there will be no change to services, facilities or the experience of residents and their families.

Year Ended 31 March	2022	2021
Residents	5,283	5,041
Serviced Apartments	500	535
Independent Living Units	3,569	3,584
Apartments & Unit resales	489	323
Resale gain per Apartment/Unit	A$135,665	A$147,704
New Apartment & Unit sales	76	20
New Apartment & Unit average sales price	A$676,941	A$645,850
Average occupancy receivable per Apartment/Unit	A$132,428	A$125,807
Embedded resales gain per Apartment/Unit	A$51,584	A$38,229
Underlying profit	A$56.5m	A$30.2m
Net profit after Tax	A$149.1m	A$55.6m
Capital expenditure	A$49.2m	A$55.6m
Net external debt	A$161.7m	A$187.2m
Infratil book value	NZ$417.3m	NZ$340.9m
Fair value of Infratil's investment	NZ$408.8m	NZ$361.0m

"

Last year RetireAustralia delivered consistent high performance whilst navigating through natural disasters and some of our most significant Covid-19 challenges so far. We achieved this by continuing our focus and commitment to our residents, while also doubling down on driving the performance of the business.

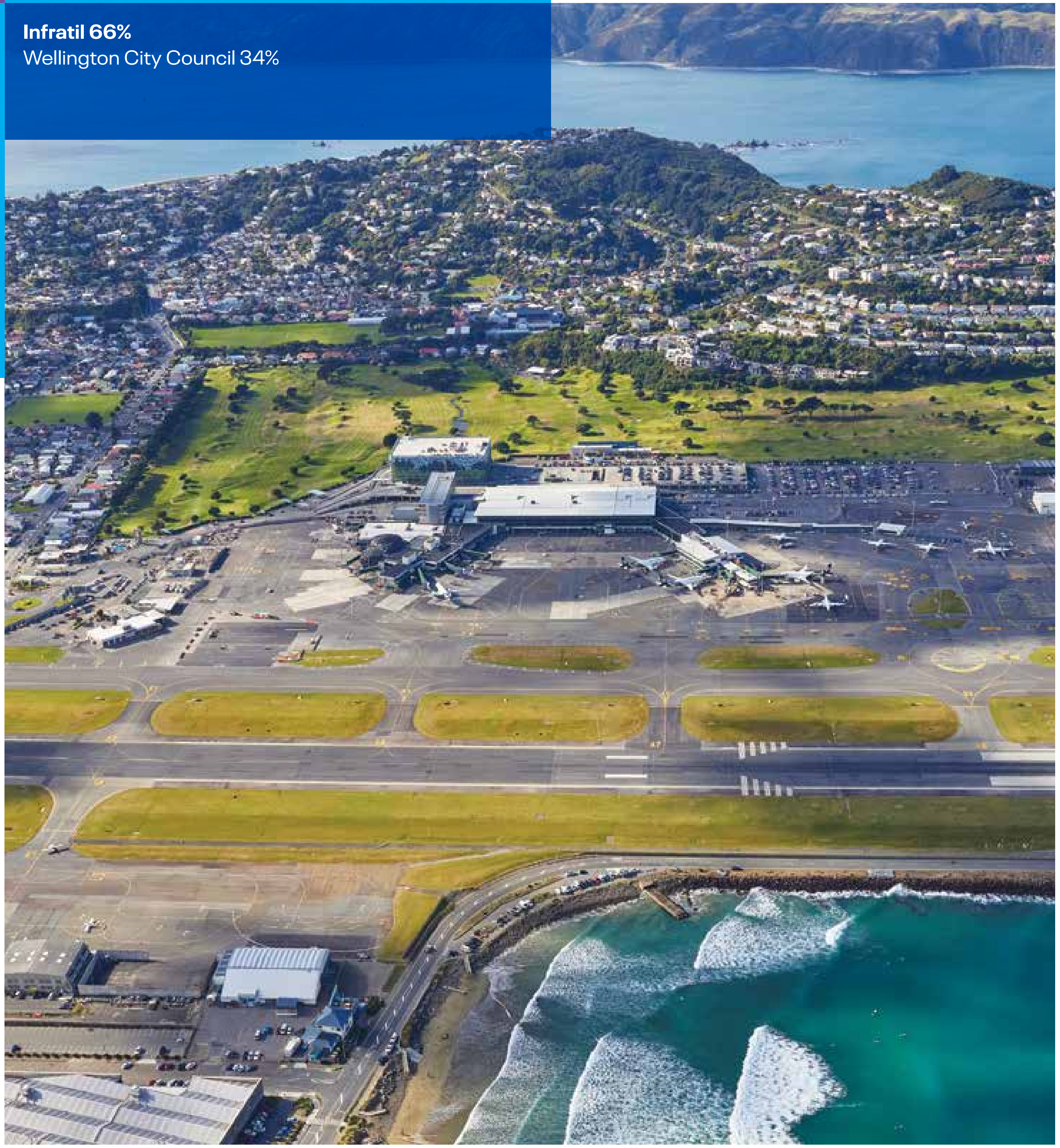
I'm very proud of how we maintained our villages as safe havens while continuing to offer high quality services, make sales, and progress our development programme through extensive and stringent lockdowns, the Omicron wave, floods, workforce pressures, and supply chain issues. The RetireAustralia team tackled every challenge diligently, compassionately and with care and respect for each other and for our residents.

Our strong financial performance is underpinned by a shared purpose; depth of quality delivery and extensive expertise; and a targeted and deliberate approach to achieving consistently high performance.

Dr. Brett Robinson
RetireAustralia
Chief Executive

Wellington Airport

Infratil 66%
Wellington City Council 34%



It was a turbulent year for aviation and Wellington Airport, bookended by travel re-openings with the short-lived trans-Tasman bubble in mid-2021 before the border closed again in August. Then, at the very end of the year - 31 March 2022 – we saw Wellington Airport once again welcoming back flights from Australia.

Through border closures, domestic lockdowns and the outbreaks of Delta and Omicron, Wellington Airport remained resilient, adapting quickly to changing rules and regulations and maintaining financial stability due to the planning and structures that were put in place from the outset of the pandemic.

On the financial side, Wellington Airport continued to manage operating and capital costs closely through the year. It delivered a net profit after tax of $3.0 million, compared to a loss of $35.8 million the previous year and EBITDAF of $56.8 million, an increase of 58% on the previous year.

There was a concerted focus on managing capital and operating costs and retaining the cost savings achieved last year where possible. At the same time, certain operating expenses increased over the year mainly due to variable costs in line with the growth in passenger numbers, and also rates and insurance.

In September 2021, Wellington Airport issued $125 million of retail bonds which fully repaid bank debt, with surplus funds currently held in cash and short-term deposits. It also refinanced its bank debt facilities, including the extension of bank term maturities to 2025 and 2026 and a reduction in overall bank facilities to pre-covid levels of $100 million. In May 2020, at the outset of the pandemic shareholders put in place a support agreement totalling $75.8 million. Pleasingly, these have not been required to be called upon given the work done to strengthen the Airport's financial position.

Challenging as covid has been, it allowed for the smoother completion of essential works needed for regulatory, resilience and safety reasons. This includes beginning reconstruction of the main taxiway for the first time since the Airport opened in 1959, and progressing plans to implement the Airport Masterplan and terminal expansion.

Another major resilience project is the replacement of the western and southern seawalls and breakwater. This infrastructure is nearing the end of its life and now requires full replacement rather than relying on ongoing repairs. The seawall is absolutely vital to the Airport's climate change adaptation programme, as it protects the runway and other assets from sea level rise, storm surges and increasing frequency and severity of weather events. Significantly, it also protects City Council-owned roading and the major sewer pipes to and from Moa Point which carry the majority of Wellington's wastewater.

Wellington Airport's investment in strong airline relationships has continued, and it is well positioned for a return to growth. Domestically, the Airport reached a high of 93% of pre-covid travel in July 2021.

The start of the financial year in April 2021 coincided with a period of strong domestic growth and the trans-Tasman border opening. This provided a much needed boost to the Airport's operators and most were operating their usual pre-covid hours.

Most regional routes were busier than prior to covid as New Zealanders took the opportunity to explore New Zealand while unable to venture abroad, particularly during the July school holidays.

The number of travellers then plummeted in August due to nationwide lockdowns, dropping to 2% of pre-covid levels.

This became challenging through the outbreaks, restrictions and lockdowns that followed, but the company worked in partnership with its airport operators to ensure stores remained open, which has helped maintain all terminal services and retail at the highest and safest levels possible during this challenging time.

Year Ended 31 March	**2022**	**2021**
Passengers Domestic	3,480,581	2,968,960
Passengers International	48,667	162
Scope 1 & 2 emissions CO_2e tonnes	1,066	989
Aeronautical income	$54.3m	$34.0m
Passenger services income	$22.3m	$18.2m
Property & other income	$13.8m	$12.7m
Operating costs	**($33.6m)**	**($28.9m)**
EBITDAF	**$56.8m**	**$36.0m**
Net profit/(loss) after tax	$3.0m	($35.8m)
Capital expenditure	$17.8m	$35.0m
Net external debt	$584.5m	$595.9m
Infratil cash income	-	$38.1m
Infratil's book value	$580.0m	$511.2m

The recovery from September was marked by the continuation of Auckland's lockdown. Despite these challenges, Wellington Airport was able to find silver linings such as the launch of a direct route to Whangarei and the Bay of Islands while transfer through Auckland was not possible.

However, the arrival of the Omicron variant again significantly affected New Zealanders' ability and willingness to travel (as well as airlines capability to operate their full schedule). As the current outbreak peaked, domestic travel reached its low point in mid-March, but then recovered on average 7% per week to the end of the financial year as New Zealanders looked to the future with more confidence.

On the international side, despite optimism at the beginning of the year, frequent pauses and the eventual suspension of trans-Tasman travel resulted in only 49,000 international passengers for the financial year. The forecast is for growth in travel and tourism through the year ahead, with both the pandemic and government policy on border restrictions having reached a period of greater predictability.

By year end, routes had been restored to Brisbane, Sydney, Melbourne and Fiji with Air New Zealand and Fiji Airways. Qantas and Jetstar will shortly resume trans-Tasman travel as well, providing a capacity boost and important competition on these routes. Jetstar will also resume services to the Gold Coast in June. Based on current schedules, the Airport is anticipating almost 65% of Wellington's pre-covid international capacity will be operating by July.

Meanwhile, the Airport's sustainability programme included welcoming the first electric flight, making further reductions in energy use, and launching a new community garden to establish a circular economy for terminal waste. The Airport will work alongside the Government's Emissions Reduction Plan which will set out the path to Net Zero across every industry in New Zealand and is confident the aviation sector can meet its emissions targets through improved efficiency, new technology and alternative fuel options.

Wellington has one of the most space-constrained airports in the world, with water to the north and south, and nearby residential housing on two sides. To enable future expansion, it is seeking a designation to enable development of the Airport site and some of the Miramar Golf Course land to the East. In May 2021 an independent hearing was held, which recommended letting the designation proceed, subject to conditions around Airport noise and other impacts. Since then, this decision has been appealed to the Environment Court. Infratil is strongly of the view the expansion is in the best interests of Wellingtonians.

Finally, this year marks the end of the decade long tenure of outgoing Chief Executive Steve Sanderson. Steve spent his first eight years leading the Airport through a period of strong travel growth and investment, including the domestic terminal extension, onsite hotel, a rejuvenated retail layout, the multi-level carpark building, designation for expansion to the east and the arrival of Singapore Airlines with their new A350. The last two years brought a new series of challenges responding to covid and the impact on the travel and hospitality industry. Steve did an exceptional job managing the Airport and staff through both these periods.

With all change comes opportunity, and we are looking forward to a period of post-covid growth led by Matt Clarke as Chief Executive. Matt has been Chief Commercial Officer since 2010 and his optimism, energy and experience will ably lead the Airport through the transition period and beyond.

"

At Wellington Airport we are taking an approach of absolute reduction in resource use and emissions, rather than relying on carbon offsetting to achieve environmental goals. This requires real, tangible action and we are making strong progress across all areas.

In April 2020 we commenced a 24 month Building Management System optimisation and analytics project to improve the efficiency of the terminal's heating and cooling operations. We have managed to reduce energy consumption by 4.8% so far, representing a 65-tonne reduction in emissions.

Outside the airport terminal, we have been working to combat aviation's greatest carbon source: aircraft emissions. Alongside Sounds Air, Air New Zealand, GHD and Blenheim and Nelson Airports, we have established the Electrification of Regional Aircraft working group. As group technical lead, Wellington Airport is tasked with crafting understanding around the infrastructure and technical considerations necessary on the ground to support electric aircraft operations. Our work will continue through the next four years and beyond, in anticipation of the arrival of Sounds Air's fully-electric ES-19 from 2026.

On the ground, we are pushing ahead with plans to introduce alternative energy sources to power our terminal building operations, with particular attention to solar. Over the next year we will carry out a comprehensive feasibility study to iron out the technical and financial considerations required to progress with the installation of a PV array. We are also developing plans for an Energy Centre and ground source heating, which form a critical part of our expansion plans and will enable us to cease use of gas boilers, one of our largest sources of emissions.

The past year has been significant in the development of legislation aimed at reducing emissions across all industries. Aviation is a notoriously difficult industry to decarbonise, owing to the current absence of practical high energy-density, non-hydrocarbon fuel alternatives; and this is recognised by the Climate Change Commission in its reports and recommendations. Despite this, technology is developing rapidly, and Wellington Airport is leading the way, particularly in the development of electric infrastructure. We intend to lead the aviation sector's role in New Zealand's non-negotiable goal of net-zero emissions by 2050.

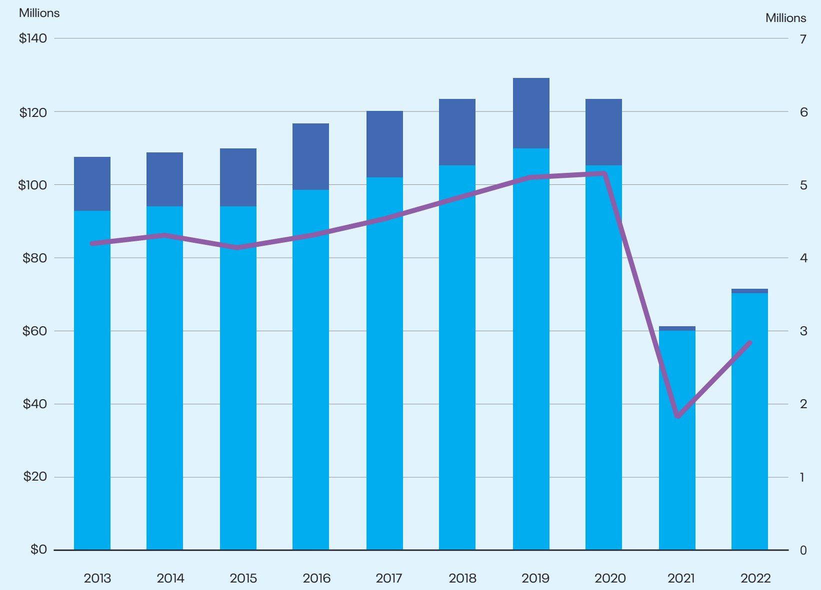
Matt Clarke,
Wellington Airport
Chief Executive

EBITDAF & Passengers

In the decade to FY2020, passengers rose stably at 2% per year and earnings 4%. The restrictions on movement and travel that were put in place to prevent the spread of Covid-19 clearly had a huge impact on passenger numbers.

With the right application of technology, air travel is expected to continue growing sustainably, returning to pre-covid levels by mid-decade.

■ Domestic Passengers
■ International Passengers
— EBITDAF

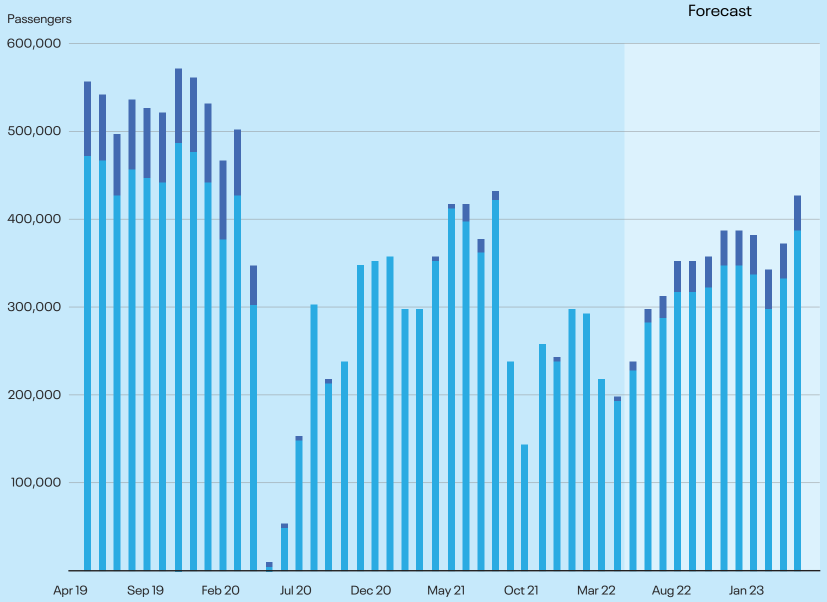


Passenger Recovery

The Airport's monthly traffic over the 11 months pre-Covid shows stable passenger numbers consistently above 500,000. The subsequent 25 months, and the forecast for the next year shows the strong recovery in domestic passengers with international passengers slowly returning from April 2022.

Domestically, the Airport reached a high of 93% of pre-Covid travel in July 2021. However, the impacts of extended lockdowns elsewhere, such as Auckland, can be seen over the second half of the year.

■ Domestic Passengers
■ International Passengers



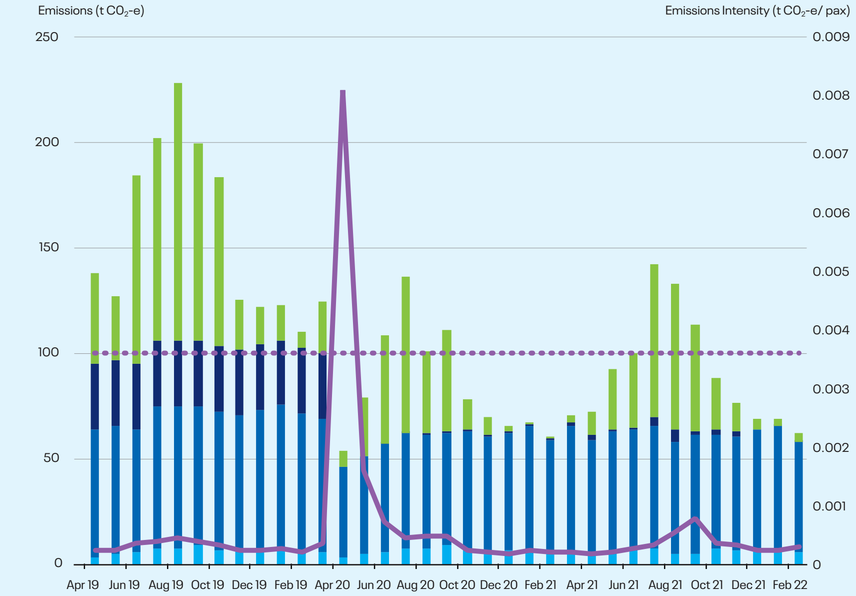
Wellington Airport emissions (Scope 1, Scope 2 & Scope 3)

Scope 1 (direct emissions from Wellington Airport-owned sources) and Scope 2 (indirect emissions from purchased energy used by our operations) have remained well below pre-covid levels.

This is the direct result of significantly less boiler use for terminal heating, ventilation and air conditioning optimisation, the continued rollout of LED lighting and low levels of staff travel over the year.

The relative maintenance of decreased emissions is evidenced by the stability of emissions intensity per passenger (CO_2-e Intensity).

■ Scope 1: Airport vehicles	■ Scope 1: Refrigerants
■ Scope 2: Electricity	■ Scope 1: Natural Gas
■ Scope 3: Staff travel	- - Target 30% reduction against FY17 (by month)
— CO_2-e Intensity	



Financial Statements

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Consolidated Statement of Comprehensive Income

For the year ended 31 March 2022

	Notes	2022 $Millions	2021 $Millions
Operating revenue	11	858.9	408.2
Dividends		1.7	-
Total revenue		**860.6**	**408.2**
Share of earnings of associate companies	6	268.5	182.6
Total income		**1,129.1**	**590.8**
Depreciation	14	84.6	55.2
Amortisation of intangibles	18	6.8	5.2
Employee benefits		275.3	81.1
Operating expenses	12	556.6	399.1
Total operating expenditure		**923.3**	**540.6**
Operating surplus before financing, derivatives, realisations and impairments		205.8	50.2
Net gain/(loss) on foreign exchange and derivatives		68.0	(56.4)
Net realisations, revaluations and impairments		14.2	31.8
Interest income		6.4	1.6
Interest expense		165.9	138.8
Net financing expense		159.5	137.2
Net surplus/(loss) before taxation		**128.5**	**(111.6)**
Taxation expense/(credit)	13	22.6	(9.7)
Net surplus/(loss) for the year from continuing operations		**105.9**	**(101.9)**
Net gain/(loss) from discontinued operations after tax	10	1,125.8	85.9
Net surplus/(loss) for the year		**1,231.7**	**(16.0)**
Net surplus/(loss) attributable to owners of the Company		1,169.3	(49.2)
Net surplus/(loss) attributable to non-controlling interests		62.4	33.2
Other comprehensive income, after tax			
Items that will not be reclassified to profit and loss:			
Net change in fair value of property, plant & equipment recognised in equity		83.6	260.9
Share of other comprehensive income of associate companies		19.5	8.0
Net change in equity investments at fair value through other comprehensive income		14.8	46.1
Realisations on disposal of equity investments at FVOCI		5.6	-
Ineffective portion of hedges taken to profit and loss		-	-
Income tax effect of the above items		(20.2)	(90.4)
Items that may subsequently be reclassified to profit and loss:			
Differences arising on translation of foreign operations		(30.7)	90.0
Realisations on disposal of subsidiary, reclassified to profit and loss		(444.4)	-
Effective portion of changes in fair value of cash flow hedges		(53.6)	218.5
Income tax effect of the above items		21.2	(28.1)
Total other comprehensive income/(loss) after tax		**(404.2)**	**505.0**
Total comprehensive income/(loss) for the year		**827.5**	**489.0**
Total comprehensive income for the year attributable to owners of the Company		1,191.7	335.4
Total comprehensive income for the year attributable to non-controlling interests		(364.2)	153.6
Earnings per share			
Basic and diluted (cents per share) from continuing operations	4	6.0	(18.6)
Basic and diluted (cents per share)	4	161.7	(6.8)

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2022

	Notes	2022 $Millions	2021 $Millions
Cash and cash equivalents	23.1	851.0	133.8
Trade and other accounts receivable and prepayments	23.1	173.2	315.4
Derivative financial instruments	23.4	65.3	76.2
Inventories		2.0	1.9
Income tax receivable		12.3	17.6
Assets held for sale	10	194.8	2,253.4
Current assets		**1,298.6**	**2,798.3**
Trade and other accounts receivable and prepayments	23.1	7.7	13.5
Property, plant and equipment	14	3,401.1	3,238.7
Investment properties	15	279.3	260.1
Right of use assets	16.1	159.2	115.5
Derivative financial instruments	23.4	80.9	92.0
Intangible assets	18	121.3	74.0
Goodwill	17	1,807.2	752.7
Investments in associates	6	2,125.9	1,612.4
Shareholder loans to associates	6	469.4	514.5
Other investments	7	101.2	80.9
Non-current assets		**8,553.2**	**6,754.3**
Total assets		**9,851.8**	**9,552.6**
Accounts payable, accruals and other liabilities		445.9	305.8
Interest bearing loans and borrowings	19	215.5	94.1
Lease liabilities	16.2	22.7	20.3
Derivative financial instruments	23.4	48.3	89.2
Income tax payable		9.4	4.1
Infrastructure bonds	20	193.5	93.8
Trustpower bonds	21	127.7	83.0
Wellington International Airport bonds	22	-	75.0
Liabilities directly associated with the assets held for sale	10	50.9	906.7
Current liabilities		**1,113.9**	**1,672.0**
Interest bearing loans and borrowings	19	851.7	916.2
Other liabilities		151.3	195.4
Lease liabilities	16.2	226.6	182.3
Deferred tax liability	13.3	257.4	284.8
Derivative financial instruments	23.4	70.5	66.9
Infrastructure bonds	20	963.1	1,053.2
Perpetual Infratil Infrastructure bonds	20	231.9	231.9
Trustpower bonds	21	223.0	350.0
Wellington International Airport bonds and senior notes	22	621.7	510.7
Non-current liabilities		**3,597.2**	**3,791.4**
Attributable to owners of the Company		3,713.9	2,644.0
Non-controlling interest in subsidiaries		1,426.8	1,445.2
Total equity		**5,140.7**	**4,089.2**
Total equity and liabilities		**9,851.8**	**9,552.6**
Net tangible assets per share ($ per share)		3.61	2.97

Approved on behalf of the Board on 18 May 2022

Alison Gerry
Director

Mark Tume
Director

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

	Notes	2022 $Millions	2021 $Millions
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		1,585.5	1,175.0
Distributions received from associates		61.2	73.6
Other dividends		2.1	-
Interest received		6.9	6.1
		1,655.7	**1,254.7**
Cash was disbursed to:			
Payments to suppliers and employees		(1,364.0)	(953.1)
Interest paid		(157.4)	(159.9)
Taxation paid		(51.5)	(50.3)
		(1,572.9)	(1,163.3)
Net cash inflow from operating activities	25	**82.8**	**91.4**
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sale of associates		-	-
Capital returned from associates		43.3	78.3
Proceeds from sale of subsidiaries (net of cash sold)		1,654.5	-
Proceeds from sale of property, plant and equipment		0.1	-
Proceeds from sale of investment property		0.2	34.8
Proceeds from sale of investments		44.3	0.7
Return of security deposits		189.2	127.6
		1,931.6	**241.4**
Cash was disbursed to:			
Purchase of investments		(313.1)	(65.0)
Proceeds to Shareholder (loan)		(0.4)	-
Lodgement of security deposits		(172.4)	(219.4)
Purchase of intangible assets		(6.1)	(9.4)
Interest capitalised on construction of fixed assets		-	-
Purchase of shares in subsidiaries, net of cash acquired		(1,159.4)	(821.2)
Purchase of investment properties		-	(16.0)
Purchase of property, plant and equipment		(115.6)	(459.8)
		(1,767.0)	(1,590.9)
Net cash inflow / (outflow) from investing activities		**164.6**	**(1,349.5)**
Cash flows from financing activities			
Cash was provided from:			
Proceeds from issue of shares		-	294.1
Sale of shares in non-wholly owned subsidiary		-	-
Proceeds from issue of shares to non-controlling interests		372.9	241.8
Bank borrowings		1,023.8	852.9
Issue of bonds		227.4	184.6
		1,624.1	**1,573.4**
Cash was disbursed to:			
Repayment of bank debt		(1,018.7)	(295.0)
Repayment of lease liabilities		(26.1)	(12.9)
Loan establishment costs		(7.3)	(18.4)
Repayment of bonds		(251.9)	(25.0)
Infrastructure bond issue expenses		(2.2)	(2.6)
Share buyback		(6.7)	-
Capital return to non-controlling shareholders in subsidiary companies		-	(96.2)
Dividends paid to non-controlling shareholders in subsidiary companies		(66.7)	(65.3)
Dividends paid to owners of the Company	3	(121.8)	(117.7)
		(1,501.4)	**(633.1)**
Net cash inflow / (outflow) from financing activities		**122.7**	**940.3**
Net increase / (decrease) in cash and cash equivalents		370.1	(317.8)
Foreign exchange gains / (losses) on cash and cash equivalents		(4.3)	36.9
Cash and cash equivalents at beginning of the year		133.8	730.3
Cash balances on acquisition		9.8	26.0
Adjustment for cash classified as assets held for sale	10	341.6	(341.6)
Cash and cash equivalents at end of the year		**851.0**	**133.8**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2022

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

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

	Capital $Millions	Revaluation reserve $Millions	Foreign currency translation reserve $Millions	Other reserves $Millions	Retained earnings $Millions	Total $Millions	Non-controlling $Millions	Total equity $Millions
Balance as at 1 April 2020	754.9	655.1	(71.8)	(108.4)	902.4	2,132.2	1,207.7	3,339.9
Net surplus for the year	-	-	-	-	(49.2)	(49.2)	33.2	(16.0)
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	100.0	-	-	100.0	(13.5)	86.5
Items reclassified to profit and loss on disposal of subsidiaries	-	-	-	-	-	-	-	-
Net change in fair value of equity investments at FVOCI	-	-	-	46.1	-	46.1	-	46.1
Realisations on disposal of equity investments at FVOCI	-	-	-	-	-	-	-	-
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	118.3	-	118.3	75.6	193.9
Fair value change of property, plant & equipment recognised in equity	-	112.2	-	-	-	112.2	58.3	170.5
Share of associates other comprehensive income	-	-	-	8.0	-	8.0	-	8.0
Total other comprehensive income	-	112.2	100.0	172.4	-	384.6	120.4	505.0
Total comprehensive income for the year	**-**	**112.2**	**100.0**	**172.4**	**(49.2)**	**335.4**	**153.6**	**489.0**
Contributions by and distributions to non-controlling interest								
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	-	-	240.9	240.9
Issue of shares to non-controlling interests	-	-	-	-	-	-	(91.6)	(91.6)
Issue/(acquisition) of shares held by outside equity interest	-	-	-	-	-	-	-	-
Total contributions by and distributions to non-controlling interest	-	-	-	-	-	-	149.3	149.3
Contributions by and distributions to owners								
Share issued	294.1	-	-	-	-	294.1	-	294.1
Share buyback	-	-	-	-	-	-	-	-
Shares issued under the dividend reinvestment plan	-	-	-	-	-	-	-	-
Conversion of executive redeemable shares	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	(117.7)	(117.7)	(65.4)	(183.1)
Total contributions by and distributions to owners	294.1	-	-	-	(117.7)	176.4	(65.4)	111.0
Balance at 31 March 2021	**1,049.0**	**767.3**	**28.2**	**64.0**	**735.5**	**2,644.0**	**1,445.2**	**4,089.2**

The accompanying notes form part of these consolidated financial statements.

Notes to the Financial Statements

For the year ended 31 March 2022

1 Accounting policies

A Reporting Entity

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

B Basis of preparation

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

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

Accounting estimates and judgements

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

Valuation of property, plant and equipment

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

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

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

Valuation of investments including Associates

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

Derivatives

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

C Basis of preparing consolidated financial statements

Principles of consolidation

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

D Property, plant and equipment

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

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

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

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

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

E Investment properties

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

F Receivables

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

G Investments in associates

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

H Goodwill and intangible assets

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

Intangible customer base assets

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

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

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

- Lease agreements and software: 3 - 7 years
- Customer acquisition costs: 12- 20 years
- Customer contracts: 1-5 years

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

Brand names

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

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

I Assets and disposal groups held for sale

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

J Taxation

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

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

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

K Derivative financial instruments

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

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

Hedge accounting

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

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

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

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

L Foreign currency transactions

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

Foreign operations

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

M Impairment of assets

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

N Revenue recognition

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

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

O Borrowings

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

P Discontinued operations

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

Q Segment reporting

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

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

R Financial assets - available for sale

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

S Adoption status of relevant new financial reporting standards and interpretations

In April 2021, the IFRS Interpretations Committee ('IFRIC') issued an agenda decision clarifying its interpretation on how current accounting standards apply to configuration and customisation costs incurred in implementing Software-as-a-Service ('SaaS') cloud computing arrangements. The decision discusses whether configuration and customisation costs relating to cloud computing arrangements are able to be recognised as intangible assets, and if not, over what period the expenditure is expensed.

The Group's previous accounting policy was to record these configuration and customisation costs as part of the cost of an intangible asset and amortise these costs over the useful life of the software assets.

The impact of adopting IFRIC's agenda decision on the Group's Consolidated Statement of Comprehensive Income for the year ended 31 March 2022 has been applied and is summarised below:

The prior year adjustment for the initial application of the IFRIC agenda decision on the configuration and customisation costs incurred in implementing SaaS have been assessed as immaterial to the Group, therefore, have been prospectively adjusted for in the current year. The Vodafone share of associates' surplus before tax includes a prior year adjustment of $5.2 million. The current year impact also included is $13.8 million. As a result, the share of earnings of associate companies and carrying value of the investment in associate has been impacted by $19.0 million in 2022.

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

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

2 Nature of business

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

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

3 Infratil shares and dividends

Ordinary shares (fully paid)

	2022	2021
Total authorised and issued shares at the beginning of the year	722,952,533	659,678,837
Movements during the year:		
New shares issued	-	63,273,696
New shares issued under dividend reinvestment plan	1,031,049	-
Treasury stock reissued under dividend reinvestment plan	-	-
Conversion of executive redeemable shares	-	-
Share buyback	-	-
Total authorised and issued shares at the end of the year	**723,983,582**	**722,952,533**

During the comparative period the Company issued 63.3 million shares. In total, net proceeds after issue costs of $294.1 million were raised via an institutional placement and share purchase plan for existing shareholders. All fully paid ordinary shares have equal voting rights and share equally in dividends and equity.
At 31 March 2022 the Group held 1,662,617 shares as Treasury Stock (31 March 2021: 1,662,617).

Dividends paid on ordinary shares

	2022 Cents per share	2021 Cents per share	2022 $Millions	2021 $Millions
Final dividend prior year	11.50	11.00	83.0	72.5
Interim dividend current year	6.50	6.25	47.1	45.2
Dividends paid on ordinary shares	18.00	17.25	130.1	117.7

4 Earnings per share

	2022 $Millions	2021 $Millions
Net surplus from continuing operations attributable to ordinary shareholders	60.8	(120.8)
Basic and diluted earnings per share (cps) from continuing operations	8.4	(17.0)
Net surplus attributable to ordinary shareholders	1,186.6	(49.2)
Basic and diluted earnings per share (cps)	164.1	(6.9)
Weighted average number of ordinary shares		
Issued ordinary shares at 1 April	723.0	659.7
Effect of new shares issued	-	49.6
Effect of new shares issued under dividend reinvestment plan	0.3	-
Effect of Treasury stock reissued under dividend reinvestment plan	-	-
Effect of conversion of executive redeemable shares	-	-
Effect of shares bought back	-	-
Weighted average number of ordinary shares at end of year	**723.3**	**709.3**

5 Operating segments

Trustpower, Tilt Renewables and Gurīn Energy are renewable generation investments, Wellington International Airport is an airport investment and Qscan Group and RHC Holdco make up the Group's diagnostic imaging platform. Associates comprises Infratil's investments that are not consolidated for financial reporting purposes including CDC Data Centres, Vodafone New Zealand, RetireAustralia, Longroad Energy, Kao Data and Galileo Green Energy. Further information on these investments is outlined in Note 6. The Group's investment in Tilt Renewables and Trustpower's retail business are treated as Discontinued Operations as at 31 March 2022. Further information on these investments is outlined in Note 10.1 and 10.2. All other segments and corporate predominately includes the activities of the Parent Company. The group has no significant reliance on any one customer. Inter-segment revenue primarily comprises dividends from Trustpower.

	Trustpower New Zealand $Millions	Tilt Renewables Australasia $Millions	Wellington International Airport New Zealand $Millions	Diagnostic Imaging Australasia $Millions	Gurīn Energy Asia $Millions	Associates $Millions	All other segments and corporate New Zealand $Millions	Eliminations & discontinued operations $Millions	Total $Millions
For the year ended 31 March 2022									
Total revenue	1,019.7	60.0	95.6	440.5	-	-	87.4	(759.0)	944.2
Share of earnings of associate companies	-	-	-	-	-	268.5	-	-	268.5
Inter-segment revenue	-	-	-	-	-	-	(72.8)	(10.6)	(83.4)
Total income	1,019.7	60.0	95.6	440.5	-	268.5	14.6	(769.6)	1,129.3
Operating expenses (excluding depreciation and amortisation)	(815.1)	(47.9)	(39.1)	(341.3)	(6.3)	-	(222.7)	640.3	(832.1)
Interest income	-	0.4	0.2	-	-	-	6.2	(0.4)	6.4
Interest expense	(29.8)	(6.7)	(26.1)	(34.4)	(0.1)	-	(76.7)	7.9	(165.9)
Depreciation and amortisation	(47.4)	(19.5)	(30.5)	(40.4)	(0.1)	-	-	46.5	(91.4)
Net gain/(loss) on foreign exchange and derivatives	42.9	(12.7)	(1.1)	9.2	-	-	17.0	12.7	68.0
Net realisations, revaluations and impairments	-	-	6.5	0.1	-	-	1,144.3	(1,136.8)	14.2
Taxation expense	(50.6)	3.8	(2.5)	(14.5)	-	-	40.3	0.9	(22.6)
Net surplus/(loss) for the year	119.7	(22.6)	3.0	19.2	(6.5)	268.5	923.0	(1,198.5)	105.9
Net surplus/(loss) attributable to owners of the company	59.8	(14.8)	2.0	9.6	(6.2)	268.5	923.0	(1,198.5)	43.4
Net surplus/(loss) attributable to non-controlling interests	59.8	(8.0)	1.0	9.6	(0.3)	-	-	-	62.2
Current assets	300.0	-	55.9	74.1	3.6	-	781.2	83.8	1,298.6
Non-current assets	1,951.2	-	1,474.7	2,250.2	0.5	2,595.2	424.8	(143.4)	8,553.2
Current liabilities	452.8	-	17.9	133.8	2.3	-	471.5	35.6	1,113.9
Non-current liabilities	755.8	-	762.2	821.0	-	-	1,401.6	(143.4)	3,597.2
Net assets	1,042.6	-	750.5	1,369.5	1.8	2,595.2	(667.1)	48.2	5,140.7
Non-controlling interest percentage	49.0%	34.9%	34.0%	46.8%	5.0%				
Capital expenditure and investment	46.3	33.7	19.6	433.7	8.3	307.9	-	(33.7)	815.8

	Trustpower New Zealand $Millions	Tilt Renewables Australasia $Millions	Wellington International Airport New Zealand $Millions	Diagnostic Imaging Australia $Millions	Associates $Millions	All other segments and corporate New Zealand $Millions	Eliminations & discontinued operations $Millions	Total $Millions
For the year ended 31 March 2021								
Total revenue	952.8	137.4	68.8	65.5	-	100.2	(788.2)	536.5
Share of earnings of associate companies	-	-	-	-	182.6	-	-	182.6
Inter-segment revenue	-	-	-	-	-	(90.0)	(38.3)	(128.3)
Total income	952.8	137.4	68.8	65.5	182.6	10.2	(826.5)	590.8
Operating expenses (excluding Depreciation and amortisation)	(752.5)	(57.2)	(32.8)	(62.9)	-	(187.5)	612.7	(480.2)
Interest income	0.5	3.2	0.7	-	-	0.3	(3.1)	1.6
Interest expense	(30.8)	(15.0)	(27.2)	(5.1)	-	(76.9)	16.2	(138.8)
Depreciation and amortisation	(45.4)	(43.8)	(29.6)	(7.9)	-	-	66.3	(60.4)
Net gain/(loss) on foreign exchange and derivatives	(83.5)	78.5	1.4	-	-	25.6	(78.4)	(56.4)
Net realisations, revaluations and impairments	-	-	8.7	-	-	23.1	-	31.8
Taxation expense	(10.3)	(31.5)	12.4	(2.0)	-	4.2	36.9	9.7
Net surplus/(loss) for the year	30.8	71.6	2.4	(12.4)	182.6	(201.0)	(175.9)	(101.9)
Net surplus/(loss) attributable to owners of the company	17.4	47.1	1.8	(7.0)	182.6	(201.0)	(54.2)	(13.3)
Net surplus/(loss) attributable to non-controlling interests	13.4	24.5	0.6	(5.4)	-	-	(31.7)	1.4
Current assets	340.9	404.6	96.8	43.6	-	63.6	1,848.8	2,798.3
Non-current assets	2,001.5	1,803.2	1,399.1	912.6	2,126.9	359.8	(1,848.8)	6,754.3
Current liabilities	317.6	65.4	117.9	41.9	-	288.0	841.2	1,672.0
Non-current liabilities	937.9	841.3	705.3	366.1	-	1,782.0	(841.2)	3,791.4
Net assets	1,086.9	1,301.1	672.7	548.2	2,126.9	(1,646.6)	-	4,089.2
Non-controlling interest percentage	49.0%	34.4%	34.0%	43.7%				
Capital expenditure and investments	36.4	377.4	35.0	309.6	55.1	23.5	(377.4)	459.6

Entity wide disclosure - geographical

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

	New Zealand $Millions	Australia $Millions	Asia $Millions	United States $Millions	United Kingdom & Europe $Millions	Eliminations & discontinued operations $Millions	Total $Millions
For the year ended 31 March 2022							
Total revenue	1,445.5	257.7	-	-	-	(759.0)	944.2
Share of earnings of associate companies	10.3	237.1	-	27.7	(6.6)	-	268.5
Inter-segment revenue	(72.8)	-	-	-	-	(10.6)	(83.4)
Total income	1,383.0	494.8	-	27.7	(6.6)	(769.6)	1,129.3
Operating expenses (excluding Depreciation and amortisation)	(1,313.7)	(214.5)	(6.3)	-	-	702.4	(832.1)
Interest income	8.7	(1.9)	-	-	-	(0.4)	6.4
Interest expense	(152.2)	(21.7)	(0.1)	-	-	8.1	(165.9)
Depreciation and amortisation	(103.0)	(34.8)	(0.1)	-	-	46.5	(91.4)
Net gain/(loss) on foreign exchange and derivatives	68.7	(13.4)	-	-	-	12.7	68.0
Net realisations, revaluations and impairments	1,176.8	(25.9)	-	-	-	(1,136.8)	14.2
Taxation expense	(33.1)	9.6	-	-	-	0.9	(22.6)
Net surplus/(loss) for the year	1,035.2	192.2	(6.5)	27.7	(6.6)	(1,136.2)	105.9
Current assets	1,198.4	16.0	3.6	-	-	80.6	1,298.6
Non-current assets	6,358.3	1,868.1	0.5	183.5	223.0	(80.2)	8,553.2
Current liabilities	1,055.5	27.1	2.3	-	-	29.0	1,113.9
Non-current liabilities	3,689.3	51.3	-	-	-	(143.4)	3,597.2
Net assets	2,811.9	1,805.7	1.8	183.5	223.0	114.8	5,140.7
Capital expenditure and investments	474.8	76.0	8.3	58.7	231.7	(33.7)	815.8
For the year ended 31 March 2021							
Total revenue	1,169.1	155.6	-	-	-	(788.2)	536.5
Share of earnings of associate companies	(27.2)	165.5	-	47.9	(3.6)	-	182.6
Inter-segment revenue	(90.0)	-	-	-	-	(38.3)	(128.3)
Total income	1,051.9	321.1	-	47.9	(3.6)	(826.5)	590.8
Operating expenses (excluding Depreciation and amortisation)	(1,120.3)	(62.7)	-	-	-	702.8	(480.2)
Interest income	3.9	0.8	-	-	-	(3.1)	1.6
Interest expense	(137.4)	(17.6)	-	-	-	16.2	(138.8)
Depreciation and amortisation	(90.4)	(36.3)	-	-	-	66.3	(60.4)
Net gain/(loss) on foreign exchange and derivatives	(55.8)	77.8	-	-	-	(78.4)	(56.4)
Net realisations, revaluations and impairments	57.9	(26.1)	-	-	-	-	31.8
Taxation expense	(3.7)	(23.5)	-	-	-	36.9	9.7
Net surplus/(loss) for the year	(293.9)	233.5	-	47.9	(3.6)	(85.8)	(101.9)
Current assets	522.0	427.5	-	-	-	1,848.8	2,798.3
Non-current assets	5,015.3	3,413.0	-	118.4	10.8	(1,803.2)	6,754.3
Current liabilities	749.7	81.1	-	-	-	841.2	1,672.0
Non-current liabilities	3,775.0	924.6	-	-	-	(908.2)	3,791.4
Net assets	1,012.6	2,834.8	-	118.4	10.8	112.6	4,089.2
Capital expenditure and investments	238.6	540.8	-	45.8	11.8	(377.4)	459.6

6 Investments in associates

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

	2022 $Millions	2021 $Millions
Investments in associates are as follows:		
Equity investments in associates	2,125.9	1,655.3
Shareholder loans to associates	469.4	471.6
Investments in associates	**2,595.3**	**2,126.9**

	Note	2022 $Millions	2021 $Millions
Investments in associates are as follows:			
Vodafone New Zealand	6.1	838.2	857.3
CDC Data Centres	6.2	1,026.2	873.0
RetireAustralia	6.3	417.3	340.9
Longroad Energy	6.4	90.5	44.9
Kao Data	6.5	203.4	-
Galileo Green Energy	6.6	19.7	10.8
Investments in associates		**2,595.3**	**2,126.9**

	Note	2022 $Millions	2021 $Millions
Equity accounted earnings of associates are as follows:			
Vodafone New Zealand	6.1	10.3	(27.2)
CDC Data Centres	6.2	158.1	134.3
RetireAustralia	6.3	79.1	31.2
Longroad Energy	6.4	27.7	47.9
Kao Data	6.5	(2.2)	-
Galileo Green Energy	6.6	(4.5)	(3.6)
Share of earnings of associate companies		**268.5**	**182.6**

6.1 Vodafone New Zealand

Vodafone New Zealand ('Vodafone') is one of New Zealand's leading digital services and connectivity companies. Infratil holds a 49.95% shareholding (31 March 2021: 49.89%) in ICN JV Investments Limited (the ultimate parent company of Vodafone New Zealand), alongside investment partners Brookfield Asset Management Inc. (49.95%) and Vodafone management (0.1%).

Movement in the carrying amount of the Group's investment in Vodafone:	2022 $Millions	2021 $Millions
Carrying value at 1 April	857.3	974.0
Acquisition of shares	-	-
Capitalised transaction costs	-	-
Shareholder loans	-	-
Total capital contributions during the year	-	-
Interest on shareholder loan	9.7	9.7
Share of associate's surplus/(loss) before income tax	2.0	(47.2)
Share of associate's income tax (expense)	(1.4)	10.3
Total share of associate's earnings during the year	10.3	(27.2)
Share of associate's other comprehensive income	7.8	7.2
less: Distributions received	(27.5)	(26.4)
less: Shareholder loan repayments including interest	(9.7)	(70.3)
Carrying value of investment in associate	838.2	857.3

Summary financial information:	2022 $Millions	2021 $Millions
Summary information for Vodafone is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	459.7	487.7
Non-current assets	3,544.0	3,613.4
Total assets	4,003.7	4,101.1
Current liabilities	528.1	563.7
Non-current liabilities	2,362.8	2,385.2
Total liabilities	2,890.9	2,948.9
Net assets (100%)	1,112.8	1,152.2
Group's share of net assets	555.7	574.8
Revenues	1,963.5	1,950.4
Net surplus/(loss) after tax	11.4	(69.4)
Total other comprehensive income	13.3	6.4

	2022 $Millions	2021 $Millions
Reconciliation of the carrying amount of the Group's investment in Vodafone:		
Group's share of net assets	555.7	574.8
add: Shareholder loan	282.3	282.3
add: Capitalised transaction costs	0.2	0.2
Carrying value of investment in associate	838.2	857.3

6.2 CDC Data Centres

CDC Data Centres ('CDC') is an owner, operator and developer of data centres, with operations in Canberra, Sydney and Auckland. Infratil holds a 48.10% shareholding (31 March 2021: 48.08%) in CDC Group Holdings Pty Ltd (the ultimate parent company of CDC Data Centres), alongside investment partners the Commonwealth Superannuation Corporation (24.05%), Future Fund (24.05%) and CDC Data Centres management (3.80%).

Movement in the carrying amount of the Group's investment in CDC:	2022 $Millions	2021 $Millions
Carrying value at 1 April	873.0	693.4
Acquisition of shares	17.3	8.3
Capitalised transaction costs	0.1	-
Shareholder loans	-	-
Total capital contributions during the year	17.4	8.3
Interest on shareholder loan	8.5	10.6
Share of associate's surplus/(loss) before income tax	204.6	178.6
Share of associate's income tax (expense)	(58.5)	(58.0)
add: Share of associate's share capital issue, net of dilution	3.5	3.1
Total share of associate's earnings during the year	158.1	134.3
Share of associate's other comprehensive income	(0.6)	(0.6)
less: Distributions received	(2.0)	-
less: Shareholder loan repayments including interest	(11.4)	(5.8)
Foreign exchange movements recognised in other comprehensive income	(8.3)	43.4
Carrying value of investment in associate	1,026.2	873.0

Summary financial information:	2022 A$Millions	2021 A$Millions
Summary information for CDC is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	146.2	152.3
Non-current assets	4,084.1	3,202.6
Total assets	4,230.3	3,354.9
Current liabilities	102.1	72.2
Non-current liabilities	2,497.4	1,963.1
Total liabilities	2,599.5	2,035.3
Net assets (100%)	1,630.8	1,319.6
Group's share of net assets	784.4	634.5
Revenues	260.8	187.5
Net surplus/(loss) after tax	286.6	234.2
Total other comprehensive income	(1.2)	-

	2022 $Millions	2021 $Millions
Reconciliation of the carrying amount of the Group's investment in CDC:		
Group's share of net assets in NZD	844.5	690.9
Goodwill	4.7	-
add: Shareholder loan	177.0	182.1
Carrying value of investment in associate	1,026.2	873.0

CDC's functional currency is Australian Dollars (A$) and the summary financial information shown is presented in this currency. The NZD/AUD exchange rates used to convert the summary financial information to the Group's functional currency (NZ$) were 0.9287 (Spot rate) and 0.9429 (Average rate) (2021: Spot rate 0.9182, Average rate 0.9338).

6.3 RetireAustralia

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

Movement in the carrying amount of the Group's investment in RetireAustralia:	2022 $Millions	2021 $Millions
Carrying value at 1 April	340.9	291.5
Acquisition of shares	-	-
Total capital contributions during the year	-	-
Share of associate's surplus/(loss) before income tax	79.1	31.2
Share of associate's income tax (expense)	-	-
Total share of associate's earnings during the year	79.1	31.2
Share of associate's other comprehensive income	-	-
less: Distributions received	-	-
Foreign exchange movements recognised in other comprehensive income	(2.7)	18.2
Carrying value of investment in associate	417.3	340.9

Summary financial information:	2022 A$Millions	2021 A$Millions
Summary information for RetireAustralia is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	212.1	204.6
Non-current assets	2,681.1	2,389.3
Total assets	2,893.2	2,593.9
Current liabilities	1,948.4	1,777.0
Non-current liabilities	169.7	190.7
Total liabilities	2,118.1	1,967.7
Net assets (100%)	775.1	626.2
Group's share of net assets	387.6	313.1
Group's share of net assets and carrying value of investment in associate ($NZD)	417.3	340.9
Revenues	117.8	99.0
Net surplus/(loss) after tax	149.1	55.6
Total other comprehensive income	-	-

RetireAustralia's functional currency is Australian Dollars (A$) and the summary financial information shown is presented in this currency. The NZD/AUD exchange rates used to convert the summary financial information to the Group's functional currency (NZ$) were 0.9287 (Spot rate) and 0.9429 (Average rate) (2021: Spot rate 0.9182, Average rate 0.9338).

RetireAustralia's net current asset deficiency has primarily arisen due to the requirement under Accounting Standards to classify resident obligations as current liabilities as RetireAustralia does not have the right at the end of the reporting period to defer settlement of the liability for at least 12 months (residents may give notice of their intention to vacate their unit with immediate effect). In contrast, the corresponding assets are classified as non-current under Accounting Standards.

On 1 March 2022, Infratil announced that it intended to undertake a Strategic Review of its shareholding in RetireAustralia. The Strategic Review will be undertaken in conjunction with the New Zealand Superannuation Fund. As at 31 March 2022 RetireAustralia is not deemed to be held for sale as the requirement of IFRS 5 have not been met.

6.4 Longroad Energy

Longroad Energy Holdings, LLC ('Longroad Energy'), is a Boston, USA, headquartered renewable energy developer focused on the development, ownership, and operation of utility-scale wind and solar energy projects throughout the United States. Infratil holds a 40% shareholding in Longroad Energy, alongside investment partners the New Zealand Superannuation Fund (40%) and Longroad Energy management (20%).

Movement in the carrying amount of the Group's investment in Longroad Energy:	2022 $Millions	2021 $Millions
Carrying value at 1 April	44.9	-
Capital contributions	58.7	35.0
Shareholder loans	-	-
Total capital contributions during the year	58.7	35.0
Share of associate's surplus/(loss) before income tax	27.7	47.9
Share of associate's income tax (expense)	-	-
Total share of associate's earnings during the year	27.7	47.9
Share of associate's other comprehensive income	13.4	1.5
less: Distributions received	(10.7)	(28.2)
less: Capital returned	(43.3)	(11.3)
Foreign exchange movements	(0.2)	-
Carrying value of investment in associate	90.5	44.9

Summary financial information:	31 December	31 December
Summary information for Longroad is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	116.3	111.0
Non-current assets	2,142.8	1,817.3
Total assets	2,259.1	1,928.3
Current liabilities	223.2	78.2
Non-current liabilities	1,041.3	1,059.6
Total liabilities	1,264.5	1,137.8
Net assets (100%)	994.6	790.5
Adjustment for movements between 31 December and 31 March	24.4	17.6
less: Non-controlling interests at 31 March	(865.5)	(729.6)
Net assets attributable to owners of Longroad Energy as at 31 March	153.5	78.5
Group's share of net assets at 31 March	61.9	31.4
Group's share of net assets at 31 March (NZ$)	88.7	44.9
Adjust carrying value to nil at 31 March (NZ$)	1.8	-
Carrying value of investment in associate (NZ$)	90.5	44.9
Revenues	139.1	263.4
Net surplus/(loss) after tax	21.7	89.9
Total other comprehensive income	11.2	-

Longroad's functional currency is United States Dollars (US$) and the summary financial information shown is presented in this currency. The NZD/USD exchange rates used to convert the summary financial information to the Group's functional currency (NZ$) were 0.6975 (Spot rate) and 0.6969 (Average rate) (2021: Spot rate 0.6989, Average rate 0.6711).

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

Letter of credit facility

Longroad has obtained an uncommitted secured letter of credit facility of up to US$225 million (31 March 2021: US$200 million) from HSBC Bank. Letters of credit under the Facility are on issue to beneficiaries to support the development and continued operations of Longroad. Infratil has provided shareholder backing of the Longroad Letter of Credit facility, specifically, Infratil (and the New Zealand Superannuation Fund) have collectively agreed to meet up to US$225 million of capital calls (i.e. subscribe for additional units) equal to Longroad's reimbursement obligation in the event that a Letter of Credit is called and Longroad cannot fund the call, taking into account immediately available working capital. As at 31 March 2022, US$76.8 million (Infratil share: US$38.4 million) (31 March 2021: US$121.4 million) (Infratil share: US$60.7 million) in Letters of Credit are on issue under the Longroad Letter of Credit facility.

6.5 Kao Data

On 20 August 2021 the Group acquired a 19.92% stake of Kao Data from Legal & General Group and Goldacre for £34.6 million ($68.2 million). On 26 January 2022, the Group acquired a further 19.96% stake of Kao for £71.8 million ($144.6 million). Kao Data develops and operates advanced data centres in the United Kingdom. The Group has determined that its investment in Kao Data is an investment in associate, and equity accounting has been applied below. The Group's share of associate's earnings for the period includes Infratil's share of transaction costs that were incurred at the holding structure level.

The fair value of assets acquired and liabilities assumed resulted in provisional goodwill of £30.3 million ($60.3 million) being recognised.

Movement in the carrying amount of the Group's investment in Kao Data:	2022 $Millions Unaudited	2021 $Millions Unaudited
Carrying value at 1 April	-	-
Cost of equity	212.8	-
Capitalised transaction costs	5.1	-
Shareholder loans	-	-
Total capital contributions during the period	217.9	-
Share of associate's surplus/(loss) before income tax	(2.2)	-
Share of associate's income tax (expense)	-	-
Total share of associate's earnings in the period	(2.2)	-
Share of associate's other comprehensive income	-	-
less: Distributions received	-	-
Foreign exchange movements	(12.3)	-
Carrying value of investment in associate	203.4	-

Summary financial information:	2022 £Millions Unaudited	2021 £Millions Unaudited
Summary information for Kao Data is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	44.6	-
Non-current assets	253.4	-
Total assets	298.0	-
Current liabilities	44.3	-
Non-current liabilities	65.7	-
Total liabilities	110.0	-
Net assets (100%)	188.0	-

	2022 £Millions Unaudited	2021 £Millions Unaudited
Reconciliation of the carrying amount of the Group's investment in Kao Data:		
Group's share of net assets in NZD	141.2	-
Goodwill	57.1	-
add: Capitalised transaction costs	5.1	-
Carrying value of investment in associate	203.4	-

Kao Data's functional currency is the Pound Sterling (GBP) and the summary financial information shown is presented in this currency. The NZD/GBP exchange rates used to convert the summary financial information to the Group's functional currency ($NZD) were 0.5308 (Spot rate) and 0.5100 (Average rate) (31 March 2021: N/A).

6.6 Galileo Green Energy

On 5 February 2020, the Group announced an initial (40%) investment in Galileo Green Energy, LLC ('Galileo'), a newly formed renewable energy platform headquartered in Zurich, Switzerland. Galileo's focus is primarily the development of wind, solar PV energy projects and storage solutions across all of Europe. The other establishment partners were the New Zealand Superannuation Fund (20%), Commonwealth Superannuation Corporation (20%) and the Morrison & Co Growth Infrastructure Fund (20%).

At 31 March 2022, Infratil has contributed €16.7 million in total (2021: €8.3 million), in the form of shareholder loan drawdowns (€6.3 million) and capital contributions (€10.4 million).

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

7 Other investments

	2022 $Millions	2021 $Millions
Clearvision Ventures	93.2	73.6
Other	8.0	7.3
Other investments	**101.2**	**80.9**

8 Investment in subsidiaries and associates

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

	2022 Holding	2021 Holding	Principal Activity
Subsidiaries			
New Zealand			
Infratil Finance Limited	100%	100%	Finance
Infratil Infrastructure Property Limited	100%	100%	Property
Tilt Renewables Limited	-	65.5%	Renewable Energy Generation
Trustpower Limited	51.0%	51.0%	Renewable Energy Generation
Wellington International Airport Limited	66.0%	66.0%	Airport
RHC Holdco Limited (Pacific Radiology, Auckland Radiology Group and Bay Radiology)	50.5%	-	Diagnostic Imaging
Australia			
Qscan Group Holdings Newco Pty (Qscan Group)	56.3%	56.3%	Diagnostic Imaging
Asia			
Gurīn Energy Pte. Limited	95.0%	-	Renewable Energy Development
Associates			
New Zealand			
ICN JV Investments Limited (Vodafone)	49.9%	49.9%	Telecommunications
Australia			
CDC Group Holdings Pty Ltd (CDC Data Centres)	48.1%	48.1%	Data Centres
RA (Holdings) 2014 Pty Limited (RetireAustralia)	50.0%	50.0%	Retirement Living
United States			
Longroad Energy Holdings, LLC (31 December year end)	40.0%	40.0%	Renewable Energy Development
Europe			
Galileo Green Energy, LLC	40.0%	40.0%	Renewable Energy Development
United Kingdom			
Kao Data Limited	39.9%	-	Data Centres

9 Acquisition of subsidiaries

9.1 Pacific Radiology Group

On 31 May 2021, Infratil acquired 56.0% of Pacific Radiology Group Limited, ('Pacific Radiology Group'), a comprehensive diagnostic imaging practice in New Zealand, from existing doctor shareholders. Infratil invested in conjunction with existing doctor shareholders and management (44.0%). Infratil has determined that Pacific Radiology Group is a subsidiary based on its voting equity interest and has therefore consolidated Pacific Radiology Group from the acquisition date.

The acquisition of Pacific Radiology is in line with the company's strategic direction outlined in February 2021, where healthcare was identified as a sector of considerable opportunity. This builds on the acquisition of Qscan in the prior year with the Group looking to create a meaningful Australasian healthcare platform with potential synergies and adjacent opportunities in the Group.

The transaction was settled in cash through a combination of equity contributions and external debt funding, inclusive of transaction costs relating to the acquisition. Infratil's total cash equity consideration transferred was NZ$313.6 million with the remainder funded through external debt ($261.2 million). The non-controlling interest is determined by the cash consideration transferred of $246.4 million from doctor and management shareholders.

RHC Holdco NZ Limited is the holding company which acquired 100% of the shares in Pacific Radiology Group. As a result, NZ IFRS 3 Business Combinations ('NZ IFRS 3') was required to be applied by RHC Holdco NZ Limited on acquisition. NZ IFRS 3 requires that the identifiable assets and liabilities acquired as part of the business combination are measured at fair value at the date of acquisition, with any gain recognised through the profit and loss and any deficit recognised as goodwill. Acquisition related costs are recognised in the consolidated statement of comprehensive income as incurred. As Infratil controls RHC Holdco NZ Limited through its shareholding, this is consolidated in the Group accounts.

Goodwill has been recognised based on the fair value of the carrying value of the identifiable assets and liabilities acquired, including intangible assets. The total consideration transferred, including completion cash adjustments, exceeded the fair values of the net assets acquired and the incremental amount paid of $753.8 million has been recognised as goodwill. The initial recognition exemption in NZ IAS 12 has been applied to goodwill and therefore, no deferred tax deduction has been recognised.

The measurement of fair values of intangible assets used the relief-from-royalty method and the with and without method. The relief from royalty estimates fair value based on the present value of future forgone royalty payments over the life of the asset not required to be paid by virtue of owning the asset. The with and without methodology estimates fair value based on the difference between two discounted cash-flow models: one that represents the status quo for the business enterprise with the asset in place, and another without it.

On 29 October 2021, RHC Holdco NZ Limited acquired 100% of Auckland Radiology Group Services Limited, ('Auckland Radiology'), a diagnostic imaging practice based in Auckland, New Zealand. Subsequently, on 17 December 2021, RHC Holdco NZ Limited acquired 100% of Bay Radiology Limited, ('Bay Radiology'), a diagnostic imaging practice in the Bay of Plenty, New Zealand. In both transactions existing Doctor and Management shareholders reinvested part of their proceeds, acquiring shares in RHC Holdco NZ Limited. The acquisition accounting required under IFRS 3 in relation to the Auckland Radiology and Bay Radiology transactions had not been finalised as at 31 March 2022, and therefore certain amounts recorded in the financial statements are reported as provisional.

Goodwill has been provisionally recognised in both transactions based on the carrying value of the identifiable assets and liabilities acquired, including intangible assets. The fair value of intangible assets (customer contracts and brands) has been measured provisionally, pending completion of an independent valuation. The total consideration transferred, including completion cash adjustments, exceeded the carrying values of the net assets acquired and the incremental amount paid of $325.5 million (Auckland Radiology: $210.1 million and Bay Radiology: $115.4 million) has been recognised as goodwill. The initial recognition exemption in NZ IAS 12 has been applied to goodwill in both instances and therefore, no deferred tax deduction has been recognised.

The impact of the reinvestment by Auckland Radiology and Bay Radiology Doctor and Management shareholders was to dilute Infratil's shareholding in RHC Holdco NZ Limited to 50.5% at 31 March 2022.

For the 10 months ended 31 March 2022, RHC Holdco contributed revenue of $196.0 million and profit of $12.0 million to the Group's results (which includes acquisition-related costs of $24.9 million on legal fees and due diligence costs which are included in 'radiology business costs'). If the acquisitions had occurred on 1 April 2021, Management estimates that consolidated revenue would have been $936.5 million and consolidated profit for the year would have been $1,250.8 million. In determining these amounts, management has assumed the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2021.

Consideration Transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred.

Acquisition date	Pacific Radiology 31 May 2021 NZ$Millions	Auckland Radiology 31 October 2021 NZ$Millions	Bay Radiology 17 December 2021 NZ$Millions	Total 2022 NZ$Millions
Purchase consideration (100%)				
Cash consideration paid	817.2	225.5	113.2	1,155.9
Completion cash adjustment	4.0	-	-	4.0
Total Consideration	**821.2**	**225.5**	**113.2**	**1,159.9**

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition:

Assets (100%)	Fair Value NZ$Millions	Fair Value (Provisional) NZ$Millions	Fair Value (Provisional) NZ$Millions	Fair Value NZ$Millions
Cash and cash equivalents	5.0	4.7	0.1	9.8
Trade and other accounts receivable and prepayments	27.6	2.2	2.7	32.5
Right of use assets	51.8	21.8	2.2	75.8
Intangible assets	65.3	19.0	0.1	84.4
Property, plant and equipment	56.5	13.7	8.8	79.0
Deferred tax asset	6.3	3.8	0.9	11.0
Total assets at fair value	212.6	65.2	14.8	292.5
Liabilities (100%)				
Accounts payable, accruals and other liabilities	47.2	14.4	6.5	68.0
Lease liabilities	52.4	22.5	2.6	77.5
Deferred tax liability	15.7	5.2	-	20.9
Interest bearing loans and borrowings	29.9	7.6	7.9	45.4
Total liabilities at fair value	145.2	49.7	17.0	211.9
Total identifiable assets at fair value (100%)	67.4	15.4	(2.2)	80.6
Goodwill arising on acquisition	753.8	210.1	115.4	1,079.2
Infratil cash consideration	313.6	62.8	32.5	408.9
External debt funding	257.2	100.0	54.0	411.2
Non-controlling interest	246.4	83.5	42.7	372.6
Completion cash adjustment	4.0	-	-	4.0
Net working capital adjustments	-	(20.8)	(16.0)	(36.8)
Total cash consideration	**821.2**	**225.5**	**113.2**	**1,159.9**

9.2 Gurīn Energy

On 21 July, Infratil acquired 95% of a newly-formed entity, Gurīn Energy Pte Limited, a renewable energy development platform headquartered in Singapore which will focus on greenfield renewable projects across Asia. Infratil has committed US$223 million through equity of US$133 million (NZ$189 million) and US$100m (NZ $142 million) in the form of support for letters of credit provided by 3rd party banks. The balance of equity is reserved for Management, financed by a loan from Infratil.

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

As the newly formed entity has no material assets on establishment, no fair value exercise has been performed.

9.3 Qscan prior year acquisition

During the year end 31 March 2022, the Group finalised its measurement of the fair value of consideration given and the net assets and liabilities acquired in respect of the acquisition of Qscan in December 2021. Balances at 31 March 2021 have been restated to decrease goodwill by $18.0 million, increase intangible assets by $33.4 million and deferred tax liability by $15.4 million.

10 Discontinued operations and assets held for sale

	Notes	2022 $Millions	2021 $Millions
Summary of results of discontinued operations			
Tilt Renewables	10.1	1,114.1	71.6
Trustpower Retail Business	10.2	11.7	14.3
Net surplus from discontinued operations after tax		**1,125.8**	**85.9**

10.1 Tilt Renewables

On 3 August 2021, the Group completed the sale of its 65.15% stake in Tilt Renewables for gross proceeds of $1,984.1 million to a consortium comprising Powering Australian Renewables and Mercury NZ Limited. After sales costs, the net proceeds from the sale of Infratil's 65.15% interest were $1,837.5 million, resulting in a gain on sale of the 65.15% interest of $1,136.8 million.

As the carrying amount of the Group's investment in Tilt Renewables has been recovered through the sale transaction, the investment in Tilt Renewables has been classified as a discontinued operation at 31 March 2022 and 31 March 2021. The comparative consolidated statement of comprehensive income and respective notes have been presented to show the discontinued operation separately from continuing operations. The results from discontinued operations are presented separately below.

	2022 $Millions	2021 $Millions
Results of discontinued operation		
Revenue	60.0	137.4
Operating expenses	47.9	57.3
Results from operating activities	12.1	80.1
Depreciation	(19.5)	(43.9)
Net realisations, revaluations, impairments	(12.7)	78.5
Net financing expense	(6.3)	(12.0)
Net surplus/(loss) before tax	(26.4)	102.7
Taxation (expense)/credit	3.7	(31.1)
Net surplus/(loss) from discontinued operation after tax	(22.7)	71.6
Basic and diluted earnings per share (cents per share)	(6.0)	17.9
Current assets	-	2,207.8
Current liabilities	-	906.7
Net assets of discontinued operation	-	1,301.1
The net gain on the sale is calculated as follows:		
Gross sale proceeds	1,984.1	-
Carrying amount of assets and liabilities as at the date of sale	(822.4)	-
Gain on sale	1,161.7	-
less: Transaction costs	(24.9)	-
Net gain on sale	1,136.8	-
Net surplus from discontinued operation after tax	**1,114.1**	**71.6**

The net surplus/(less) from the discontinued operation is 65.15% attributable to the owners of the Company in line with Infratil's ownership percentage of Tilt Renewables. The gain on sale is entirely attributable to owners of the company.

Cash flows from/(used in) discontinued operation		
Net cash from/(used in) operating activities	26.9	34.8
Net cash from/(used in) investing activities	(338.5)	(391.3)
Net cash from/(used in) financing activities	(26.2)	(34.9)
Net cash flows for the year	**(337.8)**	**(391.4)**

There was ($3.5 million) of cumulative income/(loss) recognised in other comprehensive income relating to Tilt Renewables at 31 March 2022 (31 March 2021: $129.4 million)

10.2 Trustpower Retail Business

On 21 June 2021, Trustpower announced the conditional sale of its gas, telecommunications and retail electricity supply business (excluding the supply of electricity to commercial and industrial customers) to Mercury NZ Limited for $441.0 million. Trustpower's retail business has been classified as an asset held for sale and a discontinued operation at 31 March 2022. The comparative consolidated statement of comprehensive income and respective notes have been re-presented to show the discontinued operation separately from continuing operations. As at 31 March 2022 the expected sales proceeds less costs to sell are higher than the carrying amount and as a result no adjustment has been made to the carrying value of Infratil's investment.

Results of discontinued operation	2022 $Millions	2021 $Millions
Revenue	699.0	650.8
Operating expenses	654.5	607.3
Results from operating activities	44.5	43.5
Depreciation and amortisation	(27.0)	(22.4)
Net realisations, revaluations, impairments	-	-
Net financing expense	(1.2)	(1.3)
Net surplus/(loss) before tax	16.3	19.8
Taxation (expense)/credit	(4.6)	(5.5)
Net surplus/(loss) from discontinued operation after tax	11.7	14.3
Details of the sale		
Consideration received or receivable		
Sale price (including estimated working capital)	467.4	-
Carrying amount of net assets sold	130.6	-
Provisional gain on sale before transaction costs	336.8	-
Costs of disposal	(3.0)	-
Provisional gain on sale	333.8	-

Included in operating expenses are $3.0 million of disposal costs (2021: nil).

The indicative gain on sale calculated above reflects the working capital that would be included as part of the sale if settlement was 31 March 2022. Trustpower is retaining the accounts payable, other than employee entitlements, relating to the mass market retail business on settlement. This working capital adjustment will differ based on the working capital transferred on the actual completion date. Due to the proximity of the sale date to the issue of these financial statements, final working capital and asset values and the resultant gain on sale have not yet been determined.

Mercury NZ Limited and Trustpower signed a pre-agreed electricity price contract for difference on 2 May 2022 which approximates the volume used by the mass market retail business until 2025 before reducing each year until in matures in 2031. This contract for difference was transferred at $1 in the sale and purchase agreement. Immediately following the completion of the sale, the fair value of this contract for difference resulted in a loss of $530.0 million. The key assumptions used in determining this value are consistent with those described for electricity price derivatives in note 23.3.3. The only difference being the discount rate reflects the 10 year tenor of this instrument.

The carrying amounts of assets and liabilities as at 31 March 2022	2022 $Millions	2021 $Millions
Assets held for sale	194.8	-
Liabilities directly associated with assets held for sale	(50.9)	-
Net assets of discontinued operation	143.9	-
Effect of reclassification of the disposal group on the financial position of the Group		
Property, plant and equipment	17.8	-
Intangible assets	18.0	-
Goodwill	17.5	-
Right of use assets	27.6	-
Accounts receivable and prepayment	113.9	-
Accounts payable and accruals	(21.9)	-
Lease liabilities	(29.0)	-
Net reclassification of assets and (liabilities)	143.9	-
Cash flows from/(used in) discontinued operations		
Net cash from/(used in) operating activities	32.6	48.5
Net cash from/(used in) investing activities	(13.2)	(24.1)
Net cash from/(used in) financing activities	(9.5)	(10.0)
Net cash flows for the year	9.9	14.4

10.3 Australian Social Infrastructure Partners

As at 31 March 2021, Infratil owned 56.5% of Australian Social Infrastructure Partners ('ASIP'), which in turn held a 9.95% share of the equity in the New Royal Adelaide Hospital public-private partnership ('PPP'). On 23 July 2021,the 9.95% share of equity in the New Royal Adelaide Hospital public-private partnership was sold for A$41.8 million.

11 Revenue

	2022 $Millions	2021 $Millions
Electricity	284.6	245.3
Revenue allocated to customer incentives	0.7	0.7
Aircraft movement and terminal charges	54.3	34.0
Transport, hotel and other trading activities	28.1	20.9
Radiology practice services	135.9	36.5
Radiology services	300.8	28.6
Other	54.5	42.2
Total operating revenue	858.9	408.2

Revenue Recognition Policies

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

Description of performance obligations	Timing and satisfaction of performance obligations
Electricity and Gas - Sales to customers	
Revenue received or receivable from the sale of electricity and gas to mass market, commercial and industrial customers by Trustpower. Where Trustpower provides a bundle of services (such as electricity and telecommunications) to a customer and a discount is provided for one of those services, the discount is allocated to each distinct performance obligation based on the relative standalone selling price of those services. Where a discount is offered for prompt payment, revenue is initially recognised net of estimated discount based on accumulated experience used to estimate the quantum of discounts extended to customers.	Revenue is recognised at the point in time of supply and customer consumption. Customer consumption of electricity and gas is measured and billed by calendar month for half hourly metered customers and in line with meter reading schedules for non-half hourly metered customers. Accordingly, revenues from electricity and gas sales include an estimated accrual for units sold but not billed at the end of the reporting period for non-half hourly metered customers.
Telecommunications	
This category comprises Trustpower's revenue from the sale of broadband, mobile and other telecommunications services. Where Trustpower provides a bundle of services (such as electricity and telecommunications) to a customer and a discount is provided for one of those services, the discount is allocated to each distinct performance obligation based on the relative standalone selling price of those services.	Revenue is recognised at the point in time of supply and customer consumption. Generally billed and paid on a monthly billing cycle.
Revenue allocated to customer incentives	
Trustpower offers new customers goods, including appliances and modems, as an incentive to enter into a contract for electricity and telecommunications services. These incentives are considered performance obligations in their own right and a proportion of the revenue expected to be received over the contract period is allocated to these physical goods proportionately to their standalone selling price.	Revenue allocated to customer incentives is recognised upon delivery of the goods and a capitalised customer acquisition cost asset is recorded in the statement of financial position. As the customer is invoiced for electricity and telecommunications services over the life of the contract, a portion of this invoiced revenue is allocated to the capitalised customer acquisition cost asset, thereby reducing this asset to zero over the course of the contract term.

Aircraft movement and terminal charges Aircraft movement and terminal charges consists of Wellington International Airport's airfield income, passenger service charges and terminal service charges. Airfield income consists of landing charges and aircraft parking charges.	Landing charges and aircraft parking charges are paid by the airlines and recognised as revenue at the point in time the airport facilities are used by the arriving or departing aircraft. Passenger services charges and terminal service charges relating to arriving, departing and transiting passengers are paid by the airlines and recognised as revenue at the point in time when the passenger travels or the airport facilities are used.
Transport, hotel and other trading activities Transport, hotel and other trading activities includes Wellington International Airport's hotel and access to the airport's car parking facilities. This category also includes income from the hotel and carpark owned by Infratil Infrastructure Property Limited.	Revenue from car parking is recognised at the point in time where the utilisation of car parking facilities has been completed. Revenue from the hotels is recognised at the point in time the service is delivered.
Radiology practice services Radiology practice services revenue is derived by Diagnostic Imaging from services to medical practitioners. Revenue is recognised net of amounts payable to doctors under Practice Management Agreements.	Radiology practice services revenue is recognised at the point in time when the services are delivered to the medical practitioner.
Radiology services Radiology services revenue is derived by Diagnostic Imaging from providing radiology services to patients.	Radiology practice services revenue is recognised at the point in time when the medical practitioner provides radiology and other medical imaging services to a patient and a charge is levied for this service.

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

12 Operating expenses

	Note	2022 $Millions	2021 $Millions
Trading operations			
Energy and wholesale costs		2.5	2.2
Line, distribution and network costs		37.9	41.7
Generation production & development costs		27.8	21.8
Other energy business costs		45.3	1.9
Radiology business costs		114.4	29.3
Airport business costs		28.0	21.4
Other operating business costs		-	0.7
Bad debts written off		0.1	-
Increase/(Decrease) in provision for doubtful debts	23.1	0.5	-
Directors' fees	26	3.9	2.2
Administration and other corporate costs		16.6	7.8
Management fee (to related party Morrison & Co Infrastructure Management)	28	278.7	268.8
Donations		0.9	1.3
Total other operating expenses		556.6	399.1

Fees paid to auditors (including fees paid by associates)

	2022 Fees paid to the Group auditor $000's	2022 Audit fees paid to other auditors $000's	2022 Total $000's	2021 Fees paid to the Group auditor $000's	2021 Audit fees paid to other auditors $000's	2021 Total $000's
Audit and review of financial statements	1,114.6	682.0	1,796.6	431.0	1,062.2	1,493.2
Regulatory audit work	42.0	-	42.0	33.6	-	33.6
Other assurance services	-	-	-	-	-	-
Taxation services	30.0	-	30.0	20.0	-	20.0
Other services	105.0	-	105.0	260.9	-	260.9
	1,291.6	682.0	1,973.6	745.5	1,062.2	1,807.7
Audit fees paid to the Group auditor recognised through associates	1,955.6	-	1,955.6	1,838.3	-	1,838.3
Other fees paid to the Group auditor recognised through associates	404.3	-	404.3	632.0	-	632.0
Total fees paid to the Group auditor	**3,651.5**	**682.0**	**4,333.5**	**3,215.8**	**1,062.2**	**4,278.0**

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

13 Taxation

13.1 Tax Reconciliation

	2022 $Millions	2021 $Millions
Net surplus before taxation from continuing operations	128.5	(111.6)
Taxation on the surplus for the year @ 28%	36.0	(31.2)
Plus/(less) taxation adjustments:		
Effect of tax rates in foreign jurisdictions	2.7	(3.7)
Net benefit of imputation credits	-	-
Timing differences not recognised	1.5	-
Tax losses not recognised/(utilised)	0.6	-
Effect of equity accounted earnings of associates	(59.9)	(33.0)
Recognition of previously unrecognised deferred tax	-	-
(Over)/under provision in prior periods	1.9	(6.9)
Net investment realisations	-	5.1
Other permanent differences	39.8	60.0
Taxation expense	**22.6**	**(9.7)**
Current taxation	54.1	(0.6)
Deferred taxation	(31.5)	(9.1)
Tax on discontinued operations	0.9	36.9

13.2 Income tax recognised in other comprehensive income

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

	2021		
	Before tax $Millions	Tax (expense) $Millions	Net of tax $Millions
Differences arising on translation of foreign operations	90.0	(3.5)	86.5
Realisations on disposal of subsidiary, reclassified to profit and loss	-	-	-
Net change in fair value of available for sale financial assets	46.1	-	46.1
Ineffective portion of hedges taken to profit and loss	-	-	-
Effective portion of changes in fair value of cash flow hedges	218.5	(24.6)	193.9
Fair value movements in relation to executive share scheme	-	-	-
Net change in fair value of property, plant & equipment recognised in equity	260.9	(90.4)	170.5
Share of associates other comprehensive income	8.0	-	8.0
Balance at the end of the year	**623.5**	**(118.5)**	**505.0**

13.3 Deferred tax

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

	2022 $Millions	2021 $Millions
Balance at the beginning of the year	(284.8)	(314.6)
Charge for the year	31.5	9.1
Charge relating to discontinued operations	-	(17.5)
Deferred tax recognised in equity	1.2	(120.0)
Acquired with Business Combination	(6.3)	(7.3)
Disposal of subsidiaries	-	-
Effect of movements in foreign exchange rates	(0.6)	-
Tax losses recognised	1.0	27.9
Transfers to liabilities classified as held for sale	0.6	137.6
Balance at the end of the year	**(257.4)**	**(284.8)**

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

13.4 Recognised deferred tax assets and liabilities

	Assets $Millions	Liabilities $Millions	Net $Millions
31 March 2022			
Property, plant and equipment	0.4	(341.7)	(341.3)
Investment properties	-	(2.5)	(2.5)
Derivative financial instruments	(7.0)	2.0	(5.0)
Employee benefits	10.4	-	10.4
Customer base assets	-	(33.0)	(33.0)
Provisions	5.7	-	5.7
Tax losses carried forward	190.4	(48.0)	142.4
Other items	8.9	(43.0)	(34.1)
Total	**208.8**	**(466.2)**	**(257.4)**
31 March 2021			
Property, plant and equipment	-	(339.0)	(339.0)
Investment properties	-	(4.1)	(4.1)
Derivative financial instruments	4.7	(17.7)	(13.0)
Employee benefits	7.8	-	7.8
Customer base assets	-	(2.1)	(2.1)
Provisions	2.4	-	2.4
Tax losses carried forward	80.0	-	80.0
Other items	36.9	(53.6)	(16.8)
Total	**131.8**	**(416.5)**	**(284.8)**

13.5 Changes in temporary differences affecting tax expense

	Tax expense		Other comprehensive income	
	2022 $Millions	2021 $Millions	2022 $Millions	2021 $Millions
Property, plant and equipment	(6.5)	0.1	(20.2)	0.3
Investment properties	1.6	0.2	-	-
Derivative financial instruments	(6.7)	(5.1)	(23.8)	(24.6)
Employee benefits	(4.9)	(1.1)	-	-
Customer base assets	(0.3)	0.4	-	-
Provisions	1.1	(0.1)	-	-
Tax losses carried forward	59.4	16.5	-	-
Other items	(12.2)	(1.8)	6.4	(3.5)
	31.5	**9.1**	**(37.6)**	**(27.8)**

13.6 Imputation credits available to be used by Infratil Limited

	2022 $Millions	2021 $Millions
Balance at the end of the year	13.7	14.2
Imputation credits that will arise on the payment/(refund) of tax provided for	-	-
Imputation credits that will arise on the (payment)/receipt of dividends accrued at year end	-	-
Imputation credits available for use	**13.7**	**14.2**

14 Property, plant and equipment

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

Capital work in progress in the year primarily relates to construction costs associated with new diagnostic imaging branches and works at Wellington Airport.

Carrying value by Subsidiary

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

	Land and civil works $Millions	Buildings $Millions	Vehicles, plant and equipment $Millions	Capital work in progress $Millions	Leasehold improvements $Millions	Renewable Generation Assets $Millions	Total $Millions
2021							
Cost or valuation							
Balance at beginning of year	581.9	569.7	136.0	564.4	-	2,324.0	4,176.0
Additions	3.6	-	15.3	425.7	0.7	0.7	446.0
Additions on acquisition of subsidiary	-	-	65.5	-	36.3	-	101.8
Capitalised Interest and financing costs	-	-	-	-	-	-	-
Disposals	-	-	(0.6)	-	-	(5.0)	(5.6)
Impairment	-	2.3	-	-	(0.1)	-	2.2
Revaluation	76.8	1.1	0.1	-	-	20.5	98.5
Transfers between categories	22.0	16.8	2.0	(308.4)	1.5	266.1	-
Transfers to assets classified as held for sale	-	-	(15.3)	(596.1)	-	(859.6)	(1,471.0)
Transfers to intangible assets	-	-	-	-	-	-	-
Transfers from/(to) investment properties	-	-	-	-	-	-	-
Effect of movements in foreign exchange rates	-	-	2.4	26.1	0.7	27.3	56.5
Balance at end of year	**684.3**	**589.9**	**205.4**	**111.7**	**39.1**	**1,774.0**	**3,404.4**
Accumulated depreciation							
Balance at beginning of year	-	27.3	87.3	-	-	103.2	217.8
Depreciation for the year	8.3	15.0	19.7	-	0.5	57.2	100.7
Transfer from/(to) investment properties	-	-	-	-	-	-	-
Revaluation	-	(2.1)	(0.8)	-	-	(106.2)	(109.1)
Disposals	-	-	(0.5)	-	-	(0.4)	(0.9)
Transfers to assets classified as held for sale	-	-	(5.4)	-	-	(40.9)	(46.3)
Effect of movements in foreign exchange rates	-	-	0.7	-	-	2.8	3.5
Balance at end of year	**8.3**	**40.2**	**101.0**	**-**	**0.5**	**15.7**	**165.7**
Carrying value at 31 March 2021	676.0	549.7	104.4	111.7	38.6	1,758.3	3,238.7

	Land and civil works $Millions	Buildings $Millions	Vehicles, plant and equipment $Millions	Capital work in progress $Millions	Leasehold improvements $Millions	Renewable Generation Assets $Millions	Total $Millions
2021							
Trustpower	17.0	10.0	15.2	38.6	-	1,758.3	1,839.1
Wellington International Airport	659.0	539.7	21.3	73.1	-	-	1,293.1
Qscan Group	-	-	67.9	-	38.6	-	106.5
Carrying value at 31 March 2021	676.0	549.7	104.4	111.7	38.6	1,758.3	3,238.7
Tilt Renewables (included within assets held for sale)	-	-	9.9	596.1	-	818.7	1,424.7

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

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

There were no independent external valuations of property, plant and equipment performed as at 31 March 2022.

As at 31 March 2022 a material change assessment was performed for each asset class recorded at fair value less accumulated depreciation. A summary of the fair value consideration is provided below.

Trustpower Renewable Generation Assets

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

Trustpower's renewable generation assets include land and buildings which are not separately identifiable from other generation assets. Renewable generation assets were last independently revalued, using a discounted cash flow methodology, as at 31 March 2020, to their estimated market value as assessed by Deloitte Corporate Finance. Based on the Group's assessment there was no material change identified in the carrying value of Trustpower's generation assets at 31 March 2022.

The valuation of Trustpower's renewable generation assets are sensitive to the inputs used in the discounted cash flow valuation model. A sensitivity analysis of key inputs is given in the table below. The overall valuation has been determined to be between $1,569 million to $2,001 million and, while the mid-point selected for revaluation purposes, any value within this range would be considered appropriate. The sensitivities around weighted average cost of capital and avoided cost of transmission have been used to create this overall range. The range is wider than in the prior year where only weighted average cost of capital has been used to determine the overall range.

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

Renewable Generation Assets	Low	High	Valuation impact vs. midpoint
New Zealand Assets			
Forward electricity price path	Decreasing in real terms from $100/MWh to $76/MWh by 2024. Thereafter held constant.	Decreasing in real terms from $100/MWh to $86/MWh by 2024. Thereafter held constant.	-/+ $250.0 m
Inflation	1% p.a.	3% p.a.	-/+$147.0m
Generation volume	1,668 GWh p.a.	2,205 GWh p.a.	-/+ $370.0m
Avoided Cost of Transmission	70% reduction in revenue from 2025	30% reduction in revenue from 2025	- $62.0m / + $18.0m
Operating costs	$60.0 million p.a.	$73.0 million p.a.	-/+ $123.0m
Weighted average cost of capital	6.50%	7.50%	- $196.0m / + $160.0m

Wellington International Airport's property, plant and equipment

Land

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

The Group's assessment of WIAL's land indicated a material change in value with reference to New Zealand and Wellington house price indices published by Real Estate of New Zealand, changes in commercial and industrial property values and consideration of other key inputs. Savills (NZ) Limited assisted in the estimation of key inputs. Using the last independent external valuation performed for the year ended 31 March 2018 as a base, further work was performed to estimate fair value including an assessment of key inputs into land value. An increase in MVAU rate per hectare to $2.64 million (2021: $2.58 million) was adopted and was based on increases across residential, commercial and industrial property. There has been no change to other key inputs from the prior year. Airport developers WACC has been held at 9%. Based on this, a fair value increase of $11.3 million (2021: $76.8 million) has been made to the carrying value of land and recognised in the Asset Revaluation Reserve and Other Comprehensive Income.

Civil Assets

Based on the Group's assessment which includes reference to the Waka Kotahi Construction index and the Producers Price index, and assisted by WSP Opus International Consultants Limited, a fair value increase of $20.5 million has been made to the carrying value of these assets in the Asset Revaluation Reserve and Other Comprehensive Income (2021: no change).

Buildings

The Buildings asset class is comprised of three main sub-components; (a) Specialised buildings, (b) Vehicle business assets and (c) Hotel business assets.

(a) Specialised buildings

Based on the Group's assessment which includes reference to the capital goods price index and consumer price index and assisted by Savills (NZ) Limited, a fair value increase of $23.7 million has been made to the carrying value of these assets in the Asset Revaluation Reserve and Other Comprehensive Income (2021: no material change).

(b) Vehicle business assets

Based on the Group's assessment which includes reference to passenger forecasts and discounted cash flow modelling and assisted by Savills (NZ) Limited, a fair value increase of $27.1 million has been made to the carrying value of these assets in the Asset Revaluation Reserve and Other Comprehensive Income (2021: no material change).

(c) Hotel business assets

Based on the Group's assessment which includes reference to passenger forecasts and discounted cash flow modelling and assisted by Jones Lang LaSalle, a fair value increase of $0.9 million has been recognised in Other Comprehensive Income (2021: increase in carrying value of $4.4 million was recognised in profit or loss and $1.1 million in Other Comprehensive Income).

The following tables summarise the valuation approach and key assumptions used by the independent valuers to arrive at fair value at the date of the last external valuation.

Asset classification and description	Valuation approach	Key valuation assumptions		+/- 5% Valuation impact
Land				
Aeronautical land - used for airport activities and specialised aeronautical assets.	Market Value for Existing Use ('MVEU')	Average MVAU rate per hectare	$1.86 million per hectare	+/- $10.0m
Non-aeronautical land - used for non-aeronautical purposes e.g. industrial, service, retail, residential and land associated with the vehicle business.		Developer's WACC rate	10.4%	+/- $7.4m
		Holding period	6 years	+/- $11.1m

Last external valuation undertaken as at 31 March 2018 by independent valuers, Savills (NZ) Limited. The valuation was then subject to a peer review before being adopted by WIAL. For the year ended 31 March 2022, a material change assessment has been undertaken and further work carried out to estimate fair value which has resulted in a fair value increase of $11.3 million (based on average MVAU of $2.64 million per hectare and developers' WACC rate of 9%). In relation to the value at 31 March 2022, a 5% change in average MVAU rate per hectare equates to +/- $14.1 million in fair value. A 5% change in developers WACC rate equates to +/- $10.0 million in fair value.

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

Last external valuation undertaken as at 31 March 2020 by independent valuers, WSP Opus International Consultants Limited. For the year ended 31 March 2022, a material change assessment has been undertaken, and further work carried out which resulted in a fair value increase of $20.5 million. In relation to the value at 31 March 2022, a 5% change in the indices referenced equates to +/- $0.9 million in fair value.

Buildings				
Specialised buildings used for identified airport activities.	Optimised Depreciated Replacement Cost ('ODRC')	Average modern equivalent asset rate (per square metre)	$5,567	+/- $13.0m
Non-specialised buildings used for purposes other than for identified airport activities, including space allocated within the main terminal building for retail activities, offices and storage.			$1,711	+/- $0.4m
Vehicle business assets associated with car parking and taxi, shuttle and bus services (excluding land and civil)	Discounted Cash flows ('DCF') and Capitalisation Rate	Revenue growth	3.00%	+/- $1.6m
		Cost growth	3.00%	+/- $0.4m
		Discount rate	12.00%	+/- $6.6m
		Capitalisation	9.00%	+/- $9.0m

Last external valuation undertaken as at 31 March 2018 by independent valuers, Savills (NZ) Limited. The valuation was then subject to a peer review before being adopted by WIAL. For the year ended 31 March 2022, a material change assessment has been undertaken, and further work carried out which resulted in a fair value increase of $50.8 million based on updated forecast cash flows. In relation to the value of specialised buildings at 31 March 2022, a 5% change in the indices referenced equates to +/- $1.2 million in fair value. In relation to the value of vehicle business assets, a 5% change in passenger and cashflow forecasts equates to +/- $17 million in fair value.

Hotel business assets	Discounted Cash flows ('DCF') and Capitalisation Rate	Capitalisation rate	6.50%	+/- $1.4m
		Discount rate	8.25%	+/- $0.7m

At 31 March 2022, had assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been $107.0 million for land (2021: $107.8 million), $172.5 million for civil assets (2021: $169.0 million) and $328.5 million for buildings (2021: $328.1 million).

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

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

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

2021 **Level 3 fair value movements**	Recognised in profit or loss $Millions	Recognised in OCI $Millions	Total $Millions
Renewable Generation Assets	-	20.5	20.5
Land and civil works	-	76.8	76.8
Buildings	4.4	1.1	5.5
	4.4	**98.4**	**102.8**

There were no transfers between property, plant and equipment assets classified as level 1 or level 2, and level 3 of the fair value hierarchy during the year ended 31 March 2022 (2021: none).

Revalued assets at deemed cost

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

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

2021	Cost $Millions	Assets under construction $Millions	Accumulated depreciation $Millions	Net book value $Millions
Renewable Generation Assets	1,022.1	33.9	(289.1)	766.9
Land and civil works	309.9	25.2	(59.9)	275.2
Buildings	555.9	24.2	(169.7)	410.4
	1,887.9	**83.3**	**(518.7)**	**1,452.5**

15 Investment properties

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

2021	Owned property $Millions	Right of use assets $Millions	Total $Millions
Balance at beginning of year	184.5	82.2	266.7
Additions	16.1	-	16.1
Disposals	(34.8)	-	(34.8)
Investment properties revaluation net increase/(decrease)	12.2	(0.1)	12.1
Balance at end of year	**178.0**	**82.1**	**260.1**

Where a lease pertains to property held to earn rental income, the right of use asset is included within Investment properties and is measured at fair value. Rental income from investment properties of $12.2 million was recognised in profit or loss during the year (2021: $13.4 million). Direct operating expenses arising from investment properties of $2.1 million were also recognised in profit or loss during the year (2021: $1.7 million).

Wellington International Airport's investment property was valued at 31 March 2022 by Jones Lang LaSalle, registered valuers, at $97.2 million (2021: $86.1 million).

Infratil Infrastructure Property Limited's investment property was valued at 31 March 2022 by Jones Lang LaSalle, registered valuers, at $100.4 million (2021: $91.9 million). There were no capital works in progress included in investment properties at 31 March 2022 (2021: none).

16 Leases

16.1 Right of use assets

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

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

2021	Land and Buildings $Millions	Generation Assets $Millions	Plant and equipment $Millions	Total $Millions
Cost				
Balance at beginning of year	45.6	113.8	12.2	171.6
Additions	20.1	5.2	6.0	31.3
Additions on acquisition of subsidiary	74.8	-	-	74.8
Disposals	-	-	-	-
Remeasurements	-	-	-	-
Effect of movements in exchange rates	2.7	7.0	-	9.7
Transfers to assets held for sale	(25.7)	(126.0)	-	(151.7)
Balance at end of year	**117.5**	**-**	**18.2**	**135.7**
Accumulated depreciation				
Balance at beginning of year	4.3	1.3	4.8	10.4
Depreciation for the year	7.3	4.2	6.4	17.9
Effect of movements in exchange rates	0.2	0.2	-	0.4
Transfers to assets held for sale	(2.8)	(5.7)	-	(8.5)
Balance at end of year	**9.0**	**-**	**11.2**	**20.2**
Carrying value at 31 March 2021	**108.5**	**-**	**7.0**	**115.5**

16.2 Lease liabilities

	2022 $Millions	2021 $Millions
Maturity analysis - contractual undiscounted cash flows		
Between 0 to 1 year	56.8	26.5
Between 1 to 2 years	27.0	48.7
Between 2 to 5 years	72.8	49.9
More than 5 years	336.2	269.7
Transfers to liabilities held for sale	(29.0)	-
Total undiscounted lease liabilities	**463.8**	**394.8**

	2022 $Millions	2021 $Millions
Lease liabilities included in the statement of financial position		
Split as follows:		
Current	22.7	20.3
Non-current	226.6	182.3
	249.3	**202.6**

	2022 $Millions	2021 $Millions
Amounts recognised in the consolidated statement of comprehensive income		
Interest on lease liabilities	15.2	15.8
Variable lease payments not included in the measurement of lease liabilities	-	-
Expenses relating to short-term leases	0.7	-
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	0.2	0.4

The weighted average incremental borrowing cost applied to lease liabilities at 1 April 2021 was 4.62% (1 April 2020: 4.54%). Total cash outflow for leases for the year ended 31 March 2022 was $35.4 million (2021: $30.8 million).

16.3 Leases as a lessor

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

	2022 $Millions	2021 $Millions
Operating lease receivables as lessor		
Between 0 to 1 year	17.7	17.7
Between 1 to 2 years	14.7	13.6
Between 2 to 5 years	29.1	29.3
More than 5 years	48.8	55.1
Total undiscounted lease payments	**110.3**	**115.7**

17 Goodwill

	2022 $Millions	2021 $Millions
Balance at beginning of the year	752.7	113.1
Goodwill arising on acquisitions	1,079.2	673.3
Goodwill disposed of during the year	-	-
Transfers to disposal group assets classified as held for sale	(17.5)	(33.7)
Effects of movements in exchange rates	(7.2)	-
Balance at the end of the year	**1,807.2**	**752.7**
The aggregate carrying amounts of goodwill allocated to each cash generating unit are as follows:		
Trustpower	61.9	79.4
Qscan Group	666.1	673.3
RHC Holdco Limited	1,079.2	-
	1,807.2	752.7

During the year RHC Holdco Limited completed the acquisitions of Pacific Radiology, Auckland Radiology and Bay Radiology. As outlined in note 9.1 these acquisitions gave rise to Goodwill of $1,079.2 million, noting the Goodwill in Auckland Radiology and Bay Radiology remain provisional at 31 March 2022. Qscan also completed the measurement of the fair value of Goodwill and as a result goodwill was restated to $673.3 million in the prior year.

The Goodwill arising from the acquisitions for RHC Holdco and for Qscan in the prior year is attributable mainly to the specialist nature of the diagnostic imaging workforce and the synergies expected from integrating the companies into a meaningful Australasian diagnostic imaging platform.

The carrying value of Goodwill is subject to an annual impairment test to ensure the carrying value does not exceed the recoverable amount at balance date.

In determining whether there are any indicators of impairment in relation to the Goodwill recognised in relation to the Company's investments in Qscan Group and RHC Holdco, their fair value has been assessed by evaluating the conditions and events specific to those entities that may be indicate there is evidence of impairment.

In determining whether there are any indicators of impairment in relation to the Goodwill recognised in relation to the Company's investment in Trustpower, the fair value of the Company's investment in Trustpower is assessed with reference to the market share price quoted on the NZX at each reporting date.

As at 31 March 2022 there were no indicators of impairment (31 March 2021: there were no indicators of impairment).

Following the classification of Trustpower's Retail business as held for sale, Goodwill of $13.3 million at the Group level has been allocated to the Retail business on a Relative Value basis. This calculation was performed based on the sale price of the Retail business when assessed against the total market capitalisation of Trustpower, on the date of the announcement of the retail sale.

18 Intangibles

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

	Lease agreements & software $Millions	Customer acquisition costs $Millions	Customer contracts $Millions	Brands $Millions	Total $Millions
2021					
Cost or valuation					
Balance at beginning of the year	111.1	83.3	-	-	194.4
Additions at cost	9.9	-	-	-	9.9
Additions on acquisition of subsidiary	-	-	4.7	38.6	43.3
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfers from property, plant and equipment	(0.5)	-	-	-	(0.5)
Transfers to assets classified as held for sale	(0.6)	-	-	-	(0.6)
Balance at end of year	**119.9**	**83.3**	**4.7**	**38.6**	**246.5**
Amortisation and impairment losses					
Balance at beginning of the year	(84.9)	(74.4)	-	-	(159.3)
Foreign exchange adjustment on opening balance	-	-	-	-	-
Amortisation for the year	(11.2)	(1.5)	-	-	(12.7)
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfers to assets classified as held for sale	(0.5)	-	-	-	(0.5)
Balance at end of year	**(96.6)**	**(75.9)**	**-**	**-**	**(172.5)**
Carrying value 31 March 2021	23.3	7.4	4.7	38.6	74.0

19 Loans and borrowings

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

	2022 $Millions	2021 $Millions
Current liabilities		
Unsecured bank loans	180.1	95.1
Secured bank loans	41.3	-
less: Loan establishment costs capitalised and amortised over term	(5.9)	(1.0)
	215.5	94.1
Non-current liabilities		
Unsecured bank loans	217.9	650.2
Secured bank loans	650.1	278.2
less: Loan establishment costs capitalised and amortised over term	(16.3)	(12.2)
	851.7	916.2
Facilities utilised at reporting date		
Unsecured bank loans	398.1	745.3
Unsecured guarantees	-	-
Secured bank loans	691.3	278.2
Secured guarantees	4.6	3.0
Facilities not utilised at reporting date		
Unsecured bank loans	1,335.9	554.8
Unsecured guarantees	-	-
Secured bank loans	198.4	86.2
Secured guarantees	-	-
Facilities utilised at reporting date		
Interest bearing loans and borrowings - current	215.5	94.1
Interest bearing loans and borrowings - non-current	851.7	916.2
Total interest bearing loans and borrowings	1,067.2	1,010.3

	2022 $Millions	2021 $Millions
Maturity profile for bank facilities (excluding secured guarantees):		
Between 0 to 1 year	281.4	175.1
Between 1 to 2 years	362.3	596.9
Between 2 to 5 years	1,980.0	892.5
Over 5 years	-	-
Total bank facilities	**2,623.7**	**1,664.5**

Financing arrangements

Wholly owned subsidiaries

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

In October 2021, Infratil Finance refinanced all of its IGG bank facilities, extending the maturity of facilities and negotiating improved terms to better reflect the nature of Infratil's business, having evolved significantly over the term of the previous facilities. This included bringing Infratil Energy New Zealand Limited ('IENZ') into the Infratil Guaranteeing Group. IENZ had previously maintained a standalone bank facility and related security arrangements, under which $125.0 million was fully drawn as at 31 March 2021.

At 31 March 2022 there was no drawn debt or accrued interest payable under the IGG facilities (31 March 2021: $217.3 million) and undrawn IGG facilities totalled $1,169.0 million (31 March 2021: $353.0 million).

Non-wholly owned subsidiaries

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

The various bank facilities across the Group require the relevant borrowing group to maintain certain levels of shareholder funds and operate within defined performance and gearing ratios. Throughout the period the Group has complied with all debt covenant requirements as imposed by the respective lenders (refer to note 22 for information in respect of waivers of certain financial covenants obtained by Wellington International Airport Limited).

Interest rates

Interest rates payable on bank loan facilities are floating rate determined by reference to prevailing money market rates at the time of draw-down plus a margin. Interest rates paid during the year ranged from 0.75% to 4.32% (31 March 2021: 0.57% to 4.32%).

20 Infrastructure bonds

	2022 $Millions	2021 $Millions
Balance at the beginning of the year	1,378.9	1,293.2
Issued during the year	102.4	84.7
Exchanged during the year	(54.8)	-
Matured during the year	(39.1)	-
Purchased by Infratil during the year	-	-
Bond issue costs capitalised during the year	(1.2)	(1.0)
Bond issue costs amortised during the year	2.3	2.0
Balance at the end of the year	**1,388.5**	**1,378.9**
Current	193.5	93.8
Non-current fixed coupon	841.1	931.4
Non-current variable coupon	122.0	121.8
Non-current perpetual variable coupon	231.9	231.9
Balance at the end of the year	**1,388.5**	**1,378.9**
Repayment terms and interest rates:		
IFT220 maturing in June 2021, 4.90% p.a. fixed coupon rate	-	93.9
IFT190 maturing in June 2022, 6.85% p.a. fixed coupon rate	93.7	93.7
IFT240 maturing in December 2022, 5.65% p.a. fixed coupon rate	100.0	100.0
IFT210 maturing in September 2023, 5.25% p.a. fixed coupon rate	122.1	122.1
IFT230 maturing in June 2024, 5.50% p.a. fixed coupon rate	56.1	56.1
IFT260 maturing in December 2024, 4.75% p.a. fixed coupon rate	100.0	100.0
IFT250 maturing in June 2025, 6.15% p.a. fixed coupon rate	43.4	43.4
IFT300 maturing in March 2026, 3.35% p.a. fixed coupon rate	120.3	120.3
IFT280 maturing in December 2026, 3.35% p.a. fixed coupon rate	156.3	156.3
IFT310 Maturing in December 2027, 3.60% p.a. fixed coupon rate	102.4	-
IFT270 maturing in December 2028, 4.85% p.a. fixed coupon rate until 15 December 2023	146.2	146.2
IFTHC maturing in December 2029, 2.75% p.a. variable coupon rate reset annually from 15 December 2021	123.2	123.2
IFTHA Perpetual Infratil infrastructure bonds	231.9	231.9
less: issue costs capitalised and amortised over term	(8.2)	(9.5)
add: issue premium capitalised and amortised over term	1.1	1.3
Balance at the end of the year	**1,388.5**	**1,378.9**

Fixed coupon

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

IFTHC bonds

The IFTHC bonds the Company has on issue are at a face value of $1.00 per bond. Interest is payable quarterly on the bonds. For the period to 15 December 2022 the coupon is fixed at 4.19% per annum (for the period to 15 December 2021 the coupon was 2.75%). Thereafter the rate will be reset annually at 2.50% per annum over the then one year bank rate for quarterly payments.

IFT270 bonds

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

Perpetual Infratil infrastructure bonds ('PIIBs')

The Company has 231,916,000 (31 March 2021: 231,916,000) PIIBs on issue at a face value of $1.00 per bond. Interest is payable quarterly on the bonds. On 15 November 2021 the coupon was set at 3.14% per annum until the next reset date, being 15 November 2022 (2021: 1.71%). Thereafter the rate will be reset annually at 1.50% per annum over the then one year bank rate for quarterly payments, unless Infratil's gearing ratio exceeds certain thresholds, in which case the margin increases. These infrastructure bonds have no fixed maturity date. No PIIBs (2021: nil) were repurchased by Infratil Limited during the year.

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

At 31 March 2022 Infratil Infrastructure bonds (including PIIBs) had a fair value of $1,322.8 million (31 March 2021: $1,336.5 million).

21 Trustpower bonds

Unsecured senior bonds	2022 $Millions	2021 $Millions
Repayment terms and interest rates:		
TPW140 maturing in December 2021, 5.63% p.a. fixed coupon rate	-	83.0
TPW150 maturing in December 2022, 4.01% p.a. fixed coupon rate	127.7	127.7
TPW180 maturing in July 2026, 3.35% p.a. fixed coupon rate	125.0	125.0
TPW170 maturing in February 2029, 3.97% p.a. fixed coupon rate until 22 February 2024	100.0	100.0
less: Issue costs capitalised and amortised over term	(2.0)	(2.7)
Balance at the end of the year	**350.7**	**433.0**
Current	127.7	83.0
Non-current	223.0	350.0
Balance at the end of the year	**350.7**	**433.0**

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

At 31 March 2022 Trustpower's unsecured senior bonds had a fair value of $350.8 million (31 March 2021: $455.9 million).

22 Wellington International Airport bonds and USPP notes

	2022 $Millions	2021 $Millions
Repayment terms and interest rates:		
WIA020 Retail bonds maturing May 2021, 6.25% p.a. fixed coupon rate	-	75.0
WIA030 Retail bonds maturing May 2023, 4.25% p.a. fixed coupon rate	75.0	75.0
WIA040 Retail bonds maturing August 2024, 4.00% p.a. fixed coupon rate	60.0	60.0
WIA050 Retail bonds maturing June 2025, 5.00% p.a. fixed coupon rate	70.0	70.0
WIA060 Retail bonds maturing April 2030, 4.00% p.a. fixed coupon rate until 1 April 2025	97.9	101.9
WIA070 Retail bonds maturing August 2026, 2.50% p.a. fixed coupon rate	100.0	100.0
WIA080 Retail bonds maturing September 2031, 3.32% p.a. fixed coupon rate	121.7	-
USPP Notes - Series A (US$36 million)	51.1	54.2
USPP Notes - Series B (US$36 million)	51.1	54.2
less: Issue costs capitalised and amortised over term	(5.1)	(4.6)
Balance at the end of the year	**621.7**	**585.7**
Current	-	75.0
Non-current	621.7	510.7
Balance at the end of the year	**621.7**	**585.7**

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

On 27 July 2017 WIAL completed a United States Private Placement ('USPP') Note issuance, securing US$72 million of long term debt. The USPP comprised two equal tranches, a US$36 million 10 year Note with a coupon of 3.47% and a US$36 million 12 year Note with a coupon of 3.59%. In conjunction with the USPP issuance, WIAL entered into cross currency interest rate swaps to formally hedge the exposure to foreign currency risk over the term of the notes.

At 31 March 2022 WIAL's bonds had a fair value of $522.9 million (2021: $481.9 million), and WIAL's USPP Notes had a fair value of $110.9 million (2021: $108.4 million).

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

Financial Covenants and Other Restrictions

As at 31 March 2022 WIAL has bank facilities amounting to $100 million (31 March 2021: $170 million), which remain undrawn at 31 March 2022 (31 March 2021: $70 million). These facilities and the US$72 million USPP Notes have certain financial covenants. Due to the ongoing impacts of Covid-19, WIAL has worked with its banking group and USPP lenders to secure relief in respect of the interest cover ratio for the 31 March 2022 test date. Notwithstanding this relief, WIAL has met all its covenants at 31 March 2022.

23 Financial instruments

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

- Credit risk
- Liquidity risk
- Market risk

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

23.1 Credit risk

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

Exposure to credit risk

	2022 $Millions	2021 $Millions
The Group had exposure to credit risk with financial institutions at balance date from cash deposits held as follows:		
Financial institutions with 'AA' credit ratings	-	-
Financial institutions with 'AA-' credit ratings	685.2	106.5
Financial institutions with 'A+' credit ratings	-	-
Financial institutions with 'A' credit ratings	160.4	25.2
Unrated financial institutions	5.4	2.1
Total cash deposits with financial institutions	851.0	133.8
Cash on hand	-	-
Total Cash and cash equivalents	**851.0**	**133.8**

No cash was included in assets held for sale at 31 March 2022 (31 March 2021: $341.6 million). Credit ratings are from S&P Global Ratings or equivalent rating agencies.

Trade and other receivables

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

Ageing of trade receivables

	2022 $Millions	2021 $Millions
The ageing analysis of trade receivables is as follows:		
Not past due	63.8	100.3
Past due 0-30 days	10.8	2.3
Past due 31-90 days	2.5	1.9
Greater than 90 days	2.0	4.9
Total	79.1	109.4
The ageing analysis of impaired trade receivables is as follows:		
Not past due	(0.6)	(0.3)
Past due 0-30 days	(0.4)	(0.4)
Past due 31-90 days	(0.6)	(0.8)
Greater than 90 days	(3.1)	(4.0)
Total	(4.7)	(5.5)

	2022 $Millions	2021 $Millions
Movement in the provision for expected credit loss for the year was as follows:		
Balance as at 1st April	5.5	6.3
Acquired through acquisition of subsidiary	2.0	0.5
Expected credit loss recognised (Charged to operating expenses)	3.7	3.2
Bad debts recovered	(0.5)	-
Provisions utilised	(2.6)	(4.5)
Transfers to assets classified as held for sale	(3.4)	-
Balance as at 31 March	4.7	5.5
Other prepayments and receivables	106.5	225.0
Total Trade, accounts receivable and prepayments	180.9	328.9

23.2 Liquidity risk

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

The tables below analyse the Group's financial liabilities, excluding gross settled derivative financial liabilities, into relevant maturity groupings based on the earliest possible contractual maturity date at year end. The amounts in the tables below are contractual undiscounted cash flows, which include interest through to maturity. Perpetual Infratil Infrastructure Bonds cash flows have been determined by reference to the longest dated Infratil bond maturity in the year 2029.

	Balance sheet $Millions	Contractual cash flows $Millions	6 months or less $Millions	6-12 months $Millions	1-2 years $Millions	2-5 years $Millions	5 + years $Millions
31 March 2022							
Accounts payable, accruals and other liabilities	598.1	632.2	488.2	2.3	107.6	33.3	0.8
Lease liabilities	249.3	463.8	13.9	14.3	27.0	72.8	335.8
Unsecured & secured bank facilities	1,067.2	881.5	25.1	57.7	74.5	723.4	0.8
Infratil Infrastructure bonds	1,156.6	1,357.5	120.8	122.2	160.8	553.2	400.5
Perpetual Infratil Infrastructure bonds	231.9	287.9	3.6	3.6	7.3	21.8	251.6
Wellington International Airport bonds	621.7	769.4	11.7	11.7	96.8	279.0	370.2
Trustpower bonds	350.7	401.1	6.6	133.1	8.2	146.3	106.9
Derivative financial instruments	118.8	128.7	18.2	20.2	81.4	6.0	2.9
	4,394.3	4,922.1	688.1	365.1	563.6	1,835.8	1,469.5
31 March 2021							
Accounts payable, accruals and other liabilities	501.2	487.5	296.7	-	116.3	74.5	-
Lease liabilities	202.6	394.8	13.2	13.3	48.7	49.9	269.7
Unsecured & secured bank facilities	1,010.3	1,057.7	108.7	38.6	521.3	389.1	-
Infratil Infrastructure bonds	1,147.0	1,362.1	119.2	24.4	235.7	521.6	461.2
Perpetual Infratil Infrastructure bonds	231.9	266.5	2.0	2.0	4.0	11.9	246.6
Wellington International Airport bonds	585.7	688.1	87.0	9.6	19.2	248.5	323.8
Trustpower bonds	433.0	501.1	9.0	90.9	141.3	259.9	-
Derivative financial instruments	156.1	160.1	80.4	23.4	43.7	9.3	3.3
	4,267.8	4,917.9	716.2	202.2	1,130.2	1,564.7	1,304.6

23.3 Market risk

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

23.3.1 Interest rate risk (cash flow and fair value)

Interest rate risk is the risk of interest rate volatility negatively affecting the Group's interest expense cash flow and earnings. Infratil mitigates this risk by managing it's interest rate exposures in accordance with it's Group Treasury Policy, which sets out defined maximum and minimum thresholds for exposures to floating interest rates across different tenors. Infratil achieves compliance with these thresholds by issuing term borrowings at fixed interest rates and entering into Interest Rate Swaps to convert a portion of floating rate exposures to fixed rate exposures. Borrowings issued at fixed rates does expose the Group to fair value interest rate risk.

	2022 $Millions	2021 $Millions
At balance date the face value of interest rate contracts outstanding were:		
Interest rate swaps - notional value	1,459.3	1,210.5
Fair value of interest rate swaps	24.2	(18.9)
Cross currency interest rate swaps - notional value	99.8	99.8
Fair value of cross currency interest rate swaps	1.6	7.1
The termination dates for the interest rate swaps are as follows:		
Between 0 to 1 year	-	129.5
Between 1 to 2 years	50.0	-
Between 2 to 5 years	934.3	448.0
Over 5 years	475.0	633.0
The termination dates for the cross currency interest rate swaps are as follows:		
Between 0 to 1 year	-	-
Between 1 to 2 years	-	-
Between 2 to 5 years	-	-
Over 5 years	99.8	99.8

Interest rate sensitivity analysis

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

	2022 $Millions	2021 $Millions
Profit or loss		
100 bp increase	17.6	6.3
100 bp decrease	(17.9)	(7.6)
Other comprehensive income		
100 bp increase	(3.4)	7.0
100 bp decrease	3.0	(1.2)

Assumptions used in the interest rate sensitivity analysis include:

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

23.3.2 Foreign currency risk

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

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

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

	2022		2021	
	+10% $Millions	-10% $Millions	+10% $Millions	-10% $Millions
Profit or loss				
AUD	(11.3)	11.3	(11.1)	11.1
EURO	(0.3)	0.3	-	-
GBP	-	-	-	-
USD	(0.1)	0.1	-	-
Other comprehensive income				
AUD	(84.6)	83.3	(130.6)	133.0
EURO	(0.3)	0.3	(0.2)	0.2
GBP	(5.7)	5.7	-	-
USD	(19.2)	21.4	(5.8)	5.8

Assumptions used in the foreign currency exposure sensitivity analysis include:

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

Unhedged foreign currency exposures

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

	2022 $Millions	2021 $Millions
Cash, short term deposits and trade receivables		
United States Dollars (USD)	3.9	1.4
Australian Dollars (AUD)	4.5	0.2
Euro	0.5	-
Pound Sterling	0.2	-

23.3.3 Energy price risk

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

The hedged anticipated electricity purchase transactions are expected to occur continuously throughout the next three years from the end of the reporting period consistent with Trustpower's forecast electricity generation and retail electricity sales. Gains and losses recognised in the cash flow hedge reserve on electricity derivatives as of 31 March 2022 will be continuously released to the income statement in each period in which the underlying purchase transactions are recognised in the income statement.

	2022	2021
At balance date the aggregate notional volume of outstanding energy derivatives were:		
Electricity (GWh)	3,621.0	2,401.0
Fair value of energy derivatives ($millions)	3.0	23.9

As at 31 March 2022, the Group had energy contracts outstanding with various maturities expected to occur continuously throughout the next five years. The hedged anticipated energy purchase transactions are expected to occur continuously throughout the contract period from balance sheet date consistent with the Group's forecast energy generation and retail energy sales. Gains and losses recognised in the cash flow hedge reserve on energy derivatives as of 31 March 2022 will be continuously released to the income statement in each period in which the underlying purchase transactions are recognised in the profit or loss.

	2022 $Millions	2021 $Millions
The termination dates for the energy derivatives are as follows:		
Between 0 to 1 year	129.7	107.4
Between 1 to 2 years	123.8	56.9
Between 2 to 5 years	133.0	74.2
Over 5 years	-	-
	386.5	238.5

Energy price sensitivity analysis

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

	2022 $Millions	2021 $Millions
Profit and loss		
10% increase in energy forward prices	(15.2)	(7.3)
10% decrease in energy forward prices	15.2	7.5
Other comprehensive income		
10% increase in energy forward prices	1.0	(12.3)
10% decrease in energy forward prices	(1.0)	14.2

Assumptions used in the energy forward price sensitivity analysis include:

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

23.4 Fair values

With the exception of bond debt and senior notes which are measured at amortised cost, financial assets and financial liabilities are measured at fair value, and have a fair value at 31 March 2022 of $2,307.3 million (31 March 2021: $2,382.7 million) compared to an amortised cost value of $2,360.9 million (31 March 2021: $2,397.6 million).

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

	2022 $Millions	2021 $Millions
Assets		
Derivative financial instruments - energy	106.2	145.6
Derivative financial instruments - cross currency interest rate swaps	1.6	7.1
Derivative financial instruments - foreign exchange	-	0.2
Derivative financial instruments - interest rate	38.4	15.3
	146.2	168.2
Split as follows:		
Current	65.3	76.2
Non-current	80.9	92.0
	146.2	168.2
Liabilities		
Derivative financial instruments - energy	103.2	121.7
Derivative financial instruments - cross currency interest rate swaps	-	-
Derivative financial instruments - foreign exchange	1.4	0.2
Derivative financial instruments - interest rate	14.2	34.2
	118.8	156.1
Split as follows:		
Current	48.3	89.2
Non-current	70.5	66.9
	118.8	156.1

Estimation of fair values

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

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

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

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

Valuation input	Source
Interest rate forward price curve	Published market swap rates
Foreign exchange forward prices	Published spot foreign exchange rates
Electricity forward price curve	Market quoted prices where available and management's best estimate based on its view of the long run marginal cost of new generation where no market quoted prices are available
Discount rate for valuing interest rate derivatives	Published market interest rates as applicable to the remaining life of the instrument
Discount rate for valuing forward foreign exchange contracts	Published market rates as applicable to the remaining life of the instrument
Discount rate for valuing electricity price derivatives	Assumed counterparty cost of funds ranging from 3.1% to 3.8% (31 March 2021: 3.1% to 3.8%)

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

Fair value hierarchy

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

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

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

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

31 March 2021	Level 1 $Millions	Level 2 $Millions	Level 3 $Millions	Total $Millions
Assets per the statement of financial position				
Derivative financial instruments - energy	-	-	145.6	145.6
Derivative financial instruments - cross currency interest rate swaps	-	7.1	-	7.1
Derivative financial instruments - foreign exchange	-	0.2	-	0.2
Derivative financial instruments - interest rate	-	15.3	-	15.3
Total	**-**	**22.6**	**145.6**	**168.2**
Liabilities per the statement of financial position				
Derivative financial instruments - energy	-	-	121.7	121.7
Derivative financial instruments - cross currency interest rate swaps	-	-	-	-
Derivative financial instruments - foreign exchange	-	0.2	-	0.2
Derivative financial instruments - interest rate	-	34.2	-	34.2
Total	**-**	**34.4**	**121.7**	**156.1**

There were no transfers between derivative financial instrument assets or liabilities classified as level 1 or level 2, and level 3 of the fair value hierarchy during the year ended 31 March 2022 (31 March 2021: none).

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

	2022 $Millions	2021 $Millions
Assets per the statement of financial position		
Opening balance	145.6	32.6
Foreign exchange movement on opening balance	-	4.1
Acquired as part of business combination	-	-
Gains and (losses) recognised in profit or loss	74.4	341.9
Gains and (losses) recognised in other comprehensive income	(113.8)	-
Transfer to assets held for sale	-	(233.0)
Closing balance	106.2	145.6
Total gains or (losses) for the year included in profit or loss for assets held at the end of the reporting year	1.4	131.5
Liabilities per the statement of financial position		
Opening balance	121.7	14.9
Foreign exchange movement on opening balance	-	1.0
Acquired as part of business combination	-	-
(Gains) and losses recognised in profit or loss	(18.4)	134.7
(Gains) and losses recognised in other comprehensive income	(0.1)	-
Transfers to liabilities held for sale	-	(28.9)
Closing balance	103.2	121.7
Total gains/(losses) for the year included in profit or loss for liabilities held at the end of the reporting year	-	92.2
Settlements during the year	(14.0)	(18.8)

23.5 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has established an Audit and Risk Committee for Infratil and each of its significant subsidiaries and associates with responsibilities which include reviewing management practices in relation to identification and management of significant business risk areas and regulatory compliance. The Group has developed a comprehensive, enterprise wide risk management framework. Management and Boards throughout the Group participate in the identification, assessment and monitoring of new and existing risks. Particular attention is given to strategic risks that could affect the Group. Management report to the Audit and Risk Committee and the Board on the relevant risks and the controls and treatments for those risks.

23.6 Capital Management

The Group's capital includes share capital, reserves, retained earnings and non-controlling interests of the Group. From time to time the Group purchases its own shares on the market with the timing of these purchases dependent on market prices, an assessment of value for shareholders and an available window to trade on the NZX. Primarily the shares are intended to be held as treasury stock and may be reissued under the Dividend Reinvestment Plan or cancelled. During the year the Group issued 1,031,049 shares (2021: none). The Company and the Group's borrowings are subject to certain compliance ratios in accordance with the facility agreements or the trust deed applicable to the borrowings. During the year there have been no breaches in the compliance ratios (2021: nil).

The Group seeks to ensure that no more than 20% of its non-bank debt is maturing in any one year period, and to spread the maturities of its bank debt facilities between one and five years. Discussions on refinancing of facilities will normally commence at least six months before maturity. Facilities are maintained with A (2021: A) or above rated financial institutions, and with a minimum number of bank counterparties to ensure diversification. The Group manages its interest rate profile so as to minimise value volatility. This means having interest costs fixed for extended terms. At times when long rates appear to be sustainably high, the profile may be shortened, and when rates are low the profile may be lengthened.

24 Capital commitments

	2022 $Millions	2021 $Millions
Committed but not contracted for	41.2	-
Contracted but not provided for	56.3	51.3
Capital commitments	97.5	51.3

There were no individual material capital commitments as at 31 March 2022. See Note 7 for Infratil's commitment to Clearvision Ventures and Note 6 for Infratil's commitment to Galileo.

25 Reconciliation of net surplus with cash flow from operating activities

	2022 $Millions	2021 $Millions
Net surplus for the year	1,231.7	(16.0)
(Add) / Less items classified as investing activity:		
(Gain)/Loss on investment realisations, impairments and disposals of discontinued operations	(1,014.7)	(46.5)
Transaction costs: payables relating to investing activities	0.7	-
Add items not involving cash flows:		
Movement in financial derivatives taken to the profit or loss	(60.6)	4.1
Decrease in deferred tax liability excluding transfers to reserves	(35.9)	6.1
Changes in fair value of investment properties	(15.3)	(12.0)
Equity accounted earnings of associate net of distributions received	(207.3)	(109.0)
Depreciation	124.3	114.0
Movement in provision for bad debts	0.5	-
Amortisation of intangibles	18.4	13.2
Other	16.0	31.0
Movements in working capital:		
Change in receivables	48.6	(64.5)
Change in inventories	(0.2)	-
Change in trade payables	(10.0)	(1.3)
Change in accruals and other liabilities	(42.5)	208.4
Change in current and deferred taxation	29.1	(36.1)
Net cash flow from operating activities	**82.8**	**91.4**

26 Key management personnel disclosures

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

	2022 $Millions	2021 $Millions
Key management personnel remuneration comprised:		
Short-term employee benefits	16.0	12.0
Post employment benefits	-	-
Termination benefits	0.1	0.7
Other long-term benefits	0.6	1.8
Share based payments	(2.2)	(1.1)
	14.5	13.4

Directors fees paid to directors of Infratil Limited and its subsidiaries during the year were $3.6 million (2021: $2.2 million).

27 Related parties

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

Morrison & Co Infrastructure Management Limited ('MCIM') is the management company for the Company and receives management fees in accordance with the applicable management agreement. MCIM is owned by H.R.L. Morrison & Co Group Limited Partnership ('MCO'). Mr Bogoievski was a director of Infratil until 31 March 2021 and was a director and Chief Executive Officer of MCO until 31 December 2021. Mr Boyes assumed the role of Infratil Chief Executive Officer from 1 April 2021. Entities associated with Mr Bogoievski and Mr Boyes also have a beneficial interest in MCO.

Management and other fees paid by the Group (including associates) to MCIM, MCO or its related parties during the year were:	Note	2022 $Millions	2021 $Millions
Management fees	28	278.7	268.8
Executive secondment and consulting		0.7	9.8
Directors' fees		2.2	1.8
Financial management, accounting, treasury, compliance and administrative services		1.7	1.6
Risk management reporting		-	-
Investment banking services		-	-
Total management and other fees		**283.3**	**282.0**

The above table includes $0.2 million paid by discontinued operations in the year ended 31 March 2022 (2021: $0.4 million).

At 31 March 2022 amounts owing to MCIM of $5.2 million (excluding GST) are included in trade creditors (2021: $4.5 million).

MCO, or Employees of MCO received directors fees from the Company, subsidiaries or associates as follows:	2022 $000's	2021 $000's
CDC Group Holdings Pty Ltd	159.0	160.6
Infratil Limited	-	-
Infratil Infrastructure Property Limited	45.0	45.0
Galileo Green Energy, LLC	350.2	365.4
Gurīn Energy	-	-
Longroad Energy Holdings, LLC	215.2	223.5
RHC Holdco Limited	150.0	-
Qscan Group Holdings Newco Pty	-	-
RA (Holdings) 2014 Pty Limited	309.1	169.0
Tilt Renewables Limited	162.5	409.1
Trustpower Limited	380.4	247.5
Vodafone New Zealand Limited	-	-
Wellington International Airport Limited	400.9	276.8
	2,172.3	1,896.9

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

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

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

	2022 $Millions	2021 $Millions
New Zealand & International Portfolio Management Fees	57.3	45.7
International Portfolio Incentive Fees	221.2	223.1
	278.5	**268.8**

New Zealand Portfolio Management Fee

The New Zealand base management fee is paid on the 'New Zealand Company Value' at 0.80% p.a. on the New Zealand Company Value above $150 million, 1.00% p.a. on the New Zealand Company Value between $50 million and $150 million and 1.125% p.a. on New Zealand Company value up to $50 million. The New Zealand Company Value is defined as:

- the Company's market capitalisation as defined in the Management Agreement (the aggregated market value of the Company's listed securities, being ordinary shares, partly paid shares and, Infratil Infrastructure bonds);
- plus the Company and its wholly owned subsidiaries' net debt (excluding listed debt securities and the book value of the debt in any non-Australasian investments);
- minus the cost price of any non-Australasian investments; and,
- an adjustment for foreign exchange gains or losses related to non-New Zealand investments.

International Portfolio Management Fee

The international fund management fee is paid at the rate of 1.50% per annum on:

- the cost price of any non-Australasian investments; and,
- the book value of the debt in any wholly owned non-Australasian investments.

International Portfolio Incentive Fees

International Investments are eligible for International Portfolio incentive fees ('Incentive fees') under the Management Agreement between MCIM and Infratil. The Agreement allows for incentives to be payable for performance in excess of a minimum hurdle of 12% per annum in three separate areas:

- Initial Incentive Fees;
- Annual Incentive Fees; and,
- Realised Incentive Fees.

To the extent that there are assets that meet these criterion, independent valuations are performed on the respective International Investments to determine whether any Incentive Fees are payable.

International Portfolio Initial Incentive Fee

International Investments become eligible for the Initial Incentive Fee assessment on the third balance date (31 March) that they have been held continuously by the Company. All International Investments that are acquired in any one financial year are grouped together for the purposes of the Initial Incentive Fee, and an Initial Incentive Fee is payable at 20% of the outperformance of those assets against a benchmark of 12% p.a. after tax, compounding.

The Company's investment in Galileo Green Energy was eligible for the International Portfolio Initial Incentive Fee as at 31 March 2022. (31 March 2021: None). Based on an independent valuation obtained as at that date, no International Portfolio Initial Incentive Fee has been accrued as at 31 March 2022.

International Portfolio Annual Incentive Fee

Thereafter International Investments are grouped together, and an Annual Incentive Fee is payable at 20% of the outperformance of those assets against the higher of, a benchmark of 12% p.a. after tax, relative to the most recent 31 March valuation, or cost.

The Company's investments in CDC Data Centres, Longroad Energy and RetireAustralia are eligible for the International Portfolio Annual Incentive fee assessment as at 31 March 2022 (31 March 2021: ASIP, RetireAustralia, CDC Data Centres, Longroad Energy and Tilt Renewables).

Based on independent valuations obtained as at 31 March 2022, an Annual Incentive Fee of $99.7 million has been accrued as at that date (31 March 2021: $223.1 million).

International Portfolio Annual Incentive Fees

	2022 $000's	2021 $000's
ASIP	-	1.6
CDC Data Centres	84.7	140.2
Longroad Energy	14.1	(8.0)
RetireAustralia	0.9	3.2
Tilt Renewables	-	86.1
	99.7	223.1

International Portfolio Realised Incentive Fee

Realised Incentive Fees are payable on the realised gains from the sale, or other realisation of International Investments at 20% of the outperformance (since the last valuation date) against the higher of, a benchmark of 12% p.a. after tax, relative to the most recent 31 March valuation, or cost.

Following the divestments of the Company's investments in Tilt Renewables and ASIP during the year a Realised Incentive Fee of $121.5 million has been accrued as at 31 March 2022 (31 March 2021: none).

International Portfolio Realised Incentive Fees

	2022 $Millions	2021 $Millions
Tilt Renewables	122.1	-
ASIP	(0.6)	-
	121.5	-

Payment of Annual Incentive Fees

Any Annual Incentive Fee calculated in respect of a Financial Year is earned and paid in three annual instalments, with the second and third instalments only being earned and payable if, at each relevant assessment date, the fair value of the relevant asset (including distributions, if any) exceeds the greater of fair value or cost as at the 31 March for which the Incentive Fee was first calculated.

Realised Incentive Fees are payable within 7 Business Days of receipt by the Company of a certificate from the International Portfolio Independent Valuer.

29 Contingent liabilities

The Company and certain wholly owned subsidiaries are guarantors of the bank debt facilities of Infratil Finance Limited under a Deed of Negative Pledge, Guarantee and Subordination and the Company is a guarantor to certain obligations of subsidiary companies.

Shareholder support for Wellington International Airport

During the year ended 31 March 2021, WIAL entered into a $75.8 million shareholder support agreement (66% Infratil and 34% Wellington City Council) in the form of a commitment from both its shareholders for redeemable preference shares, which remains in place. WIAL's option to draw down on this agreement expires 30 June 2022.

30 Events after balance date

Dividend

On 18 May 2022, the Directors approved a fully imputed final dividend of 12.0 cents per share to holders of fully paid ordinary shares to be paid on 15 June 2022.

Trustpower sale of retail business

On 2 May 2022, Trustpower announced that all conditions of the sale of Trustpower's gas, telecommunications, and retail electricity supply business (excluding the supply of electricity to commercial and industrial customers) to Mercury NZ Limited have been met and as a result the sale was completed effective 1 May 2022.

A description of the completion of the sale of the Trustpower retail business, subsequent to balance date is provided in note 10.2.

Independent Auditor's Report

To the shareholders of Infratil Limited

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the consolidated financial statements of Infratil Limited (the 'company') and its subsidiaries (the 'group') on pages 82 to 140:

i. present fairly in all material respects the group's financial position as at 31 March 2022 and its financial performance and cash flows for the year ended on that date in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 March 2022;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has also provided other services to the group in relation to taxation services, audit of regulatory disclosures, other assurance engagements and other consultancy services. Subject to certain restrictions, partners and employees of our firm may also deal with the group on normal terms within the ordinary course of trading activities of the business of the group. These matters have not impaired our independence as auditor of the group. The firm has no other relationship with, or interest in, the group.

Scoping

The scope of our audit is designed to ensure that we perform adequate work to be able to give an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the significance and risk profile of each investment it owns, the group's accounting processes and controls, and the industry in which the investments operates.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed at the component level by us, as the group engagement team, or component auditors operating under our instruction.

A full scope audit was performed on the most significant investments for the group using component materialities which were lower than group materiality. The component materiality took into account the size and the risk profile of each component.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those investments to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the group financial statements as a whole. We kept in regular communication with component audit teams throughout the year with phone calls, discussions and written instructions and ensured that the component audit teams had the appropriate skills and competencies which are needed for the audit. We reviewed the work undertaken by component auditors in order to ensure the quality and adequacy of their work.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at $45 million determined with reference to a benchmark of group total assets. We chose total assets given the asset intensive nature of the group’s underlying investments and that this is a more stable and relevant measure than a profit measure. Materiality represents 0.5% of the selected benchmark.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements

The key audit matter	**How the matter was addressed in our audit**
Acquisition of Pacific Radiology Group Limited & Qscan Group Holdings Newco Pty	
On 31 May 2021, Infratil acquired 56.0% of Pacific Radiology Group Limited, (‘Pacific Radiology Group’). As disclosed in note 9.1 of the financial statements, the group acquired total assets of $213 million, assumed total liabilities of $145 million and recognised total goodwill of $754 million. As at 31 March 2021, the acquisition accounting for Qscan Group Holdings Newco Pty Limited (‘Qscan Group) was reported on a provisional basis. As disclosed in note 9.3 of the financial statements, during the year the group finalised its measurement of the fair value of the Qscan assets and liabilities	Our procedures over the acquisition of Pacific Radiology Group and Qscan Group included: – Determining the appropriateness of the acquisition date with reference to the achievement of control over the acquired business interest; – Reviewing the fair value of the purchase consideration with reference to the underlying share sale agreements and cash consideration paid;

The key audit matter	How the matter was addressed in our audit
acquired which resulted in a goodwill balance of $666 million. Accounting for acquisitions under IFRS is inherently complex, requiring the Directors to exercise judgement in the following areas: — Determining acquisition date; — Estimating the fair value of the purchase consideration: — Identification of potential intangible assets acquired as part of the acquisitions; and — Determining the fair value of assets and liabilities of the acquired.	— Evaluating the qualifications, competence and objectivity of external and internal experts used by the group to determine — Agreeing the opening balance sheet amounts, including adjustments to recognise these balances at fair value, to the underlying books and records and previously audited financial statements of the acquiree; — Assessing the identification of potential intangible assets acquired as part of the acquisitions; — Using valuation specialists to assess the appropriateness of the valuation methodology and key assumptions adopted by managements specialist for calculating the fair value for each material category of tangible and intangible assets.

The key audit matter	How the matter was addressed in our audit
Valuation of Property, Plant and Equipment As disclosed in note 14 of the financial statements, the group has property, plant and equipment of $3,401 million (2021: $3,239 million), with renewable generation assets, land and civil works and buildings making up the majority of this balance. The group has a policy of recording classes of property, plant and equipment at cost less accumulated depreciation, or at valuation, with valuations undertaken at least every 5 years with a material change assessment carried out in the intervening years.	
Renewable generation assets ($1,776 million) Valuation of renewable generation assets is considered to be a key audit matter due to both its magnitude and the judgement involved in the assessment of the fair value of these assets by the group's Directors. The judgement relates to the valuation methodology used and the assumptions included within that methodology. A full revaluation of both hydro generation assets was carried out as at 31 March 2020 with a material change assessment carried out in the current year. The assumptions included in the valuations that have the largest impact on fair value are: — Forward electricity price path forecasts; — Future generation volumes; — The impact of future changes to the voided Cost of Transmission pricing regime in New Zealand;	Our procedures over the renewable generation asset valuations included: — Comparing the forward electricity price path used in the independent valuation to current externally derived market data and our independent estimate of the price path; — Comparing forecast generation volumes and operating costs assumed in the independent valuation against actual realised volumes and operating costs incurred; — Assessing the appropriateness of forecast Avoided Cost of Transmission revenue included within the valuation, considering the assumptions applied by management and latest Electricity Authority announcements; and — Using valuation specialists to assess the appropriateness of the discount rate applied to the estimated future cash flows by comparing this to rates used by other market participants.

The key audit matter	How the matter was addressed in our audit
– Discount rates applied to the estimated future cash flows to determine a present-day value; and – Forecast costs of operating the generation schemes.	
Land and civil works ($708 million) and Buildings ($594 million). Valuation of land and civil works and buildings, specifically in relation to airport assets, is considered to be a key audit matter due to the magnitude and judgement involved in the assessment of the fair value of these assets by the group's Directors. The judgement relates to the valuation methodologies used and the assumptions included in each of those methodologies. At 31 March 2022 a material change assessment for each asset class was performed to assess whether the carrying values of each class materially vary from their fair value. This assessment was undertaken with assistance from external independent valuers. The assumptions that have the largest impact on the valuations are: – The potential value of the airport land if there was no airport on the site, primarily driven by the weighted average cost of capital; – The replacement cost of buildings including the main terminal building; – The replacement cost of civil assets including the runway, taxiways and roads; – The estimated future passenger numbers and resulting cash flows; and – Discount rates applied to the estimated future cash flows from the vehicle and accommodation assets.	Our procedures to assess the land and civil works and buildings valuations included utilising valuation specialists to assess the changes in key judgemental assumptions which have the largest impact on the valuation. This included: – Comparing the valuation methodologies used by the valuer for the group, to the valuation methodologies used by other airports within New Zealand; – Assessing the changes to the weighted average cost of capital and discount rates against observable market data; – Assessing the changes in the cost of buildings and civil assets; – Assessing the changes in the value of underlying land prices with reference to observable market transactions and relevant indices; and – Assessing the future cash flows against budgets, forecast passenger numbers and historical financial performance.

The key audit matter	How the matter was addressed in our audit
Carrying value of investment in associates The carrying value of the group's investment in associates as at 31 March 2022 was $2,126 million. Investments in associates contribute a significant portion of the group's net surplus and total assets. Given the significance of these investments to the group, we consider this to be a key audit matter.	Our procedures performed to assess the carrying value of associates included, amongst others: – Recalculating the share of profit from equity accounted investments using investee financial information;

The key audit matter	How the matter was addressed in our audit
	– Testing a sample of acquisitions made and distributions received from associates during the year; – Consideration of associate's performance to date with reference to the most recent audited financial statements and assessment of relevant indicators of impairment; and Where valuation models have been used to support carrying value, we have utilised our valuation specialists to consider the discount rates and cash flow projections used within the models.

Other information

The Directors, on behalf of the group, are responsible for the other information included in the entity's Annual Report. Other information includes the reports of the Chief Executive and the Chair, Infratil's summary financial information, and disclosures relating to strategy, corporate governance, Infratil's businesses and statutory information (on pages 1 to 81 and page 141 to 163). Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

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

Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards)
- implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error ; and

- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Brent Manning

For and on behalf of

KPMG

KPMG
Wellington

18 May 2022

Corporate Governance

The Board is committed to undertaking its role in accordance with internationally accepted best practice, within the context of Infratil's business. Infratil's corporate governance practices have been prepared with reference to the Financial Markets Authority's Corporate Governance Handbook, the requirements of the NZX Listing Rules and the recommendations in the NZX Corporate Governance Code ("NZX Code").

Copies of Infratil's key corporate governance documents are available on the corporate governance section of Infratil's website: **www.infratil.com/about-us/corporate-governance/**. These include Infratil's Constitution, the Management Agreement, the Board and Committee Charters, the Corporate Governance Statement (which discloses Infratil's compliance with the NZX Code) and key corporate governance policies.

Corporate governance structure

The Board is elected by the shareholders with overall responsibility for the governance of Infratil, while the day-to-day management of Infratil has been delegated to Morrison & Co. The respective roles of the Board and Morrison & Co within this corporate governance structure are summarised below.

The Board

Role of the Board

The Board's role and responsibilities are set out in the Board Charter. The primary role of the Board is to approve and monitor the strategic direction of Infratil recommended by Morrison & Co and add long-term value to Infratil's shares, having appropriate regard to the interests of all material stakeholders.

Further information on the Board's role is set out in the Corporate Governance Statement and the Board Charter.

Board Committees

The Board has established four standing committees, and other committees may be formed when it is efficient or necessary to facilitate efficient decision-making or when required by law:

- **Audit and Risk Committee**
  The Board has established this Committee to oversee financial reporting, accounting policies, financial management, internal control systems, risk management systems, systems for protecting assets and compliance.
- **Nomination and Remuneration Committee**
  The Board has established this Committee to manage the identification, consideration and recommendation of director appointments to the Board, succession planning for Directors, ensuring written agreements are in place for all Directors, the induction programme for new Directors and recommending remuneration for directors for consideration by shareholders.
- **Manager Engagement Committee**
  The Board has established the Manager Engagement Committee to monitor Morrison & Co's performance and compliance with the Management Agreement.

Further information on the Audit and Risk Committee, Nomination and Remuneration Committee and Manager Engagement Committee is set out in the Corporate Governance Statement.

Board Membership

The number of Directors is determined by the Board, in accordance with Infratil's constitution, to ensure it is large enough to provide a range of knowledge, views and experience relevant to Infratil's business. The composition of the Board will reflect the duties and responsibilities it is to discharge and perform in setting Infratil's strategy and seeing that it is implemented. The Board Charter requires both a majority of the Board, and the Chairman, to be independent Directors.

The Board currently comprises six Directors (five independent Directors and one non-independent Director). The composition of the Board, experience and Board tenure are set out below:

Mark Tume (BBS, Dip Bkg Stud)
Chairman and Independent Director

Mark Tume has been Chairman since 2013, a director since 2007 and was last re-elected in 2021. He is a director of RetireAustralia, Precinct Properties and Chair of Te Atiawa Iwi Holdings. Mr Tume's professional experience has been in banking and funds management.

Jason Boyes (BCA, LLB (Hons))
Non-Independent Director

Jason Boyes is Chief Executive of Infratil and joined the Board in 2021. Jason is Chair of Longroad Energy and Galileo Green Energy, and a director of CDC Data Centres. He was a director of Wellington International Airport until 2021. He joined Morrison & Co in 2011 after a 15-year legal career in corporate finance and M&A in New Zealand and London. Mr Boyes has an interest in Morrison & Co, which has the Management Agreement with Infratil.

Alison Gerry (BMS(Hons), MAppFin)
Independent Director

Alison Gerry joined the Board in 2014 and was last re-elected in 2019. Alison is Chair of the Audit and Risk Committee. She is a director of Air New Zealand, ANZ Bank New Zealand, and, Chair of Sharesies. She has been a professional director since 2007. Previously, Ms Gerry worked for both corporates and for financial institutions in Australia, Asia and London in trading, finance and risk roles.

Paul Gough (BCom(Hons))
Independent Director

Paul Gough joined the Board in 2012 and was last re-elected in 2021. He is managing partner of the UK private equity fund STAR Capital. He is a director of several international companies in the transport, logistics, healthcare, infrastructure and financial services sectors. Mr Gough previously worked for Credit Suisse First Boston in New Zealand and London.

Kirsty Mactaggart (BAcc, CA)
Independent Director

Kirsty Mactaggart joined the Board in 2019, and is also a Director of Sharesies Investment Management Limited and an independent advisor to companies and shareholders on Equity Capital Market transactions. Prior to her director and advisor career, she was Head of Equity Capital Markets and, Corporate Governance for Fidelity International in Asia, and was also a Managing Director at Citigroup based in Hong Kong and London. She has over 25 years of global financial market experience with a unique investor perspective and a focus on governance.

Peter Springford (MBA)
Independent Director

Peter Springford joined the Board in 2016 and was last re-elected in 2020. He is also a director of Zespri and has extensive experience in managing companies in Australia, New Zealand and Asia, including five years based in Hong Kong as President of International Paper (Asia) Limited and four years as Chief Executive Officer and Managing Director of Carter Holt Harvey Limited. Mr Springford is a chartered member of the New Zealand Institute of Directors.

Independence

The Board Charter sets out the standards for determining whether a Director is independent for the purposes of service on the Board and committees. These standards reflect the requirements of the NZX Listing Rules.

A Director is independent if the Board affirmatively determines that the Director satisfies these standards. The Board has determined that:

- All the non-executive Directors (namely, M Tume, A Gerry, P Gough, K Mactaggart and P Springford) are independent Directors.
- The Chief Executive (J Boyes), as an employee of Morrison & Co and occupying a position analogous to an executive Director, is not an independent Director.

Tenure

Directors are not appointed for fixed terms. However, the Constitution and the NZX Listing Rules require all Directors to stand for re-election at the 3rd annual meeting after appointment or after three years (whichever is longer).

A Director appointed by the Board to fill a casual vacancy must also stand for election at the following annual meeting.

Board and Committee Meetings

The Board will normally hold at least six meetings in each year, and additional Board meetings are held where necessary in order to prioritise and respond to issues as they arise.

The Board and Committee meetings and attendance in Financial Year 2022 are set out below:

	Full agenda board meetings	Limited agenda board meetings	Audit and risk committee	Nomination and remuneration committee[3]	Manager engagement committee
M Tume	9/9	4/6	4/6	-	8/8
J Boyes	9/9	6/6	6/6	-	-
A Gerry	9/9	5/6	5/6	-	8/8
P Gough	9/9	6/6	6/6	-	8/8
K Mactaggart	9/9	6/6	6/6	-	8/8
C Savage[1]	6/6	5/6	5/6	-	6/6
P Springford	9/9	6/6	6/6	-	8/8

[1] Retired on 31 January 2022

Independent Professional Advice and Training

With the approval of the Chairman, Directors are entitled to seek independent professional advice on any aspect of the Directors' duties, at Infratil's expense. Directors are also encouraged to identify and undertake training and development opportunities.

Board Performance and Skills

The Board, the Audit and Risk Committee and individual Directors are subject to a performance appraisal from time to time, further information on which is set out in the Corporate Governance Statement.

Directors' and Officers' Insurance

Infratil has arranged Directors' and Officers' liability insurance covering Directors acting on behalf of Infratil. Cover is for damages, judgments, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for Infratil. The types of acts that are not covered are dishonest, fraudulent, malicious acts or omissions, wilful breach of statute or regulations or duty to Infratil, improper use of information to the detriment of Infratil, or breach of professional duty.

Takeover Protocols

The Board has approved protocols that set out the procedure to be followed if there is a takeover offer for Infratil, which reflect the requirements of the Takeovers Code, market practice and recommendations by the Takeovers Panel.

Morrison & Co

Role of Morrison & Co

The day-to-day management responsibilities have been delegated to Morrison & Co under the Management Agreement. The Management Agreement specifies the duties and powers of Morrison & Co, and the management fee payable to Morrison & Co (which is summarised in note 27 to the Financial Statements on page 138 of this annual report).

The Board determines and agrees with Morrison & Co specific goals and objectives, with a view to achieving the strategic goals of Infratil. Between Board meetings, the Chairman maintains an informal link between the Board and Morrison & Co and is kept informed by Morrison & Co on all important matters. The Chairman is available to Morrison & Co to provide counsel and advice where appropriate. Decisions of the Board are binding on Morrison & Co. Morrison & Co is accountable to the Board for the achievement of the strategic goals of Infratil. At each of its Board meetings, the Board receives reports from or through Morrison & Co including financial, operational and other reports and proposals.

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

Manager Performance

A key responsibility of of the Board is monitoring Morrison & Co's performance and compliance with the Management Agreement (including potential conflicts between the interests of Morrison & Co and the interests of Infratil shareholders). Given the importance of this responsibility in the context of Infratil's business, the Board has established the Manager Engagement Committee as a dedicated Board committee charged with this responsibility.

The Board also recognises the potential for conflicts to arise in the allocation of investment opportunities among clients of Morrison & Co (including Infratil). Infratil has used investment joint ventures for many years and expects to continue to do so, and the Board encourages Morrison & Co to identify aligned parties with which Infratil can co-invest. Accordingly, the Board and Morrison & Co have established a deal allocation process, so Infratil has visibility of all investment opportunities that fit with Infratil's investment strategy and clear investment rights in respect of those opportunities.

The Board initiates a review of the Management Agreement from time to time. An external review of the management fee payable to Morrison & Co under the Management Agreement was conducted in Financial Year 2021 (and the key conclusions of that were noted in the 2021 Annual Report).

Health And Safety

Health and safety is managed by Infratil's operational businesses and Morrison & Co (rather than in aggregate at a group level), and the Board is provided with regular health and safety reports for those operating businesses and Morrison & Co.

Diversity

Infratil has a Diversity Policy, which describes Infratil's approach to diversity and inclusion and how diversity and inclusion is promoted and embedded within Infratil, portfolio businesses and Morrison & Co as manager of Infratil. The policy applies to the Board and also sets out the diversity principles which Infratil expects portfolio businesses and Morrison & Co as manager of Infratil to adopt for their own businesses.

Further information on the Diversity Policy is set out in the Corporate Governance Statement.

The following table provides a quantitative breakdown as at 31 March 2022 as to the gender composition of the Board, Infratil's Officers, and senior executives and employees in portfolio businesses and Morrison & Co:

2022 Position	Number		Proportion	
	Female	Male	Female	Male
Board	2	4	33%	67%
Officers[1]	1	2	33%	67%
Morrison & Co	72	90	44%	56%
Senior Executives[2]	22	80	22%	78%
Organisation[3]	3,542	2,595	58%	42%

2021 Position	Number		Proportion	
	Female	Male	Female	Male
Board	3	4	43%	57%
Officers[1]	1	2	33%	67%
Morrison & Co	57	80	41%	59%
Senior Executives[2]	16	65	20%	80%
Organisation[3]	2,480	2,356	51%	49%

[1] Officers comprise the Chief Executive, Chief Financial Officer and Company Secretary

[2] Senior Executives are defined as a CEO or CEO direct report, or a position that effectively carries executive responsibilities, in portfolio businesses

[3] Organisation includes all portfolio businesses

Risk Management

Risk Management and Compliance

The Audit and Risk Committee is responsible for ensuring that Infratil has an effective risk management framework to identify, treat and monitor key business risks and regulatory compliance, and also reviews management practices in these areas. Formal systems have been introduced for regular reporting to the Board on business risk, including impacts and mitigation strategies and compliance matters.

Morrison & Co (via the Chief Executive and Chief Financial Officer) is required to, and has confirmed to the Audit and Risk Committee and the Board in writing that, in their opinion:

- Financial records have been properly maintained and Infratil's financial statements present a true and fair view, in all material respects, of Infratil's financial condition, and operating results are in accordance with relevant accounting standards;
- The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice and comply with International Financial Reporting Standards and other applicable financial reporting standards for profit-oriented entities;
- This opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively; and
- That system of risk management and internal control is appropriate and effective internal controls and risk management practices are in place to safeguard and protect Infratil's assets, to identify, assess, monitor and manage risk, and identify material changes to Infratil's risk profile.

Internal Financial Control

The Board has overall responsibility for Infratil's system of internal financial control. Infratil does not have a separate internal audit function, however the Board has established procedures and policies that are designed to provide effective internal financial control:

- Annual budgets, forecasts and reports on the strategic direction of Infratil are prepared regularly and reviewed and agreed by the Board.
- Financial and business performance reports are prepared monthly and reviewed by the Board throughout the year to monitor performance against financial and non-financial targets and strategic objectives.

External Auditor

The Audit and Risk Committee is also responsible for the selection and appointment of the external auditor (which is included within the External Audit Relationship section of the Audit and Risk Committee Charter) and ensuring that the external auditor or lead audit partner is changed at least every five years.

Going Concern

After reviewing the current results and detailed forecasts, taking into account available credit facilities and making further enquiries as considered appropriate, the Directors are satisfied that Infratil has adequate resources to enable it to continue in business for the foreseeable future. For this reason, the Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements.

Reporting and Disclosure

Disclosure

Infratil is committed to promoting investor confidence by providing forthright, timely, accurate, complete and equal access to information, and to providing comprehensive continuous disclosure to shareholders and other stakeholders, in compliance with the NZX Listing Rules. This commitment is reflected in Infratil's Disclosure and Communications Policy. Under this policy:

- All shareholder communications and market releases are subject to review by Morrison & Co (including Chief Executive, Chief Financial Officer and legal counsel), and information is only released after proper review and reasonable inquiry.
- Full year and half year results releases are approved by the Audit and Risk Committee and by the Board.

Shareholder and other Stakeholder Communications

Infratil aims to communicate effectively, give ready access to balanced and understandable information about Infratil group and corporate proposals and make it easy to participate in general meetings. Infratil seeks to ensure its shareholders are appropriately informed on its operations and results, with the delivery of timely and focused communication, and the holding of shareholder meetings in a manner conducive to achieving shareholder participation.

Shareholder meetings are generally held in a location and at a time which is intended to maximise participation by shareholders. Full participation of shareholders at the annual meeting is encouraged to ensure a high level of accountability and identification with Infratil's strategies and goals. Shareholders have the opportunity to submit questions prior to each meeting and Morrison & Co, senior management of portfolio businesses and auditors are present to assist in and provide answers to questions raised by shareholders. There is also generally an opportunity for informal discussion with Directors, Morrison & Co and senior management for a period after the meeting concludes.

Infratil supports the efforts of the New Zealand Shareholders' Association ("NZSA") to raise the quality of relations between public companies and their shareholders. Shareholders wishing to learn more about the NZSA can find information on its website (http://www.nzshareholders.co.nz). While Infratil supports the general aims and objectives of the NZSA, its specific actions and views are not necessarily endorsed by Infratil, or representative of Infratil's view.

Further information on Infratil's shareholder and other stakeholder communications is set out in the Corporate Governance Statement.

Renumeration and Performance

Directors' Remuneration

The Board determines the level of remuneration paid to Directors within the amounts approved from time to time by Shareholders for the year ended 31 March 2022, this was $1,329,375 per annum, which was approved by Shareholders at the 2019 annual meeting). Directors are paid a base fee and may also be paid, as additional remuneration:

- an appropriate extra fee as Chairman or Member of a Board Committee;
- an appropriate extra fee as a director of an Infratil subsidiary (other than Manawa Energy); and
- an appropriate extra fee for any special service as a Director as approved by the Board.

In addition, Directors are entitled to be reimbursed for costs directly associated with the performance of their role as Directors, including travel costs. The Chairman approves all Directors' expenses, and the Chair of the Audit and Risk Committee approves the Chairman's expenses.

Mr Boyes is not paid fees in his capacity as a Director, and receives no remuneration from Infratil for his role as Chief Executive, and his remuneration as Chief Executive is paid by Morrison & Co.

Remuneration is reviewed annually by the Board, and fees are reviewed against fee benchmarks in New Zealand and Australia and to take into account the size and complexity of Infratil's business. The fee structure approved by the Board for the year ended 31 March 2022 is set out below:

Annual fee structure	Financial year 2022 (NZD)	Financial year 2021 (NZD)
Base Fees:		
Chairman of the Board	273,800	256,800
Director	131,500	121,750
Overseas Director (P Gough)	164,212	152,188
CEO (J Boyes)	Nil	Nil
Board Committee Fees:		
Audit and Risk Committee		
Chair	40,000	38,500
Member	20,600	19,700
Nomination and Remuneration Committee		
Chair	Nil	Nil
Member	Nil	Nil
Manager Engagement Committee		
Chair (ex officio Chairman of the Board)	Nil	Nil
Member	7,500	7,500

Remuneration paid to Directors (as a Director of Infratil and, where applicable, as a director of an Infratil subsidiary) in respect of the year ended 31 March 2022 (and 31 March 2021) is set out below (note that all amounts exclude GST or VAT where appropriate):

Directors' Remuneration paid by Infratil

Directors' remuneration (in their capacity as such) in respect of the year ended 31 March 2022 and 31 March 2021 paid by the Company was as follows (these amounts exclude GST, where appropriate):

Director	Financial year 2022 (NZD)	Financial year 2021 (NZD)
M Tume (Chairman)	273,800	256,800
CEO (J Boyes/M Bogoievski)	-	-
A Gerry	179,000	167,750
P Gough	171,875	159,688
K Mactaggart	159,600	148,950
C Savage[1]	133,433	148,950
P Springford	139,000	129,250
Total	**1,056,718**	**1,011,388**

[1] Ms Savage retired on 31 January 2022.

Directors' Remuneration paid by Infratil Subsidiaries

Directors' remuneration (in their capacity as such) in respect of the year ended 31 March 2022 and 31 March 2021 paid by subsidiaries was as follows (these amounts exclude GST where appropriate):

Director	Financial year 2022 (NZD)	Financial year 2021 (NZD)
A Gerry (Wellington International Airport Limited)[1]	23,664	80,371

[1] Ms Gerry resigned on 21 June 2021

No other benefits have been provided by Infratil or its subsidiaries to a director for services as a director or in any other capacity, other than as disclosed in the related party note to the financial statements, or in the ordinary course of business. No loans have been made by Infratil or its subsidiaries to a director, nor has Infratil or its subsidiaries guaranteed any debts incurred by a director.

Employee Remuneration

During the year ended 31 March 2022, the following number of employees (and former employees) and Infratil and its subsidiaries received remuneration and other benefits in their capacity as employees of at least $100,000. These disclosures are provided in accordance with sections 211(1)(g) and 211(2) of the Companies Act 1993 and, accordingly:

- These disclosures provide information in respect of employees (and former employees) of the portfolio businesses which are subsidiaries of Infratil. These businesses are Gurīn Energy, Infratil Infrastructure Property, Qscan, Tilt Renewables, Manawa Energy and Wellington International Airport.
- These disclosures do not provide information in respect of employees (or former employees) of the portfolio businesses which are not subsidiaries of Infratil. These businesses are CDC Data Centres, Galileo Green Energy, Kao Data, Longroad Energy, RetireAustralia and Vodafone New Zealand.
- These disclosures do not provide information in respect of employees (or former employees) of Morrison & Co (who include most of the management team listed on page 16 of this annual report, including the Chief Executive and Chief Financial Officer), as these employees are remunerated by Morrison & Co and the only cost to Infratil of these employees is the Management Fee payable to Morrison & Co.

Remuneration range	Number of employees
$100,000 to $110,000	69
$110,001 to $120,000	132
$120,001 to $130,000	116
$130,001 to $140,000	75
$140,001 to $150,000	73
$150,001 to $160,000	44
$160,001 to $170,000	27
$170,001 to $180,000	16
$180,001 to $190,000	13
$190,001 to $200,000	14
$200,001 to $210,000	15
$210,001 to $220,000	9
$220,001 to $230,000	12
$230,001 to $240,000	10

Remuneration range	Number of employees
$240,001 to $250,000	10
$250,001 to $260,000	7
$260,001 to $270,000	7
$270,001 to $280,000	6
$280,001 to $290,000	3
$290,001 to $300,000	5
$300,001 to $310,000	3
$310,001 to $320,000	5
$320,001 to $330,000	1
$330,001 to $340,000	10
$340,001 to $350,000	5
$350,001 to $360,000	2
$360,001 to $370,000	1
$370,001 to $380,000	2
$400,001 to $410,000	2
$410,001 to $420,000	1
$430,001 to $440,000	2
$440,001 to $450,000	1
$460,001 to $470,000	2
$480,001 to $490,000	2
$500,001 to $510,000	1
$530,001 to $540,000	2
$550,001 to $560,000	1
$560,001 to $570,000	1
$580,001 to $590,000	1
$590,001 to $600,000	3
$610,001 to $620,000	1
$620,001 to $630,000	1
$630,001 to $640,000	1
$640,001 to $650,000	3
$660,001 to $670,000	1
$690,001 to $700,000	1
$700,001 to $710,000	1
$720,001 to $730,000	3
$730,001 to $740,000	1
$750,001 to $760,000	2
$760,001 to $770,000	1
$800,001 to $810,000	1
$890,001 to $900,000	1
$920,001 to $930,000	1
$1,320,001 to $1,330,000	1
$1,980,001 to $1,990,000	1

Disclosures

Directors Holding Office

Infratil's Directors as at 31 March 2022 were:

- Mark Tume (Chairman)
- Jason Boyes
- Alison Gerry
- Paul Gough
- Kirsty Mactaggart
- Peter Springford

Catherine Savage retired as a Director on 31 January 2022.

Entries in the Interests Register

Statement of Directors' Interests

As at 31 March 2022, Directors had relevant interests (as defined in the Financial Markets Conduct Act 2013) in quoted financial products of Infratil or any related body corporate of Infratil, as follows:

	Beneficial interests	Non-beneficial interests
Infratil (IFT) ordinary shares		
M Tume	59,578	7,445
J Boyes	715,346	
A Gerry	34,048	
P Gough	197,533	
K Mactaggart	64,870	
P Springford	44,766	
Trustpower (TPW) ordinary shares		
K Mactaggart	8,300	
IFT210 Bonds		
P Springford	40,000	
WIA030 Bonds		
P Springford	30,000	

As at 31 March 2022, Directors and senior executives (directors or employees of Morrison & Co) held, in aggregate, 1.97% of the Infratil ordinary shares.

Dealing in Securities

The following table shows transactions by Directors recorded in respect of those securities during the period from 1 April 2021 to 31 March 2022:

Director	No of securities bought/(sold)	Cost/(proceeds) (NZD)
Infratil Limited (IFT) ordinary shares		
Jason Boyes – beneficial		
Allocation of beneficial ownership of shares in connection with Fixed Trading Plan announced on 30/03/2021 – 03/08/2021	715,346	n/a[1]
Mark Tume - beneficial		
Allocation of beneficial ownership of shares in connection with Fixed Trading Plan – 14/05/2021	10,000	16,349.40
Allotted pursuant to Dividend Reinvestment Plan – 23/12/2021	446	3,572.84
Peter Springford - beneficial		
Allotted pursuant to Dividend Reinvestment Plan – 23/12/2021	360	2,883.91
Catherine Savage - beneficial		
On market acquisitions - 01/06/2021	13,135	100,000.00
On market acquisitions - 12/11/2021	7,921	65,000.00

[1] The cost of the acquisition of the interest in these shares was met by the application of a bonus payable to Jason Boyes in connection with his employment with Morrison & Co.

Use of Company information

During the period the Board has received no notices from any Director of the Company or its subsidiaries requesting to use company information received in their capacity as a Director, which would not otherwise have been available to them.

Directors' Relevant Interests

The following are relevant interests of the Company's Directors as at 31 March 2022:

M Tume

Director of Yeo Family Trustee Limited
Director of Long Board Limited
Director of Welltest Limited
Director of Koau Capital Partners Ltd
Director of various Infratil wholly owned companies
Director of RetireAustralia Pty Limited
Director of Blink Pay Global Group Limited
Director of Precinct Properties New Zealand Limited
Chair of Te Atiawa Iwi Holdings Limited Partnership

J Boyes

Director of various Infratil wholly owned companies
Director of Infratil Trustee Company Limited
Chair of Galileo Green Energy GmbH
Chair of Longroad Energy Holdings, LLC
Director of various companies wholly owned by the H.R.L. Morrison & Co Group Limited Partnership
Director of Morrison & Co Employee Co-Invest (PIP 2) Limited
Director of Morrison & Co Employee Co-Invest (PIP 2) Limited
Director of Morrison Asian Investments Limited
Director of Morrison Leasing Limited
Director of MGIF European Renewables Pty Limited

A Gerry

Director of Air New Zealand Limited
Director of ANZ Bank New Zealand Limited
Director of Asteron Life Limited
Director of Glendora Avocados Limited
Director of Glendora Holdings Limited
Director of On Being Bold Limited
Director of Sharesies Limited
Director of Sharesies AU Group Limited
Director of Sharesies Group Limited
Director of Sharesies Nominee Limited
Director of Sharesies Investment Management Limited
Director of Vero Insurance New Zealand Limited
Director of Vero Liability Insurance Limited

P Gough

Partner of STAR Capital Partners

Director of various STAR Capital Group entities

Director of Star Asset Finance Limited

Director of Eversholt Investments GP Limited

Director of Gough Capital Limited

Director of OPM Investments Limited

Director of Tipu Capital Limited

Director of Tipu Capital (NZ) Limited

Director of STAR Mayan Limited

Director of Urban Splash Residential Limited and various Urban Splash Residential Group entities

Director of STAR Errigal Topco Limited

Director of STAR Errigal Midco Limited

Director of STAR Errigal BidCo Limited

Director of STAR III Limited

Director of Safair Holdings (Pty) Ltd

Director of Safair Lease Finance (Pty) Ltd

Director of SAFOPS Investment Holdings (Pty) Ltd

Director of STAR Throne Midco Limited

Director of STAR Throne Bidco DAC

Director of ASL Aviation Holdings DAC

Director of STAR III Executive Co-Investment Nominee Limited

Director of STAR Strategic Assets III-A nominee Limited

Director of STAR Strategic Assets III Nominee Limited

Director of STAR Fusion Topco Limited

Director of STAR Fusion Midco Limited

Director of STAR Fusion Bidco Limited

K Mactaggart

Director and shareholder of Luxury Stays Ltd

Director of Sharesies Investment Management Limited

P M Springford

Director and Shareholder of Cerbere Investments Limited

Director and Shareholder of Charlie Farley Forestry Limited

Director and Shareholder of Medicann Investments Limited

Director and Shareholder of Omahu Ventures Limited

Director and Shareholder of Springford and Newick Limited

Director of Zespri Group Limited

Director of Zespri International Limited

M Tume and P Gough

Aotea Energy Limited effected public offering of securities insurance brokered by Marsh & McLennan Agency Limited for the benefit of Z Energy Limited, Aotea Energy Investments Limited, Aotea Energy Holdings Limited and its subsidiaries, NZSF Aotea Limited and its subsidiaries, Guardians of New Zealand Superannuation as manager and administrator of the New Zealand Superannuation Fund as shareholder of NZSF Aotea Limited, Infratil Limited and its subsidiaries, Morrison & Co and its subsidiaries (subject to a professional indemnity exclusion), and the directors and employees of the foregoing.

All Directors

Infratil has arranged Directors' and Officers' liability insurance covering any past, present or future director, officer, executive officer, non-executive director or employee acting in a managerial or supervisory capacity or named as a co-defendant with Infratil or a subsidiary of Infratil. Cover is for damages, judgments, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for Infratil or a subsidiary, but excluding dishonest, fraudulent, malicious acts or omissions, wilful breach of statute or regulations or duty to Infratil or a subsidiary, improper use of information to the detriment of Infratil or a subsidiary, or breach of professional duty.

As permitted by its Constitution, Infratil Limited has entered into a deed of indemnity, access and insurance indemnifying certain directors and senior employees of Infratil, its wholly-owned subsidiaries and other approved subsidiaries and investment entities for potential liabilities, losses, costs and expenses they may incur for acts or omissions in their capacity as directors or senior employees, and agreeing to effect directors' and officers' liability insurance for those persons, in each case subject to the limitations set out in the Companies Act 1993.

Directors of Infratil Subsidiary Companies

Subsidiary Company	Director of Subsidiary
Alpenglow Australia Pty Ltd	Chris Munday and Gary Shepherd
Aotea Energy Holdings Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Phillippa Harford
Aotea Energy Holdings No 2 Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Phillippa Harford
Aotea Energy Investments Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Phillippa Harford
Aotea Energy Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Phillippa Harford
Auckland Radiology Group Limited (acquired 29 October 2021)	Michael Brook and Peter Coman
Bay Echo Limited (acquired 17 December 2021)	Michael Brook, Peter Coman, Graeme Porter, Jonathan Tisch, and Calum Young
Bay Radiology Limited (acquired 17 December 2021)	Michael Brook and Peter Coman
Berera Radiology Holdings Pty Ltd	Chris Munday and Gary Shepherd
Breast Screen Bay of Plenty Ltd (acquired 17 December 2021)	Michael Brook, Bruce Chisholm, Peter Coman, and Antony Moffatt
Canterbury Breast Care Limited (acquired 31 May 2021)	Birgit Dijkstra, Philippa Mercer, Gemma Sutherland, and Berenika Willi-Sedlacek (appointed 16 August 2021). Marcel Brew (ceased 16 August 2021).
Cleveland X-Ray Services Pty Ltd	Chris Munday and Gary Shepherd
Cyclotek Pharmaceuticals Limited	Trevor Paul Fitzjohn, Gregory John Santamaria, Jeremy Russell Peter Sharr, Robert Edward Ware
GE-SK Pte. Ltd. (established 10 June 2021)	Assaad Razzouk and Michel Boardman
Gurīn Energy Pte Ltd (established 10 June 2021)	Priya Grewal, Anthony Muh, Jonathan Palmer, Vimal Vallabh and Wee Choo Peng
Gurīn Services (Thailand) Co., Ltd. (established 17 November 2021)	Michelle Marie O'Hare and Ratchaneewan Pulnil
Gurīn Services Philippines Inc. (established 6 September 2021)	Reden Garcia Dodriguez, Estelito I. Madridejos, and Maria Cecelia O. Canimo
Gurīn Services Pte. Ltd. (established 30 June 2021)	Assaad Razzouk, Robert Driscoll, and Michel Boardman
Heart Vision Limited	Ross John Keenan, Andrew David Phillip Laing, Clive John Scrimgeour Low, Graham John Muir
HR Clinic Asset Pty Ltd	Chris Munday and Gary Shepherd
HR Clinic Services Pty Ltd	Chris Munday and Gary Shepherd
HR Clinic Services Unit Trust	n/a
Ilesilver Pty Ltd	Chris Munday and Gary Shepherd
Infratil 1998 Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Infratil 2016 Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Infratil 2018 Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Infratil 2019 Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Infratil AR Limited (established 22 April 2021)	Jason Boyes and Mark Tume

Subsidiary Company	Director of Subsidiary
Infratil Australia Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Infratil CHC Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Infratil Energy Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Phillippa Harford
Infratil Energy New Zealand Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Phillippa Harford
Infratil Europe Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Infratil Finance Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Infratil Gas Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Phillippa Harford
Infratil HC Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Infratil HPC Limited (established 25 June 2021)	Jason Boyes and Mark Tume
Infratil Infrastructure Property Limited	Peter Coman and Kevin Baker
Infratil Investments Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Infratil Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Infratil No.1 Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Phillippa Harford
Infratil No.5 Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Infratil Outdoor Media Limited	Marko Bogoievski (ceased 1 April 2021) and Jason Boyes (appointed 1 April 2021)
Infratil PPP Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Phillippa Harford
Infratil Renewables Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Infratil RHC NZ Limited	Marko Bogoievski (ceased 1 April 2021) and Jason Boyes (appointed 1 April 2021) and Vimal Vallabh
Infratil RV Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Phillippa Harford
Infratil Securities Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Phillippa Harford
Infratil Trustee Company Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Infratil UK Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Phillippa Harford
Infratil US Renewables, Inc.	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Infratil Ventures 2 Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Infratil Ventures Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
J One Solar Corporation (established 1 October 2021)	Kim Hannah and Koh Seung Tae
J Three Solar Corporation (established 18 February 2022)	Kim Hannah and Koh Seung Tae

Subsidiary Company	Director of Subsidiary
J Two Solar Corporation (established 17 February 2022)	Kim Hannah and Koh Seung Tae
King Country Energy Holdings Limited	David Prentice
King Country Energy Limited	Peter Calderwood, Robert Carter and Kevin Palmer
Manawa Energy Limited (formerly Hopsta Limited)	David Prentice
Medex Radiology Ltd	Michael Brook (appointed 21 December 2021), Louise Buckley, Peter Coman (appointed 21 December 2021), Logan Fletcher (ceased 10 December 2021), Jeremey Mason (ceased 10 December 2021) and Deborah McMurtrie
Meitaki Limited	Martin Harrington, Steven Sanderson and A Willis
North Coast Radiology Holdings Pty Ltd	Chris Munday and Gary Shepherd
North Coast Radiology Trust	n/a
Northern Suburbs Investment Trust	n/a
Northwest Auckland Airport Limited	Tim Brown, Jason Boyes (appointed 1 April 2021) and Phillippa Harford (appointed 5 April 2021)
NZ Airports Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
Pacific Imaging Services Holdings Pty Ltd (acquired 31 May 2021)	Adrian Balasingam, Terrence McLaughlin and Andrew Phillips
Pacific Radiology Group Limited (acquired 31 May 2021)	Michael Brook and Peter Coman
Pacific Radiology Limited (UK) (acquired 31 May 2021)	Dr M D Brew
Pacific Radiology Pty Ltd (acquired 31 May 2021)	Adrian Balasingam, Terrence McLaughlin and Andrew Phillips
Premier Medical Imaging Pty Ltd	Chris Munday and Gary Shepherd
Proximal Pty Ltd	Chris Munday and Gary Shepherd
Qscan Cleveland CT JV Pty Ltd	Chris Munday and Gary Shepherd
Qscan Dental JV Pty Ltd	Mark Hansen and Hal Rice
Qscan Everton Park CT JV Pty Ltd	Chris Munday and Gary Shepherd
Qscan Everton Park Pty Ltd	Chris Munday and Gary Shepherd
Qscan Group Bidco Pty Ltd	Chris Munday (appointed 31 January 2022) and Gary Shepherd (appointed 31 January 2022) Michael Brook (ceased 31 January 2022) and Paul Newfield (ceased 31 January 2022)
Qscan Group Holdings Newco Pty Ltd	Paul Newfield, Michael Brook, John Livingston, Mark Hansen, Hal Rice (ceased 7 December 2021), Ian Cappe, Rohit Singh, Rajeev Jyoti, Gary Shepherd, Warwick Lee (ceased 7 December 2021) and Alan McCarthy
Qscan Group Midco Pty Ltd	Chris Munday and Gary Shepherd
Qscan Group Pty Ltd	Chris Munday and Gary Shepherd
Qscan Intermediary 1 Pty Ltd (formerly Qscan Group Holdings Pty Ltd)	Chris Munday, Gary Shepherd, Paul Newfield and Michael Brook
Qscan Intermediary 2 Pty Ltd (formerly Qscan Mezzco Pty Ltd)	Chris Munday, Gary Shepherd, Paul Newfield and Michael Brook
Qscan Intermediary 3 Pty Ltd (formerly Qscan Finance Pty Ltd)	Chris Munday, Gary Shepherd, Paul Newfield and Michael Brook
Qscan Intermediary 4 Pty Ltd (formerly Qscan Bidco Pty Ltd)	Chris Munday, Gary Shepherd, Paul Newfield and Michael Brook
Qscan NZ Limited	Michael Brook
Qscan Pty Ltd	Chris Munday and Gary Shepherd
Qscan Services Pty Ltd	Chris Munday and Gary Shepherd

Subsidiary Company	Director of Subsidiary
Queensland Cardiovascular Imaging Pty Ltd	Mark Hansen and Hal Rice
Renew Nominees Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Phillippa Harford
RHC Bidco NZ Limited (established 27 April 2021)	Michael Brook and Peter Coman
RHC Holdco NZ Limited (established 27 April 2021)	Adrian Balasingam, Michael Brook (appointed 27 April 2021), Peter Coman (appointed 31 May 2021), Andrew Gooding (appointed 31 May 2021), Phillippa Harford (appointed 14 June 2021), Nicholas Kenning (appointed 31 May 2021), Alan McCarthy (appointed 31 May 2021) and Katherine O'Connor (appointed 29 October 2021)
RHC Midco NZ Limited (established 27 April 2021)	Michael Brook and Peter Coman
ScreenSouth Limited (acquired 31 May 2021)	Shelley Boyd (appointed 1 May 2021), Diana Burgess, Jacqueline Copeland, Lynda Gray, Keiran Horne, and Gemma Sutherland
Skynet Broadband Pty Ltd	Matthew Swain
South East Radiology Pty Ltd	Chris Munday and Gary Shepherd
SRE Green Power Pte. Limited (established 16 June 2021)	Assaad Razzouk, Robert Driscoll, and Michel Boardman
Strickland Crescent Nominees Pty Ltd	Matthew Swain, Anthony Grattan-Smith, Julian Adler and Peter Savage
Swift Transport Limited	Marko Bogoievski (ceased 1 April 2021), Jason Boyes (appointed 1 April 2021) and Mark Tume
The Northern Exposure Trust	n/a
Tiro Medical Limited	James Chase, Colin Dawson and Richard Wien
Trustpower Insurance Limited	Joanna Breare (appointed 31 October 2021) and David Prentice. Keith Turner (ceased 31 October 2021).
Trustpower Limited	Kevin Baker, Joanna Breare (appointed 22 September 2021), Sheridan Broadbent (appointed 22 September 2021), Peter Coman, Paul Ridley-Smith and Michael Smith (appointed 18 November 2021). David Gibson (ceased 26 March 2022), Susan Peterson (ceased 22 September 2021), David Prentice (ceased 22 September 2021) and Keith Turner (ceased 31 October 2021).
Trustpower Metering Limited	David Prentice
UMI Canberra Unit Trust	n/a
UMIC Newco Pty Ltd	Chris Munday and Gary Shepherd
UMIC Pty Ltd	Chris Munday and Gary Shepherd
Wellington Airport Noise Treatment Limited	Martin Harrington and Steven Sanderson
Wellington International Airport Limited	Timothy Brown, Peter Coman (appointed 29 June 2021), Wayne Eagleson, Andrew Foster, Phillippa Harford, Phillip Walker. Alison Gerry (ceased 29 June 2021).
Whare Manaakitanga Limited	Matthew Clarke, Martin Harrington and Steven Sanderson
X Radiology Australia Pty Ltd	Chris Munday and Gary Shepherd

Directors' Fees paid by Infratil Subsidiary Companies

(not otherwise disclosed in the Annual Report)

Subsidiary Company	Director of Subsidiary	Currency	Financial Year 2022
Gurīn Energy Pte. Ltd	Vimal Vallabh	USD	50,000
	Priya Grewal	USD	50,000
	Anthony Muh	USD	50,000
	Jonty Palmer	USD	50,000
	Assaad Razzouk	USD	-
	Angela Qu	USD	24,792
Qscan Group Holdings Pty Ltd	Paul Newfield (Chair)	AUD	-
	Llian Bianchi	AUD	23,401
	Michael Brook	AUD	-
	Dr Ian Cappe	AUD	-
	Dr Mark Hansen	AUD	109,444
	Dr Rajeev Jyoti	AUD	85,480
	John Livingston	AUD	83,199
	Alan McCarthy	AUD	-
	Henry Rice	AUD	83,960
RHC Holdco NZ Limited	Peter Coman (Chair)	NZD	50,000
	Dr Adrian Balasingham	NZD	50,256
	Michael Brook	NZD	50,000
	Dr Andrew Gooding	NZD	50,256
	Phillippa Harford	NZD	50,000
	Dr Nick Kenning	NZD	50,256
	Alan McCarthy	NZD	66,667
	Katherine O'Connor	NZD	25,000
Trustpower Limited	Paul Ridley-Smith	NZD	180,000
	Kevin Baker	NZD	105,411
	Joanna Breare	NZD	47,822
	Sheridan Broadbent	NZD	45,753
	Peter Coman	NZD	95,000
	David Gibson	NZD	116,096
	Susan Peterson	NZD	62,329
	Michael Smith	NZD	34,616
	Keith Turner	NZD	58,630

Subsidiary Company	Director of Subsidiary	Currency	Financial Year 2022
Wellington International Airport Limited	Peter Coman (Chair)	NZD	87,310
	Tim Brown	NZD	141,986
	Wayne Eagleson	NZD	95,972
	Andrew Foster	NZD	79,977
	Alison Gerry	NZD	23,644
	Phillippa Harford	NZD	80,790
	Phillip Walker	NZD	90,641
Tilt Renewables Limited	Bruce Harker (Chair)	AUD	63,332
(Directors fees from 1 April 2021 to 2 August 2021)	Vincent Hawksworth	AUD	36,667
	Paul Newfield	AUD	34,000
	Fiona Oliver	AUD	43,333
	Geoffrey Swier	AUD	38,667
	Anne Urlwin	AUD	41,333
	Vimal Vallabh	AUD	30,000

Donations

The Group made donations of $0.9 million during the year ended 31 March 2022 (2021: $1.3 million).

Auditors

It is proposed that KPMG be reappointed automatically at the annual meeting pursuant to section 200(1) of the Companies Act 1993.

NZX Waivers

Infratil was granted and has relied on the following waivers from the NZX Listing Rules (all of which are available on Infratil's website: **www.infratil.com/for-investors/announcements)**:

- On 22 May 2020, Infratil was granted a standing waiver from NZX Listing Rule 5.2.1 (this was originally granted on 8 May 2017 from the previous NZX Listing Rule 9.2.1 and was re-documented under NZX's transition arrangements for the current NZX Listing Rules). The effect of the waiver is to waive the requirement for Infratil to obtain an Ordinary Resolution from shareholders to enter into a Material Transaction with a Related Party to the extent required to allow Infratil to enter into transactions with co-investors that have also engaged an entity related to H.R.L. Morrison & Co Group LP for investment management or advisory services. The waiver is provided on the conditions specified in paragraph 2 of the waiver decision. Infratil has not relied on this waiver during Financial Year 2022.
- On 26 June 2020, Infratil was granted a standing waiver from NZX Listing Rule 7.8.5(b) to the extent that rule would otherwise require Infratil to prepare an appraisal report to accompany any Notice of Meeting at which shareholders will consider and vote on, an Ordinary Resolution in accordance with NZX Listing Rule 4.1.1 and NZX Listing Rule 4.2.1, to approve a proposal for the issue of Infratil ordinary shares to Morrison & Co by way of satisfaction of Infratil's contractual obligation to pay Incentive Fees to Morrison & Co in accordance with the prescribed payment mechanisms set out in the Management Agreement. The waiver is provided on the conditions specified in paragraph 5 of the waiver decision. During Financial Year 2022, Infratil relied on this waiver in seeking approval from shareholders at the 2021 Annual Meeting to give the Board the option to exercise Infratil's rights under the Management Agreement to issue shares to Morrison & Co to pay the second instalment of the Financial Year 2021 international portfolio annual incentive fee and/or the third instalment of the Financial Year 2020 international portfolio annual incentive fee in 2021.

NZX Corporate Governance Code

Infratil considers that, during Financial Year 2022, Infratil materially complied with the NZX Code, but from time to time there may be recommendations which Infratil does not consider appropriate for it, and where it has adopted alternative arrangements which the Board considers are more appropriate.

Recommendation 5.3 states that an issuer should disclose the remuneration arrangements in place for the CEO in its annual report. Infratil does not disclose remuneration for the CEO in the Annual Report for the reasons set out in the Corporate Governance Statement.

Credit Rating

Infratil does not have a credit rating. As at 31 March 2022, Wellington International Airport Limited has a BBB/Stable/A-2 rating from S&P Global Ratings.

Continuing share buyback programme

Infratil maintains an ongoing share buyback programme, as outlined in its 2021 Notice of Meeting. Infratil did not repurchase any shares during Financial Year 2022 pursuant to that programme (which allows up to 20,000,000 shares to be bought back).

Shareholder information programme

Infratil is incorporated in New Zealand and is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001. The acquisition of securities in Infratil may be limited under New Zealand law by the Takeovers Code (which restricts the acquisition of control rights of more than 20% of Infratil other than via a takeover offer under the Code) or the effect of the Overseas Investment Act 2005 (which restricts the acquisition of New Zealand assets by overseas persons).

Substantial Product Holders

The following information is pursuant to Section 293 of the Financial Markets Conduct Act 2013. According to notices received by Infratil under that Act, the following person was a substantial product holder in Infratil as at 31 March 2022:

Substantial product holder	Number held	Date of Disclosure
Fisher Funds Management Limited	33,062,207 (5.012%)	9 April 2020

The actual number of shares held by a substantial product holder may vary from that which has been disclosed to the market. Updated disclosures are required where a person's total percentage holding moves by 1%, or greater, or a person ceases to be a substantial product holder. Where Infratil issues new equity, as it did in both 2019 and 2020, if a shareholder participates in an equity raise on a pro-rata basis the number of shares that they hold will increase without changing their total percentage holding.

The total number of voting securities of the Company on issue as at 31 March 2022 was 723,983,582 fully paid ordinary shares (31 March 2021: 722,952,533).

Twenty Largest Shareholders as at 31 March 2022

Citibank Nominees (NZ) Ltd	48,428,614
Tea Custodians Limited	47,575,216
HSBC Nominees (New Zealand) Limited	36,754,442
Forsyth Barr Custodians Limited	34,357,808
FNZ Custodians Limited	31,130,673
Custodial Services Limited	30,723,639
Accident Compensation Corporation	26,915,653
HSBC Nominees (New Zealand) Limited	26,045,497
JPMORGAN Chase Bank	24,375,794
New Zealand Permanent Trustees Limited	21,044,317
National Nominees New Zealand Limited	19,579,980
JBWERE (NZ) Nominees Limited	17,917,062
New Zealand Superannuation Fund Nominees Limited	17,251,371
Bnp Paribas Nominees NZ Limited Bpss40	16,699,289
Robert William Bentley Morrison & Andrew Stewart & Anthony Howard	13,975,563
New Zealand Depository Nominee	9,812,664
Premier Nominees Limited	8,991,416
Cogent Nominees Limited	7,534,833
Hobson Wealth Custodian Limited	7,243,071
JBWERE (NZ) Nominees Limited	6,605,448

Spread of Shareholders as at 31 March 2022

Number of shares*	Number of holders	Total shares held	%
1-1,000	4,956	2,374,757	0.3%
1,001-5,000	8,531	22,708,443	3.1%
5,001-10,000	3,657	26,516,672	3.7%
10,001-50,000	4,023	81,225,980	11.2%
50,001-100,000	415	28,281,528	3.9%
100,001 and Over	242	562,876,202	77.8%
Total	**21,824**	**723,983,582**	**100.0%**

* 304 shareholders hold less than a marketable parcel of Infratil shares

Twenty Largest Infrastructure Bondholders as at 31 March 2022

Forsyth Barr Custodians	141,344,108
JBWERE (NZ) Nominees Limited	115,578,384
Custodial Services Limited	111,076,782
FNZ Custodians Limited	96,458,280
New Zealand Central Securities	56,392,684
Blake Adam Masefield	54,506,430
Hobson Wealth Custodian	42,110,280
Eric Walter Thompson	40,627,861
Dinah Helen Parr	37,043,954
Christopher Simon Smith	33,389,916
Investment Custodial Services	17,628,143
Pin Twenty Limited	14,987,188
The Tindall Foundation	10,166,480
Forsyth Barr Custodians	9,312,108
Rgtkmt Investments Limited	8,262,022
Alan Neil Bannatyne	8,253,068
Vivienne Claire Sligh	6,006,236
Alan James Gold	5,871,101
Sterling Holdings Limited	4,227,886
JBWERE (NZ) Nominees Limited	3,952,284

Spread of Infrastructure Bondholders as at 31 March 2022

Number of bonds	Number of holders	Total bonds held	%
1-1,000	4	4,000	-
1,001-5,000	1,234	6,125,194	0.4%
5,001-10,000	3,271	31,444,770	2.3%
10,001-50,000	8,636	244,268,822	17.5%
50,001-100,000	1,337	109,347,790	7.8%
100,001 and Over	779	1,004,441,949	72.0%
Total	**15,261**	**1,395,632,525**	**100.0%**

Directory

Directors

Mark Tume (Chairman)
Jason Boyes
Alison Gerry
Paul Gough
Kirsty Mactaggart
Peter Springford

Company Secretary

Brendan Kevany

Registered Office - New Zealand

5 Market Lane
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Registered Office - Australia

C/- H.R.L. Morrison & Co Private Markets
Level 31
60 Martin Place
Sydney
NSW 2000
Telephone: +61 2 8098 7500

Manager

Morrison & Co Infrastructure Management
5 Market Lane
PO Box 1395
Wellington
Telephone: +64 4 473 2399
Facsimile: +64 4 473 2388
Internet address: www.hrlmorrison.com

Share Registrar - New Zealand

Link Market Services
Level 30
PwC Tower
15 Customs Street West
PO Box 91976
Auckland
Telephone: +64 9 375 5998
E-mail: enquiries@linkmarketservices.co.nz
Internet address: www.linkmarketservices.co.nz

Share Registrar - Australia

Link Market Services
Level 12
680 George Street
Sydney
NSW 2000
Telephone: +61 2 8280 7100
E-mail: registrars@linkmarketservices.com.au
Internet address: www.linkmarketservices.com.au

Auditor

KPMG
10 Customhouse Quay
PO Box 996
Wellington

Legal Advisors

Chapman Tripp
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Wellington 6140

Infratil