NZX

Enabling growth

2024 Annual Report

market reform

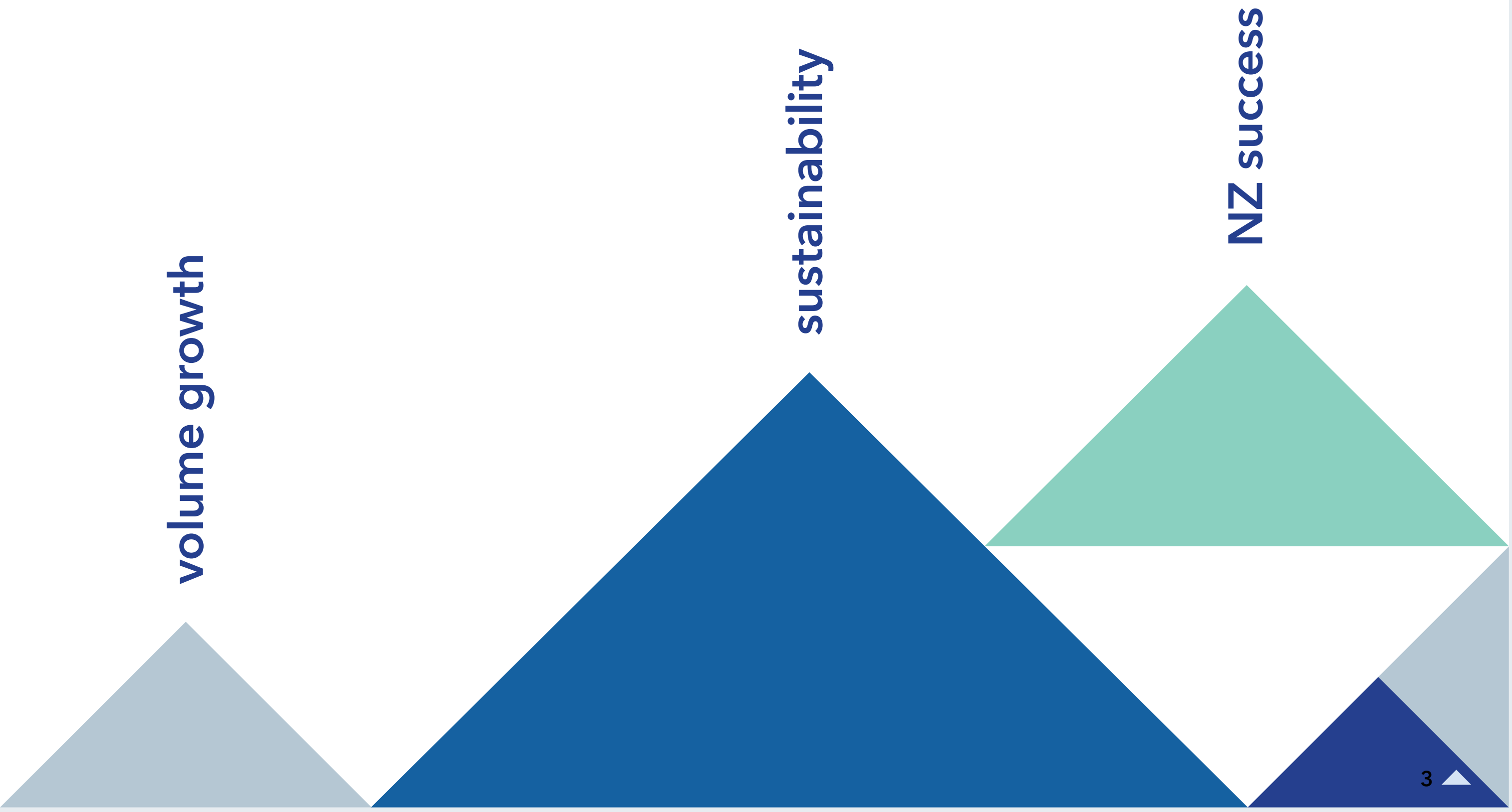
funds growth

products

We continue to focus on expanding our product range and driving scale and operating leverage across our business.

This year we've seen good progress on a number of fronts: from growth in Smart's funds under management; continued volume growth in dairy derivatives; the enhancement of market liquidity; working with government and industry on capital markets reform; advancing our sustainability programme; through to adding $4.7 billion of funds under administration on to our Wealth Technologies platform.

And as market conditions improve, we've put ourselves in a stronger position to enable growth – our own and that of New Zealand businesses and investors.



About this report

Welcome to the NZX 2024 Annual Report – **Enabling Growth**.

The report outlines the work the NZX Group has done this year to deliver sustainable wealth, value and opportunities.

The report's theme demonstrates NZX's progress in delivering to our strategy of rounding out our product offering in capital markets and driving scale and operating leverage across all businesses (capital markets, Smart and NZX Wealth Technologies). We have been focused on growing a more integrated financial markets infrastructure and services business, building on NZX's core strengths and continuing to explore growth opportunities across our three businesses to create further value for our shareholders.

This year we highlight the positive engagement NZX has had with the New Zealand Government and a range of ecosystem partners in the capital markets community on how public markets and competitive settings can help lift our country's prosperity and standard of living.

The report includes our full Financial Statements (and Notes to the Financial Statements) for the year ended 31 December 2024, along with commentary on the Company's financial results and operational performance.

The Business Year (How We Performed and Who We Are) and the NZX Group Overview (How We Deliver Value) provide information on our key performance and organisational metrics as well as our Purpose, Vision and Strategy.

Stakeholders, customers and investors can also read our performance in Operating Responsibly that covers our environmental social and governance (ESG) matters. It is broken down into three sections (Our People, Our Environment, and Our Markets and Economic Performance). The report contains the Global Reporting Initiative (GRI) content index and includes climate statements prepared in accordance with the Aotearoa New Zealand Climate Standards.

Our Remuneration section aligns with the voluntary NZX Remuneration Reporting Template for Listed Issuers. The template, developed by NZX, has the support of the NZX Corporate Governance Institute (NZX CGI) comprised of members representing a cross-section of industry stakeholders.

The Governance section of the report describes how we set the objectives and direction for the business, and the framework for identifying and managing risks is outlined in the Risk Report.

Our corporate governance policies are available online at https://www.nzx.com/about-nzx/investor-centre/governance/policies.

NZX Limited is registered with the New Zealand Companies Office and our New Zealand Business Number (NZBN) is 9429036186358.

This report is dated 20 February 2025 and is signed on behalf of the Board of NZX Limited by John McMahon (Chair), and Lindsay Wright (Chair of the Audit and Risk Committee).

Poipoia te kākano kia puawai

Nurture the seed and it will grow

Contents

How we performed

Total Value Traded

$41.5b

▲ 22.9% ▼ 5.1% 5 year av.

Information Services Revenue

$19.9m

▲ 1.0%

Funds Under Management

$13.5b

▲ 22.6%

Dairy Derivatives Lots traded

667,468

▲ 15.3%

Funds Under Administration

$16.2b

▲ 40.4%

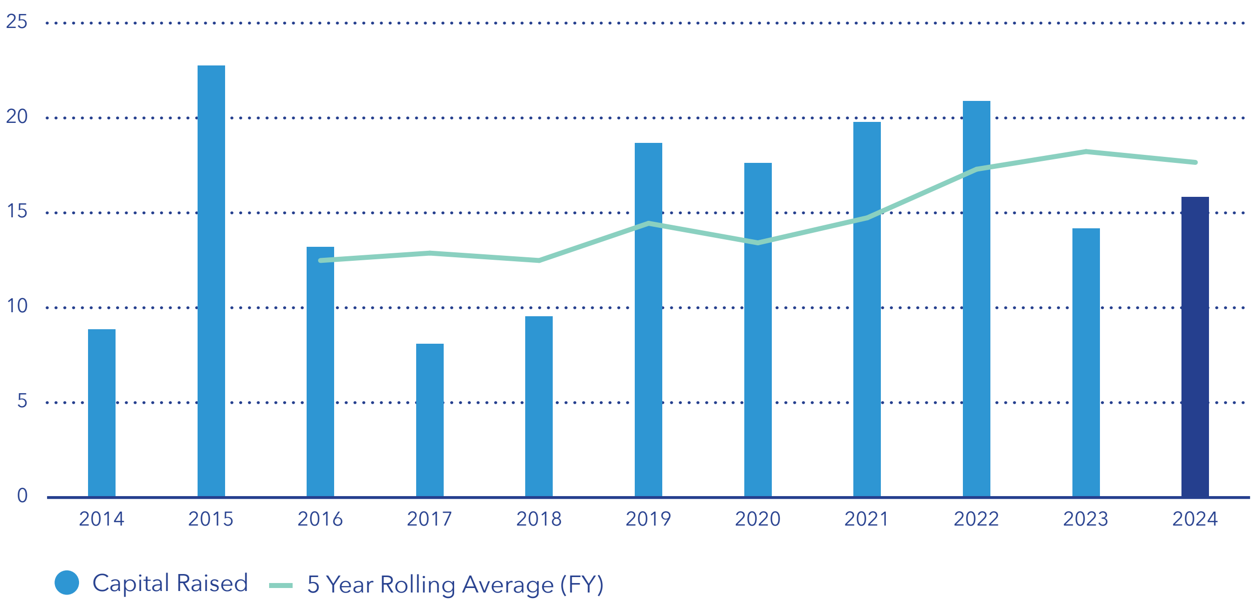
Total Capital Listed and Raised

(New + secondary)

$15.8b

▲ 11.6% ▼ 10.4% 5 year av.

Capital Listed & Raised (billions)



Operating Earnings*

$48.5m

▲ 21.0%

Net Profit After Tax**

$25.5m

▲ 88.1%

Dividend (Fully imputed)

cents per share

6.1¢

Data highlighted on pages 6 and 7 is "for the financial year ended 31 December 2024" or "as at 31 December 2024" (as applicable). Percentage changes represent the movement from 2023 to 2024, except Funds Under Management and Funds Under Administration which are the movement in balances at 31 December 2023 to 31 December 2024.

*Operating earnings are before net finance expense, income tax, depreciation, amortisation, loss on disposal of assets, gain on lease modification, change in fair value of contingent consideration, impairment loss on goodwill and share of profit of associate. Operating earnings is not a defined performance measure in NZ IFRS. The Group's definition of operating earnings may not be comparable with similarly titled performance measures and disclosures by other entities.

Excludes one-off acquisition, integration and restructure costs of $1.3 million in 2024 (2023: $1.2 million). Operating earnings including one-off acquisition, integration and restructure costs increased 21.3% to $47.2 million.

**Excluding the accounting adjustments to the fair value of the QuayStreet earnout provision, offset by a partial write down in the value of the energy contracts with the Electricity Authority, the underlying net profit after tax was $18.3 million, a year-on-year increase of 30.1%.

Who we are

NZX operates New Zealand's listed markets. To support the growth of our markets, we provide trading, clearing, settlement, depository, and information services for our customers.

NZX also owns Smart, an issuer of listed Exchange Traded Funds (ETFs), KiwiSaver, investment, superannuation and insurance provider SuperLife, and diversified fund manager QuayStreet Asset Management.

NZX Wealth Technologies is a 100%-owned subsidiary delivering comprehensive online platform functionality to enable New Zealand investment advisors and providers to efficiently manage, trade and administer their clients' assets.

NZX is responsible for monitoring and enforcing the rules under which NZX's markets operate. This applies directly to issuers, market participants and indirectly (through market participants) to investors. This function is undertaken by NZ RegCo, an independently governed entity.

Learn more about us at: www.nzx.com

Total Market Capitalisation

$236b

Listed equity, debt and funds

▲ 7.2%

Issuer relationships

331

Total listed equity, debt, funds and other securities

▼ 2.4%

Secondary Markets

9.3m

Trades in 2024, with a total value of $41.5b

▲ 2.4%

Information Services

6,174

Professional data terminals

▼ 4.5%

Smart

157,450

Members across KiwiSaver, investment, superannuation, and insurance solutions

▲ 0.8%

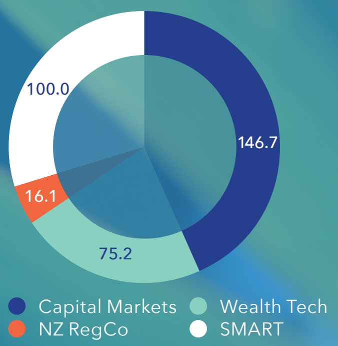
NZX Wealth Technologies

54,507

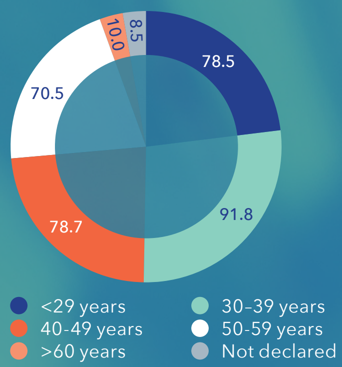
Investor portfolios, with total Funds Under Administration of $16.2b

▲ 9.9%

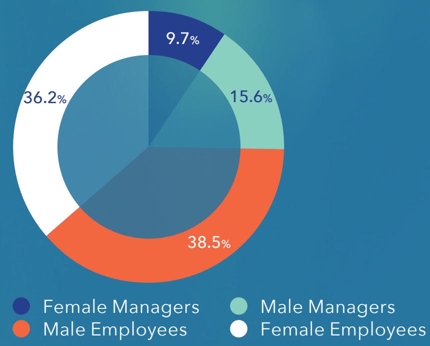
Employees (FTE) by Business Unit



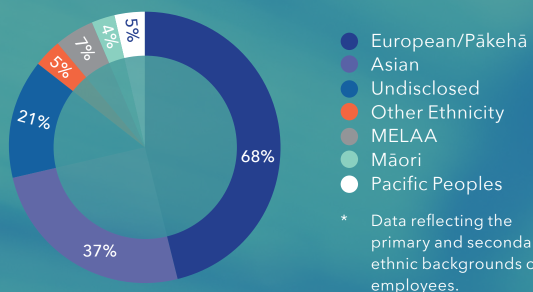
Employee (FTE) by Age



Gender Diversity All Employees

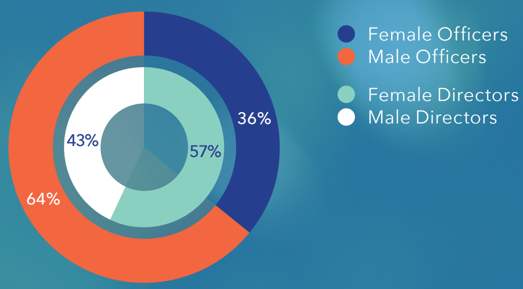


Ethnic diversity of NZX*



* Data reflecting the primary and secondary ethnic backgrounds of employees.

Gender Diversity of Officers & Board



New Zealand presence connecting a world of investments to NZ businesses

Global affiliations

ASX – Sydney
HKEX – Hong Kong
LSE – London
NASDAQ – New York
SGX – Singapore
TMX – Toronto
SPSE – Suva
SSE – Shanghai
WFE – World Federation of Exchanges
SSE – Sustainable Stock Exchanges Initiative
EEX – European Energy Exchange

New Zealand

NZX Operations (Wellington and Auckland)

Head Offices of NZX-listed Companies

338.0

Full-time equivalent employees
(excluding contractors & consultants)

Year in review 2024

Enabling growth

NZX Group ("NZX" or "the Company" or "the Group") produced a strong operating financial result in a mixed year for global markets with operating earnings (EBITDA)[1] (excluding one-off integration and restructure costs) of $48.5 million, which is near the upper end of the updated earnings guidance range. Net Profit after Tax ("NPAT") was $25.5 million ($18.3 million, excluding non-cash accounting adjustment net gains[2]), up 88.1% on 2023.

The Company's 2024 results highlight the Group's all-round business strength as a market operator, fund manager and fund administration platform provider, helped in the second half of 2024 by the positive outlook for the Company as more favourable economic conditions began to assist capital markets.

Capital markets issuance and trading activity grew steadily through the year. As we outlined in our half year results, the first quarter of 2024 saw a continuation of subdued activity similar to the levels we experienced in 2023. As interest rates began to fall, we saw a meaningful

John McMahon
Chair

Mark Peterson
CEO

1 Operating earnings (EBITDA) is before net finance expense, income tax, depreciation, amortisation, loss on disposal of assets, gain on lease modification, impairment loss on goodwill, change in fair value of contingent consideration and share of profit of associate. Operating earnings is not a defined performance measure in NZ IFRS. The Group's definition of operating earnings may not be comparable with similarly titled performance measures and disclosures by other entities.

2 Accounting adjustments were for write-back of earnout provisions recognised on the acquisition of QuayStreet, offset by a partial write down in the value of the energy contracts with the Electricity Authority.

pick-up in capital markets' activity and this continued through the remainder of the year. In addition, asset prices were stronger, both locally and globally, through the year, and alongside good customer growth in Smart and NZX Wealth Technologies, this has translated to positive results across the Group.

The S&P/NZX 50 index (gross) produced a return of 11.4% for 2024. Capital listed and raised totalled $15.8 billion which was up 11.6% on 2023. Total value traded grew strongly in H2 2024 and was positively impacted by significant index rebalance activity and the Auckland Council sell down of its remaining shares in Auckland International Airport. Value traded finished the year totalling $41.5 billion, which was up 22.9% on 2023. Value traded is a key earnings driver for the Company.

Stimulating New Zealand market activity was a significant focus for NZX in 2024. NZX – with a small capital markets industry group – worked closely with the New Zealand Government and regulators to develop appropriate initiatives and market regulatory settings that may encourage investment, boost liquidity, and continue to ensure fair, efficient, and transparent capital markets. This is expected to include modifying the requirements and settings for initial public offerings, climate-related disclosures, and director liability.

On 13 December at NZX's Capital Markets Centre in Auckland, the Minister of Commerce, Andrew Bayly, announced the first round of proposed capital market reforms, including the items noted above. It is pleasing to see healthy and well-functioning New Zealand capital markets are a priority for the Government as it seeks to lift New Zealand's productivity and international competitiveness.

In 2024 the Company continued to benefit from market structural tailwinds for leading investment fund manager Smart (formerly Smartshares) and wealth technology platform NZX Wealth Technologies (NZXWT). Both companies continue to grow strongly and are highly competitive in their respective markets.

Smart continued to focus on growth and operational efficiency improvements. NZXWT was laser focused on achieving positive cashflow (excluding internal development being undertaken for Smart) – which it achieved for the month of December – as it continued to capture increased market share. Client demand for this well-run, well-regarded New Zealand-based investment administration platform remains high and the outlook remains bright for this business.

NZXWT is working with Smart on its infrastructure services and this in turn will improve Group operating leverage. This keeps cashflow within the Group that would otherwise be spent with external service providers.

Operating Earnings (EBITDA)[1]

$48.5m

▲ Improvement of 21.0% from 2023

2024 total dividends

6.1¢

2023 **6.1¢**

At a Group level, we have not only grown our revenue line, but the revenue mix is changing as these two growth businesses grew faster than the markets business during a challenging time for equities. This provides greater balance and resilience to changes in economic cycles that impact market activity.

The Group net cash inflows for 2024 were $4.2 million (2023: $4.1 million) which reflects the higher cashflow from operating activities being largely offset by working capital movements (in particular, higher levels of debtors, prepayments and accrued income at year end).

Results overview & key highlights

NZX lifted operating earnings and operating leverage, highlighting the resilience of the Company through market cycles.

The Company generated 2024 operating earnings (EBITDA) of $47.2 million – up 21.3%. Normalised operating earnings (EBITDA) excluding one-off integration and restructure costs increased 21.0% to $48.5 million, with:

- operating revenue increasing 11.4% to $120.8 million; and
- operating expenses, excluding acquisition and integration costs, increasing 5.8% to $72.2 million.

NZX produced a net profit after tax (NPAT) of $25.5 million for the year (2023: $13.6 million), a year-on-year increase of 88.1%. This included a $10.9 million net gain due to an accounting adjustment to the fair value of the QuayStreet Asset Management (QuayStreet) earnout provision, offset by a $3.7 million partial write down in the value of the energy contracts with the Electricity Authority. Excluding these accounting adjustments, the underlying unaudited net profit after tax was $18.3 million, a year-on- year increase of 30.1%.

Dividend

The Directors have declared a fully-imputed final dividend of 3.1 cents per share (2023: 3.1 cents) to be paid on 2 April 2025 to shareholders registered as at the record date of 19 March 2025. Total dividends for the 2024 Financial Year are 6.1 cents per share fully imputed (2023: 6.1 cents).

How we performed – the Group's key performance measures

The Company continued to experience positive momentum towards achieving its strategic goals, due to the diversified nature of the Group's activities and the strong growth opportunities in front of us.

In 2024, strong performances came from:

- **Increased market activity** – value traded finished the year totalling $41.5 billion, up 22.9% on 2023 (third highest result ever)
- **Delivery of NZX Dark** – the new anonymous mid-point trading venue: launched in June, 5.24% of on-market value was traded within six months of launch – well above expectations of 2% after 12 months of trading
- **Dairy market derivatives partnership with Singapore Exchange (SGX)** – saw continued volume growth for lots traded, increasing 15.3%
- **Smart finished 2024 with $13.5 billion in funds under management** – up 22.6% from 2023
- **NZXWT** achieved positive cashflow in the month of December. In 2024 it won 12 new clients (22 in the last two years) and transitioned 11 clients on to its platform.

Performance indicators	FY24 Target	2024 Actual	2023 Actual	% Change	
Operating earnings (EBITDA) pre acquisition, integration & restructure costs ($ million)[1]	40.0 - 44.5[2]	48.5	40.1	21.0%	▲
Capital listed & raised ($ billion)	15.0	15.8	14.2	11.6%	▲
Total value traded ($ billion)	38.0	41.5	33.8	22.9%	▲
Information Services (excl. one-off revenue) ($ million)	Grow 2.1%	18.8	18.8	(0.2%)	▼
Funds under management ($ billion)	Grow 14.7%	13.5	11.0	22.6%	▲
Funds under administration ($ billion)		16.2	11.5	40.4%	▲
Dairy derivatives lots traded (k)	700 - 850	667.5	578.8	15.3%	▲

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2 On 14 October 2024 the FY24 Operating Earnings target was revised to $45.0 milllion - $49.0 million.

FINANCIAL PERFORMANCE

Summary Financial Performance ($ million)	2024	2023	% Change
Revenue			
Markets	62.9	60.9	3.3%
Funds Management (Smart)	44.0	37.0	19.1%
Wealth Technologies	9.7	6.8	42.7%
Corporate Services	0.1	0.1	22.9%
Regulation	4.0	3.6	9.9%
Total operating revenue	**120.7**	**108.4**	**11.4%**
Personnel costs	(46.3)	(43.3)	(7.1%)
Information technology costs	(15.2)	(13.8)	(10.5%)
Other costs	(10.7)	(11.2)	5.0%
Total operating expenses excl. acquisition, integration & restructure costs	**(72.2)**	**(68.3)**	**(5.8%)**
Operating earnings (EBITDA)[1] pre acquisition, integration & restructure costs[1]	**48.5**	**40.1**	**21.0%**
EBITDA Margin (%)	40.2%	37.0%	8.6%
Acquisition, integration & restructure costs	(1.3)	(1.2)	(10.6%)
Operating earnings (EBITDA)[1]	**47.2**	**38.9**	**21.3%**
Depreciation & amortisation	(18.0)	(16.8)	(7.2%)
Change in fair value of contingent consideration	10.9	(0.5)	2149.4%
Impairment loss on goodwill	(3.7)	-	n/a
Investment in associate and other gains	0.6	1.1	(45.2%)
EBIT	**37.0**	**22.7**	**63.2%**
Net finance expenses	(3.6)	(3.5)	(3.3%)
Net profit before tax	**33.4**	**19.2**	**73.9%**
Tax expense	(7.9)	(5.6)	(39.9%)
Net profit after tax	**25.5**	**13.6**	**88.1%**

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At a Group level, operating revenue increased by 11.4% to $120.7 million, driven by increases in all business units, primarily Smart and NZXWT, and to a lesser extent the NZX capital markets' business as market activity recovered during the second half of the year.

Group operating expenses, excluding integration and restructure costs, were up 5.8% to $72.2 million. The main changes reflected an inflation and exchange rate driven lift in IT costs and a cost structure change to Smart. The Smart cost base had a full-year impact of the integration of the Superlife Superannuation Master Trust's investment management, investment administration, and registry, into Smart teams, and from the impact of QuayStreet staff costs being included for the full period. Other than this increase, costs were largely flat reflecting NZX's strong focus on cost management and extracting efficiencies across the Group. Staff remuneration is NZX's single largest cost. Our cost management initiatives offset the annual pay rise round effective from 1 January 2024.

Group operating earnings (EBITDA) were $47.2 million – up 21.3%. Normalising earnings by excluding integration and restructure costs, Group operating earnings (EBITDA) were $48.5 million – up 21.0%. NZX improved its EBITDA margin by 8.6%.

Integration and restructure costs in 2024 relate to QuayStreet integration activities, activities to mature and generate efficiencies in Smart operations, and the restructuring of the capital markets business.

Depreciation and amortisation increases were mainly due to amortisation of additional development for, and migration of, new clients onto NZXWT's platform in 2023 and 2024. It also includes the amortisation of QuayStreet management rights for the full period.

The change in fair value of contingent consideration relates to an accounting adjustment to the QuayStreet earnout provision. When Smart acquired QuayStreet from Craigs Investment Partners (CIP) in February 2023, it agreed potential earnout consideration of up to $18.75 million. This was based on expected net FUM inflows from the CIP network over a three-year period to November 2025.

QuayStreet FUM inflows post-acquisition have to date been slower than expected, but the size of the opportunity remains. Consequently, our assessment of the probability of achieving the net FUM inflow target by November 2025 has reduced, resulting in a $10.9 million reduction of the QuayStreet earnout provision. While earnout-related FUM inflows are lower than expected, QuayStreet is nevertheless performing strongly with revenue ahead of the acquisition business case.

The goodwill write-off relates to the partial write-down in the value of the Electricity Authority contract's intangible asset. In 2024 the Electricity Authority invoked the renewal clause in NZX's energy contracts for a three-year period to 30 June 2027. In 2027 the Electricity Authority is expected, in accordance with government policy, to tender the energy contracts. NZX's assessment of the carrying value of the energy contract's intangible asset takes into account the renewal pricing terms, the changes in energy contracts during the existing contractual term, and the expected terms of a successful retendering in 2027. Our assessment resulted in a $3.7 million reduction in the value of the contract's intangible asset.

The net profit after tax (NPAT) of $25.5 million increased 88.1% year-on-year. Excluding the accounting adjustments to the fair value of the QuayStreet earnout provision and the Electricity Authority contract's intangible asset, the underlying net profit after tax was $18.3 million, an increase of 30.1% year-on-year.

CAPITAL MARKETS

Markets performance ($ million)	2024	2023	% Change
Capital Markets Origination	17.0	16.1	6.1%
Secondary Markets	26.0	25.1	3.4%
Information Services	19.9	19.7	1.0%
Markets revenue	**62.9**	**60.9**	**3.3%**
Markets EBITDA excl. restructure costs	**42.9**	**40.9**	**4.7%**
EBITDA Margin excl. restructure costs	68.1%	67.2%	1.4%
Key Operating Metrics			
Equity Market capitalisation (ending, $ billion)	167.3	155.0	7.9%
Equity listed & raised ($ billion)	5.5	2.7	103.7%
Debt listed & raised ($ billion)	8.4	8.8	(4.5%)
Funds listed & raised ($ billion)	1.9	2.7	(29.6%)
Total value traded ($ billion)	41.5	33.8	22.9%
Dairy lots traded (k)	667.5	578.8	15.3%

Capital Markets' operating earnings

$42.9m

an increase of 4.7% on 2023

Capital markets' revenue (from Origination, Secondary Markets and Information Services) increased $2.0 million (3.3%), which resulted in capital markets' operating earnings, excluding restructuring costs, increasing to $42.9 million, up 4.7% on 2023. It is also positive to note the lift in EBITDA margin for the year.

As noted earlier, it was year of two distinct halves for our markets business with a positive H2 2024 lift in market activity:

- S&P/NZX50 gross index performance for H1 2024 was –1.7%; full year performance was +11.4%
- Value traded for H1 2024 was $16.6 billion; H2 2024 it was $24.9 billion
- Capital listed and raised in H1 2024 was $6.3 billion; H2 2024 it was $9.5 billion

Origination

Even through the challenging economic environment, the market was able to support companies raising equity and debt capital with $15.8 billion of capital listed or raised on market for the year. This highlights the value of being NZX-listed in a capital constrained environment. Expectations are for this positive momentum to continue into 2025 and for new listings opportunities to come to the market as confidence in the global and local economies continue to build.

The December regulatory change announcements from the Government are a positive addition. This gives us reason for cautious optimism for the year ahead. Companies looking at listing will be closely watching the market to effectively time their public offerings.

Santana Minerals listed on the NZX in July. More than 40% of Santana's share register on the ASX is made up of holders with New Zealand-registered addresses. Santana wanted to see growth with increased New Zealand-based shareholder support, so it made sense for it to undertake a dual listing on the NZX (see case study on page 52)

ESG-designated bonds

30.3%

Percentage of the total NZDX market

Some significant secondary equity and debt issuance positively impacted the NZX revenue line in 2024. For the mix of capital raised in 2024 (i.e. across equity, debt and funds), each $1 billion generated approximately $375,000 of revenue to NZX.

Large capital raises and placements were facilitated throughout 2024, and all were significantly oversubscribed. These included:

- Auckland Airport equity capital raise – $1.4 billion
- Fletcher Building equity capital raise – $0.7 billion
- Infratil equity capital raise – $1.15 billion.

The demand for ESG-designated bonds remains strong as companies look to decarbonise their businesses. These make up 30.3% of the total NZDX market. NZX's total market capitalisation of $236 billion is made up of approximately $167 billion of equity, $59 billion of debt and $10 billion of investment funds.

Opportunities exist not only for companies looking to grow and deliver on their strategic ambitions – including encouraging more foreign exempt listings – but for the Government and local government to recapitalise their assets and invest back into our country and our communities. Health, education and New Zealand's infrastructure need investment, and the public markets can assist in funding that investment through reaching a broad range of investors and efficiently pricing the capital. This would ease the pressure on the Government and local government balance sheets and help to improve our country's productivity.

It was positive to hear Government Ministers state that Kiwibank could be listed in the future, albeit the National Party's policy is to seek a mandate from voters before that could occur. This could follow the successful partial float of the New Zealand gentailers between 2011-2014 under the Mixed Ownership Model.

There is an opportunity to re-deploy capital from some assets into higher priority areas. Publicly listing ports, airports, electricity lines companies, even a further reduction in ownership of the gentailers, and a full or partial listing of Kiwibank and Transpower, would all be strongly welcomed by investors.

At a local level, Port of Tauranga and Napier Port are examples of highly successful companies, that are still majority owned by local authorities, and have thrived after being partially listed on the NZX. In addition, the Government and local authorities also have the option to allow their businesses to raise money through the market to fund further growth and opportunities. Under this approach, the Government and local authorities would not need to sell any of their equity.

Total value traded

22.9%

An increase on last year

NZX continues to champion and support our listed companies through high-quality communication and engagement opportunities. We want to help our companies tell their stories of progress and support their investor relations. In 2024 we provided podcasts, spotlight videos, virtual investor events, education workshops and social media support, enabling issuers to connect to a broader investment community.

The high-tech ticker on the exterior of the NZX Capital Markets Centre building in Auckland's Queen Street – along with the ticker in Wellington – gives us greater opportunity to effectively promote the achievements and milestones of New Zealand's listed companies and capital markets community to a broader audience.

Secondary markets – Cash Equities and Debt

As short-term interest rates started to fall, securities trading and clearing activity grew steadily over the year and ultimately drove an increase in revenue over 2024, which reflected:

- higher market activity levels - the total value traded and cleared ($41.5 billion) was 22.9% higher than last year;
- uncharged value traded impacting securities trading revenue (caused by large index rebalance trading days where fees on value traded exceeds the fee cap per trade), which increased to 13.7% (2023: 8.9%); and
- higher levels of registry transfers and OTC settlement fees.

Secondary Markets – Dairy derivatives and Global Dairy Trade

Dairy continues to be an area of growth for NZX and remains well positioned across both the physical and futures markets. NZX holds a 33.3% stake in GlobalDairyTrade (GDT) alongside Fonterra and the European Energy Exchange. The suite of global dairy derivatives listed on the SGX, demonstrates the value of NZX's strategy of driving growth from strategic international partnerships.

The strategic dairy derivatives partnership with SGX continues to deliver growth:

- 2024 Dairy Derivatives volumes increased 15.3%, and in May 2024 a record monthly volume of 88,834 traded lots was achieved;
- Open interest reached a new record at 187,000 lots, which is a sign of market quality; and
- A Market Maker and Liquidity Provision Scheme has been implemented, which we expect to assist with ongoing growth in trading volumes and the addition of liquidity from financial firms.

In 2024 margin fees per lot normalised in line with global futures interest rate curves, which offset the traded volume growth and resulted in a drop in revenue.

GDT's underlying profitability remains strong with increased number of sellers and products offered on the GDT platform. GDT's growth initiatives are progressing, European and US sales presences are in place, and a project to upgrade and in-house the auction platform upgrade is underway for delivery in 2025. These growth initiatives will impact GDT's profitability in the near term.

Information Services
The Information Services business has seen compound average growth of 5.8 % in the last five years. In 2024 this growth continued, albeit at a slower rate. This reflected the consolidation of broking firms and the drive for large international banks to cut costs.

Royalty revenue from terminals decreased with lower levels of real time data use, partially offset by price increases (effective January 2024).

Subscriptions and licences revenues for NZX data increased, reflecting a rise in higher value license types and price increases (effective January 2024), offset slightly by reduced subscriber numbers.

Audit and back dated licensing / indices revenue increased to $1.2 million from $0.9 million in 2023. Revenues for 2024 mainly relate to back-dated indices revenue, which is unlikely to be replicated in future years, as this recurring revenue is now being captured under indices revenue.

Indices revenue is generated in partnership with S&P. It is driven by licensing to the fund management sector and increased by 5.3% in 2024.

Market opportunities
Our strategy for capital markets has for the last few years focused on rounding out our product range and increasing the scalability of activity we undertake. This is translated into a small number of key projects which close the product gaps, and make it simpler and more cost effective for international investors to connect to our market. We have delivered two of the three key projects over 2024, and anticipate delivering the third in 2025.

International connectivity – we partnered with BT Radianz to make connectivity to our markets easier for international participants and investors. We have also ensured this infrastructure has a high level of security and resilience.

NZX Dark – our anonymous mid-point trading venue was launched in June with all Participants now utilising the platform. Highlights include:

- $779 million of value traded went through NZX Dark delivering $1.74 million of price improvement back to the market
- 5.24% of on-market value traded being traded in NZX Dark, well above expectations of 2% after 12 months of trading.

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S&P/NZX 20 Index Futures – positive progress was made towards relaunching the S&P/NZX20 Index Futures in H1 2025. The launch date remains dependent on a number of factors, including regulatory approvals. NZX has the backing of a cornerstone group of 12 local and global fund managers and participant firms who have provided commitments to utilise and trade, settle and clear the product. A liquid equity derivatives market will help drive growth in the broader capital markets through additional cash market trading, participation and data revenues.

Government engagement – market reforms underway to encourage investment

NZX – and representatives of the New Zealand capital markets community – have engaged with the financial markets sector, Government Ministers and officials, and regulatory agencies on a broad package targeting regulatory improvements to reduce the costs and barriers faced by companies listed or listing in New Zealand.

The package of reforms announced in December by Commerce Minister Andrew Bayly will make it easier for businesses to access capital, and will boost New Zealand's market liquidity and economic growth.

NZX welcomes the reforms. New Zealand needs to remove regulatory roadblocks and arbitrage that are hindering investment and access to capital for New Zealand companies and projects.

Minister Bayly's announcements on streamlining or removing regulations that add cost to companies looking to list, and the consultation on changes to climate-related disclosures and KiwiSaver settings, are a positive step in supporting investment and economic growth in New Zealand.

The package of proposed changes includes:

- making the requirement to provide prospective financial information for initial public offers optional;
- changes to climate-related disclosure settings; and
- changes to general disclosure requirements – alongside the Law Commission review into director liability settings. These changes will materially improve the viability for companies wanting to meet their growth aspirations via the listed market.

In addition, in April 2024 the Financial Markets Authority (FMA) began consulting on a class exemption for the disclosure requirements for same class offers of green, social, sustainability, and sustainability-linked (GSSS) bonds. NZX strongly believes the proposed exemption will provide a more efficient route for the issuance of GSSS bonds in New Zealand, encourage the growth of New Zealand's GSSS bond market, and provide a broader range of sustainable financial products to New Zealand retail investors. In December the FMA stated that after considering submissions, it has decided in principle to provide relief by granting a class exemption, which NZX welcomes.

The Government's announcements align with initiatives recommended in the *Growing New Zealand's Capital Markets 2029* report released in 2019. That review had 42 recommendations from 210 New Zealand industry participants covering KiwiSaver, regulation, public sector assets and infrastructure, promotion of public markets, tax, new products, and technology. All were designed to improve the efficiency and effectiveness of New Zealand's capital markets.

The industry has implemented the recommendations assigned to it. NZX has implemented NZX Dark, the mid-point unlit order book; reformed and simplified Listing Rules, is planning initiatives to facilitate listings of cooperatives; and is planning to launch an equity index futures product in 2025. All of these industry initiatives will assist with Government reforms in improving the liquidity and depth of our capital markets. We look forward to working with the Government and its agencies in delivering further initiatives to help unlock growth and opportunities for New Zealanders.

Alongside this, adjustments are urgently needed to improve New Zealand's climate-related disclosures.

NZX supports climate reporting but there needs to be balance in how this is applied. At present New Zealand's climate-related disclosures ("CRD"), standards and settings do not align with other international markets. NZX is of the view that New Zealand's mandatory CRD reporting requirements need to align to global standards – particularly with Australia and its approach to implementation. If New Zealand is serious about transition, disclosures would also apply equally to both listed and unlisted companies. Level playing fields are important for these matters of greater good.

We must ensure our regulations are fit for purpose and right-sized for a country of our size. With directors of climate-reporting entities personally liable for a company's emissions reporting, this has imposed significant cost to companies in assurance and legal fees, money that would be better spent on climate mitigation and adaptation.

Likewise, NZX welcomes consultation on KiwiSaver settings. KiwiSaver funds could invest in a range of New Zealand assets, including hospitals, schools, roading, housing and water infrastructure – if the investments are structured appropriately. Those assets would be built, Kiwis would still receive a steady flow of returns into their KiwiSaver accounts, and our country and people would benefit not only from the assets being delivered, but through jobs and growth. Everyone wins from New Zealanders investing in New Zealand.

NZX congratulates Minister Bayly and the Government for taking positive steps in helping New Zealand companies, families, and our economy get ahead. NZX and our stakeholders look forward to working with the Government in implementing these reforms – and others – in the years ahead.

As a result of the announcements, NZX has received an increase in enquiries from prospective companies interested in listing.

NZX welcomes consultation on KiwiSaver settings. KiwiSaver funds could invest in a range of New Zealand assets, including hospitals, schools, roading, housing and water infrastructure – if the investments are structured appropriately.

SMART – EMPOWERING INVESTORS TO ACHIEVE FINANCIAL SUCCESS

Smart performance ($ million)	2024	2023	% Change
FUM based fees	40.6	33.1	22.7%
Member based fees	2.4	2.7	(9.7%)
Other	1.0	1.2	(16.8%)
Funds revenue	**44.0**	**37.0**	**19.1%**
Funds EBITDA excl. acquisition, integration & restructure costs	**22.5**	**19.4**	**16.0%**
EBITDA margin excl. acquisition, integration & restructure costs	51.1%	52.4%	(2.6%)
Funds EBITDA	**21.7**	**18.3**	**18.8%**
Key Operating Metrics			
Opening FUM ($ billion)	11.0	8.3	32.9%
FUM effect from market movement ($ billion)	1.7	1.0	(70.0%)
FUM effect from net cash flows ($ billion)	0.8	0.1	700.0%
FUM effect from acquisition ($ billion)	-	1.6	n/a
Closing FUM ($ billion)	13.5	11.0	22.6%
Number of NZX listed Smartshares funds	44	40	10.0%

Smartshares Limited is the manager and issuer of the Smart Gold ETF and the Smart Exchange Traded Funds scheme. A product disclosure statement is available and can be obtained at www.smartinvest.co.nz/resources/documents.

Smart is a key component of NZX's growth strategy. As a wholly-owned NZX subsidiary, Smart is one of New Zealand's leading product manufacturing funds management business. Its products include SuperLife KiwiSaver scheme, the Smart Exchange Traded Funds, SuperLife Superannuation Master Trust (management rights acquired from ASB in February 2022) and QuayStreet Funds (management rights acquired from CIP in February 2023).

Smart had a positive year of growth, closing 2024 with $13.5 billion of funds under management (FUM). In the last six years FUM has grown $10.6 billion from $2.9 billion at 31 December 2018 (including acquisitions of $3.4 billion, cash flow increases of $4.0 billion, and positive market returns of $3.2 billion). FUM compound annual growth rate (CAGR) since December 2018 is 29.0%.

Our market analysis indicates $15-$20 billion of FUM is the point where operating cost bases are at their most efficient for New Zealand fund managers. Smart is well down a pathway that aims for around $18 – $20 billion of FUM by the end of 2027.

On 1 October 2024 Smartshares became Smart – a new brand name to reflect the company's growth ambitions and the broad range of services and products it now offers.

In time, under a staged approach, Smart will consolidate Smartshares and SuperLife together into the single brand. The new brand is based on the belief '*the wise invest Smart*' – with our products empowering investors to achieve financial success by making wise choices that stand the test of time.

The SuperLife KiwiSaver Scheme will become the Smart KiwiSaver Scheme, unlisted funds will fall under Smart Funds and workplace savings will become Smart Super – each reflecting the modern, cohesive new Smart brand. QuayStreet Asset Management – known as QuayStreet – will remain a standalone sub-brand.

Through Smart ETFs, New Zealanders can diversify their portfolios across 44 ETFs providing access to global, high-performing and special interest markets. In October, Smart launched four new ETFs – Smart Bitcoin ETF, Smart Gold ETF, Smart US Technology ETF and Smart S&P/NZX 20 ETF.

Three of the new ETFs are part of a 2024 strategic alliance with iShares by BlackRock, the global ETF powerhouse. The combined expertise of Smart and Blackrock's iShares will pair Smart's local investment insights with iShares' global ETF line-up, making it easy for Kiwi investors to invest in local or international markets, with the advantage of knowing their tax rate (28%) and costs upfront. It provides investors with word-class investment opportunities and with easy access and affordable fees.

FUM-based revenue (net of fund expenses) increased 22.7%. Excluding the impact of the one-off FUM-based revenue for 2023 (net of fund expenses), the increase was 24.7%, which reflects a combination of:

- FUM at 31 December 2024 of $13.5 billion, up 22.6% on last year. The FUM movement is a combination of positive market returns and positive net cash flows;
- the full period impact from the QuayStreet acquisition; and
- the positive impact from the integration of SuperLife Superannuation Master Trust (August 2023) which resulted in transition services fund costs no longer being incurred (replaced by employee and other costs, with a net integration synergy gain realised).

Member-based revenue decreased due to a reduction in insurance administration fees, which are now performed by the insurance company.

Smart's cost base has increased because of the SuperLife Superannuation Master Trust integration and the timing of the QuayStreet acquisition, with particular effect on personnel costs (net of capitalisation).

The net result for Smart is a significant increase in operating earnings, excluding acquisition, integration and restructuring costs, to $22.5 million, up 16.0% on 2023. This has been achieved through increased scale from continued organic growth and synergy extraction. We continue to mature Smart's operations and embed our growth initiatives (i.e. integration of QuayStreet into the service provider operating model). Once completed, these initiatives will unlock further synergies of scale and improved operating leverage.

The net result for Smart is a significant increase in operating earnings, excluding acquisition, integration and restructuring costs, to $22.5 million, up 16.0% on 2023.

NZX WEALTH TECHNOLOGIES – LEADING THE WAY IN NZ ADMINISTRATION PLATFORM INFRASTRUCTURE

Wealth Technologies performance ($ million)	2024	2023	% Change
Wealth Technologies revenue	**9.7**	**6.8**	**42.7%**
Wealth Technologies EBITDA excl. restructure costs	**4.6**	**1.6**	**179.4%**
EBITDA Margin excl. restructure costs	47.1%	24.1%	95.7%
Key Operating Metrics			
Opening FUA ($ billion)	11.5	10.0	15.8%
FUA effect from market movement ($ billion)	1.8	1.1	63.6%
FUA effect from net cash flows, including new clients ($ billion)	2.9	0.4	625.0%
Closing FUA ($ billion)	16.2	11.5	40.4%
Total clients on platform	32	21	52.4%
Capitalised costs for client onboarding	9.2	7.7	19.4%

NZXWT develops, administers and operates an online custodial investment management platform that enables both large-scale and small-scale financial adviser groups to efficiently administer their clients' investments. The platform, service quality, reputation and experience are being well received.

NZXWT is celebrating a successful year marked by 11 new client onboardings, pipeline growth and achieving positive cashflow for the month of December (excluding internal development being undertaken for Smart). The year started with the onboarding of two clients: Fisher Funds' Private Portfolio Service, a discretionary investment management service originally offered to Kiwi Wealth high net-worth clients; and Strategic Financial Planning. NZXWT subsequently onboarded five independent advice businesses and began migration projects with four additional clients, surpassing $16 billion in Funds Under Administration (FUA).

This milestone underscores the market's confidence in NZXWT's ability to deliver quality operational, custody, reporting, and development services to support the growing needs to deliver operational efficiency, digital transformation and regulatory demands faced by financial advisers and investment managers.

In H2 2024, NZXWT onboarded five new advisor businesses. The company is now providing platform and custody services to Alvarium/Newton Ross, CP Wealth, DecisionMakers, Kingshield Investment and a Whakatane-based advice firm.

Similarly, Christchurch-based boutique firm Distinction Wealth partnered with NZXWT to support its growth in the high net-worth and private wealth sectors across the South Island.

Fortitude Financial, also based in Christchurch, is among the four businesses undergoing migration, targeting a launch in early 2025. The remaining newly contracted advisor businesses, based in Auckland, Waikato, and Christchurch, are transitioning from a variety of platforms after thorough review processes. With the numbers of clients steadily increasing, NZXWT is witnessing significant momentum in the New Zealand market and is poised for continued growth and solidifying its position as a market leader.

NZXWT's revenue (largely administration fees based on FUA) have been positively impacted by positive cashflows and market returns. FUA grew by 40.4% or $4.7 billion to $16.2 billion. Annualised recurring revenue on closing FUA increased 50% from $7.2 million at 31 December 2023 to $10.8 million at 31 December 2024.

Capitalised labour and overhead remains at high levels, predominantly reflecting new client migration activity, plus continued product development. The levels of capitalisation are expected to continue as current clients migrate additional FUA and new clients are onboarded.

Operating earnings, excluding restructuring costs, improved significantly to $4.6 million, up 179.4% on 2023, driven by the operating leverage achieved through increased FUA.

FUA

40.4%

2024: $16.2b 2023 $11.5b

BALANCE SHEET, LIQUIDITY & DEBT

Balance Sheet and Cashflow Figures ($ million)	2024	2023	% Change
Net debt (excludes restricted cash)	(32.6)	(36.6)	10.8%
Restricted cash	20.0	20.0	-
Goodwill	46.9	50.6	(7.3%)
Other intangible assets	95.9	99.2	(3.3%)
Other non-current assets	44.1	44.5	(0.8%)
Net other liabilities	(47.3)	(60.3)	21.5%
Net assets / equity	**127.0**	**117.4**	**8.2%**
Operating activities cashflow	36.9	31.4	17.6%
Working capital movements	(1.0)	3.0	(134.5%)
Cash inflow from operations	**35.9**	**34.4**	**4.2%**
Payments for acquisitions	-	(22.4)	n/a
Payments for PPE & other intangible assets	(13.4)	(12.5)	(7.2%)
Cash outflow from investment	**(13.4)**	**(34.9)**	**(61.6%)**
Net proceeds from equity raise/term loans	-	21.9	n/a
Dividends and other	(18.3)	(17.3)	(5.8%)
Cash inflow from financing	**(18.3)**	**4.6**	**(502.1%)**
Net increase in cash and cash equivalents	**4.2**	**4.1**	**2.4%**

NZX closed the year with net debt of $32.6 million (excluding Clearing House risk capital of $20.0 million in cash which is not available for general use) including:

- subordinated notes ($38.9 million) – the interest rate was set at 6.8% in June 2023 and will apply until the next election date on 20 June 2028;
- term loan ($22.5 million; expiry date 28 February 2027), used to fund the QuayStreet acquisition (including earn out payments); and
- cash and cash equivalents of $28.8 million which includes $6.3 million of cash to meet the regulatory requirements of the Clearing House and Smart.

Goodwill has reduced reflecting the partial write down ($3.7 million) in the value of the Electricity Authority contract's intangible asset.

The QuayStreet earnout provision has been reduced by $10.9 million to reflect the current assessment of the probability of achieving the net FUM inflow target by November 2025.

Investment activities cash flows include:

- the acquisition of QuayStreet in February 2023; and
- capital expenditure relating to NZXWT's software development, office fit outs and other technology upgrades and enhancements, including system enhancements required for the integration of recent acquisitions.

In future periods we expect cashflow from operating activities to increase at a faster rate than the growth in net profit. This is due to NZXWT's 'amortisation bubble' that arises when capitalisation levels start to decrease, and amortisation levels increase as client migrations complete.

NZX'S GROWTH STRATEGY – GROWING, CONNECTING, ADDING VALUE

NZX is well positioned for the future from the growth strategy it has been implementing over the last six years. This has involved focusing on our core markets business, plus refinement and alignment around regulation, pricing and market infrastructure, along with significant investment to expand our funds management (Smart) and funds administration (NZXWT) businesses.

NZX has exposure to long-term structural growth tail winds from general equity market growth, increase in ETF market share and growth in Kiwisaver fund contributions.

Since implementing our revised strategy in 2018, we have come a long way despite the various economic cycles:

- Operating earnings have increased from $28.6 million to $48.5 million;
- Smart FUM has increased from $2.7 billion to $13.5 billion;
- NZXWT FUA has grown from $1.2 billion to $16.2 billion and is now cashflow positive; and
- We now partner with SGX in offering our global Dairy Derivatives market and have grown activity from 312,000 lots traded per annum, to 667,000 lots.

NZXWT has required significant capital investment to reach the stage where it is now cashflow positive on a run-rate basis. As we outlined at our most recent investor day in 2024, the Group's cashflow will rise more quickly than the growth in NPAT or Earnings Per Share. This is due to the significant rise in the amortisation charge as a result of the capital that has been invested in NZXWT. The pipeline of recent client wins and client onboarding activity to come supports the value this business will bring to the Group.

In 2024, NZX is now a more integrated and resilient financial markets infrastucture and services business with a platform for strong growth prospects. We expect this to create further value to our shareholders.

We have not only grown our revenue line – the revenue mix is changing as the two growth businesses have expanded faster than the markets business has through the tough economic environment for equities.

As market activity increases, the Company's new products are launched and mature, and our Smart and NZXWT businesses continue to grow, our earnings profile will positively change. NZX is on a path to being a business that has better balance and resilience to the changes in economic cycles.

Looking out to 2028 the strategy is to:

- expand our product offering in Capital Markets (equity derivatives, carbon markets, drive greater scale in clearing, and develop liquidity in our new mid-point order book);
- leverage the global connections and partnerships we have made and build further market reach; and
- drive scale, efficiencies and operating leverage across the businesses – including Smart and NZXWT.

We remain very conscious of cost control and ensuring improved return on investment, and will continue to look for strategic opportunities that will add value, particularly as markets recover.

GOVERNANCE & MANAGEMENT UPDATE

In May the NZX Board was pleased to announce the appointment of Sophie Spedding as its next Future Director. NZX is a strong supporter of the Institute of Directors' Future Director Programme, ensuring New Zealand develops a greater pool of governance talent to draw from. Sophie is an Associate Director at Macquarie Capital (New Zealand) in the Investment Banking team where she has worked for the last 12 years.

Sophie's first-hand understanding and experience in capital raisings, mergers and acquisitions and helping companies grow and deliver to their strategic ambitions, have been of great value to the NZX Board.

In December NZ RegCo announced that David Hunt would join its board from 1 January 2025. David has extensive executive, advisory and governance experience in the infrastructure and energy sectors. He is deputy Chair of the Accident Compensation Corporation, a director of Northpower and Dairy NZ, and recently served on the Government's Fast Track Advisory Group. Previous roles have included serving as Contact Energy Chief Executive and director of Christchurch City Holdings Limited. Mr Hunt joins Trevor Janes (Board Chair), together with directors Pip Dunphy, Mike Heron KC, John Hawkins and Elaine Campbell.

After more than four years as NZX's General Manager Capital Markets Origination, Sarah Minhinnick departed in the middle of the year to head New Zealand Green Investment Finance.

The Company's capital markets structure was then revised to ensure greater organisational alignment and efficiency, which involved adjustments to the responsibilities of Jeremy Anderson and Nick Morris. Jeremy – previously in charge of Capital Markets Development – now oversees the Listings, Information Services and Environmental Markets businesses; while Nick – previously in charge of Strategic Delivery – now leads the Cash and Derivatives businesses (meaning Participants now engage with a single team).

NZX's engagement with the markets' ecosystem is critical to success, and understanding the role the exchange plays in supporting issuers and product development opportunities for the market.

For much of 2024, NZX's Head of Energy IT Roger Bayly, also acted as General Manager Market Operations while Felicity Gibson was on parental leave. Roger is a seasoned operations, risk and IT manager and provided experienced leadership in what was his second time acting in this role.

TECHNOLOGY – DELIVERING SUPPORT & RESILIENCE

A critical role for NZX is to operate the markets efficiently and effectively. 2024 is the third consecutive year where NZX maintained 100% uptime for its critical applications with no market outages to the operating platform. This is a credit to the operational management of the senior leadership team and the entire technology team. It also highlights the increased resilience, capability and capacity of our systems.

Alongside maintaining a stable market, NZX continues to invest in new products and features. 2024 saw the delivery of the new NZX Dark trading venue and a complete BaNCS technical stack refresh. In parallel, there was significant effort to continue to upgrade systems and manage technical debt with a focus on continuous improvement. NZX is committed to engaging and working with our customers to enhance the market technology ecosystem.

The performance of NZX's technology and relationships with the market continues to be positively noted by the FMA and through the TWG (industry-wide Technology Working Group). We wish to thank our key technology stakeholders for their constructive relationships.

OPERATING RESPONSIBLY

NZX's focus is to create value while delivering a positive impact on society and the environment. We play a dual role as both the operator of New Zealand's capital markets and as a listed company. Sustainable economic growth is a priority for NZX.

Informed by the stakeholder and materiality assessment NZX undertook in 2023, in 2024 we implemented a refreshed environmental sustainability strategic approach that builds on our Operating Responsibly approach. Called Operating Responsibly: Planet, this was integrated into NZX's core strategy and outlines short, medium and long term initiatives. In 2025 we will be refreshing our social sustainability strategic approach.

In October NZX joined the Sustainable Business Council (SBC, part of BusinessNZ) demonstrating the Company's commitment to positive action on climate change and sustainability. SBC membership offers NZX the opportunity to connect with other New Zealand companies, and influence key climate-related government decisions, budgets and pieces of legislation. SBC membership also aligns with NZX being a member of the United Nations Sustainable Stock Exchanges.

In 2024 NZX achieved net carbon zero certification from Toitū Envirocare for the fourth year in a row. Sustainable economic growth is a priority for NZX. Public markets will continue to play an important role in facilitating the flow of capital towards decarbonising the New Zealand economy.

In 2024 under the mandatory climate-related disclosures framework (Aotearoa New Zealand Climate Standards, ANZCS), NZX, as a climate-reporting entity, reported our climate change obligations regarding governance, strategy, risk management, and metrics and targets for 2023. NZX's Climate Statement for 2024 is incorporated as an appendix in this Annual Report.

At NZX we are committed to connecting people, businesses and capital every day. That is our Purpose. As such, NZX recognises the important role we play in supporting the success of New Zealand businesses, communities, and charities. This includes collaborating in the Shares for Good initiative (see case study on page 47) and being the primary sponsor of the New Zealand Financial Markets (NZFM) Charity Golf Classic – an annual event that fundraises for charity.

NZX also provides our employees a paid day's leave each year to volunteer in our communities and is supportive of events that help those in need. That includes collecting for the Cancer Society on Daffodil Day and using our electronic tickers to promote and support charitable causes.

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POLICY & REGULATION (INCLUDING NZ REGCO)

During 2024, NZX completed the review of its settings in relation to the director independence requirements contained in NZX's Listing Rules and Corporate Governance Code, with the support of the NZX Corporate Governance Institute. The review was multi-faceted, with two-stages of consultation that received substantial stakeholder engagement.

The proposed enhanced settings support good governance by appropriately articulating the purpose of director independence requirements, and enhancing disclosure requirements to support ease of access to information regarding issuers' corporate governance practices in this area.

We have also been conducting regulatory development work to support the relaunch of the S&P/NZX20 Index Futures relaunch, including broadening the market maker eligibility requirements for NZX's markets to ensure that NZX's regulatory settings support greater participation.

NZX's regulatory functions are performed by a separate, independently governed entity, NZ RegCo. After four years in operation, NZ RegCo continues to develop and oversee monitoring and enforcing compliance by listed issuers and accredited market participants of NZX's market rules. NZX would like to thank the NZ RegCo Board, led by Chair Trevor Janes and NZ RegCo management under Chief Executive Joost van Amelsfort.

The Financial Markets Conduct Act 2013 requires the FMA to carry out an annual review and report on how well NZX is meeting its licensed market operator obligations. One of the key objectives of this review is to ensure potential conflicts between regulatory and commercial functions of NZX, as a self-regulating organisation, are appropriately managed.

The FMA's overall conclusion in 2024 was that NZX complied with its licensed market operator obligations during the review period. Key highlights from the report include:

- Governance arrangements continue to be appropriate and support NZX's ability to comply with its licensed market operator obligations;
- NZX and NZ RegCo continue to uplift frameworks, processes, and operational effectiveness across the areas assessed;
- Continued demonstration of NZ RegCo's operational independence, while maintaining an appropriate and effective working relationship with NZX;
- Significant work and investment in technology resources over the last three years has resulted in the business being much better positioned with respect to capability, resilience and security;
- Further enhancements in the risk management frameworks, ownership, identification, management and mitigation of risk, and delivery of assurance activity; and
- Despite economic headwinds there is a commitment to development of the markets and the core market operator operations, matched with appropriate funding and resourcing of staff and systems.

2025 EARNINGS GUIDANCE

NZX is forecasting full year 2025 Operating Earnings (EBITDA), excluding integration costs, to be in the range of $49.0 million to $54.0 million.

The guidance is subject to market outcomes, particularly with respect to market capitalisation, total capital listed and raised, secondary market value and derivatives volumes traded, funds under management and administration growth, acquisition related integration costs and technology costs.

Additionally, this guidance assumes there is no material adverse macro-economic and/or market condition impacts on our assumed market outcomes, and there are no significant one-off expenses, major accounting adjustments, other unforeseeable circumstances, or future acquisitions or divestments.

ACKNOWLEDGEMENTS

NZX is ambitious for New Zealand. We believe a vibrant capital market can assist New Zealand to grow and prosper. In doing so, this will create more and better paying jobs and a higher standard of living. As New Zealand's stock exchange we are critical to helping New Zealand achieve these objectives through delivering high-performing and efficient capital markets, alongside an appropriate range of products and services for investors.

Our people are committed to providing first-class customer service, ensuring we leverage off the investments we've made to grow our business, provide returns to shareholders, and help deepen New Zealand's capital markets. We would like to extend a sincere thank you to all NZX Board members and staff for the high-quality work they do every day.

Mark Peterson CEO	**John McMahon** Chair

NZX Group Overview

How we deliver value

For 158 years we have been creating and delivering opportunities for Kiwis to grow their personal wealth and helping businesses prosper. As New Zealand's Exchange, we are proud of our record in supporting and fueling the growth and global ambitions of local companies.

NZX is an integral part of the New Zealand economy and its future productivity. By operating efficient, effective, transparent and resilient public markets, we help provide the capital for businesses to grow, innovate, invest in much-needed infrastructure, and create more and better paying jobs for New Zealanders.

We support New Zealand's sovereign interests and priorities, providing important economic building blocks and wealth creation.

Our **Purpose** or mission, lies at the heart of why we exist. We are New Zealand's exchange, an integrated financial services business, and a frontline market regulator.

We utilise our expertise and connections here and overseas to bring together all the ingredients required for economic prosperity. We are people helping people. Customer service is in NZX's DNA and in the people we employ. We want to make a positive impact on people's lives.

Our **Vision** is our goal or aspiration of what we want NZX to achieve. We want to ensure we grow our business – and the businesses and individuals we serve – in a way that is sustainable and profitable; helping our country, and the citizens who live in it, succeed.

Our **Values** are the behaviours our people demonstrate that underpin our Purpose and achieve our Vision.

Our **Strategy** is the guiderail for our decision making. We are growing a more integrated financial markets infrastructure and services business, building on NZX's core strengths and continuing to explore growth opportunities across our businesses to create further value to our shareholders over time. Successful execution will benefit consumers of capital, investors, our shareholders – and ultimately New Zealand's economy and the standard of living of all New Zealanders.

The **Operating Responsibly** section in this report outlines how and where NZX delivers value.

"NZX has a dual role: strengthening New Zealand's exchange with resilient, vibrant markets and growing a more integrated financial markets infrastructure and services business."

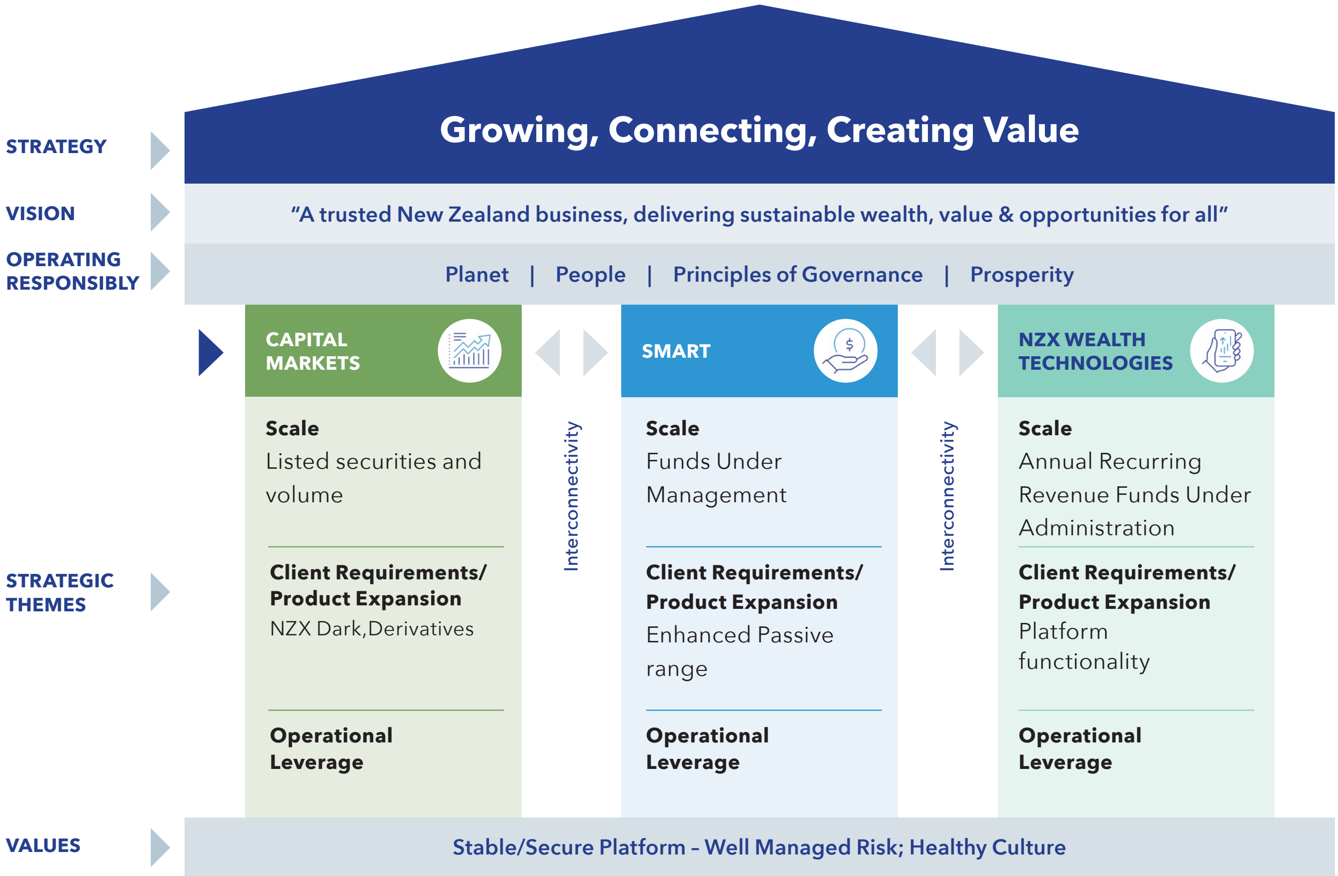
John McMahon
NZX Chair


Our Values
Our Strategy
Growing, connecting, creating value
Our Vision
A trusted New Zealand business, delivering sustainable wealth, value & opportunities for all
Our Purpose
Committed to connecting people, businesses & capital every day
We Deliver
Creative
Integrity
Open
Resilient

Developing our strategy to late 2027

Strategic priorities

We operate under a **strategic framework** with **interconnected businesses** driving **scale** and **operating leverage** for shareholders to **help New Zealand grow**



- Assist NZ to grow and improve its productivity
- Three connected and complimentary businesses
- Capital Markets – round out our product offering, build scale in clearing and settlement and capitalise on the operating leverage as markets recover
- Smart – continue the organic growth, invest in our brand, product, client service automation and operating platform
- NZXWT – continue to transition the client demand and capitalise on the competitive position
- Leverage the NZXWT capabilities for Smart
- Operate a well-managed, scalable, secure operations and technology environment.


NZX

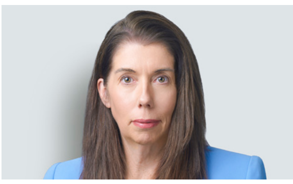
Our Board

John McMahon – Chair

John has extensive industry experience in the finance sector, including a background in technology, company turnarounds and transformation, and entrepreneurial small cap governance. He has spent more than 30 years in the Australasian equity markets, predominantly as an equity analyst (covering a broad range of industries), and was Head of Equities at ABN AMRO. John has worked for CS First Boston, BZW, Morgan Stanley, ABN AMRO, and Walker Capital, and was Managing Director of ASB Securities for three years. He now manages his own investment portfolio. John is a director of several small cap NZX-listed companies: Solution Dynamics (Chair), AoFrio (Chair of Audit Committee) and Vital (Chair). He has a Bachelor of Commerce (Honours), an MBA and is a CFA (Chartered Financial Analyst) charterholder.

Dame Paula Rebstock –
Deputy Chair

Dame Paula joined the NZX Board in February 2023. She is a leading Auckland-based economist and company director, who was made a Dame Companion of the New Zealand Order of Merit in 2015 for services to the State. Dame Paula has extensive professional experience in corporate and public services governance. She is a director of NZX-listed Vector, a Director of Bluecurrent Australia and Bluecurrent New Zealand. She also serves on unlisted entities and is Chair of New Zealand Post and Asia Pacific Healthcare Group, and is Deputy Chair of AIA Sovereign Insurance New Zealand, Auckland One Rail and Sealink New Zealand, among others. Dame Paula has been appointed as Chair for the review of NZ's competition authority, and is a former Chair of the Commerce Commission and the Accident Compensation Commission (ACC). Dame Paula was the Deputy Chair of KiwiRail and a director of Auckland Transport.



Lindsay Wright –
Independent Director

Lindsay joined the NZX Board in February 2018. She is the Chair of the Audit and Risk Committee and is a member of the Clearing Committee. Lindsay has more than 30 years financial services and funds management experience spanning Auckland, Sydney, Tokyo, Singapore, New York, China and Hong Kong. Lindsay has significant experience including investment management (traditional and alternatives), capital markets, client management, strategy and business development including M&A and transformation, risk and regulatory management, finance, technology incl digital and operations. Most recently Lindsay has been the Chief Executive Officer of Sung Hung Kai Capital Partners based in Hong Kong (resigned May 2024) and prior to that has held a range of global or regional (APAC) senior executive leadership roles for BNY Mellon Investment Management, Invesco, Matthews Asia, Harvest Funds Management and Deutsche Asset Management / Bankers Trust. Lindsay commenced her career with Bankers Trust in Auckland, becoming CFO / COO before moving to Deutsche Asset Management. In addition to her executive career Lindsay has 15 years professional experience in governance. Lindsay has previously served as Deputy Chair of the Board and Chair of the Audit and Risk Committee of the Guardians of the NZ Super Fund, a Director of Kiwibank and its subsidiary wealth and asset management business and Chair of the Board of Smartshares, NZX's funds management subsidiary. Lindsay is currently a non - executive Director of Milford Asset Management, Chair's the Board, Audit and Risk Committee and is a Director on Milford's private equity entities. In addition she is a non - executive director of Navigator Global Investments (ASX:NGI) and a member of its Audit and Risk Committee. Lindsay has a Bachelor of Commerce from the University of Auckland and is a Fellow of the Hong Kong Institute of Directors.

Frank Aldridge – Independent Director

Frank was appointed as a director in May 2017. Frank has an extensive understanding of New Zealand's capital markets having spent more than two decades working for Craigs Investments Partners where he led the business for 16 years as Managing Director through a period of significant growth and expansion between 2005 to March 2021. In addition during this period, he was also Chair of Australian-based Wilsons Advisory and Stockbroking, former member and Chair of New Zealand Securities Association, and sat on several of Craigs Investment Partners' subsidiary Boards. Frank is an accredited NZX Adviser, Financial Adviser (FA), and a Chartered Member of the Institute of Directors. Frank is a Director of Avion Private advising corporates, trusts and individuals.

Elaine Campbell – Independent Director

Elaine was appointed as a director in February 2019. She has more than 20 years' executive experience, primarily in financial and capital markets, and the IT and telecommunications industry. Elaine is the Executive GM of Fibre Access at NZX-listed Chorus. During her time on the executive team at NZX from 2002 to 2008, Elaine led the demutualisation and listing of NZX and was responsible for the insourcing of regulatory functions, along with chairing Smart. Elaine spent five years at the Financial Markets Authority as Director of Compliance before joining AMP as an executive director and General Counsel. She has previously worked in the UK and USA for multinational Sun Microsystems.

Peter Jessup – Independent Director

Peter joined the NZX Board in January 2022, following his appointment to the Technology Committee in April 2021. He brings more than 35 years' financial markets IT experience – including trading, surveillance, clearing, depository and settlement systems. Peter is a capital markets consultant with Accenture prior to which he led the Market Infrastructure Business Development team at LSEG and was Senior Vice President at Nasdaq's Global Technology Services group. In Peter's earlier career he worked for NZSE (New Zealand Stock Exchange), where he played a key role in automation of the exchange, including the implementation of electronic settlement and automated trading technology.

Rachel Walsh – Independent Director

Rachel was appointed as a director in October 2022. She has more than 25 years' experience across finance technology, healthcare, infrastructure, and other sectors and is a Fellow of CAANZ. She is a Director of IAG NZ Limited, a member of the Asteron Life Transition Working Group and a member of the External Reporting Advisory Panel (XRAP). Rachel was previously CFO at Datacom Group Limited and at listed healthcare company Abano Healthcare Group. She has worked at Rank Group Limited where she was involved in private equity acquisitions and divestments, debt raising in the US markets and financial reporting in the US market and under International Financial Reporting Standards. Rachel has also worked at PricewaterhouseCoopers as a Director in Audit. She Chairs the NZX Clearing Committee and is a member of the Audit and Risk, and Technology committees.

Our Leadership Team

Mark Peterson – Chief Executive

Mark joined NZX in May 2015 and became Chief Executive in April 2017. He has 30 years' experience in financial services covering the capital markets, private wealth, institutional and retail banking, and insurance. Mark previously worked as the Managing Principal of ANZ Securities, and before that held senior management roles with First NZ Capital, ANZ and The National Bank of NZ.

Graham Law – Chief Financial & Corporate Officer

Graham joined NZX in November 2017. He has considerable experience working across the financial and professional service sectors in New Zealand and the United Kingdom. Graham previously worked as Head of Finance at ACC, and prior to this was Managing Director and Chief Financial Officer at AMP Capital Limited. Graham brings expertise in strategic leadership, corporate governance, and risk and financial management.

Jeremy Anderson – General Manager, Listings, Information Services, Environmental Markets

Jeremy joined NZX in March 2017. He has significant experience working in the agribusiness, technology and financial service sectors across Australia and New Zealand. Prior to joining NZX, Jeremy led and executed Vodafone New Zealand's agribusiness strategy. Since working for NZX, and prior to his current role, he has led the NZX Agri business, established and led the Information Services business and Capital Markets Development business. His areas of expertise include: leadership, strategy development, sales management and innovation.

Kristin Brandon – Head of Policy & Regulatory Affairs

Kristin joined NZX in 2007 and is responsible for leading the development of NZX's market rules, and managing NZX's regulatory relationships. Kristin has extensive experience in financial services law, having previously worked in legal roles in corporate and commercial, and financial services teams at DLA Piper and Chapman Tripp in New Zealand, and Dechert LLP in London. Kristin holds an LLB(Hons) and BCA (accounting major) from Victoria University in Wellington.

Robert Douglas – Chief Information Officer

Robert joined NZX as the Chief Information Officer in February 2021. He has over 27 years' experience in financial services, including leading large teams in real-time technology environments. Prior to joining NZX, Robert was the Chief Operating Officer at Verifone NZ and has held previous roles as Head of ANZ Bank Institutional, Corporate and Commercial Operations, the Head of Technology at First NZ Capital and the Chief Information Officer of Markets Business Technology for ANZ Bank based in Australia.

Felicity Gibson – General Manager, Market Operations

Felicity joined NZX in March 2014 and leads the Market Operations team, covering the capital and energy markets' clearing businesses. Before joining NZX, Felicity held capital markets legal and regulatory roles in New Zealand and the United Kingdom, including with the FMA in New Zealand and FCA in the United Kingdom. Felicity holds an LLB and BA (Geography major) from the University of Otago.

Nick Morris – General Manager, Cash & Derivatives Markets

Nick joined NZX in February 2016 and leads the strategic delivery function, including derivatives, energy and environmental markets. Nick has extensive financial markets experience both in exchange traded and over the counter products. Before joining NZX, Nick held markets-based roles at Bank of New Zealand, and at Medley Global Advisers in central bank policy research. Nick holds a BCom (accounting and tax major) from the University of Canterbury.

Ronnie Redpath – Chief Risk Officer

Ronnie joined NZX in August 2021 and leads the Risk function for the Group. Ronnie has more than 20 years-experience in financial services covering capital markets and banking in New Zealand, the United Kingdom and Australia. He has an extensive risk management background with expertise in operational risk, controls management and assurance. Prior to joining NZX, Ronnie held various management roles for Barclays in the United Kingdom and has previously worked for ASB in New Zealand.

Anna Scott – CEO, Smartshares

Anna joined NZX in September 2023 as the CEO of Smartshares. Before joining NZX, Anna has held management roles in New Zealand and London at Hobson Wealth and JPMorgan as well as New Zealand directorships in financial service firms. Anna brings expertise in strategic development, leadership, operational & technology synergies & corporate governance and holds a BE(Hons) in Engineering Science from Auckland University.

Lisa Turnbull – CEO, NZX Wealth Technologies

Lisa joined NZX in November 2016. She has more than 25 years' experience in financial services covering investments, insurance and banking. Lisa previously worked for the ASB Bank and Sovereign Insurance holding leadership roles across finance, investments, distribution and operations. Lisa is a Chartered Accountant.

Joost van Amelsfort – CEO, NZ RegCo

With the establishment and structural separation of NZX's new regulatory agency NZ RegCo on 10 December 2020, Joost, formerly Head of Market Supervision became Chief Executive of NZ RegCo. Joost has more than 20 years' legal experience advising capital markets Participants, including roles with Simpson Grierson and Linklaters LLP, London and Dubai. Joost's particular areas of expertise include corporate governance, equity and debt capital markets, and mergers and acquisitions.

NZ RegCo
NZ'S LISTED MARKET REGULATOR

Operating Responsibly

Overview

NZX as both a listed company and market operator, interacts with a broad range of internal and external stakeholders, on a diverse range of matters.

The views of stakeholders are important in helping us to define topics that are most relevant to them, and material to NZX's core strategy and long-term value creation. These range from important and emerging risks, such as climate change, through to the economic and social impacts and opportunities of doing business.

It is important stakeholders consider both the financial and non-financial measures of our performance in how we deliver sustainable long-term value. The four "Ps" – Planet, People, Prosperity and Principles of governance – are the core pillars of NZX's environmental, social and governance (ESG) approach[1].

After undertaking a comprehensive stakeholder and materiality assessment in 2023, the Board in 2024 approved a refreshed environmental sustainability approach (Operating Responsibly – Planet) that was integrated into The Group's broader strategy. In 2025 NZX will refresh our social sustainability approach under the Operating Responsibly framework.

NZX's ESG performance for 2024 has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. It provides comprehensive disclosure of our performance against key ESG metrics we track. The GRI Content Index can be found on page 163 of this report.

Public markets will continue to play an important role in facilitating the flow of capital towards decarbonising the New Zealand economy and empowering sustainable finance.

In 2023 NZX confirmed its 2025 emissions reduction target (-21%). This aligns with our organisational purpose, vision and strategy, and with New Zealand's long-term sustainability goals and international commitments. As a climate-reporting entity, our climate-related disclosures for 2024 are included as an appendix in this annual report.

NZX is a signatory of the United Nations Sustainable Stock Exchanges (SSE Initiative). We want to align with international best practice for stock exchanges.

Robust governance, such as the Corporate Governance Code, is paramount to the role that NZX plays in overseeing the integrity of New Zealand's public markets.

Continuing to have a strong focus on advancing our position on diversity and inclusion in the NZX Group workforce remains essential to our business success and to better reflect the customers, businesses and country we serve.

NZX is focused on attracting more female managers, executives and governors and provide them with leadership development to make a positive difference.

1 2020 World Economic Forum report – Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation.

After undertaking a comprehensive stakeholder and materiality assessment in 2023, the Board in 2024 approved a refreshed environmental sustainability approach (Operating Responsibly – Planet) that was integrated into The Group's broader strategy.

Our people

Our people are at the heart of NZX's success. We are proud of the talent, commitment, and diversity of our team, which enables us to drive innovation, foster trust, and deliver high-quality service to our stakeholders and customers.

This year, in alignment with our theme of "Enabling Growth", we placed a strong emphasis on empowering our people to reach their full potential, recognising their growth drives NZX's ability to propel New Zealand's economy forward.

Investing in Talent and Capability
Ensuring strong leadership continuity is critical to NZX's long-term success. Recognising the increasingly dynamic nature of our workforce and markets, we introduced a succession planning initiative at the Chief Executive and Senior Leadership Team (SLT) levels. This initiative focuses on identifying emerging leaders, understanding their development needs, and addressing potential capability and resourcing gaps. In addition, we addressed critical capability gaps through targeted learning opportunities for some individuals across the organisation. Building on this foundation, we plan to implement a group-wide NZX learning programme in 2025 to proactively build strategic leadership capability to ensure NZX is well-positioned to tackle challenges, embrace opportunities, and make future-focused decisions that drive sustainable growth for our stakeholders and New Zealand's broader economy.

We also introduced career development plans, completed by all SLT members and the majority of emerging senior leaders. These plans provide a framework for individual growth, enabling leaders to identify and share their career aspirations and development goals. Complementing this, we completed talent mapping for Tier Three leaders, providing visibility of emerging talent across the organisation. In 2025, we will actively seek lateral or upward opportunities for individuals to further strengthen their contributions to NZX and support their career progression.

By fostering new talent, we are building a pipeline of future leaders and specialists who will support NZX's role in enabling growth across our business.

Gender pay gap

16.6%

Well below the financial and insurance industry average

Age and Gender Diversity of NZX Board

	Males	(%)	Females	(%)	Total
Over 50 years old	3	43%	4	57%	7
Total	**3**	**43%**	**4**	**57%**	**7**

Age and Gender Diversity of NZX Workforce

	Males	(%)	Females	(%)	Total
Under 30 years	48	61%	31	39%	79
30 – 50 years old	89	51%	85	49%	174
Over 50 years old	44	54%	37	46%	81
Not Disclosed	3	33%	6	67%	9
Total	**184**	**54%**	**159**	**46%**	**343**

Role and Gender Diversity of NZX Workforce

	Males	(%)	Females	(%)	Total
Executive Team + CEO	9	56%	7	44%	16
Management	44	63%	26	37%	70
Workforce	131	51%	126	49%	257
Employees Overall	**184**	**54%**	**159**	**46%**	**343**

NB: NZX Board figures do not include Future Director Sophie Spedding. All figures are as at 31 December 2024. At this time, no employees had not disclosed their gender, and no employees identified themselves as non-binary.

Our graduate programme recently achieved significant recognition, ranking second in financial services in Prosple's New Zealand Top 100 Grad Employers list.

Culture and Engagement

We remain committed to cultivating a high-performing, inclusive culture where every individual feels valued, engaged, and connected to our purpose.

In 2024, we continued to embed flexible and hybrid work practices, enhancing work-life balance while maintaining collaboration and productivity. A remuneration refresh project was completed, ensuring job grading levels and remuneration structures are competitive, transparent, and fair.

We also placed an emphasis on bringing our people together, with a multitude of social events and a renewed focus on community engagement through volunteering. NZX employees receive one day of volunteering leave annually. This year our people took part in native tree planting with Conservation Volunteers New Zealand, Daffodil Day, donation sorting at City Mission, and helping the Kindness Collective provide children with presents and food for Christmas.

Our bi-annual engagement surveys provide valuable insights, and this year we achieved our highest recorded engagement result of 4.36 – reflecting the strength of our culture and the commitment of our people to NZX's purpose and vision.

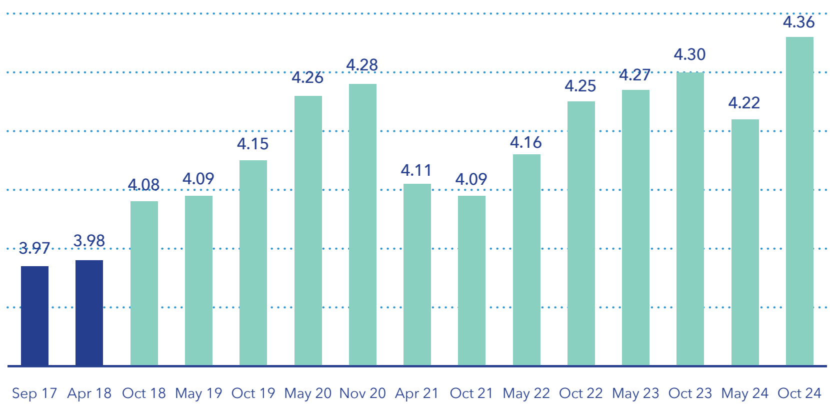
In response to feedback from our engagement survey, in December we launched a company-wide newsletter to enhance internal communication and drive greater connection across our diverse organisation. NZX also participated in research led by Massey University and the Leadership and Governance Collective, exploring the value Chief Executives place on organisational culture. We have encouraged other NZX-listed companies to engage in this research and we look forward to reviewing the findings in 2025.

Diversity and Inclusion

At NZX, diversity and inclusion remain critical to driving innovation and collaboration. In 2024, our graduates partnered with Global Women to research gender representation in NZX-listed board roles, presenting their findings to the Manatū Wāhine Ministry for Women. This initiative demonstrates the impact of engaging emerging talent in areas of national importance.

We maintained a strong focus on gender balance and pay equity internally, with female representation increasing over the past three years to 47% of Executives (not including the CEO) and 46% of all employees. This will continue to be a focus, particularly at the Management level given its impact on the gender pay gap, which was 16.6% across the whole organisation based on average base salaries. To further support gender equity, we sponsored four women to attend the 'Bold Steps Conference' and 15 employees to join 'Powrsuit', a career accelerator for women.

Employee Engagement



CASE STUDY

Supporting our community

Shares For Good

At NZX, our commitment to enabling growth extends beyond the financial markets – we are equally dedicated to supporting our communities and local charities.

Recognising the strength of collaboration, and delivering to our organisational purpose of being committed to connecting people, businesses and capital every day, we actively partner with organisations within the Capital Markets sector to make a meaningful impact in our communities.

In October 2024, NZX partnered with JB Were, MUFG, Chapman Tripp and Phosphor to create Shares For Good, a charitable home for unwanted shares and those wanting to sell shares to benefit charities in New Zealand.

This initiative was inspired through the recognition that there are a number of New Zealanders who hold small shareholdings they no longer wish to manage. While these don't equate to much individually, when they are pooled together they can make a significant impact for not-for-profit organisations.

With Shares for Good, 100% of the proceeds from share sales go directly to selected charities, making every contribution count.

This year, Shares for Good proudly supported Heart Kids, Amnesty International, Māia Collective, Action Education and UNICEF Aotearoa. Each of these charities aim to improve communities by reducing poverty, improving equity between groups, supporting children and their families, and enhancing the wellbeing and opportunities for those most at risk.

We look forward to growing this initiative alongside our peers.

S&P/NZX Charity Golf Classic

Alongside Shares For Good, NZX and S&P Dow Jones Indices, co-hosted the S&P/NZX Charity Golf Classic, the 34th golf tournament in the Financial Markets series, in support of The Little Miracles Trust.

As our chosen charity for the past seven years, The Little Miracles Trust is an incredible not-for profit charity that provides support to thousands of parents and whānau going through the stress and anxiety of premature and sick babies that require neonatal care.

The event was well attended, with around 100 players and volunteers from New Zealand's capital markets participating. Through the generosity of auction contributions from both our issuer and wider community, as well as every swing, putt, and donation, we collectively raised more than $50,000 in 2024.

This brought the total donations to The Little Miracles Trust to more than $306,000 over the past seven years. This funding has allowed investment in specialist medical devices to monitor babies' health, necessities to ensure a more comfortable stay for parents with the Neonatal Intensive Care Units and Special Care Baby Units, and neonatal research.

We are proud to continue supporting The Little Miracles Trust and their incredible work. At the same time, we are excited to announce Variety, a charity dedicated to helping children and young people thrive in Aotearoa New Zealand, as our charity partner for the S&P/NZX Charity Golf Classic from 2025.

We used our platform – including the Opening Bell Podcast, social media channels, and tickers in Auckland and Wellington – to support a range of organisations and fundraising events, such as Daffodil Day and World Prematurity Day. In 2025, we plan to build on these efforts and explore new opportunities to expand our impact.

Our environment

Increasing transparency and strengthening climate disclosures
NZX is a climate-reporting entity for the purposes of the Financial Markets Conduct Act 2013 (FMCA). NZX's 2024 climate statement, containing sections on climate-related governance, strategy, risk management, and metrics and targets, is accordingly provided on page 132 of this annual report. Smart is a separate climate reporting entity for the purposes of the FMCA as a manager of an investment scheme and will deliver its 2024 climate statement mid-2025.

In 2024, NZX scored a B (Fast Follower) in Forsyth Barr's C&ESG ratings, an improvement on our last year's rating score of B-. It is also consistent with other ESG ratings NZX received in 2024.

Maturing our environmental sustainability approach
In 2024, the Group updated its sustainability framework (now named 'Operating Responsibly'), to guide the Group's climate transition planning and further embed climate considerations into the Group's wider strategic decision-making. The refreshed 'Operating Responsibly' framework is informed by the results of the Group's 2023 stakeholder materiality assessment, which identified the material topics relevant to the Group's operations.

Operating Responsibly: Planet

Decarbonisation	Disclosure and transparency	Stakeholder engagement	Sustainability products and services	Partnership
1 Set near-term and long-term science based emissions reduction targets	1 Comply with Aotearoa New Zealand Climate Standards	1 Engage with stakeholders, including investors, employees, suppliers, customers and regulators	1 Provide sustainability products and services	1 Collaborate with market actors on sustainability orientated projects
2 Reduce carbon footprint through emissions reduction initiatives	2 Engage with external rating agencies	2 Engage with the wider community	2 Support sustainability related market activities	2 Align with sustainability-related peer groups
3 Net carbonzero certification				

The Planet pillar of the Operating Responsibly framework outlines five key topics related to environmental sustainability: (1) decarbonisation, (2) disclosure and transparency, (3) stakeholder engagement, (4) sustainability products and services, and (5) partnership. The above diagram depicts the key topics under the Planet pillar of the Operating Responsibly framework.

In 2024, as part of the broader strategy, the Group joined the Sustainable Business Council, which is a membership organisation designed to connect businesses, partners and sectors on sustainability matters including climate change.

Understanding how we impact the climate

In 2024, we again achieved Toitū Envirocare net carbonzero certification. This year represents the fourth consecutive year of NZX's net carbonzero certification, applied across our Scope 1, Scope 2, and relevant Scope 3 emissions. This includes the assessment of emissions from various sources such as vehicles, business travel, fuel and electricity usage, paper consumption, and waste generation. The emissions are evaluated annually, and the entire inventory undergoes independent assurance to ensure accuracy and completeness.

In 2024, our total GHG emissions were 601.0 tCO_2e. Excluding the employee commuting, WFH, and data centre emissions, NZX's total GHG emissions for 2024 are 399.0 tCO_2e - 20.5% lower than the baseline year emissions from 2019. In 2024 we started the investigation of our value chain emissions to gain a more complete understanding of our climate impact and will disclose them in 2025. Intensity metrics are provided in our climate statement on page 152.

NZX Greenhouse Gas (GHG) Emissions*

Scope	KPMG assurance level	Scope 3 Category	Emissions sources CO_2-e	2019 Tonnes	2022 Tonnes	2023 Tonnes	2024 Tonnes	% difference YoY
Scope 1	Limited		Direct Emissions (diesel)	1.9	8.8	2.6	0.0	-100.0%
Scope 2 (location-based)[1]	Limited		Electricity (office space +ticker)	48.1	51.5	26.5	36.8	+38.8%
			Electricity (data centre)	N/A	N/A	N/A	17.7	N/A
Scope 2 (market-based)[1]	Limited		Electricity (office space +ticker)	48.1	51.5	26.5	31.4	+18.5%
			Electricity (data centre)	N/A	N/A	N/A	17.92	N/A
Scope 3[2]	None	3. Fuel-and energy-related activities (not included in scope 1 and scope 2)	Transmission & Distribution losses for purchased electricity	4.3	4.7	3.1	2.2	-30.6%
			Transmission & Distribution losses for purchased electricity (data centre)	N/A	N/A	N/A	1.3	N/A
		5. Waste generated in operations	Office Waste[3]	2.3	7.2	28.4	5.0	-82.5%
			Recycling	1.8	0.1	0.1	0.1	-40%
		6. Business travel	Air Travel					
			- Domestic	212.1	155.1	94.5	96.5	+2.2%
			- Short haul international	33.6	22.2	25.3	37.9	+49.6%
			- Long haul international	174.9	65.2	142.0	186.6	+31.4%
			Accommodation	8.0	9.2	12.2	14.3	+17.30%
			Fuel Emissions (rental and other cars)	10.6	5.7	8.6	4.3	-50.3%
		7. Employee commuting	Employee Commuting	N/A	N/A	173.8	173.8	0.0%
			Working from home	N/A	15.0	8.8	9.0	+2.5%
		9. Transportation and distribution of sold products	Freight	4.2[4]	26.6	22.3[5]	20.8	-6.6%
Total (2019 inventory-location-based)				**501.9**	**371.3**	**365.5**	**404.4**	**+10.6%**
Total (2019 inventory-market				**501.9**	**371.3**	**365.5**	**399.0**	**+9.1%**
Total (location-based)				**501.9**	**371.3**	**548.2**	**606.2**	**+10.6%**
Total (market-based)				**501.9**	**371.3**	**548.2**	**601.0**	**+9.7%**

1 In 2024, NZX changed emissions reporting from location-based to market-based for electricity.

2 Categories 4, 8, 10, 11, 12, 13, 14 were not included, as they are not applicable to the Group's business operations. Category 15 financed emissions associated with Smart's registered investment schemes are captured within Smart's climate-related disclosures.

3 An increase in office waste emissions in 2023 is due to a change in measurement methodology. In 2023 the waste management service provider switched from estimates to readings from a weight station for waste weight figures.

4 This is a correction for a previous typographical error in the 2023 Climate Statement. The error did not affect any underlying calculations or other metrics.

5 In 2024, we identified additional spend on freight that was unaccounted for in 2023 due to an error in methodology. This additional spend has been added to the 2023 inventory, leading to a restatement of freight emissions. The total impact is 18.38 tCO2e of additional emissions or 3.47% of total emissions originally reported in 2023.

N/A – Data was not measured in that year

Setting targets

NZX is targeting a 21% reduction in absolute Scope 1, 2, and 3 emissions by 2025 from a 2019 baseline year. This absolute emissions reduction applies to emissions sources that were included in 2019 inventory. With 2024 GHG emissions being 20.5% below the 2019 figures, NZX is on track to achieve its emissions reduction targets by 2025. In 2025, NZX intends to develop and set interim and long-term, science-aligned emissions reduction targets for Scope 1, 2, and 3 emissions.

Our markets & economic performance

As New Zealand's Exchange we are passionate about working with our customers and stakeholders to grow the markets NZX operates, which generate wealth integral to Kiwis' standard of living, and New Zealand companies getting ahead.

To support the growth and development of our core markets business, and to ensure we are well connected to New Zealand investors, NZX owns Smart, a New Zealand issuer of listed Exchange Traded Funds, and KiwiSaver provider SuperLife.

NZX provides wealth management services for New Zealand advisers via NZX Wealth Technologies.

NZX is also responsible for developing, consulting on, and enhancing the market rules, practices and policies under which NZX's markets operate.

NZX makes a significant contribution to New Zealand's economy, both directly and indirectly via companies that are listed on the public markets. Around two million New Zealanders are investors through their KiwiSaver accounts and many more though online platforms such as Sharesies.

The value that NZX has added to the New Zealand economy since 2018 (when NZX enacted its growth strategy) has been substantial when compared to our gross revenue. Similarly, constituents of the S&P/NZX50 index contribute significant value to the New Zealand economy.

The NZX Main Board covers 175 listed issuers with a market capitalisation of $177.3 billion.

The NZX Debt Market supports 47 listed issuers with $58.5billion outstanding on the market. There are 152 financial instruments listed on the NZX Debt Market.

NZX's direct contribution to the New Zealand economy

9.7%

up from $220 million in 2023

NZX's economic contribution

In 2024, NZX directly contributed $241 million to the New Zealand economy, up 9.7% from $220 million in 2023.

Despite challenging market conditions, NZX's share of value added to gross revenue has dropped slightly, to 67%. This means that for every dollar of revenue generated, in 2024 NZX contributed 67% directly to the New Zealand economy in the form of labour (wages or salaries), capital or taxes.

Internally we have a workforce of 338.0 full time equivalents – down 1.6 FTE on 2023 to support business growth and paid a total of $52 million in salaries.

Creating value

Along with providing investors with ready access to world-leading companies, the markets operated by NZX enable New Zealand companies and other organisations to raise capital that directly leads to value creation for businesses, society and our environment. As well as capital raising to strengthen balance sheets, funds are raised via NZX-operated markets to provide for a range of wellbeing initiatives such as social housing, and environmental and climate change-focused projects.

CASE STUDY

Santana Minerals – Going for Gold

At NZX, we take pride in supporting the success of our listed community, offering diverse pathways for prospective issuers to achieve their short-term and long-term goals.

One of the listing pathways available to issuers is a Foreign Exempt listing, which is becoming increasingly popular for companies wanting exposure to the benefits of both the New Zealand and Australian markets.

NZX has 55 companies that are primarily listed in New Zealand while also dual-listed on another exchange, and 15 companies that are primarily listed overseas but dual-listed on the NZX.

In July 2024 Santana Minerals, a mining specialist already listed on the ASX, joined the NZX as a Foreign Exempt listing. This strategic move aimed to enhance its connection with the New Zealand market, increase brand visibility, and build relationships with local customers.

Santana's decision was further driven by the fact that more than 40% of its ASX shareholders are based in New Zealand. This made listing a natural pathway to deepen relationships with local investors.

The roots of Santana's presence in New Zealand lie in a significant discovery at its Bendigo-Ophir project in Central Otago. In 2021, the company uncovered what is believed to be the largest gold discovery in New Zealand for more than 40 years – the Rise and Shine deposit.

This discovery, containing more than two million ounces of gold at a grade of 2.2 grams per tonne, highlighted the importance of establishing a strong connection in New Zealand.

"Really, it's about providing New Zealanders with an opportunity to participate in this historic project", says Chief Executive Damian Spring.

"For New Zealanders to have the ability to buy their own stock in their own currency, in their own time zone, two hours before the Australian market opens, is a great thing."

Beyond financial opportunities, Santana is committed to engaging with local communities. Damian pointed out that mining isn't about "turning up from another country and starting to dig a hole". The company's approach is built on collaboration with local government, communities, and stakeholders to ensure the project is developed responsibly and sustainably.

"We are committed to developing the project into an environmentally responsible, economically sustainable mining operation.".

The project, which is expected to span at least the next 10 years, aims to create more than 300 direct jobs in the region, with an estimated NZD$5 billion in export earnings.

The project will also significantly contribute to the region's economy, with workers having the ability to live within the 'golden triangle' of Queenstown, Wanaka, and Alexandra.

Damian highlighted how this will support local employment, offering local workers the ability to work near home rather than participate in fly-in, fly-out operations, often seen in Australian mining.

As for being listed on two exchanges, Damian says: "having already been listed on the ASX, we were already aware of the regulatory requirements that came from being a publicly listed company. The process from application to listing was fast and uncomplicated and it's just been seamless – finished with a very warm welcome on listing day.

"We're really pleased to be dual listed. It has provided shareholders with a more direct way to engage with our stock, good volumes have been traded, and it has reinforced our commitment to being a proud homegrown success story – strengthening our connection to the local market."

The Foreign Exempt listing structure allowed Santana the ability to efficiently access the New Zealand capital market, by relying on compliance with its home exchange obligations. This offers Santana a streamlined approach to governance and reporting requirements, meaning Santana can focus on building its value proposition in New Zealand.

"For New Zealanders to have the ability to buy their own stock in their own currency, in their own time zone, two hours before the Australian market opens, is a great thing."

Typically, the listing process takes around 25 business days from submitting an application to being listed. The process begins by lodging an application with New Zealand's regulator, NZ RegCo.

For Santana, the Foreign Exempt listing is more than just an opportunity to raise capital; it's a strategic move that strengthens the company's connection to the local market and its commitment to sustainable growth.

Some would say there's a goldmine of opportunity ahead.

Corporate Governance

Corporate Governance

For the purpose of this section of the annual report, the term 'NZX' and 'Company' means NZX Limited.

NZX's shares are quoted on the NZX Main Board. NZX also has a subordinated note quoted on the NZX Debt Market.

In this part of the annual report, we disclose the extent to which we have followed the recommendations set out in the NZX Corporate Governance Code 2023 (**NZX Code**). The information in this section is current as at 31 December 2024 and has been approved by the board of directors of NZX.

NZX's Board is committed to maintaining the highest standards of governance by implementing a framework of structures, practices and processes that it considers reflect best practice. NZX's corporate governance policies and procedures, and its Board and Committee charters, document the framework and have been approved by the Board.

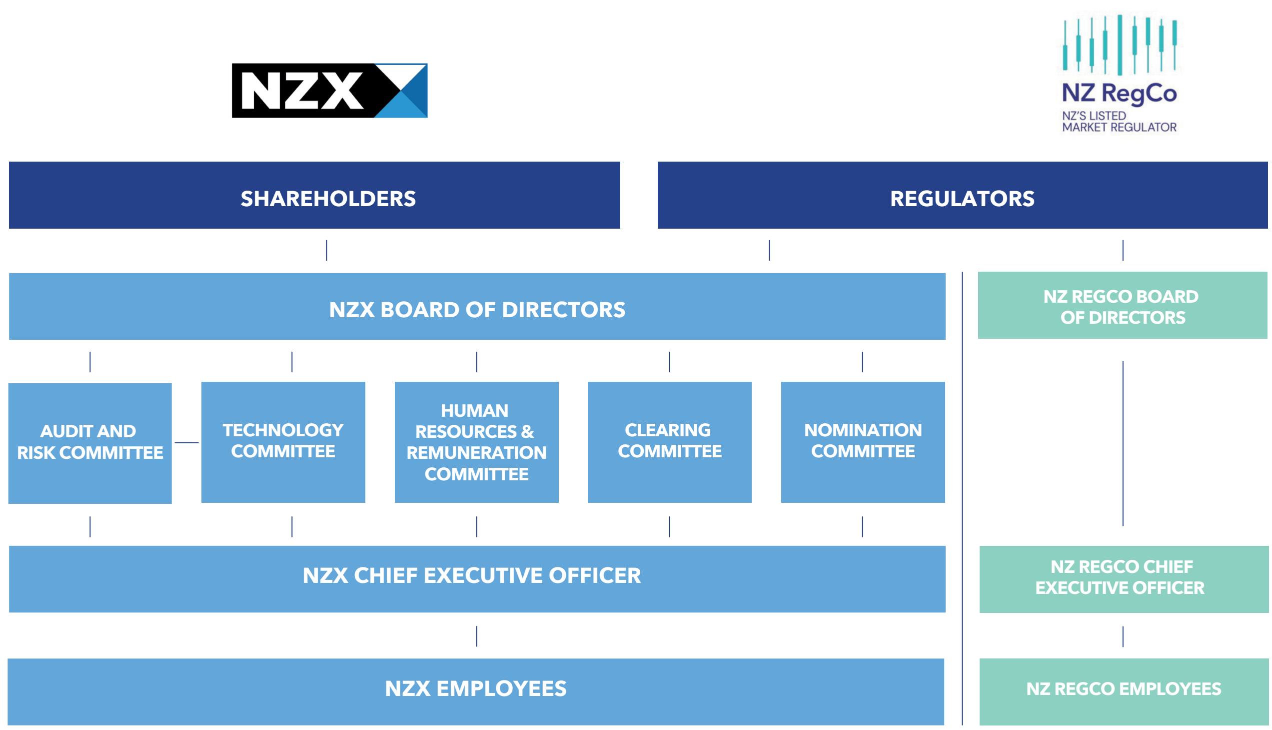
The framework has been guided by the recommendations set out in the NZX Code and the requirements set out in the NZX Listing Rules (**Listing Rules**). The Board's view is that NZX's corporate governance framework has followed these recommendations and requirements in the year to 31 December 2024 (**reporting period**).

The corporate governance framework is regularly reviewed by the Board against the corporate governance standards set by NZX, any regulatory changes, and developments in corporate governance practices.

The key corporate governance documents referred to in this section are available from NZX's investor centre (nzx.com/about-nzx/investor-centre).

The following diagram summarises the NZX corporate governance framework.

NZX corporate governance framework



NZX Regulation Limited

NZX's regulatory functions are performed by NZX Regulation Limited (**NZ RegCo**), a separate, independently governed entity. All regulatory decision-making has been delegated to the NZ RegCo Board and NZ RegCo management.

NZ RegCo does not regulate NZX as a listed issuer, or any related entities of NZX that are subject to NZX's market rules. This means NZ RegCo also does not regulate Smartshares Limited (as the listed issuer of the Smartshares ETFs) or NZX Wealth Technologies Limited (as an accredited NZX Participant). NZX and its related entities are regulated by the Special Division of the NZ Markets Disciplinary Tribunal.

NZ RegCo's functions in relation to regulation of NZX's markets operations include:

- monitoring and enforcing compliance with NZX's market rules by issuers listed on NZX's markets;
- monitoring and enforcing compliance with the NZX Participant Rules and the NZX Derivatives Market Rules by participants operating on NZX's markets, such as NZX Firms, NZX Advisors and Trading Participants; and
- working with the FMA as a co-regulator under the Financial Markets Conduct Act 2013 (**FMCA**) in relation to continuous disclosure, market manipulation and insider trading.

NZ RegCo is subject to a charter, which sets out the objectives, responsibilities and framework for the operation of NZ RegCo management and the NZ RegCo Board.

NZX CODE

Principle 1 – ethical standards

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

Code of Conduct

NZX's Code of Conduct sets out the standards of conduct expected of directors (including members of committees) and employees (including secondees, contractors and consultants). The purpose of the code is to underpin and support NZX's values, legal obligations and policies that govern and guide our individual and collective behaviour.

Training on the code is included as part of the induction process for new directors and employees.

The code requires directors and employees to promptly report material breaches of the code and sets out the procedure for doing so. The code refers to the NZX Protected Disclosures (Whistleblower) Policy, which includes reference to NZX's processes around whistleblowing and includes details of a confidential third party agency for employees to contact for whistleblowing reporting purposes.

The code is reviewed at least every two years and was last reviewed in February 2025. Amendments to the code following a review are summarised and detailed to NZX employees via NZX's intranet. NZX's Board Charter notes that directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

Financial Products Trading Policy

NZX's Financial Products Trading Policy sets out NZX's restrictions on its directors and employees buying or selling financial products. In particular:

- apart from certain listed exemptions, directors and employees may not buy or sell NZX's shares in the "blackout" periods set out in the policy (these periods occur prior to the release of NZX's financial results to the market);
- outside of a blackout period, directors and employees must obtain consent to buy or sell NZX's shares; and
- directors and employees involved in trading financial products for a managed investment scheme managed by Smartshares Limited are prohibited from trading in financial products on their own behalf or on behalf of related persons, before trading in those products for the managed investment scheme in order to avoid gaining a price advantage.

Because NZX is a licensed market operator, NZX's senior managers and employees with access to market sensitive information must obtain consent to buy or sell financial products quoted on a market operated by NZX.

Training on the policy is included as part of the induction process for new directors and employees, with annual refresher training provided to all employees.

The policy is reviewed at least annually and was last reviewed in September 2024.

Principle 2 – board composition and performance

To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives.

Board Composition as at 31 December 2024

Board Structure	Number of Directors	Gender Diversity	Average Director Tenure	Average Director Age	Diversity Characteristics
Single tier	7	3 men, 4 women	4 years, 2 months	59 years, 6 months	Education qualifications, professional experience, personal achievements, geography, gender

Board charter

NZX's Board operates under a written charter, which sets out the responsibilities and framework for the operation of the Board.

The charter is reviewed at least every two years and was last reviewed in February 2024.

Management of NZX on a day-to-day basis is undertaken by the Chief Executive Officer and senior managers through a set of delegated authorities that clearly define the Chief Executive Officer's and senior managers' responsibilities and those retained by the Board. The delegated authorities are set out in NZX's Delegated Authority Policy. The policy is reviewed at least annually and was last reviewed in March 2024.

The Board meets its responsibilities by receiving reports and plans from management and through its annual work programme. The Board uses committees to address issues that require detailed consideration. Committee work is undertaken by directors. However, the Board retains ultimate responsibility for the functions of its committees and determines their responsibilities.

Nomination and appointment of directors

NZX has a Nomination Committee, which is responsible for reviewing candidates for appointment and re-election to the Board and committees, and making recommendations to the Board. An independent recruitment consultant may provide assistance in preparing a list of candidates for the Committee's consideration. The Committee meets with preferred candidates before making a recommendation to the Board. Checks are done on candidates in accordance with NZX's Fit and Proper Policy. Key information about candidates is provided to shareholders in the notice of annual meeting.

At each annual meeting, current directors retire by rotation at least every three years as required by the Listing Rules and are eligible for re-election. Any directors appointed since the previous annual meeting must also retire and are eligible for re-election.

NZX uses a skills matrix when selecting candidates for appointment and re-election to the Board. The skills matrix outlines the ideal mix of skills, experience and diversity needed to ensure the Board is equipped to provide the high standard of corporate governance required to lead NZX. If the Board determines that new or additional skills are required, training is completed or a formal recruitment process is undertaken.

The matrix assesses directors against a number of criteria including both general corporate governance capability as well as domain knowledge of matters specific to the business. A summary of the skills assessment of the current Board is contained overleaf.

Based on these criteria, the Board considers that its members currently have the balance of independence, skills, knowledge, experience and perspectives necessary to lead NZX.

Board Skills Matrix

CATEGORY	DESCRIPTION	BOARD STRENGTH
Corporate governance	Knowledge and experience of governance including oversight of governance frameworks and ESG/ sustainability.	High 1, Med-High 3, Low-Med 3
Strategy	Experience in defining strategic objectives and constructively challenging strategic plans.	High 4, Med-High 3
Risk management	Capability in identifying understanding risks and risk mitigation strategies. Ability to understand the effectiveness of risk management frameworks and practices.	High 4, Med-High 1, Low-Med 2
Business & Digital Transformation	Knowledge or experience of restructured or new business resources and models, technology and capabilities, (incl digital technology).	High 1, Med-High 5, Low 1
Financial fluency	Experience or background in accounting, corporate finance and financial reporting, with capability to assess financial controls and reporting.	High 5, Low-Med 2
Listed Company	Board member, CEO or senior executive of listed companies (or to equivalent standard in govt or unlisted).	High 6, Low 1
Culture and people	Experience overseeing CEO and senior management, including capability assessment, remuneration frameworks, along with promoting an appropriate workplace culture aligned with corporate values.	Med-High 6, Low-Med 1
Stock exchange	Experience with financial products and licensed financial markets including market infrastructure, derivatives and data.	High 3, Med-High 2, Low-Med 1, Low 1
Funds management	Experience as Board member, portfolio manager, senior executive or with investment committee, with a fund manager.	High 2, Med-High 3, Low-Med 1, Low 1
Custody & Administration	Understandinge of Custodial and Administration platforms.	Med-High 4, Low-Med 2, Low 1
Technology (markets)	Experience in governance of critical technology infrastructure, technology strategies and cyber security, with emphasis on financial markets-related technologies.	High 1, Med-High 2, Low-Med 3, Low 1
Equity & Debt capital markets	Degree of involvement with debt/equity issuance (primary and secondary) from either broker, fund manager, or Listed Issuer side.	High 2, Med-High 4, Low-Med 1
Regulatory: FMCA, Listing Rules, & Public Policy	Degree of familiarity with LR and FMCA issues such as materiality and continuous disclosure and and understanding of how policy settings operate and are influenced.	High 3, Med-High 2, Low-Med 2
Markets relationships	Extent of relationships with brokers, institutional investors in NZ and Australia, investment banking, private equity, Government and regulatory relationships.	High 1, Med-High 2, Low-Med 3, Low 1

BOARD STRENGTH: High, Med-High, Low-Med, Low

Written agreement
NZX provides a letter of appointment to each newly appointed director setting out the terms of their appointment. The letter includes information regarding expected time commitments, the Board's responsibilities, remuneration, independence requirements, disclosure requirements, confidentiality obligations, indemnity and insurance provisions, intellectual property rights and cessation of appointment.

Director information
The Board currently comprises seven directors with diverse backgrounds, skills, knowledge, experience and perspectives. All directors are non-executive and independent. A director's interests, position and relationships, as well as the factors set out in Table 2.4 of the NZX Code, have been considered holistically and without considering any conflict management arrangements when determining the director's independence status.

Information in respect of directors' ownership interests is available on page 128. NZX's directors participate in a Share Purchase Plan, which requires them to apply a certain amount of their fees to the purchase of NZX shares (subject to certain limits and exceptions, the details of which are set out on page 71).

Diversity
NZX's Diversity and Inclusion Policy sets out how NZX will set measurable objectives for achieving diversity and inclusion, and how it will assess its progress towards achieving these objectives.

The policy is reviewed at least annually and was last reviewed in February 2025. Further details on NZX's diversity and inclusion are outlined on page 46.

DIRECTOR TRAINING

Directors are expected to understand NZX's operations and undertake training and education to enable them to effectively perform their duties. This can include:

- attending management presentations in respect of NZX's operations;
- attending presentations on changes in governance, legal and regulatory frameworks;
- attending technical and professional development courses;
- attending presentations from industry experts and key advisers;
- attending the World Federation of Exchanges (WFE) conferences of which NZX is a member; and
- receiving regular educational materials.

NZX continues to support the Institute of Directors' Future Director Programme, with Sophie Spedding appointed as a NZX Future Director on 17 May 2024.

ASSESSMENT OF BOARD PERFORMANCE

A detailed Board evaluation was commenced in 2024 to review the performance of the Board and Committees across key areas, including strategy, risk management, Board processes and monitoring organisational performance. This process is being run by external and independent governance experts. The key findings of the process, including questionnaire responses, which are expected to be received in the first quarter of 2025, will be reviewed by the Board.

SEPARATION OF THE CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

NZX's Board Chair and Chief Executive Officer are different people. NZX's Board Chair is an independent director.

Principle 3 – committees

The Board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility.

COMMITTEES AND MEMBERS

The Board uses committees where specialist skills and experience are required. As at 31 December 2024, five standing committees have been established to assist the Board on matters falling within their areas of responsibility. Each committee has authority to undertake any activity set out in its charter or as authorised by a separate resolution of the Board.

The board and five committees (and the members of each) as at 31 December 2024 are set below.

Board and committees (as at 31 December 2024)

Board of Directors

- John McMahon (Chair)
- Dame Paula Rebstock
- Lindsay Wright
- Frank Aldridge
- Elaine Campbell
- Peter Jessup
- Rachel Walsh

Committees

Core Committees				
Audit and Risk Committee	**Human Resources and Remuneration Committee**	**Nomination Committee**	**Clearing Committee**	**Technology Committee**
Lindsay Wright (Chair)	Frank Aldridge (Chair)	John McMahon (Chair)	Rachel Walsh (Chair)	Peter Jessup (Chair)
Frank Aldridge	John McMahon	Frank Aldridge	Peter Jessup	John McMahon
Rachel Walsh	Elaine Campbell	Dame Paula Rebstock	Lindsay Wright	Rachel Walsh
	Dame Paula Rebstock		Dame Paula Rebstock	
			John McMahon	

Director meeting attendance

		Core Committees				
Director	Board[1]	Audit and Risk Committee[2]	Human Resources and Remuneration Committee[3]	Nomination Committee[4]	Technology Committee	Clearing Committee
John McMahon[5]	9/9	-	5/5	0/0	4/4	4/4
Dame Paula Rebstock	9/9	-	5/5	0/0	-	4/4
Lindsay Wright	9/9	8/8	-	-	-	4/4
Frank Aldridge	8/9	8/8	5/5	0/0	-	-
Elaine Campbell[6]	8/9	-	4/5	-	-	-
Peter Jessup	8/9	-	-	-	4/4	4/4
Rachel Walsh	9/9	7/8	-	-	3/4	4/4

1 In addition to the scheduled full day board meetings, the board held an additional meeting via VC during the year in relation to updating FY2024 market guidance.
2 In addition to the scheduled meetings, the Audit and Risk Committee held two additional meetings during the year to discuss FY2025 audit and assurance and approve NZX's insurance renewal proposal.
3 In addition to the scheduled meetings, the Human Resource and Remuneration Committee held an additional meeting during the year to discuss incentives and succession planning.
4 No nomination committee meetings were called for or held in FY2024.
5 John McMahon attended 8/8 Audit and Risk Committee meetings as an ex-officio member.
6 In addition to committee attendance, NZX directors may also sit on subsidiary boards. Elaine Campbell is a director of NZX Regulation Limited and attended 7/7 NZX Regulation Limited scheduled board meetings.

Audit and Risk Committee

NZX's Audit and Risk Committee assists the Board to fulfil its responsibilities in relation to the NZX Group's financial practices and reporting, internal control environment, internal audit, external audit and risk management. The Committee operates under a written charter, which sets out the responsibilities and framework for the operation of the Committee. The charter is reviewed at least every two years and was last reviewed in May 2024.

The Committee must be comprised solely of NZX directors, have a minimum of three members, have a majority of members that are independent directors and have at least one director with an accounting or financial background. The current composition of this Committee complies with these requirements.

The Committee's Chair, Lindsay Wright, holds a bachelor of commerce degree from the University of Auckland majoring in finance and accounting, and has previously held the role of CFO of Deutsche New Zealand (previously Bankers Trust) and was also formerly Chair of the Audit Committee for the New Zealand Superannuation Fund. Lindsay's full biography (as well as the biographies of other committee members) is on pages 36 to 37.

The Committee Chair and the Board Chair are different people.

Management may only attend meetings at the invitation of the Committee and the Committee routinely has Committee-only time and time with the external and internal auditors without management present.

Human Resources and Remuneration Committee

NZX's Human Resources and Remuneration Committee assists the Board in overseeing the management of the human resources activities of NZX, including the remuneration of employees. The Committee operates under a written charter, which sets out the responsibilities and framework for the operation of the Committee. The charter is reviewed at least every two years and was last reviewed in February 2025.

The Committee must have a minimum of three members and a majority of members that are independent directors. The current composition of this Committee complies with this requirement.

Management may only attend meetings at the invitation of the Committee.

Nomination Committee

NZX's Nomination Committee assists the Board in identifying and recommending individuals to the Board for nomination as directors and members of committees. The Committee operates under a written charter, which sets out the responsibilities and framework for the operation of the committee. The charter is reviewed at least every two years and was last reviewed in November 2024.

The committee must have a minimum of three members and a majority of members that are independent directors. The current composition of this Committee complies with this requirement.

Management may only attend meetings at the invitation of the Committee.

Technology Committee

NZX's Technology Committee was formed in 2020 and assists the Board in oversight of the role and use of technology in executing NZX's strategy (including ICT recommendations from Capital Markets 2029), meeting regulatory requirements and standards and in supporting the function of the markets operated and cleared by NZX, through NZX Clearing. The Technology Committee oversees NZX technology risk and supports the Audit and Risk Committee in its overall group risk management obligations. The Committee operates under a written charter, which sets out the responsibilities and framework for the operation of the Committee. The charter was last reviewed in November 2023.

The Committee must have three members. The Committee may have a non-director as a member (who must have skills and experience relevant to the operation of the Committee). The current composition of this committee complies with these requirements (though it does not currently have a non-director member).

Clearing Committee

The Clearing Committee assists the Board in ensuring that New Zealand Clearing Limited has adequate risk capital to meet its obligations as the central counterparty clearing house for NZX Clearing. The Committee operates under a written charter, which sets out the responsibilities and framework for the operation of the Committee. The charter is reviewed at least every two years and was last reviewed in February 2024.

The Committee must have a minimum of three members being either all NZX directors or two directors and one external independent person (who must have skills and experience relevant to the operation of the Committee). The current composition of this Committee complies with these requirements.

Takeover protocol

NZX's Takeover Protocol sets out the procedure to be followed if there is a takeover offer for NZX.

The protocol is reviewed at least every two years and was last reviewed in August 2023.

Principle 4 – reporting and disclosure

The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

Continuous disclosure

NZX's Continuous Disclosure Policy sets out NZX's arrangements to ensure material information is identified, reported, assessed and, where required, disclosed to the market in a timely manner.

NZX is committed to ensuring the timely disclosure of material information about the NZX Group and to ensuring that NZX complies with the NZX Listing Rules.

It is the responsibility of the Board to monitor compliance with the Continuous Disclosure Policy. The Board considers at each Board meeting whether any information discussed at the meeting requires disclosure.

The policy is reviewed at least every two years and was last reviewed in August 2024.

Charters and policies

The key corporate governance documents referred to in this section, including policies and charters, are available from NZX's investor centre (https://www.nzx.com/about-nzx/investor-centre).

Financial reporting

NZX is committed to ensuring integrity and timeliness in its financial reporting and in providing information to the market and shareholders which reflects a considered view on its present and future prospects.

The Audit and Risk Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness, balance and timeliness of financial statements. It reviews NZX's full and half-year financial statements and makes recommendations to the board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements, and the results of the external audit. All matters required to be addressed and for which the Committee has responsibility were addressed during the reporting period.

NZX has published its full and half-year financial statements that were prepared in accordance with relevant financial standards. The full year financial statements are set out on pages 83 to 119.

The Chief Executive Officer and Chief Financial and Corporate Officer have confirmed in writing to the Board that NZX's external financial reports present a true and fair view in all material aspects.

Non-financial reporting

NZX releases data on its non-financial performance metrics each month through its monthly shareholder metrics publications. It also releases quarterly revenue and shareholder metrics, and regulation metrics representing the key features of NZX's activities in regulating its markets.

NZX releases non-financial data within its annual report, including as to remuneration (on page 65 to 73), climate related disclosures (pages 132 to 162) and as against the sustainability reporting standard, the Global Reporting Initiative (see pages 163 to 166).

This year NZX has continued to integrate its non-financial reporting and disclosures to align with its financial performance and strategy.

To support this, and provide increased clarity for shareholders and the market on our financial performance and execution of strategy, financial and non-financial targets are now being reported.

Further information is available from the NZX investor centre (https://www.nzx.com/about-nzx/investor-centre)

Principle 5 – remuneration

The remuneration of directors and executives should be transparent, fair and reasonable.

Directors' remuneration

Please see page 72 for details of the current fees paid to NZX directors.

Remuneration policy

Please see page 66 for details on NZX's remuneration policy for the remuneration of NZX directors and employees.

Chief Executive Officer remuneration

Please see page 66 to 68 for details of the NZX CEO's remuneration arrangements.

Principle 6 – risk management

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

Risk management framework

The Board is responsible for the establishment and oversight of NZX's risk management framework, together with setting NZX's overall risk appetite and tolerance.

Significant risks are discussed at each Board meeting, or as required.

The Board has established an Audit and Risk Committee with responsibility to:

- review and provide feedback in respect of the principal risks set out in NZX's risk register;
- ensure that management has established a risk management framework which includes policies and procedures to effectively identify, manage and monitor NZX's principal risks; and
- monitor compliance with, and assess the effectiveness of, the risk management framework.

The Committee reviews the risk register every quarter. The Committee also reviews the risk management framework annually. The Committee receives reports on the operation of risk management policies and procedures.

The Executive Team and senior management are required to regularly identify the major risks affecting the business, record them in the risk register and develop structures, practices and processes to manage and monitor these risks.

NZX maintains insurance policies that it considers adequate to meet its insurable risks.

The Board is satisfied that NZX has in place a risk management framework to effectively identify, manage and monitor NZX's principal risks, including a Risk Appetite Statement, Conflict Management Policy, Continuous Disclosure Policy, Delegated Authority Policy, Financial Products Trading Policy, Fit and Proper Policy, Acceptable Use of Technology Policy and Protected Disclosures Policy.

NZX engages EY to carry out internal audit functions on various parts of its operations, including assessing the effectiveness of NZX's risk management policies and procedures. Additionally, independent assurance is provided and reviews are undertaken on matters such as risk capital, operational controls, IT/software security and anti-money laundering procedures.

Key risks

NZX's material risks for 2024 and how these are being managed are outlined and discussed at pages 77 to 81. In addition, please see page 165 for health and safety risk disclosures in Appendix 2 (GRI Content Index).

Chief Executive Officer and Chief Financial and Corporate Officer assurance

The Chief Executive Officer and Chief Financial and Corporate Officer have provided the Board with written confirmation that NZX's 2024 financial statements are founded on a sound system of risk management and internal compliance and control; and that all such systems are operating efficiently and effectively in all material respects.

Principle 7 – auditors

The Board should ensure the quality and independence of the external audit process.

NZX's Audit and Risk Committee makes recommendations to the Board on the appointment and removal of the external auditor. The Committee also monitors the independence and effectiveness of the external auditor, and reviews and approves any non-audit services performed by the external auditor. An External Auditor Independence Policy sets out the services that may or may not be performed by the external auditor. This policy was last reviewed in May 2023.

During the reporting period, NZX commenced a request for proposal (RFP) process for the provision of its external audit and assurance services (and associated reporting). We will provide an update as to the results of this process in due course.

The Committee regularly meets with the external auditor to approve their terms of engagement, audit partner rotation (at least every five years) and audit fee, and to review and provide feedback in respect of the annual external audit plan. A comprehensive review and formal assessment of the independence and effectiveness of the external auditor is undertaken periodically. The Committee routinely has time with NZX's external auditor, KPMG, without management present.

KPMG attends the annual meeting, and the lead audit partner is available to answer questions from shareholders at that meeting. KPMG attended the 2024 annual meeting.

KPMG has provided the Audit and Risk Committee with written confirmation that, in their view, they were able to operate independently during the year.

NZX has appointed EY to perform a number of internal audit functions. The Audit and Risk Committee is responsible for overseeing the independence and objectivity of the internal audit function and for reviewing and monitoring the internal audit annual work plan, reports from internal audit and management responses. The Committee routinely has time with EY without management present.

Principle 8 – shareholder rights and relations

The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

Information for shareholders

NZX seeks to ensure that investors understand its activities by communicating effectively with them and giving them access to clear and balanced information.

The key information channels are NZX's website, announcements and media releases, social media channels, the annual and interim report, investor days and the annual meeting.

NZX's investor centre contains annual and interim reports, investor presentations, dividend information and other information relating to NZX (including key corporate governance documents).

Communicating with shareholders

NZX's investor centre sets out NZX's Chief Financial and Corporate Officer's and NZX's GM Corporate Affairs & Sustainability contact details for communications from shareholders. NZX responds to all shareholder communications within a reasonable timeframe.

NZX provides options for shareholders to receive and send communications electronically, to and from both NZX and its share registrar. NZX encourages shareholder participation at its shareholder meetings by allowing in person or virtual attendance, and provides a webcast of the meeting, along with presentations and the Chair and CEO's addresses on its website. In addition, NZX's Notice of Meeting assists shareholders with virtual elements of the meeting including voting and questions.

Shareholder voting rights

In accordance with the Companies Act 1993, NZX's Constitution and the NZX Listing Rules, NZX refers major decisions which may change the nature of NZX to shareholders for approval.

NZX conducts voting at its shareholder meetings by way of a poll and on the basis of one share, one vote. Further information on shareholder voting rights is set out in NZX's Constitution.

Notice of annual meeting

NZX's annual meeting was held on 18 April 2024. Notice of the meeting was released to the market on 19 March 2024 i.e. 20 working days prior to the meeting. This meets NZX's legal requirement as to providing notice under clause 2 of Schedule 1 of the Companies Act 1993, as well as recommendation 8.5 of the NZX Code to provide at least 20 working days' notice of the meeting. The notice of meeting was also posted in the NZX Investor Centre, in full compliance with recommendation 8.5. The 2025 meeting will be held on 1 May 2025 in Christchurch. A webcast of the meeting will be made available to shareholders.

Remuneration Report

Remuneration report

FROM THE CHAIR OF THE HUMAN RESOURCES & REMUNERATION COMMITTEE

Philosophy & approach

NZX's remuneration objective is to pay people fairly and attract, retain and reward the talent and expertise needed to achieve the Company's strategic goals and the creation of shareholder value.

In this report we have included information on our remuneration framework, our short and long-term incentive schemes, the NZX Chief Executive's remuneration package as well as data on the Chief Executive-employee ratio, gender pay gap, and Director remuneration.

2024 and the year ahead

Over the past year NZX has refreshed its remuneration framework with a more targeted approach to compensation that recognises our unique and varied business units and roles.

This new framework provides NZX with flexibility to align and benchmark according to specialist areas such as financial services, market infrastructure, information technology, as well as the legal, regulatory, and compliance professions. We have also defined the principles to determine employee's Short-Term Incentive (STI) eligibility.

In addition, we have redesigned the incentive scheme structure for our QuayStreet active funds management business to incentivise both financial and FUM growth as well as relative achievement against the market to clarify the team's focus and expectations. The Committee also made some minor adjustments to the Chief Executive's incentive structure - details of which can be found on page 68.

In 2025, NZX will implement this framework into our day-to-day people management processes, benchmarking roles against relevant industries and sectors. We will also review our Long-Term Incentive (LTI) eligibility, structure and design, as well as our benefits to ensure alignment with a strong shareholder value proposition.

Business Performance and Reward

In 2024 the NZX Group's overall performance was assessed as being well above the approved organisational KPI targets. As a result, the Committee approved an increased company incentive pool that reflected this performance.

The Total Shareholder Return (TSR) for 2024 was 42.6% and is reflected in outcomes of the Chief Executive's TSR based STI Plan and employees' LTI Plans.

In Summary

Overall, the Committee is pleased with the progress made in 2024, noting the new remuneration framework provides a solid foundation and path for future work in 2025, and the fact that strong business performance resulted in an above-target incentive reward for those of our people who are eligible for STIs.

Frank Aldridge
Chair of the Human Resources and Remuneration Committee

Remuneration Governance

Please refer to page 62 of the Annual Report for a discussion on the governance arrangements pertaining to remuneration and the Human Resources and Remuneration Committee.

Remuneration Policy

NZX's Remuneration Policy sets out NZX's practices around the attraction, retention and motivation of high-quality employees to assist the Company in achieving its business objectives and the creation of shareholder value. The policy applies to NZX's Directors as well as permanent employees (both full and part time) of the NZX Group. It does not apply to fixed-term employees, secondees, contractors or consultants.

At NZX, Director remuneration is paid in the form of Director fees. Further details on NZX's approach to director remuneration can be found later in this Remuneration Report.

NZX's employee remuneration can include a mix of fixed remuneration, short-term incentive plan components and/or long-term incentive plan components (to be determined at NZX's discretion). Further details of the Company's approach to fixed remuneration, and employee short term and long-term incentive plans are below, as are details of the NZX Chief Executive's remuneration.

In addition to the above, all permanent employees are granted a one-off gift of $1,000 of NZX shares (gross of tax) when they start at NZX. This gift is designed to give employees direct experience of being an NZX shareholder and drive employee engagement in the share market.

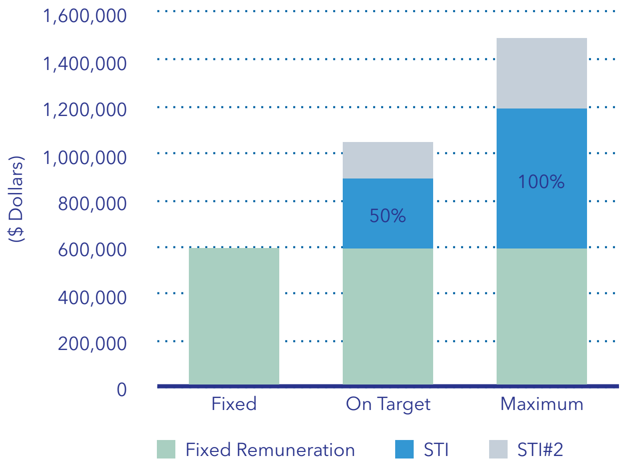
NZX Chief Executive Officer (CEO) remuneration

On the renewal of the CEO's contract in 2023, external benchmarking was undertaken to inform the offer and ensure the remuneration package was positioned fairly and market aligned.

The CEO remuneration package includes a mix of the following components:

- fixed remuneration (includes base salary and KiwiSaver employer contributions, if applicable);
- short-term incentive plan (STI) - strategic and financial goals based; and
- short-term incentive plan (STI#2) - Total Shareholder Return (TSR) based.

For 2024 the CEO's remuneration package is made up as follows:



FIVE-YEAR SUMMARY OF THE CEO REMUNERATION

The following table summarises the actual value of remuneration earned by the CEO, Mark Peterson for the past five years.

Year	Base Salary	Other[1]	STI	STI#2	LTI[2]	Total Remuneration	STI % of Max	LTI Vesting - shares issued	LTI Vesting - % of Max	LTI rights issued
2024[3]	600,000	-	561,330	300,000	-	**1,461,330**	94%			
2023	600,000	-	450,000	-	-	**1,050,000**	75%			
2022[4]	600,000	102,413	600,000	-	746,228	**2,048,641**	100%	599,524	50%	
2021	600,000	33,143	600,000	-	-	**1,233,143**	100%			550,449
2020[5]	500,000	32,369	441,967	-	153,040	**1,127,376**	88%	122,983	100%	

1 Other - relates to holiday pay on remuneration associated with the incentive plans that were paid.
2 In prior years the CEO's remuneration has included Long Term Incentive (LTI) plans, which has been replaced in the current year by a Total Shareholder Return based short-term incentive plan (STI#2).
3 In 2024:
a. the CEO's LTI Plan issued in 2021 fully lapsed (550,449 performance rights); and
b. the CEO's STI#2 Plan fully vested, will be paid in NZX shares and held in escrow until vested in accordance with the terms of the Plan.
4 In 2022 the CEO's LTI Plan issued in 2018 partially (50%) vested resulting in:
a. 588,947 TSR performance rights vesting, which resulted in the issue of 599,524 shares (after adjustment for the dilutive impact of NZX's 2022 equity raising) at a value of $746,228; and
b. 588,947 EPS performance rights lapsing.
5 In 2020 CEO's Executive LTI Scheme issued in 2017 fully vested.
The figures in the table show actual remuneration earned by Mr Peterson. However, the cost of each LTI Plan is independently measured and accounted for based on the fair value at the date granted using an appropriate pricing model. The cost is realised over the term of the LTI Plan, with a corresponding increase in equity.

CEO SHORT TERM INCENTIVE PLAN (STI) – STRATEGIC AND FINANCIAL GOALS BASED

The Board structured the CEO's 2024 STI to be focused on the delivery of strategic goals, along with achieving an operating earnings target, plus maintaining organisational risk, compliance and culture integrity.

There are two gateways to achieving an STI payment:

- reaching a minimum of 90% of the operating earnings target; and,
- production of an appropriate succession framework plan for the CEO and members of the SLT (excluding NZ RegCo).

The CEO's STI goals are structured as follows:

STI Goals	Measurement basis	Weighting	FY2024 Score	FY24 Achievement
Financial Performance	Operating earnings (EBITDA) is measured against target on a tiered basis: • < 90.0% of target earns Nil%; • 90.0% to 100.0% tiered targets; • 100.0% of target earns 28% weighting; • 100.0% to 120.0% tiered targets; and • 120.0% (or more) of target earns a maximum of 60.0% weighting.	40.0%	48.0%	The operating earnings target for FY24 was exceeded by approx. 10.0%.
Strategic Goal	Strategic Goals, including: • NZX Dark (7.5%) fully operational by mid-2024; NZX 20 Futures: • phase 1 – completion of rules, with risk capital providers and users signed up (5%), and • phase 2 – commencement of trading (5%). Smart: • improvement in operating margin basis points (7.5% with opportunity to overachieve if basis points exceed target), and • successful rebranding (2.5%). Wealth Technologies cash flows break even (10%) on monthly run rate basis by end of 2024 (subject to new FUA opportunities). Other strategic goals (7.5%).	45.0%	30.6%	NZX Dark was fully operational by mid-2024. NZX 20 Futures: • phase 1 is complete; and • phase 2 is incomplete. Smart: • improvement in operating margin basis points over achieved; and • rebranding partially achieved. Wealth Technologies cash flows (on external client activity) achieved break even for the month of December 2024. Other strategic goals have not been achieved.
Other Goals	Other goals include: • Risk and Compliance (5%) – avoidance of material breach/failure. • NZX Culture (5%) - maintain average Engagement score of 4.3 and keeping staff turnover <16%. • ESG (Environmental, Social and Governance) targets (5%) - including emissions and gender pay gap targets.	15.0%	15.0%	• There have been no material breach/failures in 2024. • Engagement score of 4.36 (the highest ever result) and staff turnover <12.9%. • NZX is on track towards a carbon reduction of 21% by December 2025, and the gender pay gap (at base salary level) targets achieved.
Total		100.0%	93.6%	

For the 2024 financial year the NZX Board assessed Mr Peterson's performance at 93.6% and he was awarded a STI as follows:

STI Target		STI Maximum		Awarded	% of STI Target awarded	% of maximum STI awarded
%	$	%	$	$	%	%
50%	$300,000	100%	$600,000	$561,330	187.1%	93.6%

CEO SHORT-TERM INCENTIVE PLAN (STI#2) - TOTAL SHAREHOLDER RETURN BASED

On 1 August 2024, the CEO's Employment Agreement was amended to include an additional STI Plan. Under STI#2 the CEO is eligible for up to $300,000 per annum, subject to achievement of agreed annual targets.

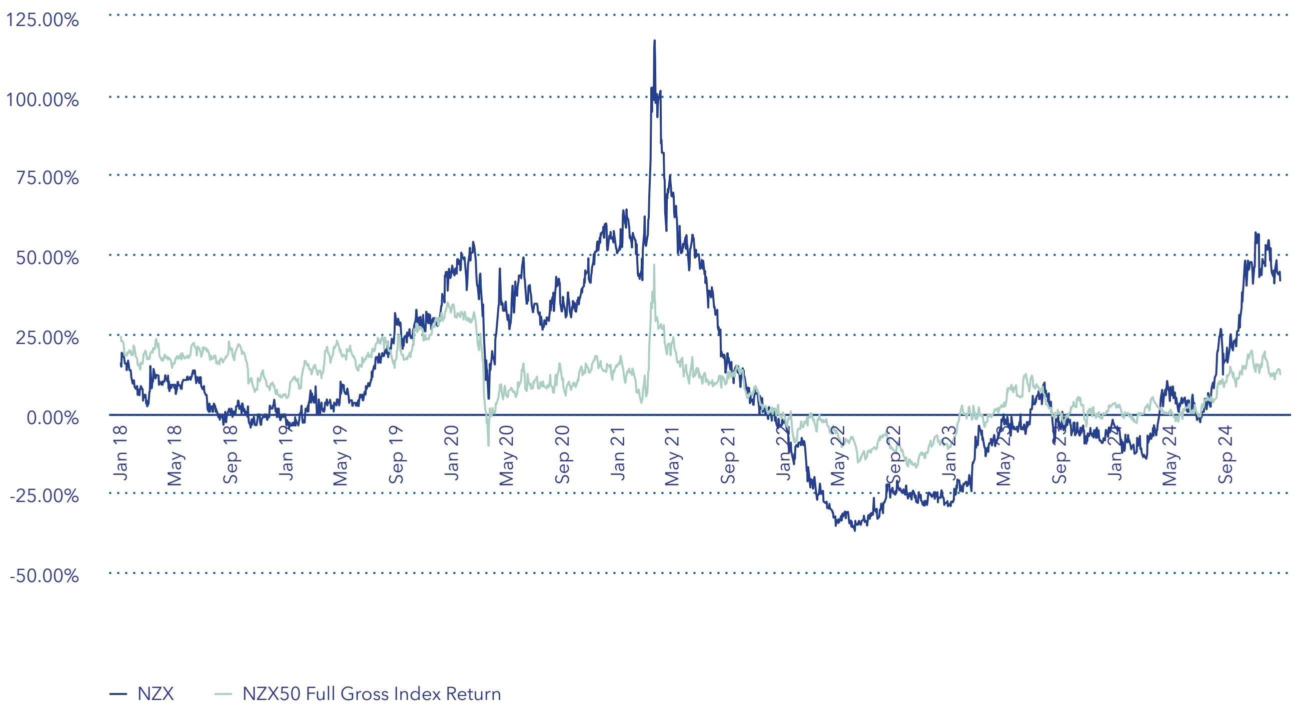
STI#2 is to be paid in NZX shares (equivalent to the assessed performance net of tax). The NZX shares shall be escrowed with 50% vested on the first anniversary of the payment being confirmed, and the remaining 50% at the end of the second year. The CEO is entitled to the economic benefit of dividends accrued during the escrowed period.

For 2024 the STI#2 TSR growth performance hurdle is:

Year	STI#2 Maximum	Vesting Period	TSR Performance Hurdles Min		Max
2024	$300,000	1 January 2024 to 31 December 2024	9.39%	9.39% to 13.39%	13.39%
			50% vest	Pro rata vesting	100% vest

NZX TSR COMPARED TO NZX 50 GROSS RETURN

The NZX TSR compared to the NZX50 gross return over the vesting period to date (i.e. from 1 January 2024 to 31 December 2024) is as follows:



For the 2024 financial year the TSR was 42.6% and consequently Mr Peterson was awarded 100% of STI#2 being $300,000.

EMPLOYEE REMUNERATION

Employee remuneration includes a mix of the following components:

- fixed remuneration (includes base salary and KiwiSaver employer contributions where applicable);
- short-term incentive (STI) plan (which may be offered to NZX's senior employees and some specified sales and customer relationship roles);
- long-term incentive (LTI) plan (which may be offered to NZX's senior employees); and
- a one-off grant of $1,000 of ordinary NZX shares (gross of tax) when permanent employees start at NZX.

Employee Fixed Remuneration

Base salary is determined with reference to external and internal relativities, as well as individual factors.

NZX has a remuneration framework that is organised into bands that are applicable based on a job level (e.g. Executive / Senior) and industry (e.g. Financial Services, Legal). NZX uses a job evaluation methodology that groups positions to bands that make a similar contribution to the business based on factors including scope, knowledge, job complexity, authority and interaction with others.

Bands are regularly benchmarked using remuneration surveys conducted by external parties. NZX policy is to pay between 85% to 115% of the midpoint of each band. Employees' base salaries are reviewed annually and changes are made at NZX's discretion. Tailored remuneration ranges may sometimes be applied by exception for specialist skillsets.

All NZX employees are paid at or above the Living Wage.

Short Term Incentive Plan (STI)

NZX's discretionary cash-based STI plan is available to senior employees and some specified sales and customer relationship roles. Participation is at NZX's sole discretion. The STI plan is designed to reward achievement of short-term business goals that are set as part of plans to meet NZX's longer-term strategy. The STI plans are generally set at a maximum of between 15% and 25% of base salary (depending upon the seniority and role), though may be higher for NZX's executive team. The STI plans are conditional on performance criteria including:

- NZX's financial performance;
- division and/or business unit performance (these roll up into the CEO's STI goals); and
- the employee's individual performance.

The Board's aggregate assessment for employee STI in 2024 was approximately 85% which equates to a total maximum available employee STI pool of $4.79 million (plus Kiwisaver where applicable). The allocation of the employee STI pool is determined by the CEO and approved by the Board. The CEO may include discretionary bonuses in the recommended allocation to both STI eligible and ineligible employees to reward exceptional individual performance. Any discretionary bonuses recommended by the CEO are considered within the maximum STI pool.

NZX has reviewed eligibility for STI as a result of the new remuneration framework based on a set of principles, and any changes will be progressed in 2025.

QuayStreet Short Term Incentive Plan (QS-STI)

The QuayStreet discretionary cash-based QS-STI plan is available to senior QuayStreet active funds management employees and participation is at NZX's sole discretion. The QS-STI plan is designed to reward achievement of short-term business goals that are set as part of plans to meet NZX's longer-term strategy for the QuayStreet active funds management team. The QS-STI plans are generally set at a maximum of between 50% and 125% of base salary (depending upon seniority and role). The QS-STI plans are conditional on performance criteria including:

- QuayStreet fund performance over rolling 1- and 3-year periods;
- QuayStreet business unit performance (these roll up into the CEO's STI goals noted in the CEO STI table); and
- the employee's individual performance.

The QS-STI is to be paid in cash with components payable on assessment (75%), deferred for 1 year (12.5%) and 2 years (12.5%). The deferred portions are only payable if individuals remain with the NZX Group for the duration of the deferral period.

The Board's aggregate assessment for QS-STI in 2024 was approximately 88% which equates to a total maximum available employee STI pool of $0.98 million (plus Kiwisaver where applicable). The allocation of the employee STI pool is determined by the Smart CEO and approved by the Board.

The senior QuayStreet active funds management employees also received, at NZX's sole discretion, a share (2024: $0.13 million) of the QuayStreet net profit after corporate cost allocations and a capital charge.

Long Term Incentive Plan (LTI)

NZX's share-based LTI plans are designed to:

- align managers' rewards with improvement in shareholder value;
- encourage longer-term decision-making to achieve business plans and corporate strategies;
- reward performance improvement; and
- retain key skills and competencies.

Under NZX's LTI plans, executive team members and senior managers may be offered NZX performance rights which may convert to shares based on long-term performance hurdles (3 - 5 years)

Vesting of the performance rights is dependent on:

- NZX meeting performance hurdles in respect of TSR growth; and
- the individual remaining with the NZX Group for the duration of the vesting period.

In addition, under NZX's LTI plans some senior employees may be offered NZX performance rights valued between $10,000 to $50,000, which may convert to shares if they remain with the NZX Group for the duration of the three-year vesting period.

The active employee LTI plans are structured as follows:

Year	Rights issued	Performance Hurdles	2022	2023	2024	2025	2026
2024	1,764,117	TSR 9.29% to 11.29% and tenure 3 years			Year 1	Year 2	Year 3
2023	1,303,598	TSR 7.4% to 9.4% and tenure 3 years		Year 1	Year 2	Year 3	
2022	869,255	TSR 7.4% to 9.4% and tenure 3 years	Year 1	Year 2	Year 3		
2019	1,262,459	NZXWT FUA >$30b and cashflow positive targets			Year 6		

CEO/Employee Ratio

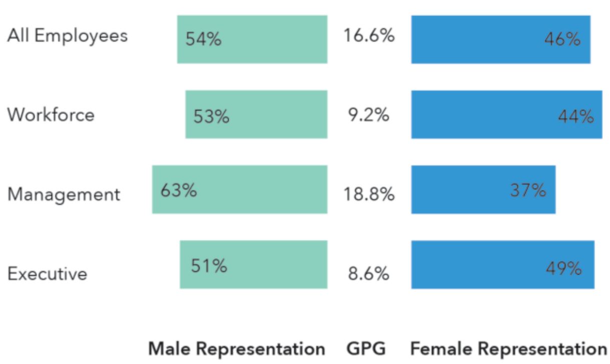
The ratio represents the number of times greater the CEO remuneration is to the remuneration of an employee paid at the median of all employees. For the purposes of determining the median paid to all employees, all permanent full-time, part-time and fixed-term employees are included with part-time employees adjusted to the full-time equivalent value.

As at 31 December 2024, the CEO's base salary was $600,000 which was 5.3 times (2023: 5.5 times) the base salary of the median employee of $113,000. The CEO's total remuneration including Kiwisaver, STI earnt and LTI vested was $1,461,330 which was 11.7 times (2023: 8.4 times) the total remuneration of the median employee of $123,900.

Gender Pay Gap (GPG)

For December 2024, NZX's overall organisation GPG was 16.6%, based on average base salaries. Further analysis will be conducted in 2025 to investigate key drivers and design initiatives to address these – particularly at the Management level. Pleasingly, female representation has broadly increased across NZX over the past three years, with 46% of all employees identifying as women.

[1]GPG representation and Pay Gap by Seniority Level (December 2024)



[1] Executive: includes the extended Senior Leadership Team who lead and set strategic direction for the organisation, driving overall business performance and long-term growth (Note - in 2022 and 2023, this category included the core Executive team only). Management: people who oversee teams and operations, ensuring goals are met and business objectives are achieved efficiently. Workforce: professionals who are individual contributors with specialised skills and knowledge, and support level workers who assist with day-to-day operations to keep the business running smoothly.

Employee Remuneration Bands

The table opposite sets out the number of NZX Group employees and former employees who received fixed remuneration and other benefits, including non-cash benefits and share-based remuneration more than $100,000 per annum.

This information includes all cash-based incentives paid and equity-based incentives that vested during the calendar year.

Directors are not included in the table as their remuneration is set out separately in the Directors' Remuneration section.

Remuneration Range ($)		# of Employees
100,000	110,000	20
110,000	120,000	16
120,000	130,000	19
130,000	140,000	26
140,000	150,000	13
150,000	160,000	18
160,000	170,000	10
170,000	180,000	6
180,000	190,000	6
190,000	200,000	9
200,000	210,000	9
210,000	220,000	4
220,000	230,000	2
230,000	240,000	6
240,000	250,000	5
250,000	260,000	1
260,000	270,000	3
270,000	280,000	4
280,000	290,000	5
290,000	300,000	2
300,000	310,000	1
310,000	320,000	2
320,000	330,000	3
330,000	340,000	2
340,000	350,000	1
350,000	360,000	1
360,000	370,000	1
370,000	380,000	1
410,000	420,000	1
420,000	430,000	2
430,000	440,000	1
440,000	450,000	1
510,000	520,000	1
520,000	530,000	1
540,000	550,000	1
570,000	580,000	1
1,040,000	1,050,000	1

Directors' Remuneration

Shareholders at the annual meeting in April 2024 approved (effective from 1 July 2024) NZX Directors' fees based on their role. Previously fees have been approved on the basis of a Director fee pool.

The fees paid to NZX's Directors are $88,000 per annum and $166,000 for the Chair. In addition, the Chair of the Audit & Risk Committee receives an additional $15,000 fee, the Chairs of other Committees (excluding the Nominations Committee) receive a $10,000 fee, and the crossover Director of both NZX and NZX Regulation Limited (NZ RegCo), is paid fees solely by NZX, including an additional $20,000 fee for their role on the Board of NZ RegCo (which remains unchanged from 2023).

As set out in NZX's Remuneration Policy, Directors do not receive any performance, or superannuation or retirement benefits. This reflects the difference in their roles (which is to provide oversight and guide strategy), and the role of management which is to operate the business and execute NZX's strategy.

In order to align the interests of Directors and shareholders, under the Directors' Share Purchase Plan, a portion (50% of the Chair fee above $100,000 and 50% of the Director fees above $50,000) of each Director's base fees is used to acquire NZX Limited shares (except where it is not permitted for compliance purposes, or when certain shareholding thresholds are met). The current Directors' share and subordinated note holdings are detailed in Section 10 of the Statutory Information disclosures.

Total remuneration received by each director in 2024 is set out in the table below.

Independent Directors of NZX Subsidiaries Remuneration

Independent and non-executive Directors of NZX subsidiaries include:

- NZX Regulation Limited (NZ RegCo) – NZX's regulatory functions are performed by this subsidiary, which is governed by its own Board separate from the NZX Board comprising 5 independent Directors[1] and one cross-over Director from the NZX Limited Board;
- Smartshares Limited (Smart) – independent Directors are required in accordance with Smarts Managed Investment Scheme (MIS) licence requirements; and
- NZX Wealth Technologies Limited – the non-executive Director provides specialist expertise.

The total amount of remuneration and other benefits for independent Directors of NZX subsidiaries during 2024 is set out in the table below.

NZX permanent employees do not receive additional remuneration for acting as Directors of subsidiary companies.

Director	NZX	NZ RegCo	Smart	Wealth Technologies	TOTAL
NZX Directors					
Frank Aldridge	81,500[1]				81,500
Peter Jessup	81,500[2]				81,500
Lindsay Wright	84,000[3]				84,000
Rachel Walsh	81,500[4]				81,500
Elaine Campbell	76,500	20,000			96,500
John McMahon (Chair)	148,000				148,000
Dame Paula Rebstock	76,500				76,500
					-
Independent Directors NZX Subsidiaries					-
John Hawkins		46,500			46,500
Michael Heron (Kings Counsel)		46,500			46,500
Trevor Janes (NZ RegCo Chair)		80,000			80,000
Pip Dunphy		51,500[5]			51,500
John Williams			62,500		62,500
Guy Elliffe			62,500		62,500
Kathryn Jaggard				20,000	20,000
TOTAL	629,500	244,500	125,000	20,000	1,019,000

1 Includes $5,000 fee as Chair of the NZX Board Human Resources & Remuneration Committee
2 Includes $5,000 fee as Chair of the NZX Board Technology Committee
3 Includes $7,500 fee as Chair of the NZX Board Audit & Risk Committee
4 Includes $5,000 fee as Chair of the NZX Board Clearing Committee
5 Includes $5,000 fee as Chair of the NZ RegCo Board Risk Assurance & Audit Committee

[1] David Hunt joined the NZ RegCo Board as at 1 January 2025.

To ensure the independence of the regulatory functions that NZ RegCo performs, NZX has obtained a waiver from Listing Rule 2.11 from the Special Division to exclude NZ RegCo's independent Directors' remuneration from the annual directors fees approved by NZX shareholders. The waiver does not apply to directors of NZ RegCo who are also directors of NZX.

Under the Listing Rules, fees paid to the Directors of Smart are approved separately by NZX as shareholder of Smart.

Risk Reporting

Risk Management

Effective risk management is integral to NZX's strategic objectives. NZX has established a Risk Management Framework (**RMF**) to ensure it has a comprehensive framework to assist with identifying, assessing, and managing its risk in a pro-active and effective manner. The application of the RMF and its methodology is consistent across NZX and all subsidiaries. The RMF adopted by NZX is linked to its business strategy through consideration of risk appetite and all significant types of risks to which NZX is exposed, as well as any emerging risks which may impact the business in the future.

NZX employs a three lines of defense model to ensure best practice risk management. The three lines of defence model outlines risk management roles and responsibilities for all staff/ functions and is based on the premise that the management and reporting of risk (including controls and their effectiveness) is everyone's responsibility.

The first line of defence is made up of all business functions who typically own and manage the risk. This consists of all management and staff who are responsible for identifying and managing risk as part of their roles.

The second line of defence is made up of functions that oversee or specialise in compliance and risk management. This provides policies, frameworks such as the RMF, and tools and techniques to support the management of risk in the first line as well as internal assurance by way of independent controls testing.

The third line of defence comes from independent assurance providers who assist the risk management and compliance programme by challenging controls and bringing a systematic and disciplined approach to the evaluation of core functions for NZX.

How we are responding

Avoid the risk	Mitigate the risk	Transfer the risk	Accept the risk
NZX may choose to avoid a risk by not proceeding with an activity likely to generate the risk.	NZX may seek to mitigate a risk through implementing or enhancing controls to reduce or remove the likelihood and/or consequence of the risk materialising.	NZX may choose to transfer all or part of a risk to a third party e.g., outsourcing. Transferring the risk does not remove it and oversight/ monitoring of the risk remains a focus.	NZX may choose to accept a risk where it is either immaterial or cannot be mitigated within appetite. A formal risk acceptance process is embedded within the RMF.

Risk	The risk and its impact	How we are responding
STRATEGIC	Strategic risks that NZX faces include the composition of our business and the strategic direction we choose to take, changes in financial markets and the business environment. Underlying risks include: • Strategic direction, design, and innovation risk; • Strategic implementation risk; • Macro-economic environment risk; and • Market competition risk.	• We refreshed our five-year strategy in 2024, and we report progress through out investor presentations. • Our strategy includes diversifying operating earnings and building resilience into our business model. • Our strategy and the values we demonstrate help deliver to our purpose and vision. • We engage with a broad range of stakeholders and monitor changes in the business environment to adapt our strategy and react as a 'fast follower' as needed. • We monitor business unit performance to identify issues and opportunities early and address any people and resourcing risks. • We monitor, and report to the Board, our progress towards our strategic objectives. • We publish monthly operating metrics and quarterly revenues to enhance the monitoring of performance.
FINANCIAL	Financial risks arise through various sources including: • adverse strategic decisions (including inappropriate resource allocation); • general market risk – including lower numbers of listed issuers, less listing and capital raisings, lower levels of trading activity, declines in market capitalisation and funds under management / administration; • counterparty credit risk in operating NZX clearing function; and • operational errors, undetected fraud or poor execution of projects that are designed to deliver the strategy. Underlying risks include: • Financial performance/ return risk; • Credit risk; • General market risk; and • Liquidity risk.	• We assess our financial risks from both a strategic and operational perspective. • We manage balance sheet and counterparty risks to an acceptable level through a framework of policies and financial controls. • Our capital management takes into account both current and anticipated future market activity levels, as well as the impact of strategic decisions / investments. • We regularly monitor an extensive range of financial metrics and indicators of risk across all our business units. • The counterparty credit risk associated with NZX's clearing function is managed by the clearing house's risk management framework, which is aligned to international practice. This model ensures that the clearing house holds sufficient prefunded capital to manage the default of the largest participant in extreme but plausible conditions. • We have a governance framework including delegated authority policies which sets limits and outlines authority for committing NZX to expenditure. • We have people, policies, processes, systems and controls in place designed to meet our operational expectations and benchmarks, and ensure project delivery effectiveness.

Risk	The risk and its impact	How we are responding
INFORMATION TECHNOLOGY 	Information technology plays a critical role for our business. We recognise we are an important component of the New Zealand capital markets ecosystem. IT risk arises when the technology is not reliable or available and / or does not operate effectively or efficiently. The technology environment is also dependent on other participants in the capital markets ecosystem. Underlying risks include: • Information Technology risk; • 3rd Party (outsourcing) risk; and • Disaster recovery risk.	• We seek to have appropriate processes, procedures, applications and resources in place to manage IT risks. The potential impact of technology related issues remains an area of critical focus and ongoing investment. • As we strive for continuous improvement, we now actively monitor our key systems with regular reviews of availability against service levels (where applicable) and targets. Regular testing is performed on key systems / services to determine throughput and capacity, and we aim to enhance our systems in a timely manner. • Observability, tools and processes are critical to ensuring our ongoing performance and monitoring of critical applications. This will continue to be a key focus in 2025 and beyond. • We seek to have contingency plans in place for disruptions or a loss of service to Tier 1 technology systems. As part of our enhancement plans, we intend to enhance crisis planning across the capital markets ecosystem and improve our crisis incident management and communications with the market and other stakeholders. • We replace ageing technology as part of lifecycle management; this is undertaken in a planned / phased approach to system architecture with security, future capacity, growth and supportability driving key design decisions. • We manage changes to critical infrastructure, operating systems and applications through formal change management processes including agreed governance and quality gates. • We seek to maintain active engagement with our vendor partners who provide critical applications, with a key focus on ensuring partners and suppliers understand our business, objectives and criticality of all market operations. We proactively work with other strategic vendors to ensure that they have agreed roadmaps. • We have a disaster recovery (DR) testing programme in place, including at least annually for NZX's capital markets systems / operations. DR testing incorporates all of the market operating from DR for an extended period of time before reverting back to the production environment. • We have a Technology Committee (a subcommittee of the NZX Board). There is monthly Technology Governance Reporting in place and a standing agenda item on Technology KPIs at the NZX Audit & Risk Committee. • We are progressing engagement with the capital markets ecosystem through the Technology Working Group to develop an IT roadmap for the future and to improve our engagement with the market on technology issues. • We develop and train our staff and seek to ensure that they are suitably qualified and experienced. • We ensure our stakeholders and regulators are informed and kept up to date on our strategy and roadmap.

Risk	The risk and its impact	How we are responding
INFORMATION SECURITY/ CYBER	Risk of loss of confidentiality, integrity, or availability of information, data, or information systems that results in negative impact on the NZX business. The technology environment must also be secure and resilient to external cyber threats which are evolving at an ever-increasing pace. Underlying risks include: • Information security risk; and • Cyber security risk	• We have a Cyber Security Forum and cyber security strategy and response plan that addresses cyber risk and ensures feedback from business stakeholders are incorporated into cyber strategy. We test, monitor, and improve the response plan to ensure it is up to date, relevant and robust. • The impact of information security/cyber security related issues remains an area of critical focus and ongoing investment. • We seek to have appropriate processes, procedures and resources in place to identify, detect and protect against threats that manifest into Information security/ cyber security risks and ultimately reduce any negative impacts in terms of our ability to respond to and/or recover from a cyber event. • The constantly evolving threats presenting as cyber risk are continuously monitored so that we may minimise the time to react and reduce potential impacts or harm from emergent threats. • We build and maintain capabilities that identify and protect against data security threats and work with our internal stakeholders to ensure protection improvements are balanced against any potential disruption to our business. • We have a Technology Committee (a subcommittee of the NZX Board). There is monthly Technology Governance Reporting in place and a standing agenda item on Cyber Security at the NZX Audit & Risk Committee. • We have strategic partnerships in place with two Security Operation Centres to ensure that we have real time alerting and response across our digital assets. • We worked with all capital markets participants on establishing a joint industry cybersecurity forum and actively work with them on cyber security related crisis simulation events.
COMPLIANCE, LEGAL & REGULATORY	Risk that NZX breaches its compliance, legal and regulatory conduct obligations (including for example NZX's licensed market operator licence, clearing house FMI obligations , MIS licence, supervisor, regulatory and customer commitments) leading to reputational damage, adverse regulatory outcomes, fines or breach of contract. Underlying risks include: • Legal risk; and • Regulatory risk.	• We seek to mitigate compliance, legal and regulatory risks through practising good corporate governance and by developing and adhering to internal policies and procedures. • We train and educate our operational staff so they understand the obligations applicable to their role, and the related requirements, policies and procedures. • We have regular independent audits and periodic reviews of our adherence to our arrangements that are designed to ensure compliance with legal, regulatory and contractual obligations. • We aim to engage with the Government, regulators and industry participants, at management, CEO and Board level, on market structure issues to promote efficient industry-wide outcomes and ensure our markets are fair, orderly and transparent. • We include structural separation of NZX's commercial and regulatory roles as part of our regulatory model. The regulation function is carried out by an independently-governed subsidiary to enhance conflicts management arrangements between NZX's commercial and regulatory roles.

Risk	The risk and its impact	How we are responding
CUSTOMER & STAKEHOLDER	Risk that NZX does not focus on customers to ensure appropriate customer outcomes. Underlying risks include: • Client risk; • Partner / stakeholder risk; and • Product risk.	• We acknowledge the importance of customers within our strategy. We are structured around diverse customer segments in a complex ecosystem, of which NZX is a critical component. • We aim to consider the impact of NZX-driven changes on our customers, partners and stakeholders and we provide sound basis for the change alongside appropriate levels of communication. • Our Relationship Management Framework provides the basis for regular and open engagement with customers, partners and stakeholders. • Our customer systems ensure that there is a record of activities that is monitored and measured so we can continue to improve on our customer interactions. • We proactively engage with customers to address any potential concerns. • We utilise a number of outreach initiatives to support our customers and increase engagement. • We continue to engage with key stakeholders, including investors, suppliers, customers, and regulators, as we move towards a low-emissions, climate-resilient future.
OPERATIONAL	The risk of unexpected failure in day-to-day operations caused by system, people or process failure. Underlying risks include: • Operational process risk; • Operational people risk; • Operational system risk; and • Business continuity risk.	• We routinely review and refine our operational procedures and controls. • We routinely assess how we can make improvements to the resilience and reliability of our operations, with an ongoing focus on automation. • We have regular training and suitably qualified and experienced operational staff. • We cross train both within and across operational teams to ensure maximum coverage for issues related to people availability in specific locations. • We have regular independent audits and periodic reviews of our operational processes and activities. • We have business continuity plans that are tested at regular intervals and have in place remote working procedures. • We have an incident management framework requiring that timely attention be paid to rectifying incidents as they occur. Post incident review ensures learnings from incidents are implemented.
REPUTATIONAL	• Confidence in the market is critical, hence the risk arising from negative perception on the part of both existing and prospective customers, employees, counterparties, regulators or other stakeholders which can adversely affect NZX's ability to maintain existing, or establish new, customer relationships. Underlying risks include: • Reputational risk	• We recognise NZX has a leadership role to perform across the capital markets ecosystem. • Understanding the importance of our reputation and protecting it is a core component of our decision making and actions. • We aim to have regular and open engagement with stakeholders to seek feedback on our performance. • Where appropriate, we interact with our regulators and government at management, CEO and Board level to facilitate transparency.

Risk	The risk and its impact	How we are responding
HUMAN RESOURCES	NZX employees play a critical role in the business, enabling NZX to deliver its strategy. HR risks may arise due to ineffective or inappropriate culture and conduct, people management/ resourcing and health and safety practices. Underlying risks include: • Culture and Conduct risk; • Health and Safety risk; and • People Management and Resourcing risk.	• We seek to operate a healthy, open, respectful culture where teamwork, diverse thought, challenge and clarity of decisions are all embraced. • Our company values are based on Integrity, Resilience, Openness, Creativity and Delivery. • We are committed to continually evolving and promoting an effective risk management culture that creates an environment of risk awareness and responsiveness. • Our people are expected to uphold a high standard of professionalism and integrity. Employees must adhere to our Code of Conduct that sets out standards of conduct and includes our company values, legal obligations and policies. • We regularly measure and monitor employee engagement via surveys, and set action plans for continuous improvement. • We are committed to supporting the health, safety and wellbeing of our people through training and communication of our Health and Safety policy.

EMERGING RISKS

NZX uses a horizon scanning approach to proactively identify and monitor new and emerging risks which may impact our business in the future. Comprehensive assessment and monitoring of these risks are undertaken, and these are integrated as part of the RMF through the risk hierarchy.

Directors' Responsibility Statement

The directors are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of NZX Limited and its subsidiaries (the Group) as at 31 December 2024 and the results of their operations and cash flows for the year ended 31 December 2024.

The directors consider that the financial statements of the Group have been prepared using accounting policies appropriate to the Group's circumstances, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable New Zealand Equivalents to International Financial Reporting Standards have been followed.

The directors are pleased to present the financial statements of the Group for the year ended 31 December 2024.

The financial statements were authorised for issue for and on behalf of the directors on 20 February 2025.

John McMahon
Chair of the Board

Lindsay Wright
Chair of the Audit and Risk Committee

Financial Statements

Contents

Group Income Statement

For the year ended 31 December 2024

	Note	2024 $000	2023 $000
Operating revenue	8	120,756	108,387
Operating expenses	9	(73,573)	(69,493)
Earnings before net finance expense, income tax, depreciation, amortisation, loss on disposal of assets, gain on lease modification, change in fair value of contingent consideration, impairment loss on goodwill and share of profit of associate (EBITDA)[1]	2	**47,183**	**38,894**
Net finance expense	10	(3,545)	(3,432)
Depreciation and amortisation expense	3/16/18	(17,971)	(16,764)
Loss on disposal of assets		(5)	(8)
Gain on lease modification		9	15
Impairment loss on goodwill	4/5	(3,700)	-
Change in fair value of contingent consideration	6.1	10,862	(530)
Share of profit of associate	17	565	1,031
Profit before income tax		**33,398**	**19,206**
Income tax expense	12.1	(7,908)	(5,652)
Profit for the year		**25,490**	**13,554**
Earnings per share			
Basic (cents per share)	13.1	7.8	4.2
Diluted (cents per share)	13.1	7.7	4.2

1 EBITDA is not a defined performance measure in NZ IFRS. Please refer to Note 2 for more information.

Group Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	2024 $000	2023 $000
Profit for the year		25,490	13,554
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		-	-
Foreign currency translation differences	17	136	(172)
Items that will not be reclassified subsequently to profit or loss		-	-
Total other comprehensive income		136	(172)
Total comprehensive income for the year		**25,626**	**13,382**

The accompanying notes form an integral part of these financial statements.

Group Statement of Changes in Equity

For the year ended 31 December 2024

	Note	Share Capital $000	Retained Earnings $000	Translation Reserve $000	Total Equity $000
Balance at 1 January 2023		**108,470**	**3,284**	**(46)**	**111,708**
Profit for the year		-	13,554	-	13,554
Other comprehensive income for the year		-	-	(172)	(172)
Total comprehensive income for the year		**-**	**13,554**	**(172)**	**13,382**
Transactions with owners recorded directly in equity:					
Dividends paid	23	-	(19,441)	-	(19,441)
Issue of shares	22	10,584	-	-	10,584
Share based payments	22	1,138	-	-	1,138
Cancellation of non-vesting rights	22	(58)	58	-	-
Total transactions with owners recorded directly in equity		**11,664**	**(19,383)**	**-**	**(7,719)**
Balance at 31 December 2023		**120,134**	**(2,545)**	**(218)**	**117,371**
Profit for the year		-	25,490	-	25,490
Other comprehensive income for the year		-	-	136	136
Total comprehensive income for the year		**-**	**25,490**	**136**	**25,626**
Transactions with owners recorded directly in equity:					
Dividends paid	23	-	(19,825)	-	(19,825)
Issue of shares	22	2,863	-	-	2,863
Share based payments	22	962	-	-	962
Cancellation of non-vesting rights	22	(514)	514	-	-
Total transactions with owners recorded directly in equity		**3,311**	**(19,311)**	**-**	**(16,000)**
Balance at 31 December 2024		**123,445**	**3,634**	**(82)**	**126,997**

The accompanying notes form an integral part of these financial statements.

Group Statement of Financial Position

As at 31 December 2024

	Note	31 December 2024 $000	31 December 2023 $000
Current assets			
Cash and cash equivalents	14	28,825	24,670
Cash and cash equivalents - restricted	14	20,000	20,000
Funds held on behalf of third parties	11	27,616	21,702
Receivables and prepayments	15	19,074	15,874
Total current assets		**95,515**	**82,246**
Non-current assets			
Property, plant & equipment	16	10,112	9,446
Right-of-use lease assets	18	15,661	17,380
Goodwill	4	46,887	50,587
Intangible assets	3	95,916	99,169
Investment in associate	17	18,343	17,642
Total non-current assets		**186,919**	**194,224**
Total assets		**282,434**	**276,470**
Current liabilities			
Funds held on behalf of third parties	11	27,616	21,702
Trade payables	19	9,152	7,604
Other liabilities - current	20	23,214	30,841
Lease liabilities	18	1,243	1,291
Current tax liability	12	3,296	1,912
Total current liabilities		**64,521**	**63,350**
Non-current liabilities			
Non-current other liabilities	20	-	3,327
Lease liabilities	18	18,508	19,770
Interest bearing liabilities	21	61,443	61,256
Deferred tax liability	12	10,965	11,396
Total non-current liabilities		**90,916**	**95,749**
Total liabilities		**155,437**	**159,099**
Net assets		**126,997**	**117,371**
Equity			
Share capital	22	123,445	120,134
Retained earnings		3,634	(2,545)
Translation reserve		(82)	(218)
Total equity attributable to shareholders		**126,997**	**117,371**

The accompanying notes form an integral part of these financial statements.

Group Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 $000	2023 $000
Cash flows from operating activities			
Receipts from customers		118,337	110,990
Net interest paid		(3,523)	(2,920)
Payments to suppliers and employees		(72,004)	(67,687)
Income tax paid		(6,923)	(5,944)
Net cash provided by operating activities	14.2	**35,887**	**34,439**
Cash flows from investing activities			
Payments for property, plant and equipment		(2,777)	(991)
Payments for intangible assets		(10,646)	(11,404)
Payments for acquisition		-	(22,438)
Advances to related party	26	-	(100)
Net cash used in investing activities		**(13,423)**	**(34,933)**
Cash flows from financing activities			
Net proceeds from term loans		-	22,500
Transaction costs relating to renewal of subordinated notes		-	(648)
Payments of lease liabilities		(1,293)	(558)
Dividends paid (net of Dividend Reinvestment Plan)		(17,016)	(16,741)
Net cash used/from financing activities		**(18,309)**	**4,553**
Net increase in cash and cash equivalents		4,155	4,059
Cash and cash equivalents at the beginning of the year		44,670	40,611
Cash and cash equivalents at the end of the year	14.1	**48,825**	**44,670**

The accompanying notes form an integral part of these financial statements.

Notes to the Group Financial Statements

For the year ended 31 December 2024

1. Reporting entity and statutory base

Reporting entity

These consolidated financial statements are for NZX Limited (the Company) and its subsidiaries (together referred to as the Group) as at and for the year ended 31 December 2024.

The Group operates New Zealand securities, derivatives and energy markets, including maintaining the infrastructure on which they operate. It provides funds management services including KiwiSaver, superannuation, managed funds and Exchange Traded Funds (ETFs), as well as developing and operating wealth management platforms for other providers. It also provides a range of information and data to support market growth and development in the securities and dairy sectors.

The Company is incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with the Companies Act 1993 and the Financial Reporting Act 2013. The Company is listed and its ordinary shares are quoted on the NZX Main Board. The company also has listed debt which is quoted on the NZX debt market.

Basis of preparation

The Group financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They 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 financial statements also comply with International Financial Reporting Standards (IFRS).

The measurement basis adopted in the preparation of these financial statements is historical cost, modified by the revaluation of certain financial instruments as identified in the accompanying notes. These financial statements are presented in New Zealand Dollars ($), which is the Group's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand, except when otherwise indicated.

Basis of consolidation

The Group financial statements are prepared by consolidating the financial statements of all the entities that comprise the Group, being the Company and its subsidiaries. Consistent accounting policies across the parent and all subsidiaries are employed in the preparation and presentation of the Group financial statements.

i. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. In determining the fair value of assets acquired, the Group assesses identifiable intangible assets including brands, intellectual property, software, management rights and any other identifiable intangible assets using recognised valuation methodologies and with reference to suitably qualified experts. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill.

ii. Investments in subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In preparing the Group financial statements all intercompany balances and transactions, and unrealised profits arising within the Group are eliminated in full.

iii. Investment in associate

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Investments in associates are accounted for using the equity method. They are initially recognised at cost, including transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associate, until the date on which significant influence ceases.

Accounting policies

Accounting policies that summarise the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the accompanying notes.

The accounting policies adopted have been applied consistently throughout the periods presented in these financial statements.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2025, and have not been applied in preparing these financial statements. The Group does not plan to adopt these standards early. None of these standards are expected to have a significant effect on the financial statements of the Group.

Presentational changes

Certain amounts in the comparative information have been reclassified to ensure consistency with the current year's presentation.

Accounting estimates and judgements

The preparation of the financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The principal areas of judgement for the Group, in preparing these financial statements, including information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, are set out in:

- Note 3 Intangible assets
- Note 4 Goodwill
- Note 6 Acquisitions and change in value of contingent consideration
- Note 18 Leases
- Note 24 Share based payments

2. Non-GAAP measures

EBITDA is a non-GAAP performance measure and differs from the NZ IFRS profit for the year. The Group's definition of EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

Reconciliation of EBITDA to NZ IFRS profit for the year:

	2024 $000	2023 $000
Profit for the year	**25,490**	**13,554**
Income tax expense	7,908	5,652
Profit before income tax	**33,398**	**19,206**
Adjustments for:		
- Net finance expense	3,545	3,432
- Depreciation and amortisation expense	17,971	16,764
- Loss on disposal of assets	5	8
- Gain on lease modification	(9)	(15)
- Impairment loss on goodwill	3,700	-
- Change in fair value of contingent consideration	(10,862)	530
- Share of profit of associate	(565)	(1,031)
EBITDA	**47,183**	**38,894**

The Group has presented the EBITDA performance measure in addition to NZ IFRS profit for the year, as this performance measure is used internally in conjunction with other measures to monitor performance and make investment decisions. EBITDA is calculated by adjusting profit from operations to exclude the impact of taxation, net finance expense, depreciation, amortisation, loss on disposal of assets, gain on lease modification, change in fair value of contingent consideration, impairment loss on goodwill and share of profit of associate.

3. Intangible assets

Intangible assets are initially measured at cost. The direct costs associated with the development of software and website assets are capitalised only if the expenditure can be measured reliably, the development of the intangible asset is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete the development of the asset. Otherwise, it is recognised in profit or loss as incurred. The cost of intangible assets acquired in a business combination is their fair value at the date of the acquisition. Intangible assets with a finite life are amortised from the date the asset is ready for use on a straight-line basis over its estimated life which is as follows:

- Software and websites:1 – 9 years
- Brands, trademarks, and rights to use brands: 2 – 10 years
- Data archives, customer lists, databases, and other IP: 3 years
- Management rights: 16 – 25 years

At each reporting date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. This is outlined in note 5.

Where estimated useful lives or recoverable values have diminished due to technological change or market conditions, amortisation is accelerated.

	Software and websites $000	Brands, Trademarks and rights to use Brands $000	Data archives, customer lists, databases, and other IP $000	Management rights $000	Intangible work in progress $000	Total $000
Gross carrying amount						
Balance at 1 January 2023	**76,901**	**182**	**1,458**	**43,116**	**7,286**	**128,943**
Additions	123	229	-	32,201	11,307	43,860
Disposals	(71)	-	-	-	-	(71)
Transfer from WIP	12,300	-	-	-	(12,300)	-
Balance at 31 December 2023	**89,253**	**411**	**1,458**	**75,317**	**6,293**	**172,732**
Additions	80	-	-	-	10,830	10,910
Transfer from WIP	14,644	-	-	-	(14,644)	-
Balance at 31 December 2024	**103,977**	**411**	**1,458**	**75,317**	**2,479**	**183,642**
Accumulated amortisation						
Balance at 1 January 2023	**52,996**	**127**	**-**	**7,227**	-	**60,350**
Amortisation expense	10,151	113	-	2,985	-	13,249
Disposals	(36)	-	-	-	-	(36)
Balance at 31 December 2023	**63,111**	**240**	**-**	**10,212**	-	**73,563**
Amortisation expense	10,319	133	486	3,225	-	14,163
Balance at 31 December 2024	**73,430**	**373**	**486**	**13,437**	**-**	**87,726**
Net Book Value						
As at 1 January 2023	**23,905**	**55**	**1,458**	**35,889**	**7,286**	**68,593**
As at 31 December 2023	**26,142**	**171**	**1,458**	**65,105**	**6,293**	**99,169**
As at 31 December 2024	**30,547**	**38**	**972**	**61,880**	**2,479**	**95,916**

4. Goodwill

Carrying amount	Note	2024 $000	2023 $000
Balance at beginning of the year		50,587	30,222
Acquired on acquisition of QuayStreet Asset Management (QS)	6	-	20,365
Impairment loss on goodwill	5	(3,700)	-
Balance at end of the year		**46,887**	**50,587**

A cash generating unit (CGU) to which goodwill has been allocated is tested for impairment annually, and whenever there is an indicator of impairment based on the performance of the CGU relative to expected future performance and other relevant factors.

The directors have carried out impairment testing with the key assumptions set out in note 5, which resulted in a $3.7 million impairment of goodwill in the Energy business (refer note 5).

5. Impairment tests

Indefinite life intangible assets are reviewed for impairment annually. They are also reviewed for impairment whenever there are indicators of impairment, as are finite life intangible assets.

A summary of the CGUs to which intangible assets have been allocated as at 31 December 2024 is outlined below:

	Software & websites $000	Other finite life intangible $000	Indefinite life intangible $000	Work in progress $000	Total other intangible $000	Goodwill $000	Other net assets / (liab.) $000[1]	Total $000
Cash generating unit								
Smart (excl. QS)	3,000	29,969	2,344	181	**35,494**	20,730	(1,980)	**54,244**
QuayStreet	-	29,588	-	-	**29,588**	20,365	(11,271)	**38,682**
Wealth Technologies	23,134	-	-	1,553	**24,687**	1,494	(376)	**25,805**
Energy	458	-	-	-	**458**	4,020	-	**4,478**
Direct data	-	989	-	-	**989**	278	-	**1,267**
Other								
Other intangible assets	3,955	-	-	745	**4,700**	-	-	**4,700**
	30,547	**60,546**	**2,344**	**2,479**	**95,916**	**46,887**	**(13,627)**	**129,176**

1 Other net assets / (liabilities) includes current assets, fixed assets, liabilities and deferred tax of subsidaries that are attributable to CGU's.

Impairment test

For the year ended 31 December 2024, the directors have reviewed all intangible assets for impairment using discounted cash flow analysis, comparable EBITDA multiple analysis and/or other factors as appropriate to the asset being tested. All impairment tests have been undertaken on a value in use basis, except for Energy where a fair value less cost of disposal basis is used.

Key assumptions used in the calculation of recoverable amounts in discounted cash flow analysis are consistent with those used and disclosed in the financial statements for the year ended 31 December 2023 unless indicated otherwise. Discounted cash flow analysis using a forecast period of five years was used for all CGUs, other than Energy where the forecast period matches the remaining contractual period plus an expected renewal period. The analysis also uses a WACC rate of 10.6% (2023: 10.8%) and was stress tested at higher rates. The terminal growth rate used to extrapolate cash flow projections beyond five years was 1.75% (2023: 2.5%). Management has assessed the long term economic outlook data available, and assessed that the use of this terminal growth rate was appropriate given the change in interest rates. Where relevant, EBITDA multiples were used to cross-check the discounted cash flow analysis for established businesses.

Due to changes in the strategic direction of the QuayStreet business resulting in the ongoing effective operation on a standalone basis from 2024 the Group has assessed the QuayStreet business as a separate CGU from the remaining Smart business (Smart (excluding QS) CGU) which is a assessed as a single CGU. In 2023 the entire Smart business was assessed as a single CGU.

The review of the carrying values of goodwill and intangible assets has determined that all the CGUs have recoverable amounts exceeding their carrying values, with the exception of the Energy business (which is included in the Markets segment) where an impairment expense of $3.7 million has been recognised against goodwill. In 2024 the Electricity Authority invoked the renewal clause in NZX's energy contracts for a three-year period to 30 June 2027. In 2027 the Electricity Authority is expected, in accordance with government policy, to tender the energy contracts. The current assessment of the carrying value of the energy contracts intangible asset, which has resulted in an impairment, takes into account the renewal pricing terms, the changes in energy contracts during the current contractual term, and the expected terms of a successful retendering in 2027.

No other impairment is required for the year ended 31 December 2024 (2023: Nil).

Further information on specific assumptions (other than the general assumptions outlined above) underlying the CGU discounted cash flow analysis is set out below.

5.1. Smart (excluding QS)

The Group holds the following intangible assets used by the Smart (excluding QS) CGU:

- Smart Exchange Traded Funds management rights acquired between 2004 - 2006 for a total value of $2.344 million. The management rights are held in the Group accounts with an indefinite life, as there is no expiry date for these rights and they are expected to apply indefinitely;
- SuperLife management rights which were acquired on 1 January 2015 for $15.772 million and goodwill of $20.730 million. The management rights are held in the Group accounts as a finite life intangible asset and amortised on a straight line basis over 20 years; and
- ASB Superannuation Master Trust management rights which were acquired on 11 February 2022 for $25.000 million. The management rights are held in the Group accounts as a finite life intangible asset and amortised on a straight line basis over 25 years.

The principal assumption on which the discounted cash flows for the Smart (excluding QS) CGU are dependent is the future level of funds under management (FUM), which is assumed to grow through both net cash flows and market growth, driving FUM based revenue. FUM based revenue would have to reduce by 36% (2023: 29% including QuayStreet revenue) in the five year forecast period, where FUM is expected to increase 60% (2023: 58% including QuayStreet FUM) in the five year forecast period, to indicate an impairment in the intangibles carrying value.

The Group considers the FUM growth assumption reasonable based on historic experience and Smart's (excluding QS) five year strategic plan.

5.2. QuayStreet

The Group holds the following intangible assets used by the QuayStreet CGU:

- QuayStreet Asset Management (QuayStreet) management rights and brand and goodwill which were acquired on 23 February 2023 for $32.430 million and $20.365 million respectively. The management rights are held in the Group accounts as a finite life intangible asset and amortised on a straight line basis over 16 - 25 years (refer note 6). The brand is held in the Group accounts as a finite life intangible asset and amortised on a straight line basis over 2 years.

The principal assumption on which the discounted cash flows for the QuayStreet CGU are dependent is the future level of funds under management (FUM), which is assumed to grow through both net cash flows and market growth, driving FUM based revenue. FUM based revenue would have to reduce by 34% (2023: not applicable) in the five year forecast period, where FUM is expected to increase 44% (2023: not applicable) in the five year forecast period, to indicate an impairment in the intangibles carrying value.

The Group considers the FUM growth assumption reasonable based on historic experience and QuayStreet's five year strategic plan.

5.3. Wealth Technologies

The carrying value of the Wealth Technologies CGU includes platform development and client migration assets with a net book value of $24.687 million, and related goodwill of $1.494 million.

The principal assumptions on which the discounted cash flows for the Wealth Technologies CGU are dependent is the future level of funds under administration (FUA) which is assumed to grow through both bringing new clients on to the platforms and current client growth, driving FUA based revenue. FUA based revenue would have to reduce by 21% (2023: 20%) in the five year forecast period, where FUA is expect to increase 317% (2023: 281%) in the five year forecast period, to indicate an impairment in the intangibles carrying value.

The Group considers the FUA growth assumptions reasonable given the growth nature of Wealth Technologies and based on the continued interest from current, future and potential customers.

5.4. Energy

The carrying value of the Energy CGU includes software with a net book value of $0.458 million relating to the trading, pricing, clearing and reconciliation of spot market electricity, and goodwill of $4.020 million (after impairment in 2024).

The recoverable amount (which is equal to the carrying value) of the Energy CGU was based on fair value less cost of disposal, estimated using discounted cashflows. The fair value measurement was categorised as Level 3 fair value based on the inputs (which are not based on observable market data) in the valuation technique used.

This business has a significant reliance on service provider contracts it has in place with the Electricity Authority (EA). The contracts mature mid 2027 and it is expected that the contracts will be tendered, in accordance with government policy. As a result of these service provider contracts, NZX has certainty of minimum cash flows to be received over the contract period, along with additional contracted consulting revenue, and a reasonable expectation of contract renewal based on previous contract renewals, which supports the current carrying value of the Energy CGU. The non-renewal of contracts would result in further impairment of the carrying value of the Energy CGU.

Revenue and costs are assumed to grow consistently in line with inflation in accordance with the current contracts terms and conditions, which is considered reasonable based on historic experience.

5.5. Investment in associate

NZX acquired a 33.33% shareholding in GlobalDairyTrade Holdings Limited (GDT) effective 30 June 2022 which has been recognised as an investment in associate.

Accounting standards require full impairment testing to be undertaken on an investment in an associate only where there is objective evidence of a potential impairment event that has a negative impact on future cash flows.

The Group has reviewed for indicators of impairment and no indicator of impairment existed as at 31 December 2024 (31 December 2023: none).

6. Acquisitions and change in value of contingent consideration

QuayStreet Asset Management

On 23 February 2023 Smartshares Limited (Smart) acquired the management rights and associated assets of QuayStreet Asset Management (QuayStreet) from Craigs Investment Partners Group (CIP Group) . The terms of that acquisition, including consideration transferred and assets acquired and liabilities assumed are detailed in the Group's Annual Report for the year ended 31 December 2023.

6.1. Change in fair value of contingent consideration

Potential earnout consideration of up to $18.75 million is payable based on net FUM inflows from the CIP Group into QuayStreet and Smart's products over a three-year period.

The terms of the earnout payment are as follows:

	Maximum earnout $000
Earnout 1 - payable, prorata, on cumulative qualifying net FUM inflows from the CIP Group from 24 November 2022 - 23 November 2023, with the maximum amount payable where cumulative qualifying net FUM inflows over that period are $250m.	$6,250
Earnout 2 - payable, prorata, on cumulative qualifying net FUM inflows from the CIP Group from 24 November 2022 - 23 November 2024, with the maximum amount payable where cumulative qualifying net FUM inflows over that period are $525m.	$11,250 less any amount paid under Earnout 1

	Maximum earnout $000
Earnout 3 - - first component - payable only where cumulative qualifying net FUM inflows from the CIP Group from 24 November 2022 - 23 November 2025 exceed $800m. - second component - payable, prorata on cumulative qualifying net FUM inflows from CIP Group from 24 November 2022 - 23 November 2025 in excess of $800m, with the maximum amount payable where cumulative qualifying net FUM inflows over that period are $1.2 billion.	First component: $3,750 Second component: $3,750

The fair value recognised at acquisition reflected management's expectation of the probability of achieving the earnout targets at acquisition, discounted to present value. As a result of reassessing these probabilities based on post acquisition qualifying net FUM inflows as at 31 December 2024, and an unwind of the present value discount, the provision has been adjusted downwards by $10.862 million (2023: $0.530 million increase from the unwind of the present value discount).

At 31 December 2024 the contingent consideration is $3.201 million (31 December 2023: $14.064 million), split between current liabilities of $3.201 million (31 December 2023: $10.737 million) and non-current liabilities of $nil (31 December 2023: $3.327 million).

A payment of $3.201 million was made in January 2025 for Earnout 2.

7. Segment reporting

The Group has five revenue generating commercial operations segments, as described below, which are the Group's strategic business areas, and a corporate segment which has limited revenue but includes all costs that are shared across the organisation.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group CEO. The CODM assesses performance of the combined Markets businesses (i.e. the Capital Markets Origination, Secondary Markets and Information Services revenue generating segments) as a single segment, being an integrated business that supports the growth of New Zealand capital markets. The performance of Funds Management (Smart), Wealth Technologies and Corporate businesses are assessed separately.

Additionally, NZX Regulation Limited (NZ RegCo) is a stand-alone, independently-governed agency which performs all of NZX's front line regulatory functions. NZ RegCo is structurally separate from the Group's commercial operations and consequently the CODM for the Regulation business is the NZ RegCo CEO.

The reportable commercial operations segments are:

- Markets:
  - Capital Markets Origination - provider of issuer services for current and prospective customers;
  - Secondary Markets - provider of trading and post-trade services for securities and derivatives markets operated by NZX, provider of a central securities depository and market operator for Fonterra Co-Operative Group, the Electricity Authority and the Ministry for the Environment;
  - Information Services - provider of information services for the securities and derivatives markets, and analytics for the dairy sector;
- Funds Management (Smart) - manager of funds, including KiwiSaver, superannuation, managed funds and Exchange Traded Funds (ETFs); and
- Wealth Technologies - funds administration provider and custodian.

The Group's revenue is allocated into each of the reportable segments. Expenses incurred are allocated to the segments only if they are direct and specific expenses to one of the segments. The remaining expenses that relate to activities shared across the group are reported in the Corporate segment.

The Group's assets and liabilities are allocated into each of the revenue generating segments, apart from those assets and liabilities that are utilised on a shared basis, which are allocated to the corporate segment.

Segmental information for the year ended 31 December 2024

	Capital Markets Origination	Secondary Markets	Info. Services	Markets sub-total	Funds (Smart)	Wealth Tech.	Corp.	NZX Commercial Operations sub-total	NZ RegCo	NZX Group Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Operating revenue	17,018	25,993	19,912	62,923	44,006	9,729	102	**116,760**	3,996	**120,756**
Operating expenses				(20,539)	(22,270)	(5,144)	(21,681)	**(69,634)**	(3,939)	**(73,573)**
Operating earnings (EBITDA)[1]				**42,384**	**21,736**	**4,585**	**(21,579)**	**47,126**	**57**	**47,183**
Segment assets				89,549	122,076	28,553	42,007	**282,185**	249	**282,434**
Segment liabilities				(41,620)	(47,115)	(4,097)	(62,809)	**(155,641)**	204	**(155,437)**
Net assets				**47,929**	**74,961**	**24,456**	**(20,802)**	**126,544**	**453**	**126,997**

1 EBITDA is not a defined performance measure in NZ IFRS. Please refer to Note 2 for more information.

Segmental information for the year ended 31 December 2023

	Capital Markets Origination	Secondary Markets	Info. Services	Markets sub-total	Funds (Smart)	Wealth Tech.	Corp.	NZX Commercial Operations sub-total	NZ RegCo	NZX Group Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Operating revenue	16,045	25,127	19,723	60,895	36,957	6,816	83	**104,751**	3,636	**108,387**
Operating expenses				(20,017)	(18,667)	(5,207)	(21,544)	**(65,435)**	(4,058)	**(69,493)**
Operating earnings (EBITDA)[1]				**40,878**	**18,290**	**1,609**	**(21,461)**	**39,316**	**(422)**	**38,894**
Segment assets				86,596	123,879	25,634	39,956	**276,065**	405	**276,470**
Segment liabilities				(35,533)	(56,235)	(1,985)	(65,963)	**(159,716)**	617	**(159,099)**
Net assets				**51,063**	**67,644**	**23,649**	**(26,007)**	**116,349**	**1,022**	**117,371**

1 EBITDA is not a defined performance measure in NZ IFRS. Please refer to Note 2 for more information.

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of direct customers. Segment non-current assets are based on the geographical location of the assets.

Revenue	**2024 $000**	**2023 $000**
New Zealand	99,928	84,972
United States	5,905	7,582
Australia	3,209	3,641
Other	11,714	12,192
Total revenue	**120,756**	**108,387**

Non-current assets	**31 December 2024 $000**	**31 December 2023 $000**
New Zealand	186,919	194,224
Total non-current assets	**186,919**	**194,224**

8. Operating revenue

Revenue is recognised when an entity satisfies the performance obligation and transfers control of goods or services to a customer. Revenue is recognised at the transaction price amount allocated to the performance obligation. The specific revenue recognition criteria for the classes of revenue are as follows:

a. Capital Markets Origination

- Listing and issuance fees consist of revenue from annual listing fees (net of an allocation to NZ RegCo), initial listing fees and subsequent capital raising fees. Initial and subsequent listing fees are recognised when the listing or subsequent capital raising event has taken place. Annual listing fees are billed on 30 June for the following 12 month period and are recognised on a straight line basis over this 12 month period.

b. Secondary Markets

- Participant services revenue consist of annual participant fees (net of an allocation to NZ RegCo) and initial participant fees. Initial participant fees are recognised when the participant's application has been approved. Annual participant fees are billed on 30 June for the following 12 month period and are recognised on a straight line basis over this 12 month period.
- Securities trading fees arise from the trading of debt and equity securities, which are recognised at trade date.
- Securities clearing fees relate to debt and equity clearing and settlement, which are recognised at settlement date (which is two days after initial trade date).
- Dairy derivatives fees relate to the trading, clearing and settlement of derivatives by SGX, net of fees retained by SGX. Trading and clearing fees are recognised at trade date. Settlement fees are recognised at settlement date.
- Market operations revenue arises from the provision of post-trade systems and technology services for the energy, carbon auction and Fonterra Shareholders markets, and from the provision of development services for the energy and carbon auction markets. Revenues are recognised over the period the service is provided.

c. Information Services

- Securities information revenue relates to the provision of securities and derivatives market data, which is recognised over the period the service is provided.
- Dairy data subscription revenue relates to the provision of data and analysis for the dairy sector, which is recognised over the period the service is provided.
- Connectivity revenue relates to the provision of connectivity and access to NZX operated markets for market participants and data vendors, which is recognised over the period the service is provided.

d. Funds Management (Smart)

- Funds management revenue relates to funds under management based fees and administration fees, which are recognised over the period the service is provided and at the transaction price amount allocated to the performance obligation which is determined based on a percentage of FUM or a fixed price per member. Fees are generally calculated daily and billed monthly.

e. Wealth Technologies

- Wealth Technologies revenue relates to platform administration fees and development fees, which are recognised over the period the service is provided.

f. Regulation (NZ RegCo)

- Regulation revenue is recognised over the period the service is provided. Additionally, there is an allocation of annual listing fees and annual participant fees and an internal allocation to reflect regulatory support services provided to NZX Limited.

g. Corporate

- Other Corporate revenue relates to miscellaneous services provided by the Group (including the sublease of excess office space), which is recognised over the period the service is provided.

	2024 $000	2023 $000
Listing and issuance fees	17,018	16,045
Total Capital Markets Origination revenue	**17,018**	**16,045**
Participant services	513	540
Securities trading	4,279	3,696
Securities clearing	7,581	6,324
Dairy derivatives	3,252	3,551
Market operations	10,368	11,016
Total Secondary Markets revenue	**25,993**	**25,127**
Securities information	16,478	16,269
Dairy data subscriptions	606	598
Connectivity revenue	2,828	2,856
Total Information Services revenue	**19,912**	**19,723**
Funds Management revenue	**44,006**	**36,957**
Wealth Technologies revenue	**9,729**	**6,816**
Regulation revenue	**3,996**	**3,636**
Other Corporate revenue	**102**	**83**
Total operating revenue	**120,756**	**108,387**

9. Operating expenses

	Note	2024 $000	2023 $002
Gross personnel costs		(54,359)	(49,641)
Less capitalised labour		8,022	6,374
Net personnel costs		(46,337)	(43,267)
Information technology		(15,210)	(13,768)
Professional fees		(4,191)	(3,737)
Marketing		(1,518)	(1,673)
Directors' fees	26.2	(630)	(509)
Remuneration paid to Group auditors		(470)	(397)
Other operating expenses		(5,517)	(6,466)
Capitalised overheads		1,644	1,539
Acquisition, integration and restructure costs		(1,344)	(1,215)
Total operating expenses		**(73,573)**	**(69,493)**

Remuneration paid to Group auditors

	2024 $000	2023 $002
Audit and review of NZX Group and subsidiary statutory financial statements	(314)	(304)
Total audit fees	**(314)**	**(304)**
Annual depository assurance engagement of New Zealand Depository Limited	(6)	(6)
Assurance and agreed-upon procedures engagements for Smartshares Limited	(92)	(87)
Assurance engagements of the Group's Scope 1 and 2 GHG emissions	(58)	-
Total other audit related services	**(156)**	**(93)**
Total remuneration paid to Group auditors	**(470)**	**(397)**

The Group's auditors also provide financial statement audits and regulatory assurance engagements to a number of the funds managed by Smart. The amount paid in relation to these audits was $594,000 (2023: $360,000).

10. Net finance expense

	2024 $000	2023 $000
Interest income	2,336	2,189
Interest on lease liabilities	(935)	(972)
Other interest expense	(4,722)	(4,275)
Amortised borrowing costs	(212)	(389)
Net (loss)/gain on foreign exchange	(12)	15
Net finance expense	**(3,545)**	**(3,432)**

11. Funds held on behalf of third parties

	31 December 2024 $000	31 December 2023 $000
Bond deposits	1,915	1,960
Collateral deposits	25,701	19,742
	27,616	**21,702**

The bond deposits represent balances deposited by issuers, required as a condition of listing on NZX's markets. Funds lodged as bond deposits are interest bearing and are recognised at the amounts deposited which represent fair value. There is an equal and opposite amount disclosed under current liabilities for the total amount repayable to issuers.

The collateral deposits represent balances deposited by participants to cover margins on outstanding settlement obligations for the cash market and mutualised default fund contributions (currently nil; 2023: nil). Funds lodged as margin collateral and mutualised default fund contributions are interest bearing and are recognised at the amounts deposited which represent fair value. There is an equal and opposite amount disclosed under current liabilities for the total amount repayable to participants.

12. Taxation

Tax expense comprises current and deferred tax. Current and deferred tax is recognised as an expense or income in the Income Statement, as there is no current or deferred tax related to items credited or debited directly to equity or other comprehensive income.

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to tax payable in respect of previous years. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax is recognised in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable income will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

12.1. Income tax expense recognised in profit or loss

	2024 $000	2023 $000
Tax expense comprises:		
Current tax expense	7,994	6,049
Prior period adjustment	161	146
Deferred tax relating to the origination and reversal of temporary differences	(247)	(543)
Total tax expense	**7,908**	**5,652**

The prima facie income tax expense on pre-tax accounting profit from continuing operations reconciles to the income tax expense in the financial statements as follows:

	2024 $000	2023 $000
Profit before income tax expense	33,398	19,206
Income tax calculated at 28%	**(9,351)**	**(5,378)**
Tax adjustments	1,328	(288)
	(8,023)	**(5,666)**
Prior period adjustment	(161)	(146)
Tax credits	276	160
	(7,908)	**(5,652)**

12.2. Current tax liability

	2024 $000	2023 $000
Balance at beginning of the year	(1,912)	(665)
Current year charge	(7,994)	(6,049)
Prior period adjustment	(313)	(193)
Tax paid	6,923	4,995
Balance at end of year	**(3,296)**	**(1,912)**

12.3. Deferred tax liability

	2024 $000	2023 $000
Balance at beginning of the year	(11,396)	(2,984)
Current year movement	247	543
Deferred tax on acquisition	-	(9,001)
Prior period adjustments	184	46
Balance at end of the year	**(10,965)**	**(11,396)**
Deferred tax balance comprises:		
Employee entitlements	1,404	1,619
Doubtful debts	45	57
Property, plant and equipment, and intangibles	(13,902)	(14,467)
Leases	920	760
Other	568	635
	(10,965)	**(11,396)**

12.4. Imputation credit account

	2024 $000	2023 $000
Imputation credits available for use in subsequent reporting periods	**7,829**	**7,402**

13. Earnings per share and net tangible assets per share

13.1. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the period. An adjustment to take into account the shares and rights issued under the various employee share plans (refer to Notes 22 and 24) is made to the weighted average number of shares used in the calculation of the diluted earnings per share.

a. Basic earnings per share

	2024	2023
Profit for the year ($000)	25,490	13,554
Weighted average number of ordinary shares for the purpose of earnings per share (in thousands)	325,745	321,752
Basic earnings per share (cents per share)	**7.8**	**4.2**

b. Diluted earnings per share

	2024	2023
Profit for the year ($000)	25,490	13,554
Weighted average number of total shares and rights for the purpose of earnings per share (in thousands)	330,983	326,426
Fully diluted earnings per share (cents per share)	**7.7**	**4.2**

13.2. Net tangible assets per share

Basic net tangible assets per share is calculated by dividing the net tangible assets at year end by the weighted average number of ordinary shares outstanding during the period. An adjustment to take into account the shares and rights issued under the various employee share plans (refer to Notes 22 and 24) is made to the weighted average number of shares used in the calculation of the diluted net tangible assets per share.

a. Basic net tangible assets per share

	31 December 2024 $000	31 December 2023 $000
Net assets	126,997	117,371
Less:		
Goodwill	(46,887)	(50,587)
Intangible assets	(95,916)	(99,169)
Investment in associate	(18,343)	(17,642)
Net tangible assets/(liabilities)	**(34,149)**	**(50,027)**
Weighted average number of ordinary shares for the purpose of net tangible assets per share (in thousands)	325,745	321,752
Basic net tangible assets/(liabilities) per share (cents per share)	(10.48)	(15.55)

b. Diluted net tangible assets per share

	31 December 2024 $000	31 December 2023 $000
Net assets	126,997	117,371
Less:		
Goodwill	(46,887)	(50,587)
Other intangible assets	(95,916)	(99,169)
Investment in associate	(18,343)	(17,642)
Net tangible assets/(liabilities)	**(34,149)**	**(50,027)**
Weighted average number of total shares and rights for the purpose of net tangible assets per share (in thousands)	330,983	326,426
Fully diluted net tangible assets/(liabilities) per share (cents per share)	(10.32)	(15.33)

14. Cash and cash equivalents and cash flow reconciliation

14.1. Cash and cash equivalents

Cash comprises:	31 December 2024 $000	31 December 2023 $000
Cash at bank	27,025	24,670
Bank deposits	1,800	-
Cash and cash equivalents	**28,825**	**24,670**
Cash at bank - restricted	14,000	20,000
Bank deposits - restricted	6,000	-
Cash and cash equivalents - restricted	**20,000**	**20,000**
Cash and cash equivalents - total	**48,825**	**44,670**

Restricted cash and cash equivalents relates to balances held for risk capital requirements by the Clearing House and is not available for general cash management use by the Group. In addition, cash and cash equivalents includes amounts of up to $6.3 million as at 31 December 2024 (31 December 2023: up to $4.7 million) that are held by subsidiaries to comply with regulatory requirements and are not available for general use by other entities within the Group.

14.2. Reconciliation of profit for the year to net cash provided by operating activities

	2024 $000	2023 $000
Profit for the year	**25,490**	**13,554**
Adjustments for:		
Share based payment arrangements	1,016	1,200
Depreciation and amortisation expense	17,971	16,764
Amortisation of borrowing costs	187	367
Change in fair value of contingent consideration	(10,862)	530
Disposal of assets	5	35
Gain on lease modification	(9)	(15)
Loss on goodwill impairment	3,700	-
Share of profit of associate	(565)	(1,031)
(Increase)/decrease in receivables and prepayments	(3,200)	1,358
Increase in trade payables and other liabilities	1,201	1,969
Increase in current tax liability	1,384	297
Decrease in deferred tax liability	(431)	(589)
Net cash provided by operating activities	**35,887**	**34,439**

15. Receivables and prepayments

Receivables and prepayments are initially recognised at the fair value of the amounts to be received. They are subsequently measured at amortised cost (using the effective interest method) less impairment losses, if any.

	31 December 2024 $000	31 December 2023 $000
Trade receivables	4,833	4,322
Provision for doubtful debts	(161)	(205)
Net trade receivables	**4,672**	**4,117**
Prepayments	5,331	4,546
Accrued interest	202	-
Accrued income	8,769	7,111
Advances to related party	100	100
Total current receivables and prepayments	**19,074**	**15,874**

Movement in provision for doubtful debts

The Group applies the simplified approach in providing for expected credit losses prescribed by NZ IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The provision for impairment losses are either individually or collectively assessed based on number of days overdue. The Group takes into account the historic loss experience and incorporates forward looking information and relevant macroeconomic factors.

The Group maintains a provision for impairment losses when there is objective evidence of its customers being unable to make required payments and also makes a provision for doubtful debts on all balances greater than 60 days overdue.

	2024 $000	2023 $020
Balance at beginning of the year	(205)	(186)
Amounts written off during the year	54	-
Increase in provision recognised in profit or loss	(10)	(19)
Balance at end of the year	**(161)**	**(205)**

16. Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and impairment. The cost of the assets is the value of the consideration given to acquire the assets and the value of other directly attributable costs incurred in bringing the assets to the location and condition necessary for their intended use.

Depreciation is recognised in the Income Statement and is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- Computer equipment: 3 - 7 years
- Furniture and equipment: 2 - 10 years
- Leasehold improvements: 5 - 15 years
- Motor vehicles: 3 years

	Computer equipment $000	Furniture and equipment $000	Leasehold improvements $000	Motor Vehicles $000	Capital work in progress $000	Total $000
Gross carrying amount						
Balance at 1 January 2023	**4,490**	**2,814**	**8,275**	**45**	**1,929**	**17,553**
Additions	291	110	-	-	406	807
Disposals	-	-	-	(45)	-	(45)
Transfers from WIP	1,076	-	1,079	-	(2,155)	-
Balance at 31 December 2023	**5,857**	**2,924**	**9,354**	**-**	**180**	**18,315**
Additions	528	61	-	-	2,179	2,768
Disposals	(981)	(151)	-	-	-	(1,132)
Transfer from Tangible WIP	350	8	1,997	-	(2,355)	-
Balance at 31 December 2024	**5,754**	**2,842**	**11,351**	**-**	**4**	**19,951**
Accumulated depreciation						
Balance at 1 January 2023	**3,375**	**1,670**	**2,091**	**45**	-	**7,181**
Depreciation expense	760	342	631	-	-	1,733
Disposals	-	-	-	(45)	-	(45)
Balance at 31 December 2023	**4,135**	**2,012**	**2,722**	**-**	-	**8,869**
Depreciation expense	934	351	812	-	-	2,097
Disposals	(977)	(150)	-	-	-	(1,127)
Balance at 31 December 2024	**4,092**	**2,213**	**3,534**	**-**	**-**	**9,839**
Net Book Value						
As at 1 January 2023	**1,115**	**1,144**	**6,184**	**-**	**1,929**	**10,372**
As at 31 December 2023	**1,722**	**912**	**6,632**	**-**	**180**	**9,446**
As at 31 December 2024	**1,662**	**629**	**7,817**	**-**	**4**	**10,112**

17. Investment in associate

NZX has a 33.33% interest (ownership and voting) in GlobalDairyTrade Holding Limited (GDT). GDT is the leading global physical trading platform for dairy and provides a sustainable foundation for NZX's dairy derivatives business. GDT's place of incorporation and principal place of business is New Zealand.

To allow GDT to retain its earnings for reinvestment into the growth and expansion of the business there is a contractual restriction on the payment of dividends from GDT to shareholders until 31 July 2025.

The Group's interest in GDT has been accounted for as an investment in an associate and has been measured by applying the equity method.

The following tables summarise the financial information of GDT as included in its own financial statements and reconciles the summarised financial information to the carrying amount of the Group's interest in GDT.

i) Summarised financial position of associate not adjusted for the percentage ownership held by the Group:

	31 December 2024 $000	31 December 2023 $000
Current assets	19,534	18,636
Non-current assets	4,136	2,615
Total assets	**23,670**	**21,251**
Current liabilities	4,702	5,730
Non-current liabilities	1,545	202
Total liabilities	**6,247**	**5,932**
Net assets	**17,423**	**15,319**

ii) Reconciliation to carrying amount:

	2024 $000	2023 $000
Net assets at beginning of the year	15,319	12,742
Profit for the year	1,696	3,093
Other comprehensive income	408	(516)
Dividends paid	-	-
Net assets at end of the year	**17,423**	**15,319**
Group's share in %	33.33%	33.33%
Group's share of net assets	5,807	5,106
Goodwill and intangibles	12,536	12,536
Carrying amount at end of the year	**18,343**	**17,642**

18. Leases

On entering into a contract, the Group determines whether the contract contains a lease that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Determining whether there is a right of control involves the assessment of whether the contract involves the use of an identified asset, whether the Group has the right to obtain substantially all of the economic benefits from use of that asset through the period of use, and whether the Group has the right to direct the use of the asset.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost net of any lease incentives received and is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the Group's incremental borrowing rate or the interest rate implicit in the lease, if this can be determined. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option, with a corresponding adjustment made to the carrying value of the right-of-use asset.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases (lease term less than 12 months) or leases of low-value assets.

Detail of leases for which the Group is a lessee are presented below:

Right-of-use assets

	Property leases $000	Other leases $000	Total $000
Balance at 1 January 2023	18,652	552	19,204
Modification during the year	-	(42)	(42)
Depreciation expense for the year	(1,562)	(220)	(1,782)
Balance at 31 December 2023	**17,090**	**290**	**17,380**
Modification during the year	-	(8)	(8)
Depreciation expense for the year	(1,502)	(209)	(1,711)
Balance at 31 December 2024	**15,588**	**73**	**15,661**

Other leases includes leases of IT and office equipment.

During the year, the Group modified a lease of IT equipment to reduce the equipment leased. This resulted in a partial derecognition from the right-of-use assets and lease liabilities. The partial derecognition impact was a net gain on lease modification which is recognised in the income statement.

Lease liabilities

	31 December 2024 $000	31 December 2023 $000
Maturity analysis - contractual undiscounted cash flows		
Up to one year	2,116	2,250
One to two years	2,105	2,292
Two to five years	5,925	6,142
More than five years	16,702	18,671
Total undiscounted lease liabilities	**26,848**	**29,355**
Lease liabilities included in the statement of financial position	**19,751**	**21,061**
Current	1,243	1,291
Non-current	18,508	19,770

Property leases for the Group's Wellington and Auckland offices give the Group the right to renew the lease at the end of the current contracted period for a further 5 year term.

As a lessor

On entering into a lease as a lessor, the Group assesses whether the lease transfers to the lessee substantially all of the risk and rewards of ownership of the underlying asset. Where such a transfer is assessed to occur, the lease is recognised as a finance lease; otherwise it is recognised as an operating lease.

Where the Group is an intermediate lessor, its interest in the head lease and the sub-lease are accounted for separately, with the sub-lease classification assessed with reference to the right-to-use asset arising from the head lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other corporate revenue.

The Group has sub-leased part of one of its property leases since September 2022. The sub-lease is for a short term period, has not transferred substantially all of the risks and rewards of the underlying asset, and is classified as an operating lease accordingly. Income related to this short term sub-lease for the current year was $91,000 (2023: $51,000). A maturity analysis of operating lease payments, showing the undiscounted lease payments to be received after the reporting date is set out below:

	31 December 2024 $000	31 December 2023 $000
Maturity analysis - contractual undiscounted cash flows		
Up to one year	71	115
One to two years	-	79
Two to five years	-	-
Total undiscounted minimum lease payments receivable	**71**	**194**

19. Trade payables

Trade payables and accruals are initially recognised at fair value less transaction costs (if any). They are subsequently measured at amortised cost using the effective interest method.

	31 December 2024 $000	31 December 2023 $000
Trade payables	3,042	2,415
Goods and services tax payable	693	845
Accrued expenses	5,298	4,225
Accrued interest	119	119
	9,152	**7,604**

20. Other liabilities

	Note	31 December 2024 $000	31 December 2023 $000
Employee benefits		9,998	9,012
Unearned income		8,846	9,400
Other provisions		900	900
Contingent consideration	6	3,201	10,737
Other current liabilities		269	792
Total current other liabilities		**23,214**	**30,841**
Contingent consideration	6	-	3,327
Total non-current other liabilities		**-**	**3,327**
Total other liabilities		**23,214**	**34,168**

21. Interest bearing liabilities

	31 December 2024 $000	31 December 2023 $000
Term loans	22,500	22,500
Subordinated notes	40,000	40,000
Total drawn debt	**62,500**	**62,500**
Capitalised borrowing costs (net of amortisation)	(1,057)	(1,244)
Net interest bearing liabilities	**61,443**	**61,256**

21.1. Subordinated notes

The subordinated notes are quoted on the NZX debt market. The subordinated notes have a 15 year term, maturing 20 June 2033, with election dates at 5 yearly intervals from the issue date until maturity.

The current interest rate (6.80%; prior to 20 June 2023: 5.40%) is fixed until the second election date (20 June 2028), at which point NZX may reset the interest rate. On the election date investors may either retain their subordinated notes (at the reset interest rate) or elect to redeem their subordinated notes.

NZX may defer the payment of interest at any time at its discretion, but will be subject to penalty interest of an additional 4.0% per annum until the next interest payment date at which unpaid and deferred interest is paid.

The terms of the subordinated notes offer include a financial covenant requiring that debt that ranks in priority to the subordinated notes, less unrestricted cash, may not exceed 1.5 times operating earnings (being EBITDA and non-cash items, and capital gains/losses). A breach of the financial covenant is not an event of default, but may prevent NZX paying dividends to shareholders, if it has failed on two consecutive test dates. The subordinated notes financial covenant has been met throughout the year.

The subordinated notes have been recognised initially at fair value less directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest method, as required by NZ IFRS 9.

21.2. Bank overdraft, revolving credit and term loan facilities

The Group has access to bank overdraft, revolving credit, term loan and liquidity facilities, which have an expiry date of 26 February 2027 (extendable by mutual agreement).

The overdraft facility provides the Group with flexibility in its working capital management. The facility limit is $3.0 million (2023: $3.0 million). The bank may require repayment by making a written demand. The effective interest rate of the facility at 31 December 2024 was 8.33% (2023: 8.18%). The overdraft facility was undrawn at 31 December 2024 and 2023.

The revolving credit facility provides the Group with additional flexibility in its working capital management. The facility limit is $7.0 million (2023: $7.0 million). The revolving credit facility was undrawn at 31 December 2024 and 2023.

The term loan facility provides the Group with acquisition funding. The current facility limit is $30.0 million (2023: $27.5 million). In 2023, the current Group term loan facility was utilised to fund the acquisition of the management rights and associated assets of QuayStreet Asset Management (note 6), with $22.5 million drawn down at 31 December 2024 (31 December 2023: $22.5 million). The effective interest rate of the facility at 31 December 2024 was 7.69% (31 December 2023: 7.80%).

The liquidity facility was established on 1 February 2024 and provides the Clearing House with a $20 million line of credit (note 25.7b). Use of the facility is limited to situations where a participant default has occurred. The liquidity facility was undrawn at 31 December 2024 (31 December 2023: not applicable).

The bank facilities are unsecured and contain two financial covenants which have been met throughout the year:
- The ratio of interest bearing debt to EBITDA shall not exceed 3.5 times; and
- The ratio of EBITDA to interest shall exceed 4.0 times.

22. Shares on issue

The Company had 327,022,314 fully paid ordinary shares as at 31 December 2024 (31 December 2023: 324,205,366 fully paid ordinary shares). The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings.

On 3 March 2023 the Company issued 6,569,069 ordinary shares in partial satisfaction of the purchase price for the management rights and associated assets of QuayStreet Asset Management (note 6).

The Dividend Reinvestment Plan applied to dividends during the year (2023: applied to all dividends) , resulting in the issue of 2,503,613 ordinary shares (2023: 2,364,865). Additionally 313,335 shares (2023: 562,072) were issued as share based payments - refer to Note 24).

As at 31 December 2024, the Company has 5,199,429 performance rights on issue under the Long Term Incentive Plan (31 December 2023: 4,731,933) to the members of its executive and management teams and to its CEO pursuant to its Long Term Incentive Plan. The performance rights give the holder options to acquire ordinary shares in the Company, which may be exercised if certain performance hurdles are met and the performance rights vest. Until the performance rights vest, none are quoted on the NZX Main Board. Refer to Note 24.

Movement in share capital

	Number	$000
Balance at 1 January 2023	**314,709,360**	**108,470**
Issue of ordinary shares	9,496,006	10,584
Share based payments accrual	-	1,138
Cancellation of non-vesting rights	-	(58)
Balance at 31 December 2023	**324,205,366**	**120,134**
Issue of ordinary shares	2,816,948	2,863
Share based payments accrual	-	962
Cancellation of non-vesting rights	-	(514)
Balance at 31 December 2024	**327,022,314**	**123,445**

23. Dividends

		2024		2023	
	For year ended	Cents per share	Total $000	Cents per share	Total $000
Dividends paid					
March 2023 - Final	31 Dec 22			3.1	9,756
October 2023 - Interim	31 Dec 23			3.0	9,685
March 2024 - Final	31 Dec 23	3.1	10,050		
October 2024 - Interim	31 Dec 24	3.0	9,775		
Total dividends paid for the year		**6.1**	**19,825**	**6.1**	**19,441**

The Dividend Reinvestment Plan applied to all dividends paid in 2024 (2023: applied to all dividends).

Refer to Note 29 for details of the final 2024 dividend.

24. Share based payments

24.1. CEO incentive plans

a. CEO Long Term Incentive Plan - 2021

In 2021, the CEO was issued 550,449 performance rights under a long term incentive plan (CEO Long Term Incentive Plan - 2021). Each of these performance rights gave the CEO an option to acquire one ordinary share in NZX. The CEO may exercise the options if the performance rights vest. Vesting of the performance rights was dependent on NZX meeting performance hurdles in respect of total shareholder return (TSR) growth and on the CEO remaining an employee of the NZX Group for the duration of the vesting period.

Vesting of the performance rights was dependent on TSR growth over the vesting period. TSR growth of 7.40% per annum would result in 50% of the TSR growth related performance rights being vested; TSR growth of 9.40% would result in 100% being vested; and TSR growth between 7.40% and 9.40% would result in between 50.1% to 99.9% being vested on a linear, pro-rata basis.

The vesting period was from 10 September 2021 to 6 April 2024.

There was a cap of $4,253,772 on the maximum value of performance rights that can vest.

The cost of the performance rights was measured based on the fair value at the date granted using an appropriate pricing model. The cost was recognised over the term, with a corresponding increase in equity. The cumulative expense at each reporting date reflected the extent to which the vesting period had expired and was the best estimate of the number of performance rights that will vest. The expense in the reporting period of $37,000 (2023: $149,000) is the movement in cumulative expense and is recognised in personnel costs.

During the period the Group assessed the CEO share scheme on vesting. The TSR growth per annum over the vesting period was (13.54)% which was below the lower TSR hurdle of 7.40% per annum. As the Performance Target had not been met, the 550,449 performance rights issued under the Scheme were redeemed. The Group reclassified within Equity the $385,000 fair value of the shares during the period.

b. CEO Short Term Incentive Plan (STI#2)

The CEO Short Term Incentive Bonus Scheme was agreed during the period. Under the Scheme the CEO is entitled to discretionary amount of up to $300,000 per financial performance year (service period), subject to key performance hurdles detailed below, with the assessed performance value after tax used to purchase NZX shares (on market). The acquired shares will be held in escrow with 50% vested on the first anniversary of the payment being confirmed, and the remaining 50% vested on the second anniversary of the payment being confirmed. The CEO is entitled to the economic benefit of dividends accrued during the escrowed period.

For the 2024 financial year the key performance hurdles are TSR growth over the year of at least 9.39% resulting in 50% of the incentive being awarded, with 100% being awarded at 13.39% TSR growth (and 50.1% to 99.9% being awarded on a linear, pro-rata basis), subject to Board discretion.

The TSR growth per annum over the service period was 42.6% which was above the higher TSR hurdle of 13.39% per annum. As the Performance Target has been met, 100% of the incentive has been awarded.

The cost of the Scheme is measured based on the fair value at the date granted. The cost is recognised over the service period; accrued through personnel costs, with a corresponding increase in equity and reflects the extent to which the service period has expired. The expense in the reporting is $225,000.

24.2. NZX Employee Long Term Incentive Plan

The NZX Employee Long Term Incentive Plan was implemented in 2018. Under the terms of the NZX Employee Long Term Incentive Plan, NZX offers selected employees performance rights, which are subject to certain entitlement criteria before performance rights may vest and the holder can acquire shares in NZX at nil cost. Once vested and exercised the performance rights entitle the holder to receive one share for each performance right at nil cost to employees. If the vesting conditions are not met or waived, the performance rights will lapse.

The NZX Employee Long Term Incentive Plan is offered on a three to six year term, with 1,764,117 performance rights issued to participants during 2024 (2023: 1,303,598).

The cost of the performance rights is measured based on the fair value at the date granted using an appropriate pricing model. The cost is recognised over the term of the scheme, with a corresponding increase in equity. The cumulative expense at each reporting date reflects the extent to which the vesting period has expired and is the best estimate of the number of performance rights that will vest. The expense or credit in the reporting period of $710,000 (2023: $989,000) is the movement in cumulative expense and is recognised in personnel costs.

24.3. NZX Employee Shares

During the year $1,000 (gross) worth of NZX ordinary shares were issued to each new employee at nil cost to employees to encourage staff engagement and shareholder alignment.

25. Financial instruments

The Group's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework, including the management of financial risk. The board has established an Audit and Risk Committee (Committee), which is responsible for developing and monitoring the Group's financial risk management policies (except for those relating to clearing and settlement activities discussed below). The Committee reports regularly to the board of directors on its activities.

The Group undertakes securities clearing and settlement activities for the listed equities, debt and derivatives markets through its clearing house New Zealand Clearing and Depository Corporation Limited (NZCDC or the Clearing House). These activities expose NZCDC and the Group to several significant financial risks. Management of these risks is the responsibility of the Clearing Committee of the NZX Board as well as the board of directors of NZCDC. Regular reporting is provided to the NZX Board on the risk management activities.

The specific financial risks faced by the Group, the way in which they are managed and their impact on the financial statements are discussed below.

25.1. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from three principal sources:

- Receivables from customers arising in the normal course of business;
- Investment of surplus cash with financial institutions;
- The activities of the Clearing House, which is discussed separately in section 25.7.

Excluding Clearing House activities, NZX has no significant concentrations of credit risk from general customers, with receivable balances spread across a broad portfolio of customers. NZX does not require collateral to be provided against receivables incurred in the ordinary course of business, although listed issuers and participants in NZX's equity and debt markets are required to provide a bond that may be called upon in the event of default on financial obligations.

The status of trade receivables at the reporting date was as follows:

	31 December 2024 $000	31 December 2023 $000
Not past due	4,219	3,288
Past due 0 - 30 days	303	692
Past due > 30 days	311	342
Gross trade receivables	**4,833**	**4,322**

In summary, trade receivables are determined to be impaired as follows:

	31 December 2024 $000	31 December 2023 $000
Gross trade receivables	4,833	4,322
Individual impairment	(51)	(74)
Collective impairment	(110)	(131)
Net trade receivables	**4,672**	**4,117**

The movement in the provision for doubtful debts in respect of trade and other receivables during the year is set out in note 15.

For investment of surplus cash balances, the Group follows treasury policies that require investments to be held only with high credit quality counterparties and sets limits on the Group's exposure to individual counterparties. The individual counterparty limits are set as follows:

- The greater of $35 million or 60% of cash and cash equivalents for registered banks that operate in New Zealand with a minimum credit rating of AA-; and
- The greater of $17.5 million or 30% of total cash and cash equivalents for other institutions with a minimum credit rating of A-.

25.2. Foreign exchange risk

NZX primarily derives revenues and incurs expenses in NZD. In some cases, however, receipts and payments are in foreign currencies (principally USD and AUD). NZX utilises foreign currency receipts to offset purchases denominated in foreign currencies. The Group determines forward exposures, and considers these in line with internal policies and procedures. It may enter into forward exchange agreements to keep any exposure to an acceptable level, though no such contracts were considered necessary in the current or prior financial year. Monetary assets and liabilities are kept to an acceptable level by buying or selling foreign currencies at the spot rate.

25.3. Interest rate risk

NZX is exposed to interest rate risk in that future interest rate movements will affect the interest that it receives on interest bearing assets and pays on interest bearing liabilities. NZX does not currently use any derivative products to manage interest rate risk.

The interest period for the Subordinated Note ($40 million) is fixed until the next election date (20 June 2028) at which point the interest rate may be reset (refer to note 21).

The Group's investment assets, particularly those designated as risk capital, are generally required to be readily convertible into cash. These are therefore held as bank deposits at floating rates of interest or invested in short term interest bearing assets for up to 12 months. This reduces the risk of movements in the market value of financial investments, but increases the Group's exposure to changes in cash flows as a result of short term movements in interest rates.

As at balance date, none of the Group's investments were subject to interest periods of greater than 12 months.

An analysis of the sensitivity of the Group's earnings to movements in interest rates is shown below. As at 31 December 2024 the Group's interest bearing liabilities exceeded its interest bearing assets (2023: interest bearing liabilities exceeded its interest bearing assets), hence an increase in interest rates would have had a negative impact on earnings (2023: negative impact).

	2024 $000	2023 $000
Effect on net profit before income tax:		
1% increase in interest rate	(41)	(92)
1% decrease in interest rate	41	92

This above information is calculated using:

- the Group's cash balances;
- the Group's interest bearing liabilities; and
- the balances of application and redemption trust accounts of $7.6 million (2023: $6.7 million), where Smart collects fees based on interest earned (in respect of balances held in those accounts between the cash receipt date and the date they are used to complete applications into and distributions from the Funds managed by Smart).

25.4. Liquidity risk management

Liquidity risk is the risk that the Group will be unable to realise its assets on a sufficiently timely basis to meet its financial liabilities as they fall due. Liquidity risk arises from the general activities of the Group as well as in specific situations in the operation of the Clearing House. Clearing House liquidity risk is discussed in section 25.7.

The Group manages its general liquidity risk by maintaining adequate cash reserves, maintaining a sufficient term to maturity for its interest bearing liabilities and maintaining adequate overdraft and working capital facilities to provide it the flexibility to absorb predicted variability in cash flows. It continuously monitors forecast and actual cash flows to assist with determining the appropriate levels of cash reserves and borrowing capacity.

The table below summarises the Group's exposure to liquidity risk based on the undiscounted contractual cash flows and maturities of term debt.

Interest bearing liabilities	Total contractual cash flows $000	Less than 1 year $000	1-2 years $000	2-5 years $000	More than 5 years $000
31 December 2024	(89,352)	(4,451)	(4,451)	(30,930)	(49,520)
31 December 2023	(90,274)	(4,385)	(25,489)	(8,160)	(52,240)

25.5. Accounting classification and fair values

The fair value of the financial instruments, which comprise cash and cash equivalents, funds held on behalf of third parties, receivables, trade payables, other liabilities and interest bearing liabilities, approximates their carrying amounts in these accounts. The subordinated notes have a fair value of $41.07 million (2023: $39.81 million).

25.6. Energy Clearing House

NZX, through its subsidiary Energy Clearing House Limited (ECH), is the electricity market operation service provider responsible for ensuring that market participants pay or are paid the correct amount for the electricity they generated or consumed. ECH also manages the prudential security requirements of participants, intended to ensure payers can meet their obligations in the market.

At 31 December 2024, ECH has outstanding payables and receivables for the purchase and sale of electricity. These items are not recorded in the Group’s statement of financial position, because the energy market participants have accepted the risks associated with electricity settlement.

In discharging its obligations under the Electricity Industry Participation Code, ECH is required to ensure that purchasers maintain adequate levels of prudential security which is calculated daily. Participants can comply with this obligation in a number of ways, including third party guarantees, letters of credit, deposits of cash with the ECH or hedging mitigation.

ECH holds cash deposit security on trust, and does not recognise the security provided in its statement of financial position. There was $28,488,406 cash held from such deposits at 31 December 2024 (2023: $16,697,887).

25.7. Clearing House counterparty risk

The Clearing House acts as a central counterparty to trades undertaken on NZX's financial products markets. Executed trades Clearing House are immediately novated and replaced by two separate and independent transactions, such that the Clearing House as central counterparty becomes the buyer to every sell trade and the seller to every buy trade. As the buy and sell settlements resulting from all transactions that are novated to the Clearing House offset each other, the Group is not directly exposed to price movements in the underlying equities or derivatives, unless a clearing participant defaults.

On the equity market, for the period between trade date and settlement date, the Clearing House is exposed to credit risk as a clearing participant may become unable to meet its obligations to the Clearing House, for example if it became insolvent. Should a buying participant fail to pay cash, the Clearing House must still meet its obligations to buy the financial products from the selling participant. In these circumstances, the Clearing House is subject to market price risk on the financial products acquired as if the price of the financial products falls, the Clearing House may incur a loss on the disposal of those financial products. In addition, the Clearing House also faces liquidity risk, as it may be unable to realise sufficient cash on the scheduled settlement date to pay for the financial products it is acquiring.

Where the defaulting participant has outstanding sell trades to settle, the Clearing House may purchase those financial products in order to deliver them to the buying participant. In so doing, the Clearing House is again exposed to market and liquidity risk.

a. Credit risk

Counterparty credit risk is primarily managed in two ways. Firstly, through imposing requirements on participants, including minimum capital adequacy requirements, that aim to ensure that participants maintain sufficient capital and liquidity to meet their obligations to the Clearing House on an ongoing basis. Secondly, through calculating margin requirements on participants' open positions and requiring participants to post this margin as collateral as security for the trades. Margin requirements are calculated for each participant based on that participant's unsettled transactions in each financial product. Margin rates for each financial product are based on the underlying characteristics of the financial product and its price volatility. Margin requirements are calculated daily using current market prices. Each day, margin requirements are compared to collateral held and a margin call made where necessary. Participants are then required to post additional eligible collateral. Eligible collateral includes cash and financial products (including S&P/NZX 50 listed securities). Financial products provided as collateral are subject to a prudential value discount, commonly referred to as a "haircut".

In addition, counterparty credit risk for the derivatives market is also managed through the mutualised default fund. Derivatives Clearing Participants are required to make contributions to the mutualised default fund based on the level of their uncovered stress losses. Contributions are recalculated on a quarterly basis, or as required. Contributions must be provided in NZD or USD. The mutualised default fund can be applied to meet settlement obligations of a defaulting participant on the derivatives market. With no current trading in equity derivatives, contributions to the mutualised default fund are $nil.

The Group may also be exposed to counterparty credit risk through New Zealand Clearing Limited (NZCL) by acting as central counterparty for securities lending transactions. Where the securities lending facility is utilised, NZCL is exposed to the full principal value of each loan and NZCL requires collateral to be posted equal to 105% of the loan. All loans are revalued on a daily basis and additional collateral required where appropriate. In 2024 and 2023, the securities lending facility was not utilised by any Clearing Participants.

The Clearing House is also subject to counterparty credit risk relating to the investment of cash with financial institutions, including the Clearing House's own surplus cash and risk capital as well as the collateral and mutualised default fund contributions. The Clearing House has its own treasury policy and investment policy to manage the credit risk, including limits on the Clearing Houses' exposure to individual counterparts as follows:

- Unlimited for amounts held within New Zealand Depository Limited (NZDL) Exchange Settlement Accounts (ESAS) at the Reserve Bank of New Zealand
- Up to $300 million and 50% of total exposure with registered banks with a minimum credit rating of AA
- Up to $200 million and 40% of total exposure with registered banks with a minimum credit rating of AA-
- Up to $75 million and 20% of total exposure with registered banks with a minimum credit rating of A+
- Up to $50 million and 20% of total exposure with registered banks with a minimum credit rating of A

The Clearing House must only invest in Reserve Bank of New Zealand or New Zealand registered banks, except that foreign currency can be invested in foreign bank branches that are appointed as a settlement bank.

b. Liquidity risk

Liquidity risk is managed through a combination of the collateral held from participants, the Clearing House's own cash reserves, a mutualised default fund applicable to the derivatives market and a specific liquidity facility which provides short term liquidity in the event of a participant default.

Collateral from the defaulting participant would be applied towards meeting the settlement obligations on the other side of the trade. The Clearing House also holds risk capital in cash and highly liquid investments, which is available to meet the obligations of defaulted transactions. Additionally, derivatives Clearing Participants provide contributions to a mutualised default fund which can be applied to meeting settlement obligations of a defaulting participant on the derivatives market.

With no current trading in equity derivatives, contributions to the mutualised default fund are $nil. As at 31 December 2024 the Clearing House held risk capital of $20 million (31 December 2023: $20 million).

In addition, from 1 February 2024 the Clearing House has a $20 million line of credit with a major NZ bank which may be utilised where a participant default has occurred (note 21.2); this facility does not require any collateral to be utilised. Prior to 1 February 2024 the Clearing House had an agreement with a major New Zealand fund manager to provide liquidity support in the form of $50 million of securities or cash. Use of this facility was limited to situations where a participant default has occurred and could be used to obtain liquidity in the form of securities or cash, collateralised against cash or eligible securities provided by the Clearing House to the Fund Manager.

c. Market risk

The risk that the Clearing House will realise a loss from liquidating securities that it becomes the owner of as a result of a participant default is managed by maintaining sufficient participant collateral and default capital (i.e. risk capital and mutualised default fund capital) to absorb projected losses. Any losses incurred are initially funded from the defaulting participant's margin collateral. Should this be insufficient to cover the losses, then these must be met from the Clearing House's own risk capital. For the derivatives market, the mutualised default fund will also be applied, with the defaulting participants contributions to the mutualised default fund used first, followed by $10m of the Clearing House's risk capital, then non-defaulting participants contributions to the mutualised default fund, before the final amount of the Clearing House's risk capital will be applied. With no current trading in equity derivatives, contributions to the mutualised default fund are $nil. The Clearing House regularly stress tests clearing participant exposures against the total amount of margin collateral and default capital resources.

Clearing balances outstanding at the end of the period were as follows:

	31 Dec 2024 $000	31 Dec 2023 $000
Cash market transactions[1]		
NZCL to receive from Clearing Participants - in NZD	20,116	11,749
NZCL to pay to Clearing Participants - in NZD	20,116	11,749
Aggregate absolute value of all net outstanding cash market settlement transactions - in NZD	88,090	48,127
Collateral held to cover outstanding settlement positions		
Cash - in NZD	25,701	19,742

1 All of these outstanding transactions were settled subsequent to 31 December 2024.

26. Related party transactions

26.1. Transactions with key management personnel

Key management personnel comprises the Group's senior management team. Key management personnel compensation comprised the following:

	2024 $000	2023 $000
Short-term employee benefits	5,855	5,930
Share-based payments	513	468
	6,368	**6,398**

26.2. Transactions with directors and other entities NZX directors are associated with

The Company regularly enters into transactions under normal commercial terms and conditions with other entities that some of the directors may sit on the board of or are employed by.

NZX directors fees for the year were $629,500 (2023: $509,452) (refer to Note 9).

In addition fees paid to independent directors of Group subsidiary boards were $389,500 (2023: $333,000).

Two directors on the GDT board are representatives of NZX Limited and no directors' fees are paid by GDT to those directors.

26.3. Transactions with managed funds

Management and other fees are received from the funds managed by wholly owned subsidiary Smart and are included in the Income Statement as funds management revenue (refer to note 8). During 2023 the Group provided an advance of $100,000 to the Smart's funds to assist with working capital management which remains receivable.

	Transaction values for the year ended 31 December		Balance outstanding as at 31 December	
	2024 $000	2023 $000	2024 $000	2023 $000
Services to/amounts owed from Managed Funds	44,121	36,710	5,570	4,422
Services from/amounts owed to Managed Funds	-	-	(1,890)	(1,618)

26.4. Transactions with associate

On 30 June 2022 the Group acquired a 33.33% stake in GlobalDairyTrade Holding Limited (GDT) (note 17).

	Transaction values for the year ended 31 December		Balance outstanding as at 31 December	
	2024 $000	2023 $000	2024 $000	2023 $000
Services to/amounts owed from Associate	25	13	-	-
Services from/amounts owed to Associate	(24)	(21)	(50)	(26)

26.5. General

All outstanding balances with related parties are priced and are to be settled in cash subsequent to the reporting date. None of the balance is secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

27. Contingent liabilities

In New Zealand there has been increased regulatory focus on market participant compliance for entities such as the Group. Accordingly, there has been an increase in the number of matters on which the Group engages with its regulators including matters such as financial market conduct, reporting and disclosure obligations, tax treatments, and product disclosure documentation. In the normal course of business the Group may be subject to actual or possible claims and court proceedings. Where relevant, expert legal advice is obtained and, in light of such advice, provisions and/or disclosures as deemed appropriate are made.

There were no contingent liabilities as at 31 December 2024 and 31 December 2023.

28. Capital commitments

	31 December 2024 $000	31 December 2023 $000
Capital expenditure commitments:		
Intangible development	112	828
Tangible development	-	1,150
	112	1,978

29. Subsequent events

Dividend

Subsequent to balance date the board declared a final 2024 dividend (fully imputed) of 3.1 cents per share, to be paid on 2 April 2025 (with a record date of 19 March 2025).

Independent Auditor's Report

KPMG

Independent Auditor's Report

To the Shareholders of NZX Limited (**Group**)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated income statement, statements of other comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements of NZX Limited (the **Company**) and its subsidiaries (the **Group**) on pages 85 to 119 present fairly in all material respects:

- the Group's financial position as at 31 December 2024 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 (**NZ IFRS**) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

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 NZX Limited 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**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standards 1 and the IESBA Code.

Our responsibilities under ISAs (NZ)(Revised) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has provided other services to the Group in relation to regulatory and controls assurance and agreed-upon procedures. We also provide financial statement audit and regulatory assurance services to the funds managed by the Group. 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.

KPMG

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 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
Goodwill & other intangible assets impairment assessment	
Refer to Note 5 to the financial statements. The group's goodwill and other intangible assets arise from acquisitions and subsequent capitalised costs that relate to a number of different cash generating units (CGUs) as described in Note 5 of the financial statements. The goodwill and other intangible assets are significant, and the valuation models used in the impairment tests include a range of subjective assumptions about the future performance of the cash generating units. We focus on the impairment tests for the CGUs that we consider have a higher risk of impairment. This assessment is primarily based on the level of judgement involved in the underlying valuation model and market conditions for the relevant CGU. The CGU we consider to be higher risk was Energy.	For the CGUs we determined to have a higher risk of impairment, our audit procedures included: — Comparing the cash flow forecasts to budgets and assessing forecasting accuracy by comparing current year actual performance to prior year budgets. — Assessing the significant assumptions applied to the revenue forecasts by comparing to contracts, forecast inflation rates, and assessing likelihood of contract renewal. — Assessing the cost forecasts against management's business plans, actual expenditure incurred and forecast inflation rates. — Comparing the discount rate used to our own independently determined rate and evaluating terminal growth rates against long-term inflation forecasts. Based on our analysis, the assumptions and judgements used by the Directors in the Group's impairment assessments results in a recoverable amount that is within an acceptable range.

Other information

The Directors, on behalf of the Group, are responsible for the other information. The other information comprises information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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 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. 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, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the Shareholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of Directors for the consolidated financial statements

The Directors, on behalf of the Group, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability of the Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it 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 the consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board (XRB) website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our independent auditor’s report.

The engagement partner on the audit resulting in this independent auditor’s report is Brent Manning

For and on behalf of:

KPMG

KPMG
Wellington
20 February 2025

Statutory Information

1. BUSINESS OPERATIONS

There have been no changes in core business undertakings of NZX Limited (the 'Company' or 'NZX') or its subsidiaries during the year.

2. INTERESTS REGISTER

NZX is required to maintain an interests register in which particulars of certain transactions and matters involving the directors must be recorded.

3. DIRECTORS' INTERESTS

The following are particulars of the disclosures of interest by directors holding office during the accounting period.

Director	Interest	Entity
John McMahon	Director and Chair	Solution Dynamics Limited
	Director	Aofrio Limited
	Director	Vital Limited
Dame Paula Rebstock	Director and Deputy Chair	Vector Limited[1]
	Director	AIA New Zealand Limited
	Director	Auckland One Rail
	Director	Asia Pacific Healthcare Group
	Director	Sealink New Zealand
	Director	Bluecurrent Australia and New Zealand
	Chair	New Zealand Post (commenced during period)
	Chair	Review of New Zealand's competition framework (commenced during period)
Lindsay Wright[2]	CEO Funds Management	Sun Hung Kai & Co (ceased during period)
	Director	Navigator Global Investments Limited
	Director	Milford ANZ (Milford Australia Pty Limited and Milford Asset Management Limited and subsidiaries -Milford Funds Limited and Milford Private Wealth Limited)
Frank Aldridge	Director	Claybrook Holdings
	Director	Avion Private Limited
	Shareholder (indirect)	Craigs Investment Partners Limited (CIP)
Elaine Campbell	Chief Corporate Officer and General Counsel (ceased during period)	Chorus Limited
	Executive GM, Access (commenced during period)	Chorus Limited
Peter Jessup	Owner/Director	Katipo Consulting Pty Limited
	Consultant to assist with developing Accenture's (ANZ and global) Capital Markets consulting and Systems Integration business (contractor)	Accenture
Rachel Walsh	Owner/Director	RJ Consulting Limited – management consultancy services
	Director	Chartered Accountants ANZ (commenced during period)
	Member Transition Working Group	Asteron Life Limited (commenced during period)
	Director	IAG New Zealand Limited and IAG (NZ) Holdings Limited (commenced during period)

1 Dame Paula Rebstock also acts as a director for a number of related companies of Vector Limited relating to Vector metering.

2 Lindsay Wright also acted as a director on a number of fund entities managed by her employer (ceased during period).

4. INFORMATION USED BY DIRECTORS

There were no notices from directors of the Company requesting to disclose or use Company Information received in their capacity as directors that would not otherwise have been available to them.

5. DIRECTORS' REMUNERATION

Please see page 72 for a breakdown of individual and total directors' remuneration.

6. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

NZX pays premiums in respect of directors' liability insurance. The policies do not specify a premium for individuals.

The insurance provides cover against costs and expenses involved in defending legal actions and any damages or judgments awarded or entered against the individual, settlements negotiated and any legal costs or expenses awarded against the individual arising from a liability to persons (other than the company or a related body corporate) incurred in their position as a director unless the conduct involves a wilful breach of duty, improper use of insider information or position to gain any profit or advantage or any criminal, dishonest, fraudulent or malicious acts or omissions or any knowing or wilful violation of any statute or regulation.

NZX has granted indemnities to NZX directors and NZX-appointed directors of operating subsidiaries in relation to potential liabilities and costs they may incur for acts or omissions in their role as a director of NZX or an NZX subsidiary. Similar exclusions to those described in the previous paragraph on insurance apply.

7. SUBSIDIARY COMPANY DIRECTORS

The directors of all NZX subsidiaries during the year are as follows:

Clearing House entities

New Zealand Clearing and Depository Corporation Limited
- Roger Bayly
- Felicity Gibson
- Graham Law
- Mark Peterson

New Zealand Clearing Limited
- Graham Law
- Mark Peterson

New Zealand Depository Limited
- Graham Law
- Mark Peterson

New Zealand Depository Nominee Limited
- Graham Law
- Mark Peterson

Other NZX subsidiaries

Energy Clearing House Limited
- Graham Law
- Mark Peterson

Smartshares Limited
- Guy Elliffe (independent director)
- Graham Law
- Mark Peterson
- John Williams (independent director)

Superlife Limited
- Graham Law
- Mark Peterson

Smart Investment Management Limited
- Graham Law
- Mark Peterson

NZX Wealth Technologies Limited
- Kathryn Jaggard
- Graham Law
- Mark Peterson

NZX WT Nominees Limited
- Graham Law
- Mark Peterson

NZX WT Nominees (Superannuation) Limited
- Graham Law
- Mark Peterson

NZX Regulation Limited[1]
- Elaine Campbell
- Philippa Dunphy
- John Hawkins
- Michael Heron KC
- Trevor Janes

New Zealand Exchange Limited
- Graham Law
- Mark Peterson

NZX Holding No. 4 Limited
- Graham Law
- Mark Peterson

The directors of NZX's subsidiary companies who are not NZX employees or directors of NZX Limited, have declared interests in the following entities:

Subsidiary directors (Non-NZX directors)	Interest	Entity
Guy Elliffe	Corporate Governance Manager	Accident Compensation Corporation
John Hawkins	Director	Pines Apartments Limited
	Director	Isola Trustees Limited
Michael Heron KC	Barrister	Mike Heron KC
	Director	Immediation New Zealand Limited
	Director	Britomart Chambers Limited

[1] David Thomas Hunt was appointed as a director of NZX Regulation Limited from 1 January 2025.

Subsidiary directors (Non-NZX directors)	Interest	Entity
	Director	Agreeable Limited
	Director	Ladsco Limited (ceased during period)
Kathryn Jaggard	Consultant	NZX Limited
Philippa Dunphy	Director	Tuatahi First Fibre Limited
	Director	Dangerous Goods Compliance Limited
Trevor Janes	Director	Selenium Corporation Limited
	Director	Rovert Investments Limited

Please see page 72 for the total amount of remuneration and other benefits which independent directors of an NZX subsidiary were entitled to during 2024.

8. DONATIONS

During the year NZX made donations to charitable organisations of $276. NZX does not make political donations.

9. EMPLOYEE REMUNERATION

Please see page 71 for a breakdown of NZX Group employees and former employees who received remuneration and other benefits, including non-cash benefits and share based remuneration in excess of $100,000 per annum.

10. DIRECTOR TRANSACTIONS IN SECURITIES OF THE PARENT COMPANY

Director	Securities held (legally and beneficially) at 31 December 2024 (Subordinated Notes)	Securities held (legally and beneficially) at 31 December 2024 (Ordinary Shares)
John McMahon	Nil	300,000
Dame Paula Rebstock	Nil	15,922
Lindsay Wright	Nil	6,831
Frank Aldridge	Nil	100,577
Elaine Campbell	Nil	23,231
Peter Jessup	Nil	111,031
Rachel Walsh	Nil	49,869

11. AUDITORS

The external auditor of the parent company and the Group is KPMG. They provide audit and other services, for which their remuneration in 2024 was as follows:

	Group $000
Audit of the financial statements	314
Other audit related fees	156
Total	470

Other audit-related fees relate to the annual depository assurance engagement of New Zealand Depository Limited, the Net Tangible Assets procedures engagement and controls audit of Smartshares Limited, and the assurance engagement of the NZX Group's Scope 1 and 2 GHG emissions.

12. TOP 20 SECURITY HOLDERS

The following table shows the names and holdings of the 20 largest holders of NZX ordinary shares as at 31 December 2024:

Investor name	Shares held	% of issued shares
Citibank Nominees (Nz) Ltd	38,736,442	11.85
JPMORGAN Chase Bank	19,632,822	6.00
Accident Compensation Corporation	19,177,654	5.86
Bnp Paribas Nominees NZ Limited Bpss40	17,930,960	5.48
Nigel Charles Babbage	11,700,000	3.58
Forsyth Barr Custodians Limited	11,634,275	3.56
FNZ Custodians Limited	11,501,074	3.52
New Zealand Depository Nominee	10,234,812	3.13
HSBC Nominees (New Zealand) Limited	9,467,026	2.89
Custodial Services Limited	8,909,744	2.72
Bnp Paribas Nominees NZ Limited	7,799,903	2.39
Craigs Investment Partners Limited	6,569,069	2.01
David Mitchell Odlin	6,451,911	1.97
Tea Custodians Limited	6,248,130	1.91
Mirrabooka Investments Limited	5,220,000	1.60
HSBC Nominees (New Zealand) Limited	4,276,900	1.31
Premier Nominees Limited	3,808,776	1.16

Investor name	Shares held	% of issued shares
Elizabeth Beatty Benjamin & Michael Murray Benjamin	3,314,000	1.01
Forsyth Barr Custodians Limited	2,112,071	0.65
Michael Robert Mayger & Eleanor Margaret Mayger	1,930,155	0.59

The following table shows the names and holdings of the 20 largest holders of NZX Subordinated Notes as at 31 December 2024:

Investor name	Shares held	% of issued shares
Forsyth Barr Custodians Limited	13,204,000	33.01
FNZ Custodians Limited	3,952,000	9.88
New Zealand Permanent Trustees Limited	2,680,000	6.70
Forsyth Barr Custodians Limited	1,325,000	3.31
Custodial Services Limited	1,022,000	2.56
Graeme Laurence Beckett & Janine Dale Beckett	1,017,000	2.54
JBWERE (Nz) Nominees Limited	890,000	2.23
Richard Barton Adams & Allison Ruth Adams	750,000	1.88
Nzx Wt Nominees Limited	711,000	1.78
Carlton Cornwall Bowls Inc	255,000	0.64
Janet Andrea De Lu	250,000	0.63
Investment Custodial Services Limited	225,000	0.56
Rodney Gavin Shayle Callender	200,000	0.50
Ronald William White & Jennifer Jean White	200,000	0.50
Forsyth Barr Custodians Limited	180,000	0.45
Xiang Zhou & Yafan Wu	169,000	0.42
FNZ Custodians Limited	165,000	0.41
Forsyth Barr Custodians Limited	155,000	0.39
Elizabeth Anne Burdett & Philip John Castle & Stevens Orchard Trustees (Cardett) Limited	150,000	0.38
Robert John Peek	150,000	0.38
Forsyth Barr Custodians Limited	150,000	0.38

13. SPREAD OF ORDINARY SHAREHOLDERS AS AT 31 DECEMBER 2024

The following table shows the spread of NZX Ordinary Shares as at 31 December 2024:

	SHAREHOLDERS		SHARES	
Size of holding	Number	%	Number	%
1 - 1,000	807	17.7	427,022	0.1
1,001 - 5,000	815	17.8	2,480,843	0.8
5,001 - 10,000	934	20.5	7,279,807	2.2
10,001 - 50,000	1,567	34.3	35,751,997	10.9
50,001 - 100,000	244	5.3	17,240,816	5.3
Greater than 100,000	201	4.4	263,841,829	80.7
Total	**4,586**	**100.0**	**327,022,314**	**100.0**

The following table shows the spread of NZX Subordinated Notes as at 31 December 2024:

	SHAREHOLDERS		SHARES	
Size of holding	Number	%	Number	%
1 - 1,000	-	-	-	-
1,001 - 5,000	55	9.8	275,000	0.7
5,001 - 10,000	142	25.2	1,313,000	3.3
10,001 - 50,000	322	57.2	8,444,000	21.1
50,001 - 100,000	18	3.2	1,426,000	3.6
Greater than 100,000	26	4.6	28,542,000	71.3
Total	**563**	**100.0**	**40,000,000**	**100.0**

14. SUBSTANTIAL PRODUCT HOLDERS

The following information is given pursuant to section 293 of the Financial Markets Conduct Act 2013 (**FMCA**). According to NZX's records and disclosures made pursuant to section 280 (1)(b) of the FMCA, the following were substantial product holders in NZX as at 31 December 2024. The total number of voting securities on issue as at 31 December 2024 was 327,022,314.

	Class	Relevant Interest	% of Issued shares
Accident Compensation Corporation (ACC)	Ordinary shares	20,252,712	6.216

15. WAIVERS FROM LISTING RULES AND INDEPENDENT DIRECTOR CERTIFICATES

On 15 December 2021, NZX received a waiver from the Special Division of the NZ Markets Disciplinary Tribunal in respect of Listing Rule 2.11 as it concerns the directors' fees for the independent directors of NZ RegCo. The waiver effectively provides that, subject to its conditions, the independent directors of NZ RegCo are not within the scope of Listing Rule 2.11, which would otherwise require their director fees to be paid from the NZX shareholder approved NZX director fee pool (as adjusted for the number of directors overall) and require shareholder approval from NZX's shareholders for any increase in their remuneration.

The waiver was sought to increase the separation between NZX's commercial and regulatory arms and support the independence of NZ RegCo and its board, recognising NZ RegCo's unique regulatory function. Going forward, and as a condition of the waiver, the remuneration for the independent directors of NZ RegCo will be set based on remuneration benchmarking advice and subject to approval of the NZ RegCo board in accordance with the Companies Act procedures and also the NZX board (not to be unreasonably withheld). The remuneration of the directors of NZX (including of any NZX directors who are also directors of NZ RegCo) remains subject to NZX shareholder approval in the usual way under Listing Rule 2.11. All remuneration of directors of companies in the NZX group will continue to be disclosed in the annual report of NZX, as is required by the Companies Act. This waiver will also be referred to in notices of meeting and annual reports going forward, where relevant in the context of director remuneration matters.

A copy of the waiver decision was released to the market on 22 December 2021. This waiver was relied upon by NZX during the 2024 financial year.

16. SECURITIES ISSUED BY NZX

NZX's ordinary shares are quoted on the NZX Main Board. In 2018 NZX introduced an employee share scheme and CEO share scheme based on the issue of performance rights, which are subject to certain entitlement criteria before performance rights may vest and the holder can acquire shares in NZX. For as long as performance rights issued under these schemes are subject to these restrictions they, and any shares which may be issued following the exercise of performance rights, are not quoted on any market and will not be quoted on any market until such time as they vest in the relevant participants. In 2022, NZX introduced a Share Purchase Plan for directors to align directors' incentives with shareholders, which provides that a portion of the directors' base fees will be used to acquire NZX Limited shares (except where it is not permitted for compliance purposes, or when certain thresholds are met).

In 2018, NZX issued $40m of unsecured, subordinated notes with a coupon rate of 5.4% (**Subordinated Notes**). These were quoted and traded on the NZX Debt Market as NZX010. In 2023 NZX ran an election process prior to the first election date (Tuesday, 20 June 2023) of the Subordinated Notes, with the outcome being that $28,588,000 of the Subordinated Notes were retained by Holders (subject to the new conditions) and $11,412,000 of the Subordinated Notes were purchased by NZX and offered for sale.

Trading in the Subordinated Notes (NZX010) was suspended at the close of business on Tuesday, 2 May 2023. Trading in the Subordinated Notes (under new ticker NZX020) was resumed on Wednesday, 21 June 2023, being the trading day immediately following the election date. Under the election process, the interest rate was required to be set as the higher of (i) 6.50% per annum and (ii) the sum of 2.25% per annum plus the mid-market interest swap rate for a 5 year term starting on 20 June 2023 (adjusted to a quarterly basis as necessary), as calculated by NZX in conjunction with the Joint Lead Managers (according to market convention) on 13 June 2023. The adjusted mid-market 5 year swap rate on 13 June 2023 was 4.55% per annum. Therefore, the interest rate on the Subordinated Notes (NZX020) was set at 6.80% per annum until (but excluding) the next election date on 20 June 2028. The total Subordinated Notes (NZ020) on issue as at 31 December 2024 is $40 million.

This report is signed by and on behalf of the board of NZX Limited by:

John McMahon
Chair of the Board

Lindsay Wright
Chair of the Audit and Risk Committee

Appendices

Appendix 1

NZX 2024 CLIMATE STATEMENT (STATEMENT)

This Statement relates to NZX Limited (**NZX**) and all wholly owned subsidiaries (together, the **NZX Group**), and all references to we, us, our, NZX and NZX Group should be interpreted accordingly.

All references to $ in this Statement are to New Zealand dollars, and references to FY23 or FY24 are, unless the context otherwise requires, to balances or amounts at the end of those financial years, being 31 December. All references to year on year (**YoY**) comparisons are to 2023 financial year to 2024 financial year comparisons.

NZX Limited is a climate reporting entity (**CRE**) for the purposes of the Financial Markets Conduct Act 2013 (**FMCA**) and is required to prepare group climate statements that comply with the Aotearoa New Zealand Climate Standards (**ANZ Climate Standards**) issued by the External Reporting Board (**XRB**). This Statement contains the group climate statements for the NZX Group for the FY24 financial reporting period.

Important notice

This Statement contains information that (unless otherwise noted) NZX considers to be accurate as at 31 December 2024. However, this Statement contains both current and forward-looking information relating to climate change and its impacts that is inherently uncertain and is based on estimates, assumptions, and/or limited or incomplete data. Should matters change following the publication of this Statement, NZX does not represent that it will update the information in this Statement (subject to any legal obligations to do so).

This Statement contains forward-looking statements and opinions (for example, targets, risks and opportunities, climate-related scenarios and anticipated impacts), which are based on current information, expectations, estimates and assumptions that may change over time. While NZX believes these to be reasonable, there are a number of risks, uncertainties and assumptions associated with such forward-looking statements, and they should not be taken as guarantees of future performance.

Whether or not the NZX Group meets targets, commitments or intentions expressed in this Statement is subject to known and unknown risks and uncertainties, and will depend on a number of factors, including factors outside of NZX's control. It is likely that actual results will vary from those contemplated by these forward-looking statements and such variations may be material.

This Statement is not an offer document and should not be taken as financial, legal or tax advice. NZX cautions against reliance being placed upon any forward-looking statements and information that is subject to uncertainty.

Smartshares Limited (**Smart**) is a wholly owned NZX subsidiary and a manager of managed investment schemes (including registered schemes). Smart is a separate CRE in respect of its registered schemes, with its own board of directors and governance processes relating to its climate-related disclosures. Accordingly, financed emissions associated with the investments made by Smart's registered schemes will be reported in Smart's separate climate-related disclosures and are not included in this Statement. However, operational emissions arising from the Smart operating entity are included in this disclosure as Smart is a wholly owned entity of NZX. Please refer to section 5 of this Statement for information about the NZX Group's greenhouse gas (**GHG**) emissions.

1. STATEMENT OF COMPLIANCE

FY24 marks the NZX Group's second reporting period under the ANZ Climate Standards. In completing this Statement, NZX has applied certain adoption provisions as detailed further below.

ANZ Climate Standards 2, adoption provision relied on	Description of adoption relief	Explanation of NZX's approach
Adoption provision 2 – anticipated financial impacts[1]	Provides an exemption from the requirements to disclose: • anticipated financial impacts of climate-related risks and opportunities; • a description of the time horizons over which those impacts could reasonably be expected to occur; and • (if relevant), an explanation as to why quantitative information cannot be disclosed.	While NZX is relying on adoption provision 2, it has disclosed a high-level qualitative description of the types of anticipated financial impact we reasonably expect.
Adoption provision 4 – scope 3 emissions[1]	Provides an exemption from the requirement to disclose scope 3 GHG emissions.	NZX has disclosed those categories of scope 3 emissions outlined on page 150 of this Statement. The following categories are excluded: purchased goods and services, capital goods, upstream transportation and distribution, upstream leased assets, downstream transportation and distribution, processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets, franchises, and investments.
Adoption provisions 5 and 6 – comparative information	Adoption provision 6 permits a CRE in its second reporting period to provide only one year of comparative information for each metric disclosed. Adoption provision 5 permits an entity that relied on adoption provision 4 only in its first reporting period to exclude comparative information for scope 3 GHG emissions in its second reporting period.	NZX has included at least one year of comparative information for all metrics other than scope 3 emissions, for which it has included at least one year of comparative information for the sources of scope 3 GHG emissions that were included in its FY23 climate statement.
Adoption provision 7 – analysis of trends[1]	Provides an exemption from the requirement to disclose an analysis of the main trends evident from a comparison of each metric from previous reporting periods to the current reporting period.	While NZX is relying on this adoption provision, it has provided a high-level analysis of changes to its GHG emissions metrics between FY23 and FY24.
Adoption provision 8 – scope 3 emissions assurance	Allows a CRE to exclude its scope 3 GHG emissions disclosures from the scope of the assurance engagement for accounting periods ending before 31 December 2025. The Financial Markets Authority has also confirmed that it will take a class 'no action' approach where a climate reporting entity's scope 3 emissions disclosures are not assured for year 2 of their climate reporting, with that no action approach being effective from 10 February 2025 until the Financial Markets Authority communicates its decision on a broader class exemption.	NZX's scope 1 and 2 emissions have been assured by KPMG in line with *NZ SAE 1 Assurance Engagements over Greenhouse Gas Emissions Disclosures* (**NZ SAE 1**). KPMG has not assured NZX's scope 3 emissions.

1 These adoption provisions originally applied for a CRE's first reporting period, but now also apply for a CRE's second reporting period following amendments to the ANZ Climate Standards in late 2024.

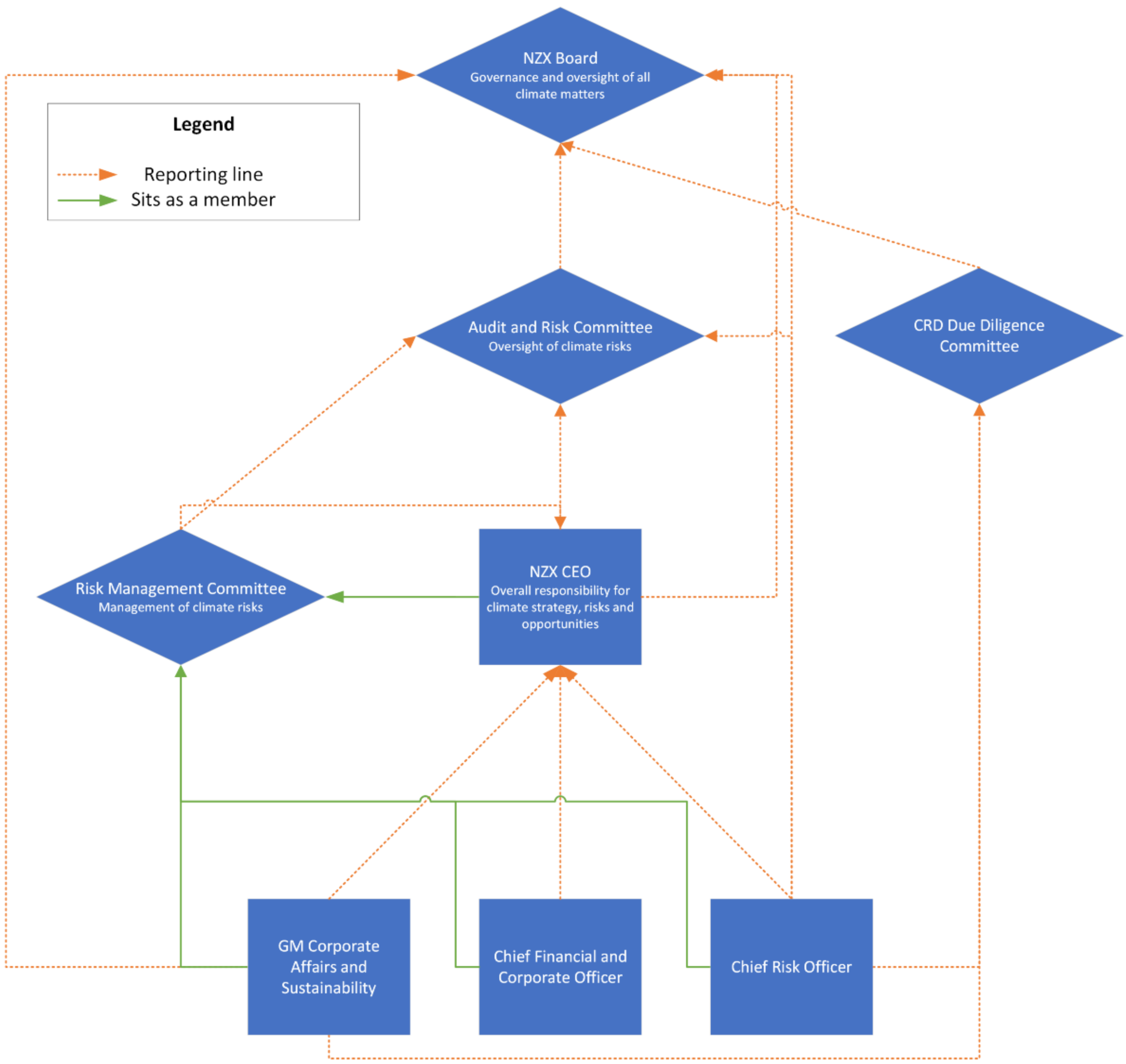
Taking into account the Adoption Provisions applied, this Statement complies with the ANZ Climate Standards for the reporting period 1 January 2024 to 31 December 2024.

2. GOVERNANCE

This Statement includes information that NZX considers to be material information required by the ANZ Climate Statements. Where material information required by the ANZ Climate Statements is included by cross-reference, this is explicitly identified. However, NZX's annual report also includes descriptions of its governance and risk management processes generally (refer pages 54 and 74) of this Annual Report which provide additional context to the disclosures in this Statement.

NZX's Board of Directors (**Board**) is the governance body responsible for oversight of NZX's climate-related risks and opportunities, as set out further under 2.1 below. The Board is supported by the Audit and Risk Committee, which provides governance oversight for the monitoring of climate-related risks and related reporting in NZX's Annual Report as well as overarching risk management for the NZX Group.

The following figure shows NZX's organisational structure as it relates to the oversight and management of climate-related risks and opportunities, along with associated reporting.



2.1. Board Oversight of risks and opportunities

The Board is responsible for oversight of the NZX Group's strategy. This includes the Environmental, Social and Governance (**ESG**) Strategy which was last reviewed in 2024 and renamed 'Operating Responsibly'. The Board is also responsible for the NZX Group's overall ESG performance, including in relation to climate change. This includes approval of NZX's annual Environmental Sustainability workplan and climate-related metrics and targets, which occurs after NZX's annual strategy setting process. Although climate-related risks and opportunities are not considered on a standalone basis within the NZX Group's strategy, they are considered within broader frameworks such as the NZX Group's Risk Management Framework (**RMF**) which is linked to NZXs business strategy through the Risk Appetite Statement by outlining the risk appetite and related tolerances which Business Units must operate within to ensure risks are managed to an acceptable and effective level while in pursuit of NZX's strategy.

The Board is also responsible for approving the RMF, which is NZX's framework to assist with identifying, assessing and managing its risks (including climate-related risk) in a pro-active, effective and efficient manner. The RMF is reviewed and approved annually by the Board.

Board competency and skills

NZX uses a skills matrix to ensure its Board has an appropriate range of skills and competencies to govern NZX. Skills and competencies that NZX considers relevant to ensuring appropriate oversight of climate-related risks and opportunities include legal expertise, regulatory governance, and environmental and energy sector experience. The Board skills matrix is used when selecting candidates for appointment and re-election to the Board and is reviewed as and when required. If the Board determines that new or additional skills are required, training or a formal recruitment process are undertaken.

Regular Board reporting

Consideration of climate-related risks and opportunities across the NZX Group is integrated into Board processes to ensure appropriate prioritisation. Consideration of relevant ESG matters including climate-related risks and opportunities is a standing agenda item that is put to the Board at least twice a year. The General Manager of Corporate Affairs & Sustainability also reports to the Board at least quarterly on progress against NZX's Operating Responsibly framework, NZX's ESG workplan and associated climate-related metrics and targets.

Board sub-committees

The Audit and Risk Committee, which supports the Board by providing governance oversight of climate-related risks as well as overarching risk management, is provided with quarterly risk updates by the Chief Risk Officer (which includes climate-related risks). The Audit and Risk Committee also considers relevant ESG matters (which include climate-related risks and opportunities) as a standing agenda item twice a year. The Board receives reports on the progress of these elements from the Audit and Risk Committee at its meetings and can access minutes of the Audit and Risk Committee meetings. The Audit and Risk Committee provides oversight over the scenario analysis process by reviewing and providing feedback on the scenarios and associated risks, and the Board approves the scenarios used.

The Board has also established a Due Diligence Committee, which is responsible for overseeing the preparation, due diligence and verification process for this Statement on an annual basis. The Due Diligence Committee consists of two directors and key executive team members.

Performance and incentives

The Board approves annual workplans for the NZX Group and associated key performance indicators for the NZX CEO and business unit leaders. Where these include metrics and targets for climate-related matters, the Board oversees achievement through reporting from the Chief Risk Officer and General Manager of Corporate Affairs & Sustainability (as described above) along with the annual performance review processes.

Climate-related risk and opportunity metrics are incorporated into NZX's remuneration policy and processes via consideration of an individual's performance as part of NZX's annual review processes. This applies to certain individuals only and the relevant metrics relate to our ESG targets, as described below.

As set out on page 152, NZX's CEO has a KPI that relates to ESG targets (including our emissions reduction target), which while not relating to a specific amount of remuneration does form part of the NZX CEO's annual review process. This ESG target is cascaded down to the NZX CEO's direct reports and considered as part of the annual performance review process (namely through KPI setting and half/full year reviews). In addition, all NZX Group employees are part of an organisation-wide objective to ensure NZX achieves its 2025 emissions reduction target.

2.2. Role of Management in assessing and managing risks and opportunities

The NZX CEO has overall responsibility for NZX's management of climate-related risks and opportunities and is supported by the General Manager Corporate Affairs & Sustainability and the Chief Risk Officer. The Chief Risk Officer is responsible for overall risk assessment and management, including the incorporation of risks into NZX's risk register. In addition, the Chief Financial & Corporate Officer and the NZX finance team work closely with the General Manager Corporate Affairs & Sustainability to provide financial analysis in this area.

Management Committees

The Risk Management Committee chaired by the Chief Risk Officer supports the NZX CEO in providing oversight of NZX's approach to climate-related risk matters (alongside broader ESG matters). The Risk Management Committee is responsible for:

- oversight of the implementation of the RMF and management of the underlying enterprise level and climate risks;
- related policies and practices; and
- the continued maturity of the RMF in line with strategy.

The Risk Management Committee meets monthly and is comprised of a diverse group of senior executives from business units across the NZX Group, including the General Manager Corporate Affairs & Sustainability. A review of the risk dashboard occurs monthly and is a standing agenda item, and other climate related matters i.e. materiality assessment and related risks and opportunities also form part of the agenda on an ad hoc basis when the Chief Risk Officer considers them to be relevant for the Risk Management Committee. The Risk Management Committee reports to the NZX Audit and Risk Committee by way of the Chief Risk Officer attending Audit and Risk Committee meetings and presenting key risk updates.

NZX Group Management consider and make decisions about climate-related opportunities on an ad hoc basis depending on the relevant business unit/scope of the opportunity identified. In FY24, we integrated climate-related opportunities into our Operating Responsibly framework, which is described further in the strategy section but there is more work to do in terms of formalising our approach to the management of climate-related opportunities.

Day to day management

The General Manager of Corporate Affairs & Sustainability, leads the NZX Sustainability function and is responsible for day-to-day management of:

- NZX's climate-related disclosures;
- ESG strategy development;
- ESG data and analysis;
- Sustainability initiatives;
- ESG reporting; and
- NZX's Toitū Envirocare "net carbonzero" certification programme.

The Sustainability function, in conjunction with key internal stakeholders (for example, from the risk and compliance teams) engages with business units across the NZX Group to identify, assess and manage climate risks and opportunities as they arise including those identified via scenario analysis. Where identified, climate related risks and opportunities may be escalated to the appropriate management committee, for example, the Risk Management Committee and in turn to the Audit and Risk Committee and/or the Board, where deemed necessary.

3. STRATEGY

3.1. Current impacts

NZX did not experience any material climate-related physical impacts in FY24.

In relation to transition impacts (impacts associated with the transition to a low-emissions, climate-resilient economy), in 2024 NZX has incurred costs associated with its compliance with the ANZ Climate Standards reporting requirements. These costs include assurance, legal and climate data costs (calculated by totalling relevant invoices), as well as an estimate of internal human resources dedicated to producing and managing climate-related disclosures in FY24. NZX estimates that the current financial impact of the mandatory climate reporting requirements is in the range of $500,000 – $600,000.

A further transition impact for the NZX Group is that it is offering a range of climate-related products and services, with a view to supporting New Zealand's climate transition and providing the NZX Group with more diversified streams of revenue. We set out further detail of these climate-related products and services below, together with the current financial impacts.

Green bonds

As well as capital raising to strengthen balance sheets, funds are raised via NZX-operated markets to provide for a range of wellbeing initiatives, including environmental and climate change focused projects.

Green, Social and Sustainability (GSS) bonds on issue at December 2024 increased 1% to $17.7b up from $16.3b in 2023. GSS bond issuances include those from Meridian Energy, Contact Energy, Local Government Funding Agency and Kiwi Property Group.

The establishment of Green and Sustainability bond segments in the NZDX Debt Market has enabled NZX to diversify the types of issuances in our markets. We expect further development of this segment in the short-term and beyond.

The current financial impact of GSS bond issuance in FY24 on NZX is approximately $330,000 of revenue from GSS bond issuances. This has been calculated based on the initial listing fees associated with GSS bonds issued in FY24.

Ethical and principle-based funds

Smart offers a range of investment options through its Exchange Traded Funds (ETFs) and SuperLife funds that include socially responsible investment (SRI) exclusions, systematic ESG screening, and/or proxy voting policies relating to sustainability. Some of these exclusions, screens and policies relate to climate change, although they also cover a wider range of factors.[1]

[1] For further addition context on the Smart Responsible Investment Policy, please see doc.smartinvest.co.nz/other-material-information/etf/smart-responsible-investment-policy.pdf. This information is provided for additional context and not by cross-referencing.

The current financial impact of the funds referred to above on the Group is approximately $3,900,000. This estimate is based on the revenue associated with the following SuperLife funds: Ethica Fund, Default Fund (SuperLife Kiwisaver Only), Overseas Bonds Fund, World Shares Fund (SuperLife SMT only), Overseas Shares Fund, Overseas Shares (Currency Hedged) Fund, and the following Smart ETFs: Emerging Markets ESG ETF, Global ESG ETF, US ESG ETF, Europe ESG ETF, Japan ESG ETF, Global Bond ETF, and Australian ESG ETF. However, NZX cannot identify how much of this revenue is attributable to climate-related factors.

Carbon and energy markets
Together with the European Energy Exchange (EEX), NZX manages auctions of New Zealand Units under the New Zealand Emissions Trading Scheme, which are scheduled quarterly. NZX estimates the revenue associated with its management of carbon and energy markets in 2024 is approximately $7,400,000. This figure includes revenues for system enhancement, consulting, data and billing services and NZX cannot identify how much of this impact is attributable to climate-related factors.

Financial reporting is conducted at both a group and segmental level, with current financial impacts integrated into the reporting of relevant business segments such as markets, data and insights, and funds management.

3.2. Scenario analysis
In 2023, the NZX Group engaged in a process of scenario analysis to assist in identifying its climate-related risks and develop a better understanding of the resilience of the NZX Group's business model and strategy. The Audit and Risk Committee provided oversight over the scenario analysis process by reviewing and providing feedback on the scenarios and associated risks, and the Board approved the scenarios used. This scenario analysis was standalone, but in 2024 we included scenario analysis in the refreshed NZX's Operating Responsibly framework, which overlays the NZX Group's broader strategy, with the aim of integrating future scenario analyses within the Group's strategy processes.

NZX considers that the scenario analysis process it undertook in 2023 remains current given the long-term nature of the scenarios used. However, NZX has reconsidered the climate-related risks and opportunities that it disclosed in its FY23 climate statement and has in some cases added clarifications and/or additional information.

The scenario analysis process involved adapting the climate-related scenario narratives for the financial services sector in New Zealand developed by the Financial Services Council (FSC)[2]. NZX was not involved in the construction of sector-level scenarios but has used them at face value for our scenario analysis. Our Sustainability team then applied the sectoral scenario analysis to our core business lines, such as trading and listing activities. NZX then analysed the scenarios to identify and determine our exposure to climate-related risks and opportunities by placing our business within the scenarios, e.g., by analysing the exposure of our offices to physical impact across the scenarios.

NZX evaluated climate-related risks were under three scenarios: Orderly (global average temperature increase is limited to 1.50°C by 2100), Too Little Too Late (global average temperature increases by over 2°C by 2100), and Hot House (global average temperature increases by over 3°C by 2100). We selected these three scenarios as we deemed them particularly relevant to the New Zealand context and the financial sector in which we operate, as well as to explore the possible risks we could be exposed to under ambitious transition scenarios that achieve global net-zero. These scenarios are well grounded in science and enable us to align us with the FSC's scenarios, facilitating within-sector comparability. The scenarios were reviewed by the Audit and Risk Committee as described above, and signed off by the Board in November 2023.

The boundary for the NZX Group's scenario analysis was the whole of the organisation, including our subsidiaries. No modelling was undertaken as part of our scenario analysis. No external partners or stakeholders were involved in the scenario analysis process.

We aligned the time horizons through which we undertake the scenario analysis to the NZX Group's operational and strategic planning horizons, whereby operational decision-making is aligned with short- and medium-term horizons and strategic planning is aligned with long-term horizon. These are also consistent with international emissions reductions targets. The endpoint of our scenario analysis is 2050.

Time horizons:
- Short-term (2024 – 2025)
- Medium-term (2025 – 2030)
- Long-term (2030 – 2050)

Below is a summary of the three scenario narratives, including additions and changes made by NZX to the FSC scenarios. Our scenario narratives consider the assumptions underlying pathway development over time, including emission pathways, social, technological, economic, environmental and policy assumptions and do not include the assumptions that are less relevant to our sector, such as carbon sequestration from afforestation and nature-based solutions.

[2] Financial Services Council (2023) Climate scenario narratives for the financial services sector. Retrieved August 2023, from www.fsc.org.nz/report/climate-scenario-narratives-for-the-financial-services-sector. This information is provided for additional context and not by cross-referencing.

Orderly (1.50°C)

Orderly (1.50°C) scenario assumptions	
Emission pathways	Net emissions • New Zealand: 47MtCO2e by 2030, 3.8 MtCO2e by 2050 (Climate Change Commission (CCC)) • Global: (Network for Greening the Financial System (NGFS) Net Zero by 2050 25.9 BtCO2e by 2030, -294.82 MtCO2e by 2050 using GCAM5.3+ (NGFS)
Social	Global population: 8 billion by 2030, 8.5 billion by 2050 (Intergovernmental Panel on Climate Change (IPCC))
Technological	Percent of Renewable Electricity of Total Electricity Produced • New Zealand: 94% by 2030, 100% by 2050 (CCC) • Global: 61% by 2030, 88% by 2050 (International Energy Agency (IEA))\
Economic	GDP • New Zealand: NZ$ 330 billion (-0.5%) in 2030, NZ$ 485 billion (-0.7%) in 2050 (NGFS) • Global: US$ 176 trillion (-1.2%) in 2030, US$ 289 trillion (2.0%) in 2050 (NGFS)
Environmental	Average temperature increase • New Zealand: +0.7°C by 2050 (min 0.2, max 1.3), +0.7°C by 2100 (min 0.4, max 1.3) (National Institute of Water and Atmospheric Research (NIWA)) • Global: +1.6°C (min 1.2, max 2.0) by 2050, +1.4°C (min 1.0, max 1.8) by 2100 (IPCC)
Policy	Carbon Price • New Zealand: NZ$140 in 2030, NZ$250 in 2050 (CCC) • Global: US$124 in 2030, US$400 in 2050 (NGFS)

The Orderly scenario represents a consistent and significant global decline in emissions with an average annual reduction of 3.4%, resulting in a 101% reduction in net emissions by 2050 compared to 2020, and ultimately reaching a point where net emissions are below zero in 2050 (NGFS, 2023).

Effective global policies and the transition to a low carbon economy in this scenario have mitigated significant physical impacts of climate change, reflected in New Zealand's stabilised average temperature at 0.7°C increase by 2050 (NIWA, 2023) and globally limiting the average temperature increase to 1.6°C by 2050 (IPCC, 2021), consequently minimising the severity of extreme weather events.

Global efforts in progressive policies, encompassing emissions reduction mandates, climate reporting, emissions trading, carbon taxes, and legislation prohibiting emissions-intensive activities, incentivise decarbonisation, with projected carbon prices reaching NZ$250 per tonne in New Zealand and US$400 per tonne globally in 2050 (CCC, 2021; NGFS, 2023).

Societal pressure for decarbonisation intensifies as behaviour shifts towards low-emission products, climate activism grows, and entities face scrutiny and potential legal action for insufficient climate action or greenwashing, while improvements in human quality of life contribute to a medium-term slowdown in global population growth, projected to reach 8.5 billion by 2050 (IPCC, 2021).

There is a surge in research and development of low-emission technologies, widespread adoption of electric vehicles, and a transition to renewable electricity generation, reaching 94% renewable in New Zealand and 61% globally by 2030, with further advancements leading to 100% renewable electricity by 2050 (CCC, 2022; IEA, 2022). The primary energy sector follows suit, achieving 90% renewable energy in New Zealand and 67% globally by 2050 (CCC 2022; IEA, 2022). Agriculture undergoes significant changes to reduce biogenic methane, including the adoption of inhibitors, vaccines, and low-emissions stock variants, while the waste sector sees a 73% organic waste recovery rate and expanded landfill gas capture globally.

The global economy experiences positive effects from a stable transition to a low-carbon economy, reaching a GDP of US$289 trillion by 2050, while New Zealand's orderly transition similarly benefits its economy, including the agricultural and horticultural sectors, with a GDP of NZ$485 billion in 2050 (NGFS, 2023). Despite internal challenges like job losses and skill shortages due to transformational changes, effective management is facilitated by a stable climate, economy, and international relations.

Too Little Too Late (>2°C)

Too Little Too Late (>2°C) scenario assumptions	
Emission pathways	Net emissions • New Zealand: 57 $MtCO_2e$ by 2030, 22 $MtCO_2e$ by 2050 (CCC) • Global: NGFS National Determined Contributions (NDCs) 35.1 $BtCO_2e$ by 2030, 26.7 $BtCO_2e$ by 2050 using GCAM5.3+ (NGFS)
Social	Global population: 8.3 billion by 2030, 9.2 billion by 2050 (IPCC)
Technological	Percent of Renewable Electricity of Total Electricity Produced • New Zealand: 94% by 2030, 98% by 2050 (CCC) • Global: 46% by 2030, 71% by 2050 (IEA)
Economic	GDP • New Zealand: NZ$ 329 billion (-0.5%) in 2030, NZ$ 477 billion (-0.7%) in 2050 (NGFS) • Global: US$ 175 trillion (-1.2%) in 2030, US$ 274 trillion (2.0%) in 2050 (NGFS)
Environmental	Average temperature increase • New Zealand: +0.8°C by 2050 (min 0.4, max 1.3), +1.4°C by 2100 (min 0.7, max 2.2) (NIWA) • Global: +2.0°C (min 1.6, max 2.5) by 2050, +2.7°C (min 2.1, max 3.5) by 2100 (IPCC)
Policy	Carbon Price • New Zealand: NZ$140 in 2030, NZ$250 in 2050 (CCC) • Global: US$34 in 2030, US$50 in 2050 (NGFS)

The Too Little Too Late scenario describes a gradual decline in global emissions, averaging 1.0% per year, resulting in a 31% reduction in net emissions by 2050 compared to 2020, through still substantial at 26.7 $BtCO_2e$, significantly higher than zero (NGFS, 2023).

Delayed emission reduction efforts result in heightened climate risks, including increased temperatures and extreme weather in New Zealand (NIWA, 2023). Globally, some areas face prolonged drought, while others experience increased flooding, impacting agriculture and food security (IPCC, 2021). Sea level rise of 0.20m by 2050 and 0.56m by 2100 poses a significant threat to coastal regions, especially Small Island Developing States (NASA, 2023; IPCC, 2021).

Early climate policy implementations by the EU, Japan, China, the UK, the USA, Canada, and New Zealand, including emissions reduction requirements, carbon pricing, and legislative measures, incentivise decarbonisation, with New Zealand's carbon price reaching NZ$140 per tonne and global price US$34 by 2030 (CCC, 2022; NGFS, 2023), while limited policy action in other regions hampers low-emission efforts. From mid-century, global climate policy and prices align, driven by growing awareness of the impacts of fossil fuel development, with anticipated carbon prices of NZ$250 in New Zealand and US$50 globally by 2050 (CCC, 2022; NGFS, 2023), and developed nations implementing adaptation plans to mitigate physical climate impacts.

Behaviour changes and social pressure drive short-term decarbonisation in Europe, the USA, Canada, Australia, and New Zealand, while outside these countries, behaviour change begins in the medium term. However, disparities arise due to lower GDP growth, higher population estimates, transition costs, and physical climate impacts, leading to increased inequities and challenges in marginalised nations, including poverty, political instability, and geopolitical tensions (IPCC, 2021).

Delays in low emissions technology hinder early climate progress, but by the medium term, global decarbonisation efforts align, with New Zealand achieving a 94% renewable electricity rate, outpacing the global rate of 46% in 2030 (CCC, 2021; IEA, 2022), yet falling short of 100% due to storage limitations, resulting in a 98% renewable electricity rate by 2050; while global renewable electricity rates reach 71%. New Zealand faces challenges in short-term renewable primary energy uptake but achieves 80% by the medium term, surpassing the global rates of 19% in 2030 and 37% in 2050; the transport sector sees a slow reduction in emissions in the short term but achieves 76% electrification by the medium term, with residual emissions primarily from aviation (CCC, 2021; IEA, 2022).

Under the Too Little Too Late scenario, the combination of high transition risks and medium physical risks results in significant financial impacts, including an annual job loss of 900,000 by 2070, a decline in global economic growth with GDP reaching US$274 trillion by 2050, approximately US$9 trillion less than an Orderly scenario, and an increased global population of 9.2 billion by 2050, leading to a lower standard of living (Deloitte, 2022; NGFS, 2022; IPCC, 2021).

10. Appendices

Hot House (>3°C)

Hot House (>3°C) scenario assumptions	
Emission pathways	Net emissions • New Zealand: 62 MtCO2e by 2030, 35 MtCO2e by 2050 (CCC) • Global: NGFS Current Policies (Hothouse) 38.6 BtCO2e by 2030, 34.3 BtCO2e by 2050 using GCAM5.3+ (NGFS)
Social	Global population: 8.2 billion by 2030, 8.6 billion by 2050 (IPCC)
Technological	Percent of Renewable Electricity of Total Electricity Produced • New Zealand: 93% by 2030, 94% by 2050 (CCC) • Global: 42% by 2030, 60% by 2050 (IEA)
Economic	GDP • New Zealand: NZ$ 329 billion (-0.5%) in 2030, NZ$ 475 billion (-0.7%) in 2050 (NGFS) • Global: US$ 175 trillion (-1.2%) in 2030, US$ 273 trillion (2.0%) in 2050 (NGFS)
Environmental	Average temperature increase • New Zealand: +1.0°C by 2050 (min 0.5, max 1.7), +3.0°C by 2100 (min 2.0, max 4.6) (NIWA) • Global: +2.4°C (min 1.9, max 3.0) by 2050, +4.4°C (min 3.3, max 5.7) by 2100 (IPCC)
Policy	Carbon Price • New Zealand: NZ$35 in 2030, NZ$35 in 2050 (CCC) • Global: US$6 in 2030, US$6 in 2050 (NGFS)

In the Hot House scenario, global emissions exhibit minimal change, with a slight increase projected between 2020-2025, followed by a gradual decrease, resulting in an average annual reduction of 0.4%, leading to an 11% reduction in net emissions in 2050 compared to 2020, reaching 34.3BtCO2e in 2050 (NGFS, 2023).

The lack of climate action leads to unabated greenhouse gas emissions, resulting in severe physical risks globally and in New Zealand, where temperatures increase by 1.0°C by 2050, precipitation patterns change significantly, drought intensity increases, snowfall decreases, and sea levels rise by 0.28m in the medium term and 0.79m in the long term (IPCC, 2021; NIWA, 2023; Ministry for Environment (MfE), 2018, 2017; Nazarenko, 2022; NASA, 2023).

Early adopters of progressive climate policies, including the EU, the UK, the USA, Canada, and New Zealand, reverse or roll back climate policies, while Japan, China, and Australia pause further development; the Paris Agreement collapses, NDCs are unmet, and nations withdraw, resulting in a minimal carbon price of NZ$35 per tonne in New Zealand and even lower globally at US$6 per tonne by 2050, with minimal investment in adaptation (CCC, 2021; NGFS, 2023).

Global inaction on decarbonisation, combined with unrestricted global growth, leads to higher economic inequality, political instability, and an increase in displaced migrants; meanwhile, in New Zealand, medium-term climate impacts cause economic disruptions, property value disparities, and housing challenges (CCC, 2021; NGFS, 2023).

There is a persistent lack of technological change supporting emissions reduction, evident by fossil fuels remaining the primary source of energy globally, reaching 61% in New Zealand and 26% globally by 2050, with only a modest increase in New Zealand's renewable electricity sourcing to 94%, despite a 69% electrification of the national road transport fleet by 2050 (IPCC, 2021; CCC, 2021; IEA, 2022; IEA, 2021).

Unbridled emissions-intensive industries lead to income accumulation, but rising costs from chronic climate impacts cause a 6% GDP decrease (US$11 trillion) by the medium term, with global population surpassing expectations at 8.2 billion; New Zealand's agricultural exports initially grow, but face challenges due to extreme weather, and alternative proteins remain niche without policy support, while transport disruptions impact the construction and property sector (NGFS, 2023; IPCC, 2021; CCC, 2021; Te Puna Whakaaronui, 2022).

These climate scenario analysis results inform our risk management focuses and sustainability strategy.

References

These references are included to show the sources of data used to construct each scenario. These publications are not included in this Statement by cross-reference.

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3.3. Overview of risks and opportunities

In 2023 the NZX Group identified and characterised the climate-related risks and opportunities relevant to the NZX Group in accordance with the XRB CRD Staff Guidance. Climate-related risks and opportunities were identified in workshops with internal stakeholders and reviewed by relevant members of the senior management team. Each risk and opportunity was assigned a time horizon (short, medium, or long) based upon when they were deemed likely to materialise should the risk remain unmitigated.

As part of its climate risk assessment, NZX did not assess any of the risks in the tables below as having a "high" or "severe" risk rating, which is how NZX typically identifies material risks under its RMF. NZX's assessment of materiality has evolved since FY23 and is expected to continue to evolve. As such, NZX has concluded that for the purpose of this Statement the risks and opportunities are material in accordance with the definition of materiality in the ANZ Climate Standards. In addition, the anticipated impacts disclosed are the impacts that the NZX Group reasonably expects if the risks were to eventuate.

Consistent with the scenario analysis, we aligned the time horizons through which we evaluate climate-related risks and opportunities to the NZX Group's operational and strategic planning horizons, as well as capital deployment plans.

Time horizons:

- Short-term (2024 – 2025)
- Medium-term (2025 – 2030)
- Long-term (2030 – 2050)

Transition risks are those related to the transition to a low-emissions, climate-resilient global and domestic economy, such as policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change. Physical risks are those relating to the physical impacts of climate change, including via temperature, rainfall, storms, extreme weather events, and sea-level rise.

Based on the analysis of climate-related risks, the main potential risks to the NZX Group's business and operations stem from the economic, strategic and regulatory changes and outcomes related to the ongoing global and local economic transition to a lower-carbon society. These changes may result in a wide range of possible outcomes although they are likely to only manifest in the medium to longer term. The NZX Group considers these outcomes to be covered by our present group-wide risk management processes. Climate-related matters are, where relevant, considered within annual budgeting decision-making processes to inform internal capital deployment and funding across the NZX Group. For instance, the funding for costs associated with the ANZ Climate Standards reporting requirements is informed by our exposure to the climate-related regulatory risk identified below.

Climate-related risks[1]

The below table provides an overview of identified risks specific to the NZX Group, anticipated impacts, and measures of risk mitigation adopted to address those risks. The table also shows the likelihood of climate-related risks materialising in the three scenarios.

● Not likely to be present ● Likely to be present ● Very likely to be present

Risk Subtype	Risk Description	Anticipated Business Impacts	Anticipated Financial Impacts	Time Horizon	Risk Mitigation	Orderly (1.50°C)	Too Little Too Late (>2°C)	Hot House (>3°C)
Transition Risks								
Risk Type: Policy & Legal								
Misalignment of regulations	Risk that in the global transition to lower emissions economies, action or inaction by competitor markets (e.g. competitors act faster to set up new markets; or relative regulatory costs in different countries) leads to higher compliance costs in NZ. During the transition to a lower emission global economy, there is a risk that NZX's market policy becomes inappropriate because it is either too onerous or out of step with global practice, including as a result of broader New Zealand legislative settings.	Loss of customers (i.e. data) Loss of trading and listing activity (including delistings) Competitive disadvantage for NZX Regulatory arbitrage Negative reputational impact	Reduced revenue	Short- and medium-term	NZX utilises the World Federation of Exchanges (WFE) and the Sustainable Stock Exchanges Initiative (SSEI), international forums for cooperation between exchanges, to monitor global trends. NZX also continuously monitors regulatory changes and proactively engages with the Government, MBIE, XRB, and the FMA with a view to reducing regulatory disincentive for entities to become listed.	●	●	●
Increased cost of compliance	Risk that the rapidly changing regulatory obligations for NZX (as a listed issuer) leads to NZX not meeting its obligations.	Increased expenses related to monitoring and responding to regulatory change. Negative regulatory or reputational impact.	Increased costs	Short- and medium-term	NZX adopts a proactive approach toward regulatory compliance and manages its exposure to regulatory risk by practicing strong corporate governance, as well as developing and adhering to internal policies and procedures.	●	●	●

[1] The traffic light system used to assess the likelihood of risks to be present under each scenario was adapted from FSC's Climate scenario narratives for the financial services sector report.

Risk Subtype	Risk Description	Anticipated Business Impacts	Anticipated Financial Impacts	Time Horizon	Risk Mitigation	Orderly (1.50°C)	Too Little Too Late (>2°C)	Hot House (>3°C)
Transition Risks								
Risk Type: Technology								
Disruption to critical tech providers	Risk that the impacts of acute physical risks experienced by critical tech providers (whether local or offshore) leads to operational disruption.	Disruption to operations Reputational damage	Increased costs Reduced revenue	Medium- and long-term	NZX seeks to maintain active engagement with our vendor partners who provide critical applications, with a key focus on ensuring partners and suppliers understand our business, objectives and criticality of all market operations. In addition, as part of company-wide risk management, the NZX Group has put in place frameworks that allow it to respond appropriately when a risk materialise or is likely to materialise.			
Risk Type: Market								
Reduced demand for products/ services	Risk that investor demand for sustainable investment products and data leads to NZX-listed companies or products losing relevance. Risk that long-term climate impacts to NZ's environment leads to adverse impact on issuers' operations/viability resulting in financial impact to NZX. Risk that the potential pathways of global and local climate transition lead to impacts on the strategic growth or performance of one or more of NZX's markets.	Loss of trading and listing activity	Reduced revenue	Short-, medium- and long-term	In order to provide products and services aligned with the needs of market users, NZX works closely with stakeholders to identify these needs and develop relevant products and services. In addition, NZX provides support to New Zealand businesses in the form of climate-related workshops to help them transition to a low-carbon economy and build resilience against the effects of climate change. NZX notes these steps are unlikely to fully mitigate the risks to NZX listed companies associated with climate change, many of which are outside of NZX's control.			

Risk Subtype	Risk Description	Anticipated Business Impacts	Anticipated Financial Impacts	Time Horizon	Risk Mitigation	Orderly (1.50°C)	Too Little Too Late (>2°C)	Hot House (>3°C)
Transition Risks								
Risk Type: Reputation								
Reduced confidence in NZX	Risk that NZX's management of climate related risks and/or opportunities leads to NZX not meeting key stakeholders' expectations (investors, customers, regulator, media, public).	Loss of trading and listing activity	Reduced revenue	Short-, medium- and long-term	NZX is well positioned to mitigate this risk through its environmental sustainability approach, emissions reduction target and plans to set further emissions reduction targets.	🟡	🟡	🟡
Physical Risks								
Risk Type: Acute								
Wildfire	Risk that an extreme weather event leads to unplanned disruption to business operations resulting in adverse operational impact. Workforce displacement away from key office locations of the NZX Group and/or major suppliers. Damage to infrastructure, e.g. office damages due to water levels rise in Wellington. Risk of people unable to access office.	Disruption to operations and supply chain	Reduced revenue Increased costs Stranded assets	Short-, medium- and long-term	As part of company-wide risk management, the NZX Group has put in place frameworks, including remote working procedures and business continuity plans that are tested at regular intervals, that allow it to respond appropriately when a risk materialise or is likely to materialise.	🟡	🟡	🟡
Flood						🟡	🟡	🔴
Risk Type: Chronic								
Sea level rise	Risk that climate related change in weather patterns leads to increased operating costs. Damage to infrastructure, e.g. office damages due to water levels rise in Wellington. Risk that the potential pathways of global and local climate transition lead to impacts on the strategic growth or performance of one or more of NZX-listed issuers.	Increased operating costs (financing/ insurance) Loss of listing activity Disruption to operations and supply chain Stranded assets	Reduced revenue Increased costs Stranded assets	Medium- and long-term	The NZX Group monitors the possible impacts on each NZX facility with reference to the latest hazard maps, weather data, and other information. In addition, NZX has remote working procedures and business continuity plans that are tested at regular intervals. NZX notes these steps will not mitigate the risks to NZX listed companies associated with climate change, many of which are outside of NZX's control.	🟡	🟡	🔴
Increase in mean temperature						🟡	🟡	🔴
Water stress & drought						🟡	🟡	🔴

Climate-related opportunities

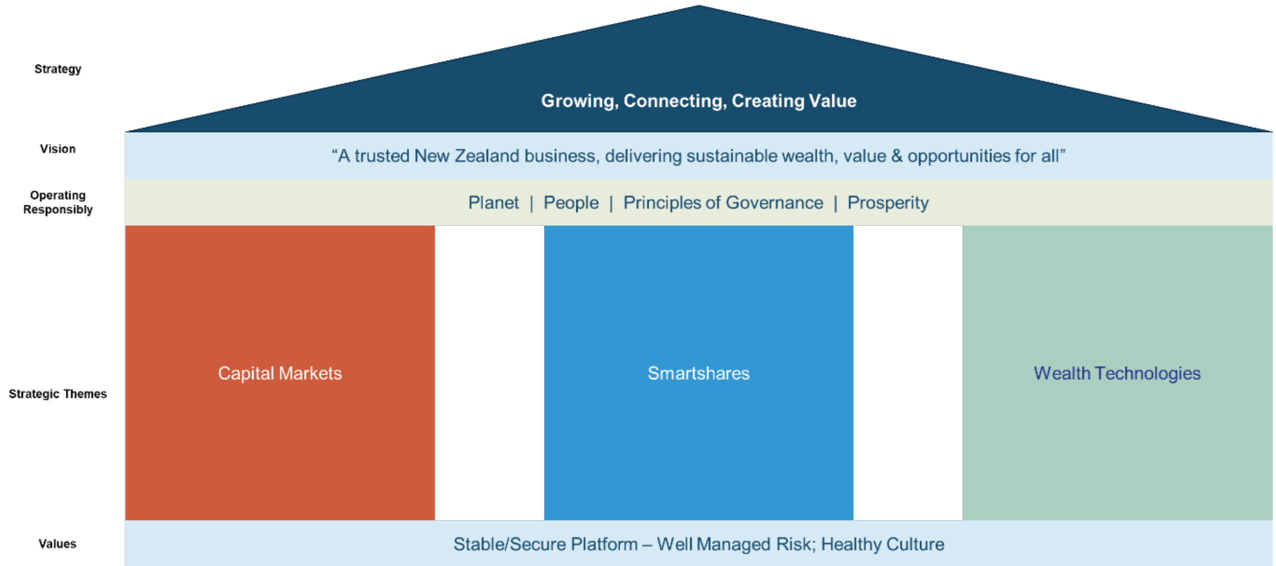
The below table provides an overview of the NZX Group's climate-related opportunities and their anticipated impacts. All identified climate-related opportunities are transition.

Opportunity Type	Opportunity Subtype	Description	Anticipated Business Impact	Anticipated Financial Impact	Time Horizon
Resource efficiency	Improving efficiency	Opportunities exist to reduce operating costs through reducing emissions from business air travel, energy efficient offices, and waste minimisation. In addition, initiatives to reduce emissions by reducing electricity usage have been identified and NZX is working towards implementing these in the short-term.	Lower electricity usage Savings associated with purchased goods and services	Reduced costs	Short-term
Energy source	Increasing electricity from renewable sources	As of 14 January 2025, more than 80% of New Zealand's electricity usage comes from renewable electricity. The New Zealand electricity industry is pursuing decarbonisation. In the medium-term, the NZX Group could purchase renewable electricity certificates, however, the focus is on reducing emissions through energy efficiency.	Lower electricity expenses	Reduced costs	Medium-term
Products and services	Green, Social, and Sustainability (GSS) bonds	We expect further development of the debt market and growth in GSS bonds. GSS bonds grew slightly from 29% of the debt market in 2023 to 29.9% in 2024. Aspiration is to grow the GSS bonds to 35% by 2027.	Increased trading and listing activity of GSS bonds	Increased revenue	Short- and medium-term
	ESG indices and ETFs	Launching climate or ESG themed indices and ETFs on NZX gives investors choice to align their investment decisions to companies that emphasise climate performance. NZX is a facilitator and works with issuers to educate issuers on the implications of new indices.	Increased demand for ESG-themed products	Increased revenue	Short-term
	Data services	Mandatory climate-related financial disclosures came into effect in 2023 for NZX listed issuers above $60 million market capitalisation. Opportunities to support the availability of high-quality climate information will be explored.	Increased demand for ESG-related data services A launch of a new revenue stream	Increased revenue	Medium-term
Markets	Carbon Markets	NZX made a successful entry into the compliance carbon market with the launch of the emission unit (NZU) auction service for the New Zealand Government's Emissions Trading Scheme in 2021. NZX's operation of the NZU auctions positions us well to further assist with secondary market liquidity development. NZX is actively involved in public consultations relating to further improving the market infrastructure in New Zealand's secondary markets for carbon.	Increased carbon market activity	Increased revenue	Short- and medium-term
	Energy Markets	NZX provides the electricity market operator service for the New Zealand government's Electricity Authority. New Zealand's drive towards 100% renewable electricity for New Zealand, and increasing electricity demand from electrification, brings new opportunities for NZX to expand its services into supplying an integrated market operator platform.	Increased energy market activity	Increased revenue	Medium-term
Resilience	Incorporating environmental considerations into procurement	Incorporating environmental considerations into procurement, e.g., the geographic location of our suppliers, and measuring the environmental impact of purchased goods and services, may identify opportunities to lift climate resilience in our business and reduce emissions in our value chain.	Increased business resilience Savings associated with purchased goods and services	Reduced costs	Short-term

3.4. Strategic positioning

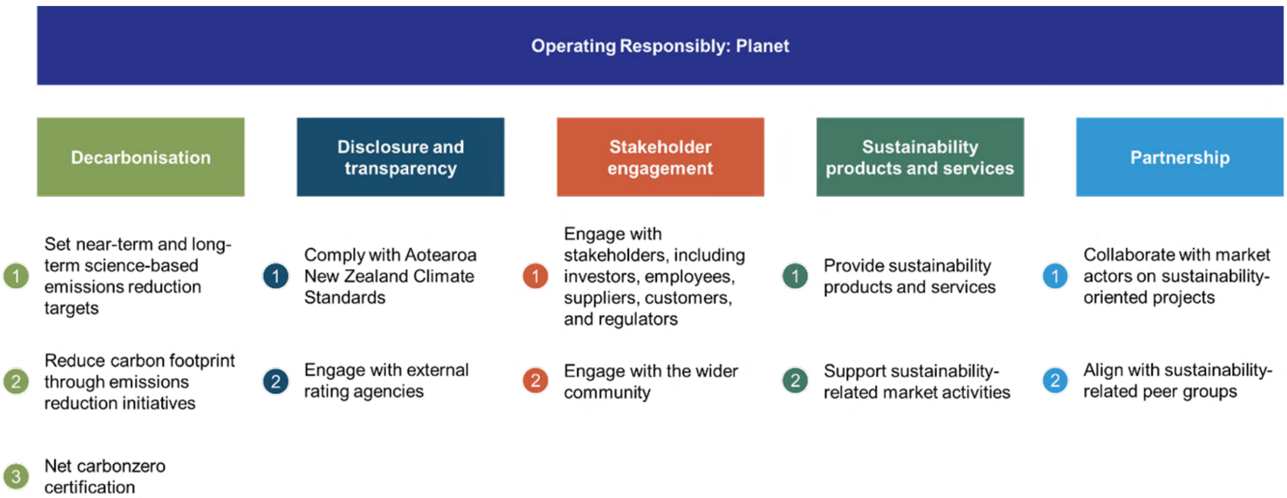
For information on the NZX Group's current business model and strategy, please see the Who We Are section of this Annual Report, on page 8. This information is incorporated into this Statement by cross-reference.

In relation to transition planning, the NZX Group updated its sustainability framework (now named 'Operating Responsibly') in 2024, including the 'Planet' pillar, to guide the NZX Group's climate transition planning and further embed climate considerations into the NZX Group's wider strategic decision-making. The refreshed 'Operating Responsibly' framework is informed by the results of the NZX Group's 2023 stakeholder materiality assessment, which identified the material topics relevant to the NZX Group's operations. A copy of that framework is below.



The above diagram shows that Operating Responsibly is an overarching framework, which sits below NZX's strategy and vision as an organisation. As such, Operating Responsibly is an overlay across the key operational areas of our business, being capital markets, Smart and Wealth Technologies.

The Planet pillar of the Operating Responsibly framework outlines five key topics related to environmental sustainability: (1) decarbonisation, (2) disclosure and transparency, (3) stakeholder engagement, (4) sustainability products and services, and (5) partnership. The following diagram depicts the key topics under the Planet pillar of the Operating Responsibly framework.



Further detail in relation to each of the above five key topics is set out below. The five key topics under the "Planet" pillar of Operating Responsibly integrate elements of both emissions reduction and climate resilience, and the actions outlined below are key actions that NZX is taking or intends to take in the transition to a low-emissions, climate-resilient future. Specifically, these five topics set out NZX's strategy for how it currently plans to respond to its climate-related risks and opportunities. NZX recognises that the actions outlined below are a starting point, and also recognises that the transition plan aspects of its strategy are likely to need to continue to evolve over time as NZX continues to refine the actions that it will take in relation to each of the five key topics.

At this stage, NZX is not planning to fundamentally change its business model and strategy as a result of climate change and the risks and opportunities that it has identified. As a market operator, NZX earns revenue by listing a diversified range of companies, who are themselves expected to experience impacts and evolve in light of climate change. NZX is at the early stages of understanding how this evolution will affect its clients at the aggregate level and accordingly has not to date identified that a fundamental change to its business is required.

Decarbonisation

The NZX Group is aiming to reduce the emissions within its operations. The NZX Group is on track to achieve a 21% reduction in absolute Scope 1, 2 and selected scope 3 emissions by 2025 from a 2019 baseline year. This target applies across those emissions scopes that were included in NZX's GHG inventory in 2019.

NZX recognises that there is scope to set emissions reduction targets across longer time horizons and a broader range of emissions, and to take action in pursuit of those targets. Accordingly, in 2025, the NZX Group intends to develop and set interim and long-term emissions reduction targets for Scope 1, 2, and 3 emissions, although the exact timing by which these targets will be in place is not yet clear.

In addition to aiming to reduce absolute emissions, the NZX Group purchases carbon credit offsets corresponding to the NZX Group's remaining emissions, as set out further on page 149.

Disclosure and transparency

The NZX Group is required to report in line with the ANZ Climate Standards, and the Planet pillar of Operating Responsibly accordingly notes compliance with this regime as a key topic.

In addition, the NZX Group is committed to communicating progress towards its environmental targets to stakeholders through engagement with external rating agencies. The NZX Group also utilises the external ratings as a feedback mechanism which takes into account the evolving stakeholder demands and preferences and informs our consideration of climate-related risks and opportunities.

Stakeholder engagement

The NZX Group considers the engagement with key stakeholders, including investors, employees, suppliers, customers, and regulators, as central to capital markets' shift towards a low-emissions, climate-resilient future. Actions that the NZX Group intends to take in relation to this aspect of Operating Responsibly currently include engaging with suppliers through a Supplier Code of Conduct, which will outline our expectations for suppliers in regard to their environmental responsibilities among other considerations. NZX is in the process of developing the Supplier Code of Conduct.

Sustainability products and services

The NZX Group seeks to support decarbonisation of New Zealand and diversify its revenue streams by offering a range of climate-related products and services, as outlined on pages 136 - 137 of this Statement. The NZX Group monitors developments domestically and internationally to better understand potential future products and services.

Partnerships

Finally, the NZX Group acknowledges the limitations of its own decarbonisation efforts and the need to form partnerships to scale the impact that NZX can have in relation to decarbonisation. The NZX Group is open to potential collaboration with other market actors on sustainability-oriented projects, although it is at the beginning stages of that journey. In 2024, as part of the broader strategy to align with like-minded peer groups, the NZX Group joined the Sustainable Business Council, which is a membership organisation designed to connect businesses, partners and sectors on sustainability matters including climate change.

Linkages to capital deployment and funding decision-making processes

The financial resources required to implement the direction and actions outlined above will be sourced from NZX's existing business operations. No changes have been made to the capital deployment and funding decision-making processes to date. The NZX Group is confident sufficient financial resources can be directed in a timely manner toward the transition plan aspects of its strategy as needed, and changes to capital deployment and funding decision making processes can be explored if required. NZX does not have any capital deployment targets for its climate-related actions and targets.

4. RISK MANAGEMENT

As outlined in section 1 of this Statement, NZX has a RMF which sets out policies and procedures for the effective identification, assessment, management and reporting of NZX's risks. NZX's processes for identifying, assessing and managing climate-related risks are integrated within its RMF via the NZX risk hierarchy which allows for the mapping of all business unit level risks captured on the risk register (including those related to climate) to one of the enterprise level risks categories listed on pages 77 to 81, with all those identified to date (including those identified via scenario analysis as outlined in section 3 of this Statement) mapping to one of the existing enterprise level risk categories.

4.1. How NZX identifies, assesses and manages climate-related risks and integration into the RMF

NZX utilises a range of resources and approaches to identify and consider the impact of risks across our business on an ongoing basis. In relation to climate change, the scenario analysis exercise set out on pages 137 - 141 of this climate statement is the key tool we use to identify climate-related risks to our business, although risks may also be identified on an ad hoc basis as they arise. As outlined in section 3 of this statement, NZX's scenario analysis considers short-, medium- and long-term time horizons. In 2024 NZX further refined and assessed the climate risks identified to date. This process included the Risk and Sustainability functions engaging with management and relevant subject matter experts across the business (for example, finance) to ensure risk descriptions and related mitigations were accurate and this forms the preliminary basis for quantification of the anticipated financial impacts, which NZX will need to disclose from FY25.

Once climate-related risks are identified, they are included within NZX's risk assessment process, which engages management at both a business unit and senior leadership level and considers the risks that may impact NZX while in pursuit of strategic objectives. As part of this assessment process, risks are captured in the NZX Group risk register and managed by appropriate business functions including defined ownership with oversight and monitoring at a NZX Group level as outlined in the Governance section of this Statement.

Risk assessments are refreshed quarterly with regular risk reporting provided by the Chief Risk Officer to the Board (monthly) and the Audit & Risk Committee (quarterly). No significant parts of the value chain have been excluded from the analysis. However, when considering our supply chain, many suppliers are early in their maturity journey. As a result, NZX's understanding of climate related risks across the whole value chain, particularly the supply chain, is limited by availability and quality of data and information at this stage.

In accordance with the RMF, once a risk has been identified then it is assessed using the NZX Enterprise Risk Matrix (which is reviewed annually). NZX's Risk Matrix comprises a likelihood and impact scale approach for assessing the likelihood of the risk materialising and the potential impact. Risks are assessed from both an inherent and residual perspective, after taking into consideration the effectiveness of the control environment. NZX's risk assessment methodology utilises time horizons (aligned to those outlined in section 3) and probability considerations to assess the likelihood, and both financial and non-financial criteria to determine the potential impact to NZX, allowing for consistency in assessment across all risk types. Based on the overall risk rating, the risk is then calibrated/categorized as either low, medium, high or severe allowing for informed prioritisation. The use of time horizons alongside existing probability considerations to assess a risk's likelihood was implemented in 2024 to acknowledge the inherent differences between climate risks and other operational or business risks, including that climate-related risks are not likely to occur over time frames that fit into a traditional risk matrix. This change has also facilitated further integration of these risks within the RMF, enabling us to better monitor these risks alongside other business risks. The inclusion of time horizons as an additional assessment consideration also further aids consistency of assessment. All of NZX's risks, including climate-related risks, are managed in line with NZX's risk appetite. Risks that are deemed to be severe or high are prioritised for action and regularly reported on.

5. METRICS & TARGETS

5.1. GHG Inventory and emissions reduction progress

2024 represents the fourth consecutive year of the NZX Group's net carbonzero certification with Toitū Envirocare, applied across our Scope 1, Scope 2, and certain Scope 3 emissions.

To attain the certification, the NZX Group's operational greenhouse gas (GHG) emissions are evaluated annually and measured in accordance with international standards for carbon footprints. In 2024, the NZX Group reclassified its existing inventory categories to fit within the GHG Protocol requirements, while in previous years the inventory was prepared based on ISO 14064-1. The NZX Group decided to transition from ISO to GHG Protocol to improve consistency and availability of the criteria, as the latter is freely and publicly available to market users.

In addition to measuring the carbon footprint, the NZX Group is required as part of its net carbonzero certification to formulate plans aimed at actively managing and reducing emissions on a six-year cycle. Remaining emissions are annually offset through the purchase of certified carbon credits. In FY24 the NZX Group purchased International Fairtrade Climate Standard carbon credits. In addition to meeting Toitū's programme requirements, the Fairtrade Climate Standard certified by Gold Standard carbon credits meet the requirements for Fairtrade certification, such as a Fairtrade Minimum Price, capacity building and a Fairtrade Premium for climate adaptation activities.

In 2024, we expanded our Scope 2 emissions coverage to include the emissions related to our data centre electricity usage, bringing our total GHG emissions for 2024 to 601.0 tCO_2e – 9.6% higher than 2023 figures. Data centre emissions were previously deemed out of scope based on the operational control consolidation approach. During a pre-assurance process undertaken in 2024 it was determined that ownership rights over the data centre hardware provides a rationale to include indirect usage of electricity by third-party data centre in our Scope 2 inventory. Applying the baseline inventory from 2019, which excludes employee commuting, WFH and data centre emissions, the NZX Group's total GHG emissions for 2024 are 399.0 tCO_2e – 20.5% lower than the baseline year emissions from 2019. This positions the NZX Group well to meet its 2025 emissions reduction target, which only relates to the scopes of emissions that were included in the baseline inventory.

Our top emission source contributing to the year-on-year increase in emissions in 2024 was air travel. Compared to 2023, our air travel emissions increased by 22.6%. While NZX has seen a steady increase in air travel emissions since the pandemic, they remain well below the 2019 figures. Employee commuting, another significant emission source, remained stable compared to 2023, when NZX first started to measure the carbon footprint of its employees' commute.

Scope 1 and 2 inventory has been assured by KPMG in accordance with XRB's NZ SAE 1 assurance standard to a 'limited' level of assurance and the assurance report is available on page 156 of this Annual Report. The disclosures in this Statement relating to our scope 3 GHG emissions have not been mandatorily assured. While Toitū Envirocare has provided an emissions verification report as part of our net carbonzero certification process, this relates to our underlying greenhouse gas inventory. That voluntary process is not an assurance engagement of the greenhouse gas emissions disclosures in this Statement as required by the FMCA, the ANZ Climate Standards (subject to adoption provision 8) and NZ SAE 1. To support primary users to understand the work that has been undertaken as part of our Toitū net carbonzero certification, we have included the verification report on page 160 of this annual report. Readers should note that references to "assurance" and "reasonable assurance" in the verification report are to the voluntary process that Toitū has undertaken and do not refer to an assurance engagement for the purposes of the FMCA, the ANZ Climate Standards and NZ SAE 1. Both location- and market-based emissions were reported where applicable.

The table below summarises GHG emissions data for the NZX Group for the reporting period, as compared to the previous two years and our baseline data from 2019. We have re-ordered the table below from our FY23 climate statement to align with the categories in the GHG protocol. As noted on page 133, NZX is only reporting a subset of its scope 3 emissions, relying on adoption provision 4 in relation to the remaining categories.

Scope	KPMG assurance level	Scope 3 Category	Emissions sources CO2-e	2019 Tonnes	2022 Tonnes	2023 Tonnes	2024 Tonnes	% difference YoY
Scope 1	Limited		Direct Emissions (diesel)	1.9	8.8	2.6	0.0	-100.0%
Scope 2 (location-based)[1]	Limited		Electricity (office space + ticker)	48.1	51.5	26.5	36.8	+38.8%
			Electricity (data centre)	N/A	N/A	N/A	17.7	N/A
Scope 2 (market-based)[1]	Limited		Electricity (office space + ticker)	48.1	51.5	26.5	31.4	+18.5%
			Electricity (data centre)	N/A	N/A	N/A	17.9	N/A
Scope 3[2]	None	3. Fuel- and energy- related activities (not included in scope 1 and scope 2)	Transmission & Distribution losses for purchased electricity	4.3	4.7	3.1	2.2	-30.6%
			Transmission & Distribution losses for purchased electricity (data centre)	N/A	N/A	N/A	1.3	N/A
		5. Waste generated in operations	Office Waste[3]	2.3	7.2	28.4	5.0	-82.5%
			Recycling	1.8	0.1	0.1	0.1	-40.0%
		6. Business travel	Air Travel • Domestic • Short haul international • Long haul international	 212.1 33.6 174.9	 155.1 22.2 65.2	 94.5 25.3 142.0	 96.5 37.9 186.6	 +2.2% +49.6% +31.4%
			Accommodation	8.0	9.2	12.2	14.3	+17.3%
			Fuel Emissions (rental and other cars)	10.6	5.7	8.6	4.3	-50.3%
		7. Employee commuting	Employee Commuting	N/A	N/A	173.8	173.8	0.0%
			Working From Home	N/A	15.0	8.8	9.0	+2.5%
		9. Transportation and distribution of sold products	Freight	4.2[4]	26.6	22.3[5]	20.8	-6.6%
Total (2019 inventory – location-based)				**501.9**	**371.3**	**365.5**	**404.4**	**+10.6%**
Total (2019 inventory – market-based)				**501.9**	**371.3**	**365.5**	**399.0**	**+9.1%**
Total (location-based)				**501.9**	**371.3**	**548.2**	**606.2**	**+10.6%**
Total (market-based)				**501.9**	**371.3**	**548.2**	**601.0**	**+9.6%**

1 In 2024, NZX changed emissions reporting from location-based to market-based for electricity.
2 Categories 4, 8, 10, 11, 12, 13, 14 were not included, as they are not applicable to NZX Group's business operations. Category 15 financed emissions associated with Smart's registered investment schemes are captured within Smart's climate-related disclosures.
3 An increase in office waste emissions in 2023 is due to a change in measurement methodology. In 2023 the waste management service provider switched from estimates to readings from a weight station for waste weight figures.
4 This is a correction for a previous typographical error in the 2023 Climate Statement. The error did not affect any underlying calculations or other metrics.
5 In 2024, we identified additional spend on freight that was unaccounted for in 2023 due to an error in methodology. This additional spend has been added to the 2023 inventory, leading to a restatement of freight emissions. The total impact is 18.38 tCO2e of additional emissions or 3.47% of total emissions originally reported in 2023.

N/A – Data was not measured in that year

In measuring GHG emissions, we employ an operational control consolidation approach. The emissions of the NZX Group including all wholly owned subsidiaries are included. Emissions from GlobalDairyTrade Holdings Limited, in which NZX holds a one-third share with Fonterra and EEX, are excluded from this consolidation. This is because NZX does not have operational control over that entity, and NZX has also determined that the emissions from this entity are immaterial. In addition, four non-operating entities: NZX Holding No. 4 Limited, New Zealand Exchange Limited, Smart Investment Management Limited, and Superlife Limited, are not included in the disclosure. As these entities are non-operating, their omission does not alter the reported inventory or progress towards targets. We do not specifically exclude any GHG emissions sources that we have identified within our inventory.

The GHG emissions sources included in our inventory were identified using the methodology outlined in the GHG Protocol and the Technical Requirements of the Toitū Programme. Where available, the emissions data were collected from sources with a Toitū Carbon Compatible Certification, where the collected emissions data is independently validated by Toitū and is suitable for use in ISO 14064-1:2018 and GHG Protocol compliant inventories. For example, air travel and accommodation emissions were provided by Orbit (NZX's third party travel agency), which has a Toitū Carbon Compatible Certification. The rest of the emissions inventory was quantified based on the following calculation approach: 'Emissions = activity data x emissions factor'. This calculation methodology is in accordance with the GHG Protocol, utilising emissions factors and Global Warming Potentials (GWPs) provided by Toitū and sourced from Ministry for the Environment (MfE) and IPCC publications (with the IPCC fifth assessment report preferred). For instance, employee commuting emissions were estimated based on a group-wide survey results, latest MfE carbon emission factors, and the number of full-time equivalent (FTE) employees. Overall, there is low uncertainty in regard to the quantification of GHG emissions and the effect of data extrapolation on the total GHG emissions is immaterial. The table below summaries the data sources and methods used to calculate GHG emissions.

Scope	Scope 3 categories	Emissions sources CO2-e	Data sources	Methods
Scope 1		Direct Emissions (diesel)	Fuel purchases	Calculation based on fuel purchases and dollar spend based emissions factors.
Scope 2 (location- and market-based)		Electricity (office space + ticker)	Electricity usage	Calculation based on electricity usage data and emissions factors. Due to invoice timing, the emissions for December 2024 were extrapolated based on data from the previous 11 months.
		Electricity (data centre)	Electricity usage	Calculation based on electricity usage data and emissions factors.
Scope 3	3. Fuel- and energy-related activities (not included in scope 1 and scope 2)	Transmission & Distribution losses for purchased electricity (office space + ticker)	Electricity usage	Calculation based on electricity usage data and emissions factors. Due to invoice timing, the emissions for December 2024 were extrapolated based on data from the previous 11 months.
		Transmission & Distribution losses for purchased electricity (data centre)	Electricity usage	Calculation based on electricity usage data and emissions factors.
	5. Waste generated in operations	Office Waste	Waste management reports	Calculation is based on waste weight and emissions factor. Waste data for Auckland CBD and Albany offices is extrapolated from Wellington data based on FTE.
		Recycling	Waste management reports	Calculation is based on waste weight and emissions factor. Waste data for Auckland CBD and Albany offices is extrapolated from Wellington data based on FTE.
	6. Business travel	Air Travel	Emissions data provided by Orbit	
		Accommodation	Emissions data provided by Orbit	
	7. Employee commuting	Employee Commuting	Survey-based emissions data	Emissions data for the year is extrapolated based on group-wide survey results, latest MfE carbon emission factors, and FTE figures.
		Working From Home	Survey-based emissions data	Emissions data for the year is extrapolated based on group-wide survey results, latest MfE carbon emission factors, and FTE figures.
		Fuel Emissions (rental and other cars)	Mileage, taxi, and rental car transactions	Calculation based on mileage, taxi, and rental car transactions and emissions factors.
	9. Transportation and distribution of sold products	Freight	Freight transactions	Calculation based on freight transactions and emissions factor.

5.2. Other metrics

The table below shows the NZX Group's emissions and energy intensity per FTE and per million dollars of revenue (NZ$). Our absolute energy consumption increased by 63.9% between 2023 and 2024, while the energy intensity per million dollars of revenue has increased by 73.4% over the same period due to the addition of data centre electricity usage to our inventory. The energy intensity per employee increased by 14.0% year on year but remains well below the baseline figure. Our air travel emissions intensity per employee increased by 23.3% in 2024 compared to 2023, reflecting an increase in international business travel.

Metric	2019	2022	2023	2024	% difference YoY
Number of full-time employees	226.0	319.1	341.2	338.0	-0.9%
Million dollars of revenue (NZ$)	69.6	95.7	108.4	120.8	+11.4%
Absolute energy consumption (including diesel purchases, purchased electricity, and transmission and distribution losses) (tCO2-e)	54.3	65.0	32.2	52.8	+63.9%
Energy intensity per employee (tCO2-e / FTE)	0.2	0.2	0.1	0.2	+73.4%
Energy intensity per million dollars of revenue (tCO2-e / revenue)	0.8	0.7	0.3	0.4	+45.6%
GHG emissions intensity per employee[1] (tCO2-e / FTE)	2.2	1.2	1.6	1.8	+14.0%
GHG emissions intensity per million dollars of revenue[1] (tCO2-e / revenue)	7.2	3.9	4.9	4.9	+1.8%
Total Scope 1 and Scope 2 GHG emissions intensity per million dollars of revenue(tCO2-e / revenue)	0.7	0.6	0.3	0.4	+51.3%
Scope 3 air travel emissions intensity per employee (tCO2-e / FTE)	1.9	0.8	0.8	0.9	+23.3%

1 Includes all Scope 1, 2, and 3 emissions included in the GHG emissions disclosures above.

The NZX Group does not use any industry-based metrics in addition to the metrics outlined above. Regarding transition risks, the NZX Group is predominantly exposed to market risk of reduced demand for products/services through Capital Markets Origination, Secondary Markets and Funds Management revenue streams. We are currently disclosing 100% of the revenue from these streams as this represents a conservative estimate. The NZX Group's direct exposure to physical risks is limited to our property assets and leases. We are disclosing 100% of property-related assets and leases as this represents a conservative estimate. These are high-level estimates and involve a high level of uncertainty. No assets and capital are currently linked to climate-related activities, and this is unchanged from FY23. The NZX Group does not use a fixed internal emissions price but takes into account the cost of carbon credit offsets when making decisions about emissions reduction initiatives. In 2024, the NZX Group purchased International Fairtrade Gold Standard carbon credits through Toitū at $43.2 per tonne as compared with $143.1 in FY23. Going forward, carbon credit prices may be subject to change. As set out on page 152, NZX's CEO has a KPI that relates to ESG targets, which while not relating to a specific amount of remuneration does form part of the NZX CEO's annual review process. This ESG target is cascaded down to the NZX CEO's direct reports and considered as part of the annual performance review process (namely through KPI setting and half/full year reviews). This is unchanged from FY23.

Cross-industry metric category	2023	2024	% difference YoY
Transition risks: Assets or business activities vulnerable *% of total operative revenue (Capital Markets Origination, Secondary Markets and Funds Management revenue streams)*	72.1%	72.1%	0%
Physical risks: Assets or business activities vulnerable *% of total assets (Property, plant & equipment and right-of-use lease assets)*	9.7%	9.1%	-5.9%

5.3. Climate-related targets

The NZX Group is targeting a 21% reduction in certain absolute Scope 1, 2, and 3 emissions by 2025 from a 2019 baseline year. This absolute emissions reduction target has been determined using an absolute contraction approach and applies to emissions sources that were included in NZX's 2019 inventory as outlined in the table on page 150. While this target is based on Science Based Targets initiative (SBTi) materials, it has not been approved or certified by the SBTi and has instead been developed by reference to SBTi guidance. This emissions reduction target does not rely on offsets. With 2024 GHG emissions being 20.5% below the 2019 figures (excluding employee commuting, WFH, and data centre emissions which were added to the inventory subsequently), the NZX Group is well-positioned to achieve its emissions reduction target by 2025. In addition to reducing absolute emissions, the NZX Group continues to purchase carbon credit offsets corresponding to the NZX Group's remaining emissions. These offsets were purchased from Toitū and have been certified by Gold Standard as meeting the Fairtrade Climate Standard.

The NZX Group considers that its short-term target to 2025 contributes to limiting global warming to 1.5° because it is consistent with the short-term emissions reduction pathways used by Toitū and based on the SBTi. However, NZX recognises that there is scope to increase its contribution by setting targets over the longer term. As a result, in 2025 the NZX Group aims to develop and set interim and long-term emissions reduction targets in line with limiting our impact to a 1.5° warming scenario across all emissions scopes.

Glossary

ANZ Climate Standards	Aotearoa New Zealand Climate Standards
CCC	He Pou a Rangi – Climate Change Commission
ESG	Environmental, social and governance
ETS	Emissions Trading Scheme
FMA	Financial Markets Authority
FSC	Financial Services Council
FTE	Full-time employees
GDP	Gross Domestic Product
GHG	Greenhouse gas
GSS	Green, social, and sustainability
IEA	International Energy Agency
IPCC	Intergovernmental Panel on Climate Change
SAE	Standard on Assurance Engagements
ISO	International Organisation for Standardisation
MBIE	Ministry of Business, Innovation & Employment
MfE	Ministry for the Environment
NGFS	Network for Greening the Financial System
NIWA	National Institute of Water and Atmospheric Association
NZU	New Zealand Unit
RMF	Risk management framework
SSEI	Sustainable Stock Exchanges Initiative
tCO2e	Tonnes of carbon dioxide equivalent
WFE	World Federation of Exchanges
XRB	External Reporting Board
YoY	Year on year

The table below sets out the location of the disclosures required by the Aotearoa New Zealand Climate Standards within this Annual Report:

ANZ Climate Standard requirement	Location
All disclosures required by the ANZ Climate Standards, with the exceptions below.	Climate statement, located on pages 132-162 of this Annual Report.
ANZ Climate Standards 1, para 16(a): *description of NZX's business model and strategy*	Who We Are section of this Annual Report on page 8.
ANZ Climate Standards 1, paras 25-26: *assurance opinion*	KPMG's assurance opinion is included on pages 156 - 159 of this Annual Report.
ANZ Climate Standards 1	While NZX has responded to the disclosure requirements of the ANZ Climate Standards in this Statement, an additional summary is included as part of the Our Environment section of this Annual Report on page 49.

The climate related disclosures were authorised for issue for and on behalf of the directors on 20 February 2025.

John McMahon
Chair of the Board

Lindsay Wright
Chair of the Audit and Risk Committee

Independent Assurance

+ Inventory Verification Reports

Independent Limited Assurance Report to NZX Limited

Conclusion

Our limited assurance conclusion has been formed on the basis of the matters outlined in this report.

Based on our limited assurance engagement, which is not a reasonable assurance engagement or an audit, nothing has come to our attention that would lead us to believe that, in all material respects, the Scope 1 and 2 greenhouse gas emissions contained within the Climate Statement, additional required disclosures of scope 1 and 2 of gross greenhouse gas emissions and scope 1 and 2 gross greenhouse gas emissions methods, assumptions and estimation uncertainty disclosures included in the climate statement on pages 150 to 151 (**GHG disclosures**) are not fairly presented and prepared in accordance with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (**the criteria**) for the period 1 January 2024 to 31 December 2024.

Information subject to assurance

We have performed an engagement to provide limited assurance in relation to NZX Limited's GHG disclosures for the period 1 January 2024 to 31 December 2024.

Our conclusion on the GHG disclosures does not extend to any other information included, or referred to, in the climate statements on pages 150 to 151 or other information that accompanies or contains the climate statement and our assurance report (**other information**). We have not performed any procedures with respect to the other information.

Criteria

The criteria used as the basis of reporting include the (NZ CSs) issued by the External Reporting Board (XRB).

As permitted by the NZ CSs, the standards that NZX Limited's greenhouse gas emissions are measured in accordance with are the World Resources Institute and World Business Council for Sustainable Development's Greenhouse Gas Protocol standards and guidance (collectively, the GHG Protocol).

- Scope 1 emissions have been measured in accordance with *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition)*
- Scope 2 emissions have been measured in accordance with *The Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard.*

As a result, this report may not be suitable for another purpose.

Standards we followed

We conducted our limited assurance engagement in accordance with New Zealand Standard on Assurance Engagements 1 (**NZ SAE 1**) Assurance Engagements over Greenhouse Gas Emissions Disclosures and International Standard on Assurance Engagements (New Zealand) 3410 Assurance Engagements on Greenhouse Gas Statements (**ISAE (NZ) 3410**) issued by the New Zealand Auditing and Assurance Standards Board (**Standard**). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our responsibilities under the Standard are further described in the 'Our responsibility' section of our report.

Key Matters

We have determined that there are no key matters to communicate in our report.

Other Matter – Prior year comparatives not assured

The GHG disclosures for the period 1 January 2023 to 31 December 2023 were not subject to our limited assurance engagement and, accordingly, we do not express a conclusion, or provide any assurance on such information.

Our conclusion is not modified in respect of this matter.

How to interpret limited assurance and material misstatement

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Misstatements, including omissions, within the GHG disclosures are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the GHG disclosures.

Inherent limitations

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

Use of this assurance report

Our report is made solely for NZX Limited. Our assurance work has been undertaken so that we might state to NZX Limited those matters we are required to state to them in the assurance report and for no other purpose.

Our report is released to NZX Limited on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent. No other third party is intended to receive our report.

Our report should not be regarded as suitable to be used or relied on by anyone other than NZX Limited for any purpose or in any context. Any other person who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees accept or assume any responsibility and deny all liability to anyone other than NZX Limited for our work, for this independent assurance report, and/or for the opinions or conclusions we have reached.

Our conclusion is not modified in respect of this matter.

KPMG

NZX Limited's responsibility for the GHG disclosures

The Management of NZX Limited are responsible for the preparation and fair presentation of the GHG disclosures in accordance with the criteria. This responsibility includes the design, implementation and maintenance of such internal control as Management determine is relevant to enable the preparation of the GHG disclosures that are free from material misstatement whether due to fraud or error.

The Management of NZX Limited are also responsible for selecting or developing suitable criteria for preparing the GHG disclosures and appropriately referring to or describing the criteria used.

Our responsibility

We have responsibility for:

- planning and performing the engagement to obtain limited assurance about whether the GHG disclosures are free from material misstatement, whether due to fraud or error;
- forming an independent conclusion based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to NZX Limited.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional scepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion.

A limited assurance engagement includes:

- assessing the suitability of the circumstances of NZX Limited's use of the criteria as the basis for preparation of the GHG disclosures;
- considering relevant internal controls when designing our assurance procedures, however we do not express an opinion on the effectiveness of these controls; and
- evaluating the appropriateness of reporting policies, quantification methods and models used in the preparation of the GHG disclosures and the reasonableness of estimates made by NZX Limited; and evaluating the overall presentation of the GHG disclosures.

Our procedures selected depended on the understanding of the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. In undertaking limited assurance on the GHG disclosures we:

- obtained, through inquiries an understanding of NZX Limited's control environment, processes and information systems relevant to the preparation of the GHG disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- evaluated NZX Limited's organisational and operational boundaries against the requirements of the GHG Protocol;
- agreed a selection of GHG emissions data to relevant underlying source documents and re-performed emission factor calculations for a limited number of items; and
- assessed the adequacy of the presentation and disclosure of the GHG disclosures in accordance with the NZ CSs.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality management

This assurance engagement was undertaken in accordance with NZ SAE 1. NZ SAE 1 is founded on the fundamental principles of independence, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) (**PES 1**) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (**PES 3**), which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have also complied with Professional and Ethical Standard 4 *Engagement Quality Reviews* (**PES 4**) which deals with the appointment and eligibility of the engagement quality reviewer and the engagement quality reviewer's responsibilities relating to the performance and documentation of an engagement quality review.

Our firm has also provided financial statement audit services to NZX Limited. Subject to certain restrictions, partners and employees of our firm may also deal with NZX Limited on normal terms within the ordinary course of trading activities of the business of NZX Limited. These matters have not impaired our independence as assurance providers of NZX Limited for this engagement. The firm has no other relationship with, or interest in, NZX Limited.

As we are engaged to form an independent conclusion on the GHG disclosures prepared by NZX Limited, we are not permitted to be involved in the preparation of the GHG disclosures as doing so may compromise our independence.

The engagement partner on the assurance engagement resulting in this independent assurance report is Brent Manning.

KPMG

KPMG

Wellington

20 February 2025

INDEPENDENT AUDIT OPINION
Toitū Climate Impact Programme certification

To the intended users

Organisation subject to audit:	NZX Limited
Toitū Carbon Programme:	Toitū net carbonzero organisation certification
Audit Criteria:	ISO 14064-1:2018 ISO 14064-3:2019 Toitū Programme Technical Requirements 3.1 Technical Requirements – Audit V3 Certification Mark Guide
Responsible Party:	NZX Limited
Intended users:	NZX Management and Board, Toitū carbonzero programme auditors, regulators, institutional investors and rating agencies, current and potential employees, and the general public.
Registered address:	Level 1, NZX Centre, 11 Cable Street, Wellington, 6011, New Zealand
Inventory period:	1/01/2024 - 31/12/2024
Inventory report:	IMR_2024_NZX Limited_Net CZ_Org.pdf

We have reviewed the greenhouse gas emissions inventory report ("the inventory report") for the above named Responsible Party for the stated inventory period.

Responsible Party's Responsibilities

The Management of the Responsible Party is responsible for the preparation of the GHG statement in accordance with ISO 14064-1:2018 and the requirements of the stated Toitū carbon programme. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of a GHG statement that is free from material misstatement.

Verifiers' Responsibilities

Our responsibility as verifiers is to express a verification opinion to the agreed level of assurance on the GHG statement, based on the evidence we have obtained and in accordance with the audit criteria. We conducted our verification engagement as agreed in the audit letter, which define the scope, objectives, criteria and level of assurance of the verification.

The International Standard ISO 14064-3:2019 requires that we comply with ethical requirements and plan and perform the verification to obtain the agreed level of assurance that the GHG emissions, removals and storage in the GHG statement are free from material misstatement.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the ISO 14064-3:2019 Standards will always detect a material misstatement when it exists. The procedures performed on a limited level of assurance vary in nature and timing from, and are less in extent compared to reasonable assurance, which is a high level of assurance. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Basis of verification opinion

Our responsibility is to express an assurance opinion on the GHG statement based on the evidence we have obtained. We conducted our assurance engagement as agreed in the Contract which defines the scope, objectives, criteria and level of assurance of the verification.

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

Verification

We have undertaken a verification engagement relating to the Greenhouse Gas Emissions Inventory Report (the 'Inventory Report')/Emissions Inventory and Management Report of the organisation listed at the top of this statement and described in the emissions inventory report for the period stated above.

The Inventory Report provides information about the greenhouse gas emissions of the organisation for the defined measurement period and is based on historical information. This information is stated in accordance with the requirements of International Standard ISO 14064-1 Greenhouse gases – Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals ('ISO 14064-1:2018') and the requirements of the stated Enviro-Mark Solutions Limited (trading as Toitū Envirocare) programme.

Verification strategy

Our verification strategy used a combined data and controls testing approach. Evidence-gathering procedures included but were not limited to:
—activities to inspect the completeness of the inventory;
—interviews of site personnel to confirm operational behaviour and standard operating procedures;
—examination of pre-verified air travel emissions data;
—detailed retracing of employee commuting, electricity (data centres) and electricity distributed T&D losses (data centres).
The data examined during the verification were historical in nature.

Basis for modified verification opinion

The following qualifications have been raised in relation to the verification opinion:

The opinion is unmodified.

Verification level of assurance

ISO CATEGORY	LOCATION BASED tCO_2e	MARKET BASED tCO e	LEVEL OF ASSURANCE
Category 1	0.00	0.00	Reasonable
Category 2	54.46	49.32	Reasonable
Category 3 (mandatory)	325.29	325.29	Reasonable
Category 3 (additional)	197.16	197.16	Reasonable
Category 4 (mandatory)	8.97	8.42	Reasonable
Category 4 (additional)	20.88	20.88	Reasonable
TOTAL NET EMISSIONS	**606.75**	**601.06**	

Responsible party's greenhouse gas assertion (certification claim)

Toitū net carbonzero organisation certified: NZX Limited. Toitū net carbonzero certified means measuring emissions to ISO 14064-1:2018 and Toitū requirements; managing and reducing against Toitū requirements; and compensating remaining emissions following Toitū requirements and covering a minimum of the total Toitū boundary.

Verification conclusion

We have obtained all the information and explanations we have required. In our opinion, the emissions, removals and storage defined in the inventory report, in all material respects:
• comply with ISO 14064-1:2018 and the requirements of the stated Toitū Climate Impact Programme; and
• provide a true and fair view of the emissions inventory of the Responsible Party for the stated inventory period.

Other information

The responsible party is responsible for the provision of Other Information to meet Climate Impact Programme requirements. The Other Information may include emissions management and reduction plan and purchase of carbon credits, but does not include the information we verified, and our auditor's opinion thereon.

Our opinion on the information we verified does not cover the Other Information and we do not express any form of audit opinion or assurance conclusion thereon. Our responsibility is to read and review the Other Information and consider it in terms of the programme requirements. In doing so, we consider whether the Other Information is materially inconsistent with the information we verified or our knowledge obtained during the verification.

JAS-ANZ
WWW.JAS-ANZ.ORG/REGISTER

	VERIFIED BY	AUTHORISED BY
Name:	Briar Fowler	Ana Tatana
Position:	Verifier, Toitū Envirocare	Certifier, Toitū Envirocare
Signature:	bfowler	

Date verification audit:	30 January 2025	
Date opinion expressed:	31 January 2025	11 February 2025

Appendix 2

OUR SUSTAINABILITY IMPACT – GRI CONTENT INDEX

NZX is committed to comprehensive sustainability reporting. This report contains the Global Reporting Initiative (GRI) content index and includes climate statements prepared in accordance with the Aotearoa New Zealand Climate Statements.

General disclosures		
2-1-a	Name of organisation	NZX Limited
2-1-b	Nature of ownership and legal form	Notes to the Group Financial Statements. See pages 89 to 119.
2-1-c	Location of headquarters	NZX Limited, Level 2 / NZX Centre, 11 Cable Street, Wellington. See page 167.
2-1-d	Location of operations	New Zealand
2-2	Entities included in the organization's sustainability reporting	Who we are. See page 8.
2-3-a	Reporting period and frequency	1 January 2024 – 31 December 2024. Reporting frequency: Annual.
2-3-b	Reporting period for financial reporting	1 January 2024 – 31 December 2024
2-3-c	Publication date	21 February 2025
2-3-d	Contact point	info@nzx.com
2-4	Restatement of information	In 2024, we identified additional spend on freight that was unaccounted for in 2023 due to an error in methodology. This additional spend has been added to the 2023 inventory, leading to a restatement of freight emissions. The total impact is 18.4 tCO_2e of additional emissions or 3.5% of total emissions originally reported in 2023.
2-5	External assurance	Scope 1 and 2 inventory has been assured by KPMG in accordance with XRB's NZ SAE 1 assurance standard to a 'limited' level of assurance. Independent Auditor's Report for external assurance of sustainability reporting. See pages 156 - 159.
2-6	Activities, value chain and other business relationships	Our vendors include contractors for office space, utilities, telecommunications, cybersecurity and data centre facilities providers in New Zealand and other countries to deliver a range of exchange-related services. Year in review 2024. See page 10. Who we are. See page 8.
2-7	Employees	Who we are. See page 8. Operating Responsibly: Our People. See page 44.
2-9	Governance structure and composition	Corporate Governance. A full list of Board Committees and membership is published on page 60. The composition of the NZX Board is disclosed, including average tenure and diversity characteristics.
2-13	Delegation of responsibility for managing impacts	General Manager Corporate Affairs & Sustainability, who reports to the Chief Financial & Corporate Officer.
2-22	Statement on sustainable development strategy	Operating Responsibly, page 41 and Climate Statement, pages 132 - 162.
2-23	Policy commitments	How we deliver value. See page 32. Operating Responsibly. See page 41.
2-28	Membership of associations	Diversity Works NZ, Business NZ, Business NZ Energy Council, Australasian Investor Relations Association, Futures Industry Association, Institute of IT Professionals, NZ Institute of Economic Research Inc, FinTech NZ, The Hugo Group Inc, The New Zealand Initiative, Financial Services Council, Sustainable Business Council. Global affiliations include: ASX – Sydney, HKEX – Hong Kong,

General disclosures		
		LSE – London, NASDAQ – New York, SGX – Singapore, TMX – Toronto, SPSE – Suva, SSE – Shanghai.
2-29	Approach to stakeholder engagement	Operating Responsibly. See page 41. NZX engages with various stakeholder groups in the capital markets eco-system, including those entities regulated by NZ RegCo. NZX continues to embed industry engagement practices including through the Technology Working Group, the Securities Industries Association (which represents NZX Participants) and the NZX Corporate Governance Institute. NZX also works closely with other regulatory and government agencies that set policy that affects NZX's markets, including FMA, MBIE and XRB and engages with market peers through WFE and the SSE Initiative.
2-30	Collective bargaining agreements	None of NZX's employees are covered by a collective bargaining agreement.
3-1	Process to determine material topics	NZX determines material topics through an ESG materiality assessment, which includes the identification of key stakeholders and engagement with them to determine how they are affected by the company's decisions and actions – supporting reporting on the key topics and concerns raised, and how NZX prioritises and responds to those matters.
3-2	List of material topics	Annual Report 2023. See page 44.
205-1	Operations assessed for risks related to corruption	Risk management. See page 75.
205-2	Communication and training about anti-corruption policies and procedures	NZX has a Conflict Management Policy that applies to all employees and directors. Any person subject to the policy is required to complete annual training to a satisfactory standard. 100% had completed training at the reporting date. NZ RegCo employees and directors must complete separate training relevant to their conflicts management obligations. 100% had completed training at publication date. At publication date 100% of governance body members and 100% of NZX employees have received training on the organisation's anti-corruption policies and procedures. Annual refresher training is required.
205-3	Confirmed incidents of corruption and actions taken	In the 12-month period to 31 December 2024, there were no confirmed incidents of corruption, including cases where employees are dismissed, business contracts violated or terminated, or public legal cases in relation to Anti Money Laundering.
207-1	Approach to tax	Note to the Group Financial Statements. See pages 89 to 119.
207-2	Tax governance control and risk management	
207-4	Country-by country reporting	The NZX Group is resident for tax purposes in New Zealand only.

PEOPLE – social disclosures		
202-1	Wage level	Operating Responsibly: Our People. See page 44. NZX has adopted a commitment to the Living Wage and as at 31 December 2024 100% of NZX permanent and fixed term employees are paid at or above the 2024 Living Wage.
408, 409	Risk for incidents of child, forced or compulsory labour	NZX people policies, processes and guidelines are aligned with the International Labour standards set by the International Labour Organisation (ILO). In addition, all our people policies, processes and guidelines are compliant with NZ employment law and human rights protections. No risks identified for the year ending 2024 nor any incidents reported by staff.
401-1	New employee hires and employee turnover	For the year ending 31 December 2024, the NZX Group had 67 new employee hires (45% male, and 55% female). For the year ending 31 December 2024, NZX had 66 resignations (50% male, and 50% female).
403-2	Health and safety	Operating Responsibly: Our People. See page 44. Total Recordable Incident Rate (TRIR) per 200,000 hours worked in 2024 is 0.99 (as at 31 December 2024) for total workforce. The Absentee Rate (AR) for total workforce for 2024 year as at 31 December 2024 is 2.08%. NZX facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers. This is further boosted by the generous Sick Leave policy.
404-1, 404-3	Training provided	Operating Responsibly: Our People. See page 44. For the NZX Group, the average training and development expenditure per employee for the 2024 year is $999.46 . During 2024, 100% of total permanent employees (including all men and women; and all employees by category) received a regular performance and career development review.
405-1	Diversity and inclusion	Who we are. See page 9 for diversity by FTE. Operating responsibly – Our People for diversity by headcount. See page 9.
405-2	Pay equality	The NZX Group reporting relates to gender equality and does not currently address minor to major ethnic groups, and other relevant equality areas. Operating Responsibly: Our People. See page 44. Ratio of average basic salary of women to men: The average basic salary of women is 83.4% of the average basic salary of men. Another way to express this is that NZX has an overall gender pay gap of 16.6% for base salary.

PLANET – environmental disclosures		
302-1	Energy consumption within the organisation	The NZX Group has a commercial arrangement with Toitū Envirocare to provide carbon management tools, guidance, and certification. 2024 marks a third consecutive year of NZX meeting the Toitū net carbonzero programme requirements to be a certified net carbonzero organisation. Energy consumption, scope 1-3 emissions, intensity metrics and reduction of GHG emissions are reported in our Climate Statement. See page 152.
302-3	Energy intensity	
305-1	Direct (Scope 1) GHG emissions	
305-2	Energy indirect (Scope 2) GHG emissions	
305-3	Other indirect (Scope 3) GHG emissions	
305-4	GHG emissions intensity	
305-5	Reduction of GHG emissions	
	Climate-related disclosures	Under the Financial Markets Conduct Act 2013, NZX Group is a climate reporting entity required to make mandatory climate-related disclosures. In accordance with the climate-related disclosure framework, NZX has prepared a Climate Statement that covers the climate-related risks and climate-related opportunities, as well as a scenario analysis. See pages 132 - 162.
Nature loss	Land use and ecological sensitivity	Not material for the NZX Group. The NZX Group does not own, lease, manage in, or adjacent to, protected areas or areas of high biodiversity value outside protected areas.
Freshwater availability	Water consumption and withdrawal in water-stressed areas	Not material for the NZX Group.
Solid waste	Impact of solid waste disposal	The NZX Group recognises that society and environmental impacts of solid wastes streams, and the company measures emissions from waste to landfill within its

PLANET – environmental disclosures		
		Toitū net carbonzero certification. Emissions from waste to landfill totalled 5.0 tCO_2e in 2024.
	Single-use plastics	The NZX Group recognises that the consumption and disposal of single-use plastics is an issue of high public concern, and the company will be assessing our corporate supply chain within efforts to measure and manage a wider range of scope 3 emissions.

PROSPERITY – economic disclosures		
203-1	Infrastructure investments and services supported	Operating Responsibly. See page 41. NZX, in partnership with EEX, developed and, from 2021, manages the New Zealand Emissions Trading Scheme Auctions for New Zealand Units under contract with the Ministry for the Environment.
	Economic contribution	Operating Responsibly. See page 41.
	Absolute number and rate of employment	Operating Responsibly. See page 41.
	Financial investment contribution	Operating Responsibly. See page 41.
	Total tax paid	Notes to the Group Financial Statements. See pages 89 to 119.

Corporate Directory

Board of Directors
John McMahon (Chair)
Dame Paula Rebstock
Lindsay Wright
Frank Aldridge
Elaine Campbell
Peter Jessup
Rachel Walsh

Chief Executive Officer
Mark Peterson

Chief Corporate and Financial Officer
Graham Law

General Counsel and Company Secretary
Sara Wheeler

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