

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

CONTENTS

Welcome	3
OUR YEAR IN REVIEW	4
Chair & Chief Executive's report	6
The year at a glance & service performance	10
THE AURORA ENERGY TEAM	12
Board of Directors	14
Executive leadership team	15
Our people	19
SUSTAINABILITY	20
OUR SERVICE PERFORMANCE	28
Trend statement	30
Statement of service performance	31
Network performance	37
Directors' report	38
Information on directors	42
FINANCIAL STATEMENTS	46
Notes to the financial statements	54
Independent auditor's report	86
Company directory	90

About this report

This report reviews Aurora Energy's financial and operational performance for the year ended 30 June 2025. The financial statements have been prepared in accordance with appropriate accounting standards and independently audited. Care has been taken to ensure all information is accurate and timely.

WELCOME

We are pleased to present Aurora Energy's Annual Report for the year ended 30 June 2025.

While Annual Reports are reflective of the past year, we are also focusing on preparing for a new energy future. We need to ensure our electricity network can respond to changing consumer needs, and are investing in smart technologies and robust processes to support the widespread use of renewable energy and electrification.

This report reflects on the work we are doing to position Aurora Energy as an enabler in the transition to a low-carbon future.

We have set new drivers to help us succeed in unleashing the benefits of electrification and to give consumers greater control of their energy use:

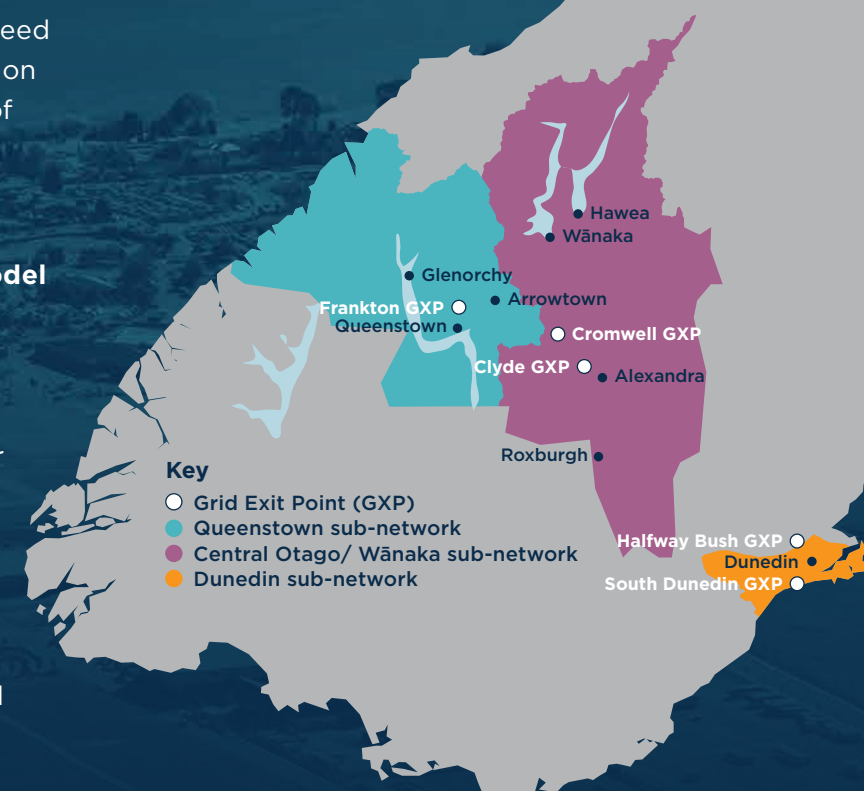
1. Transition to an intelligent network
2. People, capability and operating model
3. Collaboration and cooperation
4. Core business process optimisation

We continue to improve our network for both consumers and our shareholder. Our ten-year Asset Management Plan (AMP) outlines how we plan to invest in our network to ensure we deliver safe and reliable energy now, while making progress toward a more sustainable and digitally enabled supply in the future.

Who we are

Aurora Energy owns and manages the network that delivers electricity to some of the fastest growing areas and over the most diverse terrain in the South Island.

We take the power from Transpower's national grid to power your home, business and the wider community, and deliver a safe, reliable and sustainable electricity supply across Otago in Dunedin, Central Otago/Wānaka and Queenstown to over 200,000 people.





OUR YEAR IN REVIEW



Chair & Chief Executive's report

Chair Steve Thompson and Chief Executive Richard Fletcher

Aurora Energy is proud to play a role in supporting New Zealand's energy transition. Our commitment to enabling electrification and decarbonisation is stronger than ever, with targeted investments and digital innovation laying the foundation for a resilient and future-ready network.

As we move forward, we are working hard to minimise costs and ensure decarbonisation is accessible, affordable and equitable for all consumers. While we have our eye to the future, we are also aware of the need to continue to provide a safe, reliable and resilient network every day.

We are proactively working with consumers to understand and anticipate their future

energy needs as we move from a traditional to an intelligent, flexible network that enables two-way energy flows.

We operate in a world of constant change. Coupled with the ongoing high growth in some areas of our network, this presents both opportunities and challenges that we are embracing to deliver the new energy future for consumers.

Our central role as a Distribution System Operator (DSO) is enabling the region's move away from fossil fuels, supporting the decarbonisation of transport, industry, and households by ensuring the electricity network is ready for increased electrification and new technologies.

FUTURE-FOCUSED VISION

Aurora Energy was the first lines company in New Zealand to review our solar export limits, to enable greater Distributed Energy Resources (DER).

We are committed to building a resilient, flexible, and digitally enabled electricity network that can meet changing energy needs of consumers and supports regional economic growth.

There's no doubt the integration of digital solutions and artificial intelligence (AI) is enhancing the efficiency of Aurora Energy's network, our engagement with consumers, and supporting operational resilience.

Integral to that is the scenario planning and modelling that we undertake to anticipate and prepare for a range of possible energy futures, ensuring we remain agile and forward-looking.

We have set new drivers to help us succeed in unleashing the benefits of electrification and to give consumers greater control of their energy use. They include:

- Transitioning from a traditional network to an intelligent one, where we can integrate distributed energy resources (DERs) and take an active role in managing a flexible, efficient and sustainable electricity network
- Learning how we need to adapt our future operating model
- Collaborating and cooperating with strategic partners to share knowledge and work together to navigate the changes in our industry
- Optimising our core business processes to ensure they are efficient and future focused. These are crucial to assist our strategic capacity upgrades, for instance in the fast-growing Upper Clutha/Wānaka and Queenstown networks

DELIVERING FOR CONSUMERS AND THE REGION

We're heading into the final year of the customised price-quality path (CPP), underscoring the accountability and investment this regulatory period has delivered for consumers.

Set to end in the first quarter of 2026, the CPP has seen us deliver our commitment to invest \$563 million on our electricity network over five years (2021 - 2026). This has made it possible for us to embark on a comprehensive programme of essential maintenance and upgrades. The extensive work carried out by the Aurora Energy team during these years has enabled us to reestablish a solid foundation for the business, including significant investment in the safety and reliability of the network, and customer service.

To date, the CPP has focused on:

- **Improving network safety, reliability and sustainability** through asset renewals and robust asset management
- **Enhancing customer service levels and community engagement** to ensure we are meeting changing consumer needs
- **Network upgrades and maintenance** such as replacing ageing infrastructure
- **Capacity enhancement** to ensure the network can meet rapidly increasing electricity demand and facilitate future growth
- **IT and facility investments** to enhance our customer support and the future growth of our changing electricity landscape

The significant achievements during the CPP period have positioned Aurora Energy to deliver on our commitment to deliver safe, reliable and affordable energy, while also contributing to the transition to a low-carbon future.

Our Asset Management Plan (AMP) for the decade from 1 April 2025 – 31 March 2035 drives our future investment, balancing a strategic view with network work programmes. While we continue to prioritise safety, we are also preparing for the future and the unprecedented levels of growth on the network.

REGIONAL ECONOMIC GROWTH AND COLLABORATION

Aurora Energy has a pivotal role in fuelling economic growth in our region, supporting new business, innovation, and job creation by providing a robust and future ready electricity network.

We take this role seriously through our collaboration with industry partners, stakeholders, and local communities.

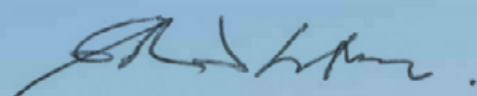
As the primary electricity distribution service provider in the fast growing Queenstown and Upper Clutha regions, we are proactively partnering with developers and consumers to deliver timely, efficient, and future-focused network connections.

ACKNOWLEDGEMENT AND THANKS

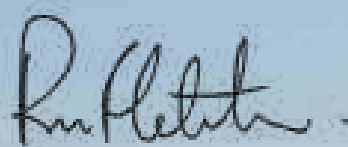
We are immensely proud of all that Aurora Energy has achieved during the past year, which is a reflection of the dedication and adaptability of our outstanding team and our contractors who work around the clock in all weather to keep the lights on.

Thank you to our consumers, stakeholders and partners for their support and engagement as we continue our journey towards a more sustainable energy future.

Stephen Thompson
CHAIR



Richard Fletcher
CHIEF EXECUTIVE



“ We are committed to building a resilient, flexible, and digitally enabled electricity network that can meet changing energy needs and supports regional economic growth ”



THE YEAR AT A GLANCE

and service performance

NET PROFIT 2025

\$24.3_M

CAPITAL EXPENDITURE 2025

\$96.3_M

\$24.0_M

NET PROFIT 2024

\$107.6_M

CAPITAL EXPENDITURE 2024

Net profit after tax was \$1.3 million above target for the year. The positive result was driven by strong new customer connections revenue, particularly in Central Otago and Queenstown Lakes, and lower than forecast interest charges.

Capital expenditure matched the year-end target.

All profits were reinvested into the network and long-term borrowings increased by \$34.5 million during the year.



THE AURORA ENERGY TEAM



BOARD OF DIRECTORS



STEPHEN (STEVE) THOMPSON
Non-Executive Chair

Steve joined the Aurora Energy Board in June 2016 and was appointed Chair in December 2016. He is a professional director in the energy, construction, investment, manufacturing and professional services sectors.



SIMON CLARKE
Non-Executive Director

Simon joined the Aurora Energy Board on 1 July 2021. He is a professional Director with over 20 years' experience in the NZ utilities sector.



JANICE FREDRIC
Non-Executive Director

Janice joined the Aurora Energy Board on 1 July 2022. She is a professional director with over 20 years' governance experience across commercial, public and not-for-profit sectors.



WENDIE HARVEY
Non-Executive Director

Wendie joined the Aurora Energy Board in November 2018. She is a professional director with interests in strategy development, organisation change, infrastructure management and the promotion of health and safety in the workplace.



STEPHEN LEWIS
Non-Executive Director

Stephen joined the Aurora Energy Board on 1 July 2021. He is a company director and business consultant with over 45 years' experience in the electricity supply industry.

EXECUTIVE LEADERSHIP TEAM



RICHARD FLETCHER
Chief Executive

Richard joined Aurora Energy as Chief Executive in January 2018. He has extensive international experience in engineering and management consulting and held senior roles in the New Zealand electricity supply sector and UK water and wastewater sector.



GARY DIXON
Chief Financial Officer & General Manager
- Finance, Risk Assurance and Commercial

Gary joined Aurora Energy in October 2011. He is responsible for the accounting and finance, risk assurance, regulatory and commercial functions of Aurora Energy. He was a member of the team responsible for developing our customised price-quality path application and related reporting.



GLENN COATES
General Manager - Asset Management and Planning

Glenn joined Aurora Energy in March 2018 and left the company at the end of 2024 to pursue consultancy work. We thank him for his dedication to Aurora Energy as one of our founding Executive Leadership Team members, who was instrumental in developing our customised price-quality path programme. Glenn was responsible for asset management strategy and the associated growth and lifecycle management of our network assets, as well as leading the design and engineering teams.



MARK PRATT
General Manager - Customer and Commercial Services

Mark joined Aurora Energy in 2018 and was appointed General Manager Works Programming and Contracts later that year. In June 2023, Mark moved into a new role as GM Business Process Optimisation, delivering productivity improvements. He is now GM of Customer and Commercial Services, leading the teams that provide customer experience, communications, network commercial services, and engineering.

**TRACEY SAUNDERS****General Manager - Digital Transformation**

Tracey joined Aurora Energy in January 2020. She is responsible for Digital Transformation, including information technology strategy, operations and network technology infrastructure and development, along with business performance.

MATT SETTLE**General Manager - Future Network and Operations**

Matt joined Aurora Energy in January 2020 and was appointed General Manager Operations and Network Performance in December 2021. In 2025 his portfolio was expanded and he is responsible for the operation of the network control centre, asset strategy and fleet lifecycle management, network growth planning, network safety and enabling a future ready intelligent network.

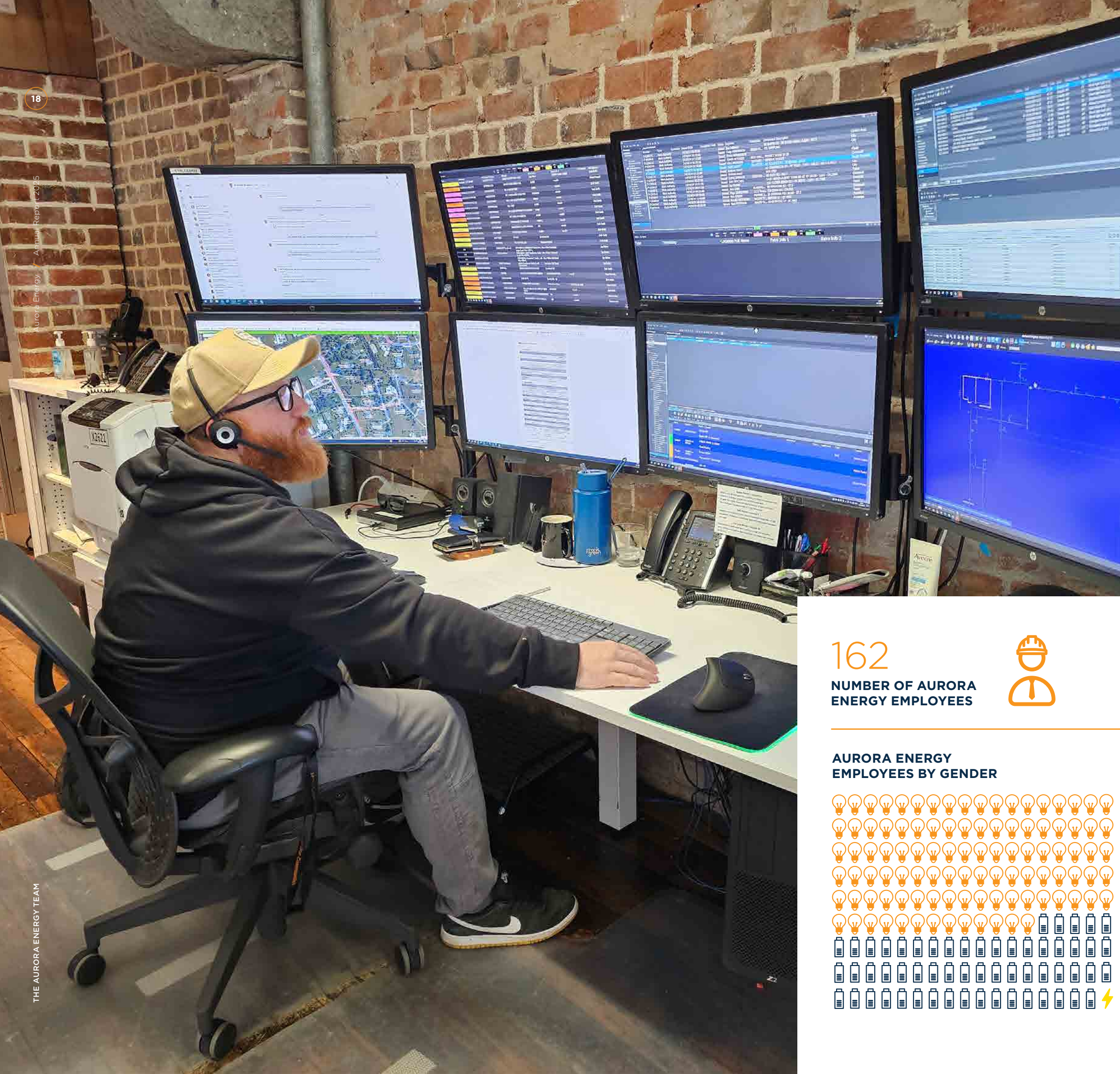
**RICHARD STARKEY****General Manager - Service Delivery**

Richard joined Aurora Energy in November 2011 and was appointed General Manager in June 2023. He is responsible for the forward programming of network projects, network procurement, and delivery of contracted work programmes on the Aurora Energy network.

**CANDICE MAREE****General Manager - People, Culture and Safety**

Candice joined Aurora Energy in 2021 and was appointed General Manager in 2024. She is responsible for positioning Aurora Energy as an employer of choice, supporting the development of staff, and building a workforce that is agile, forward-looking, and ready to meet future challenges.





OUR PEOPLE

Our team is shaping innovative solutions for a sustainable future, making a tangible impact on communities and the environment.

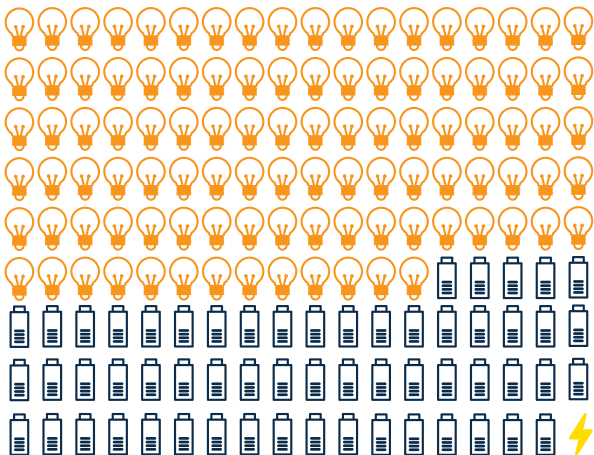
Our goal is to be an employer of choice and we invest in staff through continuous learning, nurturing talent, and development programmes. The energy sector in New Zealand is undergoing significant transformation and we want to ensure our team can excel. Our senior leaders are members of the Aurora Leadership Group (ALG), which is designed to drive strategic alignment and staff engagement across the organisation.

We value the diversity we have within our workforce. We are fortunate to have a broad mixture of age, gender and ethnicity across our staff, which brings a range of unique perspectives and experience to our organisational culture and decision making. Our staff come from 21 countries and our gender diversity is shown below.

162
NUMBER OF AURORA
ENERGY EMPLOYEES



AURORA ENERGY
EMPLOYEES BY GENDER



BOARD GENDER DIVERSITY



EXECUTIVE LEADERSHIP
TEAM GENDER DIVERSITY



LEADERSHIP TEAM
GENDER DIVERSITY



KEY

Lightbulb icon = MALE
Battery icon = FEMALE
Lightning bolt icon = NON-BINARY



SUSTAINABILITY

The Aurora Energy network will continue to play a key role in decarbonisation through the electrification of transport and industry and the further enablement of distributed energy resources to support economic growth.

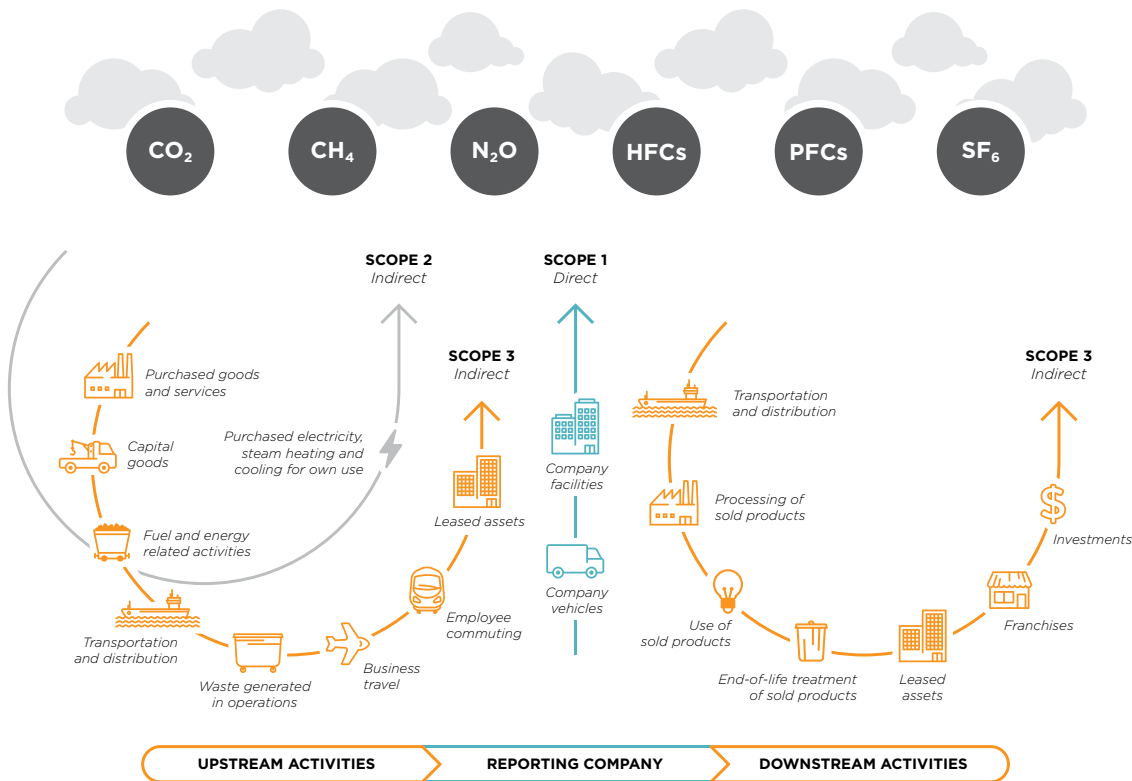
Alongside of these critical enabling contributions, we are also focused on reducing our own controllable greenhouse gas (GHG) emissions, minimising waste and working with the wider DCC/DCHL group to support Dunedin’s citywide goal to be net carbon zero by 2030¹.

Scope 1	Direct emissions from sources owned or controlled by us (including vehicle fuel, SF6 leakage from network equipment and diesel fuelled generators)
Scope 2	Indirect emissions from the generation of purchased energy (including purchased electricity and emissions associated with electricity lines losses)
Scope 3	Staff travel for work, freight transport, staff working from home, waste, activities contractors undertake for us, embodied carbon, employee commuting and any other indirect sources we may identify

GHG EMISSIONS

This year’s GHG emissions reporting again builds on the original baseline work in FY21 and reporting enhancements in more recent periods.

As in previous years, we have calculated our Scope 1 emissions from sources owned or controlled by Aurora Energy, along with indirect emissions from Scopes 2 and 3.



OUR RESULTS EXPLAINED

Emissions are reported as tonnes (t) of Carbon Dioxide (CO₂) equivalent (e); or tCO₂-e. “Carbon dioxide equivalent” is a standard unit for counting greenhouse gas emissions regardless of whether they are from carbon dioxide or another greenhouse gas.

GHG EMISSIONS BY SCOPE

Aurora Energy’s total estimated GHG emissions for FY25 were 10,664 tCO₂-e, compared with 7,443 tCO₂-e reported for the previous year. FY25 Scope 1 emissions from sources owned or controlled by Aurora Energy were 252 tCO₂-e, or around 2% of total estimated GHG emissions.

Table 1: Emissions by scope (yearly comparison)

Emissions	tCO ₂ -e FY 2025	% of Total	FY 2024	FY 2023	FY 2021 (base year)
Scope 1	252	2%	236	383	245
Scope 2	8,005	75%	4,729	5,600	11,998
Scope 1 & 2 (excl line losses)	342	4%	287	446	358
Scope 3	2,408	23%	2,478	2,592	152
Total	10,664	100%	7,443	8,576	12,395

Note: The reduction in Scope 2 emissions since FY2021 has been largely driven by changes in conversion factors published by the Ministry for Environment (MfE). Because electricity is a significant source of emissions for our operations, we have retrospectively recalculated our prior years’ Scope 2 emissions to take account of the emissions calculation methodology introduced by MfE in May 2025. We have applied the updated retrospective electricity emission factors from MfE to ensure accuracy and transparency in our reporting.

¹ In September 2024 Dunedin City Council clarified its Carbon Neutrality objectives were defined by reference to greenhouse gases (excluding biometric methane) emitted within the Dunedin City Territorial Area.

Dunedin City Council also clarified its city wide zero carbon targets were ‘Net zero carbon by 2030 (excluding biogenic methane)’ and to ‘Reduce biogenic methane emissions’ in line with the current central government targets.

The Global Protocol for Community-Scale Greenhouse Gas Inventories BASIC+ is a production-based methodology, which means it focuses on the emissions produced within the territorial area (such as petrol vehicles, livestock, and burning LPG in the city). It also includes emissions from electricity use and cross-boundary transport.

Globally produced emissions that relate to consumption in the city are excluded (e.g., embodied emissions relating to products produced elsewhere but consumed within the geographic area, such as imported food products, cars, phones, clothes etc.).

The city’s emission footprint is calculated every three years, with the most recent footprint being calculated for the 2021/2022 financial year. The next scheduled footprint calculation will be completed for 2024/25.

Council defines ‘Net carbon zero’ as meaning that any greenhouse gases (excluding biometric methane) emitted into the atmosphere in Dunedin are in balance with the amount of carbon absorbed out of the atmosphere by trees, also known as sequestration.



GHG Emissions by Activity

A detailed breakdown of Aurora Energy’s emission sources is outlined in Table 2.

Table 2: Aurora Energy’s top emissions by activity (yearly comparison)

Emission Source	tCO2-e FY 2025	tCO2-e FY 2024	tCO2-e FY 2023	tCO2-e FY 2022	FY 2021 (base year)
Scope 1					
Generators	58	40	182	182	23
Company Vehicles	101	112	128	137	165
Fugitive Emissions - SF6	93	83	73	64	57
Sub-total	252	236	383	383	245
Scope 2					
Electricity Line Losses	7,915	4,678	5,537	9,332	11,885
Purchased Electricity	90	51	63	105	113
Sub-total	8,005	4,729	5,600	9,437	11,998
Scope 3					
Third Party Contractors	2,146	2,178	2,279	Not measured	Not measured
Employee Commuting	111	110	115	93	Not measured
Flights	89	121	115	35	79
Upstream Transportation (Freight)	16	40	46	55	52
Waste to Landfill	21	8	15	3	4
Rental Cars	2	2	1	1	1
Accommodation	10	11	9	5	6
Transmission & Distribution Losses (Consumption)	7	4	7	10	10
Working From Home	7	5	5	9	Not measured
Sub-total	2,408	2,478	2,592	211	152
Total	10,664	7,443	8,576	10,031	12,395

Note: It is not meaningful to compare Scope 3 emissions for FY21 and FY22 with Scope 3 emissions for FY23 and FY24, because Scope 3 emissions were only partially measured in those earlier periods.

GHG EMISSIONS AND WASTE REDUCTION STRATEGIES

After establishing baseline GHG emissions in FY21, in FY22 we then developed emissions and waste reduction strategies targeting a range of potential opportunities. More recently, we have continued to refine

our GHG emissions and waste reduction strategies to ensure we are prioritising the areas we can directly influence or control, and the areas that will make the most difference to future performance.

Our carbon and waste reduction strategies are currently focused on the following primary work streams.

Workstream:	Targeting reduction in:	Progress:
1. Conversion of existing fleet to Hybrid or EV to lower GHG emissions.	Conversion of existing fleet to Hybrid or EV	All non-utility/towing vehicles replaced in FY25 swapped to Hybrid. 6 in all. Aurora Energy’s motor vehicle policy reflects emissions reduction as a key procurement driver.
2. Investigations to identify alternatives to the use of Genset diesel generators for back-up electricity supply.	GHG emissions	Investigations into alternative sustainable options were undertaken in FY23. No sustainable alternative was identified. A further review will be undertaken in FY26. Aurora will continue to assess alternative fuel options and new technologies as they become available or more prevalent.
3. Initiatives to improve efficiency and reduce energy consumption in offices and substation buildings.	GHG emissions	Discussions held with building owner(s) in relation to efficient lighting solutions resulted in LED replacements at the company’s Dunedin Office. Broader energy reduction program to be scoped in FY26.
4. Reduction of waste disposal via contractors performing work on our network.	Solid waste to landfill	Much of the data we use to drive waste reporting is collected from field service providers. We are continuing to work with our 3 main field service providers to refine waste reduction plans for 2025 and 2026.

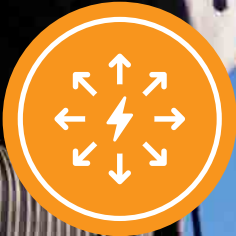
This year’s FY25 Scope 1 & 2 emissions excluding electricity line losses were 4% lower than the 2021 baseline mostly due to lower company vehicle fleet emissions, and a reduction in the MfE’s published tCO2 conversion factors for electricity consumed.

During FY25, we progressed our fleet transition strategy to replace combustion engine vehicles with either a hybrid or EV upon lease renewal. Six new hybrid vehicles were delivered, replacing four Dunedin

and two Cromwell vehicles. Procurement of a new EV fast charger is currently being investigated for the Cromwell office, aimed at supporting efficient charging and ensuring optimal use of the EV fleet.

We are working with third-party contractors to ensure they are adhering to our waste reduction strategy and reporting requirements in relation to emissions and waste.





OUR SERVICE PERFORMANCE



30Trend statement

FOR THE YEAR ENDED 30 JUNE 2025

YEARS ENDED 30 JUNE	NOTE		2025	2024	2023	2022	2021
Energy received into network	1	GWh	1,468	1,491	1,445	1,384	1,459
Energy received for delivery to consumers	1	GWh	1,389	1,436	1,368	1,305	1,405
Total revenue		\$000	177,322	166,656	142,787	126,680	116,254
Net profit before tax		\$000	33,856	35,935	16,112	10,965	1,653
Tax expense	2	\$000	9,551	11,953	4,351	2,523	283
Net profit for the year	2	\$000	24,305	23,982	11,761	8,442	1,370
Cashflow from operating activities		\$000	60,654	67,124	44,455	36,800	28,860
Dividends paid		\$000	-	-	-	-	-
Shareholder's equity	2	\$000	250,645	226,340	202,358	190,597	181,617
Total assets		\$000	954,793	886,559	805,341	730,576	671,909
Capital expenditure (Property, plant and equipment)		\$000	96,311	107,608	99,294	82,990	76,640
Return on average equity	2		10.2%	11.2%	6.0%	4.5%	0.8%
Equity to total assets	2		26.3%	25.5%	25.1%	26.1%	27.0%

NOTE:
1 Energy received statistics for regulated years ended 31 March are reported under the Network Performance Summary on page 37.
2 Comparative year figures from 2021 to 2024 have been restated to reflect the impact of a prior period tax expense adjustment. Further details are contained at Notes 9 and 32 of the financial statements.

Statement of service performance

FOR THE YEAR ENDED 30 JUNE 2025

OUR PEOPLE		
OBJECTIVES	PERFORMANCE MEASURES	DESCRIPTION
Zero serious harm events involving members of the public	Number of serious injury events (excluding third party contacts with the network) involving members of the public Target: Nil	There were no serious harm events involving members of the public
Reduce harm to employees and contractors	Total Recordable Injury Frequency Rate (TRIFR) per 200,000 hours worked by Aurora and Contractors Targets - Aurora: Nil Contractors: < 3.25 On review, the TRIFR target of <3.25 included in our Statement of Intent was the target for Aurora and Contractors combined (which uses a higher number of hours in the denominator and produces a lower target), rather than our Contractor target	Aurora Energy and its network approved contractors recorded TRIFR as below Aurora: 0.66 Contractors: 6.76
Develop opportunities across the business that support the overall wellness of our team	A Board-approved Health, Safety and Wellbeing Strategy is in place. The Strategy is reviewed and updated annually	The Health, Safety and Well-being strategy was reissued in April 2023. The Strategy is implemented, and progress is regularly reviewed by the board
Aurora Energy Risk Register is regularly reviewed & updated, and the risk profile is managed in accordance with Board approved risk tolerance levels	Risk Management Framework embedded as evidenced by: - Risk registers reviewed regularly and up to date - Risk treatment plans reviewed regularly and up to date - Regular reporting to Board and Audit & Risk Committee	Risk registers and treatment plans are reviewed regularly and are up to date. There is regular reporting to the Board and Audit & Risk Committee
To create a motivated and satisfied team and to understand and action opportunities for improvement within our team environment	Average of >75% staff satisfaction result on employee surveys completed during the year	In our staff survey, 83% of respondents said they were proud to work at Aurora Energy
People and culture strategies will be documented to promote our support of equity, inclusion, and diversity	A People and Culture Strategy, and a Diversity, Equity and Engagement Strategy is in place	Guiding principles captured by Inclusion and Diversity Policy prepared by management team.
All employees are paid the living wage or above	All direct employees are paid at the living wage or above	As at 30 June 2025, 100% of the Company's employees were paid at or above the Living Wage (as calculated by the Living Wage Aotearoa New Zealand)

Statement of service performance (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

FUTURE NETWORK

OBJECTIVES	PERFORMANCE MEASURES	DESCRIPTION
Implement process and capability improvements identified in CPP Asset Management Practices Development Plan (AMPDP)	Asset management development initiatives delivered in accordance with timetable in CPP AMPDP	Fleet strategies and plans were developed to inform our 2025 Asset Management Plan. The fleet strategies capture plausible asset failure modes and consider the information requirements for management of each asset fleet. Further details are available in the Company's Annual Delivery Report for year ended 31 March 2025
Effective long-term planning for Aurora Energy's asset portfolio is in place	Annual and compliant Asset Management Plan is published as per regulatory requirements	A full 10-year Asset Management Plan (AMP) was published on 28th March 2025

Reliability Performance Targets (Statement of Intent Targets – Period Ended 31 March 2025)

SAIDI	AVERAGE MINUTES WITHOUT ELECTRICITY PER CONSUMER	
Class B Interruptions (Planned)	≤ 195.96 minutes	90.08 minutes
Class C Interruptions (Unplanned)	≤ 124.94 minutes	77.24 minutes
SAIFI	AVERAGE FREQUENCY OF OUTAGES PER CONSUMER	
Class B Interruptions (Planned)	≤ 1.11	0.55 interruptions
Class C Interruptions (Unplanned)	≤ 2.07	1.16 interruptions

*Class C SAIDI and SAIFI are expressed as normalised figures. The Commerce Commission's price-quality framework allows for the effect of extreme events to be removed, resulting in normalised figures that are compared against target. The raw results for Class C SAIDI and SAIFI were 92 minutes and 1.25 interruptions respectively.

Statement of service performance (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

CUSTOMERS AND COMMUNITIES

OBJECTIVES	PERFORMANCE MEASURES	DESCRIPTION
Maintain community support through approved sponsorships and community initiatives	Sponsorship and community initiatives \$ per annum of at least \$10,000	\$65,285 was provided to support community initiatives during the year. Aurora Energy's primary community sponsorships were the Otago Science & Technology Fair and Electrify Queenstown 2025
To provide regular updates and consult with the community on the delivery of our CPP programme	Annual delivery reporting and regional community engagements are delivered in accordance with the approved CPP timeframe	Published the 31 March 2024 Annual Delivery Report on 31 August 2024 Public engagement forums held in each pricing region before 31 October 2024
Streamline customer service processes and build key stakeholder relationships	Annual customer satisfaction/perception survey shows year on year improvement against key criteria	Survey results continue to show improvements in the key criteria areas of awareness, performance and trust

DIGITAL ENABLEMENT

OBJECTIVES	PERFORMANCE MEASURES	DESCRIPTION
Deliver work programme outcomes to scope, time and budget	Work programmes are delivered to Contractors on a rolling quarterly basis in accordance with Field Service contract terms	Annual work and project plans are being delivered in accordance with Field Service contract terms (renewed with effect from 1 April 2024) Variations to budget are reported and addressed via delegated authorities
Develop a digital transformation roadmap to support intelligent business transformation	Digital transformation roadmap approved by the Board and targets for FY2025 are met	Digital transformation roadmap monitored by the Board and FY2025 targets are on track

Statement of service performance (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

DELIVERING VALUE

OBJECTIVES	PERFORMANCE MEASURES	DESCRIPTION
To deliver commercial, growth-focused value to our shareholder	Regulatory performance metrics for compliance are tracked and reported quarterly	Quarterly tracking and reporting of regulatory performance metrics has ensured compliance and informed strategies to drive commercial growth
To understand long term value optimisation for the next regulatory period	Submissions on strategic regulatory matters are lodged on a timely basis by Aurora (or via ENA) CPP to DPP transition plan approved by the Board	Timely submissions on a wide range of regulatory matters have been delivered during the year The process and timeline for engaging with the Commission on Aurora Energy's CPP to DPP4 transition has been agreed
Contribute to Council's Carbon Neutrality initiatives*	Continue to refine and implement our carbon emissions reduction strategy, and achieve and publicly report progress against our FY2025 targets	Work to implement Aurora Energy's carbon emissions strategy progressed during the year, however some milestone dates were not achieved. There were no quantified emission targets for the reporting period
Minimise waste and the associated negative environmental impacts	Continue to refine and implement our waste reduction strategy, and achieve and publicly report progress against our FY2025 targets	Work to implement Aurora Energy's waste reduction strategy progressed during the year, however some milestone dates were not achieved. There were no quantified waste reduction targets for the reporting period
Implement opportunities to transition light motor fleet to electric or hybrid vehicles where appropriate	Achieve the FY2025 targets for electrification of the company's motor fleet as set out in the Aurora Energy emissions reduction strategy	We have implemented a fleet transition plan to replace ICE vehicles with electric vehicles where fit for purpose electric options are available

* In September 2024 Dunedin City Council clarified its Carbon Neutrality objectives were defined by reference to greenhouse gases (excluding biometric methane) emitted within the Dunedin City Territorial Area.
Dunedin City Council also clarified its city wide zero carbon targets were 'Net zero carbon by 2030 (excluding biogenic methane)' and to 'Reduce biogenic methane emissions' in line with the current central government targets.
The Global Protocol for Community-Scale Greenhouse Gas Inventories BASIC+ is a production-based methodology, which means it focuses on the emissions produced within the territorial area (such as petrol vehicles, livestock, and burning LPG in the city). It also includes emissions from electricity use and cross-boundary transport.
Globally produced emissions that relate to consumption in the city are excluded (e.g., embodied emissions relating to products produced elsewhere but consumed within the geographic area, such as imported food products, cars, phones, clothes etc.).
The city's emission footprint is calculated every three years, with the most recent footprint being calculated for the 2021/2022 financial year. The next scheduled footprint calculation will be completed for 2024/25.
Council defines 'Net carbon zero' as meaning that any greenhouse gases (excluding biometric methane) emitted into the atmosphere in Dunedin are in balance with the amount of carbon absorbed out of the atmosphere by trees, also known as sequestration.

Statement of service performance (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

DELIVERING VALUE - continued

OBJECTIVES	PERFORMANCE MEASURES	DESCRIPTION
Increase sustainability reporting and climate related disclosures in our Annual Report	Measure and publicly report our Greenhouse Gas (GHG) emissions, and progress towards our emissions and waste reduction strategies and targets, in our Annual Report	Sustainability reporting is again included in this year's 2025 Annual Report

SHAREHOLDER

OBJECTIVES	PERFORMANCE MEASURES	DESCRIPTION
Consult with the Shareholder at the earliest possible time on matters where conflict may or could result	Potential conflicts notified to the Shareholder Targets: No unnotified potential conflicts	There were no issues of potential strategic or operational conflict to be notified to the Shareholder
On a "no surprises" basis, advise the Shareholder promptly of any substantive matter that has the potential to impact negatively on the Shareholder and the Company with a particular focus on the media	Substantive matters reported to the Shareholder within 24 hours Targets: All substantive matters reported within 24 hours	All substantive matters were reported to the Shareholder within 24 hours

FINANCIAL OBJECTIVES

FINANCIAL RESULTS - NZD '000'S	TARGET	ACTUAL
EBITDA ¹	≥89,788	89,273
Net profit after tax	≥22,954	24,305
Shareholder's funds	>242,461	250,645
Shareholder's funds to total assets	>26%	26.3%
Cash flow from operations	≥55,025	60,654
Capital expenditure	≥96,295	96,311
Term debt	≤580,835	573,080

¹ EBITDA target and outcomes are calculated prior to deducting asset disposals.



Network performance

These statistics are generally as required to be disclosed by the Commerce Commission Information Disclosure Requirements.

12 MONTHS ENDED 31 MARCH		2025	2024	2023	2022	2021
System Physical Measures						
Average length of lines and cables	km	6,378	6,312	6,256	6,213	6,161
Total capacity of distribution transformers	MVA	1,041	1,046	1,025	1,011	999
Distribution transformer capacity utilisation	%	30%	30%	30%	31%	30%
Consumer Measures						
Number of consumer connections		96,792	95,604	94,723	93,785	92,665
System maximum coincident demand	MW	311	311	309	309	299
Energy received for delivery ⁽¹⁾	GWh	1,481	1,467	1,435	1,382	1,385
Average load factor		54%	54%	53%	51%	53%
Average minutes off per interruption	CAIDI ⁽²⁾	98	105	90	97	88
Average interruptions per annum	SAIFI ⁽²⁾	1.7	2.1	2.4	2.3	2.1
Average minutes off per annum	SAIDI ⁽²⁾	167	217	217	223	188

NOTES:

km - kilometres

MVA - megavolt amperes

MW - megawatts

GWh - gigawatt hours

CAIDI - Consumer Average Interruption Duration Index

SAIFI - System Average Interruption Frequency Index

SAIDI - System Average Interruption Duration Index

(1) Energy received statistics for years ended 30 June are reported in the Trend Statement on page 30.

(2) An uplift in planned works since the commencement of our customised price-quality path period in 2022, has driven an increase in SAIDI, SAIFI and CAIDI figures compared with prior years.

Directors' report

FOR THE YEAR ENDED 30 JUNE 2025

The Directors of Aurora Energy Limited are pleased to report on the financial results and associated matters for the year ended 30 June 2025.

PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activities of the Company are the ownership and strategic management of its electricity distribution network assets.

RESULTS FOR THE YEAR ENDED 30 JUNE 2025	\$000
Operating profit before income tax	33,856
Income tax expense	9,551
Net profit after tax	24,305

STATE OF AFFAIRS

The Directors believe that the state of affairs of the Company is satisfactory.

DIVIDENDS

No dividends were declared or paid during the year.

REVIEW OF OPERATIONS

The Company continued to deliver its CPP investment programme during the year under review, while also establishing new business drivers to ensure the network is well placed to support the future demands of consumers and stakeholders in the business.

Alongside of the further development of risk-based asset management practices and improved operational performance, the business also initiated a number of workstreams focused on building a digitally enabled network capable of meeting future energy choices and supporting the economic growth of our regions.

Operating results compared favourably with performance targets for the reporting period.

FINANCIAL STATEMENTS

The audited financial statements for the year ended 30 June 2025 are attached to this report.

Directors' report (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

DIRECTORS' INTERESTS IN CONTRACTS

Disclosures of interests made by Directors are recorded in the Company's interests register.

These general disclosures of interests are made in accordance with S140 (2) of the Companies Act 1993 and serve as notice that the Directors may benefit from any transaction between the Company and any of the disclosed entities. Details of these declarations are included in the Information on Directors section of this report.

Any significant contracts involving Directors' interests that were entered into during the year ended 30 June 2025 or existed at that date are disclosed in the related parties section of this report.

DIRECTORS' REMUNERATION

The remuneration paid to Directors during the year was:

Stephen R Thompson	\$99,534
Simon J Clarke	\$49,767
Janice E Fredric	\$49,767
Wendie N Harvey	\$49,767
Stephen P Lewis	\$49,767
	<u>\$298,602</u>

EMPLOYEES' REMUNERATION

The number of employees and former employees whose remuneration and benefits exceeded \$100,000 for the year ended 30 June 2025 is listed below. Remuneration includes all non-cash benefits and redundancy payments at total cost to the Company where applicable.

\$100,000 - \$109,999	13
\$110,000 - \$119,999	17
\$120,000 - \$129,999	14
\$130,000 - \$139,999	8
\$140,000 - \$149,999	13
\$150,000 - \$159,999	5
\$160,000 - \$169,999	9
\$170,000 - \$179,999	3
\$180,000 - \$189,999	4
\$190,000 - \$199,999	5
\$200,000 - \$209,999	7
\$210,000 - \$219,999	1
\$220,000 - \$229,999	1
\$270,000 - \$279,999	1
\$290,000 - \$299,999	1
\$320,000 - \$329,999	2
\$370,000 - \$379,999	1
\$630,000 - \$639,999	1
	<u>106</u>

FOR THE YEAR ENDED 30 JUNE 2025

AUDIT AND RISK COMMITTEE

Mrs Fredric, Mr Thompson and Mr Lewis were members of the Audit and Risk Committee throughout the year. The Audit and Risk Committee has the responsibility for agreeing the arrangements for audit of the Company's financial statements. Its responsibilities include ensuring that appropriate audit consideration is given to the following issues:

- effectiveness of systems and standards of internal control
- quality of management controls
- management of business risk
- compliance with legislation, standards, policies and procedures
- appointing and monitoring the internal audit function.

Specific areas for the Audit & Risk Committee's review were identified, and a number of reviews were completed, with the results reported to the Board. Review of further areas is on-going, and progress is satisfactory.

KPMG continued as internal auditor to the Company.

HEALTH AND SAFETY BOARD COMMITTEE

Mr Lewis, Mr Thompson and Mrs Harvey were members of the Health and Safety Committee throughout the year. The Committee's principal responsibility is to review and make recommendations to the Board on the appropriateness and effectiveness of the Company's health, safety and wellness strategy, performance and governance.

REMUNERATION, PEOPLE AND TALENT COMMITTEE

Mrs Harvey, Mr Thompson and Mr Clarke were members of the Remuneration, People and Talent Committee throughout the year. The Remuneration, People and Talent Committee's role is to develop and implement policies relating to the remuneration and other terms and conditions of service of the Chief Executive and senior staff and to oversee remuneration practices.

FOR THE YEAR ENDED 30 JUNE 2025

AUDITOR

The Auditor-General is appointed Auditor pursuant to Section 45 of the Energy Companies Act 1992. The Auditor-General has contracted the audit to Audit New Zealand.

DIRECTORS' INSURANCE

In accordance with the Constitution, the Company has arranged policies of Directors' Liability Insurance that ensure that generally the Directors will incur no monetary loss as a result of actions undertaken by them as Directors, provided that they operate within the law.

DIRECTORS' BENEFITS

No Director has, since the end of the previous financial year, received or become entitled to receive a benefit other than a benefit included in the total remuneration received or due and receivable by the Directors shown in the financial statements.

There were no notices from Directors requesting to use Company information received in their capacity as Directors that would not otherwise have been available to them.

EVENTS SUBSEQUENT TO BALANCE DATE

There were no significant post balance date events other than those disclosed in the notes to the financial statements.

For and on behalf of the Board of Directors



Stephen Thompson
CHAIR

18 September 2025



Janice Fredric
DIRECTOR

42Information on directors

DIRECTOR	QUALIFICATIONS	DATE APPOINTED	DECLARATIONS OF INTERESTS AS AT 30 JUNE 2025
Stephen R Thompson Non-Executive Chairman	BCom, FCA, CF.Inst.D.	June 2016	Chair and shareholder – Thompson Bloodstock Limited
			Director and shareholder – Passmore Consulting Services Limited
			Director and shareholder – Logistics Property Limited
			Director – F.S. Investments Limited
			Director and Shareholder – Keano’s Trustee Company Limited
			Director – Wanaka Bay Limited
			Director and Shareholder – Lakes Realty Limited
			Director and Shareholder – Best View Limited
			Shareholder – McKenzie Architects Limited
			Shareholder – OB Horn Company Limited
			Shareholder – Owhiro River Limited
			Shareholder – Cerise Orchard Limited
			Shareholder – Renaissance Holdings (NZ) Limited
			Shareholder – Richard E Shackleton Architects Limited
			Director and Shareholder – Anreca Investments Limited
			Director and Shareholder – Lake McKay GP Limited
			Director and Shareholder – Lake McKay 2024 GP Limited
			Shareholder – Airtime New Zealand Limited
			Shareholder – The Gin Company Limited
			Director and Shareholder – Julian Smith Investment Trust Custodian Limited
			Director and Shareholder – Julian Smith Family Trust Custodian Limited
			Shareholder – Fraser Smith Holdings Limited

Information on directors (cont.)

DIRECTOR	QUALIFICATIONS	DATE APPOINTED	DECLARATIONS OF INTERESTS AS AT 30 JUNE 2025
Wendie N Harvey Non-Executive Director	LLB	November 2018	Chair – Eastland Infrastructure Limited
			Director – Eastland Port Limited
			Director – Gisborne Airport Limited
			Director and Shareholder – Excellence in Business Solutions Limited
			Director – TAB
			Director – Port Taranaki
			Board Member – Hawkes Bay Regional Recovery Agency
			Director – Unison (from 1 August 2024)
			Director – Counties Energy (from 10 March 2025)
			Director – Hawke’s Bay Airport Limited (ceased 31 May 2025)
Stephen P Lewis Non-Executive Director	CM.Inst.D. FIET MIAM	July 2021	Non-Executive Director – Eastland Investment Properties Limited (appointed 1 July 2024)
			Chair and Director – Electricity Invercargill Limited (Chair from 1 October 2024)
			Director – MainPower New Zealand Limited
			Director – Alpine Energy Ltd (from 20 November 2024)
			Director – Mt Cass Wind Farm Limited (reappointed 21 August 2024)
			Director – Greenpower New Zealand Limited (reappointed 21 August 2024)
			Director – Pylon Limited (ceased 29 November 2024)

Information on directors (cont.)

DIRECTOR	QUALIFICATIONS	DATE APPOINTED	DECLARATIONS OF INTERESTS AS AT 30 JUNE 2025
Simon J Clarke Non-Executive Director	LLB, BA (Arts) CM.Inst.D.	July 2021	Non Executive Chair – Bay Venues Limited
			Chair/Trustee – The Whanau Trust
			Owner/Director/Shareholder – Matua Governance Limited (Strategic Advisor to NZ & Australian utilities sectors)
			Director – Bluecurrent Holdings NZ Limited and subsidiaries
			Director – Bluecurrent Holdings (Australia) Pty Limited and subsidiaries.
			Advisory Board Member – OLT Limited
			Independent Non-Executive Director – Boffa Miskell Limited (effective 29 April 2025)
Janice E Fredric Non-Executive Director	BCom, CA MBA(Dist), CF.Inst.D	July 2022	Director – New Zealand Post (ceased 31 October 2024)
			Director – New Zealand Post Trustee Limited (ceased 31 October 2024)
			Director – National Institute of Water and Atmospheric Research
			Director – NIWA Vessel Management Limited
			Council Member – Lincoln University
			Director – MainPower New Zealand Limited
			Independent Member of Audit & Risk Committee – Timaru District Council
			Trustee – New Zealand Shipwreck Welfare Trust
			Trustee – Treygynon Charitable Trust
			Director – NZ Growth Capital Partners Limited (ceased 10 September 2024)
			Green Power New Zealand Limited - reappointed 21 August 2024
			Mt Cass Wind Farm Limited - reappointed 21 August 2024
			Chair – Civil Aviation Authority of New Zealand (ceased 24 July 2024)
			Chair – Aviation Security Service (ceased 24 July 2024)
			Director – Aspire NZ Seed Fund Limited (ceased 10 September 2024)
			Director – Elevate NZ Venture Fund GP Limited (ceased 10 September 2024)



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Contents

Statement of comprehensive income	48
Statement of changes in equity	49
Statement of financial position	50
Statement of cash flows	52
Notes to the financial statements	54
Independent auditor's report	86

Statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2025

			RESTATED
	Note	2025 \$000	2024 \$000
Operating revenue	3	177,303	166,639
Financial revenue	4	19	17
Total revenue		177,322	166,656
Less expenses			
Operating expenses	5	121,016	108,613
Financial expenses	6	22,450	22,108
Total expenditure		143,466	130,721
Profit before tax		33,856	35,935
Income tax expense	9	9,551	11,953
Net profit after tax for the year		24,305	23,982
Other comprehensive income		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		24,305	23,982

The accompanying notes and accounting policies form an integral part of these audited financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2025

	Note	Share Capital \$000	Hedge Reserve \$000	Retained Earnings \$000	Total Equity \$000
Equity as at 1 July 2024		10,000	-	216,340	226,340
Profit after tax		-	-	24,305	24,305
Comprehensive income		-	-	-	-
Equity as at 30 June 2025		10,000	-	240,645	250,645
Equity as at 1 July 2023		10,000	-	187,522	197,522
Prior period tax expense adjustment	32	-	-	4,836	4,836
Equity as at 1 July 2023 restated		10,000	-	192,358	202,358
Profit after tax		-	-	23,982	23,982
Comprehensive income		-	-	-	-
Equity as at 30 June 2024 restated		10,000	-	216,340	226,340

The accompanying notes and accounting policies form an integral part of these audited financial statements.

Statement of financial position

FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$000	RESTATED 2024 \$000	RESTATED 2023 \$000
EQUITY				
Share capital	11	10,000	10,000	10,000
Retained earnings	12	240,645	216,340	192,358
Total equity		250,645	226,340	202,358
CURRENT LIABILITIES				
Lease liabilities	7	974	967	949
Trade and other payables	13	20,206	19,850	17,855
Contract liabilities	14	814	1,144	1,556
Borrowings	17	2,270	1,518	1,525
Other current liabilities	15	498	32	-
Tax provision	9	2,011	2,438	-
Employee provisions	16	2,723	2,042	1,874
Total current liabilities		29,496	27,991	23,759
NON-CURRENT LIABILITIES				
Lease liabilities	7	1,732	1,836	2,318
Employee provisions	16	456	370	337
Borrowings	17	573,080	538,525	494,635
Contract liabilities	14	-	-	-
Deferred tax liability	18	99,384	91,497	81,934
Total non-current liabilities		674,652	632,228	579,224
Total liabilities		704,148	660,219	602,983
TOTAL EQUITY AND LIABILITIES		954,793	886,559	805,341

The accompanying notes and accounting policies form an integral part of these audited financial statements.

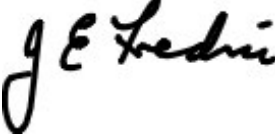
Statement of financial position (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$000	RESTATED 2024 \$000	RESTATED 2023 \$000
CURRENT ASSETS				
Cash and cash equivalents	19	57	126	120
Trade and other receivables	20	20,889	18,000	17,095
Inventories	22	1,674	2,069	2,294
Other current assets		-	-	55
Taxation receivable		-	-	720
Total current assets		22,620	20,195	20,284
NON-CURRENT ASSETS				
Investments	21	27	24	24
Intangible assets	24	2,909	4,652	3,824
Deferred tax asset	18	1,756	1,383	1,286
Property, plant and equipment	23	924,877	857,602	776,737
Right of use assets	7	2,604	2,703	3,186
Total non-current assets		932,173	866,364	785,057
TOTAL ASSETS		954,793	886,559	805,341

For and on behalf of the Board of Directors





Stephen Thompson
CHAIR

Janice Fredric
DIRECTOR

18 September 2025

The accompanying notes and accounting policies form an integral part of these audited financial statements.

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$000	2024 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from			
Receipts from customers		174,435	165,410
Interest and dividends received		-	-
IRD research & development rebate		8	83
Intra group tax loss/subvention receipt		523	589
		<u>174,966</u>	<u>166,082</u>
Cash was disbursed to			
Payments to suppliers and employees		88,513	76,163
Interest paid		23,031	23,030
Intra group tax loss/subvention payment		2,993	-
Net GST (received)/paid		(225)	(235)
		<u>114,312</u>	<u>98,958</u>
Net cash inflows from operating activities	26.1	60,654	67,124
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from			
Sale of property, plant and equipment including intangible assets		-	-
		<u>-</u>	<u>-</u>
Cash was disbursed to			
Purchase of property, plant and equipment including intangible assets		94,147	109,953
		<u>94,147</u>	<u>109,953</u>
Net cash (outflows) from investing activities		(94,147)	(109,953)

The accompanying notes and accounting policies form an integral part of these audited financial statements.

Statement of cash flows (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$000	2024 \$000
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from			
Proceeds from borrowings		93,475	79,370
Cash was disbursed to			
Repayment of borrowings		58,920	35,480
Lease liability repayment		1,131	1,055
		<u>60,051</u>	<u>36,535</u>
Net cash inflows from financing activities	26.2	33,424	42,835
Net increase/(decrease) in cash, cash equivalents and bank overdraft			
		(69)	6
Cash and cash equivalents at beginning of the year		126	120
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	19	57	126

The accompanying notes and accounting policies form an integral part of these audited financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2025

1 REPORTING ENTITY

The financial statements are for the reporting entity Aurora Energy Limited (the Company).

The financial statements have been prepared in accordance with the requirements of the Energy Companies Act 1992.

The Company, incorporated in New Zealand under the Companies Act 2013, is a wholly owned subsidiary of Dunedin City Holdings Limited. Dunedin City Holdings Limited is wholly owned by Dunedin City Council.

These financial statements are presented in New Zealand dollars, and have been rounded to the nearest thousand.

2 SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The Company is a Tier 1 for-profit entity as defined by the External Reporting Board (expenses over \$30 million) and has reported in accordance with Tier 1 For-profit Accounting Standards. These annual financial statements are general purpose financial reports which have been prepared in accordance with NZIAS1, additional information as requested by Directors, and in accordance with NZ GAAP. They comply with New Zealand Equivalents to IFRS, and other applicable Financial Reporting Standards, as appropriate for profit orientated entities.

The financial statements were authorised for issue by the Directors on 18 September 2025.

Basis of Accounting

The financial statements have been prepared on the historic cost basis, except for the revaluation of certain assets including cash flow hedge instruments. The going concern assumption has been applied.

The accounting policies set out below have been applied consistently to all periods in these financial statements and notes.

Critical Accounting Judgements, Estimates and Assumptions

In preparing these financial statements the Company has made judgements, estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated.

The critical accounting judgements, estimates and assumptions of the Company are contained within the following policies.

Goods and Services Tax (GST)

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST. The Statement of Cash Flows is exclusive of GST.

Impairment of Assets

At each balance date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

2 SIGNIFICANT ACCOUNTING POLICIES - continued

Any impairment loss is immediately expensed to the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is immediately recognised in the statement of comprehensive income.

Financial Instruments

Financial instruments are contracts that give rise to financial assets and financial liabilities that are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Changes in Accounting Policies

Following a review of the requirements of International Accounting Standard NZ IAS12 Income Taxes, the Company has applied the Initial Recognition Exemption in NZ IAS 12 to remove the intra-group profit component from assets acquired from related party Delta Utility Services Limited in the period from 2015 – 2025.

There have been no other new accounting policies adopted in the year to 30 June 2025.

Standards amended or issued during the year

During the period, there were no new or amended accounting standards which materially affected the Company or its reporting.

Standards issued but not yet effective

Amendments to the following Standards have been issued but are not yet effective:

- IFRS 18 Presentation and disclosure of Financial Statements,
- NZ IFRS 9 Financial Instruments and NZ IFRS 7 Financial Instruments: Disclosures,
- NZ IFRS 10 Consolidated Financial Statements and NZ IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture,
- NZ IAS 21 The Effects of Changes in Foreign Exchange Rates and NZIFRS 1 Lack of Exchangeability.

The amendments to IFRS 18 Presentation and disclosure of Financial Statements introduce new requirements intended to improve how information is communicated in the financial statements – in particular, information in the statement of profit or loss.

Amendments to NZ IFRS 9 Financial Instruments and NZ IFRS 7 Financial Instruments: Disclosures include clarifying the classification of financial assets with ESG features, allowing derecognition of financial liabilities settled electronically before cash delivery if criteria are met, and adding new disclosures for FVOCI-designated equity investments and instruments with contingent features.

The amendments to NZ IFRS 10 Consolidated Financial Statements and NZ IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture require entities to recognise a full gain or loss when selling or contributing a business to an associate or joint venture. For transactions involving non-business assets, only a partial gain or loss is recognised, including when the assets are in a subsidiary.

The amendments to NZ IAS 21 The Effects of Changes in Foreign Exchange Rates and NZIFRS 1 Lack of Exchangeability define when a currency is exchangeable and introduce new requirements for estimating spot exchange rates when it is not. This primarily affects currencies with strict government controls, such as the Venezuelan Bolivar.

The amendments to these standards will not have a material impact on the financial reporting of the Company.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

	2025 \$000	2024 \$000
3 OPERATING REVENUE		
Line charges	131,641	121,509
Pass-through and recoverable cost revenue	28,728	26,939
Customer contributions	15,007	15,466
Total revenue	175,376	163,914
Other income	1,927	2,725
Total revenue and other income	177,303	166,639

Line charges and pass-through and recoverable cost revenue is recognised at the fair value of services provided. These revenue streams relate to the provision of distribution services for electricity. Prices are regulated and customers are charged through a mix of fixed charges which are recognised on a straight-line basis and variable charges which are recognised based on the volume of distribution services provided. Consistent with NZ IFRS 15 this revenue is recognised during the period in which the service is delivered.

Customer contribution revenue relates to contributions received from customers towards the costs of reticulating electricity to new connections, constructing uneconomic lines and relocating existing network assets. Revenue is generally recognised at the time the new connection is fully constructed and livened. For contracts with multiple performance obligations revenue is recognised at the point in time when each performance obligation is satisfied.

Revenue from services rendered is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company.

Sales of goods are recognised when significant risks and rewards of owning the goods are transferred to the buyer, when the revenue can be measured reliably and when management effectively ceases involvement or control.

Having considered the revenue recognition criteria of NZ IFRS 15, the Company has determined that line charges and customer contributions received during the reporting period continue to meet the requirements for recognition as up-front revenue.

Impact of 2021 Customised Price-Quality Path Determination on revenue recognition

The Commerce Commission’s Customised Price-Quality Path Determination for Aurora Energy included a 10% limit on the annual increase in line charge revenue in order to reduce the price impact on consumers. Combined with the impact of volume driven revenue variances the revenue wash-up amount for year ended 31 March 2025 is \$31.101 million (Restated 2024: \$25.860 million). The revenue washup amount was adjusted upwards to \$25.860 million (+\$2.964 million), following a restatement of the Company’s 2023 Annual Compliance Statement. This revenue wash-up will be returned to consumers in future financial years.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

	2025 \$000	2024 \$000
4 FINANCIAL REVENUE		
Interest and dividends received	19	17
Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount.		
5 OTHER EXPENSES		
Included in the operating expenses of the Company are the following items:		
Audit fees		
- for audit of financial statements	224	179
- for assurance engagement for the Information Disclosure	62	60
- for assurance engagement for the Annual Compliance Statement in compliance with the Customised Price-Quality Path Determination	38	38
- for assurance engagement for the Annual Delivery Report	59	59
- for Commerce Commission additional information request assurance services	14	-
Total audit fees	397	336
Transmission costs	28,728	26,939
Depreciation and amortisation	29,825	26,783
Depreciation – leases	1,025	960
Maintenance costs	23,093	18,792
Employee remuneration and benefits	18,996	17,759
Directors’ fees & disbursements	329	335
Bad debts written off	49	41
Loss on sale / disposal of fixed assets	2,133	1,255
Increase / (decrease) in expected credit losses	(70)	180

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

	2025 \$000	2024 \$000
6 FINANCIAL EXPENSES		
Interest – other	8	10
Interest – related parties	23,775	23,023
Interest – capitalised	(1,440)	(1,040)
Interest – leases	107	115
Total financial expenses	22,450	22,108

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to prepare them for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The interest rate used to calculate borrowing costs in the year to 30 June 2025 was 4.28% (2024: 4.47%). This was the interest rate applicable to new project financing in the reporting period.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

7 LEASES AND RIGHT OF USE ASSETS

Leases are classified as right-of-use assets except where lease payments that are short-term or low value are recognised as an expense on a straight-line basis over the term of the lease.

Lease liability payments are allocated between interest expense and reduction of the lease liability over the term of the lease.

Capitalised right-of-use assets are depreciated over the shorter of the estimated useful life of the assets and the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Lease liabilities

Leases entered into and identified by the Company include property leases, communication access rights, and vehicle leases. In assessing whether an arrangement is, or contains a lease, the Company considers whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Company has the right to direct the use of the asset.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

7 LEASES AND RIGHT OF USE ASSETS - continued

LEASE MATURITY ANALYSIS AS AT 30 JUNE 2025	Minimum Lease Payments \$000	Interest \$000	Present Value \$000
Payable within one year	1,011	37	974
Payable between one to five years	1,307	177	1,130
Payable later than five years	668	66	602
Total			2,706
Current Portion			974
Non-current Portion			1,732
			2,706

LEASE MATURITY ANALYSIS AS AT 30 JUNE 2024	Minimum Lease Payments \$000	Interest \$000	Present Value \$000
Payable within one year	991	24	967
Payable between one to five years	1,452	183	1,269
Payable later than five years	644	77	567
Total			2,803
Current Portion			967
Non-current Portion			1,836
			2,803

	2025 \$000	2024 \$000
Cashflow		
Total cash outflow in relation to leases	1,449	1,402
Lease expenses included in profit and loss relate to		
Short term leases	322	348
Interest on leases	107	115

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

7 LEASES AND RIGHT OF USE ASSETS - continued

RIGHT OF USE ASSETS

MOVEMENTS IN YEAR ENDED 30 JUNE 2025	Buildings \$000	Network \$000	Plant & Equipment \$000	Motor Vehicles \$000	Total \$000
Opening net book value	1,573	-	919	211	2,703
Additions	687	-	71	168	926
Disposals	-	-	-	-	-
Depreciation charge	(684)	-	(230)	(111)	(1,025)
Closing net book value	1,576	-	760	268	2,604
As at 30 June 2025					
Cost	4,945	-	2,738	1,256	8,939
Accumulated depreciation	(3,369)	-	(1,978)	(988)	(6,335)
Net book value	1,576	-	760	268	2,604

MOVEMENTS IN YEAR ENDED 30 JUNE 2024	Buildings \$000	Network \$000	Plant & Equipment \$000	Motor Vehicles \$000	Total \$000
Opening net book value	1,977	-	1,154	55	3,186
Additions	239	-	-	238	477
Disposals	-	-	-	-	-
Depreciation charge	(643)	-	(236)	(81)	(960)
Closing net book value	1,573	-	919	211	2,703
As at 30 June 2024					
Cost	4,258	-	2,666	1,089	8,013
Accumulated depreciation	(2,685)	-	(1,748)	(877)	(5,310)
Net book value	1,573	-	918	212	2,703

Right of use (ROU) assets are initially recognised at cost, comprising the initial amount of the lease liability less any unamortised lease incentives. ROU assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In considering the lease term, the Company applies judgment in determining whether it is reasonably certain that an extension or termination option will be exercised. As at 30 June 2025 the lease renewal options in relation to office premises were not fully recognised in lease terms on the basis that it was less than certain all rights of renewal would be exercised.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

8 DIVIDENDS

No dividend was declared or payable for the year ended 30 June 2025 (2024: Nil).

9 TAXATION

The tax expense comprises both current tax and deferred tax.
Current tax is the amount of income tax payable based on the taxable profit for the current year plus any adjustments to income tax payable in respect of prior years.
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of taxable profit. Current tax and deferred tax is charged or credited to the statement of comprehensive income except when deferred tax relates to items charged directly to equity. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance date.

	RESTATED	
	2025 \$000	2024 \$000
Income Tax		
Operating profit/(loss) before income tax	33,856	35,935
Tax thereon at 28% (2024: 28%)	9,480	10,062
Plus / (Less) the Tax Effect of Differences		
Expenditure (deductible)/non-deductible for taxation purposes	481	446
Consolidated group adjustment	(217)	(328)
Under/(over) tax provision in prior years	(193)	2
Removal of tax depreciation on commercial buildings	-	1,771
Tax effect of differences	71	1,891
Tax expense	9,551	11,953
Represented by		
Current tax provision	2,011	2,446
Research & development tax credit	-	(8)
Under/(over) current tax provision in prior year	25	49
Deferred tax provision	7,733	7,735
Under/(over) deferred tax in prior year	(218)	(40)
Removal of tax depreciation on commercial buildings	-	1,771
Total income tax	9,551	11,953

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

9 TAXATION - continued

During the 2025 income year, Aurora Energy has removed from its cost of assets for tax depreciation purposes the identified profits arising on the construction of those assets supplied by DCHL subsidiary, Delta Utility Services Limited. These profits have also been deducted from the calculation of taxable income of the consolidated tax group. For accounting purposes, the group has decided to recognise the adjustment to remove the profit component of these assets and reflect a current year tax compensation payment of \$217,000 from Delta to Aurora. This approach has been adopted since 1 July 2015.

Following a review of the requirements of International Accounting Standard NZ IAS12 Income Taxes, the Company has applied the Initial Recognition Exemption in NZ IAS 12 to remove the intra-group profit component from assets acquired from related party Delta Utility Services Limited in the period from 2015 – 2025. This has resulted in a reversal of the deferred tax liability previously recognised on the intra-group component of assets acquired from 2015 - 2024, and no impact on deferred tax from the 2025 assets acquired.

Imputation credit account

The Company is a member of an income tax consolidated group and has access to the income tax consolidated group’s imputation credit account.

10 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the total comprehensive income attributable to the Shareholder of the Company by the weighted average number of ordinary shares on issue during the year.

	2025	RESTATED 2024
Number of shares		
Weighted average number of ordinary shares	10,000,000	10,000,000
Basic earnings per share in dollars	2.43	2.40
Due to adoption of the Initial Recognition Exemption available under NZ IAS 12 Income Taxes, discussed further in Note 9 Taxation & Note 32 Change in Accounting Policy, the 2024 earnings per share was restated from 2.37 to 2.40.		

	2025 \$000	2024 \$000
11 EQUITY - SHARE CAPITAL		
Issued capital - 10,000,000 ordinary shares	10,000	10,000
12 RETAINED EARNINGS		
Balance at beginning of the year	216,340	192,358
Net profit for the year	24,305	23,982
Balance at end of the year	240,645	216,340

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

	2025 \$000	2024 \$000
13 TRADE AND OTHER PAYABLES		
Trade and other payables are stated at cost and include:		
Trade payables	20,206	19,850
	20,206	19,850

The Directors consider that the carrying amount of trade payables approximates their fair value. Creditors and other payables are non-interest bearing and are normally settled on 30-day terms.

14 CONTRACT LIABILITIES

Contract liabilities relate to customer prepayments on capital contribution projects that have not been completed. The current portion reflected in the note below represents the total value of customer contributions received on projects we expect to be complete within one year of balance date.

Current	814	1,144
Non-current	-	-
15 OTHER CURRENT LIABILITIES		
GST payable	498	32
	498	32

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

	2025 \$000	2024 \$000
16 EMPLOYEE PROVISIONS		
(i) Current liabilities		
Annual leave	2,332	1,923
Long service Leave	81	79
Gratuities	42	40
Other	268	-
Balance at end of the year	2,723	2,042
(ii) Non-current liabilities		
Long service leave	309	244
Gratuities	147	126
Balance at end of the year	456	370

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Entitlements to salary and wages and annual leave are recognised when they accrue to employees. This includes the estimated liability for salaries and wages and annual leave as a result of services rendered by employees up to balance date at current rates of pay.

Entitlements to long service leave and retirement gratuities are calculated on an actuarial basis and are based on the reasonable likelihood that they will be earned by employees and paid by the Company.

The Company recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The calculation is based on the value of excess sick leave taken within the previous twelve months.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

	2025 \$000	2024 \$000
17 BORROWINGS (SECURED)		
Dunedin City Treasury Limited – Term	573,080	538,525
Dunedin City Treasury Limited – Current	2,270	1,518
	575,350	540,043

Current borrowings reflect interest accrued on the Dunedin City Treasury Limited (DCTL) Term Loan as at balance date.

All borrowings are provided under a facility agreement with Dunedin City Treasury Limited (DCTL), a related party of the Company. DCTL provides corporate treasury services to Dunedin City Council (DCC), Dunedin City Holdings Limited (DCHL) and its subsidiaries. DCTL sources external debt and on-lends to DCC and the council-controlled organisations based on an average cost of borrowings. The borrowings are not required to be repaid provided the borrower is not in default and continues to meet the terms of the borrowing. The borrower may repay principal balances at any time.

DCTL typically reviews and sets a fixed interest rate at the beginning of each financial year but, contractually, interest rates may be reset every quarter. The fixed interest rate reflects the internal borrowing rate index of DCTL for the interest period. At the end of the financial year, or sooner if necessary, a retrospective interest rate adjustment is calculated to ensure that the effective rate charged to borrowers for the period reflects the actual costs of DCTL.

The Company has assessed that the fair value of borrowings on initial recognition is the face value. The interest rate set by DCTL is considered a market rate as it is based on an internal borrowing index for a fixed interest period. Debt is sourced by DCTL on ordinary commercial terms, arranged by major trading banks. DCTL also borrows from the Local Government Funding Agency (LGFA). DCTL has a credit rating equal to that of DCC and has assessed the same level of credit risk for all borrowers within the DCC group since they are ultimately owned by DCC and rely on their underlying support in a stress scenario. Accordingly, DCTL does not apply different credit spreads to different borrowers.

For the reasons noted above, the Company continues to deem it appropriate to measure its loan from DCTL at amortised cost.

The weighted average interest rate for the loan inclusive of any current portion, was 4.28% (2024: 4.47%).

At balance date, the Company had a term debt facility limit of \$580 million and from 1 July 2025 the new facility limit was increased to \$635 million.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

18 DEFERRED TAX

	Opening Balance \$000	Charged to Equity \$000	Charged to Income \$000	Closing Balance Assets \$000	Closing Balance Liabilities \$000	Closing Balance \$000
YEAR ENDED 30 June 2025:						
Property, plant and equipment	(80,187)	-	(6,095)	-	(86,282)	(86,282)
Provisions	1,383	-	373	1,756	-	1,756
Customer contributions	(11,310)	-	(1,792)	-	(13,102)	(13,102)
Tax losses	-	-	-	-	-	-
Balance at end of the year	(90,114)	-	(7,514)	1,756	(99,384)	(97,628)
YEAR ENDED 30 June 2024:						
Property, plant and equipment	(72,728)	-	(7,459)	-	(80,187)	(80,187)
Provisions	1,286	-	97	1,383	-	1,383
Customer contributions	(9,205)	-	(2,105)	-	(11,310)	(11,310)
Tax losses	-	-	-	-	-	-
Balance at end of the year	(80,647)	-	(9,467)	1,383	(91,497)	(90,114)

Deferred tax assets and liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Movements in deferred tax assets and liabilities are charged or credited in the statement of comprehensive income in the financial year that the movement occurs, except when it relates to items charged or credited directly to equity.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

19 CASH AND CASH EQUIVALENTS

	2025 \$000	2024 \$000
Cash and bank	57	126
	57	126

Cash and cash equivalents is composed of cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown with borrowings in current liabilities in the statement of financial position. The carrying amount of these assets or liabilities approximate their fair value.

20 TRADE AND OTHER RECEIVABLES

Trade and other receivables are classified as financial assets at cost less any allowances for estimated irrecoverable amounts.

Trade receivables	20,206	17,610
Dunedin City Council and Group entities	62	64
	20,268	17,674
Less expected credit loss	(566)	(636)
	19,702	17,038
Prepayments	1,187	962
	20,889	18,000

The Directors consider that the carrying amount of the trade and other receivables approximates their fair value. The expected credit loss is established when there is objective evidence of the Company's debtors being unable to make the required payments. The Company not only provides for those debts in excess of 90 days but also assesses debtor amounts that are past due when calculating the impairment.

In the year ended 30 June 2025 \$48,683 of Trade receivables were written off (2024: \$41,000).

Debtor ageing		
Current	19,667	16,895
Past due 0 to 30 days	20	166
Past due 31-60 days	3	24
Past due 61-90 days	40	60
90+ days	538	529
	20,268	17,674

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

	2025 \$000	2024 \$000
21 INVESTMENTS		
Investments are comprised of long-term equity instrument holdings which are available for sale. Investments are measured at fair value. Any gains or losses are recognised in the statement of comprehensive income for the period in which they occur.		
Investments – listed companies	27	24
	27	24

The Company has acquired small shareholdings in several listed electricity-sector companies. These holdings are considered long-term.

22 INVENTORIES

Network spare parts	8	8
Materials and stores	1,666	2,061
	1,674	2,069

Inventories are stated at the lower of cost and net realisable value. Cost comprises of direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

23 PROPERTY, PLANT AND EQUIPMENT

Property plant and equipment are those assets held by the Company for the purpose of carrying on its business activities on an ongoing basis.

All property, plant and equipment assets are stated at cost less any subsequent accumulated depreciation and any accumulated impairment losses.

Self-constructed assets include the direct cost of construction, direct labour and an allowance for overheads, to the extent that they relate to bringing the fixed assets to the location and condition for their intended service.

Depreciation is charged so as to write-off the costs of assets, other than land, and capital work in progress, on the straight-line basis. Rates used have been calculated to allocate the assets' costs less estimated residual values over their estimated remaining useful lives.

Depreciation of assets commences when the assets are ready for their intended use.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation rates and methods used are:

	Rate	Method
Land	no depreciation charged	
Buildings	1% to 10%	straight line
Electricity network assets	1% to 20%	straight line
Plant and equipment	2% to 50%	straight line
Motor vehicles	5% to 25%	straight line
Office equipment and fittings	4% to 25%	straight line
Optical fibre network assets	2% to 10%	straight line
Capital work in progress	no depreciation charged	

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognised.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

23 PROPERTY, PLANT AND EQUIPMENT - continued

	Land \$000	Buildings \$000	Network \$000	Plant and Equipment \$000	Motor Vehicles \$000	Office Equipment \$000	Optical Fibre Network \$000	Construction in Progress \$000	Total \$000
YEAR ENDED 30 June 2025:									
Cost									
Balance at beginning of year	6,092	21,433	1,059,209	9,234	220	1,180	4,968	44,657	1,146,993
Purchases	-	-	-	-	-	-	-	96,311	96,311
Transfers	228	65	96,300	549	-	125	-	(97,267)	-
Disposals	-	-	(3,180)	-	-	-	-	-	(3,180)
Total cost	6,320	21,498	1,152,329	9,783	220	1,305	4,968	43,701	1,240,124
Accumulated depreciation									
Balance at beginning of year	-	3,682	277,626	5,407	166	501	2,009	-	289,391
Depreciation	-	375	25,900	866	11	101	140	-	27,393
Disposals	-	-	(1,537)	-	-	-	-	-	(1,537)
Total accumulated depreciation	-	4,057	301,989	6,273	177	602	2,149	-	315,247
Balance at end of year	6,320	17,441	850,340	3,510	43	703	2,819	43,701	924,877

Property, plant and equipment assets of \$881.176 million (2024: \$812.945 million) are the subject of a debenture held as security for DCTL borrowings on behalf of the DCC consolidated group.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

23 PROPERTY, PLANT AND EQUIPMENT - continued

	Land \$000	Buildings \$000	Network \$000	Plant and Equipment \$000	Motor Vehicles \$000	Office Equipment \$000	Optical Fibre Network \$000	Construction in Progress \$000	Total \$000
YEAR ENDED 30 June 2024 :									
Cost									
Balance at beginning of year	5,836	18,773	962,051	8,587	220	1,207	4,981	38,945	1,040,600
Purchases	-	-	-	-	-	-	-	107,608	107,608
Transfers	256	2,660	98,308	681	-	(9)	-	(101,896)	-
Disposals	-	-	(1,150)	(34)	-	(18)	(13)	-	(1,215)
Total cost	6,092	21,433	1,059,209	9,234	220	1,180	4,968	44,657	1,146,993
Accumulated depreciation									
Balance at beginning of year	-	3,311	253,500	4,596	155	420	1,881	-	263,863
Depreciation	-	368	24,126	824	11	97	141	-	25,567
Transfers	-	2	-	-	-	(2)	-	-	-
Disposals	-	-	-	(13)	-	(14)	(13)	-	(40)
Total accumulated depreciation	-	3,682	277,626	5,407	166	501	2,009	-	289,391
Balance at end of year	6,092	17,751	781,583	3,827	54	679	2,959	44,657	857,602

FOR THE YEAR ENDED 30 JUNE 2025

23 PROPERTY, PLANT AND EQUIPMENT - continued

The carrying amounts of the Company's property, plant and equipment are reviewed at each balance date to determine whether there is any indication of impairment. If such impairment exists, the recoverable amount of assets is estimated to determine the extent of any impairment loss. The recoverable amount is the higher of an asset's net selling price and value in use. An impairment loss is recognised whenever the carrying amount of assets exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In assessing the recoverable amount of the Company's electricity network related assets, the Directors have reviewed the results of impairment testing undertaken by management as at 30 June 2025. The impairment testing was performed on a "no growth" basis in accordance with NZ IAS 36 Impairment of Assets.

The impairment testing used the discounted cashflow (DCF) methodology to arrive at an estimated valuation range based on Free Cash Flows (FCF) for a 10-year period from 1 July 2025. The key assumptions utilised in the impairment testing were that:

- For the 10 years from 1 July 2025, the network forecasts are derived from the Commerce Commission final CPP decision allowance for the period ended 31 March 2026 and Building Blocks Allowable Revenue (BBAR) forecasts. In calculating the BBAR forecast from 1 April 2026, it is assumed that the Company reverts to a Default Price-Quality Path from the 2026/27 regulatory year, the Company's DPP4 operating expenditure allowances are determined by reference to the 2024/25 regulatory year as an expenditure base, and actual DPP4 period operating and capital expenditures are matched to the Commerce Commission's final DPP4 expenditure allowances.
- Operating and capital expenditure forecasts were derived from the 10-year expenditure forecasts included in the Company's 2025 Asset Management Plan.
- In applying the DCF methodology the Company considered a range of discount rates from 5.84% to 6.84%. The discount rate is a matter of professional judgement.
- In determining the discount rate for year-end impairment testing, the 10-year Government bond rate at valuation date was used as a basis for the risk-free rate. The risk-free rate was used in conjunction with a view of an appropriate post-tax market risk premium.
- The discount rates used in the impairment testing were based on the same level of asset beta and similar level of leverage as set by the Commerce Commission for the 5-year regulatory period from 1 April 2025.

Sensitivity analysis showed a 0.25% decrease/(increase) in the DCF discount rate used for impairment testing would increase/(decrease) the indicative value range by about \$22.8 million.

On reviewing the DCF analysis the Directors assessed that there was no impairment to the carrying value of the network assets as at 30 June 2025.

The value of the assets is fundamentally linked to the Company's ability to operate within the future expenditure allowances approved by the Commerce Commission.

FOR THE YEAR ENDED 30 JUNE 2025

24 INTANGIBLES

Software is amortised on a straight-line basis over its estimated useful life – a maximum period of four years.

YEAR ENDED 30 JUNE 2025

	Software \$000	Work in Progress \$000	Total Cost \$000
Cost			
Balance at beginning of year	9,601	734	10,335
Transfers	1,310	(1,310)	-
Purchases	-	689	689
Disposals	(21)	-	(21)
Total cost	10,890	113	11,003
Accumulated amortisation			
Balance at beginning of year	5,683	-	5,683
Amortisation	2,432	-	2,432
Disposals	(21)	-	(21)
Total amortisation	8,094	-	8,094
Closing balance	2,796	113	2,909

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

24 INTANGIBLES - continued

YEAR ENDED 30 JUNE 2024

	Software \$000	Work in Progress \$000	Total Cost \$000
Cost			
Balance at beginning of year	6,185	2,106	8,291
Transfers	3,416	(3,416)	-
Purchases	-	2,044	2,044
Total cost	9,601	734	10,335
Accumulated amortisation			
Balance at beginning of year	4,467	-	4,467
Amortisation	1,216	-	1,216
Total amortisation	5,683	-	5,683
Closing balance	3,918	734	4,652

Software assets of \$2.796 million (2024: \$3.918 million) are the subject of a debenture held as security for DCTL borrowings on behalf of the DCC consolidated group.

25 CAPITAL COMMITMENTS

	2025 \$000	2024 \$000
Expenditure contracted for at balance date but not provided for in the financial statements	30,010	39,669
	30,010	39,669

The Company is party to four field services agreement (FSA) contracts. The value of total committed expenditure under these contracts is \$40 million for the 31 March 2026, 31 March 2027 and 31 March 2028 regulatory years. The current FSA contracts include network operational expenditure and do not specify the minimum capital expenditure per annum.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

	2025 \$000	RESTATED 2024 \$000
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26 CASH FLOWS

26.1 Reconciliation of net profit for the year to cash flows from operating activities

Net profit for the year	24,305	23,982
<i>Items not involving cash flows</i>		
Depreciation and amortisation	30,851	27,742
Increase/(decrease) in deferred tax	7,515	9,466
Non-cash component of finance costs	(1,333)	(925)
Non-cash component of investing activities	(3)	-
<i>Impact of changes in working capital items</i>		
(Increase)/decrease in trade and other receivables	(2,889)	(905)
Increase/(decrease) in trade and other payables	1,108	1,988
Increase/(decrease) in provision for tax	(427)	3,158
Increase/(decrease) in contract liabilities	(330)	(412)
(Increase)/decrease in other current assets	466	87
(Increase)/decrease in Inventories	395	225
Increase/(decrease) in other liabilities	766	201
<i>Items classified as investing or financing activities</i>		
Capital creditors in accounts payable	(1,903)	1,262
Net (gain)/loss on sale property, plant and equipment	2,133	1,255
Net cash inflows/(outflows) from operating activities	60,654	67,124

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

26 CASH FLOWS - continued

26.2 Reconciliation of changes in liabilities arising from financial activities

	30 June 2024 \$000	Cashflows \$000	Non-cash Movement \$000	30 June 2025 \$000
Long term borrowings	538,525	34,555	-	573,080
Short term borrowings	1,518	-	752	2,270
Lease liabilities	2,803	(1,131)	1,034	2,706
Total liabilities from financing activities	542,846	33,424	1,786	578,056

	30 June 2023 \$000	Cashflows \$000	Non-cash Movement \$000	30 June 2024 \$000
Long term borrowings	494,635	43,890	-	538,525
Short term borrowings	1,525	-	(7)	1,518
Lease liabilities	3,267	(1,055)	591	2,803
Total liabilities from financing activities	499,427	42,835	584	542,846

27 RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Dunedin City Holdings Limited. Dunedin City Holdings Limited is wholly owned by Dunedin City Council.

Transactions with Dunedin City Council

The Company undertakes transactions with Dunedin City Council and other Dunedin City Council controlled entities. During the period, the Company provided services and traded with Dunedin City Council Group in respect of the following transactions:

YEAR ENDED 30 JUNE	2025 \$000	2024 \$000
Purchases of goods and services from Dunedin City Council:		
Rates and property leases	1,530	1,351
Capital Work/other	32	73
	1,562	1,424

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

27 RELATED PARTY TRANSACTIONS - continued

YEAR ENDED 30 JUNE	2025 \$000	2024 \$000
Purchases of goods and services from other Dunedin City Council Group entities:		
Capital work	35,749	36,621
Network management and operation	17,343	16,175
Interest/facility fees	23,758	23,006
Contracting services	246	33
Lease of meters	104	104
Rent	604	535
	77,804	76,474

At period end the amounts payable by Aurora Energy Limited to Group entities:

Dunedin City Council Group entities	583,573	546,679
	583,573	546,679

Sales of services to Dunedin City Council Group entities:

Rent	176	161
Sales of stock & other	417	687
Tax compensation	217	328
Consulting & sundry services	5	-
	815	1,176

At period end, the amounts receivable by Aurora Energy Limited from Dunedin City Council Group entities are:

Dunedin City Council	-	-
Other Dunedin City Council Group entities:	279	1,018

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

27 RELATED PARTY TRANSACTIONS - continued

	2025 \$000	2024 \$000
Intragroup transfers from Dunedin City Council Group entities:		
Tax compensation receipts from Consolidated Group members:		
Delta Utility Services Limited	523	500
City Forests Limited	-	89
	523	589
Intragroup transfers to Dunedin City Council Group entities:		
Tax compensation payments to Consolidated Group members:		
Delta Utility Services Limited	573	-
Dunedin City Council	409	-
City Forests Limited	9	-
Dunedin City Holdings Limited	573	-
Subvention payment to Dunedin Stadium Properties Limited	1,429	-
	2,993	-

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

27 RELATED PARTY TRANSACTIONS - continued

	2025 \$000	2024 \$000
YEAR ENDED 30 JUNE		
Transactions with Dunedin City Treasury Limited (per Statement of cash flows and Note 17)		
Opening term borrowings	538,525	494,635
Proceeds from borrowings	93,475	79,370
Repayment of borrowings	(58,920)	(35,480)
	573,080	538,525
Current borrowings	2,270	1,518
	575,350	540,043

No related party debts have been written off or forgiven during the year and no provision has been required for impairment of any receivables from related parties.
Aurora Energy Limited undertakes transactions with other related parties.

Commitments with other Dunedin City Council Group entities :

Expenditure contracted for at balance date but not provided for in the financial statements	14,679	12,902
	14,679	12,902

The Company is party to a field services agreement with Delta Utility Services Limited. The value of total committed expenditure under this contract is \$24 million for each of the 31 March 2026, 31 March 2027 and 31 March 2028 regulatory years.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

27 RELATED PARTY TRANSACTIONS - continued

Transactions with companies in which Directors have an interest:

Mr Thompson is a Director and Shareholder of Passmore Consulting Services Limited. During the financial period covered by this report services of \$99,534 were purchased from Passmore Consulting Services Limited (2024: \$100,685). No monies were outstanding on 30 June 2025 (2024: nil). Mr Thompson is a non-beneficial shareholder of McKenzie Architects Limited. During the financial period covered by this report, services of \$68,680 were purchased from McKenzie Architects Limited (2024: nil) with \$10,707 outstanding on 30 June 2025 (2024: nil).

Mrs Harvey is a Director and Shareholder of Excellence in Business Solutions Limited. During the financial period covered by this report services of \$49,767 were purchased from Excellence in Business Solutions Limited (2024: \$50,342). No monies were outstanding on 30 June 2025 (2024: nil). Mrs Harvey also became a Director of Unison Contracting Services Limited from 1st August 2024. During the financial period covered by this report services of \$13,752,989 were purchased from Unison Contracting Services Limited (2024: \$11,564,410). Monies outstanding on 30 June 2025 were \$908,289 (2024: \$955,383).

Mr Simon Clarke is a Director and Shareholder of Matua Governance Limited. During the financial period covered by this report services of \$49,767 were purchased from Matua Governance Limited (2024: \$50,342). No monies were outstanding on 30 June 2025 (2024: nil). Mr Simon Clarke is a Director of Bluecurrent Holdings NZ Limited and subsidiaries. During the financial period covered by this report, services valued at \$74,022 were purchased from its subsidiary Bluecurrent NZ Limited (2024: nil). Monies outstanding on 30 June 2025 were \$21,875 (2024: nil).

DIRECTORS' REMUNERATION

The remuneration paid to Directors during the year was \$298,602.

KEY MANAGEMENT PERSONNEL REMUNERATION

	2025 \$000	2024 \$000
Short term employment benefits	2,445	2,497
Post-employment benefits - employees	100	93
Short term benefits - Directors (as above)	299	302
Termination benefits	-	172
	2,844	3,064

During the financial period under review, key management personnel in addition to Directors were directly employed by the Company.

Total remuneration paid to the Chief Executive was \$634,434. No short or long-term incentive arrangements are in place.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

28 FINANCIAL INSTRUMENT RISK

Dunedin City Treasury Limited, which is part of the Dunedin City Holdings Group, co ordinates access to domestic financial markets for all group members and provides advice on the management of financial instrument risks to the Company. These risks include credit risk and liquidity risk.

CREDIT RISK

Credit risk on liquid funds and cash flow hedge instruments is limited through the counterparties being banks with high credit ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk. The exposure is spread over a large number of counterparties.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

The Company's maximum credit risk for each class of financial instrument is:

	2025 \$000	2024 \$000
Cash and cash equivalents	57	126
Trade and other receivables	19,702	17,038
Term investments	27	24
	19,786	17,188

CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard & Poor's credit ratings (if available) or to historical information about counterparty default rates.

	2025 \$000	2024 \$000
Counterparties with credit ratings		
Cash and cash equivalents		
AA-	57	126
Trade and other receivables		
AA	62	64
Counterparties without credit ratings		
Trade and other receivables		
Existing counterparties with no defaults in the past	20,206	17,610
Investment		
Existing counterparties with no defaults in the past	27	24

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

28 FINANCIAL INSTRUMENT RISK - continued

LIQUIDITY RISK

Liquidity risk represents the Company's ability to meet its contractual obligations. The Company evaluates its liquidity requirements on an ongoing basis. In general, the Company generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and ensures it has credit lines in place to cover potential shortfalls.

The Company maintains credit management and accounts receivable processes aimed at collecting all trade debtors and other receivable balances in cash by their agreed date(s) for payment.

The following table analyses the exposure of the Company's financial assets and liabilities to liquidity risk as at 30 June 2025.

Contractual obligations in respect of interest expense on term borrowings, have not been included in the liquidity risk table as the term debt does not have a contractual end date and the interest is currently payable on a month-by-month basis.

The Company's assets and liabilities are shown at their contractual and carrying values.

The following table analyses the exposure of the Company's financial liabilities to liquidity risk as at 30 June 2025:

Maturity Dates	Less than 1 Month \$000	1 to 3 Months \$000	3 Months to 1 Year \$000	1 to 5 Years \$000	More than 5 Years \$000	No Maturity \$000	Total \$000
Financial assets							
Financial assets measured at amortised cost							
Cash and cash equivalents	57	-	-	-	-	-	57
Trade and other receivables	19,702	-	-	-	-	-	19,702
Financial assets at fair value through profit and loss							
Long term investments	-	-	-	-	-	27	27
	19,759	-	-	-	-	27	19,786
Financial liabilities							
Financial liabilities measured at amortised cost							
Trade and other payables	20,206	-	-	-	-	-	20,206
Borrowings	2,270	-	-	-	-	573,080	575,350
	22,476	-	-	-	-	573,080	595,556

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

28 FINANCIAL INSTRUMENT RISK - continued

The following table analyses the exposure of the Company's financial liabilities to liquidity risk as at 30 June 2024:

Maturity Dates	Less than 1 Month \$000	1 to 3 Months \$000	3 Months to 1 Year \$000	1 to 5 Years \$000	More than 5 Years \$000	No Maturity \$000	Total \$000
Financial assets							
Financial assets measured at amortised cost							
Cash and cash equivalents	126	-	-	-	-	-	126
Trade and other receivables	17,038	-	-	-	-	-	17,038
Financial assets at fair value through profit and loss							
Long term investments	-	-	-	-	-	24	24
	17,164	-	-	-	-	24	17,188
Financial liabilities							
Financial liabilities measured at amortised cost							
Trade and other payables	19,850	-	-	-	-	-	19,850
Borrowings	1,518	-	-	-	-	538,525	540,043
	21,368	-	-	-	-	538,525	559,893

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

28 FINANCIAL INSTRUMENT RISK - continued

SENSITIVITY ANALYSIS

The table below illustrates the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on the Company’s financial instrument exposures at the balance date.

Based on historic movements and volatilities, market interest rate movements of plus or minus 1% (100bps) have been used in this analysis.

	Carrying Amount at Balance Date \$000	+100BPS		-100BPS	
		Profit \$000	Equity \$000	Profit \$000	Equity \$000
Financial liabilities					
Borrowings (unhedged)	573,080	(5,731)	-	5,731	-

29 SEGMENT REPORTING

Aurora Energy Limited operates in the electricity distribution sector in the Otago geographical area of New Zealand.

30 CAPITAL MANAGEMENT STRATEGY

The capital of the Company is its equity, which is comprised of subscribed capital and retained earnings and cash flow hedge reserves. Equity is represented by net assets. The Company manages its capital to ensure that it will be able to continue to operate as a going concern and optimises the balance of debt to equity on a prudent basis in consultation with its Shareholder.

The Directors of the Company perform continual reviews of its operating strategies, and financial performance and include in these reviews any strategies required to protect the capital of the Company. The Directors seek to maximise overall returns to the Shareholder of the Company in the medium term, and to maintain the Company’s financial strength.

The Company is required to provide to its Shareholder an annual Statement of Intent. This Statement of Intent includes information on planned distributions by way of dividend for the following three years.

31 CONTINGENT LIABILITIES

There were no known material contingent liabilities at balance date.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2025

32 CHANGE IN ACCOUNTING POLICY

As disclosed in Note 9 Taxation, following a review of the requirements of International Accounting Standard NZ IAS 12 Income taxes, the Company has applied the Initial Recognition Exemption in NZ IAS 12 to remove the intra-group profit component from assets acquired from related party Delta Utility Services Limited in the period from 2015 – 2025. This has resulted in a reversal of the deferred tax liability previously recognised on the intra-group component of assets acquired from 2015 - 2024, and no impact on deferred tax from the 2025 assets acquired. The Company believes that the decision to adopt the Initial Recognition Exemption in NZ IAS 12 better reflects the Company’s deferred tax position.

The following table shows the impact of this change in accounting policy on previously reported income tax expense, net profit after tax, deferred tax liability, retained earnings, total liabilities and total equity for the years ending 30 June 2024, and 30 June 2023.

	Year ended 30 June 2024			Year ended 30 June 2023		
	\$000	\$000	\$000	\$000	\$000	\$000
Financial assets	Previously reported	Change	Restated	Previously reported	Change	Restated
Income tax expense	12,236	(283)	11,953	5,030	(679)	4,351
Net profit after tax	23,699	283	23,982	11,082	679	11,761
Deferred tax liability	96,616	(5,119)	91,497	86,770	¹ (4,836)	81,934
Retained earnings	211,221	5,119	216,340	187,522	4,836	192,358
Total liabilities	665,338	(5,119)	660,219	607,819	(4,836)	602,983
Total equity	221,221	5,119	226,340	197,522	4,836	202,358

1 As a result of the application of the Initial Recognition Exemption in NZ IAS 12 to intra-group profits on assets acquired between 2015 and 2022, the cumulative change to opening shareholder’s equity as at 30 June 2022 was \$4.157 mil. Shareholder’s equity at 30 June 2022 was previously reported as \$186.440 mil, however, is now restated as \$190.597 mil per the Trend Statement on page 30.

33 EVENTS AFTER BALANCE DATE

There were no significant post balance date events.



Independent Auditor's Report

To the readers of Aurora Energy Limited's financial statements and performance information for the year ended 30 June 2025

The Auditor-General is the auditor of Aurora Energy Limited (the company). The Auditor-General has appointed me, Chantelle Gernetzky, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 48 to 85, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include material accounting policy information and other explanatory information; and
- the performance information of the company on pages 31 to 35.

In our opinion:

- the financial statements of the company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standard; and
- the performance information of the company presents fairly, in all material respects, the company's achievements measured against the performance targets adopted for the year ended 30 June 2025.

Our audit was completed on 18 September 2025. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is also responsible on behalf of the company for preparing performance information that is fairly presented.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Energy Companies Act 1992.

Responsibilities of the auditor for the audit of the financial statements and the performance information

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

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. 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

Independent Auditor's Report (cont.)

aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and performance information.

For the performance targets reported in the financial statements and performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (cont.)

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 30, 36 to 47 and 90 to 91, but does not include the financial statements and the performance information, and our auditor's report thereon.

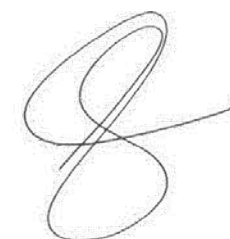
Our opinion on the financial statements and the performance information does not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence 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.

Other than the audit and the assurance engagements disclosed in note 5 to the financial statements, we have no relationship with, or interests in, the company.



Chantelle Gernetzky
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

COMPANY DIRECTORY

As at 30 June 2025

Directors

Stephen R Thompson (Chair)
Simon J Clarke
Janice E Fredric
Wendie N Harvey
Stephen P Lewis

Management

Chief Executive
Richard Fletcher

Chief Financial Officer
Gary Dixon

General Manager People, Culture & Safety
Candice Maree

**General Manager Future Network
and Operations**
Matt Settle

**General Manager Customer and
Commercial Services**
Mark Pratt

General Manager Digital Transformation
Tracey Saunders

General Manager Service Delivery
Richard Starkey

Registered office

10 Halsey Street
Dunedin
New Zealand

Banker

Westpac Banking Corporation

Solicitor

Gallaway Cook Allan

Auditor

Audit New Zealand on behalf of the
Controller and Auditor-General

Taxation advisor

Deloitte