

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2026

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About this report

This report reviews Aurora Energy's financial and operational performance for the year ended 30 June 2026. 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.

NAU MAI, WELCOME

We are pleased to present **Aurora Energy's Annual Report for the year ended 30 June 2026**, a year in which we **continued to strengthen our network, explore new energy solutions and prepare for the changing needs of the communities we serve.**

Last year, we outlined our commitment to preparing for a new energy future by investing in the technologies, capabilities and partnerships needed to support growing electrification and changing consumer expectations. That focus has continued throughout the year, as the pace of change across New Zealand's energy sector has accelerated and new opportunities have emerged to rethink how electricity networks are planned, operated and used.

As consumers increasingly adopt technologies such as rooftop solar, battery storage and electric vehicles, Aurora Energy is continuing to evolve from a traditional network operator to an enabler of a more flexible, resilient and consumer-focused energy system.

Alongside ongoing investment in critical network infrastructure, we are exploring innovative approaches that help deliver value for consumers while supporting long-term growth across our networks in Dunedin, Central Otago/Wānaka and Queenstown Lakes.

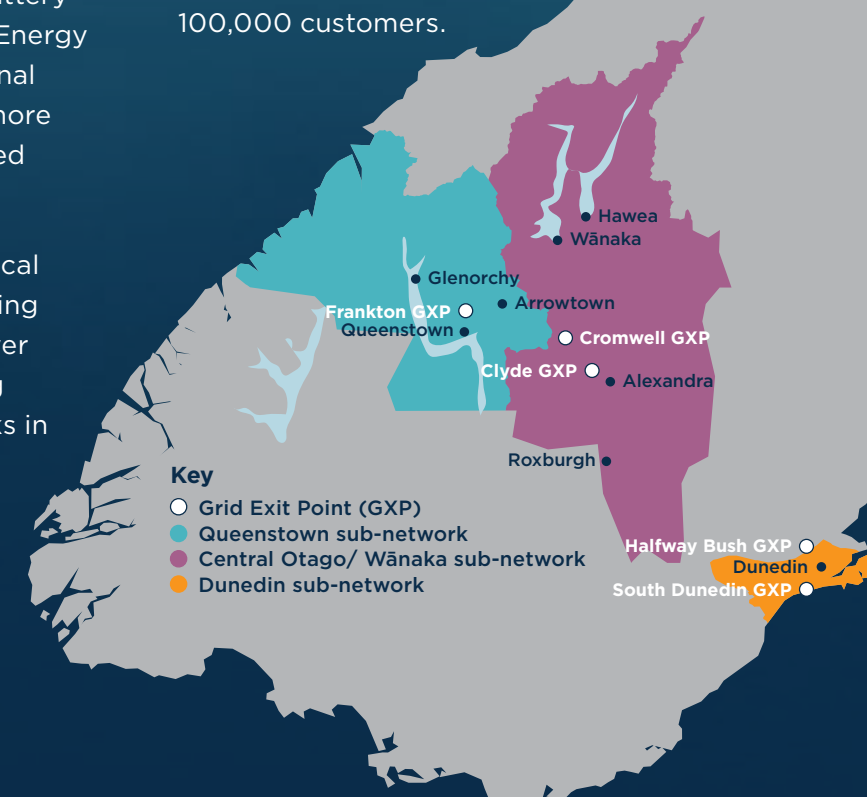
The progress outlined in this report demonstrates how we are putting our strategic priorities into action.

From strengthening our network and advancing innovative flexibility initiatives, to deepening collaboration across the sector, we remain focused on ensuring our communities benefit from an adaptable, affordable and sustainable electricity future.

As the energy landscape continues to evolve, Aurora Energy is well positioned to help shape the next chapter of that journey.

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 Te Waipounamu, the South Island. We take the power from Transpower's national grid to power homes, businesses and the wider community, and deliver a safe, reliable and sustainable electricity supply across Ōtākou in Ōtepoti Dunedin, Central Otago & Wānaka and Tāhuna Queenstown to close to 100,000 customers.





OUR YEAR IN REVIEW



Chair & Chief Executive's report



Chair Steve Thompson

DELIVERING TODAY, AND SHAPING THE NETWORK OUR COMMUNITIES WILL NEED TOMORROW

The energy sector is changing fast; and for a network like ours that change is not abstract. It is showing up in our communities right now: in the pace of growth across Queenstown Lakes and the Upper Clutha, in the solar panels and batteries appearing on homes and businesses, and in the expectations consumers rightly have of a modern, affordable and resilient electricity service.

Our purpose has not changed: to deliver electricity safely and dependably to and from homes, farms and businesses across Dunedin, Central Otago/Wānaka and Queenstown Lakes, at the lowest sustainable cost. What is changing is how we do that, and the role we play as the system becomes more distributed, more dynamic and more digital.



Chief Executive Richard Fletcher

This was a year of delivery and positioning. We completed a defining five-year investment programme, broke new ground in flexibility and non-network solutions, and made deliberate choices about the kind of business Aurora Energy needs to be for the decade ahead. While we are only one part of a larger system, we are clear that we can lead, and we intend to.

POWERING OUR REGIONS TO 2050

Our network underpins the energy choices consumers will make, a large part of what they pay for power, and New Zealand's path to net zero by 2050.

Meeting that target will require much greater use of electricity. As homes, transport and businesses electrify, the network is what carries the transition. That is why we plan to a 2050 horizon, so that capacity is never what holds our communities back.

As our regions grow and the way people use electricity changes, we are taking a long-term view of the capacity and resilience our communities will need. Two major programmes carry that work and ensure our network is ready for the decades ahead.

The first, **Powering Southern Lakes 2050**, sets out how we plan to keep electricity capacity ahead of demand across the fast-growing Queenstown-Lakes, Wānaka and Upper Clutha, Cromwell and Central Otago networks. The 2050 date is our line of sight, not our start line; the investment is staged through the 2020s and 2030s, and much of it is already underway. Rather than treating each project in isolation, we are planning to secure the future capacity of the Southern Lakes region as one connected system and choosing the right mix of transmission, distribution and non-network solutions that will meet demand and resilience at the lowest long-term cost. We will continue to coordinate closely with Transpower, the national grid owner and operator, while leading this critical programme of work.

Our parallel programme, **Powering Dunedin 2050** will focus on reinforcing and developing the Dunedin network to support the city's economic growth and its ambition to be a centre for technology and innovation. Powering Dunedin 2050 will deliver the capacity, resilience and reliability that a growing, smarter city depends on.

Together, these programmes will form Aurora Energy's plan for a 2050-ready network across the region we serve on behalf of our shareholder and communities. They reflect a simple commitment: wherever our communities are heading as the result of either rapid growth in the Southern Lakes region or Dunedin's next chapter as, for example, an innovation hub, the Aurora Energy network will be ready to power their energy futures.

GETTING THE MIX RIGHT, AND GETTING PRICING RIGHT

Upgrading a network used to mean, almost always, building more lines. Today we have a broader toolkit. Alongside traditional infrastructure, we can use battery storage and demand-side flexibility to defer or avoid network upgrades where that is the more efficient investment choice. This is a genuine and welcome shift in how lines companies plan, and we are pursuing it deliberately.

We are equally clear that innovation complements network investment, it does not replace it. The national grid and the distribution network remain essential. The real skill lies in the judgement of choosing, project by project, the combination of transmission, distribution and non-network options that delivers a reliable service at the lowest sustainable cost.

Getting pricing right matters just as much as getting the assets right. As more consumers adopt solar, batteries and electric vehicles, we believe cost-reflective pricing should reward those who reduce network costs. At the same time, our pricing has to be fair to everyone, including consumers who cannot, or choose not to, invest in these technologies. Ensuring the benefits of new technology are shared equitably, while keeping electricity affordable, is one of the defining issues for our sector. Getting it right will take genuine collaboration between industry, regulators and government, and Aurora Energy intends to be a constructive voice in that work.

FLEXIBILITY AND COMMUNITY ENERGY IN ACTION

We put these ideas into practice this year. Having gone to the market for flexibility services to help manage demand peaks, we received 40 responses to our open call.

We have since contracted with Octopus Energy to reward battery owners for energy fed back into parts of our network at times of peak demand. Intelligent battery controls help balance the local grid when it is under the most pressure, and the partnership with Octopus is teaching us a great deal about how flexibility can be scaled.

We are also designing energy into communities from the outset. With a local developer, we are exploring a blueprint for a 2,800-lot subdivision at Homestead Bay near Queenstown, testing how community energy resources can be built into a masterplan from day one. This is an approach that could become a template for growing communities nationwide. That work sits alongside a pilot in Glenorchy, where we think modular, network-owned batteries could be scaled as local demand grows and relocated as priorities shift, improving resilience for an end-of-line community while feeding flexibility back to the wider network. Together, these sorts of initiatives are building our understanding of how community-scale and network-scale storage can be deployed across the region.

PREPARING FOR A MORE DYNAMIC ROLE, AND FOR AI

The role of a distribution network is changing. For most of our history, we have built and maintained the poles, wires and substations that carry electricity one way, from the grid to the consumer. We need to be ready to orchestrate a two-way, dynamic system in which consumers, solar, batteries and flexibility all play an active part. Enhanced access to smart meter data is already giving us a far clearer picture of how electricity is generated, stored and used across our network, and better information is leading to better investment decisions.

Artificial intelligence and machine learning will accelerate this shift. Used well, they will sharpen how we forecast demand, plan and

operate the network, manage our assets, serve consumers, and, through automation and streamlined decision making, lift productivity across the business. We are determined to be ahead of this curve rather than behind it. That means understanding where these technologies are being applied best, both here and internationally, and building on that in a way that is practical and safe for an essential service. We see a leadership role for Aurora Energy in helping our sector think this through, and we are encouraging that conversation among our peers.

Technology is only part of the story. The skills our people need are changing as quickly as the network itself, and the contest for talent across the sector will only intensify. Planning our future workforce, developing our existing team and attracting new capability is a strategic priority, not an afterthought. The Aurora Energy of the next decade will need engineers, data specialists and operators who are as comfortable with a distributed, digital system as our people today are with the physical network. Building that capability now is one of the most important investments we can make.

PUTTING CONSUMERS AT THE CENTRE

Through all of this, consumers remain at the centre of our decisions. Whether it is a text reminder ahead of a planned outage, providing automated and online connection services, keeping our lines charges as affordable as we can, or using the feedback of those connected to our network to shape our planning, we are focused on continually improving what we offer. The test of our strategy is a simple one: does it deliver real, lasting value to the people and businesses who depend on us? That is the question we hold ourselves to.

HIGHLIGHTS FOR THE YEAR UNDER REVIEW

- Completed our five-year, \$560 million customised price-quality path (CPP) – the largest programme of renewal and reinforcement in the company’s history – delivering the safety, reliability and resilience improvements we committed to across Dunedin, Central Otago/Wānaka and Queenstown Lakes.
- Maintained a strong safety performance, with no serious harm events involving members of the public and a Total Recordable Injury Frequency Rate of zero for Aurora Energy employees. A higher than target Contractor TRIFR remains an area of focus for the Board and management.
- Met our planned interruption quality targets and came in under limit on frequency of unplanned interruptions. Unplanned outage duration was above target but driven largely by storm events in Dunedin and Queenstown during October 2025.
- Delivered Asset Management improvements in terms of the CPP Development plan and published a 10-year Asset Management Plan Update for 2026–36, lifting the quality of the data and analysis behind every investment decision we make. Our final Annual Delivery Report for the CPP period was completed and independently assured.
- Consulted openly with consumers, holding public engagement forums in each pricing region and recording further year-on-year improvement via our annual consumer survey across key measures of consumer awareness and overall performance and trust in the company. We also invested \$103,103 in community initiatives, including sponsoring both Electrify Queenstown 2026 and Electrify Dunedin.
- Brought our long-term capacity and electricity-security planning for Queenstown, Cromwell and the Upper Clutha/Wānaka together under a single, Aurora Energy-led regional development programme, to be known as Powering Southern Lakes 2050 – keeping supply capacity ahead of demand in some of the country’s fastest-growing areas.
- Opened a new office in Queenstown to support local growth and the district’s drive towards a carbon-free visitor economy. The office will be the hub for our Powering Southern Lakes 2050 programme.
- Led initiatives to increase supply capacity into the Upper Clutha/Wānaka area to meet growing demand from population growth and rising electrification.
- Decided, after a detailed assessment, not to operationally integrate with Alpine Energy. Both organisations concluded the model would not deliver sufficiently compelling long-term consumer benefits to justify the cost, complexity and risk involved. The work gave us valuable insights into future operating models, systems, capability and scale in the electricity distribution sector.
- Received regulatory support from the Commerce Commission in the form of newly approved DPP4 revenue allowances, which gave us the certainty to continue our forward investment programme as planned.
- Continued to deliver ongoing network investment, including new substations and lines, connections for new developments, and support for businesses electrifying their operations.

Revenue and earnings: total revenue of \$202.8 million (2025: \$177.3 million) and net profit after tax of \$35.4 million (2025: \$24.3 million). Net profit after tax and EBITDA of \$106.2 million both exceeded Statement of Intent targets for the year.

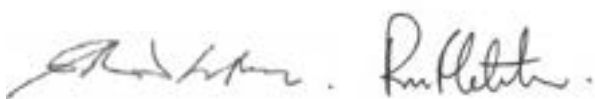
Investment and cash generation: \$91.1 million reinvested in the network, funded from operating cash flows of \$79.5 million (2025: \$60.7 million). No dividend was paid, so every dollar earned was retained and put back into the network our communities rely on.

Financial strength: total assets grew to \$1.02 billion and shareholder's funds to \$286.0 million, delivering a return on average equity of 13.2% (2025: 10.2%). Closing term debt of \$587.9 million held below Statement of Intent target of \$616.6 million.

COMPLETING A DEFINING INVESTMENT PROGRAMME

Underpinning the year was the completion of our five-year, \$560 million customised price-quality path: a programme of essential maintenance and upgrades across Dunedin, Central Otago/Wānaka and Queenstown Lakes that has fundamentally strengthened the safety, reliability and resilience of our network. Delivering a programme of that scale, over some of the most diverse and challenging terrain in the country, took real dedication from our team and our field delivery partners. It is a milestone the whole organisation can be proud of, and it leaves us well placed for what comes next.

Our thanks go to our staff, our consumers, our stakeholders and our industry partners for their support through the year.



Stephen Thompson
Chair

Richard Fletcher
Chief Executive

A SPECIAL MENTION FROM THE BOARD AND THE AURORA ENERGY TEAM

This report also marks a significant change in our governance. After a decade as Chair, Steve Thompson will step down on 30 September 2026. Over the last ten years, he has been instrumental in one of the most substantial turnarounds in the New Zealand electricity sector, guiding Aurora Energy from a business under intense public scrutiny to one with a credible national voice, widely respected as a leader in electricity distribution.

Steve has said many times, in boardrooms and in public, that the turnaround is a credit to the whole Aurora Energy team. He has agreed to a transition period to support the incoming Chair, the Board and the executive.

The new Chair, Janice Fredric, will inherit a confident, well-positioned business at a genuinely exciting moment, with a clear strategy taking shape and the right people to deliver it. It will be one of the most interesting leadership roles in New Zealand infrastructure.

The Board, management and staff want to acknowledge and thank Steve for his consistent and principled leadership, and for what he has built under his prudent governance. It is something to be very proud of.

“ Ensuring the benefits of new technology are shared equitably, while keeping electricity affordable, is one of the defining issues for our sector. ”



THE YEAR AT A GLANCE

and service performance

NET PROFIT 2026

\$35.4_M

While financial statements continue to reflect an improving net profit trend, elevated investment requirements mean the company remains in a negative free cash flow position.

All profits were reinvested into the network and long-term borrowings increased by \$14.8 million during the year.

CAPITAL EXPENDITURE 2026

\$91.1_M

Capital projects undertaken during 2026 include upgrades to the Queenstown and Green Island zone substations, together with a 33kV cable replacement between Kaikorai Valley and Halfway Bush. Work on the next stage of a significant upgrade to the Waipori Line also commenced.



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 has been the director of a number of companies involved in the energy, construction, investment, manufacturing and professional services sectors. Steve will step down from his role at the end of September and we thank him for his leadership and the strong foundation built under his guidance.



**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.



**SIMON
CLARKE**
Non-Executive Director

Simon joined the Aurora Energy Board in July 2021. He is a professional director with governance roles across professional services and the public and utilities sectors. He also provides strategic advisory services through his business.



**JANICE
FREDRIC**
Non-Executive Director

Janice joined the Aurora Energy Board in July 2022. She is a professional director with over 25 years governance experience across commercial, public, and not-for-profit sectors. She will succeed Steve as the Aurora Energy Chair, effective from 1 October 2026.



**STEPHEN
LEWIS**
Non-Executive Director

Stephen joined the Aurora Energy Board in July 2021. With previous governance roles in both commercial and not-for-profit sectors, he is a company director and business consultant with experience in the electricity supply industry in NZ, the UK, US, Australia and South America.



**KEN
SUTHERLAND**
Non-Executive Director

Ken Sutherland joined the Aurora Energy Board in July 2025. He is a professional director and an electricity sector advisor with over 20 years of governance experience across New Zealand's energy and infrastructure sectors.

EXECUTIVE LEADERSHIP TEAM



RICHARD FLETCHER
Chief Executive

Richard (PhD, BEnvSc) joined Aurora Energy as Chief Executive in January 2018 and leads the delivery of the company's strategic direction.

Richard has led a team that, with regulatory approval, rebuilt both the network and its own capability and delivered a major programme of investment to secure safer and more reliable outcomes for consumers. As CEO he remains focused on enabling growth and electrification across Ōtepoti Dunedin, Central Otago and Queenstown-Lakes, supporting new technologies and a more resilient, sustainable energy system for Aurora's consumers.

Before joining Aurora, Richard was General Manager Regulation and Corporate Affairs at Powerco, a senior manager at Transpower, and Head of Economic Regulation at Welsh Water. He has advised on energy and water regulation, asset management and investment planning internationally.



CANDICE MAREE
General Manager - People, Culture and Safety

Candice leads Aurora Energy's people, culture and safety functions, architecting the organisational capability required for Aurora's growth and electrification strategy. She joined in late 2021 and has built talent and safety strategies aligned to Aurora's transformation from network investment and digital modernisation to attracting the specialist talent Aurora needs to support the energy transition.

Her focus is attracting and developing specialist talent, embedding data-informed workforce planning, and evolving safety culture as Aurora's network transforms. She is actively shaping Aurora as a destination employer, strengthening Aurora's employee value proposition so our people see genuine career pathways in the energy sector.



TRACEY SAUNDERS
General Manager - Digital Transformation

Tracey leads Aurora Energy's digital transformation teams and work plans. Her teams are modernising the systems, data and processes that support asset management, improve efficiency and help deliver the intelligent, future-ready network our customers and communities need.



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

Gary leads Aurora Energy's finance, regulatory and risk assurance functions. As CFO, he helps ensure strong governance, financial integrity and compliance across the business. His teams help provide the insights, assurance and commercial disciplines needed to support effective decision-making and the long-term stewardship of Aurora's network assets.



MARK PRATT
General Manager - Customer and Commercial Services

Mark leads Aurora Energy's customer, community, engineering and commercial services teams. He is focused on supporting customers through the energy transition, enabling electrification, connecting growth, and helping communities embrace new energy technologies to build a more resilient and sustainable energy future.



RICHARD STARKEY
General Manager - Service Delivery

Richard leads the programming, procurement and delivery of work across our network. His teams work with our contracting partners to deliver the investment needed to maintain and improve the network, support growth across our regions and provide capacity for increasing electrification and decarbonisation.



MATT SETTLE
General Manager - Future Network and Operations

Matt leads the operation, planning and development of our network. His teams are managing and renewing our network assets as well as preparing for future growth and changing energy needs, which means managing distributed energy resources such as solar, batteries and electric vehicles, as part of a more intelligent and flexible network.



STAFF ANCHOR DAY

OUR PEOPLE

Our people are the foundation of Aurora Energy's ability to deliver a modern, intelligent network. As the energy sector transforms, our workforce is building the skills, capability and expertise needed to lead that change.

We are committed to being an employer of choice. That means investing deliberately in leadership development, structured career pathways, workforce planning and continuous learning, so our people can grow their capability alongside the pace of change in our industry. Our people play a critical role here, strengthening strategic alignment and driving the engagement and collaboration needed to deliver our transformation agenda.

We believe the best outcomes come from diverse perspectives, experience and ways of thinking. Our team includes people from 21 countries, which strengthens our culture and builds the breadth of capability our network needs going forward. Our gender diversity is shown on the right.

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NUMBER OF AURORA ENERGY EMPLOYEES



AURORA ENERGY EMPLOYEES BY GENDER



BOARD GENDER DIVERSITY



EXECUTIVE LEADERSHIP TEAM GENDER DIVERSITY



SENIOR MANAGEMENT GENDER DIVERSITY



KEY | ♂ MALE ♀ FEMALE

STAFF ANCHOR DAY





SAFETY IN ACTION



Safety is the number one priority at Aurora Energy. We were pleased to report in this year's Annual Delivery Report a 24% reduction in safety related incidents for RY26 when compared with the prior year.

LEARNING & IMPROVEMENT

Staff and contractors are encouraged to report incidents, near misses and hazards so we can identify risks early and learn from them. Any lessons learned and corrective actions are shared through:

- Safety alerts
- Site interactions and field observations
- Contractor meetings
- Health and safety forums
- Risk assessment activities

ADDRESSING THIRD-PARTY RISK

The largest sources of safety incidents are third-party contacts with our network, vehicle strikes, cable damage, and contact with overhead lines. Recognising that electricity safety is an industry-wide responsibility, we've partnered with major contractors and industry bodies to drive a broader shift in how the sector approaches safety. This year we launched 'Safe is a 4 metre word', a targeted safety campaign aimed at tradies and contractors working near electricity infrastructure across Otago. The campaign is built on a simple principle: four metres is the distance that keeps people safe.

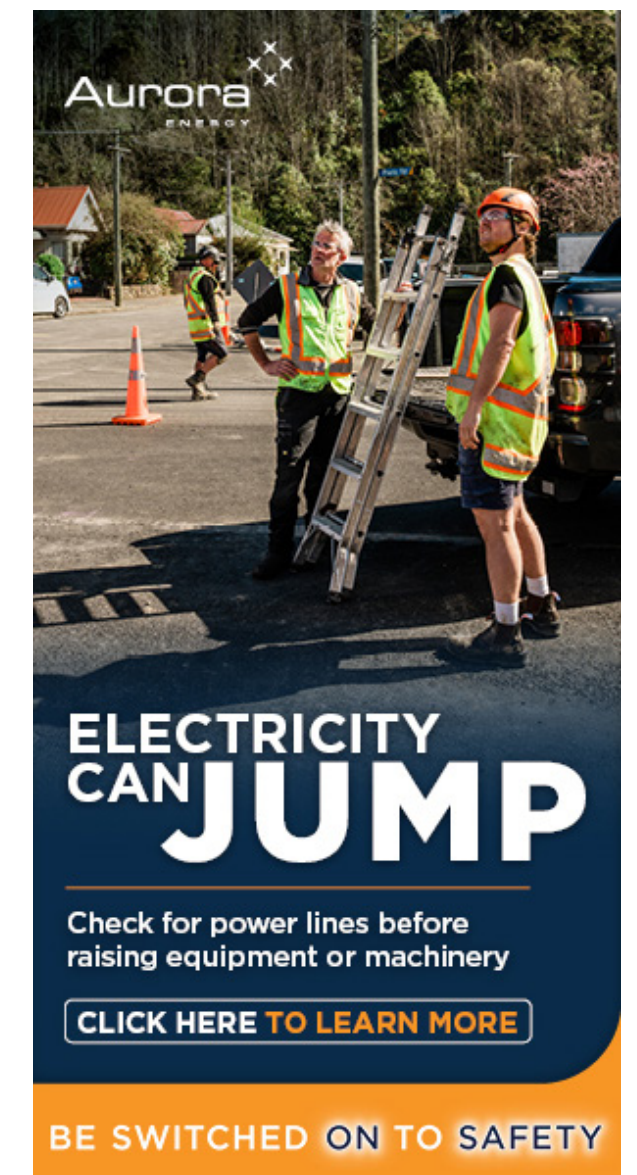
CONTRACTOR PARTNERSHIP

Contractor safety management is strengthened through our Trust and Verify approach. We trust contractors to do the right thing and verify through rigorous processes, investigation and learning.

Root cause analysis drives improvements in maintenance practices, engineering standards and risk management processes.

BOARD & MANAGEMENT

Regular safety observations by Board and management keep health and safety visible and central to how we operate. Our active Health and Safety Committee, represented by staff, ensures safety is embedded across the organisation.





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.

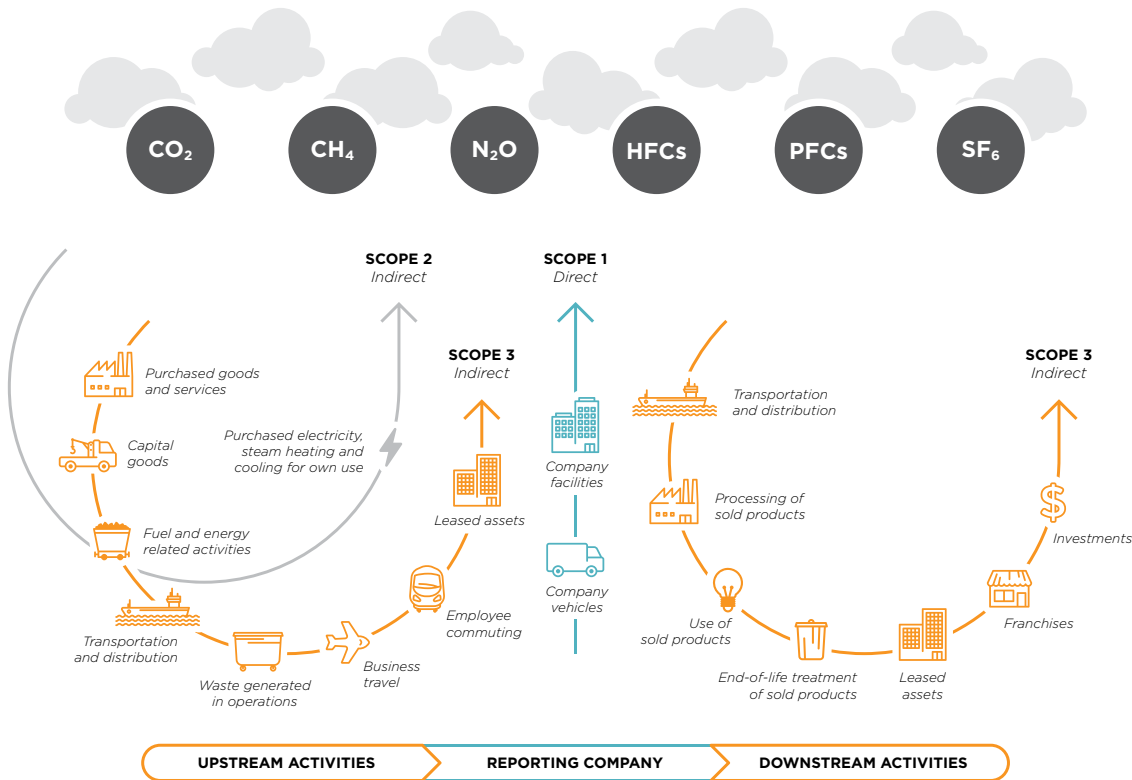
Alongside these critical enabling contributions, we are also focused on reducing our own controllable greenhouse gas (GHG) emissions, minimising waste and working with the wider DCC/DCHL group to support Dunedin’s citywide goal to reduce emissions.¹

GHG EMISSIONS

This year’s GHG emissions reporting again builds on the original baseline work in FY21 and incorporates methodological and reporting enhancements made in subsequent years. These changes increase the accuracy of the reported emissions. Where material methodology updates have been applied, these are disclosed in the accompanying notes.

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.

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



¹ In July 2026, based on updated emissions modelling showing the Dunedin citywide 2030 net zero target was highly unlikely to be achieved, the Dunedin City Council resolved to adopt a new target, with a short-term gross emissions reduction target (emissions before carbon dioxide absorbed by trees is considered), and a longer-term net zero target. Council will decide on the specifics of a new city-wide emissions target later in 2026.

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 FY26 were 8,416 tCO₂-e, compared with 10,527 tCO₂-e reported for the previous year. FY26 Scope 1 emissions from sources owned or controlled by Aurora Energy were 260 tCO₂-e, or around 3% of total estimated GHG emissions.

Table 1: Emissions by scope (yearly comparison)

Emissions	tCO ₂ -e FY 2026	% of Total	FY 2025	FY 2024	FY 2023	FY 2022 (base year)	FY 2021 (base year)
Scope 1	260	3%	252	236	383	383	245
Scope 2	5,850	70%	7,867	4,725	5,589	9,443	11,976
Scope 1 & 2 (excl line losses)	348	4%	342	287	446	488	358
Scope 3	2,306	27%	2,408	2,478	2,592	211	152
Total	8,416	100%	10,527	7,439	8,564	10,037	12,373

Note: To track emissions consistently over time, a recalculation of both base year and intervening year emissions can be required to ensure a GHG inventory continues to compare ‘like with like’ emission volumes. For this reason, retrospective electricity emissions factors published by the Ministry for the Environment (MfE) in May 2026 have been applied to Scope 2 transmission and distribution (T&D) line loss emissions for all reporting years from the FY21 baseline through to FY25. As a result, the historical Scope 2 figures and total emission results presented in this table differ from those published in previous years. Comparisons between reporting years should therefore be based on the recalculated historical figures presented in this report, rather than those published in previous annual reports.



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 2026	tCO2-e FY 2025	tCO2-e FY 2024	tCO2-e FY 2023	tCO2-e FY 2022	FY 2021 (base year)
Scope 1						
Generators	65	58	40	182	182	23
Company Vehicles	84	101	112	128	137	165
Fugitive Emissions - SF6	110	93	83	73	64	57
Sub-total	259	252	235	383	383	245
Scope 2						
Electricity Line Losses	5,762	7,778	4,674	5,526	9,337	11,863
Purchased Electricity	88	90	51	63	105	113
Sub-total	5,850	7,868	4,725	5,589	9,442	11,976
Scope 3						
Third Party Contractors	2,044	2,146	2,178	2,279	Not measured	Not measured
Employee Commuting	109	111	110	115	93	Not measured
Flights	76	89	121	115	35	79
Upstream Transportation (Freight)	38	16	40	46	55	52
Waste to Landfill	12	21	8	15	3	4
Rental Cars	2	2	2	1	1	1
Accommodation	12	10	11	9	5	6
Transmission & Distribution Losses (Consumption)	7	7	4	7	10	10
Working From Home	5	7	5	5	9	Not measured
Sub-total	2,305	2,409	2,479	2,592	211	152
Total	8,414	10,529	7,439	8,564	10,036	12,373

Note: The historical Scope 2 electricity line loss figures in this table have been recalculated using the retrospective electricity emissions factors published by MfE in May 2026. See the note to Table 1 for further information. Scope 3 emissions reported for FY21 and FY22 are not directly comparable with those reported from FY23 onwards, as Scope 3 emissions were only partially measured in the earlier reporting periods. From FY23, additional Scope 3 emission categories were included, providing a more complete representation of Aurora Energy's emissions across its value chain.

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.	GHG emissions	All non-utility/towing vehicles replaced in FY26 were swapped to Hybrid - 1 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	Aurora Energy is assessing whether battery energy storage systems (BESS) could supplement diesel generators in its mobile fleet, reducing generator use and associated emissions. The assessment will determine whether current battery technology is suitable and feasible for use across the network. 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	The feasibility of solar options is being investigated for Aurora Energy’s new office under construction in Cromwell.
4. Reduction of waste disposal via contractors performing work on our network.	Solid waste to landfill	We continue to work with third-party contractors to support Aurora Energy’s waste reduction objectives and strengthen emissions and waste reporting practices.

This year’s FY26 Scope 1 & 2 emissions excluding electricity line losses were 3% lower than the 2021 baseline, mostly due to lower company vehicle fleet emissions.

During FY26, we progressed our fleet transition strategy to replace internal combustion engine (ICE) vehicles with either a hybrid or EV upon lease renewal. During the year, a new hybrid vehicle was introduced to the fleet, replacing an ICE vehicle based in Cromwell. To support this transition, an EV charger was installed at our Cromwell office, enabling more efficient charging and helping to maximise utilisation of the EV fleet. The installation of additional EV chargers is also being considered as part of the development of Aurora Energy’s new Cromwell office.

These initiatives contribute to reducing fleet-related emissions while supporting the practical adoption of lower-emission vehicle technologies across our operations.

We continued to strengthen waste data collection and reporting, progressing pilot reporting with our largest provider for Aurora-specific waste streams. We also confirmed that key field service providers have appropriate waste disposal and recycling arrangements in place, including used transformer oil recycling, and reinforced these requirements with contractors through a reminder notice.





OUR SERVICE PERFORMANCE



FOR THE YEAR ENDED 30 JUNE 2026

YEARS ENDED 30 JUNE	NOTE		2026	2025	2024	2023	2022
Energy received into network	1	GWh	1,490	1,468	1,491	1,445	1,384
Energy received for delivery to consumers	1	GWh	1,417	1,389	1,436	1,368	1,305
Total revenue		\$000	202,753	177,322	166,656	142,787	126,680
Net profit before tax		\$000	48,620	33,856	35,935	16,112	10,965
Tax expense	2	\$000	13,256	9,551	11,953	4,351	2,523
Net profit for the year	2	\$000	35,364	24,305	23,982	11,761	8,442
Cashflow from operating activities		\$000	79,506	60,654	67,124	44,455	36,800
Dividends paid		\$000	-	-	-	-	-
Shareholder's equity	2	\$000	286,009	250,645	226,340	202,358	190,597
Total assets		\$000	1,018,605	954,793	886,559	805,341	730,576
Capital expenditure (Property, plant and equipment)		\$000	91,129	96,311	107,608	99,294	82,990
Return on average equity	2		13.2%	10.2%	11.2%	6.0%	4.5%
Equity to total assets	2		28.1%	26.3%	25.5%	25.1%	26.1%

1 Energy received statistics for regulated years ended 31 March are reported under the Network Performance Summary on page 41.
2 Comparative year figures from 2022 to 2024 have been restated to reflect the impact of a prior period tax expense adjustment.

FOR THE YEAR ENDED 30 JUNE 2026

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	Board and Leadership site visits and safety observations Target: 100	There were 156 Board and Leadership site visits and safety observations
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 Wellbeing strategy is implemented. 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, 77% 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 are captured by the 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 2026, 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 2026

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 Development Plan	Fleet strategies and plans were developed to inform our 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 2026
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 10-year Asset Management Plan (AMP) Update was published by 31st March 2026 for the 2027-2036 period

Reliability Performance Targets (Statement of Intent Targets – Period Ended 31 March 2026)

SAIDI	AVERAGE MINUTES WITHOUT ELECTRICITY PER CONSUMER	
Class B Interruptions (Planned)	≤ 215.55 minutes	85.35 minutes
Class C Interruptions (Unplanned)	≤ 128.36 minutes	112.46 minutes
SAIFI	AVERAGE FREQUENCY OF OUTAGES PER CONSUMER	
Class B Interruptions (Planned)	≤ 1.22	0.49 interruptions
Class C Interruptions (Unplanned)	≤ 1.97	1.29 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 240.53 minutes and 1.66 interruptions respectively.

Statement of service performance (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

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 \$25,000	\$103,103 was provided to support community initiatives during the year. Aurora Energy's primary community sponsorships were Electrify Queenstown 2026 and Te Runaga Otakau for energy efficiency at Otakou Marae
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 2025 Annual Delivery Report by 31 August 2025. Public engagement forums held in each pricing region before 31 October 2025
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 FY2026 are met	Digital transformation roadmap monitored by the Board

Statement of service performance (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

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 was 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 FY2026 targets	Work to refine Aurora Energy's carbon emissions strategy was completed during the year. We will continue to implement the refined strategy during FY2027
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 FY2026 targets	Work to refine Aurora Energy's waste reduction strategy was completed during the year. We will continue to implement the refined strategy during FY2027
Implement opportunities to transition light motor fleet to electric or hybrid vehicles where appropriate	Achieve the FY2026 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 July 2026, based on updated emissions modelling showing the Dunedin citywide 2030 net zero target was highly unlikely to be achieved, the Dunedin City Council resolved to adopt a new target, with a short-term gross emissions reduction target (emissions before carbon dioxide absorbed by trees is considered), and a longer-term net zero target.

Statement of service performance (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

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 2026 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	>105,313	106,200
Net profit after tax	>31,744	35,364
Shareholder's funds	>275,945	286,009
Shareholder's funds to total assets	>27%	28%
Cash flow from operations	>70,060	79,506
Capital expenditure	>108,579	91,129
Term debt	≤616,560	587,865

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		2026	2025	2024	2023	2022
System Physical Measures						
Average length of lines and cables	km	6,432	6,378	6,312	6,256	6,213
Total capacity of distribution transformers	MVA	1,072	1,041	1,046	1,025	1,011
Distribution transformer capacity utilisation	%	30%	30%	30%	30%	31%
Consumer Measures						
Number of consumer connections		98,161	96,792	95,604	94,723	93,785
System maximum coincident demand	MW	318	311	311	309	309
Energy received for delivery ¹	GWh	1,470	1,481	1,467	1,435	1,382
Average load factor		53%	54%	54%	53%	51%
Average minutes off per interruption	CAIDI	111	98	105	90	97
Average interruptions per annum	SAIFI	1.8	1.7	2.1	2.4	2.3
Average minutes off per annum	SAIDI	199	167	217	217	223

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 34.

FOR THE YEAR ENDED 30 JUNE 2026

The Directors of Aurora Energy Limited are pleased to report on the financial results and associated matters for the year ended 30 June 2026.

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 2026	\$000
Operating profit before income tax	48,620
Income tax expense	13,256
Net profit after tax	35,364

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 completed the final year of its CPP investment programme and transitioned to the Default Price-Quality Path (DPP4) for Electricity Distribution Businesses during the period under review.

In addition to delivering safety, reliability and resilience improvements, Aurora Energy continued to lead future facing initiatives focused on sector collaboration, increasing supply capacity into the Queenstown and Upper Clutha/Wānaka regions and innovative solutions for consumers and community stakeholders.

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

FINANCIAL STATEMENTS

The audited financial statements for the year ended 30 June 2026 are attached to this report.

FOR THE YEAR ENDED 30 JUNE 2026

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 2026 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	\$118,000
Simon J Clarke	\$59,000
Janice E Fredric	\$59,000
Wendie N Harvey	\$59,000
Stephen P Lewis	\$59,000
Ken I Sutherland	\$59,000
	<u>\$413,000</u>

EMPLOYEES’ REMUNERATION

The number of employees and former employees whose remuneration and benefits exceeded \$100,000 for the year ended 30 June 2026 is listed below. Remuneration includes all non-cash benefits and redundancy payments at total cost to the Company where applicable.

\$100,000 – \$109,999	12
\$110,000 – \$119,999	16
\$120,000 – \$129,999	12
\$130,000 – \$139,999	11
\$140,000 – \$149,999	8
\$150,000 – \$159,999	8
\$160,000 – \$169,999	7
\$170,000 – \$179,999	10
\$180,000 – \$189,999	4
\$190,000 – \$199,999	4
\$200,000 – \$209,999	6
\$210,000 – \$219,999	2
\$220,000 – \$229,999	2
\$240,000 – \$249,999	1
\$260,000 – \$269,999	1
\$280,000 – \$289,999	1
\$300,000 – \$309,999	1
\$340,000 – \$349,999	2
\$400,000 – \$409,999	1
\$690,000 – \$699,999	1
	<u>110</u>

FOR THE YEAR ENDED 30 JUNE 2026

AUDIT AND RISK COMMITTEE

Mrs Fredric, Mr Thompson, Mr Lewis, and Mr Sutherland were members of the Audit and Risk Committee during 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 ongoing, and progress is satisfactory.

KPMG continued as internal auditor to the Company.

HEALTH, SAFETY AND WELLBEING COMMITTEE

Mr Lewis, Mr Thompson, Mrs Harvey and Mr Sutherland were members of the Health, Safety and Wellbeing Committee during 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 2026

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 The Audit Office.

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.

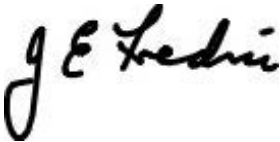
There were no notices from Directors requesting to use Company information received in their capacity as Directors that would not otherwise have been available to them.

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

Janice Fredric
DIRECTOR

17 September 2026

Information on directors

DIRECTOR	QUALIFICATIONS	DATE APPOINTED	DECLARATIONS OF INTERESTS AS AT 30 JUNE 2026
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 (retired 15 December 2025)
			Shareholder – Owhiro River Limited
			Director – Wanaka Bay Limited
			Director and Shareholder – Lakes Realty Limited
			Shareholder – McKenzie Architects Limited
			Director and Shareholder – Best View Limited
			Shareholder – Cerise Orchard Limited
			Shareholder – OB Horn Company 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 2026
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 Contracting Services limited
			Director – Counties Energy Limited
			Director - Ahuriri Investment Management Limited (from 1 August 2025)
Stephen P Lewis Non-Executive Director	CM.Inst.D. FIET MIAM	July 2021	Non-Executive Director – Eastland Investment Properties Limited
			Director - Water Hawkes Bay Limited (appointed 27 June 2026)
			Chair, Hawkes Bay Water Services Establishment Board (entity ceased 26 June 2026)
			Chair and Director – Electricity Invercargill Limited
			Director – MainPower New Zealand Limited
			Director – Alpine Energy Ltd
			Director – Mt Cass Wind Farm Limited (ceased 9 December 2025)
			Director – Greenpower New Zealand Limited



Information on directors (cont.)

DIRECTOR	QUALIFICATIONS	DATE APPOINTED	DECLARATIONS OF INTERESTS AS AT 30 JUNE 2026
Simon J Clarke Non-Executive Director	LLB, BA (Arts) CM.Inst.D.	July 2021	Non Executive Chair – Bay Venues Limited
			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.
			Independent Non-Executive Director – Boffa Miskell Limited
			Chair/Trustee – The Whanau Trust (ceased 5 November 2025)
Janice E Fredric Non-Executive Director	BCom, FCA MBA(Dist), CF.Inst.D	July 2022	Advisory Board Member – OLT Limited (ceased 5 November 2025)
			Chancellor – Lincoln University (from 1 January 2026)
			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 – Green Power New Zealand Limited
			Mt Cass Wind Farm Limited - (ceased 9 December 2025)
			Ex-officio Trustee - Lincoln University Foundation (from 1 January 2026)
			Ex-officio Trustee – Lincoln University Centennial Trust (from 1 January 2026)
Kenneth I Sutherland Non-Executive Director	BBS, FCA	July 2025	Council Member – Lincoln University (ceased 31 December 2025)
			Director – Ara Ake Limited



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

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Statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 \$000	2025 \$000
Operating revenue	3	202,741	177,303
Financial revenue	4	12	19
Total revenue		202,753	177,322
Less expenses			
Operating expenses	5	132,076	121,016
Financial expenses	6	22,057	22,450
Total expenditure		154,133	143,466
Profit before tax		48,620	33,856
Income tax expense	9	13,256	9,551
Net profit after tax for the year		35,364	24,305
Other comprehensive income		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		35,364	24,305

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 2026

	Share Capital \$000	Hedge Reserve \$000	Retained Earnings \$000	Total Equity \$000
Equity as at 1 July 2025	10,000	-	240,645	250,645
Profit after tax	-	-	35,364	35,364
Comprehensive income	-	-	-	-
Equity as at 30 June 2026	10,000	-	276,009	286,009
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

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 2026

	Note	2026 \$000	2025 \$000
EQUITY			
Share capital	11	10,000	10,000
Retained earnings	12	276,009	240,645
Total equity		286,009	250,645
CURRENT LIABILITIES			
Lease liabilities	7	741	974
Trade and other payables	13	20,198	20,206
Contract liabilities	14	795	814
Borrowings	17	2,488	2,270
Other current liabilities	15	606	498
Tax provision	9	3,071	2,011
Employee provisions	16	2,707	2,723
Total current liabilities		30,606	29,496
NON-CURRENT LIABILITIES			
Lease liabilities	7	1,362	1,732
Employee provisions	16	481	456
Borrowings	17	587,865	573,080
Contract liabilities	14	1,762	-
Deferred tax liability	18	110,520	99,384
Total non-current liabilities		701,990	674,652
Total liabilities		732,596	704,148
TOTAL EQUITY AND LIABILITIES		1,018,605	954,793

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 2026

	Note	2026 \$000	2025 \$000
CURRENT ASSETS			
Cash and cash equivalents	19	818	57
Trade and other receivables	20	25,443	20,889
Inventories	22	2,076	1,674
Total current assets		28,337	22,620
NON-CURRENT ASSETS			
Investments	21	31	27
Intangible assets	24	769	2,909
Deferred tax asset	18	2,370	1,756
Property, plant and equipment	23	985,081	924,877
Right of use assets (ROU)	7	2,017	2,604
Total non-current assets		990,268	932,173
TOTAL ASSETS		1,018,605	954,793

For and on behalf of the Board of Directors

Stephen Thompson
CHAIRMAN

17 September 2026

Janice Fredric
DIRECTOR

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 2026

	Note	2026 \$000	2025 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from			
Receipts from customers		200,338	174,435
Interest and dividends received		-	-
IRD research & development rebate		-	8
Intra group tax loss/subvention payment		528	523
		200,866	174,966
Cash was disbursed to			
Payments to suppliers and employees		95,697	88,513
Interest paid		23,125	23,031
Intra group tax loss/subvention payment		2,202	2,993
Net GST (received)/paid		336	(225)
		121,360	114,312
Net cash inflows from operating activities	26.1	79,506	60,654
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from			
Sale of property, plant and equipment including intangible assets		17	-
		17	-
Cash was disbursed to			
Purchase of property, plant and equipment including intangible assets		92,429	94,147
		92,429	94,147
Net cash (outflows) from investing activities		(92,412)	(94,147)

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 2026

	Note	2026 \$000	2025 \$000
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from			
Proceeds from borrowings		97,815	93,475
Cash was disbursed to			
Repayment of borrowings		83,030	58,920
Lease liability repayment		1,118	1,131
		84,148	60,051
Net cash inflows from financing activities	26.2	13,667	33,424
Net increase/(decrease) in cash, cash equivalents and bank overdraft			
		761	(69)
Cash and cash equivalents at beginning of the year		57	126
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	19	818	57

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 2026

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 NZ IAS 1, 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 17 September 2026.

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.

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.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

2 SIGNIFICANT ACCOUNTING POLICIES - continued

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. 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

No new accounting policies were adopted in the year to 30 June 2026.

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:

- NZ IFRS 18 Presentation and disclosure of Financial Statements,
- IFRS 20 Regulatory Assets and Regulatory Liabilities,
- 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

The amendments to NZ 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. Aurora Energy has not early-adopted the change to NZ IFRS 18 Presentation and disclosure in Financial Statements. Aurora Energy will adopt this change in FY2027, and restate FY2026 comparatives.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

2 SIGNIFICANT ACCOUNTING POLICIES - continued

The IASB issued IFRS 20 Regulatory Assets and Regulatory Liabilities on 27 May 2026. IFRS 20 is effective for annual reporting periods beginning on or after 1 January 2029. The XRB has not yet adopted this standard. If an equivalent standard is adopted by the XRB, the company will apply the standard when required to based on the mandatory effective dates determined by the XRB. The company has not yet assessed the impact of this standard on the financial statements.

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 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 2026

	2026 \$000	2025 \$000
3 OPERATING REVENUE		
Line charges	155,021	131,641
Pass-through and recoverable cost revenue	34,323	28,728
Customer contributions	11,735	15,007
Total revenue	201,079	175,376
Other income	1,662	1,927
Total revenue and other income	202,741	177,303

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 lived in. 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 2026 is \$41.037 million (Restated 2025: \$31.060 million). The 2025 revenue washup amount was adjusted downwards to \$31.060 million (-\$0.041 million), following an adjustment to reflect a low-value transfer of assets previously owned in Te Anau. Revenue wash-up amounts will be recovered from consumers in future financial years.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

	2026 \$000	2025 \$000
4 FINANCIAL REVENUE		
Interest and dividends received	12	19
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	263	224
- for assurance engagement for the Information Disclosure	65	62
- 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	15	14
Total audit fees	440	397
Transmission costs	34,323	28,728
Depreciation and amortisation	31,837	29,825
Depreciation - leases	1,009	1,025
Maintenance costs	24,523	23,093
Employee remuneration and benefits	19,487	18,996
Directors' fees & disbursements	464	329
Bad debts written off	303	49
Loss on sale / disposal of fixed assets	2,677	2,133
Increase / (decrease) in expected credit losses	(250)	(70)

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

	2026 \$000	2025 \$000
6 FINANCIAL EXPENSES		
Interest - other	8	8
Interest - related parties	23,335	23,775
Interest - capitalised	(1,380)	(1,440)
Interest - leases	94	107
Total financial expenses	22,057	22,450

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 2026 was 4.05% (2025: 4.28%). 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 2026

7 LEASES AND RIGHT OF USE ASSETS - continued

LEASE MATURITY ANALYSIS AS AT 30 JUNE 2026	Minimum Lease Payments \$000	Interest \$000	Present Value \$000
Payable within one year	756	15	741
Payable between one to five years	1,027	127	900
Payable later than five years	526	64	462
Total			2,103
Current Portion			741
Non-current Portion			1,362
			2,103

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

	2026 \$000	2025 \$000
Cashflow		
Total cash outflow in relation to leases	1,485	1,449
Lease expenses included in profit and loss relate to		
Short term leases	374	322
Interest on leases	94	107

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

7 LEASES AND RIGHT OF USE ASSETS - continued

RIGHT OF USE ASSETS

MOVEMENTS IN YEAR ENDED 30 JUNE 2026	Buildings \$000	Network \$000	Plant & Equipment \$000	Motor Vehicles \$000	Total \$000
Opening net book value	1,576	-	760	268	2,604
Additions	420	-	2	-	422
Disposals	-	-	-	-	-
Depreciation charge	(637)	-	(231)	(141)	(1,009)
Closing net book value	1,359	-	531	127	2,017
As at 30 June 2026					
Cost	5,365	-	2,740	1,256	9,361
Accumulated depreciation	(4,006)	-	(2,209)	(1,129)	(7,344)
Net book value	1,359	-	531	127	2,017

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

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 2026 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 2026

8 DIVIDENDS

No dividend was declared or payable for the year ended 30 June 2026 (2025: 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.

	2026 \$000	2025 \$000
Income Tax		
Operating profit/(loss) before income tax	48,620	33,856
Tax thereon at 28% (2025: 28%)	13,614	9,480
<i>Plus/(Less) the Tax Effect of Differences</i>		
Expenditure (deductible)/non-deductible for taxation purposes	671	481
Consolidated group adjustment	(750)	(217)
Under /(over) tax provision in prior years	(279)	(193)
Tax effect of differences	(358)	71
Tax expense	13,256	9,551
 <i>Represented by</i>		
Current tax provision	3,071	2,011
Under /(over) tax provision in prior years	(337)	25
Deferred tax provision	10,464	7,733
Under /(over) deferred tax in prior year	58	(218)
Total income tax	13,256	9,551

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

9 TAXATION - continued

During the 2026 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 \$749,619 from Delta to Aurora. This approach has been adopted since 1 July 2015.

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.

	2026	2025
Number of shares		
Weighted average number of ordinary shares	10,000,000	10,000,000

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

	2026 \$000	2025 \$000
Basic earnings per share in dollars	3.54	2.43
11 EQUITY - SHARE CAPITAL		
Issued capital - 10,000,000 ordinary shares	10,000	10,000
12 RETAINED EARNINGS		
Balance at beginning of the year	240,645	216,340
Net profit for the year	35,364	24,305
Balance at end of the year	276,009	240,645
13 TRADE AND OTHER PAYABLES		
Trade and other payables are stated at cost and include:		
Trade payables	20,198	20,206
	20,198	20,206
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	795	814
Non-current	1,762	-
15 OTHER CURRENT LIABILITIES		
GST payable	606	498
	606	498

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

	2026 \$000	2025 \$000
16 EMPLOYEE PROVISIONS		
(i) Current liabilities		
Annual leave	2,590	2,332
Long service leave	73	81
Gratuities	44	42
Other	-	268
Balance at end of the year	2,707	2,723
(ii) Non-current liabilities		
Long service leave	319	309
Gratuities	162	147
Balance at end of the year	481	456

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 2026

	2026 \$000	2025 \$000
17 BORROWINGS (SECURED)		
Dunedin City Treasury Limited - Term	587,865	573,080
Dunedin City Treasury Limited - Current	2,488	2,270
	590,353	575,350

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 4.05% (2025: 4.28%).

At balance date, the Company had a term debt facility limit of \$635 million. From 1 July 2026, the Company's term debt facility limit was increased to \$685 million.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

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 2026:						
Property, plant and equipment	(86,282)	-	(10,363)	-	(96,646)	(96,646)
Provisions	1,756	-	614	2,370	-	2,370
Customer contributions	(13,102)	-	(773)	-	(13,874)	(13,874)
Tax losses	-	-	-	-	-	-
Balance at end of the year	(97,628)	-	(10,522)	2,370	(110,520)	(108,150)
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)

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 2026

	2026 \$000	2025 \$000
19 CASH AND CASH EQUIVALENTS		
Cash and bank	818	57
	818	57

Cash and cash equivalents is comprised 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	24,389	20,206
Dunedin City Council and Group entities	278	62
	24,667	20,268
Less expected credit loss	(316)	(566)
	24,351	19,702
Prepayments	1,092	1,187
	25,443	20,889

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 2026 \$302,993 of Trade receivables were written off (2025: \$48,683).

Debtor ageing		
Current	24,411	19,667
Past due 0 to 30 days	85	20
Past due 31-60 days	-	3
Past due 61-90 days	4	40
90+ days	167	538
	24,667	20,268

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

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	31	27
	31	27

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	2,068	1,666
	2,076	1,674

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 2026

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 2026

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 2026:									
Balance at beginning of year	6,320	21,498	1,152,329	9,783	220	1,305	4,968	43,701	1,240,124
Purchases	-	-	-	-	-	-	-	91,129	91,129
Transfers	188	14,610	90,576	589	-	32	296	(106,291)	-
Disposals	-	-	(1,773)	(2)	-	-	-	-	(1,775)
Total cost	6,508	36,108	1,241,132	10,370	220	1,337	5,264	28,539	1,329,478
Accumulated depreciation									
Balance at beginning of year	-	4,057	301,989	6,273	177	602	2,149	-	315,247
Depreciation	-	548	27,484	867	11	106	144	-	29,160
Transfers	-	-	-	-	-	-	-	-	-
Disposals	-	-	(8)	(2)	-	-	-	-	(10)
Total accumulated depreciation	-	4,605	329,465	7,138	188	708	2,293	-	344,397
Balance at end of year	6,508	31,503	911,667	3,232	32	629	2,971	28,539	985,081

FOR THE YEAR ENDED 30 JUNE 2026

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 :									
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
Transfers	-	-	-	-	-	-	-	-	-
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 \$956.542 million (2025: \$881.176 million) are the subject of a debenture held as security for DCTL borrowings on behalf of the DCC consolidated group.

FOR THE YEAR ENDED 30 JUNE 2026

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 2026. 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 2026. The key assumptions utilised in the impairment testing were that:

- For the 10 years from 1 July 2026, the network revenue forecasts are derived from the Commerce Commission approved Default Price-Quality Path (DPP4) allowances for Aurora Energy and Building Blocks Allowable Revenue (BBAR) forecasts.
- Operating and capital expenditure forecasts were derived from the 10-year expenditure forecasts included in the Company’s 2026 Asset Management Plan Update.
- 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 \$23 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 2026.

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 2026

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 2026

	Software \$000	Work in Progress \$000	Total Cost \$000
Cost			
Balance at beginning of year	10,890	113	11,003
Purchases	-	538	538
Transfers	152	(152)	-
Total cost	11,042	499	11,541
Accumulated amortisation			
Balance at beginning of year	8,094	-	8,094
Amortisation	2,678	-	2,678
Total amortisation	10,772	-	10,772
Closing balance	270	499	769

FOR THE YEAR ENDED 30 JUNE 2026

24 INTANGIBLES - continued

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
Purchases	-	689	689
Transfers	1,310	(1,310)	-
Purchases	(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

Software assets of \$0.270 million (2025: \$2.796 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 2026

25 CAPITAL COMMITMENTS

	2026 \$000	2025 \$000
Expenditure contracted for at balance date but not provided for in the financial statements	40,248	30,010
	40,248	30,010

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 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.

26 CASH FLOWS

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

Net profit for the year	35,364	24,305
<i>Items not involving cash flows</i>		
Depreciation and amortisation	32,846	30,851
Increase/(decrease) in deferred tax	10,521	7,515
Non-cash component of finance costs	(1,286)	(1,333)
Non-cash component of investing activities	(4)	(3)
<i>Impact of changes in working capital items</i>		
(Increase)/decrease in trade and other receivables	(4,554)	(2,889)
Increase/(decrease) in trade and other payables	(8)	1,108
Increase/(decrease) in provision for tax	1,058	(427)
Increase/(decrease) in contract liabilities	1,743	(330)
(Increase)/decrease in other current assets	-	466
(Increase)/decrease in inventories	(402)	395
Increase/(decrease) in other liabilities	336	766
<i>Items classified as investing or financing activities</i>		
Capital creditors in accounts payable	1,232	(1,903)
Net (gain)/loss on sale of property, plant and equipment	2,660	2,133
Net cash inflows/(outflows) from operating activities	79,506	60,654

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

26 CASH FLOWS - continued

26.2 Reconciliation of changes in liabilities arising from financial activities

	30 June 2025 \$000	Cashflows \$000	Non-cash Movement \$000	30 June 2026 \$000
Long term borrowings	573,080	14,785	-	587,865
Short term borrowings	2,270	-	218	2,488
Lease liabilities	2,706	(1,118)	515	2,103
Total liabilities from financing activities	578,056	13,667	733	592,456

	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

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	2026 \$000	2025 \$000
Purchases of goods and services from Dunedin City Council:		
Rates and property leases	1,638	1,530
Capital Work/other	7	32
	1,645	1,562

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

27 RELATED PARTY TRANSACTIONS - continued

YEAR ENDED 30 JUNE	2026 \$000	2025 \$000
Purchases of goods and services from other Dunedin City Council Group entities:		
Capital work	34,383	35,749
Network management and operation	18,456	17,343
Interest/facility fees	23,323	23,758
Contracting services	276	246
Lease of meters	98	104
Rent	630	604
	77,166	77,804

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

Dunedin City Council Group entities	596,940	583,573
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Sales of services to Dunedin City Council Group entities:

Rent	284	176
Sales of stock & other	599	417
Tax compensation	750	217
Customer contributions	912	-
Consulting & sundry services	11	5
	2,556	815

At period end the amounts receivable by Aurora Energy Limited from Group entities:

Dunedin City Council	-	-
Other Dunedin City Council Group entities	1,028	279

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

27 RELATED PARTY TRANSACTIONS - continued

YEAR ENDED 30 JUNE	2026 \$000	2025 \$000
Intragroup transfers from Dunedin City Council Group entities:		
Tax compensation receipts from Consolidated Group members:		
Delta Utility Services Limited	528	523
Intragroup transfers to Dunedin City Council Group entities:		
Tax compensation payments to Consolidated Group members:		
Delta Utility Services Limited	626	573
Dunedin City Council	368	409
City Forests Limited	-	9
Dunedin City Holdings Limited	673	573
Subvention payment to Dunedin Stadium Properties Limited	535	1,429
	2,202	2,993

Transactions with Dunedin City Treasury Limited (per Statement of cash flows and Note 17)

Opening term borrowings	573,080	538,525
Proceeds from borrowings	97,815	93,475
Repayment of borrowings	(83,030)	(58,920)
	587,865	573,080
Current borrowings	2,488	2,270
	590,353	575,350

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	10,003	14,679
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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 2027 and 31 March 2028 regulatory years.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

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 \$118,000 were purchased from Passmore Consulting Services Limited (2025: \$99,534). No monies were outstanding on 30 June 2026 (2025: nil). Mr Thompson is a non-beneficial shareholder of McKenzie Architects Limited. During the financial period covered by this report, services of \$66,945 were purchased from McKenzie Architects Limited (2025: \$68,680). No monies were outstanding on 30 June 2026 (2025: \$10,707)

Mrs Harvey is a Director and Shareholder of Excellence in Business Solutions Limited. During the financial period covered by this report services of \$59,000 were purchased from Excellence in Business Solutions Limited (2025: \$49,767). No monies were outstanding on 30 June 2026 (2025: nil). Mrs Harvey is a Director of Unison Contracting Services Limited. During the financial period covered by this report services of \$11,470,888 were purchased from Unison Contracting Services Limited (2025: \$13,752,989). Monies outstanding on 30 June 2026 were \$1,209,932 (2025: \$908,289). During the financial period covered by this report \$50,269 of services were purchased from the Company by Unison Contracting Services Limited (2025: nil)

Mr Clarke is a Director and Shareholder of Matua Governance Limited. During the financial period covered by this report services of \$59,000 were purchased from Matua Governance Limited (2025: \$49,767). No monies were outstanding on 30 June 2026 (2025: nil). Mr Clarke is a Director of Bluecurrent Holdings NZ Limited and subsidiaries. During the financial period covered by this report, services valued at \$217,353 were purchased from its subsidiary Bluecurrent NZ Limited (2025: 74,022). No monies were outstanding on 30 June 2026 (2025: 21,875).

DIRECTORS' REMUNERATION

The remuneration paid to Directors during the year was \$413,000.

KEY MANAGEMENT PERSONNEL REMUNERATION

	2026 \$000	2025 \$000
Short term employment benefits	2,537	2,445
Post-employment benefits - employees	103	100
Short term benefits - Directors (as above)	413	299
	3,053	2,844

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 \$691,046. No short or long-term incentive arrangements are in place.

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

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:

	2026 \$000	2025 \$000
Cash and cash equivalents	818	57
Trade and other receivables	24,351	19,702
Term investments	31	27
	25,200	19,786

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.

Counterparties with credit ratings

Cash and cash equivalents		
AA-	818	57
Trade and other receivables		
AA	278	62

Counterparties without credit ratings

Trade and other receivables		
Existing counterparties with no defaults in the past	24,389	20,206
Investment		
Existing counterparties with no defaults in the past	31	27

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

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 2026.

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 2026:

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	818	-	-	-	-	-	818
Trade and other receivables	24,351	-	-	-	-	-	24,351
Financial assets at fair value through profit and loss							
Long term investments	-	-	-	-	-	31	31
	25,169	-	-	-	-	31	25,200
Financial liabilities							
Financial liabilities measured at amortised cost							
Trade and other payables	20,198	-	-	-	-	-	20,198
Borrowings	2,488	-	-	-	-	587,865	590,353
	22,686	-	-	-	-	587,865	610,551

Notes to the financial statements (cont.)

FOR THE YEAR ENDED 30 JUNE 2026

28 FINANCIAL INSTRUMENT RISK - continued

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 2026

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	Profit \$000	+100BPS Equity \$000	Profit \$000	-100BPS Equity \$000
Financial liabilities					
Borrowings (unhedged)	587,865	(5,879)	-	5,879	-

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 regular 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.

32 CHANGE IN ACCOUNTING POLICY

There were no accounting policy changes in the year ended 30 June 2026.

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 statement of service performance for the year ended 30 June 2026

Opinion

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 The Audit Office, to carry out the audit of the financial statements and the statement of service performance of the company on his behalf.

We have audited:

- the financial statements of the company on pages 52 to 88, that comprise the statement of financial position as at 30 June 2026, 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 statement of service performance of the company on pages 34 to 41.

In our opinion:

- the financial statements of the company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2026; 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 Standards; and
- the statement of service performance of the company:
 - accurately reports, in all material respects, the company's achievements measured against the performance targets adopted for the year ended 30 June 2026; and
 - has been prepared, in all material respects, in accordance with section 44 of the Energy Companies Act 1992 (the Act).

Our audit was completed on 17 September 2026. This is the date at which our opinion is expressed.

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 statement of service performance

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 statement of service performance in accordance with the Act.

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

In preparing the financial statements and the statement of service performance, 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 Act.

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, 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 statement of service performance.

For the financial and non-financial performance targets reported in the statement of service performance, 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 statement of service performance.

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 statement of service performance, 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 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 statement of service performance 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We evaluate the overall presentation, structure and content of the statement of service performance, including the disclosures, and assess whether the statement of service performance achieves its statutory purpose of enabling the company's readers to judge the actual performance of the company against the performance targets adopted in its statement of intent.

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 all of the information included in the annual report but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance 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 statement of service performance, 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 statement of service performance 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 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)* as applicable for audits of public interest entities 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
The Audit Office
On behalf of the Auditor-General
Christchurch, New Zealand

COMPANY DIRECTORY

As at 30 June 2026

Directors

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

Management

Chief Executive
Richard Fletcher

Chief Financial Officer
Gary Dixon

**General Manager People,
Culture and Safety**
Candice Maree

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

General Manager Digital Transformation
Tracey Saunders

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

General Manager Service Delivery
Richard Starkey

Registered office

10 Halsey Street
Dunedin
New Zealand

Banker

Westpac Banking Corporation

Solicitor

Gallaway Cook Allan

Auditor

The Audit Office on behalf of the
Controller and Auditor-General

Taxation advisor

Deloitte