

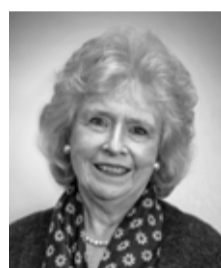
100% CONSUMER OWNED

Electra is wholly-owned by its 45,366 consumers, stretching from Paekakariki in the south to Foxton and Tokomaru in the north. Shares in the company are held on behalf of all consumers by a Trust whose six Trustees are elected under a Trust Deed to represent the owners' interests and protect their asset.

As your elected representatives, the Electra Trust is committed to ensuring power is delivered safely and reliably to every home, business, school and organisation that we represent.

We do this by working with the Board and Senior Leadership Team to maximise the annual Electra sales discount that is credited to each electricity account on the Electra network.

"The Trust commends Electra for the standard of excellence it has achieved in its core business of electricity distribution. It is acknowledged that the company is among the very best in New Zealand. We would also like to acknowledge the careful planning and preparation done in recent years to prepare for disaster, which came in the form of Covid-19. The company performed brilliantly and the lights stayed on. Our grateful thanks to everyone involved."



Sharon Crosbie
CNZM OBE Chair



Over the last 27 years we are proud to have been able to deliver more than **\$205M** in sales discounts to the consumers on the Electra network.

\$9.2M
in sales discounts
issued in 2020

Electra ANNUAL REVIEW

For the year ended 31 March 2020

View Annual Report online
www.electra.co.nz/our-company/disclosures

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For the latest network information -- 0800 LOST POWER www.electra.co.nz Mobile App

OUR RESULTS

Highlights

For years ended 31 March	2020	2019	2018
In thousands of dollars			
Electricity sold (GWh)	415	416	405
Revenue (\$000)	46,380	50,937	44,228
Sales discount issued, excl GST (\$000)	8,000	7,900	7,700
Total shareholders' funds to total assets	59%	61%	65%

Network Company Only

For years ended 31 March	2020	2019	2018
Electricity operating costs per consumer	\$288	\$271	\$277
Capital expenditure costs per consumer*	\$561	\$259	\$281
Reliability average outage minutes per consumer per year	95	89	122

*2020 Capital expenditure includes one-off regulatory adjustments, value pre-adjustment is \$348.



The continued strong performance of the core network business underpins our ambitious growth strategy. Throughout the year we have continued to strengthen the network while maintaining excellent reliability standards, reducing prices and delivering the expected sales discount to our consumers."



Financial Performance Highlights

In thousands of dollars	2020	2019
<i>Total revenue (net of sales discount) earned by the group</i>		
Operating revenue	46,380	50,937
<i>The discount for each individual consumer was based on the amount of network charges paid</i>		
Discount issued to consumers (excl. GST)	(8,000)	(7,900)
Operating surplus / (deficit)	(3,966)	4,937
Taxation	1,224	(379)
<i>After sales discount and then deducting costs of running the business we're left with this figure</i>		
Net profit / (loss) after taxation	(2,742)	4,558
<i>We paid a dividend to the Electra Trust to cover the Trust's expenses.</i>		
Dividends	(330)	(300)

Net revaluations	21,534	-
Equity at start of year	145,109	141,085
Equity at end of year	163,571	145,109

Financial Position Highlights

In thousands of dollars	2020	2019
Share capital	18,000	18,000
Retained earnings	74,974	78,005
Reserves	70,597	49,104
Total shareholders' equity	163,571	145,109

This is the amount that owners have invested in the company and is the company's net asset value. It's made up of the original share capital reserves and retained earnings (profits) that have been reinvested.

Includes deferred tax liabilities of \$33m

Long term liabilities	86,302	67,955
Total current liabilities	25,555	23,293
Total shareholders' funds and liabilities	275,428	236,357
Non current assets	269,095	225,743
Current assets	6,333	10,614
Total Assets	275,428	236,357

The total assets of which 22% is funded by borrowings

Cash Flow Highlights

In thousands of dollars	2020	2019
<i>The cash generated from day to day operations</i>		
Net cash flows from operations	11,786	12,402
<i>The cash spent on assets and new businesses</i>		
Net cash flows to investing	(19,778)	(26,697)
<i>The loans borrowed or repaid</i>		
Net loans raised and cash flows from financing	7,732	14,270
Net (decrease)/increase in cash held	(260)	(24)
<i>Cash in bank at the beginning of the year</i>		
Opening cash	1,405	1,429
<i>The bank balance at the end of the year</i>		
Ending cash carried forward	1,145	1,405

THE ELECTRA GROUP

Electra is focused on creating a portfolio of investments and delivering a range of products and services that contribute to the Group's overall financial performance and the value we are able to provide to our owners - the consumers connected to the Electra network.



ELECTRA LIMITED

an electricity network company, based in Levin with a branch in Paraparaumu, employing 113 people.



ELECTRA SERVICES LIMITED

a medical alarm and security monitoring business as well as call centre business based in Levin, employing 61 people.



ELECTRA GENERATION

an electricity generation business based in Papakura, Auckland, employing 1 person.



CONNECT 8

a joint venture with Spark that has created New Zealand's premier construction contractor for the water, power and telecommunications sectors.



QUAIL RIDGE COUNTRY CLUB

a joint venture in an established and well run retirement village in Kerikeri in the Far North (acquired May 2020).

KEY HIGHLIGHTS

\$46.4M

in total Group revenue

(\$2.7M)

net profit after tax

45,366

consumers connected to our network

\$205M

in sales discounts (incl. GST) issued to electricity consumers over the last 27 years

\$16.5M

annually spent directly supporting local people and businesses

379

new connections to the network this year

OUR NETWORK

We own and operate the electricity network in the Kapiti and Horowhenua regions, stretching from Foxton and Tokomaru in the north, to Paekakariki in the south.

Our network of 2,323km in circuits supplies 45,366 consumers across an area of 1,628km², making us New Zealand's ninth largest lines company in terms of connections to the network.

TOTAL ELECTRICITY DELIVERED

415 GWh

AVERAGE SALES PER CUSTOMER

9,150 kWh

MAXIMUM DEMAND

101 MW

NETWORK AREA

1,628 KM²

TRANSMISSION & DISTRIBUTION

2,323 KM

TRANSFORMER CAPACITY

336,815 kVA



We bought our first home knowing it was uninsulated.

With winter approaching and our sons having had previous trouble with ear infections, we came across the Warmer Kiwi Homes insulation grant. We met the criteria and the process was so easy and quick. Not too many people say they look forward to winter, but the Warmer Kiwi Homes programme has allowed us to sit back and relax in warmth in our new home and enjoy watching our tamariki thrive."

Amy Manderson, Kapiti



Warmer Kiwi Homes is a Government programme that helps low-income households to install ceiling and underfloor insulation, and ground moisture barriers to make their homes warmer, drier and healthier.

In December 2018 we announced that we had formed a partnership with the Government agency, EECA, to jointly fund the installation of insulation into 70 homes in the Electra network area; a \$150,000 commitment to the community.

GROUP ADDS RETIREMENT VILLAGE TO PORTFOLIO

Our growth strategy means we are constantly looking for opportunities that offer long term revenue growth and allow us to increase the value we can provide to both the communities in which we operate and the owners of Electra - the customers connected to our electricity network.

Having formed a joint venture with Spark in 2018 with a 50% stake in Connect 8, we have now added a second joint venture to the Group's portfolio with a 49.9% stake in the Quail Ridge Country Club - a luxury retirement village in Kerikeri owned and operated by Don and Jill Cottle (formerly from the Horowhenua region).

Our investment will allow the village to be fully completed over the next few years. We also offer several other assets to the company including our experience in managing large infrastructure assets with long term investment horizons and our knowledge and skill in the technology industry, particularly in the area of monitoring and response services for aged care residents.

New Zealand's population of over 65s is expected to reach 1.29m by 2038 with more than 378,000 seniors over the age of 85 by 2063. This investment will not only allow us to enter the growing and profitable aged care market, it will also give us the ability to deliver added value to the Country Club and its residents through our market leading Securely products and services.



FUTURE GROWTH

The impact of the Covid-19 pandemic, coupled with the regulatory environment and changes to the network pricing regime are all expected to place pressure on operational performance and revenue over the coming year.

However the Electra Group remains in great shape to face the challenges ahead.

The underlying performance of our core network business, the changes we are implementing within our subsidiary businesses and the growth strategy we are undertaking has the Group well positioned to navigate our path through 2020 and beyond.

As always, our first priority is to focus on delivering a safe and reliable electricity supply while maximising the level of sales discount we can return to all the consumers connected to our network.

BUSINESS EXCELLENCE

Electra Kapiti Horowhenua Business Awards are New Zealand's longest running business awards programme. We are proud to be the principal sponsor of the Awards, a role we've held since their inception in 1993. The Awards recognise and celebrate excellent local businesses that are helping to drive economic and job growth across the region.

Congratulations to New World Otaki who were awarded the 2019 Business of the Year Award and to Kapiti Coast Funeral Home for being Highly Commended.

