Electra

Annual Report

FOR THE YEAR ENDED 31 MARCH

2025

About Electra

Established in 1922, Electra owns and operates the electricity network supplying the Kāpiti and Horowhenua districts on the west coast of the lower North Island, covering the area between Paekākāriki in the south to Foxton and Tokomaru in the north.

Electra is 100% locally owned by the Electra Trust. The Electra Trust is a consumer trust and has six elected Trustees who hold shares in the company on behalf of, and for the benefit of, the consumer beneficiaries – those who are connected to the Electra network.

Our purpose

To operate our region's electricity network safely and effectively and support the growth and electrification of Kāpiti and Horowhenua.

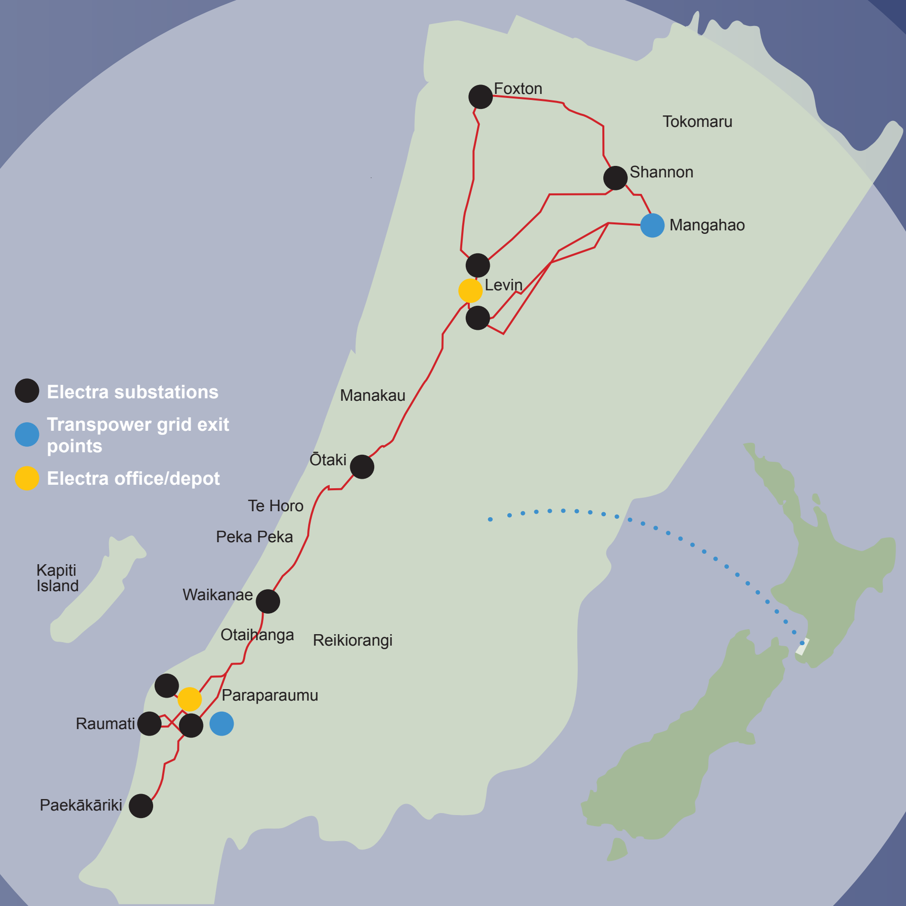
Our strategy

We will operate a safe, effcient, innovative and sustainable business which:

- focuses on our core operations
- delivers the needs of our customers and communities in an affordable way
- supports the growth and electrification of our region
- invests for a clean future, and
- demonstrates the clear value proposition from local Trust ownership

Our values

- We care about our people
- We do the right thing
- We think about our future
- We are one team



Contents

Chair and Chief Executive report

As Board Chair and Chief Executive we present the Annual Report for the Electra Group for the year ended 31 March 2025.

The strategic reset of Electra that was outlined in last year's annual report is now complete.

The new Board and Management team is in place, non-core subsidiary businesses have been sold, and the organisation has been repositioned to enable Electra to play its part in delivering on New Zealand's commitment to a low carbon energy future, and to support the growth of our region.

For most of the previous decade, Electra had a strategy to create a range of diversified revenue streams through investment activity outside the core network business. The challenge of meeting New Zealand's climate goals through increased electrification has changed the operating context for Electra.

To meet this challenge, Electra is now faced with a significant capital investment programme to ensure that its electricity network meets the needs of the future. Consequently, the last two years have seen very fundamental and necessary changes in the business. We have divested our non-core investments which included selling or closing subsidiaries and exiting minor shareholdings in other businesses.

Delivering this change programme in a compressed timeframe is a commendable outcome and has been achieved with enormous effort by many in the business. As Chair and Chief Executive we are grateful for the support of our Trustees, Board and our staff.

It also needs to be acknowledged at the outset of this report that repositioning the Group over the last two years has not been without challenges, has involved dislocation and uncertainty for many of the wider Electra team and has had a financial cost.

With the completion of this strategic reset, Electra is now entirely focused on ensuring that it can meet the challenge of growth and increased electrification of our region.

Delivering for our customers and community

Electra is proudly 100% locally owned by the Electra Trust, and our goal is ensuring that local ownership delivers value – delivering great service, supporting our community, affordable prices and strong financial returns.

We met all our network performance targets. While this was helped in part by not having any severe weather events during the year, it also highlights the good underlying performance of the network – especially when compared to our peers and similar sized electricity networks, where we continue to perform favourably.

We delivered an increased programme of maintenance and construction works. This has meant customers were affected by a greater number of planned outages compared to prior years. We do acknowledge that planned outages are inconvenient - however they were essential to ensure the work could be completed safely and efficiently.

That increased programme of work meant that capital investment in the network was $16.4m, and along with fleet, property and IT, the business invested $27.0m in total.

This year we returned $6.2m (incl. GST) to local electricity consumers through a price discount on their power bills, bringing the total return to over $234m (incl. GST) in the past 32 years of local trust ownership.

We also continued to support local businesses via the annual Electra Business and Innovation Awards – 2024 marked their 30th year, and 30 years of Electra sponsoring them. We also continued our sponsorships of the monthly Horowhenua Business After 5 and Kāpiti Business Breakfasts.

A key strategic priority for us is focusing on our customers and communities, and in mid-2024 we established a new Customer Experience team within Electra. This means we now have a dedicated focus on customer service and improving customer experience when interacting with Electra – both in person and online. The team increased engagement with local stakeholders, including support agencies – raising awareness of issues such as energy efficiency, affordability and energy hardship. This is an area we will continue to build upon.

Resetting for the future

Electra has now completed its strategic reset launched almost two years ago, having exited all non-core business activities to re-focus investment in the core electricity distribution network.

The sale of the medical customer portion of the SECURELY alarm monitoring business to Hato Hone St John was completed in May 2024, with the trading operations wound up following a short transition period. Electra was able to recognise a gain on sale of this portion of the business, offsetting a loss on sale in the prior year when the security customer portion was sold to ADT. While the sale and wind-up of SECURELY was the right choice to make for the long-term benefit of the Electra business, it did result in the majority of the SECURELY team being made redundant. This is never an easy decision for a business to make, and we supported the outgoing staff as best we could.

Quail Ridge Country Club, was sold in December 2024 following a sales process that was started in late 2023. The Electra Board had earlier determined that it was not the right long-term owner for Quail Ridge, owing to the changed operating context of Electra and a significant investment being required in the core network business that meant Electra could not provide Quail Ridge with the financial support and capital investment it required.

As noted in last year's report Quail Ridge had undergone significant financial pressures and Electra supported the business in the hope of recovering some value on exit. Regrettably during the last year, Quail Ridge continued to experience the same challenges that the wider retirement village sector has faced – a depressed economy, slow residential house sales, and in turn, fewer people choosing to buy into retirement villages, all of which adversely affected cash flow and the overall financial performance of this investment.

When Quail Ridge first encountered material financial difficulty, Electra acquired its partners 51% share for a nominal sum in early 2023, and provided financial support to Quail Ridge in an attempt to recover some value on exit.

Electra meticulously considered all options available to it, and ultimately the Electra Board made the difficult decision, following several failed attempts to exit that, it was in the best interests of Electra to accept a nominal offer for Quail Ridge that resulted in a loss on exit and writing off that investment. Accepting the nominal offer for our shareholding was the best long term financial decision as there was no foreseeable improvement in market conditions, nor the specific circumstances Quail Ridge found itself in.

Consequently, the sale price achieved was below carrying value and Electra has had to recognise a significant loss on sale for this investment. The completion of these two subsidiary sales brings to a conclusion the long history of diversified investment by Electra.

Caring for our people

Keeping our people safe and well is our top priority, as is keeping them engaged in their work and providing them with development opportunities.

Consistent with the previous year, we recorded three Lost Time Injuries over the course of the year. Fortunately, they were not related to critical risk areas, and none were of a serious nature. However, the team members involved required some time off work to recover properly. Any harm to our people or the public is unacceptable, and our people deserve to go home safe and well every day. The reality of the work we do every day is that there is a risk of minor injuries, especially related to manual handling. Safety culture, leadership, proactive safety interactions and a focus on learnings and corrective actions has been a priority for the year, and will continue to be for the year ahead to reduce the occurrence of incidents and injuries. We commenced a detailed review of our Critical Safety Risks and adopted the name STCKY – 'Stuff That Can Kill You.' We are working to complete structured reviews of all our STCKY risks before December 2025, identifying and implementing improvement actions along the way.

During the year, Electra undertook a 'whole of business' exercise to develop a new set of values. This was undertaken through a series of workshops with staff, where everyone was able to contribute their view and help shape the future of the business. The values that came out of this process are outlined later in this report in more detail, but they centre around our people, doing the right thing, working both as a team and with our community, and a focus on the future. A staff survey undertaken as part of this process also provided an employee Net Promoter Score of +45 which is an outstanding improvement from the previous survey result of +17.

Building capacity and capability in the team has been a priority as part of the strategic reset, with the Senior Leadership Team now fully in place following a number of changes through early 2024. We said farewell to Deborah Selby, our Chief Financial Officer, and welcomed Scott Scrimgeour into the role in September 2024. Scott brings strong financial, commercial and regulatory knowledge to the role. Across the business, we welcomed a number of new leaders, technical and professional staff, as well as taking on our second graduate engineer – in total 20 new people joined Electra.

Pleasingly, we had a strong response to our trades trainee intake with seven new trainees joining the business, including our second female line mechanic. The industry still has some way to go on diversity in trades roles. To help address this, the business established a Diversity and Inclusion Committee to celebrate the range of diversity Electra already has in its workforce, and to lead initiatives to make the business more appealing to a more diverse range of people whose skills we currently miss out on. This work is also vital given that the electricity distribution sector has an ageing workforce and we want Electra to be at the head of the queue for young people looking for a secure and exciting future.

Investing for the future

In March 2025, we published a completely revised 2025 Asset Management Plan (AMP) which outlines our approach to managing and developing our electricity network and the levels of investment expected over the next decade. This revised plan is a step-change in the quality of our asset management, network planning and investment forecasting.

Given the increased understanding we now have of our assets and system growth requirements, we forecast $280m of capital investment will be required in the network, plant and property over the coming 10 years.

Electra has developed, and in early 2025 approved, a new digital systems strategy and roadmap, outlining the requirements for systems and technologies to support the business operations over the coming three to five years. The first major project in this roadmap was a replacement finance system, Microsoft Business Central, which went live on 1 April 2025. Investment in a range of other asset management and network management systems is forecast for the next three years which will lift operational capability and improve investment decision making.

The review of our investment plans also covered the vehicle fleet and property requirements for the business – both of which require a steady level of investment to meet operational needs and to remain fit for purpose.

A property strategy has been developed, and a decision has been made to consolidate our northern operations in Levin to a single site, allowing us to exit a long-standing leased field depot, and to eventually exit our Bristol Street office, leading to efficiencies and improved culture by operating from one site. A site has been purchased in the Enterprise Drive industrial estate which the field teams will move into in December 2025. This is a significant investment for the business, reflecting our commitment to the region and the need to provide resilient and fit for purpose facilities.

Balancing the energy trilemma

Electra, like most infrastructure businesses at present, faces a level of forward investment in its network assets over the coming decade which will be much higher than in the past decade – replacing aged end of life assets, building new capacity to enable growth, and providing supporting systems, tools and facilities.

With this level of capital investment comes the challenge of affordability for our customers which we are very mindful of – energy hardship is faced by many of our customers. In the development of our revised investment plans and financial forecasts, we carefully considered the ‘energy trilemma’ – the trade-offs between reliability, sustainability and affordability of energy. As we invest in long life, intergenerational assets, we aim to match the life of the asset to the funding available. Spreading the debt over generations is by far the more equitable approach and softens the impact on prices that our customers pay in the short term.

We have continued our journey of pricing reform, in line with the Electricity Authority’s expectations and the phase out of Low User Fixed Charges, with a move towards more Time-of-Use pricing. Time-of-Use pricing sends clearer price signals when people use electricity at peaks times (which drives the level of investment needed). We are also moving towards more fixed pricing, as our costs are largely fixed and irrespective of the volume of energy used by customers.

The way in which our customers will choose to use the network is changing, with the steady uptake of electric vehicles, rooftop solar, and energy storage systems. This presents challenges and opportunities, and we are engaged with the wider industry to better understand the impacts on our business from these shifts in customer preferences. We are also increasing our understanding of the technologies and pricing arrangements available to deliver the level of service these customers want, while reflecting the higher cost of using electricity during periods of peak demand which could drive peak investment. We will be surveying a wider group of customers in 2025 to better understand trends and preferences in our network area, and the price vs. quality trade-offs customers may be prepared to make.

Electra undertook a number of environmental and sustainability initiatives over the course of the year, again achieving Toitū certification for carbon emissions, a Bronze Enviromark certification for our environmental management systems, and a benchmarking exercise of waste and recycling. Work continues on developing a realistic and fit for purpose emissions reduction plan.

Financial performance

The reset of the strategy and the divestment of the subsidiary businesses has been a two year journey. Owing to the loss on sale of the Quail Ridge business, Electra has unfortunately posted a loss for the second year.

The core Electra electricity network business contributed a net profit after tax of $0.8m. The discontinued operation of SECURELY and Quail Ridge contributed a loss of $11.7m. Combined, the Group result was an after-tax loss of $10.9m.

This loss is an accounting (non-cash) loss arising from the sale price of Quail Ridge and the value of Quail Ridge's net assets as shown on the Group's balance sheet.

Electra remains in a strong financial position, with a gearing ratio below 35%. This means we have sufficient balance sheet capacity to fund the forecast levels of investment needed to maintain a safe, reliable network which meets the needs of our customers and our region now and into the future.

The year ahead

Looking forward, the budget and financial targets for the year ahead will see a return to modest profitability while continuing to provide a consistent level of price discount to local electricity consumers and supporting an increasing capital investment programme.

Electra is well positioned to progress its strategic priorities and has a range of initiatives across people, safety, customer and operational capability to deliver on - all while keeping the lights on for our local customers and delivering a sizeable programme of network investment and maintenance. It's ambitious, but we're ready for the challenge.

Acknowledging the team

The Board, Management and the Electra Trust continue to enjoy a strong and productive relationship, with all parties focussed on delivering the best outcomes for local electricity consumers and our region. Electra would like to thank the Trust for their ongoing support and engagement with the business over the past year.

As always, the success of Electra comes down to the people. Our hard-working team keep the lights on 24/7, in all weather, and have a strong commitment to delivering the best service for our customers and community in whatever role they have at Electra. Thank you.

Finally, Board Chair Steve Armstrong retires by rotation this year, and has chosen to not offer himself for reappointment to the Board at this year's Annual General Meeting. Steve has contributed significantly to Electra over the past six years, including chairing various board sub-committees, holding subsidiary directorships and for the past two years he has been Board Chair leading, with the Chief Executive, the repositioning of the business undertaken in the last two years.

The Board and Management would like to thank Steve for his contribution and wish him well for the future.

Geoff Douch

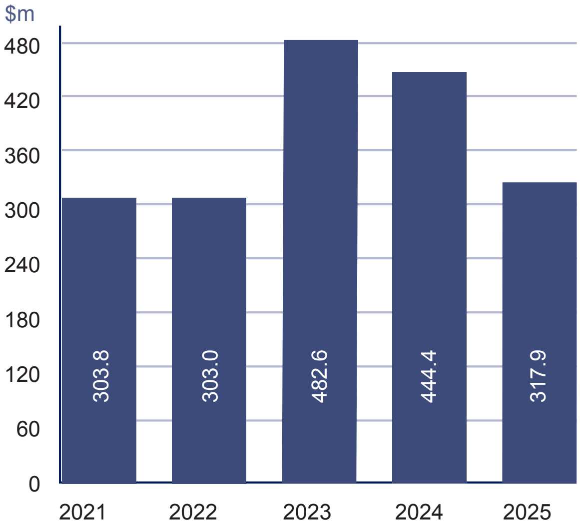
Chief Executive

S. M. Armstrong

Steve Armstrong

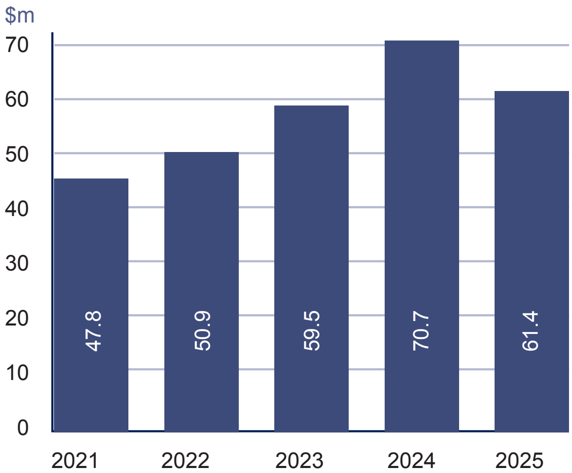
Chair

Financial overview



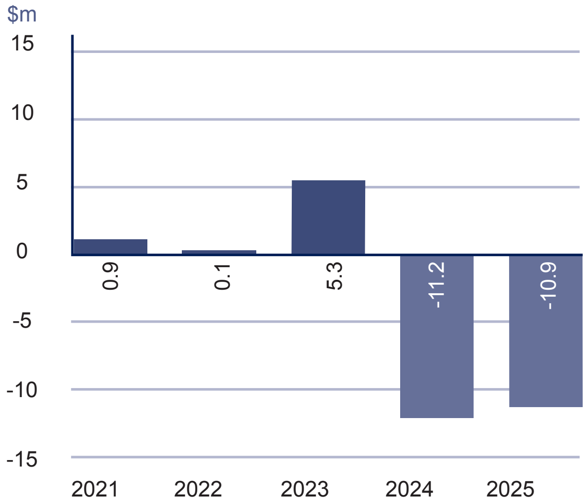
Total Group assets

Total assets represents the total value of everything Electra owns including the cash, property, plant and equipment it uses to generate revenue. Total assets reduced in 2025 due to the sale of Electra's alarm monitoring and the Quail Ridge businesses. Total assets after the sale of these subsidiaries now reflects the assets Electra uses to provide electricity distribution services.



Total Group revenue*

Revenue has reduced in 2025 after Electra sold its alarm monitoring and retirement village subsidiaries. While revenue has decreased from the sales of these subsidiaries, so have the operating costs and the associated operational losses.



Net profit after tax

Electra has experienced two years of losses resulting from non-cash revaluation of assets in 2024 and the sale of Electra's alarm monitoring business (in 2024 and 2025) and the Quail Ridge business (2025). Electra's divestment of non-electricity subsidiaries is now complete, leaving Electra in a strong financial position. Electra's remaining electricity distribution business continues to perform well providing sustainable levels of profit and cash flow to fund the operation and continued investment into the electricity distribution network.

**The total Group revenue results presented include both revenue from continued operations and revenue from discontinued operations, see note 3*

Our year in review

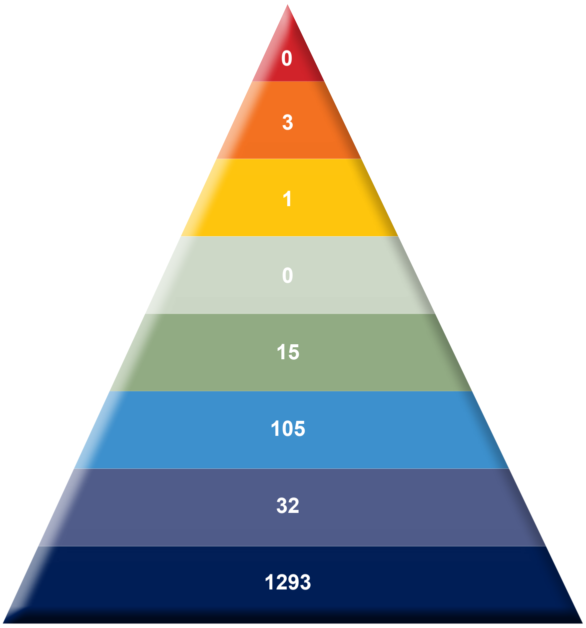
- We supply **47,082 customer connections** on our network
- We manage **2,400 km** of circuits consisting of **21,417** poles and **2,686** transformers
- We delivered **428 GWh of electricity** over the network
- We **invested $24.2m** maintaining and growing our network
- We distributed **$6.2m* in price discounts** to consumers
- We **employ 131 people**, with over 85% living in our region
- We had **zero lost time injuries** across our critical risk areas
- We **spent $5.6m with local companies** that supply goods and services to us
- We provided sponsorship into our community totalling over **$120,000**
- We **diverted 60% of our waste** away from landfill

* including GST

Health, safety and wellbeing

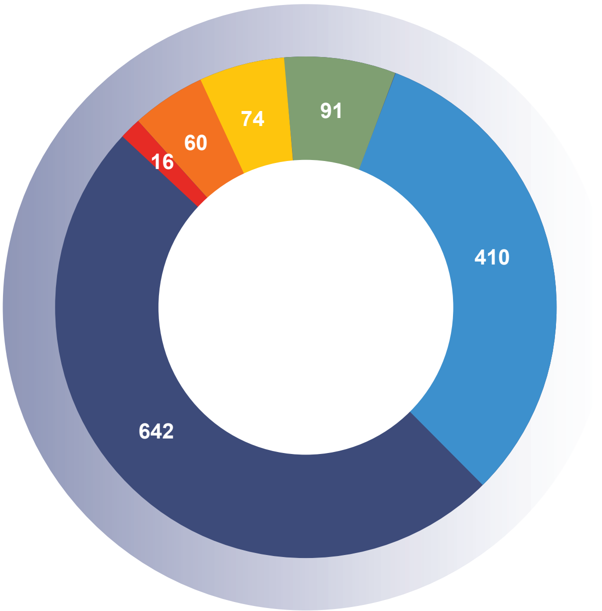
Caring for our people is both an Electra value and a key aspect of our strategy. Ensuring all our staff and contractors go home safe and well each day is paramount.

During the year, we developed a new 3 year Health, Safety and Wellbeing plan with a focus on five key areas - safety culture, critical risk management, competency, health and wellbeing, and contractor and public safety.



Safety performance

- Lost time injury (critical risk)
- Lost time injury (non-critical risk)
- Medical treatment injury (critical risk)
- Medical treatment injury (non-critical risk)
- Incidents (minor)
- Incidents (no injury)
- Near misses
- Safety interactions



Preventive and engagement activity

- Health and safety commitee meetings
- Staff health, safety and wellbeing meetings
- Contractor check-ins
- Team and individual wellbeing check-ins
- Group health, safety and wellbeing discussions
- Field safety observations

Safety performance

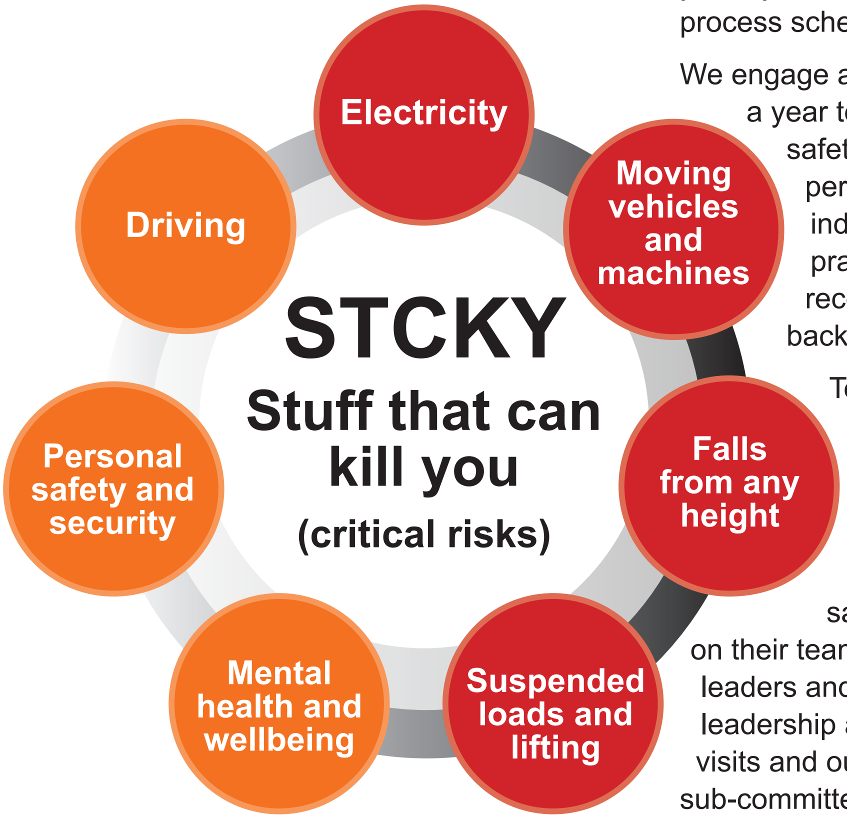
Regrettably, and consistent with the previous year, we recorded three Lost Time Injuries over the course of the year. Fortunately, none related to critical risk areas, and none were of a serious nature, however the team members involved required some time off work to recover properly. All related to manual handling activities and a focus was put on these with all team members following each event.

Managing our critical safety risks

We have commenced a detailed review of our seven Critical Safety Risks and adopted the name STCKY – 'Stuff That Can Kill You' as the incorporation of this into the business.

During the year, three of the seven risk reviews have been completed, using a cross business team review for each risk. The goal is to complete the reviews of all risks before December 2025, identifying and implementing the improvement actions out of each review.

Our seven critical risks are:



Wellbeing

Electra continues to offer our team health checks, funded health insurance and discounted benefits, EAP employee assistance for staff and their immediate families, peer support and wellbeing checks, and simple things like providing fresh fruit, and cold water and electrolytes to teams working outside in the summer heat.

Assurance

Electra's public safety management system is certified to the NZS7901 standard. Audits are completed every year by Telarc with the next certification process scheduled for February 2027.

We engage an external auditor twice a year to assess and audit our safety practices and work performance against various industry standards and best practices, with learnings and recommendations incorporated back into the business.

To support our internal safety observation and audit programme, all people leaders have performance measures in place to ensure regular safety and wellbeing checks on their teams. This extends to senior leaders and Directors providing visible leadership and support through site visits and our Board Health and Safety sub-committee, which meets regularly throughout the year.

People and culture

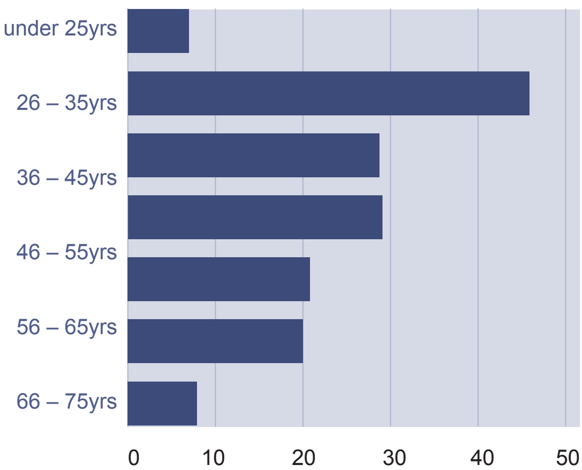
As at 31 March 2025, our team consisted of 131 permanent staff, of which 20 were people who joined Electra into new roles or replacement positions during the year, including six new field trainees, one trainee control room operator, and one graduate engineer.

We also had 12 team members move into new positions within Electra, including seven internal promotions and five internal appointments.

Employees by gender

- 1% undisclosed
- 22% female
- 77% male

Employees by age range



Growing and developing our team

This year, we commenced work on a Workforce Development Plan aimed at growing our team and strengthening internal capability. This strategic initiative will ensure our workforce remains capable, skilled and equipped to meet future needs.

We continue to invest significantly in training and developing our people. In addition to the investment in our employees on current trainee pathways, other key highlights include: 32 participating in leadership development, 16 completing ICAM training, and 100% compliance among our EWRB-registered employees.

Implementation of the industry Common Competency Framework began in 2025 and will continue into the coming year, aligning us with industry best electrical practice.

We advanced our schools engagement programme focused on safety awareness and promoting careers in the electricity distribution industry.

Resetting our values

The business undertook a company wide exercise to review and redefine our values. Using an external facilitator, workshops engaging the business were run to describe and collect values that we should live by at Electra.

These were refined down to a short list and presented back to the business for confirmation through a collective vote.

Having a team led approach ensured everyone contributed to our values.

We care about our people

We keep people safe and well, uphold their mana and support their growth

We do the right thing

We act with integrity in everything we do, building trust with each other and our community

We think about our future

We focus on solutions that shape a better tomorrow for our company, community and the environment

We are one team

We are inclusive, share ideas and work together to achieve excellence for our community

Stu Horswell joined Electra as a protection technician in 2021, and we have supported his study towards BEngTech Electrical Engineering and congratulate him on graduating in February 2025.

Stu recently accepted a new role as our Network Asset Manager in the business, where he is responsible for the network asset fleet, including renewals and maintenance programmes.

Anit Prasad is part of our Technical Services team where he works as an Electrical Fitter.

In 2024, Anit was shortlisted for the MITA Advanced Trainee award recognising his development during training and also the investment Electra makes in the continued development of our people.

"We are all given opportunities to grow and learn and while it's hard work, we know it is making a difference for our community. Electra have been very supportive and letting me complete my study during work hours, which means a lot to me and I enjoy being part of a great local team."

– Anit Prasad

Success at the Connexis Annual Connection competition

A team from our talented Service Delivery team travelled to Te Awamutu in October 2024 to compete against teams from other lines companies from around New Zealand. They represented Electra with professionalism and pride winning two of the 11 events they competed in – Crane Operation and the Dismantle awards.

Inset left to right: Kane Henderson, Johnny Logan, Steve Lovejoy, Madison (Madi) Harvey, William Moyes, Gordon (Gordi) Meaclem, along with Dave Rogan

Customer and community

Electra is locally owned, and being local is important to Electra.

Focus on customer experience

Embedding the Customer Experience function into Electra started in June when a small team from the alarm monitoring business moved across into Electra. With a focus on continually improving the flow and efficiency of inbound customer requests to our team, this team are on a journey to make working with Electra simple and easy.

The customer experience team are also focusing on improving our communication pathways and engagement with the community and supporting our electricity consumers to understand how to use electricity effectively and save money on their power bills.

$234m
in price discounts provided to consumers in our district since 1991*

$6.2m
in price discounts this year*

**including GST*

To support our strategy of demonstrating the value of this local ownership, we support local as much as we can:

- **We employ local with over 85% of our staff living within our network area**
- **We purchase local, directly spending over $5.6m with more than 50 local businesses**
- **We promote business innovation and growth through sponsorship and networking events**
- **We share the benefits of local ownership by providing an annual price discount to electricity consumers**

Supporting local business connections

Electra continued its support of the monthly Business Breakfast and Business After 5 events where more than 2,000 local business people attended regular events with speakers ranging from our Minister of Finance to ANZ's Chief Economist and Patrick Gower to local businesses showcasing their successes.

Recognising local excellence and innovation

Since 1993, Electra has been the principal sponsor for the Kāpiti Horowhenua Business and Innovation awards. This event celebrated 30 years in 2024, which is possibly the longest-running regional business awards in New Zealand.

This is a tremendous legacy of success and the alumni of past winners and hall of fame inductees represent the commercial backbone of our region.

Top: Nichola Willis – Bianca Rae Photography
Centre: Paddy Gower – Friday Photography
Base: Sharon Zollner – Friday Photography

Electra Business of the Year 2024

Celebrating excellence, innovation, and sustainability, Peter Jackson Plumbing Ltd was named Electra Business of the Year 2024. Recognised by the judges for its iconic presence in the region and its cutting-edge expertise in all aspects of its operation, focus on staff development, and a deep commitment to customer satisfaction.

Part of the local community

Our people were active across a range of commnuity events and activities throughout the year.

At the Horowhenua AP&I show we provided a glimpse into the future. We demonstrated how electricity to a house could be provided from an electric vehicle by using one of the Electra pool vehicles to provide electricity to all the technology on the Electra stand.

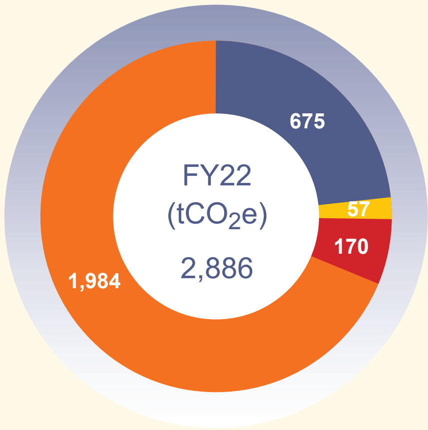
Sustainability

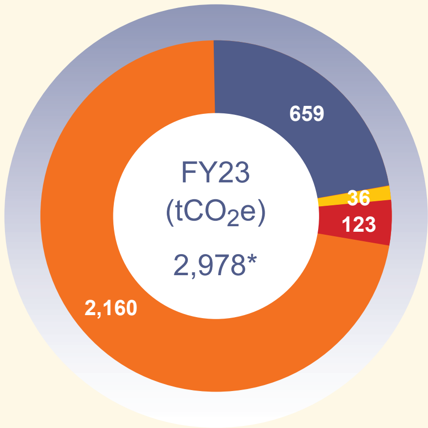
Electra's sustainability journey continued in 2025.

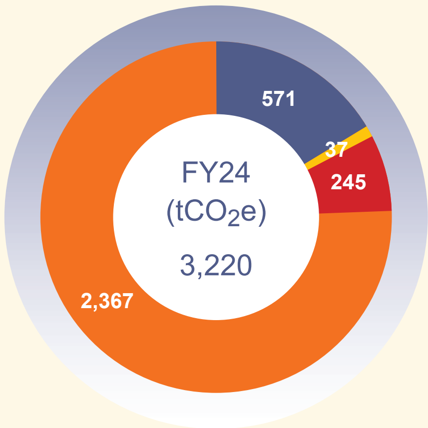
In addition to completing our 2024 greenhouse gas (GHG) audit with Toitū, we achieved bronze certification of the Toitū Enviromark for our environmental management system (EMS) which follows the ISO14001:2015 standard.

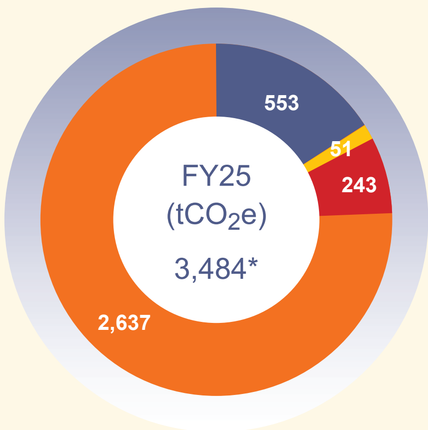
Understanding our emissions footprint has allowed us to build a plan on how we will reduce our GHG emissions to support New Zealand's reduction target. However, our challenge is that with the increased volume of work planned over the coming planning period we will be adding more vehicles to our fleet, procuring more equipment and services and increasing the number of people working within the team. These all add to our carbon footprint.

That said, since our first Toitū GHG audit in 2022, we have lowered our emissions per unit of activity by modernising our fleet, improving planning of work and increasing the level of re-cycled materials in our procured goods.









- Category 1 – includes emissions from fleet vehicles, generators and fugitive emissions (leakage) of SF6 gas from circuit breakers
- Category 2 – includes electricity consumption at our properties but **excludes lines losses** from distribution of energy across our network
- Category 3 – includes employee commuting, flights, freight of goods, rental cars and taxies, accommodation and use of private vehicles
- Category 4 – includes purchased goods and services, capital goods, waste disposal, water consumption and waste water

**FY23 and FY25 are unaudited results.*

Waste diversion

A key action that will lessen Electra's impact on the environment is minimising the waste sent to landfill. In July 2024, we completed a full waste audit across each of our three sites with the results allowing us to understand the type and amount of waste generated within the business.

We continue to explore new recycling options and how our suppliers can include a higher level of recycled materials in the products we procure.

Our network

Performance

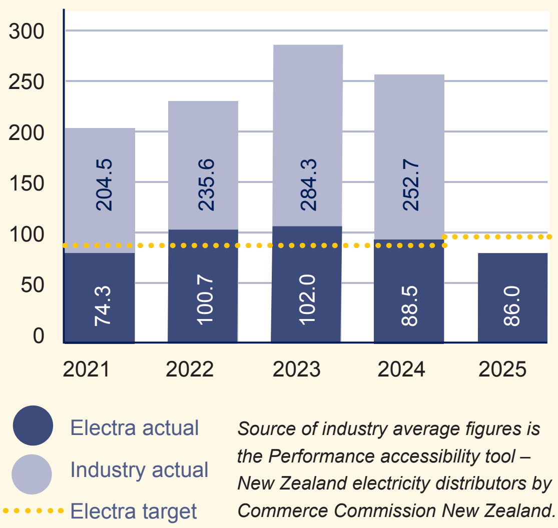
The performance of our network is measured using two internationally recognised methods.

The first is SAIDI* which measures the duration, in minutes, that an average customer experiences power outages over a year. A lower SAIDI value indicates better reliability, and less time spent without power.

The second is SAIFI** which measures the frequency a customer experiences an outage in a year. A lower SAIFI indicates a more reliable power supply with fewer interruptions, and higher SAIFI indicates more frequent outages.

In managing reliability there are financial trade-offs to be made between the impact outages, especially unplanned outages have on our customers, and the cost of maintaining and renewing the network.

SAIDI comparison with industry

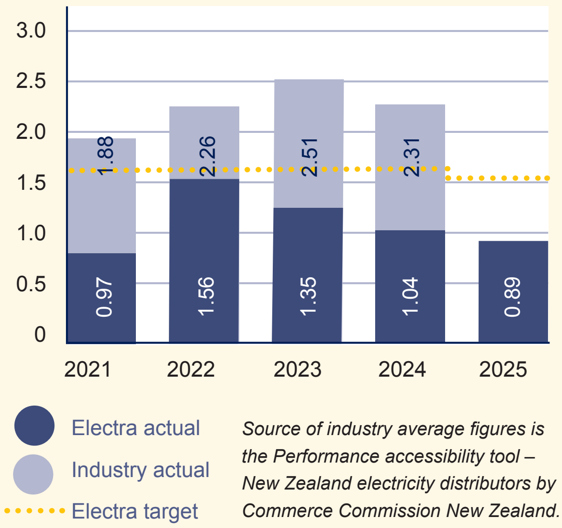


Source of industry average figures is the Performance accessibility tool – New Zealand electricity distributors by Commerce Commission New Zealand.

With an increasing amount of asset replacement and maintenance work to complete over the coming years, we made the decision to increase our outage target from 88 to 98 minutes in 2025. We consider that planned outages are far less disruptive to our customers than unplanned outages, by lifting our SAIDI target we are able to plan effectively for an increased works programme and optimise outage windows.

SAIDI includes both planned and unplanned outages. During this year our customers were without power on average for 86 minutes, which represents 99.98% reliability, well ahead of our total outage duration target of 98 minutes.

SAIFI comparison with industry



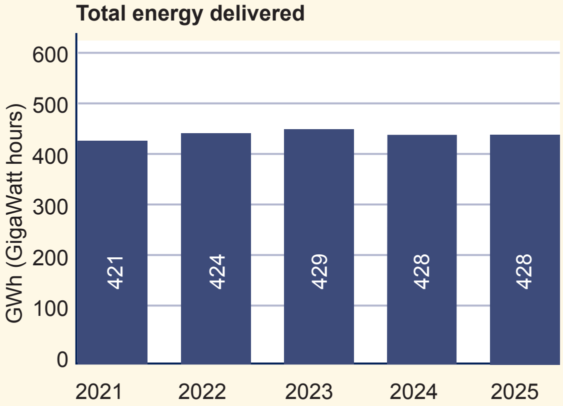
Source of industry average figures is the Performance accessibility tool – New Zealand electricity distributors by Commerce Commission New Zealand.

Even with an increasing works programme in the coming years, we have reduced our SAIFI target to 1.55 to ensure we are effective and efficient in our planning to minimise planned outages.

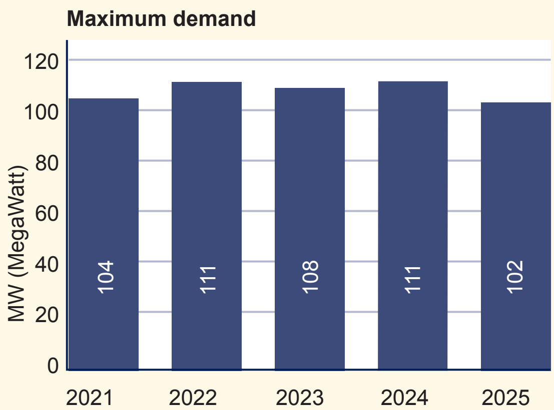
On average, customers on our network were affected by less than one loss of power supply during the year.

**System Average Interruption Duration Index.*
***System Average Interruption Frequency Index.*

Energy volume



We delivered the same volume of energy through our network as 2024. Whilst we have industrial and commercial customers within our region, the energy we deliver is predominantly to residential customers and with growth in the number of residential connections, we expect to see this volume trend upwards over time.

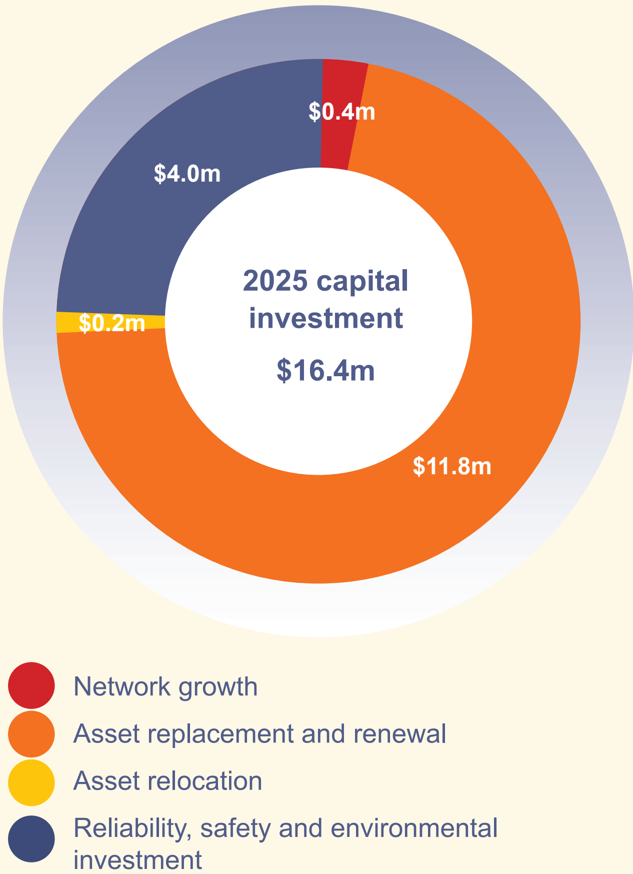


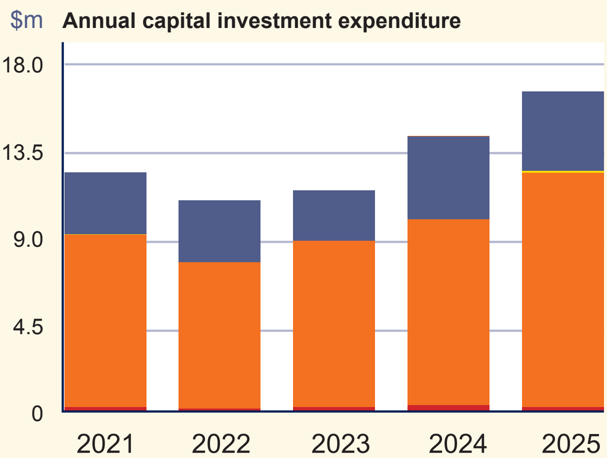
Electra is supplied by two Transpower national grid supply points – one in the north and one in the south.

Our maximum demand is measured as the coincident peak at both supply points with the reduction in 2025 compared to previous years a result of a larger than normal temperature differentials between the northern and southern parts of our network.

Capital investment

In line with our AMP, the investment in the network in the coming year is shown below. There is a significant programme of work managing our existing network and ensuring it is highly resilient.





Key projects delivered this year

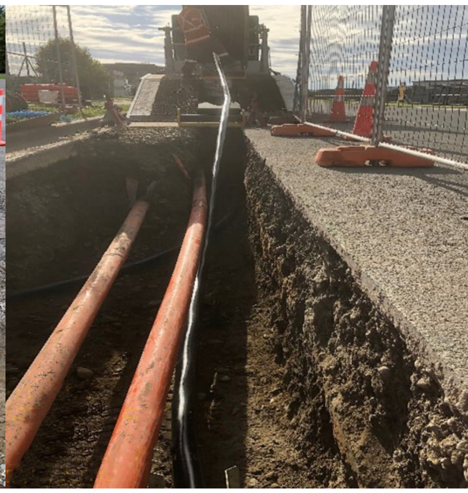
Replacement of the Paekākāriki power transformer

Total project cost in 2025: $200,000

The Paekākāriki power transformer was the oldest in our fleet and has provided incredibly reliable service for 60 years.

Following a routine maintenance the decision was made replace the unit to ensure continued reliable supply to the community.

The installation works were undertaken without affecting supply to customers.



Replacement of 11kV switchgear at Levin East zone substation

Total project cost in 2025: $1.3m

With growth in demand across Levin, planning started in 2023 to replace the aging 11kV switchgear at our Levin East substation. This complex project required careful coordination to ensure safe, reliable transition from the old to the new switchgear.

Top right: before
Right: after

A new 11kV feeder to Roe St, Levin

Total project cost in 2025: $400,000

This project delivered increased supply capacity to the expanding industrial area of Roe St and Enterprise Drive in Levin.

Enabled by the installation of the new switchgear at the Levin East zone substation, a new 11kV circuit was installed.

Investing for the future

This year saw a complete review and update of the 10 year Asset Management Plan (AMP), covering the period 2025-2035.

This plan outlines the approach Electra will take to manage its network assets, and the level of investment and operating expenditure it needs to maintain the safety and reliability of the network, and to meet growth and security of supply needs for our customers. We are forecasting that we will need to invest $280m over the next 10 years to replace aging assets, build new capacity and to purchase property, plant and equipment to deliver this programme of work.

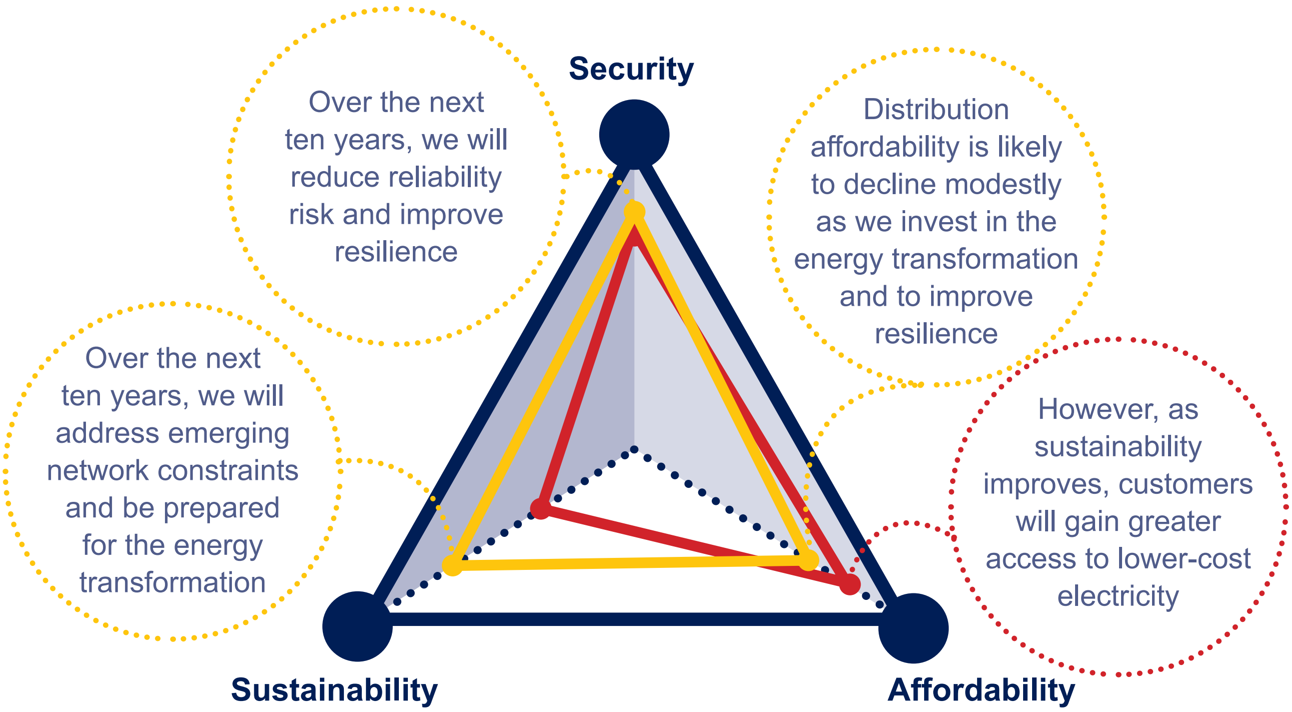
While significant work was undertaken in 2025 to revise the AMP, this is a two-year journey to further enhance our network planning and further work will be undertaken in 2026. A key activity for the year ahead is to survey groups of customers in our region to better understand trends and preferences, and the price versus quality trade-offs customers may be prepared to make. This feedback ensures that we are delivering a level of service that customers are willing to pay for.

Balancing the needs of stakeholders is essential in all aspects of our business. We continue to consider the energy trilemma as a tool to consider this balance throughout our AMP.

The energy trilemma is a well-recognised model for assessing the optimisation and balance between providing reliable services, at an affordable price, while supporting customer sustainability expectations.

In the energy context, the three parts refer to:

- Security - the ability to provide reliable services while meeting customer energy demands. Electra has consistently ranked in the best-performing quartile over the past five years for reliability;



- Sustainability - supporting New Zealand's energy transformation, minimising emissions, and adapting to climate change. We continue to work through the plan developed in 2021. While New Zealand's electrification has been slower than expected, we still expect the uptake of new technologies like electric vehicles and solar to increase; and
- Affordability - the cost of, and access to, energy. In real terms, Electra's distribution prices have declined in real terms since 2013.

Our current energy transformation balance weights towards security and affordability because we are currently in the early stages of the energy transformation.

Key projects planned in 2025/26

- **Construction of a new underground 11kV circuit in Paraparaumu to meet growth and maintain security of supply to the Paraparaumu Beach area**
- **Replacement of the end-of-life 33kV outdoor switchgear at Foxton to increase safety and enable a new solar farm connection**
- **Establishing a new zone substation in Peka Peka to meet growth and maintain security of supply in the northern Waikanae and Peka Peka area**
- **Continued investigation into the future of the Mangahao grid exit point and alternatives to meet forecast growth and maintain security of supply to the Horowhenua district**
- **Enabling works with Waka Kotahi for the new Ōtaki to north Levin expressway and intersection changes in Levin, requiring relocation of assets in over 20 locations along its route**

The Electra Trust

Electra Trustees

Sharon Crosbie – Chair

Brendan Duffy

Corey Kennett

Russell Longuet

Neil Mackay

John Yeoman

100% consumer owned

The Electra Trust is the shareholder of Electra and represents the owners' interests and protection of their assets. The Trust has six Trustees that are elected under a Trust Deed to represent all consumer beneficiaries.

Anyone who is connected to the Electra network (that is, a residential or business owner who has a dedicated ICP number shown on their electricity account) is eligible to stand for election to the Trust and vote for Trustees.

Under the Trust Deed, Trustees are individually elected for three years. Every two years, the three longest serving Trustees in office must either retire or stand for re-election, thus providing a biennial opportunity for change in representation.

"On behalf of the Trustees, I would like to acknowledge the challenges Electra has faced in the past two years as it has reset its strategy and refocused investment on the core network business. This reset has brought the Trust, the Board and Management closer, and we continue to enjoy a positive working relationship.

The exit of the subsidiary businesses has regrettably had a negative short-term financial impact on the company, however it is in the best long-term interests of the Trust's beneficiaries to have this reset of the strategy and to focus on the challenges and opportunities ahead with growth and electrification.

The Trustees are confident that the company has the right strategy in place to address the region's electricity needs for the future – ensuring a safe and reliable network, meeting future growth with clear consideration for affordability - and providing benefits to our local consumers."

– Sharon Crosbie CNZM OBE Chair

Our Senior Leadership team

Geoff Douch
Chief Executive

Chris Bekker
GM Service Delivery

Nick Carter
GM Network

The leadership team brings deep industry expertise and forward-thinking leadership to Electra. They are accountable for delivering the company's strategic objectives and performance targets. The team oversees the day-to-day operations of Electra in line with established policies and delegated authority from the Board.

The Chief Executive, who reports directly to the Board, is supported by seven general managers, each leading a key functional area of the business. The team is further supported by an executive assistant.

Rachel Cranshaw
GM People, Safety and Culture

Matt Grover
GM Information Technology

Stuart Marshall
GM Commercial

Scott Scrimgeour
Chief Financial Officer

Mark Smith
GM Customer and Sustainability

Viv Thorby
Executive Assistant

Our Board

Corporate governance

The primary objective of the Board is to protect and enhance the value of the company, and to meet the expectations of the shareholders, while considering the interests of other stakeholders.

The Electra Board is comprised of up to seven independent directors appointed by the Electra Trust.

Each year, the Trust sets out a Letter of Expectation to the Electra Board, which is reflected in the Statement of Corporate Intent (SCI).

The Board sets the strategic direction of the company and reviews and approves the business and financial plans prepared by Management. The Board works with Management monitoring performance against these plans throughout each financial year.

The Board appoint and delegate day-to-day operation of the company to the Chief Executive and Leadership Team, while maintaining oversight of all aspects of the business, including health and safety, organisational culture, budgets, approval of expenditure and investments, and operational performance.

Board committees

The Board currently operates four committees, with membership as outlined in the financial section. The purpose of these committees is to assist the Board with specific areas of responsibility and provide support and guidance to Management.

Each committee has a written Charter setting out its purpose, objectives, responsibilities, structure and composition, meetings, procedure, authority and reporting.

Directors

Steve Armstrong – Chair

Murray Bain

James Carmichael

Lucy Elwood

Scott Houston

Karen Sherry

Roger Sutton

DIRECTORS' STATUTORY REPORT

The Directors present their report and financial statements of Electra Limited and Group for the year ended 31 March 2025.

Principal activities

The Group's principal activities relate to electricity distribution services.

Group results and distributions	Note	**2025** $000	2024 $000
Continuing operations			
Operating revenue		**57,777**	60,184
Other expenses		**(56,393)**	(55,896)
Share of (loss)/profit from joint ventures and associates		**-**	(14)
Change in fair value of network assets		**-**	(2,332)
Impairment of property, plant and equipment		**-**	(2,833)
(Loss)/profit on sale of investments		**-**	(1,438)
Profit/(loss) before tax from continuing operations		**1,384**	(2,329)
Income tax (expense)/benefit		**(537)**	(1,488)
Net profit/(loss) after tax for the year from continuing operations		**847**	(3,817)
Discontinued operations			
(Loss)/profit for the year from discontinued operations	3	**(11,737)**	(7,421)
(Loss)/profit for the year after tax		**(10,890)**	(11,238)
Other movements through retained earnings		**52**	157
Dividend		**(330)**	(300)
Retained earnings brought forward		**69,928**	81,309
Retained earnings carried forward		**58,760**	69,928

Directors' Interests

Directors have declared interests in transactions with Electra Limited and the Group during the year as set out in note 20 of these financial statements.

Directors have no direct interest in equity securities issued by the Group. Directors may be beneficiaries of Electra Trust, which holds the shares in the Company for end-customers of the day.

Directors

In accordance with the Constitution of the Company Scott Houston and Stephen Armstrong retire by rotation at the annual general meeting, held on 25 July 2025.

Directors membership of Sub Committees are as follows:

Director	Board	Audit and Risk Committee	Health, Safety and Wellbeing Committee	Asset Management and Planning Committee	Remuneration and Performance Committee
Stephen Armstrong	Chair	Member	Member	Member	Member
Murray Bain	Member	Member		Member	Chair
James Carmichael	Member		Member	Chair	
Lucy Elwood	Member	Chair	Member		
Scott Houston	Member	Member		Member	Member
Karen Sherry	Member	Member	Member		
Roger Sutton	Member		Chair	Member	

Chair

Member

The following table shows the changes on the Director's interest register in this financial year.

Director	Interested entity	Nature of interest
Lucy Elwood	Ronald McDonald House Charities NZ Trust Pharmac	Trustee Board member
Karen Sherry	Watercare Services Limited	Director
Roger Sutton	Chatham Island Electricity	Director
James Carmichael	Pylon Limited	Director

Use of Company information

During the year the Board received no notices from Directors of the Company requesting the use of Company information received in their capacity as Directors, which would not otherwise have been available to them.

Auditor

Silvio Bruinsma of Deloitte Limited was appointed as Auditor on behalf of the Auditor-General in accordance with Section 45 of the Energy Companies Act 1992.

For and on behalf of the Board

Stephen Armstrong Chair
12 June 2025

Lucy Elwood Director
12 June 2025

PERFORMANCE HIGHLIGHTS

The following performance measures are disclosed in accordance with the Commerce Commission Disclosure Regulations for Electricity Distribution Companies and the Company's 2024/25 Statement of Corporate Intent.

	2025	2024	2023
Financial			
Total revenue ($000)	**57,777**	60,184	53,196
Revenue from discontinued operations ($000)	**3,634**	10,552	6,289
Discount paid ($000)	**5,366**	5,161	4,742
(Loss)/profit after tax ($000)	**(10,890)**	(11,238)	5,296
Total assets ($000)	**317,913**	444,428	482,608
Total shareholders' funds ($000)	**176,817**	188,437	222,437
Shareholders' funds to total assets	**56%**	42%	46%
Net asset backing per share	**$7.23**	$7.70	$9.09
Network – Parent			
GWh distributed	**428.1**	428.0	429.0
Loss ratio*	**6.63%**	6.94%	5.94%
Load factor**	**51%**	47%	48%
Capacity utilisation***	**28%**	31%	31%
Maximum demand (MW)	**102**	111	108
Circuit kilometres (kms)	**2,400**	2,392	2,380
Transformer capacity (kVA)	**362,169**	357,800	350,534
Supply area (sq kms)	**1,628**	1,628	1,628
Operating costs per kilometre	**$9,767**	$8,107	$7,190
Capital expenditure cost per kilometre	**$11,576**	$6,420	$5,711
Consumer Information - Parent			
Number of consumers	**47,082**	46,749	46,333
Average energy delivered (KWh) per consumer	**9,093**	9,155	9,259
Operating costs per consumer	**$498**	$415	$369
Capital expenditure cost per consumer	**$590**	$329	$293
Discount issued per consumer (incl. GST) (Average)	**$131**	$127	$118
Network Reliability - Parent			
System Average Interruption Duration Index (SAIDI)****	**86.0**	88.5	102.0
System Average Interruption Frequency Index (SAIFI)*****	**0.89**	1.04	1.35
Consumer Average Interruption Duration Index (CAIDI)******	**96.6**	85.4	75.8
Faults per 100km line (number)	**16.8**	18.0	20.0
Personnel - Group			
Number of employees			
- Electra Limited	**131**	121	119
- Electra Services Limited	**-**	35	50
- Quail Ridge Country Club Limited	**-**	12	13
- Kerikeri Falls Investments Limited	**-**	-	1

* *Loss ratio refers to distribution losses between transmission connection points and end use meters.*
** *Load factor is an expression of how much energy was used in a time period, versus how much energy could have been used.*
*** *Capacity utilisation is the extent the capacity of the network is being used as a proportion of maximum capacity.*
**** *The total number of minutes of interruption the average customer experiences.*
***** *How often the average customer experiences an interruption.*
****** *The average time required to restore service for a single outage.*

2025 Audited Financial Statements

INDEX FOR THE AUDITED FINANCIAL STATEMENTS

GROUP CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

Continuing operations	Note	2025	2024
Revenue		**$000**	$000
Revenue	1	**56,976**	59,565
Interest income		**406**	288
Other income		**395**	331
Total operating revenue and income		**57,777**	60,184
Expenses			
Interest expense		**(2,912)**	(2,757)
Other expenses	2	**(53,481)**	(53,139)
Total operating expenses		**(56,393)**	(55,896)
Share of loss from joint ventures and associates		**-**	(14)
Change in fair value of network assets	5	**-**	(2,332)
Impairment of property, plant and equipment & intangible assets	5 & 7	**-**	(2,833)
(Loss)/profit on sale of investments		**-**	(1,438)
Profit/(loss) before tax from continuing operations		**1,384**	(2,329)
Income tax (expense)/benefit	4	**(537)**	(1,488)
Profit/(loss) for the year from continuing operations		**847**	(3,817)
Discontinued operations			
(Loss)/profit for the year from discontinued operations	3	**(11,737)**	(7,421)
(Loss)/profit for the year after tax		**(10,890)**	(11,238)
Other comprehensive income			
Change in fair value of network assets	5	**-**	(31,259)
(Loss)/profit on disposal of previously revalued assets		**(576)**	-
Income tax benefit/(expense) relating to components of other comprehensive income	4	**176**	8,797
Other comprehensive (loss)/profit for the year net of tax		**(400)**	(22,462)
Total comprehensive (loss)/profit for the year net of tax		**(11,290)**	(33,700)

** Discontinued operations have been separated out. Refer to notes 3, 24 & 25 for further detail.*

The notes on pages 42 to 72 form part of these financial statements.

GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Note	Issued capital	Asset revaluation reserve	Retained earnings	Attributable to beneficiaries	Total
		$000	$000	$000	$000	$000
Balance at 1 April 2023		18,000	123,128	81,309	222,437	222,437
(Loss)/profit for the year		-	-	(11,238)	(11,238)	(11,238)
Revaluation of assets movement	5	-	(31,259)	-	(31,259)	(31,259)
Tax benefit/(expense) relating to revalued assets	4	-	8,797	-	8,797	8,797
Total comprehensive (loss)/profit for the year		-	(22,462)	(11,238)	(33,700)	(33,700)
Transfer to retained earnings		-	(157)	157	-	-
Dividends paid	13	-	-	(300)	(300)	(300)
Balance at 31 March 2024		18,000	100,509	69,928	188,437	188,437
Balance at 1 April 2024		**18,000**	**100,509**	**69,928**	**188,437**	**188,437**
(Loss)/profit for the year		**-**	**-**	**(10,890)**	**(10,890)**	**(10,890)**
Disposal of previously revalued assets		**-**	**(576)**	**-**	**(576)**	**(576)**
Tax benefit/(expense) relating to revalued assets	4	**-**	**176**	**-**	**176**	**176**
Total comprehensive (loss)/profit for the year		**-**	**(400)**	**(10,890)**	**(11,290)**	**(11,290)**
Transfer to retained earnings		**-**	**(52)**	**52**	**-**	**-**
Dividends paid	13	**-**	**-**	**(330)**	**(330)**	**(330)**
Balance at 31 March 2025		**18,000**	**100,057**	**58,760**	**176,817**	**176,817**

The notes on pages 42 to 72 form part of these financial statements.

GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Note	2025	2024
Assets		**$000**	$000
Non-current assets			
Property, plant and equipment	5	**301,553**	287,134
Investment property	6	**-**	130,030
Intangible assets	7	**1,777**	1,803
Finance receivables		**-**	484
Right of use assets	15	**4,088**	4,161
Non-current assets held for sale	25	**-**	5,603
Total non-current assets		**307,418**	429,215
Current assets			
Cash and cash equivalents		**4,291**	9,584
Receivables and prepayments	8	**5,760**	4,916
Income tax receivable		**-**	60
Inventories and work in progress	9	**444**	653
Total current assets		**10,495**	15,213
Total assets		**317,913**	444,428
Liabilities			
Non-current liabilities			
Debt finance	18	**64,000**	76,000
Preference share liability	18	**-**	2,399
Lease liability	15	**3,861**	3,923
Deferred tax liability	4	**49,782**	48,257
Total non-current liabilities		**117,643**	130,579
Current liabilities			
Trade and other payables	10	**7,192**	7,673
Debt finance	18	**15,126**	25,693
Income tax payable		**422**	-
Lease liability	15	**713**	736
Deferred management fees	11	**-**	10,712
Refundable occupation right agreements	11	**-**	80,598
Total current liabilities		**23,453**	125,412
Total liabilities		**141,096**	255,991
Net assets		**176,817**	188,437
Equity			
Share capital	12	**18,000**	18,000
Reserves		**100,057**	100,509
Retained earnings		**58,760**	69,928
Total equity		**176,817**	188,437

The Board of Electra Limited authorised these financial statements for issue on 12 June 2025.

For and on behalf of the Board

S. M. Armstrong

Stephen Armstrong Chair

L Elwood

Lucy Elwood Director

The notes on pages 42 to 72 form part of these financial statements.

GROUP CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 $000	2024 $000
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		**53,986**	61,599
Sales of refundable occupation right agreements		**6,713**	9,999
Tax refunded		**-**	380
Other interest received		**429**	296
		61,128	72,274
Cash was applied to:			
Payments to suppliers and employees		**(39,586)**	(42,460)
Repayments of occupation right agreements		**(2,264)**	(2,749)
Interest paid		**(2,864)**	(5,923)
Tax paid		**(89)**	(209)
		(44,803)	(51,341)
Net cash flows from operating activities	17	**16,325**	20,933
Cash flows from investing activities			
Cash was provided from:			
Sale of property, plant and equipment and intangible assets		**7,101**	985
Sales of investments		**-**	2,650
		7,101	3,635
Cash was applied to:			
Purchase of property, plant and equipment and intangible assets		**(26,484)**	(16,801)
Additions to investment property		**(1,707)**	(3,063)
Capitalised interest on construction of property, plant and equipment	5	**(122)**	(90)
		(28,313)	(19,954)
Net cash flows from investing activities		**(21,212)**	(16,319)
Cash flows from financing activities			
Cash was provided from:			
Loans raised		**7,521**	5,832
		7,521	5,832
Cash was applied to:			
Repayment of loans		**(6,746)**	(6,833)
Payment of dividends		**(330)**	(300)
Principal reduction in lease liability		**(851)**	(714)
		(7,927)	(7,847)
Net cash flows from financing activities		**(406)**	(2,015)
Net (decrease)/increase in cash and cash equivalents held		**(5,293)**	2,599
Add opening cash and cash equivalents brought forward		**9,584**	6,985
Ending cash and cash equivalents carried forward		**4,291**	9,584

The notes on pages 42 to 72 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Statement of Material Accounting Policy Information

Reporting entity

Electra Limited (the 'Company' or 'Parent') is a for-profit entity incorporated in New Zealand. The Company has its head office in Levin.

The Company operates primarily in the field of electricity distribution service.

The 'Group' consists of the Company, its subsidiaries, associates and joint ventures. The ultimate parent of the Group is the Electra Trust.

Basis of preparation

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). These financial statements comply with New Zealand International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS). These financial statements have been prepared in accordance with the Companies Act 1993, the Financial Reporting Act 2013 and the Energy Companies Act 1992.

Basis of measurement

The financial statements have been prepared on the basis of historical cost except for the revaluation of certain non-current assets and financial instruments that are measured at fair values, as explained in the material accounting policy information below.

Separate accounting policy information is outlined below and in the notes.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements have been prepared in New Zealand dollars (NZD), which is the Group's functional and presentation currency, rounded to the nearest thousand.

Critical accounting estimates and judgements

In applying the accounting policies, the Group is required to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. They have been based on historical experience and other factors, as appropriate to the circumstances, and are reviewed on an ongoing basis. Changes in accounting estimates are recognised prospectively in the year in which the estimate is revised.

The table below lists the key areas of judgements and estimates in preparing these financial statements:

Area of estimate or judgement	Note	
Estimation of electricity distribution revenue	Note 1	Revenue
Revaluation and impairment review	Note 5	Property, plant and equipment
Determination of lease terms	Note 15	Leases

E Estimates are designated by this symbol in the notes to the financial statements.

Material accounting policy information

The material accounting policy information which is pervasive throughout the financial statements is set out below. Other material accounting policy information that is specific to certain transactions or balances are set out within the particular note to which they relate.

P Material accounting policy information is designated by this symbol.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

Note that some prior year figures have been reclassified to align with current year presentation to improve comparability. Comparatives may have deviated due to these changes in classification.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with NZ IAS 12 Income Taxes and NZ IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with NZ IFRS 2 Share-Based Payments at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with NZ IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Goods and services tax (GST)

Revenues, expenses, cash flows, liabilities and assets are recognised net of the amount of GST, except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority; and
- when receivables and payables which are recognised inclusive of GST.

Cash flows in respect of payments to and receipts from the Inland Revenue Department are shown net in the Consolidated Statement of Cash Flows.

Foreign currency transactions

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Investments in joint ventures and associates

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with NZ IFRS 5.

Changes in material accounting policy information

There were no changes to the material accounting policy information for this financial year.

Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Impairment of assets

The Group reviews the carrying value of its assets at balance date to determine whether there is any indication that the assets may have suffered an impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs. A cash-generating unit is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Group considers that the electricity network represents a single cash generating unit for the purposes of impairment assessment, and the individual subsidiaries are cash generating units as they each derive their own independent cash flows.

The recoverable amount is the higher of fair value (less the 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 pre-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.

Goodwill is tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

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

If a revalued asset is determined to be impaired, then the impairment is firstly applied against the revaluation reserve related to that asset, with any remaining impairment loss expensed in profit or loss. If the impairment loss is subsequently reversed, the reversal is firstly applied to profit or loss to the extent of previously expensed impairment losses relating to that asset, with any further increase taken to the revaluation reserve.

For assets which are not revalued, an impairment loss is expensed immediately in profit or loss. If an impairment loss is subsequently reversed, the carrying value of the asset is stated at not more than what its carrying value would have been had the earlier impairment not occurred.

Assets held for sale

Assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate that will be disposed of is classified as held for sale when the criteria described above are met, and the Group ceases to apply the equity method in relation to the portion that is classified a held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

1 Revenue

P

Revenue comprises the fair value for the sale of goods and services, excluding GST.

Specific material accounting policy information is as follows:

Distribution and recoverable costs revenue
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. This revenue is recognised over time based on an output method as the service is delivered to match the pattern of consumption. Recoverable costs relate to transmission charges paid to Transpower and embedded generators providing transmission services to the Group.

E

The Company invoices its customers (predominantly electricity retailers) monthly for electricity distribution services on an estimation of usage, based on certain metering data from electricity retailers. As final wash-up metering data is not available for periods in excess of twelve months, it is possible that the final amounts payable or receivable may vary from that calculated.

P

Price discount
In February each year the Group credits the customers of the network an annual discount. This discount is based on the number of connected days and the volume of distribution services consumed over the previous 12 months at the ICP. Discounts are considered variable consideration, and therefore the amount of revenue recognised is reduced for an accrual for the expected discount to be applied based on the number of connected ICPs and usage (kWh).

Contracting revenue
The Group provides network contracting services to third parties. Such contracts are entered into before work commences. Revenue from contracting is recognised over time on a cost–to–cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Group considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under NZ IFRS 15.

Customer contributions
Customer contribution income comprises revenue from assets acquired from customers where the consideration paid is below the fair value of those assets. The revenue recognised is the difference in the fair value and the consideration paid. Customer contributions are recognised as revenue at the point in time of livening of the asset on the network.

	2025*	2024*
	$000	$000
Distribution revenue	**43,086**	43,657
Price discount	**(4,700)**	(5,161)
Price discount accrued	**(805)**	(754)
Pass through and recoverable cost revenue	**10,520**	10,148
Customer contributions	**4,090**	5,742
Contracting revenue	**4,453**	5,600
Other revenue	**332**	333
	56,976	59,565

**Discontinued operations in 2025 include the alarm monitoring businesses of Electra Services Limited and Quail Ridge Country Club Limited (refer to notes 3 & 24).*

2 Other expenses

	2025*	2024*
	$000	$000
Transmission charges and other pass-through costs	**10,520**	10,148
Remuneration of auditors	**354**	320
Bad debts	**160**	265
Change in expected credit losses	**100**	148
Depreciation and amortisation expenses	**15,392**	16,831
Loss on disposal of property, plant & equipment	**564**	754
Employee benefits expense	**9,638**	10,283
Inventory expense	**2,012**	3,042
Contractors	**2,139**	1,628
Vehicle expenses	**1,149**	949
Repairs & maintenance expenses	**1,882**	1,176
Other expenses	**9,571**	7,595
	53,481	53,139

	2025	2024
Remuneration of auditors	$000	$000
Audit of the financial statements	**266**	267
Audit related services	**88**	96
	354	363

Audit related services comprise the audit of Electra Limited's regulatory disclosures in accordance with the Electricity (Information Disclosure) Requirements under Part 4 of the Commerce Act 1986 and amendment notices.

3 Discontinued operations

The result of the discontinued operations included in the profit for the year are set out below. The comparative profit and cash flows from discontinued operations have been represented to include those operations classified as discontinued in the current year.

On 31 March 2023, the Group entered into a process to sell its alarm monitoring business, Electra Services Limited. The security alarm portion of the business was sold during the previous year, while the medical alarm portion was sold djuring the current year (refer to note 24). The alarm monitoring business of Electra Services Limited is a discontinued operation in accordance with the requirements of NZ IFRS 5.

**Discontinued operations in 2025 include the alarm monitoring businesses of Electra Services Limited and Quail Ridge Country Club Limited (refer to notes 3 & 24).*

Electra Services Limited Profit/(loss) for the year from discontinued operations	2025 $000	2024 $000
Revenue	**809**	6,715
Expenses*	**(1,060)**	(5,453)
(Loss)/profit before tax from discontinued operations	**(251)**	1,262
Attributable income tax benefit/(expense)	**1,294**	199
Profit/(loss) for the year from discontinued operations	**1,043**	1,461
Profit/(loss) on disposal of operations	**1,378**	(1,323)
Profit/(loss) for the year from discontinued operations	**2,421**	138

Cash flows from discontinued operations	2025 $000	2024 $000
Net cash flows from operating activities	**(1,096)**	1,874
Net cash flows from investing activities	**(377)**	134
Net cash flows from financing activities	**(130)**	(135)
Net cash flows from discontinued operations	**(1,603)**	1,873

In July 2024, the Group entered into a process to sell its shares in Quail Ridge Country Club, which was completed on 11 December 2024 (refer to note 24). The retirement village operation of Quail Ridge Country Club Limited is a discontinued operation in accordance with the requirements of NZ IFRS 5.

Quail Ridge Country Club Limited Profit/(loss) for the year from discontinued operations	2025 $000	2024 $000
Revenue	**2,825**	3,837
Expenses**	**(1,510)**	(6,620)
Fair value gains/(losses)	**1,736**	(4,979)
Profit/(loss) before tax from discontinued operations	**3,051**	(7,762)
Attributable income tax benefit/(expense)	**-**	203
Profit/(loss) for the year from discontinued operations	**3,051**	(7,559)
(Loss)/profit on disposal of operations	**(17,209)**	-
(Loss)/profit for the year from discontinued operations	**(14,158)**	(7,559)

Cash flows from discontinued operations	2025 $000	2024 $000
Net cash flows from operating activities	**3,388**	2,087
Net cash flows from investing activities	**(1,191)**	(982)
Net cash flows from financing activities	**(2,291)**	(1,018)
Net cash flows from discontinued operations	**(94)**	87

**Audit fees amounting to $10k are included in expenses for 2024.*

***Audit fees amounting to $38k are included in expenses for 2024.*

4 Tax

P

Income tax expense comprises current tax and deferred tax.

Current tax is the income tax payable based on the taxable profit for the current year, plus adjustments to income tax payable for prior years. Current tax is calculated using rates enacted or substantively enacted by balance date. Current tax for the current and prior years is recognised as a liability (or asset) to the extent that it is unpaid or refundable.

Deferred tax is recognised on temporary differences between the carrying values of assets and liabilities and the equivalent amounts used for taxation purposes. Deferred tax 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 the deductible temporary differences or tax losses can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the temporary differences will reverse.

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

Current and deferred tax is recognised as an expense or income in the Consolidated Statement of Comprehensive Income, except when it relates to items credited or debited to other comprehensive income, in which case the current or deferred tax is also recognised to other comprehensive income, or where it arises from the initial accounting for a business combination in which case it is taken into account in the determination of goodwill or gain on purchase.

Income tax	**2025** **$000**	2024 $000
Profit/(loss) before tax from continuing operations	**1,384**	(2,329)
Tax expense/(benefit) @ 28%	**387**	(652)
Tax effect of		
Permanent difference expense	**230**	784
Effect of including loss offsets from discontinued operations	**-**	(611)
Derecognition of deferred tax asset on partnership income	**-**	277
Removal of tax depreciation on commercial buildings	**-**	1,666
Prior year adjustments		
Taxable allocation of partnership income expense/(benefit)	**35**	(36)
Other tax adjustments (benefit)/expense	**(115)**	60
Tax expense/(benefit) from continuing operations	**537**	1,488
Tax expense/(benefit) comprised of:		
Current tax expense/(benefit)	**627**	586
Deferred tax (benefit)/expense*	**(90)**	902
Total tax expense/(benefit) from continuing operations	**537**	1,488

**Excluding deferred tax benefit from discontinued operations of $1.02m (2024: $54k expense).*

Deferred tax

Net deferred tax assets/ (liabilities)	Opening balance $000	Charged to income $000	Allocated partnership income $000	Charged to other comprehensive income $000	Acquisition /disposals $000	Closing balance $000
Provisions	**776**	**(475)**	**-**	**-**	**-**	**301**
Doubtful debts	**147**	**(46)**	**-**	**-**	**-**	**101**
Property, plant and equipment	**(52,166)**	**1,663**	**-**	**176**	**7**	**(50,320)**
Leases	**133**	**3**	**-**	**-**	**-**	**136**
Intangibles	**(147)**	**147**	**-**	**-**	**-**	**-**
Deferred management fees	**3,000**	**(3,000)**	**-**	**-**	**-**	**-**
As at 31 March 2025	**(48,257)**	**(1,708)**	**-**	**176**	**7**	**(49,782)**
Provisions	530	246	-	-	-	776
Deferred tax on partnership income	402	-	(180)	-	(222)	-
Doubtful debts	117	30	-	-	-	147
Property, plant and equipment	(59,979)	682	-	8,797	(1,666)	(52,166)
Leases	111	22	-	-	-	133
Intangibles	(556)	409	-	-	-	(147)
Deferred management fees	2,797	203	-	-	-	3,000
As at 31 March 2024	(56,578)	1,592	(180)	8,797	(1,888)	(48,257)

Imputation credit account	**2025** $000	2024 $000
Closing balance	**17,878**	17,365

5 Property, plant and equipment

P

The electricity distribution network is recorded at fair value. Fair value is determined based on a periodic independent valuation prepared by external valuers, using an income (present value) approach. The fair value of the electricity distribution network is reviewed at the end of each reporting period to ensure that the carrying value is not materially different from the fair value. Consideration is also given as to whether the assets are impaired.

All other land and buildings, property, plant and equipment assets are accounted for at cost less accumulated depreciation and impairment. The cost includes expenditure that is directly attributable to the acquisition of the item. The cost of assets constructed by the Group consists of the cost of materials, direct labour and an allowance for overheads.

Any revaluation increase arising on the revaluation of land and buildings or the electricity distribution network is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the Consolidated Statement of Comprehensive Income to the extent of the decrease previously charged. A reduction in carrying amount arising on the revaluation of land and buildings and the electricity distribution network is charged as an expense in the Consolidated Statement of Comprehensive Income to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation is provided on plant, property and equipment, including freehold buildings but excluding land.

Depreciation on revalued buildings and the electricity distribution system is charged to the consolidated Statement of Comprehensive Income. The attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings on the subsequent sale or retirement of a revalued asset.

Depreciation is calculated for buildings and electricity distribution assets to write off each asset’s cost over its expected useful life to its estimated residual value. Other property, plant and equipment items are depreciated to expense the assets’ cost over their useful lives.

The following rates are used in the calculation of depreciation:

Category	Rate of depreciation
Distribution plant and equipment	1% - 50% straight line or 10% - 25% diminishing value
Other buildings at cost	2% - 36% straight line
Other plant and equipment	7.8% - 50% straight line or 10% - 39.6% diminishing value
Motor vehicles	10% - 33.3% diminishing value

	Distribution plant & equipment (incl. land and buildings) at valuation	Other land and buildings at cost	Other plant and equipment at cost	Motor vehicles at cost	Alarms held to be leased at cost	Other capital work in progress at cost	Total
Cost	$000	$000	$000	$000	$000	$000	$000
Balance as at 1 April 2023	307,298	2,548	6,781	7,349	-	8,253	332,229
Additions	5,805	100	489	65	175	15,630	22,264
Disposals	(1,655)	(8)	(545)	(257)	-	-	(2,465)
Transfer to / (from) capital work in progress	15,352	-	333	-	-	(15,685)	-
Revaluation	(47,373)	-	-	-	-	-	(47,373)
Transfer to assets held for sale	-	-	-	-	(175)	-	(175)
Balance as at 31 March 2024	279,427	2,640	7,058	7,157	-	8,198	304,480
Balance as at 1 April 2024	**279,427**	**2,640**	**7,058**	**7,157**	**-**	**8,198**	**304,480**
Additions	**2,635**	**8,861**	**706**	**294**	**-**	**18,750**	**31,246**
Disposals	**(1,432)**	**(290)**	**(887)**	**(833)**	**-**	**(2,869)**	**(6,311)**
Transfer to/(from) capital work in progress	**15,841**	**-**	**-**	**-**	**-**	**(15,841)**	**-**
Transfer between classifications	**-**	**-**	**-**	**-**	**-**	**(53)**	**(53)**
Balance as at 31 March 2025	**296,471**	**11,211**	**6,877**	**6,618**	**-**	**8,185**	**329,362**
Depreciation and impairment losses							
Balance as at 1 April 2023	(3,981)	(769)	(4,873)	(3,873)	-	-	(13,496)
Depreciation charge	(15,061)	(79)	(819)	(384)	-	-	(16,343)
Write back on disposals	74	8	459	184	-	-	725
Impairment	-	-	-	-	-	(2,833)	(2,833)
Revaluation	14,601	-	-	-	-	-	14,601
Balance as at 31 March 2024	(4,367)	(840)	(5,233)	(4,073)	-	(2,833)	(17,346)
Balance as at 1 April 2024	**(4,367)**	**(840)**	**(5,233)**	**(4,073)**	**-**	**(2,833)**	**(17,346)**
Depreciation charge	**(13,595)**	**(114)**	**(616)**	**(332)**	**-**	**-**	**(14,657)**
Write back on disposals	**52**	**40**	**661**	**608**	**-**	**2,833**	**4,194**
Balance as at 31 March 2025	**(17,910)**	**(914)**	**(5,188)**	**(3,797)**	**-**	**-**	**(27,809)**
Carrying amounts							
Balance as at 31 March 2024	275,060	1,800	1,825	3,084	-	5,365	287,134
Balance as at 31 March 2025	**278,561**	**10,297**	**1,689**	**2,821**	**-**	**8,185**	**301,553**

E

Revaluation and impairment review

In carrying out the revaluation of the network distribution assets judgement was required to make assumptions and estimates used in the valuation model.

The Group's distribution assets (excluding land and buildings) and the electricity distribution network underwent a fair value assessment in the year ended 31 March 2024 by PwC, an independent third party valuer. The valuation carried out was consistent with NZ IFRS 13: Fair Value Measurement, and, in the absence of specific market evidence of relevance to the Group's network assets, the valuation was undertaken by way of an income approach to establish fair value.

As at 31 March 2025, the Group engaged PwC to determine whether there were any indicators that there had been any material movement from the last valuation of the Group's distribution assets. It was determined that there had been no material movement and the current value of the assets fell within the fair value range as determined by PwC. Accordingly, the Group has adopted this valuation and no revaluation adjustments have been made in the current year.

The key assumptions in the review are the weighted-average cost of capital (WACC) discount rate of 6.26% (2024: 6.67%), Distribution Revenue of $636.6m (2024: $614.2m), and total Capital Expenditure (CAPEX) of $253.9m (2024: $230.7m) over the valuation period, which are key inputs in determining revenue over the forecast period. The impacts of a change in the key assumptions in the March 2025 valuation are disclosed below.

Assumption	Movement	Adjusted network valuation	Impact
Terminal RAB multiple	-0.1x	$253.7m	-$27.9m
	+0.1x	$309.4m	+$27.9m
Discount rate (WACC)	-0.50%	$294.9m	+$13.4m
	+0.50%	$268.8m	-$12.8m
Distribution revenue	-5.00%	$266.5m	-$15.1m
	+5.00%	$296.6m	+$15.1m
CAPEX	-5.00%	$279.6m	+$2.0m
	+5.00%	$283.5m	-$2.0m

All other Group property, plant and equipment is recorded at cost less accumulated depreciation.

In accordance with NZ IAS 36, the Group has undertaken a review to determine whether the carrying values of any items of other property, plant and equipment might be impaired. No indicators of impairment have been identified and no impairment has been recognised in the current year (2024: impairment of $2.8m).

P

Borrowing costs

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 get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

	2025 $000	2024 $000
Capitalised borrowing costs	**122**	90
Average interest rate	**3.2%**	3.2%

6 Investment property

P

As a result of the Group's divestment of its retirement village operations during the year, it no longer has any investment property assets.

Investment property includes completed freehold land and buildings, freehold development land and buildings under development comprising independent living units and common facilities, provided for use by residents under the terms of the occupation right agreement. Investment properties are held for long-term yields.

Investment properties are initially recognised at cost. After initial recognition, investment properties are measured at fair value. Gains or losses arising from a change in the fair value of investment properties are recognised in profit or loss.

		2025	2024
Investment property	Note	**$000**	$000
Balance at beginning of period		**130,030**	132,776
Additions		**1,707**	2,233
Change in fair value		**1,736**	(4,979)
Disposals		**(133,473)**	-
Total investment property		**-**	130,030

A reconciliation between the valuation and the amount recognised on the Consolidated Statement of Financial Position as investment properties is as follows:

Valuation of operator's interest		**-**	38,720
Refundable Occupation Right Agreements	11	**-**	80,598
Deferred management fees	11	**-**	10,712
Total investment property		**-**	130,030

Valuation process

The Group has disposed of its investment properties as at 31 March 2025.

The Group's investment properties were valued at 30 September 2024 by independent valuer Eyles McGough Limited, Roger Ganley, Registered Valuer, ANZIV, SPINZ. Eyles McGough are registered with the Property Institute of New Zealand, employ registered valuers and have appropriate recognised professional qualifications and recent experience in the location and category of properties being valued.

As required by NZ IAS 40 Investment Property, the fair value as determined by Eyles McGough Limited was adjusted for assets and liabilities already recognised in the Statement of Financial Position which were also reflected in the cash flow analysis.

Key assumptions used in determining the fair value and the sensitivity of the valuation to these assumptions are detailed below.

As the fair value of investment properties is determined using inputs that are significant and unobservable, the Group categorised investment properties as Level 3 under the fair value hierachy in accordance with NZ IFRS 13 Fair Value Measurement.

Significant unobservable inputs
The significant unobservable inputs used in the fair value measurement of the Group's portfolio of completed investment property are the discount rate and the property growth rate.

The following assumptions have been used to determine fair value:

Significant input	**Description**	**2025**	2024
Discount rate	Pre-tax discount rate	**15.00%**	15.00%
Property price growth rate	Anticipated annual property price growth over year 1 of the cash flow period	**0.00%**	0.00%
Property price growth rate	Anticipated annual property price growth over the cash flow period 2+ years	**2.50%**	2.50%
Stabilised occupancy period		**9.0 years**	9.0 years

Sensitivities	Adopted value of operator's interest	Discount rate		Property growth rates	
At 31 March 2025		+0.50%	-0.50%	+0.50%	-0.50%
Valuation $NZ000's	**N/A**				
Difference $NZ000's		**N/A**	**N/A**	**N/A**	**N/A**
Difference %		**N/A**	**N/A**	**N/A**	**N/A**

Sensitivities	Adopted value of operator's interest	Discount rate		Property growth rates	
At 31 March 2024		+0.50%	-0.50%	+0.50%	-0.50%
Valuation $NZ000's	38,720				
Difference $NZ000's		(1,500)	1,700	3,100	(2,800)
Difference %		(4%)	4%	8%	(7%)

The stabilised occupancy period is a key driver of the Eyles McGough Limited valuation. A significant increase/ (decrease) in the occupancy period would result in a significantly lower/(higher) fair value measurement.

7 Goodwill and intangible assets

P

Software
Computer software is capitalised as an intangible asset of finite life on the basis of the costs incurred to acquire and bring the software into service and is amortised over its expected economic useful life on a diminishing value basis. Costs associated with improving and maintaining computer software programmes are recognised as expenses as incurred.

Software-as-a-Service (SaaS) arrangements
SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Easements
Easements obtained in relation to access, construction and maintenance of electricity distribution system assets are capitalised as assets to the extent of survey, legal and registration costs and any lump sum payments made to landowners in exchange for certain rights. Such easements are capitalised and amortised over the duration of the agreement.

	Software	Goodwill	Easements	Other intangible assets	Total
Gross carrying amount	$000	$000	$000	$000	$000
Balance as at 1 April 2023	4,529	11,806	255	-	16,590
Additions	102	-	-	-	102
Disposals	-	-	(5)	-	(5)
Balance as at 31 March 2024	4,631	11,806	250	-	16,687
Balance as at 1 April 2024	**4,631**	**11,806**	**250**	**-**	**16,687**
Transfers between classifications	**-**	**-**	**-**	**53**	**53**
Disposals	**(927)**	**(11,806)**	**-**	**-**	**(12,733)**
Balance as at 31 March 2025	**3,704**	**-**	**250**	**53**	**4,007**
Accumulated amortisation and impairment losses					
Balance as at 1 April 2023	(2,813)	(11,806)	(200)	-	(14,819)
Amortisation expenses	(60)	-	(5)	-	(65)
Balance as at 31 March 2024	(2,873)	(11,806)	(205)	-	(14,884)
Balance as at 1 April 2024	**(2,873)**	**(11,806)**	**(205)**	**-**	**(14,884)**
Amortisation expenses	**(27)**	**-**	**-**	**-**	**(27)**
Disposals	**875**	**11,806**	**-**	**-**	**12,681**
Balance as at 31 March 2025	**(2,025)**	**-**	**(205)**	**-**	**(2,230)**
Carrying amounts					
As at 31 March 2024	1,758	-	45	-	1,803
As at 31 March 2025	**1,679**	**-**	**45**	**53**	**1,777**

Impairment

In accordance with NZ IAS 36, the Group has undertaken a review to determine whether the carrying values of any intangible assets might be impaired. No indicators of impairment have been identified and no impairment has been recognised in the current year.

8 Receivables and prepayments

P

Receivables

Trade receivables are initially measured at fair value and then subsequently recognised at amortised cost less impairment using the effective interest method less any lifetime credit losses. All known bad debts are written off during the financial year.

E

The expected credit loss allowance reflects the non-performance of the counterparties to trade and other receivables. A degree of estimation has been required to determine the level of current risk inherent within the loan. The historical loss experience is adjusted based on the current observable data and events and discounted future cash flow projections.

	2025	2024
	$000	$000
Trade receivables	**5,485**	4,732
Other receivables and accruals	**8**	67
Prepayments	**624**	627
	6,117	5,426
Less allowance for credit losses	**(357)**	(510)
	5,760	4,916

The Group's exposure to credit risk and impairment losses related to trade receivables are disclosed in note 18: financial risk management.

9 Inventories and work in progress

P

Inventories are valued on the basis of the lower of cost and net realisable value. Cost is determined on the basis of weighted average purchase price. Due allowance is made for damaged and obsolete inventory. Work in progress comprises the cost of direct materials and labour together with direct overheads.

Net realisable value is the estimated amount the inventories are expected to realise in the ordinary course of business less an estimate of any costs to completion and applicable variable selling expenses.

	2025	2024
	$000	$000
Inventory - finished goods	**207**	182
Inventory - work in progress	**237**	471
	444	653

Judgement has been exercised in assessing the level of any unrecoverable work in progress.

10 Trade and other payables

P

Trade payables

Trade payables and other accounts payable are recognised at fair value when the Group becomes obliged to make future payments resulting from the purchase of goods and services. Trade payables are subsequently recognised at amortised cost.

E

Liabilities in respect of employee entitlements

Employee entitlements expected to be settled within the next 12 months are measured at the amounts expected to be paid when the obligations are settled. Liabilities made in relation to employee entitlements, which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees to the Group up to the reporting date. In relation to retirement gratuities, the present value calculations also provide for the probability of the employees completing employment to the point of entitlement (retirement).

Liabilities include employee entitlements in relation to wages and salaries, annual leave, long service leave, retiring gratuities and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

	2025	2024
	$000	$000
Trade payables	**3,382**	3,180
Other payables	**1,204**	2,131
Accruals	**1,239**	871
Liabilities in respect of employee entitlements	**1,367**	1,491
	7,192	7,673

Judgement has been exercised in calculating estimates for retiring gratuities.

11 Refundable Occupation Right Agreements

P

As a result of the Group's divestment of its retirement village operations during the year, it no longer has any Occupation Right Agreement liabilities.

Occupation Right Agreements (ORAs) confer the right to occupy an independent living unit and are considered leases under NZ IFRS 16 Leases.

A new resident is charged a refundable security deposit on being issued the right to occupy one of the Group's units, which is refunded to the resident subject to a new ORA for the unit being issued to an incoming resident, net of any amount owing to the Group. The Group has a legal right to offset any amounts owing to the Group by a resident against that resident's security deposit. Such amounts include management fees, service fees and village fees. As the refundable occupation right is repayable to the resident upon vacating the unit (subject to a new ORA for the unit being issued to an incoming resident), the fair value is equal to the face value, being the amount that can be refunded.

The ORAs issued in the initial stages of the village included the right to a proportion of the capital gain or loss arising on resale. The amount of the capital gain that is owing to residents in relation to these agreements is recognised within the refundable occupation right agreements liability. Subsequent to the initial stages of the village development, the ORAs no longer include capital gain sharing with residents.

A resident is charged a village contribution fee in consideration for the right to occupy one of the Group's units and to share and use common facilities. The village contribution is calculated as a percentage of the occupation right agreements amount and accrues daily at a rate of 10% per annum for a maximum of three years from the commencement date of the ORA based on the terms of the ORA.

The village contribution is payable by the resident on termination of the ORA. Village contributions are recognised as deferred management fees.

The deferred management fee represents the difference between the management fees receivable under the ORA and the portion of the management fee accrued which is recognised on a straight-line basis over the longer of the term specified in a resident's ORA or the average expected occupancy of 9 years (2024: 9 years).

The management fee recognised in the Consolidated Statement of Comprehensive Income represents income earned in line with the average expected occupancy.

Refundable Occupation Right Agreements	**2025** **$000**	2024 $000
Refundable occupation licence payments	**-**	89,925
Resident's share of capital gains	**-**	12,609
Less: management fee receivable (per contract)	**-**	(21,936)
	-	80,598
Reconciliation of management fees recognised under NZ IFRS and per ORA		
Management fee receivable (per contract)	**-**	(21,936)
Deferred management fees	**-**	10,712
Management fee receivable (per NZ IFRS)	**-**	(11,224)

12 Share capital

All shares rank equally with one vote attached to each fully paid share, have no par value and are issued and fully paid.

	2025	2024
Number of shares	**000**	000
Balance at beginning of year	**24,465**	24,465
Balance at end of year	**24,465**	24,465
Fully paid ordinary shares	**$000**	$000
Balance at beginning of year	**18,000**	18,000
Balance at end of year	**18,000**	18,000

13 Dividends

	2025	2024
	$000	$000
Dividends paid	**330**	300
Cents per share	**1.35**	1.23

Dividends were paid during the year to the Electra Trust for the year ended 31 March 2024.

A fully imputed net dividend of $250,000 payable to the Electra Trust was declared on 9 May 2025 in respect of the financial year ended 31 March 2025.

14 Commitments

Capital commitments

At balance date, there were $3.2m commitments contracted for and approved by the Group (2024: $4.3m)

	2025	2024
	$000	$000
Distribution network	**3,174**	4,290
	3,174	4,290

All capital commitment expenditure will be incurred when the work is completed (estimated to be over the next 12 months).

15 Leases

P

Operating leases

Lease liabilities are measured at the present value of their remaining lease payments, discounted at the rate implicit in the lease. Where this rate is not readily available the payments are discounted at the Group's incremental borrowing rate. The weighted average rate applied is 9.44% across all leases. Right of use assets are initially recognised at the amount of the lease liability. The assets are subsequently depreciated using the straight-line method over the lease term.

The Group accounts for both short term and low value leases by applying paragraph 6 of NZ IFRS 16, which requires the cost to be spread over the lease term on a systematic basis.

E

In determining the lease term, the Group applies judgement in deciding whether it is reasonably certain that an extension or termination option will be exercised.

Right of use assets	Land, buildings and improvement $000	Vehicles $000	Other plant and equipment $000	Total $000
Opening net book value 1 April 2023	3,165	614	186	3,965
Additions/Remeasurements	(430)	1,306	81	957
Disposals	(10)	-	(21)	(31)
Depreciation for the period	(273)	(339)	(118)	(730)
Carrying amount 31 March 2024	2,452	1,581	128	4,161
Additions/Remeasurements	**232**	**694**	**6**	**932**
Disposals	**(108)**	**-**	**(58)**	**(166)**
Depreciation for the period	**(264)**	**(523)**	**(52)**	**(839)**
Balance as at 31 March 2025	**2,312**	**1,752**	**24**	**4,088**
Cost	**3,244**	**3,020**	**160**	**6,424**
Accumulated depreciation	**(932)**	**(1,268)**	**(136)**	**(2,336)**
Balance as at 31 March 2025	**2,312**	**1,752**	**24**	**4,088**

Lease liability maturity analysis	Minimum lease payments $000	Interest $000	Present value $000
Within 1 year	**1,094**	**381**	**713**
1 - 5 years	**3,189**	**918**	**2,271**
Beyond 5 years	**1,906**	**316**	**1,590**
Total	**6,189**	**1,615**	**4,574**
Current portion			**713**
Non-current portion			**3,861**
Total			**4,574**

Lease expense included in profit and loss

Short term leases (less than 12 months)	352
Interest on leases included in interest expense	423
Total cash outflow in relation to leases	1,626

The majority of the lease commitments are for building accommodation. The remainder relate to vehicles and equipment. There are no contingent rents payable and all leases are subject to renewals at the election of the Group.

16 Contingent liabilities

The Group undertakes contracting works in the ordinary course of business, some of which may be subject to customer disputes. There is no indication that any liability with regard to disputes will crystallise in the foreseeable future.

17 Statement of cash flows

P

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks (including bank overdrafts), demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts (if any at year end) are shown within debt finance in current liabilities in the Consolidated Statement of Financial Position.

Cash flows are inflows and outflows of cash and cash equivalents.

Operating activities are the principal revenue-producing activities of the Group and other activities that are not investing or financing.

Investing activities are the acquisition and disposal of long term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the Group.

	2025	2024
	$000	$000
Reported (loss) after tax	**(10,890)**	(11,238)
Adjustments for non-cash items:		
Depreciation and amortisation	**15,510**	17,139
Bad debts written off and bad debts provision	**107**	401
Loss on sale of investment	**-**	1,438
Gain of disposal of financial liabilities	**(1,872)**	-
Change in fair value of investment property	**(1,736)**	4,979
Change in fair value of property, plant and equipment	**-**	2,332
Impairment of property, plant and equiptment and intangible assets	**(2,208)**	2,833
Non-cash revenue from assets transferred to the Group	**(4,090)**	(5,742)
Stock obsolescence	**(189)**	269
Share of loss in joint ventures	**-**	14
Net loss on disposal of operations	**15,812**	1,323
Fixed Assets write-off	**717**	816
Occupation Right Agreements and deferred management fee liabilities write-off	**94,311**	-
Interest - others	**2,028**	284
Tax (benefit)/expense recognised in profit or loss (including from discontinued operations)	**(757)**	1,086
Movements in working capital:		
(Decrease)/increase in accounts payable and other provisions	**(510)**	602
(Decrease)/increase in occupation right agreements and deferred management fee liabilities	**(89,569)**	4,666
(Increase)/decrease in trade receivables	**(747)**	(442)
Decrease/(increase) in finance receivables	**289**	(195)
Decrease/(increase) in inventory and work in progress	**208**	197
Income taxes (paid)/refunded	**(89)**	171
Net cash flows from operating activities	**16,325**	20,933

18 Financial risk management

P

Debt and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Interest and dividends are classified as expenses or as distributions of profit consistent with the Consolidated Statement of Financial Position classification of the related debt or equity instruments or component parts of compound instruments.

Financial assets and liabilities are not offset unless there is a legally enforceable right, or where required by a standard.

Credit risk

Credit risk is the potential that the counterparty to a financial transaction will fail to perform according to the terms and conditions of the contract, thus causing a loss.

Financial assets, which potentially subject the Group to credit risk principally consist of bank balances, accounts receivable, finance receivables, other receivables and which the Group consider is covered within general liquidity management. The Group has considered the credit quality of all its borrowers in relation to finance receivables outstanding at balance date. Management has assessed that the future financial prospects and associated security over its lending is adequate and therefore any credit losses are not expected to be material and no adjustments have been made.

The Group manages its principal credit risk by having Default Distribution Agreements with its major customers and performing credit evaluations on customers requiring advances.

The status of trade receivables as at reporting date is as follows:

	Gross 2025 $000	**Impairment 2025 $000**	Gross 2024 $000	Impairment 2024 $000
Not past due	**3,430**	**-**	3,799	-
Past due 0 - 30 days	**1,515**	**-**	69	-
Past due 31 - 60 days	**97**	**-**	108	-
Past due more than 60 days	**443**	**(357)**	756	(510)
Total trade receivables	**5,485**	**(357)**	4,732	(510)

No interest is charged on trade receivables outstanding.

Movement in impairment allowance for expected credit losses	**2025 $000**	2024 $000
Balance at beginning of year	**(510)**	(422)
Amount charged to the statement of comprehensive income	**-**	(88)
Provisions reversed	**153**	-
	(357)	(510)

The above maximum exposures are gross of any recognised provision for losses on these financial assets. No collateral is held on the above amounts. The trade receivables are within their contractual terms and are considered to be collectible.

In accordance with the Group's Treasury policy bank balances in short term deposits are made with registered banks. The registered banks currently have a Standard & Poor's credit rating of AA-.

Concentrations of credit risk

The Group has exposure to concentration of credit risk by having electricity retailer customers. This is managed as mentioned above through the Default Distributor Agreements.

Foreign currency risk

The Group had not entered into any Forward Exchange Contracts expressed in New Zealand dollars at 31 March 2025 (2024: Nil).

Interest rate risk

Liabilities

The interest rate risk exposure is to bank borrowings. The Group has no interest in hedge contracts.

P

Fair values

The carrying amounts recorded in the Consolidated Statement of Financial Position are considered to be their fair values for all classes of financial instruments with the exception of bank borrowings and amounts which are not able to be determined because there is no available market data.

Borrowings

Borrowings are recorded initially at fair value net of any transaction costs. Borrowings are subsequently recognised at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Consolidated Statement of Comprehensive Income over the year of the borrowing using the effective interest method. Borrowings are classified as non-current liabilities where the Group holds an agreement with the lender which includes the right to settle the liability in an accounting year at least 12 months after the balance date.

Borrowing costs are expensed using the effective interest method, except for capitalised borrowing costs.

Interest rate risk profile of financial assets and liabilities

The interest rate risk profile of on-balance sheet financial assets and financial liabilities has been prepared on the basis of maturity or contractual repricing whichever is the earlier. The Group's borrowing arrangements are with Pricoa Private Capital and ANZ. Borrowings are in New Zealand dollars. The majority of borrowings are at fixed interest rates between 5 - 12 years terms, therefore the Group is less exposed to variable interest rates and has no outstanding interest related derivatives.

Financial instrument carrying values by category

As at 31 March 2025	Int rate %	Total	0-12 mths	1- 2 years	> 2 years
		$000	$000	$000	$000
Financial assets measured at amortised cost					
Cash and cash equivalents		**4,291**	**4,291**	**-**	**-**
Trade and other receivables		**5,136**	**5,136**	**-**	**-**
Total financial assets measured at amortised cost		**9,427**	**9,427**	**-**	**-**
Financial liabilities measured at amortised cost					
Trade and other payables		**7,192**	**7,192**	**-**	**-**
Debt finance	**2.84-4.70**	**79,126**	**15,126**	**-**	**64,000**
Total financial liabilities at amortised cost		**86,318**	**22,318**	**-**	**64,000**

Movement in interest rates	1% Increase	1% Decrease
	$000	$000
Impact on profit and loss from a 1% increase/decrease in interest rates	**(904)**	**904**

As at 31 March 2024	Int rate %	Total	0-12 mths	1- 2 years	> 2 years
		$000	$000	$000	$000
Financial assets measured at amortised cost					
Cash and cash equivalents		7,584	7,584	-	-
Term deposits held as cash and cash equivalents	5.20	2,000	2,000	-	-
Trade and other receivables		4,349	4,349	-	-
Finance receivables		484	-	-	484
Total financial assets at amortised cost		14,417	13,933	-	484
Financial liabilities measured at amortised cost					
Trade and other payables		7,673	7,673	-	-
Debt finance	2.84-10.75	101,693	25,693	12,000	64,000
Refundable Occupation Right Agreements		80,598	80,598	-	-
Other financial liabilities*		2,399	-	-	2,399
Total financial liabilities at amortised cost		**192,363**	**113,964**	**12,000**	**66,399**

* Other financial liabilities consists of a preference share liability in Quail Ridge Country Club Limited to former shareholders of the entity. These financial liabilities were measured at fair value plus or minus transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, these financial liabilities have been subsequently measured at amortised cost.

During the year, these preference shares were settled for a value less than their current carrying value. This resulted in a gain on settlement for Quail Ridge Country Club, which has been reflected in the operating results of the discontinued operations in note 3.

Liquidity risk

Liquidity risk represents the risk that the Group may not have the financial ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis.

Borrowings

Facilities exist with Pricoa Private Capital for a private placement note of up to $125m (USD), and a short-term working capital facility with ANZ of $12m (NZD). Notes issued under the Pricoa Private Capital funding are denominated in NZD. At balance date, $76m (NZD) had been drawn down from the Pricoa facilities, and $3m from ANZ facility (2024: $76m from Pricoa, $0m from ANZ). As part of the divestment from Quail Ridge, the $25.7m loan outstanding at 31 March 2024 from Senior Trust was derecognised.

The Pricoa notes - Fixed interest

Date issued	Amount issues NZD	Interest rate	Date of maturity
27/1/2021	$12m	2.84%	27/1/2026
27/1/2021	$30m	3.03%	27/1/2028
27/1/2021	$13m	3.39%	28/1/2031
27/1/2021	$12m	3.58%	27/1/2033
27/3/2021	$9m	3.54%	27/3/2028

The Group uses its facilities based on forecast expectations of operating cash flows and proceeds of maturing financial assets.

The following table outlines undiscounted cash flows including any accrued interest based on contractual maturities however actual repayments may differ. While most finance receivables are showing in the table with contractual maturities of 0-12 months it is expected some of these will be rolled over at the discretion of the Board.

Contractual maturity analysis

Financial instrument maturity values by category

As at 31 March 2025	Int rate %	Total	On call	0-12 months	1-2 years	> 2 years
		$000	$000	$000	$000	$000
Financial assets						
Cash and cash equivalents		**4,291**	**4,291**	**-**	**-**	**-**
Trade and other receivables		**5,136**	**-**	**5,136**	**-**	**-**
Total financial assets		**9,427**	**4,291**	**5,136**	**-**	**-**
Financial liabilities						
Trade and other payables		**7,192**	**-**	**7,192**	**-**	**-**
Debt finance	**2.84 - 4.70**	**79,126**	**-**	**15,126**	**-**	**64,000**
Total financial liabilities		**86,318**	**-**	**22,318**	**-**	**64,000**

As at 31 March 2024	Int rate %	Total	On call	0-12 months	1-2 years	> 2 years
		$000	$000	$000	$000	$000
Cash and cash equivalents		7,584	7,584	-	-	-
Term deposits held as cash and cash equivalents	5.20	2,000	-	2,000	-	-
Trade and other receivables		4,349	-	4,349	-	-
Finance receivables		484	-	-	-	484
Total financial assets		**14,417**	**7,584**	**6,349**	**-**	**484**
Financial liabilities						
Trade and other payables		7,673	-	7,673	-	-
Debt finance	2.84 -10.75	101,693	-	25,693	12,000	64,000
Refundable Occupation Right Agreements		80,598	-	80,598	-	-
Other financial liabilities		2,399	-	-	-	2,399
Total financial liabilities		**192,363**	**-**	**113,964**	**12,000**	**66,399**

Capital management

The Group's capital includes share capital, asset revaluation reserves and retained earnings. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group is subject to capital requirements and covenants:

The Statement of Corporate Intent imposes a restriction that the Group will:

- maintain shareholder funds at not less than 55% of total assets (2025: 56%, 2024: target >=46%, achieved 42%),
- the gearing ratio must be not more than 35% (2025: 31%, 2024: not a measure).

The Group is subject to capital requirements imposed by lenders through covenants on the Pricoa private placement notes and ANZ working capital facility. All Covenants have been met for the year ended 31 March 2025 and 31 March 2024.

- the interest coverage ratio must be no less than 3.5x (2025: 8.69x 2024: 11.38x),
- the gearing ratio must be not more than 60% (2025: 31%, 2024: 28%),
- the regulatory asset base ratio must be not more than 80% (2025: 29%, 2024: 30%),
- the leverage ratio must be not more than 7x (2025: 3.12x, 2024: 2.38x), and
- the guarantor group cover ratio must be no less than 90% (2025: 100%, 2024: 100%).

There are no indications that the Group would have difficulties complying with the covenants when they will be next tested at the 30 September 2025 interim reporting date.

Fair values

Fair value hierarchy

Financial instruments carried at fair value are classified by valuation method based on the following hierarchy

Level 1: quoted price (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

19 Interests held by the Group

P

Subsidiaries

Subsidiaries are all those entities over which the Group has control.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceed the cost of acquisition, the excess is credited to profit or loss in the period of acquisition.

Investments, joint ventures and associates

Investments, joint ventures and associates are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Name of entity	Prinicpal activities	Classification	2025	2024
Electra Generation Limited	Non trading	Subsidiary	**100.0%**	100.0%
Electra Services Limited	Non trading	Subsidiary	**100.0%**	100.0%
Quail Ridge Country Club Limited	Retirement village operations	Subsidiary	**0.0%**	100.0%

The effective ownership and the voting interests in the above subsidiaries are the same.

The Group wound up Kerikeri Falls Investments Limited during the prior financial year. In the current financial year, the Group disposed of its subsidiary Quail Ridge Country Club Limited and divested of assets and ceased operations of Electra Services Limited. Refer to note 24 for more details.

All subsidiaries, investments and associates have a balance date of 31 March and are incorporated in New Zealand.

20 Transactions with related parties

The following transactions occurred with related parties:

	2025	2024
	$000	$000
Transactions		
Contracting services with N A Brereton	**22**	-
Short-term employment arrangements with close family members of key management personnel	**-**	5
Contracting services with Stomy Loam Trust	**-**	71
Consulting expenses with Robin Skeggs Consulting	**1**	56
Contracting Services provided to Horowhenua Developments Limited	**-**	411
Purchase of assets from Horowhenua Developments Limited	**-**	20
Customer contribution income received from Horowhenua Developments Limited	**-**	140
Dividend paid to Electra Trust	**330**	300
Balances		
Receivable from Electra Trust	**-**	30

21 Key management personnel

The compensation of the Directors and Executives, being the key management personnel of the entity, is set out below:

	2025	2024
	$000	$000
Short-term employee benefits	**2,391**	2,523
Defined contribution plans	**80**	90
Termination payments	**-**	511
	2,471	3,124

Directors are appointed by our shareholder, Electra Trust. They are appointed as directors of Electra Limited, and all subsidiaries listed in note 19 excluding Quail Ridge Country Club Limited and Kerikeri Falls Investments Limited.

Directors' fees are paid by Electra Limited to the directors, as the directors of the Group. Total fees paid were $400,000 (2024: $300,044). There are no separate fees paid to these directors in respect of Electra Services Limited. Directors' fees paid to the directors of Quail Ridge Country Club Limited and Kerikeri Falls Investments Limited were $69,954 (2024: $173,038).

22 Subsequent events

A net dividend of $250,000 was paid to the Electra Trust on 14 May 2025 in respect of the financial year end 31 March 2025.

There have been no other events subsequent to 31 March 2025 that materially impact on the results reported.

23 Operational targets

Four key value drivers have been identified linking the Group's strategy to the operational targets and measures that are critical to achieving the strategy. These drivers are Revenue, Profit, Assets and People and the performance against key targets set in the Statement of Corporate Intent (SCI) are evaluated below:

1) Asset targets

Capital ratio

The Group aims to maintain consolidated shareholders' funds at not less than 55% of consolidated total assets. With the divestment of Quail Ridge Country Club during the year, the Group was able to meet this target.

	Actual	Target
Consolidated shareholders' funds to total assets percentage	**56%**	>55%

Network reliability

The Group aims to uphold a level of electricity network reliability (as defined by the Electricity Distribution Information Disclosure Determination 2012). These include factors of SAIDI (average duration of supply interruptions per connected consumer) and SAIFI (average number of supply interruptions per connected consumer). Electra met the reliability expectation for the duration (SAIDI) and the frequency (SAIFI) of interruptions.

	Actual	Target
Average outage duration per year (SAIDI)	**86**	98
Average outage frequency per year (SAIFI)	**0.89**	1.55

2) Debt targets

Electra aims to maintain efficient and prudent management of Electra's capital structure. Setting a leverage ratio to help guide the management of debt levels will be very important as Electra will need to invest additional capital into the core network business to achieve its customer service and decarbonisation objectives. In addition, Electra's lenders require us to maintain compliance with certain financial and operating covenants, and these help to inform the strategic and operational planning of Electra's business.

	Actual	Target
Leverage ratio	**31%**	<35%
Debt funding covenant compliance	**100.0%**	100.0%

3) Profit targets

Electra is focused on operating a successful electricity network business that provides benefits and value to Electra's beneficiaries and consumers. We will continue to invest in the network to maintain reliability, performance, safety, and to prepare for significant growth in electricity usage as New Zealand increasingly turns to electricity to support its decarbonisation goals. The Group achieved these targets for the 2025 year.

*The Group net profit/(loss) after tax and Group return on equity targets exclude the impact of fair value gains or losses and other extraordinary items (such as gains or losses on sales of subsidiaries).

	Actual	Target*
Group net profit/(loss) after tax	**$2.0m****	$1.1m
Group return on equity (post discount & tax)	**1.1%**	0.5 %
Group return on equity (pre discount & tax)	**3.8%**	3.0%

** When setting the SCI target for the 2025 financial year, the gain on sale of the Electra Services medical alarm monitoring business was known. Therefore this gain was included as part of the SCI target. Below is a reconciliation from the Group (loss)/profit for the year after tax to the Group net profit/(loss) after tax on a like-for-like basis to the SCI target.

	Note	**Actual**
Group loss for the year after tax		**($10.9m)**
less fair value gain on investment property	3	**($1.7m)**
add back loss on disposal of operations of Quail Ridge Country Club	24	**$17.2m**
less gain on external party forgiveness of financial liabillities	18	**($2.6m)**
Group net profit after tax		**$2.0m**

4) Revenue targets

Electra committed one year in advance to providing price discounts to customers. The targeted amount of price discount paid was met.

	Actual	Target
2025 price discount paid (excl GST)	**$5.4m**	$5.4m
Number of customer connection points	**47,082**	47,500
Median price discount (excl GST) per customer connection point	**$131**	$114

5) People targets

The Group is committed to promoting a culture of health, safety and wellbeing where harm to our people and the public in the workplace, both physical and psychological, is unacceptable. For this policy, the Group has a goal that our people go home safe and well each night and has a target of zero Lost Time Injuries relating to Critical Risk Areas (LTIs - CR). We pleasingly achieved this target for the 2025 Financial Year. Our continuous improvement journey is ongoing, learning from all incidents, and increasing our proactive and preventive activity to keep our people safe and well.

	Actual	Target
Lost Time Injuries (LTI) relating to critical risks	**0**	0

24 Disposal of operations

During the year the Group disposed of two of its operations. On 28 May 2024, the Group sold the medical alarm monitoring assets from Electra Services Limited. On 11 December 2024, the Group sold its shares in Quail Ridge Country Club Limited. In the prior year, the Group disposed of the security monitoring assets from Electra Services Limited. The details of these transactions are outlined below.

Electra Services Limited	**2025** **$000**	2024 $000
Consideration received		
Consideration received in cash and cash equivalents	**7,000**	858
Total consideration received	**7,000**	858
Current assets		
Trade receivables	**-**	50
Inventories	**603**	20
Non-current assets		
Property, plant & equipment	**956**	-
Intangible assets	**4,063**	1,462
Goodwill	**-**	649
Net assets disposed of	**5,622**	2,181
Gain/(loss) on disposal of operations		
Consideration received	**7,000**	858
Less net assets disposed of	**(5,622)**	(2,181)
Gain/(loss) on disposal of operations	**1,378**	(1,323)

Quail Ridge Country Club	**2025** **$000**
Consideration received	
Consideration received in cash and cash equivalents	**0**
Total consideration received	**0**
Current assets	
Cash and cash equivalents	**69**
Trade and other receivables	**503**
Non-current assets	
Investment property	**133,473**
Property, plant & equipment	**478**
Deferred tax asset	**3,020**
Current liabilities	
Trade and other payables	**(842)**
Non-current liabilities	
Refundable occupation right agreements	**(83,293)**
Debt finance	**(25,475)**
Deferred management fees	**(10,724)**
Net assets disposed of	**17,209**
Gain/(loss) on disposal of operations	
Consideration received	**0**
Less net assets disposed of	**(17,209)**
(Loss)/gain on disposal of operations	**(17,209)**

The gain/(loss) on disposal is included in the profit for the year from discontinued operations (see note 3).

25 Assets held for sale

Non-current assets held for sale	**2025** **$000**	2024 $000
Carrying value of medical customer lists	**-**	4,051
Other property, plant and equipment	**-**	1,552
Non-current assets held for sale	**-**	5,603

During the year ended 31 March 2023, the Board initiated a sale offering for the assets associated with Electra Services Limited's medical alarm monitoring business. As such all purchased customer lists and alarm monitoring inventory owned by Electra Services were reclassified as held for sale. During the current year, the medical alarm monitoring assets of Electra Services were sold to Hato Hone St John (refer to note 24).

The Group determined that the fair value less cost to sell the assets for sale exceeded the carrying amount of the disposal group. Therefore, no gain or loss was recognised on reclassification in the prior year.

Deloitte.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF ELECTRA LIMITED'S GROUP FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2025

The Auditor-General is the auditor of Electra Limited Group (the 'Group'). The Auditor-General has appointed me, Silvio Bruinsma, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements and the performance information of the Group on his behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Group on pages 38 to 72, that comprise the consolidated statement of financial position as at 31 March 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and

- the performance information of the Group on page 34.

In our opinion:

- the financial statements of the Group:
    - present fairly, in all material respects:
        - its financial position as at 31 March 2025; and
        - its financial performance and cash flows for the year then ended; and
    - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards; and
- the performance information of the Group presents fairly, in all material respects, the Group's achievements measured against the performance targets adopted for the year ended 31 March 2025.

Our audit was completed on 13 June 2025. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

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

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

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

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the Group for assessing the Group'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 there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

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

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

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

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken based on these financial statements and performance information.

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

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- We evaluate the appropriateness of the reported performance information within the Group's framework for reporting its performance;

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

Deloitte.

- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements and performance information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 3 to 33 and pages 76 and 77 but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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

Independence

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Group.

Silvio Bruinsma

Silvio Bruinsma
Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand

Directors and remuneration

The following persons holding office as Directors during the year were authorised and received the following remuneration:

	Electra Limited	Quail Ridge Country Club Limited	Group
Stephen Armstrong	$100,000	-	$100,000
Lucy Elwood	$50,000	-	$50,000
Murray Bain	$50,000	-	$50,000
Karen Sherry	$50,000	-	$50,000
Scott Houston	$50,000	$10,080	$60,080
Roger Sutton	$50,000	-	$50,000
James Carmichael	$50,000	-	$50,000
Nigel Brereton	-	$30,095	$30,095
Robin Skeggs	-	$29,779	$29,779
	$400,000	**$69,954**	**$469,954**

Entries recorded in the Interests Register
The following entries were recorded in the Interests Register of the Company and its subsidiaries during the year:

a) **Directors' interests in transactions**

Directors have declared interest in transactions with the Company during the year as set out in note 20 of these financial statements.

Directors have no direct interest in the equity securities issued by the Company. Directors may be beneficiaries of the Electra Trust, which holds the shares in the Company for end-customers of the day.

b) **Share dealings of Directors**

Directors did not purchase or sell shares in Electra Limited or its subsidiaries during the year.

c) **Loans to Directors**

There were no loans made to Directors by Electra Limited or its subsidiaries during the year.

d) **Directors' indemnity insurance**

The Company has insured its Directors, and the Directors of its subsidiaries, against liabilities to other parties that may arise from their positions as Directors. The insurance does not cover liabilities arising from criminal actions.

Employees' remuneration
During the year the following numbers of current and former employees received remuneration and/or other benefits within the following bands:

Remuneration bands	Year ended 31 March 2025	Year ended 31 March 2024
$100,000 - $110,000	**8**	6
$110,001 - $120,000	**8**	10
$120,001 - $130,000	**15**	15
$130,001 - $140,000	**15**	9
$140,001 - $150,000	**7**	8
$150,001 - $160,000	**9**	7
$160,001 - $170,000	**7**	3
$170,001 - $180,000	**3**	3
$180,001 - $190,000	**2**	1
$190,001 - $200,000	**2**	-
$200,001 - $210,000	**1**	5
$210,001 - $220,000	**1**	2
$220,001 - $230,000	**-**	1
$240,001 - $250,000	**3**	-
$270,001 - $280,000	**1**	-
$330,001 - $340,000	**-**	1
$350,001 - $360,000	**-**	1
$530,001 - $540,000	**1**	-
$800,000 - $810,000	**-**	1

Some employees are also provided with the use of a Company motor vehicle not included in the above calculation.

Donations
During the year the Group made donations of Nil (2024: Nil).

Directory

Directors Electra Limited
Stephen Armstrong (Chair), BCA, CA, MBA
Murray Bain, ONZM, CFinstD, MCom (Hons), BSc
James Carmichael, BE, FENZ, CMInstD
Lucy Elwood, LLB Hons, BSc, CMInstD
Scott Houston
Karen Sherry, QSM, BA, MA (Hons), LLB (Hons), C.FInstD
Roger Sutton, BE(Mechanical)

Senior Leadership team
Geoff Douch (CE – Electra Group)
Chris Bekker (GM - Service Delivery)
Nick Carter (GM - Network)
Rachel Cranshaw (GM - People, Safety and Culture)
Matt Grover (GM - Information Technology)
Stuart Marshall (GM - Commercial)
Scott Scrimgeour (CFO - Electra Group)
Mark Smith (GM - Customer and Sustainability)

Electra Trust Trustees
Sharon Crosbie (Chairperson), CNZM, OBE
Brendan Duffy, ONZM, JP
Corey Kennett, GradDipBusStuds, MInstD
Russell Longuet, BE (Elec)
Neil Mackay, BCA
John Yeoman, BBS, ACA, FCG

Registered office
Electra Limited
Cnr Bristol and Exeter Streets
Levin 5510

Postal address
P O Box 244
Levin 5540
Telephone 0800 353 2872

Auditor
Silvio Bruinsma
Deloitte Limited
Wellington
On behalf of the Auditor-General

Solicitors
Chapman Tripp – Wellington
Quigg Partners – Wellington
CS Law – Levin

Bankers
Bank of New Zealand
Australia and New Zealand Banking Group Limited
Pricoa Private Capital

Notice of annual meeting

Notice is hereby given that the Annual Meeting of Shareholders of Electra Limited will be held at Kapiti Coast District Council, 175 Rimu Road, Paraparaumu on Friday 25 July 2025 at 2pm.

Ordinary business

1 To receive and consider the Directors' Report, the Financial Statements and the Auditor's Report.
2 To consider the Directors' recommendations as to dividends.
3 To elect Directors.
4 To fix remuneration of the Directors for the ensuing year.
5 To record the re-appointment of the Auditor-General (or appointee) as Auditor of the Company and to authorise the Directors to fix their remuneration for the ensuing year.

By order of the Board – 12 June 2025

Any member of the Company entitled to attend and vote at the Meeting may appoint another person as proxy to attend and vote on their behalf. A proxy need not be a member of the Company. Proxy forms must be lodged at the registered office of the Company, Cnr Bristol and Exeter Streets, P O Box 244, Levin 5540.

Registered office
Electra Limited
Cnr Bristol and Exeter Streets
Levin 5510

Postal address
P O Box 244
Levin 5540
Telephone 0800 353 2872