



Electra

2024 – 2025 Financial Year in Review

Electra owns and operates the electricity network supplying the Kāpiti and Horowhenua districts, from Paekākāriki in the south to Foxton and Tokomaru in the north.

Electra is 100% locally owned by the Electra Trust, with shares in the company held on behalf of all the consumer beneficiaries that have a connection on the Electra network.

Six Trustees are elected under a Trust Deed to represent the owners' interests and protect their asset.

"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

Electra
TRUST

Electra Trustees



Sharon Crosbie
– Chair



Brendan Duffy



Corey Kennett



Russell Longuet



Neil Mackay



John Yeoman



Geoff Douch
Chief Executive



Steve Armstrong
Chair

Chair and Chief Executive Report

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.

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.

Delivering for our customers and community

We met all our network performance targets for the duration and frequency of planned and unplanned outages and remain highly reliable compared to similar electricity networks.

We delivered an increased programme of maintenance and construction works to ensure the network remains safe and reliable, and to meet growth requirements of our region.

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 established a new Customer Experience team within Electra to lift our customer service capability. The team increased engagement with local stakeholders, including social support agencies – raising awareness of issues such as energy efficiency, affordability and energy hardship.

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 minor 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.

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 reviews of all our STCKY risks identifying and implementing improvement actions along the way to keep our people safe from the greatest risks we face.

During the year, Electra undertook a 'whole of business' exercise to develop a new set of values which guide the way we work at Electra. 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.

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.

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.

Balancing the energy trilemma

We continue to carefully consider 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 timing of investment to the need, and to ensure that costs are recovered over the life of the asset.

We have continued our journey of pricing reform, in line with the Electricity Authority’s expectations to be more cost reflective and the phase out of Low User Fixed Charges, with a move towards more Time-of-Use pricing.

We are also moving towards more fixed pricing, as our costs are largely fixed and irrespective of the volume of energy used by customers.

Financial performance

The reset of the strategy and the divestment of the subsidiary businesses has been a two-year journey, and we have recorded one-off losses for the current financial year as we

exited the non-core subsidiary businesses. The core business is profitable, and 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.

Full details of our financial performance are available in our Annual Report and Financial Statements available on our website.

The year ahead

Looking forward, 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

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. Steve has contributed significantly to Electra over the past six years, and the Board and Management would like to thank Steve for his contribution and wish him well for the future.

Our year in review

We distributed \$6.2m* in price discounts to consumers

* including GST

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 met our performance targets for duration and frequency of outages

We had zero lost time injuries across our critical risk areas

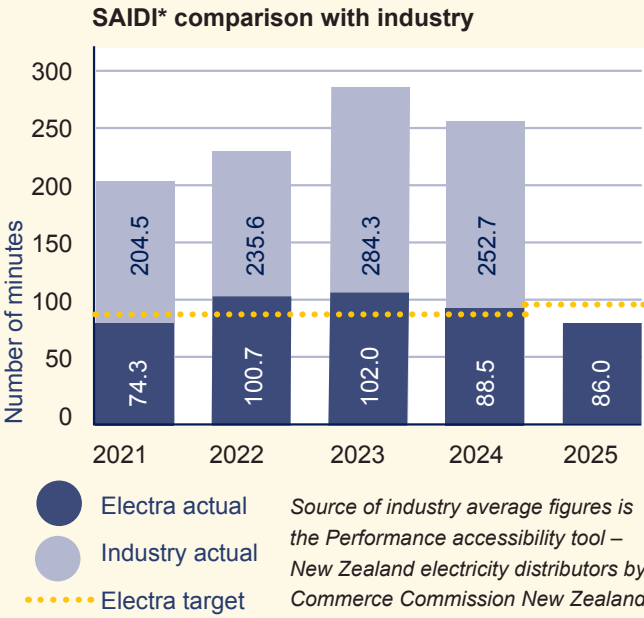
We spent \$5.6m with local companies that supply goods and services to us

We provided sponsorship into our community totalling over \$120,000

We diverted 60% of our waste away from landfill

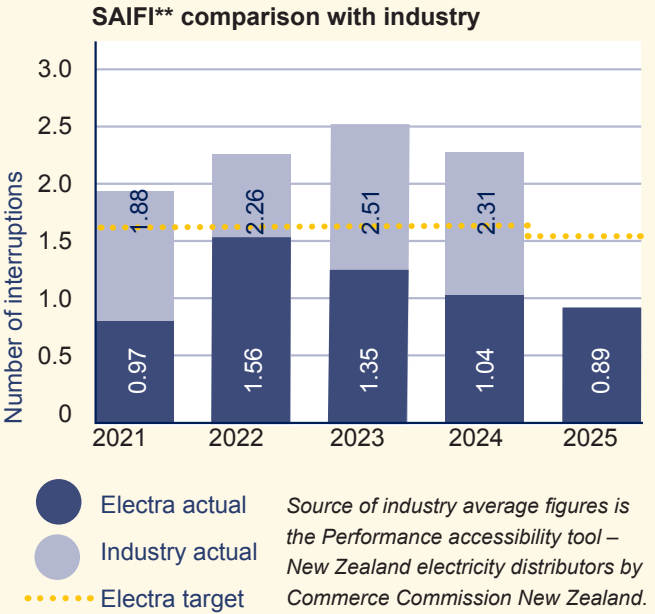
How our network performed

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.



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

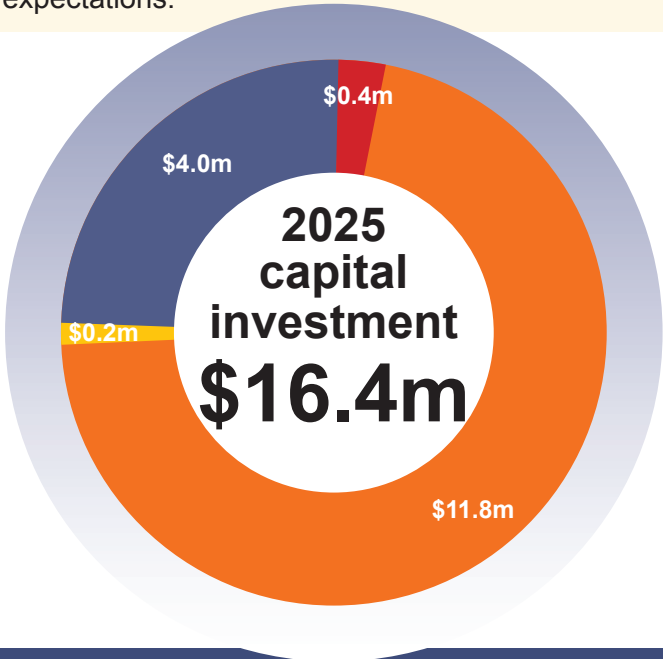
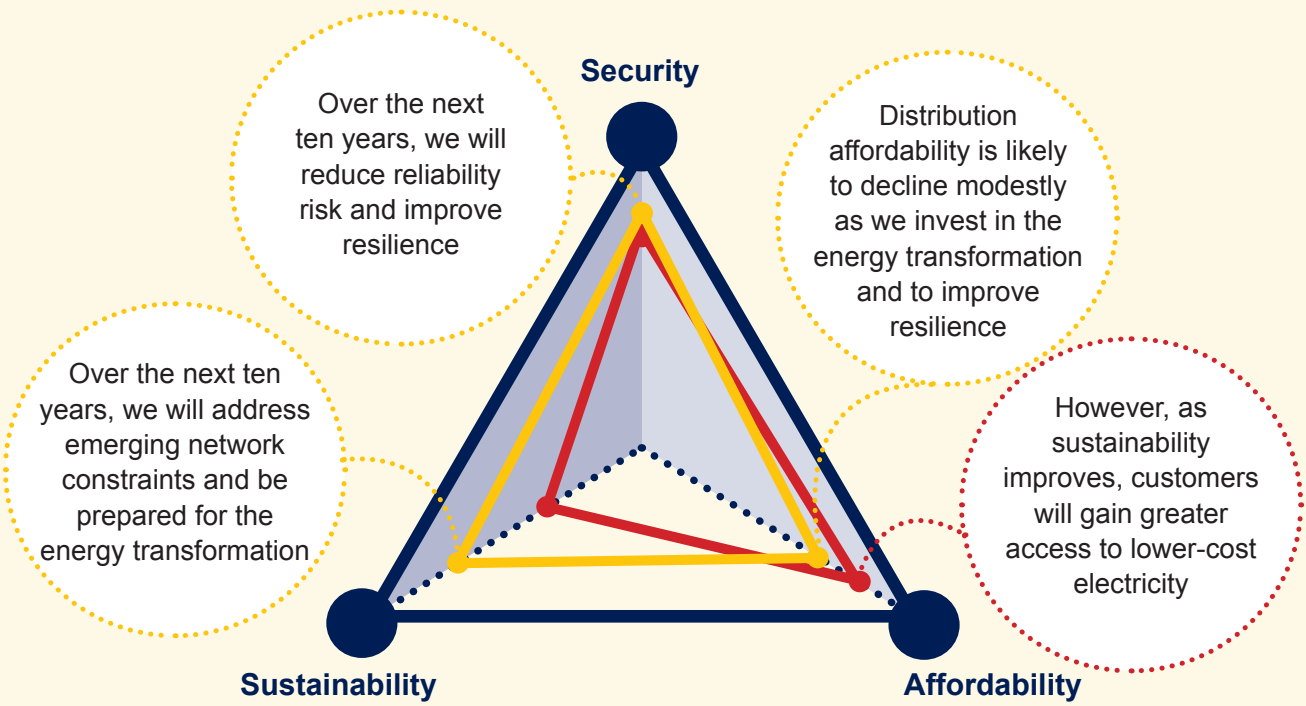
*System Average Interruption Duration Index.
**System Average Interruption Frequency Index.



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.

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.



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.

Some of the key projects delivered this year included:

- Replacement of the Paekākāriki power transformer with a total project cost of \$200,000 in 2025
- Replacement of the 11kV switchgear at the Levin East zone substation where \$1.3 million was invested in 2025
- Installation of a new 11kV feeder to support the growing industrial and commercial area around Enterprise Drive and Roe St in Levin, where \$400,000 was invested in 2025.



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

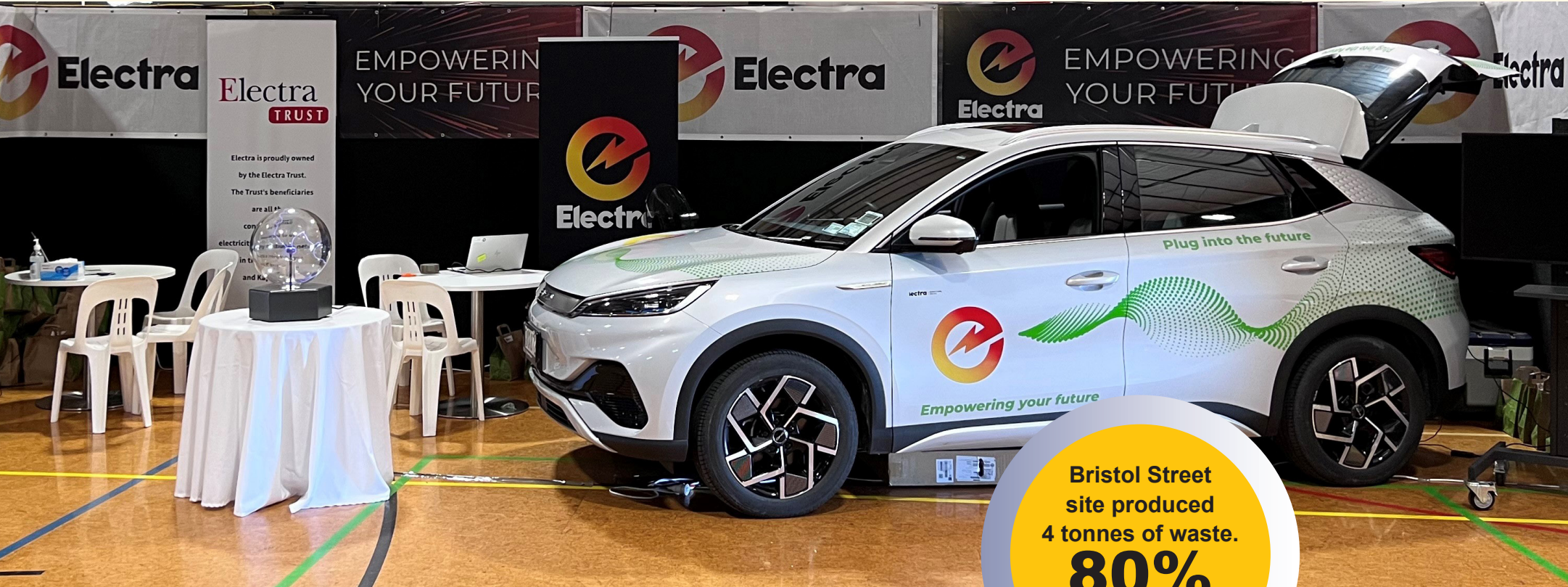
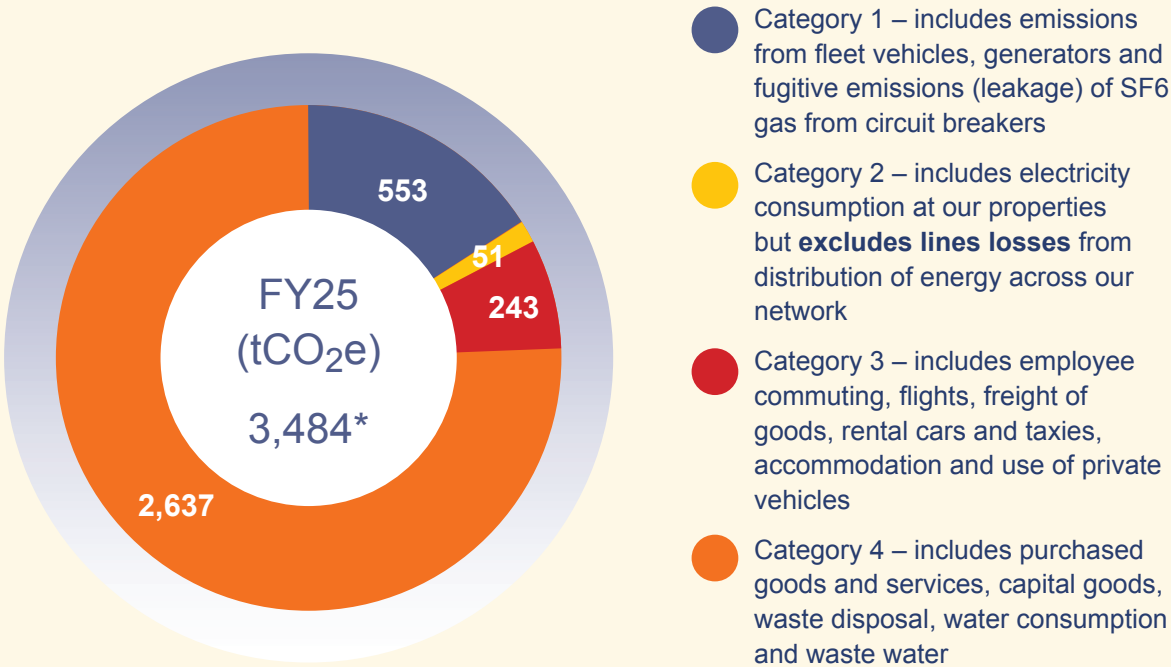
Sustainability

Electra’s sustainability journey continued in 2025.

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.



Part of the local community

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

At the Horowhenua AP&I show we provided a glimpse into the future. We demonstrated how you can use your electric vehicle (EV) to power your house by using one of our Electra vehicles to provide the power source for our stand.

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 people

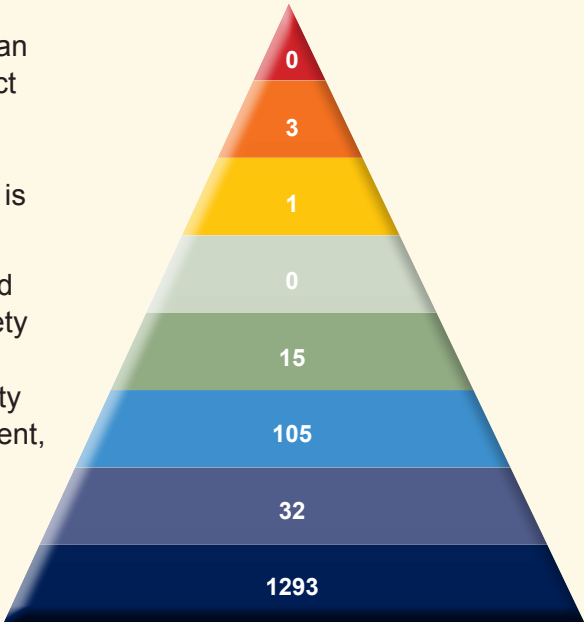
- We employed 131 people with over 85% living in our region
- The average age of an Electra employee is 43 years old
- The average tenure within the team is 7.5 years
- We had 20 new people join the team into new roles or replacement positions including six new field trainees, one control room trainee and one graduate engineer
- We had 12 team members move into new positions made up of seven internal promotions and five internal appointments to new roles
- 32 people completed leadership training and 16 completed Incident Cause Analysis Method (ICAM) training
- Five of our team completed NZQA qualifications



Health, safety and wellbeing

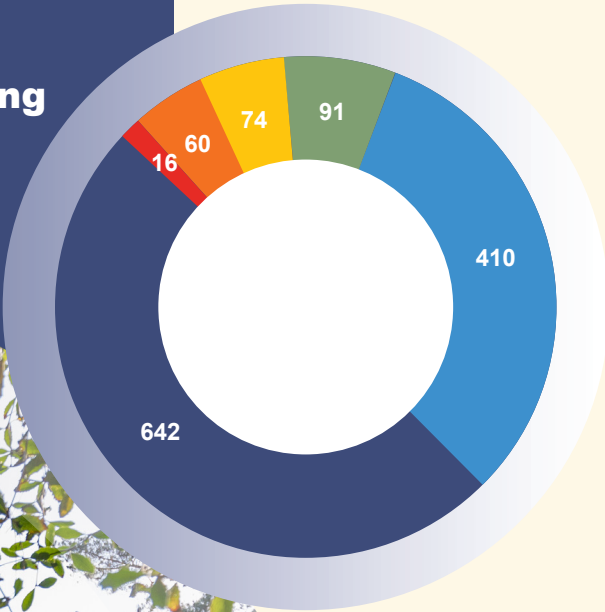
Caring for our people is both an Electra value and a key aspect of our strategy. Ensuring all our staff and contractors go home safe and well each day is paramount.

During the year, we developed a new three 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 committee 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 required some time off work to recover properly. All related to manual handling activities and a focus was put onto this area with our field teams.



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