



Northpower

Annual Report 2026







Chair and CE report

# Investing in Northland's growth

For more than 90 years, Northpower has grown as the region has grown.

We began as a local power board and grew through rural electrification, industrial expansion and population growth. Over this time, our role as a consumer-owned organisation has always been clear as we invest responsibly into the assets that our communities depend on every day and do it in a way that supports positive long-term regional outcomes.

Never have we felt this responsibility to invest in support of Northland more keenly. The southern part of our region has grown 6% per year over the past decade and our region's horticulture, agriculture, tourism, and construction sectors are also growing fast. Northland as a region is on track to become a \$60 billion economy by 2050, an aspiration noted as ambitious but possible by the independent work of NZ Institute of Economic Research Inc (NZIER), and one that positions Northland as a critical enabler of New Zealand's longer-term growth.

At Northpower we are investing heavily to enable this reality. Over the last decade, we have invested \$247 million into our electricity distribution networks, \$59 million into our fibre networks and more than \$40 million into our generation business. Over the next decade, our plans commit investment of a similar scale into infrastructure critical to Northland's \$60 billion economic future.

Our investment is a vote of confidence in the region's future.

## Delivering cost-effective infrastructure

Our commitment to consumers is to manage prices while continuing to invest in the infrastructure our communities rely on every day.

Over the past 10 years, we have invested heavily into the asset management and operational approaches needed to ensure our networks operate efficiently. Our fibre networks are a practical example, we're one of the smallest fibre networks in the country, yet one of the most cost efficient. Our mixed overhead/underground deployment kept capital costs down, automation has kept our back-office lean, and our focus on the customer has kept our connection rates high.

We've also built a portfolio of commercial businesses at the scale needed to enable us to provide meaningful discounts on our pricing.

Our Energy Services business now contracts \$454 million per year in electricity construction services across New Zealand, we have 25MW of renewable generation in construction, and our recent acquisition of Connell Contractors adds a civil-specific offering to our portfolio. The success of these businesses enabled us to discount our electricity network prices by 15% this past year.

Our goal, through cost-effective infrastructure, is economic advantage for Northland.

## Part of a wider national effort

Northpower's contribution is part of a united national effort.

At Northpower, we are proud that our Energy Services business supports other network energy organisations across New Zealand and that by doing this we can benefit Northland. We are key delivery partners to Vector, Powerco, and Transpower and support many other EDBs in the North Island. These organisations are investing deeply in New Zealand's energy system and investing in their regions. Working with these partners creates the opportunity for us to carry out work that supports the energy transition, while generating returns to benefit Northland.

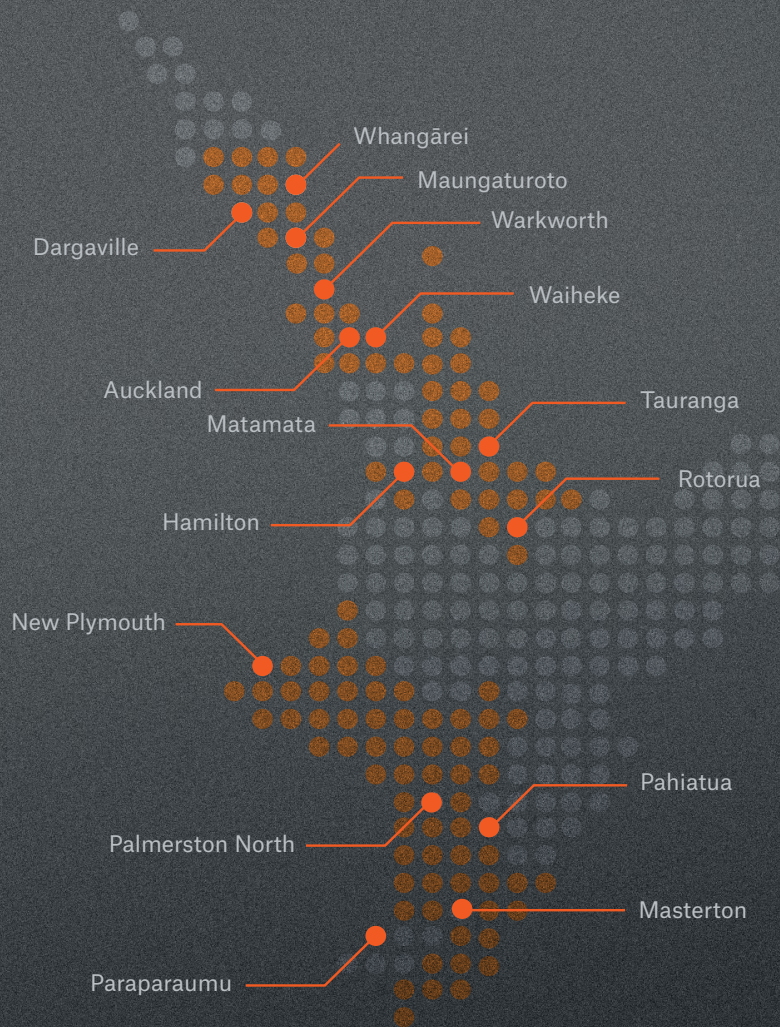
We are also proud that our teams and our capabilities have grown as our clients have grown. We provide services across distribution, transmission, generation, large industrial connections, and asset inspection. We're 1,600 people strong across 15 locations across the North Island, and we've doubled the volume of work we complete each year over the last decade. We're scaling our teams as the needs of the sector increase.

The New Zealand energy sector is investing heavily to support a resilient and increasingly renewable energy future. Generation, distribution, transmission, retail and solar companies across New Zealand are combining to ensure we unlock New Zealand's true renewable potential. It's a future where residential, commercial, industrial and transport are increasingly electric. It's a future where New Zealanders are in control of their energy future.

That's a future that we believe is worth investing in.

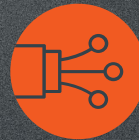


# Deepening our impact



63,713

customers connected to our electricity network



26,935

customers connected to our fibre network



\$450,000

local sponsorships

## Infrastructure



41GWh

of renewable energy generated



\$62.2m

invested in local infrastructure (FY26)



\$527m

local infrastructure asset value

## Energy Services



680,000

electricity connections maintained across the North Island



1,350

skilled specialists across 15 locations



\$454m+

of energy infrastructure delivered to our clients

## People and Capability



\$980,000

invested in capability development this year



100

safety leadership programme participants



67

trainees in the business

\$540m

revenue

↑ FY25 \$513m

\$120m

EBITDAF

↑ FY25 \$90m

\$87m

net operating cashflows

↑ FY25 \$71m

\$17.4m

distributions and discounts from Northpower and NEPT

↑ FY25 \$16.4m



**\$527m**

local infrastructure asset value



**3,419**

solar connections on the network



**2,325km**

fibre installed

# Resilient network

A resilient and cost-effective network is core to our contribution to Northland. Disciplined investment, and care in how assets are maintained, monitored and renewed ensures our networks perform. For Northpower, a resilient network is the foundation of community confidence and economic performance, particularly where geography and weather regularly test infrastructure.

We have spent decades building and operating networks in the North, and that experience has shaped how we think about reliability. It is not only about keeping the lights on today, it is about ensuring the network can scale tomorrow. Northland is growing, industry is evolving, and electrification is changing demand patterns. The work required is complex, strengthening capacity, modernising equipment, improving visibility and control, and building redundancy where it counts. The practical work of resilience combines planning, engineering, and construction, and is backed by disciplined asset management.

We are proud that our infrastructure focus has remained consistent, through enduring assets, lifting performance year on year, and doing the hard work required to match the pace of regional growth.

The profit we generate from our construction businesses outside of the region supports the significant long-term expenditure needed to refresh, renew, grow and modernise our assets to ensure our electricity network continues to support homes, businesses, and critical services. That investment is not about gold plating. It is about staying ahead, reducing risk, enabling renewable energy, and ensuring the system can carry the weight of a more electrified economy in the region.

Resilient networks also depend on how we behave when pressure arrives with clear accountability, rapid mobilisation, and open communication. We know that the measure of a network company is not simply how it performs in calm conditions, but how it responds when the system is tested. Our focus is to maintain trust by acting with integrity, owning what is ours to own, learning fast, and continually improving.

The stories in this chapter show resilience in action: the planning, upgrades and renewals that strengthen the backbone of our regions, and the real-world delivery that keeps customers connected when it matters most.



## Upgrading Kensington substation

A major upgrade of Northpower's Kensington substation is strengthening electricity supply for more than 28,500 customers across Whangārei. Throughout the project, we've replaced assets and doubled capacity, supporting growing demand while ensuring a more reliable power supply for the region's growing communities.

## Inspecting network assets with drone technology

Northpower's Inspection Solutions team reached a new milestone by inspecting a year's worth of assets in just four months. Using an integrated approach, drones allow us to perform inspections three times faster enabling us to increase efficiency and reduce exposure to high-risk activities.



## Northpower Fibre launches equitable broadband

Northpower Fibre launched an affordable broadband offering to improve digital access for low-income households. Targeting homes with existing fibre but no active connection, the initiative removes cost barriers by providing high-speed internet at significantly reduced rates, helping more communities stay connected to essential services.





680,000

electricity connections maintained  
across the North Island



\$454m+

energy infrastructure delivered



1,350

skilled specialists across  
15 locations

## Trusted partner

Our work in energy construction generates profits and capabilities to directly support our investments in Northland. It also puts us in a position to contribute directly to New Zealand's energy future.

Over the last decade, we've earned a reputation as a trusted New Zealand construction company because we deliver consistently, safely, and with the discipline essential for working on the critical assets that people and businesses depend on every day. We are proud to work with New Zealand's leading energy and infrastructure companies as we lay the groundwork for the country's transition to a more sustainable, resilient energy system, while generating returns for our Northland customers.

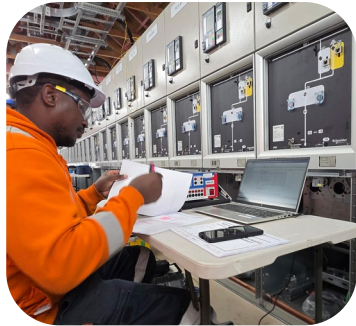
We are deeply committed to earning the trust of our clients through consistent high-quality services. Our technical credibility, the practical skills required to design, build, operate, and maintain electricity infrastructure, are tailored to their specific needs.

Our practical experience helps our clients manage risk, keeps people safe, and protects communities from avoidable disruption. As electrification accelerates and the energy system faces evolving demands, we are evolving our services to meet our clients' needs.

Our roots are in the North, but our impact reaches far beyond. With a large and highly capable workforce, we support the energy companies that enable New Zealand's daily life and economic activity. By supporting our clients and providing the capabilities they need to build and maintain their assets, our teams are doing their part to support the critical investments in energy across New Zealand.

We are proud to work alongside clients, partners, and stakeholders who are investors in the energy system that provides the resilience and capacity to enable New Zealand's energy future. The case studies and articles in this chapter highlight how supporting our clients through technical depth, and disciplined delivery, helps them turn electrification opportunities into tangible outcomes for communities and customers. Their efforts are enabling homes, businesses, and industries to adapt and thrive in a more electrified economy.

In a sector where the consequences of getting it wrong are real, Northpower's commitment is simple: roll up your sleeves, get in behind the clients and help deliver the deep infrastructure work needed to ensure New Zealand's energy future.



### Auckland Airport power upgrade

Northpower is upgrading Auckland Airport's power infrastructure to support future expansion. Delivered by highly specialised teams in an operational environment, the project combines strong planning, disciplined safety management and proactive problem solving. The result will enable a resilient, safe electricity network fit for long-term growth.



### Northpower acquires Connell Contractors

Northpower's acquisition of Connell Contractors marks a strategic step in expanding its presence across the energy infrastructure sector. By bringing a well-established civil and structural specialist into the group, the move improves delivery across major projects while maintaining Connell's independent operation and leadership continuity.

### Huntly BESS (battery energy storage system)

Delivering critical infrastructure for Genesis Energy's Huntly Battery Energy Storage System, Northpower connected the new BESS facility to the Huntly Power Station and the national grid. Despite global supply challenges, strong collaboration and disciplined delivery kept the project on track to enable large-scale energy storage.



### Powering Ruakura Superhub for Tainui

Supporting long-term development at Ruakura Superhub, one of Australasia's largest logistics and industrial hubs, Northpower delivered a new 33kV to 11kV substation to Tainui Group Holdings. This critical infrastructure enables the iwi to establish their own independent electricity network — Ruakura Energy.





### Extreme weather response for Powerco

Across multiple extreme weather events, Northpower mobilised crews at scale to restore power to thousands of customers, working alongside Powerco in challenging conditions. Strong preparation, rapid response and nationwide collaboration enabled safe, efficient restoration, demonstrating resilience as extreme weather events become more frequent.

### Vector's Helensville overhead refurbishment

Northpower refurbished a critical section of Vector's K05 feeder in Helensville to improve service reliability for customers. Delivered three months ahead of schedule, the project combined specialist overhead expertise, new cabling material and strong project co-ordination.



### Complex Transpower foundations

Supporting Transpower's transmission upgrade programme, Northpower is delivering its largest grillage foundation project in remote and challenging terrain. Through innovative solutions, the team maintains momentum and demonstrates its ability to safely and efficiently deliver complex infrastructure in some of the most demanding environments.





31,836

solar panels installed



20MWdc

capacity of Te Puna Mauri ō Omaru



4,000

homes supplied from Te Puna Mauri ō Omaru generation

# Enabling generation

Our region's economy is underpinned by resilient and reliable energy, and we're investing to keep it that way.

We're directly investing in renewable energy assets in the North, while strengthening the infrastructure that enables the connection of generation by others. Our goal is to deliver a commercial and diversified return from generation assets, and to position Northland as a key generating region.

Our history is rooted in building power systems, networks, and generation assets that have served as the foundation for regional development. But the next chapter calls for greater ambition and greater focus to enable more renewable generation, increased capacity, and enhanced flexibility to meet future demand. Northpower is strategically prioritising renewable energy investments including hydro and solar assets essential for securing Northland's energy autonomy and resilience.

In Northland, we are actively developing a portfolio of renewable generation projects designed to deliver real benefits to our communities.

This work is a deliberate strategy to strengthen regional resilience, lower energy costs, and give Northland a competitive edge. Affordable, plentiful renewable energy is not just an aspiration, it is a realistic and commercially viable investment opportunity which will strengthen resilience in the North.

Enabling assets that deliver renewable generation gives local businesses and communities direct access to the energy they need to grow allowing communities to thrive, and opportunities to reach across boundaries.

This chapter highlights Northpower's disciplined approach to investing in renewable infrastructure that will endure for decades. By keeping our focus firmly in the North and channelling resources into renewable energy, we're doing our part to build an energy system where generation is produced locally.



## Upgrading key Northland substations

Upgrades to the Dargaville and Maungatapere substations will enable the connection of the Kaiwaikawe wind farm and Puna Komaru solar farm, supporting renewable generation in Northland. Northpower is enhancing the system to manage higher power flows while maintaining reliable supply for growing communities.

## Investing in solar power for Northland

As Northpower advances its solar farm programme in Northland, we completed construction at Te Puna Mauri ō Omaru solar farm. Increasing renewable generation capacity, this community-owned project supports progress towards a lower-emissions energy system.



## Puna Komaru solar farm

Construction on Northpower's second solar farm Puna Komaru in Maungatapere has begun. It will deliver an 18MW asset to power around 3,800 homes in Northland. Developed in partnership with local hapu Te Parawhau, the project integrates environmental stewardship with energy delivery.



**89%**  
overall customer satisfaction



**100**  
participants completed  
peak performance



**67**  
trainees

# High performing team

Infrastructure is built by people. Systems and assets matter, but it is teams, their skill, culture, discipline, and care that determine whether infrastructure performs as intended and whether communities experience confidence or disruption. Northpower's performance has always been grounded in the capability of our people and the standards we set for how we work.

We are an organisation with deep roots in the North and a workforce scaled to deliver complex infrastructure across New Zealand. Scale creates advantage when it is matched with quality, that is, the right training, the right leadership, and a culture that takes safety and professionalism seriously. High performance, for us, is not about being loud. It is about being dependable, doing the hard work well, in a way that is repeatable, and in a way that makes the system stronger.

As the demands in the energy sector intensify, capability becomes a strategic asset. Electrification is accelerating, the pace of investment is rising, and the technical complexity of the system continues to grow.

To meet that moment, we continue to invest in the development of our people by building pathways, strengthening leadership, and creating the conditions where skilled individuals can do their best work over the long term. Building futures for our workforce is our commitment, and fundamental to our ability to deliver to our clients.

We are proud of what our teams do and acknowledge the practical skills, the problem solving, and the planning and execution that sits behind our role in infrastructure. We are prouder still of the impact of that work. The investments of our clients are region-building and nation-building efforts. They strengthen communities, support economic growth, and help New Zealand stay competitive on the global stage.

The stories in this chapter celebrate the leadership, teamwork and capability that underpin delivery, the standards that keep people safe, and the culture that allows our teams to roll up their sleeves for our clients, year after year, until the work is done.



## From trainees to qualified tradespeople

Forty-five trainees graduated from Northpower's trainee programme in 2025 showcasing the next generation of energy industry professionals. Through training partnerships and a pastoral care approach, the programme builds diverse talent, equipping trainees with the skills and support needed to succeed in critical infrastructure roles.

## Creating learning opportunities

Northpower's Whare Ako programme offers structured learning pathways for its people, building capability in house. Through leadership development, talent programmes and new micro-credentials, our people get the opportunity to grow their skills and advance their careers.



## Our people sharing their safety stories

Our Critical Risk Stories programme brings real-life safety experiences to the forefront, with our people sharing powerful first-hand accounts of near misses and life-changing incidents on the job. By fostering open conversation, the programme empowers every team member to take responsibility for safety.

# Doing sustainable business



## Future ready talent

	FY26	FY27 target
Talent development graduates	40	20
Talent development participants	20	10
Safety leadership programme	100	80
Peak performance complete	100	80



## Climate change action

	FY26	FY27 target
Te Puna Mauri ō Omaru solar farm (Ruawai)	✓	-
Puna Komaru solar farm (Maungatapere)	Construction commenced	Constructed and commissioned



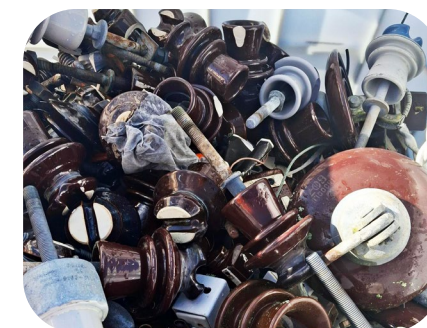
## Connecting and caring for our community

	FY26	FY27 target
SAIDI planned (average number of outage minutes per customer)	94.85	≤178.25
SAIFI planned (average number of times a customer experiences a power outage)	0.55	≤0.79
Customer satisfaction	89%	≥85%
Home energy assessments completed	888	>800



## Economic and social value for Northland

	FY26	FY27 target
Distributions	\$17.4M	\$18.4M
Sponsorship and donations	\$450K	\$540K



## Recycling our waste to reduce emissions

Over the past year, our focus has turned to reducing our waste to deliver practical environmental and cost benefits over time.

Some of our initiatives include separating materials such as wood, metal and plastic to make it easier for these materials to be recovered. We recycled 150.1kg of PPE, saving these textiles from going to landfill.

We are trialling recycling porcelain in Whangārei and in just six months we diverted 9,150kgs from landfill.





# Governance



**Mark Trigg**  
Chair



**David Hunt**  
Director



**Cos Bruyn**  
Director



**Michelle Kong**  
Director



**Laurie Kubiak**  
Director



**Kerry Friend**  
Director



**David Prentice**  
Director

# Leadership



**Andrew McLeod**  
Chief Executive



**Josie Boyd**  
Chief Operating Officer  
Energy Services



**Michael Gibbs**  
Chief Operating Officer  
Network



**Gordon Davidson**  
Chief Financial Officer



**Ollie O'Neill**  
Chief Operating Officer  
New Business



**Iley Joblin**  
Executive General Manager  
Legal and Risk

# Board of directors' report

The Board of Directors are appointed by the Northpower Electric Power Trust to supervise the management of the Company. The Board establishes the Company's objectives, overall policy framework, and monitors management performance.

## Principal activities

The Group's principal activities are the distribution and generation of electricity, electrical contracting, civil construction and telecommunications fibre.

## Directors holding office during the year

### Northpower Limited and Northpower Generation Limited

M D Trigg (Chair)  
C Bruyn (appointed 1 May 2025)  
K M Friend  
D T Hunt  
M K Kong  
L S Kubiak  
D J Prentice  
P G Hutchings (retired 31 July 2025)

### Northpower Fibre Limited

M D Trigg (Chair) (ceased 27 November 2025)  
C Bruyn (ceased 27 November 2025)  
K M Friend (ceased 27 November 2025)  
D T Hunt (ceased 27 November 2025)  
M K Kong (ceased 27 November 2025)  
L S Kubiak (ceased 27 November 2025)  
D J Prentice (ceased 27 November 2025)  
P G Hutchings (retired 31 July 2025)  
A I McLeod (appointed 27 November 2025)  
O M O'Neill (appointed 27 November 2025)

### Te Puna Mauri ō Omaru Limited

A I McLeod  
O M O'Neill

### West Coast Energy Pty Limited, and Northpower Western Australia Pty Limited

A I McLeod  
P G Hutchings  
O M O'Neill

### Connell Contractors Limited

A I McLeod  
O M O'Neill

## Results

The Group recorded an after tax profit of \$41,736,000 for the period, as set out in the Consolidated Statement of Comprehensive Income.

## Dividend

A fully imputed dividend of \$600,000 was declared for the year.

## Donations

The Group made donations of \$160,000 to Northland Emergency Services Trust, \$11,500 to Power Engineering Excellence Trust and other sundry donations of \$12,491 during the year.

## Insurance of Directors

The Company has insured all its Directors against liabilities to other parties that may arise from their positions as Directors.

## Share dealings

It is not possible for any Director to acquire or dispose of any interest in shares in the Company.

## Use of company information

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

## Directors' interest

The following Directors have made general disclosures of interest pursuant to Section 140 of the Companies Act 1993 that the named directors are to be regarded as having an interest in any contract that may be made with the following entities:

### M D Trigg (Chair)

Director – Langman Lane Limited  
Director – Ngāti Tūwharetoa Holdings Limited  
Chair – Ngāti Tūwharetoa Geothermal Assets Limited  
Chair – Liguigas Limited  
Trustee – Mark Desmond Trigg Trust

### C Bruyn

Director – Real Group Limited and subsidiaries (RealNZ Limited / International Antarctic Attraction Limited / Milford Sound Flightseeing Limited / Soho Ski Area Limited / Fiordland Travel Limited / Cardrona Alpine Resort Limited / Queenstown Rafting Limited / Real Journeys Limited)  
Shareholder – Bruyn Consultancy Limited

### K M Friend

Director – Trade Window Holdings Limited  
Director – Trade Window Limited  
Director – Trade Window Services Limited  
Trustee – Tomodachi No. 1 Trust  
Trustee – Tomodachi No. 2 Trust  
Governance Committee Member and Treasurer – Ngunguru Sports & Recreation Club  
Board Member – Tennis Northland

**D T Hunt**

Acting Chair to Deputy Chair - Accident Compensation Corporation  
 Board Member - DairyNZ Inc and subsidiaries  
 Trustee - Pyatt and Hunt Family Trust  
 Consulting Associate - Concept Consulting Group Ltd  
 Panel Member - Commerce Commission governance and effectiveness review  
 Director/Chair - NZX Regulation Ltd  
 Director - WEL Networks Limited and subsidiaries (Infratec New Zealand Limited / Newpower Energy Limited / Newpower Energy Services Limited)

**M K Kong**

Director - The Exponential Agency Limited  
 Shareholder - Trosk Limited  
 Chief Commercial Officer (Part-time) - IntDevice

**L S Kubiak**

Director/Shareholder/Chief Executive Officer - Nautech Electronics Limited  
 Director/Shareholder - Quilisma Limited  
 Trustee/Beneficiary - Quilisma Family Trust  
 Trustee - Holy Trinity Cathedral Music Trust  
 Director - QPE Gamma 1 Pty Ltd (Australia)  
 Director - Circuitwise Electronics New Zealand Limited

**D J Prentice**

Chair/Director - Martin, Jenkins & Associates  
 Director/Shareholder - DRP Consultants Limited  
 Chief Executive Officer - Gas Industry Company (GIC)

**Remuneration of employees**

The remuneration of employees as reflected in the following table contains severance payments made to some employees.

<b>Bands</b>	<b>Number of employees</b>
\$100,000 - \$109,999	131
\$110,000 - \$119,999	112
\$120,000 - \$129,999	148
\$130,000 - \$139,999	136
\$140,000 - \$149,999	100
\$150,000 - \$159,999	81
\$160,000 - \$169,999	59
\$170,000 - \$179,999	42
\$180,000 - \$189,999	38
\$190,000 - \$199,999	39
\$200,000 - \$209,999	21
\$210,000 - \$219,999	22
\$220,000 - \$229,999	12
\$230,000 - \$239,999	14
\$240,000 - \$249,999	8
\$250,000 - \$259,999	5
\$260,000 - \$269,999	5
\$270,000 - \$279,999	4
\$280,000 - \$289,999	2
\$290,000 - \$299,999	1
\$300,000 - \$309,999	2
\$310,000 - \$319,999	1
\$320,000 - \$329,999	1
\$360,000 - \$369,999	1
\$370,000 - \$379,999	1
\$400,000 - \$409,999	1
\$410,000 - \$419,999	1
\$430,000 - \$439,999	1
\$470,000 - \$479,999	1
\$500,000 - \$509,999	1
\$550,000 - \$559,999	1
\$570,000 - \$579,999	1
\$850,000 - \$859,999	1

**Directors' remuneration****Northpower Limited**

M D Trigg (Chair)	\$152,000
C Bruyn	\$69,917
K M Friend	\$82,625
D T Hunt	\$76,000
M K Kong	\$82,625
L S Kubiak	\$76,000
D J Prentice	\$80,667
J A Steenson*	\$3,333
P G Hutchings	\$26,625

**Northpower Western Australia Pty Limited**

P G Hutchings	\$13,333
<hr/>	
	<b>\$663,125</b>

For and behalf of the Board



**M D Trigg**  
**Chair**

\*Future Director - term ended 30 July 2025.



# Financial statements

## Statement of service performance

Key Performance Indicators (KPIs)	Note	FY26 Actual	FY26 Target	FY25 Actual
<b>Financial</b>				
Adjusted net profit after tax/shareholder funds (pre-distribution)	1	<b>13.8%</b>	7.5%	9.4%
Funds from operations/Net Debt*	2	<b>37.8%</b>	≥13%	n/a
Debt/capital ratio#	3	<b>n/a</b>	n/a	28.1%
Debt coverage ratio	4	<b>2.1x</b>	≤4.25x	1.9x
Distribution (posted discount plus dividend)**		<b>\$17.4m</b>	\$17.4m	\$16.4m
<b>Non- Financial</b>				
<b>Safety</b>				
Public safety high potential events (HPE) caused by Northpower network or generation asset/equipment failure*	5	<b>2.0</b>	≤4	n/a
Total recordable injury frequency rate (TRIFR)#	6	<b>n/a</b>	n/a	14.2
High potential event frequency rate (HPEFR)	7	<b>1.9</b>	≤4.5	3.5
Permanent disability and/or fatality		<b>0</b>	0	0
<b>Electricity Network</b>				
Network reliability (SAIDI minutes)	8			
Planned		<b>94.85</b>	≤178.25	197.7
Unplanned		<b>140.43</b>	≤97.98	88.30
Average number of faults per 100km of line	9	<b>12.46</b>	≤10	9.16
Network interruptions (SAIFI per customer)	10			
Planned		<b>0.55</b>	≤0.79	0.68
Unplanned		<b>3.13</b>	≤2.4	2.16
Customer satisfaction (residential)		<b>89%</b>	≥85%	95%
Customer satisfaction (commercial)		<b>89%</b>	≥85%	88%
<b>Fibre Network</b>				
Provisioning (percentage met by agreed date)	11			
Layer simple		<b>95.9%</b>	≥95%	96.7%
Layer complex		<b>93.3%</b>	≥95%	97.4%
Faults (per 100 connections)	12	<b>1.6</b>	≤3	1.4
Network availability (average unplanned downtime minutes)	13			
Layer 1		<b>7.4 min</b>	≤36 min	13 min
Layer 2		<b>1.5 min</b>	≤6 min	0.8 min
Installation of quality satisfaction (score out of 10)	14	<b>9.3</b>	≥9	9.4

\* New KPIs in FY26, hence no comparative

# Prior year KPIs have been replaced with new KPIs

\*\* The distribution amount of \$17.4 million at balance date was fully paid in May 2026

## Group financial KPIs

The Group achieved the targets for all financial measures. The financial KPIs are well within the targeted levels reflecting sound financial and balance sheet health of the Group.

## Safety

The Group met all its safety KPI targets in FY26.

## Electricity network

Electricity network performance this year was impacted by an increased number of significant weather events. During winter, Northland experienced four major weather events (FY25: nil) and 12 moderate events (FY25: 4). This resulted in higher unplanned outages and increased fault rates. Management remains confident that the underlying condition of the network is being managed appropriately. The key drivers of these events are external factors, including adverse weather, lightning, and third-party interference. Northpower is continuously improving its response and restoration processes to recover from these events as quickly and efficiently as possible.

## Unplanned interruptions

Electricity Network performance targets for unplanned outages and faults per 100km were exceeded this year, largely due to a higher number of significant weather events across Northland. These events had a material impact on network reliability and fault frequency.

The primary contributors to unplanned SAIDI were:

- Defective equipment: 33%
- Vegetation-related faults: 24%
- Third-party interference: 9%

Overall for FY26, 75% of SAIDI had weather as a contributing factor, highlighting the increasing influence of adverse weather on network performance. In comparison, weather contributed to 18% of total SAIDI in FY25 and 50% when excluding the Transpower outage.

## Planned interruptions

Planned network performance met target.

In FY26, Northpower applied the normalised DPP4 methodology for planned SAIDI and SAIFI reporting. This approach allows for a 50% de-weighting of planned SAIDI where customers are notified and other criteria are met, providing a more representative view of customer impact as we continue with investment in the capital and maintenance programmes.

## Fibre network

Fibre network performance was in line with target for the year.

### Notes to the statement of service performance

- Adjusted net profit after tax/shareholders' funds (equity) is calculated pre-discount and excluding fair value adjustments as this reflects the underlying operational performance before distributions.
- Funds from operations is calculated as EBITDA less capital contributions, less cash interest paid less income tax paid. Net debt is defined as bank borrowings plus crown loan (cash component) plus lease liabilities less cash and cash equivalents.
- Debt/capital ratio is  $(\text{Net debt}) / (\text{Net debt} + \text{Equity})$ .
- Debt coverage ratio  $(\text{Net debt} / \text{EBITDA})$ .
- Public safety HPE: Number of events classified as having potential for serious harm to public caused by Northpower network or generation asset/equipment failure.
- TRIFR per million hours is calculated as:  
$$\frac{\text{number of lost time injuries} + \text{medical treatment injuries} + \text{restricted treatment injuries}}{\text{hours worked} \times 1,000,000 \text{ hours}}$$
- HPEFR is calculated as number of events classified as having potential for serious harm/ hours worked  $\times 1,000,000$  hours.
- SAIDI is the system average interruption duration index i.e. the average duration of interruptions to supply consumers on average in the year for planned and unplanned outages. Unplanned SAIDI normalised to remove extreme events according to methodology used for regulated EDBs. SAIDI is calculated as:  
$$\frac{\text{sum of (number of interrupted consumers} \times \text{interruption duration)}}{\text{average number of connected customers}}$$
- Faults per 100km: A fault is classified by the Commerce Commission as "a physical condition that causes a device, component or network element to fail to perform in the required manner". The measure calculates the faults per 100km averaged for all voltages.
- SAIFI is the system average interruption frequency index, i.e. the average number of interruptions to consumers in the year. An interruption means a cessation of supply to consumers for a period of more than one minute. During the interruption to supply, some customers may be temporarily restored, as supply is restored for a short period due to switching operations carried out in the course of locating a fault. This is because, until the fault has been located and addressed, supply has not properly been restored. A subsequent permanent fix following a temporary repair is treated as a further interruption. This is because supply, which had been restored, is then interrupted again to undertake the planned works. The treatment of successive interruptions in FY26 is consistent with that of FY25.
- Provisioning (percentage met by agreed date) = rolling 12-month average. A simple install includes bitstream simple connections. A complex install includes dark fibre, non-building access point (NBAP) and the first connection in a multi dwelling unit (MDU) or right of way (ROW) that does not have network infrastructure.
- Fault per 100 connections is the sum of values for 12 months, where the value per month is the aggregated value of Layer 1 (L1), Layer 2 (L2) and ONT. The formula calculating monthly value is:  
Total faults  $<L1 + L2 + ONT>$  / last two months average of total connections
- Availability is measured in minutes and is the sum of values for 12 months, where the value per month for Layer 1 or Layer 2 is:  
Unplanned downtime / last two months average of total connections  
Fibre network availability measure reports the average unplanned time in minutes that the fibre network is unavailable to an end user over the 12-month period to the end of March 2026.  
Average unplanned time over the 12-month period is sum of unplanned downtime per month, as calculated by the above formula.
  - Layer 1 refers to the fibre network field infrastructure and the availability is affected by unplanned faults. Layer 2 refers to the electronic component of the network and availability is affected by unplanned outages on this infrastructure or software.
  - Unplanned faults are measured by the minutes an incident ticket is open in the faults system to when service is restored and excludes the time that is outside of the service provider's control (for example, wrong customer contact, unavailable customer, waiting on RSP).
- Customer service installation satisfaction is a score out of 10. This satisfaction score is based on an independent market research survey of our customers that have had recent connections.

## Consolidated statement of profit or loss and other comprehensive income

	Note	2026 \$000s	2025 \$000s
Revenue from contracts with customers	2	540,290	512,865
Other income		3,938	2,837
Materials and supplies		(216,062)	(223,507)
Employee benefits expense	6	(183,594)	(179,512)
Transmission costs		(19,926)	(18,725)
Other expenses	3	(4,771)	(4,102)
<b>Earnings before interest, tax, depreciation and fair value changes (EBITDAF)</b>		<b>119,875</b>	89,856
Depreciation and amortisation expense		(50,643)	(46,839)
Fair value loss on intangibles, property, plant and equipment		(193)	(1,471)
Fair value gain/(loss) on derivatives		1,049	(1,978)
Finance expense	4	(10,405)	(10,353)
<b>Net profit before tax</b>		<b>59,683</b>	29,215
Income tax expense	11	(17,947)	(9,578)
<b>Net profit</b>		<b>41,736</b>	19,637
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations	18	52	(7)
<i>Items that will not be reclassified to profit or loss</i>			
Net gain on revaluation of property, plant and equipment, net of tax	14,18	-	25,716
<b>Other comprehensive income for the year, net of tax</b>		<b>52</b>	25,709
<b>Total comprehensive income for the year attributable to the owners of the parent</b>		<b>41,788</b>	45,346

The above statement should be read in conjunction with the accompanying notes.

## Consolidated statement of financial position

	Note	2026 \$000s	2025 \$000s
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		7,334	6,813
Trade and other receivables	8	73,441	60,278
Contract assets	2,21	39,642	25,365
Derivative financial assets	20	66	47
Inventories	5	15,060	13,083
Non-current asset held for sale	9	6,703	1,087
<b>Total current assets</b>		<b>142,246</b>	106,673
<b>Non-current assets</b>			
Intangible assets	13	39,621	29,217
Derivative financial assets	20	1,503	656
Right of use assets	15	55,863	60,206
Property, plant and equipment	14	708,516	651,747
<b>Total non-current assets</b>		<b>805,503</b>	741,826
<b>Total assets</b>		<b>947,749</b>	848,499

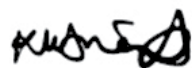
	Note	2026 \$000s	2025 \$000s
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	61,852	43,783
Contract liabilities	2	15,577	18,118
Employee benefit liabilities	6	23,152	21,677
Provisions	16	87	812
Provision for tax		1,368	2,234
Borrowings	19	30,100	-
Deferred income	7	247	247
Lease liabilities	15	17,632	17,305
Derivative financial liabilities	20	111	5
<b>Total current liabilities</b>		<b>150,126</b>	104,181
<b>Non-current liabilities</b>			
Employee entitlements	6	872	764
Provisions	16	600	-
Lease liabilities	15	41,736	46,512
Borrowings	19	169,006	165,029
Deferred income	7	5,929	6,176
Derivative financial liabilities	20	700	994
Deferred tax	12	97,712	84,963
<b>Total non-current liabilities</b>		<b>316,555</b>	304,438
<b>Total liabilities</b>		<b>466,681</b>	408,619
<b>Net assets</b>		<b>481,068</b>	439,880
<b>Equity</b>	18	<b>481,068</b>	439,880

These financial statements are authorised for issue on 24 June 2026, for and on behalf of the Board.



**Mark Trigg**

Chair



**Kerry Friend**

Audit and Risk Committee Chair

The above statement should be read in conjunction with the accompanying notes.

## Consolidated statement of changes in equity

	Note	Ordinary shares \$000s	Retained earnings \$000s	Asset revaluation reserve \$000s	Foreign currency translation reserve \$000s	Total \$000s
<b>Balance as at 1 April 2025</b>		<b>35,989</b>	<b>328,813</b>	<b>78,033</b>	<b>(2,955)</b>	<b>439,880</b>
Profit for the year		-	41,736	-	-	41,736
Other comprehensive income for the year		-	-	-	52	52
<b>Total comprehensive income for the year, net of tax</b>		<b>-</b>	<b>41,736</b>	<b>-</b>	<b>52</b>	<b>41,788</b>
Dividend declared	24	-	(600)	-	-	(600)
<b>Balance as at 31 March 2026</b>		<b>35,989</b>	<b>369,949</b>	<b>78,033</b>	<b>(2,903)</b>	<b>481,068</b>
Balance as at 1 April 2024		35,989	309,776	52,317	(2,948)	395,134
Profit for the year		-	19,637	-	-	19,637
Other comprehensive income/(loss) for the year		-	-	25,716	(7)	25,709
Total comprehensive income/(loss) for the year, net of tax		-	19,637	25,716	(7)	45,346
Dividend declared		-	(600)	-	-	(600)
Balance as at 31 March 2025		35,989	328,813	78,033	(2,955)	439,880

The above statement should be read in conjunction with the accompanying notes.

## Consolidated cash flow statement

	Note	2026 \$000s	2025 \$000s
<b>Operating activities</b>			
Receipts from customers		515,275	508,822
Interest received		201	338
Payments to suppliers		(227,372)	(241,682)
Payments to employees		(182,560)	(177,711)
Interest paid		(11,454)	(12,390)
Income tax paid		(6,928)	(6,878)
<b>Net cash inflows from operating activities</b>	17	<b>87,162</b>	70,499
<b>Investing activities</b>			
Proceeds from sale of property, plant and equipment		2,092	373
Purchase of intangible assets		(1,157)	(2,445)
Purchase of property, plant and equipment		(84,933)	(72,812)
Acquisition of business, net of cash acquired	23	(17,355)	-
<b>Net cash outflows from investing activities</b>		<b>(101,353)</b>	(74,884)
<b>Financing activities</b>			
Drawdown of borrowings		407,699	412,101
Repayment of borrowings		(374,200)	(385,508)
Principal repaid on lease liability		(18,239)	(17,847)
Dividends paid to owners of the parent (gross of tax)	24	(600)	(800)
<b>Net cash inflows from financing activities</b>		<b>14,660</b>	7,946
Net increase in cash and cash equivalents		469	3,561
Net foreign exchange differences		52	(7)
Cash and cash equivalents at the beginning of the year		6,813	3,259
<b>Cash and cash equivalents at the end of the year</b>		<b>7,334</b>	6,813

The above statement should be read in conjunction with the accompanying notes.

## Notes forming part of the consolidated financial statements

### 1. General information and significant matters

#### General information

Northpower Limited ("the Company") is a profit oriented limited liability company incorporated in New Zealand.

The Company was formed under the Energy Companies Act 1992 and registered under the Companies Act 1993. The consolidated financial statements presented are for Northpower Limited Group (or "the Group") as at, and for the year ended 31 March 2026. The Northpower Electric Power Trust is the sole shareholder of the Company and is incorporated in New Zealand. The Group consists of Northpower Limited and its subsidiaries. The principal activities of the Company are electricity distribution and contracting services. The principal activities of the subsidiaries are telecommunications, electricity generation, civil construction and acoustic testing.

#### Basis of preparation

The consolidated financial statements ("financial statements") comply with New Zealand equivalents to IFRS Accounting Standards ('NZ IFRS'), and IFRS Accounting Standards ('IFRS'), as appropriate for Tier 1 for-profit entities.

The financial statements have been prepared on a historical cost basis except for the revaluation of derivatives, distribution system assets, and land and buildings.

The presentation currency is New Zealand dollars (NZD), which is the company's functional currency. All financial information has been rounded to the nearest thousand unless otherwise stated. The consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity are stated exclusive of Goods and Service Tax (GST). All items in the consolidated statement of financial position and consolidated cash flow statement are stated exclusive of GST except for trade receivables, trade payables, receipts from customers, and payments to suppliers which include GST.

### Critical accounting estimates

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Revenue from contracts with customers (Note 2)
- Intangible assets (Note 13)
- Property, plant and equipment (Note 14)
- Provisions (Note 16)
- Financial risk management objectives and policies (Note 21)
- Business Combinations (Note 23)

### New accounting standards

#### a) New standards, interpretations and amendments adopted

In the current year, the Group adopted all mandatory amendments to NZ IFRS accounting standards issued by the External Reporting Board (XRB) that are effective for accounting period that begins on or after 1 January 2025. None of the adopted new and amended accounting standards have had a material impact on the Group's consolidated financial statements.

#### b) New standards, interpretations and amendments not yet effective

Certain new standards and interpretations are effective for annual periods beginning on or after 1 April 2026 and earlier application is permitted, however the Group has not early adopted the new or amended standards in preparing these financial statements. The new or amended standards and interpretations are not expected to have a material impact on the Group's consolidated financial statements.

## 2. Revenue from contracts with customers

	Note	2026 \$000s	2025 \$000s
<b>Revenue recognised over time</b>			
Electricity distribution	i	92,434	78,972
Electricity generation	ii	4,384	3,939
Fibre telecommunication services	iii	19,534	18,866
Energy Services revenue - electricity industry	iv	400,554	401,316
Contracting revenue - fibre telecommunications industry	v	159	224
Capital contributions	vi	13,696	-
<b>Revenue recognised at a point in time</b>			
Capital contributions	vi	9,529	9,548
<b>Total</b>		<b>540,290</b>	<b>512,865</b>

#### i Electricity distribution

The performance obligation is satisfied over time with the delivery of electricity and payment is generally due within 20 to 45 days from delivery. The Group adopts a practical expedient allowed by NZ IFRS 15 and recognises electricity distribution revenue when the right to invoice arises.

Part of the network charges is based on normalisation, where consumption is estimated to the end of the billing period based on historical actual meter readings. Occasionally the meter reading history data is not consistent and subsequent adjustments are made to customers' accounts, where further charges are applied or refunds given. These adjustment amounts are not significant compared with total network revenue.

The revenue disclosed above is net of a posted discount of \$16.8 million payable for the year to the consumer owners (2025: \$15.8 million), refer to Note 18.

#### ii Electricity generation

The Group owns and operates a hydro power station at Wairua, Northland and a solar farm at Ruawai, Northland. The performance obligation of the supply of generated electricity is satisfied over time and pricing is based on the final electricity industry spot price, as defined by the Electricity Industry Participation Code. Payment is generally due 20 to 45 days from supply of electricity to the grid.

#### iii Fibre telecommunication services

The performance obligation is satisfied over time with the provision of fibre internet connectivity and payment is generally due 20 to 45 days from provision of the service. Revenue is recognised as the service is provided.

#### iv Energy Services – electricity industry

The Energy Services division provides maintenance and construction services under fixed-price and variable price contracts. Revenue from these services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual costs incurred relative to the total expected costs.

The Group determined that the input method is the best method of measuring progress of the services because there is a direct relationship between cost incurred and the transfer of service to the customer.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Defect liability costs are recognised in the period that they are incurred due to the long-term nature of the contracts.

#### v Contracting revenue – fibre telecommunications industry

Revenue related to services to connect end users to the fibre network is recognised when the connection is complete. Revenue for maintenance services is recognised in the accounting period in which the services are rendered on the basis that the customer receives and uses the benefits simultaneously.

#### vi Capital contributions

Capital contributions represent third-party contributions towards the construction of distribution system and fibre network assets.

Capital contribution revenue relating to vested assets is recognised in the consolidated statement of profit or loss and other comprehensive income when control of the asset transfers to the Group, typically upon completion of the asset.

Capital contribution revenue also includes capacity charges, which are recognised when the Group has an unconditional right to consideration, generally upon issuance of the invoice.

Capital contributions relating to network upgrades and extensions are recognised over time, as the related performance obligations are satisfied.

#### Contract assets and contract liabilities

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the performance obligations have been completed but not invoiced. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point of which it is invoiced to the customer. The remaining performance obligations at balance date are part of contracts that are estimated to have a duration of one year or less. Hence the Group applied the practical expedient in NZ IFRS 15 in relation to the disclosure of information about remaining performance obligations at balance date. Contract liabilities are balances due to customers under construction contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-completion method. The revenue recognised during the year includes the contract liabilities balance at the beginning of the reporting period.

### 3. Other expenses

Profit before income tax includes the following specific expenses:

	2026 \$000s	2025 \$000s
Fees to Deloitte		
- Audit of financial statements	436	412
- Other audits required by regulators	145	140
Under accrual of prior year audit fees	2	2
Over accrual of prior year other audit fees	(25)	-
Net loss/(gain) on foreign exchange	33	(46)
Directors' fees	663	653
Rental and lease costs	3,767	3,047

The rental and lease costs represent short-term leases, leases of low-value assets and variable lease costs not included in NZ IFRS 16 costs.

## 4. Net finance expense

	Note	2026 \$000s	2025 \$000s
Interest income		201	338
Interest expense		(8,845)	(9,905)
Capitalised interest	14	1,136	2,249
Interest on leases	15	(2,897)	(3,035)
<b>Net finance expense</b>		<b>(10,405)</b>	<b>(10,353)</b>

Interest income and interest expense is recognised using the effective interest method. The gross interest costs of bank facilities excluding the impact of interest rate swaps was \$6.6 million (2025: \$8.8 million). Eligible borrowing costs were capitalised at an average interest rate of 3.8% (2025: 5.8%).

## 5. Inventory

Inventory is initially recognised at cost, and subsequently stated at the lower of cost and net realisable value. Inventory comprises of finished goods. The carrying amount of inventory held for distribution is measured on a weighted average cost basis. Inventory issued of \$39.8 million was recognised in the profit or loss during the year (2025: \$41.6 million). Inventory written off during the year amounted to \$0.2 million (2025: \$0.1 million). No inventory was pledged as securities for liabilities; however, some inventory is subject to retention of title clauses.

## 6. Employee benefit expense and entitlements

	2026 \$000s	2025 \$000s
Salaries and wages	178,468	174,532
Defined contribution plan employer contributions	5,126	4,980
<b>Total employee benefit expenses</b>	<b>183,594</b>	<b>179,512</b>

	2026 \$000s	2025 \$000s
<b>Employee entitlements are represented by:</b>		
<b>Current</b>		
Accrued salaries and wages	9,363	7,773
Annual leave	12,768	13,022
Sick leave	1,021	882
<b>Total current portion</b>	<b>23,152</b>	<b>21,677</b>
<b>Non-current</b>		
Retirement and long service leave	872	764
<b>Total non-current portion</b>	<b>872</b>	<b>764</b>
<b>Balance as at 31 March</b>	<b>24,024</b>	<b>22,441</b>

The following table reflects the compensation of the Directors and Executives, being the key management personnel of the entity:

	2026 \$000s	2025 \$000s
Short-term benefits	3,850	4,504
<b>Total compensation of key management personnel</b>	<b>3,850</b>	<b>4,504</b>

The Group accrues for employee benefits which remain outstanding at balance date, and amounts expected to be paid under bonus and other entitlements. A liability for employee benefits is recognised when it is probable that settlement will be required and the amount is capable of being measured reliably.

## 7. Deferred income

	2026 \$000s	2025 \$000s
Balance as at 1 April	6,423	6,678
Granted during the year	-	-
Income recognised during the year	(247)	(255)
<b>Balance as at 31 March</b>	<b>6,176</b>	6,423
Current	247	247
Non-current	5,929	6,176
<b>Balance as at 31 March</b>	<b>6,176</b>	6,423

The Group received an interest-free loan from the Government for the construction of fibre network assets and the loan was recognised at its fair value when received, refer to Note 19. The difference between the amount received and the fair value is recognised as deferred income in accordance with NZ IAS 20. As the loan relates to the construction of property, plant and equipment, it was included in deferred income in the statement of financial position and was recognised in the profit or loss over the periods necessary to match the related depreciation charges, or other expenses of the asset as they are incurred.

## 8. Trade and other receivables

	Note	2026 \$000s	2025 \$000s
Trade receivables		68,293	56,828
Less provision for expected credit loss	21	(275)	(1,379)
Prepayments		5,423	4,829
<b>Balance as at 31 March</b>		<b>73,441</b>	60,278

The Group's exposure to credit risk and impairment losses related to trade receivables are disclosed in Note 21 in these financial statements.

## 9. Non-current assets held for sale

	Note	2026 \$000s	2025 \$000s
Freehold Land		5,040	-
Freehold Building		1,611	-
Plant and equipment		52	866
Motor vehicles		-	40
Leasehold improvements		-	181
<b>Balance as at 31 March</b>	14	<b>6,703</b>	1,087

During the year, management approved the sale of certain property, plant and equipment assets, which were accordingly classified as held for sale as at balance date.

In accordance with NZ IFRS 5, the assets held for sale are held at lower of carrying amount and fair value less cost to sell.

The assets held for sale as at 31 March 2025 were subsequently sold during the current year. Gain on disposal of these assets was \$1 million.

## 10. Trade and other payables

	2026 \$000s	2025 \$000s
Trade payables	32,119	29,184
Accrued payables	29,733	14,599
<b>Balance as at 31 March</b>	<b>61,852</b>	43,783

## 11. Income tax expense

	2026 \$000s	2025 \$000s
Profit before income tax	59,683	29,215
At New Zealand's statutory income tax rate of 28% (2025: 28%)	16,711	8,180
Plus/(less) tax effect of:		
- Non-deductible expense	664	632
- Non-taxable income	(21)	(185)
- Prior period adjustment	58	29
Deferred tax adjustments	535	922
	17,947	9,578
The taxation charge is represented by:		
- Current taxation	5,971	7,232
- Deferred taxation	11,918	2,317
- Prior period adjustment relating to current tax	(450)	(34)
- Prior period adjustment relating to deferred tax	508	63
	17,947	9,578
Imputation credits available for use in subsequent reporting periods	87,681	82,462

Income tax expense comprises current and deferred tax using tax rates and tax laws that have been enacted or substantively enacted at balance date. Current tax is the income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current and deferred tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

From 22 May 2025, the Group has applied the New Zealand Government's Investment Boost incentive, which provides an immediate tax deduction of 20% for qualifying capital expenditure. The tax deduction is recognised in the current tax calculation in the period in which the qualifying expenditure is incurred.

## 12. Deferred tax

	Property, plant and equipment \$000s	Employee entitlements \$000s	Provisions and other \$000s	Total \$000s
<b>Balance as at 1 April 2025</b>	<b>(88,676)</b>	<b>4,674</b>	<b>(961)</b>	<b>(84,963)</b>
Charged to profit/(loss)	<b>(8,183)</b>	<b>(17)</b>	<b>(4,226)</b>	<b>(12,426)</b>
Acquired through business combination (Note 23)	-	<b>(31)</b>	<b>(292)</b>	<b>(323)</b>
<b>Balance as at 31 March 2026</b>	<b>(96,859)</b>	<b>4,626</b>	<b>(5,479)</b>	<b>(97,712)</b>
Balance as at 1 April 2024	(76,251)	4,123	(1,115)	(73,243)
Charged to profit/(loss)	(3,085)	551	154	(2,380)
Charged directly to equity	(9,340)	-	-	(9,340)
Balance as at 31 March 2025	(88,676)	4,674	(961)	(84,963)

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is measured at tax rates that are expected to be applied to the temporary differences when they reverse.

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.

In accordance with NZ IAS 12, the Group applies the initial recognition exemption and does not recognise deferred tax assets or liabilities on temporary differences arising on the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit.

Accordingly, no deferred tax is recognised on such initial recognition differences.

## 13. Intangible assets

Intangible assets are initially measured at cost and subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation expense of intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset. Easements are deemed to have an indefinite life, are not amortised, and are tested for impairment annually. There is no intangible asset whose title is restricted.

Software costs and customer relationship assets have a finite useful life and are amortised over a period of expected future benefit of 3-10 years on a straight-line basis.

Goodwill arises on the acquisition of subsidiaries and business combinations. Goodwill is allocated to the Group's cash-generating units (CGU), being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets. Goodwill is not amortised but is tested for impairment annually or whenever there is an indicator of impairment.

The recoverable amount was determined using the value in use model. The value in use for all cash-generating units is most sensitive to movements in gross margin, discount rates and growth rates. Gross margins are based on the expected results as per next year's budget and future 10 years' forecasts, which reflects the nature of energy and fibre infrastructure industry. Discount rates are based on the applicable weighted average cost of capital. The estimated recoverable amount of the CGU exceeded its carrying amount, hence there was no impairment loss at balance date.

The Group considered the variability of the key assumptions underlining the carrying amounts for the intangible assets set out above and believe that the range of reasonable variability would not cause a material change in these carrying amounts. For Northpower Fibre Limited goodwill impairment testing, a discount rate of 7.68% (2025: 7.31%) and growth rate of 1% (2025: 1%) was used. For Northern and Central Energy Services divisions, the discount rate of 12% (2025: 12%) and growth rate of 2% (2025: 2%) was used.

Goodwill arose from the acquisition of Connell Contractors Limited (CCL) on 31 October 2025 and has been allocated to the CCL cash-generating unit. The goodwill balance remains provisional pending completion of the purchase price allocation. No impairment was recognised during the year. Since acquisition, the subsidiary has performed in line with forecasts and the assumptions in the acquisition valuation.

	Goodwill	Software	Easements	Customer relationships	Carbon credits	Other intangible asset	Capital work in progress	Total
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cost</b>								
Balance as at 1 April 2025	16,748	43,497	624	1,725	649	261	437	63,941
Acquired through business combination (Note 23)	12,087	-	-	-	-	-	-	12,087
Additions	-	-	-	-	-	-	1,157	1,157
Transfer between asset categories	-	1,311	6	-	-	100	(958)	459
Disposals	-	(108)	-	-	-	-	-	(108)
<b>Balance as at 31 March 2026</b>	<b>28,835</b>	<b>44,700</b>	<b>630</b>	<b>1,725</b>	<b>649</b>	<b>361</b>	<b>636</b>	<b>77,536</b>

#### Accumulated amortisation and impairment

Balance as at 1 April 2025	(1,745)	(32,599)	-	(345)	-	(35)	-	(34,724)
Amortisation for the year	-	(2,856)	-	(173)	-	(72)	-	(3,101)
Transfer between asset categories	-	-	-	-	-	-	-	-
Revaluation adjustment	-	-	-	-	(193)	-	-	(193)
Disposals	-	103	-	-	-	-	-	103
<b>Balance as at 31 March 2026</b>	<b>(1,745)</b>	<b>(35,352)</b>	<b>-</b>	<b>(518)</b>	<b>(193)</b>	<b>(107)</b>	<b>-</b>	<b>(37,915)</b>

#### Net carrying amount as at 31 March 2026

<b>27,090</b>	<b>9,348</b>	<b>630</b>	<b>1,207</b>	<b>456</b>	<b>254</b>	<b>636</b>	<b>39,621</b>	
<b>Cost</b>								
Balance as at 1 April 2024	16,748	39,754	545	1,725	656	-	1,719	61,147
Acquisition of business	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	2,020	2,020
Transfer between asset categories	-	3,743	79	-	-	261	(3,302)	781
Disposals	-	-	-	-	(7)	-	-	(7)
Balance as at 31 March 2025	16,748	43,497	624	1,725	649	261	437	63,941
<b>Accumulated amortisation and impairment</b>								
Balance as at 1 April 2024	(1,745)	(28,820)	-	(173)	-	-	-	(30,738)
Amortisation for the year	-	(3,473)	-	(173)	-	(35)	-	(3,681)
Transfer between asset categories	-	(306)	-	1	-	-	-	(305)
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2025	(1,745)	(32,599)	-	(345)	-	(35)	-	(34,724)
Net carrying amount as at 31 March 2025	15,003	10,898	624	1,380	649	226	437	29,217

#### Allocation of goodwill to cash-generating units

	2026	2025
	\$000s	\$000s
Energy Services - Northern	877	877
Energy Services - Central	5,890	5,890
Connell Contractors Limited (Note 23)	12,087	-
Northpower Fibre Limited	8,236	8,236
<b>Balance as at 31 March</b>	<b>27,090</b>	15,003

#### Cloud computing arrangements

Cloud computing 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.

If the configuration and customisation were performed by the cloud provider, and if the upfront service is distinct from the cloud computing arrangement, then the related costs may be initially treated as a prepayment and expensed over the term of the cloud computing arrangement. Costs incurred for the development of software code that enhances or modifies, or creates additional capability to existing on premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets. The Group applies judgement to assess whether the criteria for capitalisation of the configuration and customisation costs, are met.

## 14. Property, plant and equipment

	Freehold land \$000s	Freehold buildings \$000s	Distribution systems \$000s	Fibre \$000s	Generation \$000s	Plant and equipment \$000s	Motor vehicles \$000s	Leasehold improvements \$000s	Meters \$000s	Capital work in progress \$000s	Total \$000s
<b>Cost or fair value</b>											
Balance as at 1 April 2025	28,795	20,735	432,266	113,670	40,468	43,114	5,745	3,667	335	31,935	720,730
Acquired through business combination (Note 23)	-	49	-	-	-	2,229	836	21	-	-	3,135
Additions	-	-	-	-	-	-	-	-	-	89,905	89,905
Transfer between asset categories	-	388	41,185	6,384	4,085	7,029	459	102	-	(60,091)	(459)
Transferred to non current asset held for sale	(5,040)	(1,650)	-	-	-	(65)	-	-	-	-	(6,755)
Disposals	-	-	(90)	-	-	(2,247)	(246)	(18)	-	-	(2,601)
<b>Balance as at 31 March 2026</b>	<b>23,755</b>	<b>19,522</b>	<b>473,361</b>	<b>120,054</b>	<b>44,553</b>	<b>50,060</b>	<b>6,794</b>	<b>3,772</b>	<b>335</b>	<b>61,749</b>	<b>803,955</b>
<b>Accumulated depreciation and impairment</b>											
Balance as at 1 April 2025	-	-	-	(21,208)	(13,223)	(29,768)	(2,757)	(1,918)	(109)	-	(68,983)
Depreciation charge for the year	-	(836)	(14,318)	(5,202)	(2,588)	(5,190)	(642)	(268)	(16)	-	(29,060)
Impairment	-	-	-	-	-	262	-	-	-	-	262
Transfer between asset categories	-	-	-	-	-	-	-	-	-	-	-
Transferred to non current asset held for sale	-	38	-	-	-	14	-	-	-	-	52
Disposals	-	-	5	-	-	2,066	213	6	-	-	2,290
<b>Balance as at 31 March 2026</b>	<b>-</b>	<b>(798)</b>	<b>(14,313)</b>	<b>(26,410)</b>	<b>(15,811)</b>	<b>(32,616)</b>	<b>(3,186)</b>	<b>(2,180)</b>	<b>(125)</b>	<b>-</b>	<b>(95,439)</b>
<b>Net carrying amount as at 31 March 2026</b>	<b>23,755</b>	<b>18,724</b>	<b>459,048</b>	<b>93,644</b>	<b>28,742</b>	<b>17,444</b>	<b>3,608</b>	<b>1,592</b>	<b>210</b>	<b>61,749</b>	<b>708,516</b>
<b>Cost or fair value</b>											
Balance as at 1 April 2024	30,118	16,101	399,648	108,186	17,623	46,443	6,411	3,892	311	21,988	650,721
Additions	-	-	-	-	-	-	-	-	-	82,088	82,088
Transfer between asset categories	(2,489)	3,433	39,143	5,507	22,845	2,789	-	108	24	(72,141)	(781)
Revaluation adjustment	1,166	1,201	(6,411)	-	-	-	-	-	-	-	(4,044)
Transferred to non current asset held for sale	-	-	-	-	-	(2,074)	(77)	(280)	-	-	(2,431)
Disposals	-	-	(114)	(23)	-	(4,044)	(589)	(53)	-	-	(4,823)
Balance as at 31 March 2025	28,795	20,735	432,266	113,670	40,468	43,114	5,745	3,667	335	31,935	720,730
<b>Accumulated depreciation and impairment</b>											
Balance as at 1 April 2024	-	(1,182)	(23,127)	(15,898)	(12,345)	(30,537)	(2,596)	(1,761)	(94)	-	(87,540)
Depreciation charge for the year	-	(686)	(12,570)	(5,317)	(913)	(4,516)	(604)	(294)	(15)	-	(24,915)
Impairment	-	-	34	-	-	16	-	-	-	-	50
Transfer between asset categories	-	-	(17)	-	-	337	(3)	(12)	-	-	305
Revaluation adjustment	-	1,868	35,680	-	-	-	-	-	-	-	37,548
Transferred to non current asset held for sale	-	-	-	-	-	1,208	37	99	-	-	1,344
Disposals	-	-	-	7	35	3,724	409	50	-	-	4,225
Balance as at 31 March 2025	-	-	-	(21,208)	(13,223)	(29,768)	(2,757)	(1,918)	(109)	-	(68,983)
<b>Net carrying amount as at 31 March 2025</b>	<b>28,795</b>	<b>20,735</b>	<b>432,266</b>	<b>92,462</b>	<b>27,245</b>	<b>13,346</b>	<b>2,988</b>	<b>1,749</b>	<b>226</b>	<b>31,935</b>	<b>651,747</b>

The carrying value that would have been recognised had the following revalued assets been carried under the cost model would be as follows:

<b>Property, plant and equipment</b>	<b>Freehold land</b>	<b>Freehold buildings</b>	<b>Distribution systems</b>
<b>2026</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>
Cost	12,074	22,050	535,325
Accumulated depreciation & impairment	-	(7,572)	(151,139)
<b>Net carrying amount</b>	<b>12,074</b>	<b>14,478</b>	<b>384,186</b>

<b>Non-current assets held for sale</b>	<b>Freehold land</b>	<b>Freehold buildings</b>	<b>Distribution systems</b>
<b>2026</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>
Cost	4,353	1,990	-
Accumulated depreciation & impairment	-	(87)	-
<b>Net carrying amount</b>	<b>4,353</b>	<b>1,903</b>	<b>-</b>

<b>Property, plant and equipment</b>	<b>Freehold land</b>	<b>Freehold buildings</b>	<b>Distribution systems</b>
<b>2025</b>	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>
Cost	16,427	23,735	494,230
Accumulated depreciation & impairment	-	(6,959)	(138,757)
Net carrying amount	16,427	16,776	355,473

Property, plant and equipment, except revalued assets are stated at cost less any subsequent accumulated depreciation and subsequent accumulated impairment loss.

The cost of purchased property, plant and equipment may include the initial purchase price plus it is directly attributable material, labour, finance costs, and other overheads incurred for bringing the assets to the location and condition necessary for their intended use. Finance costs (refer to Note 4) incurred during the course of construction that are attributable to a project are capitalised using the finance rate applicable to the funding. Costs cease to be capitalised as soon as an asset is ready for productive use.

### Revalued assets

Distribution system, land and buildings assets are revalued after initial recognition and are presented in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment loss. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at balance sheet date. Additions between revaluations are recorded at cost. Depreciation on revalued assets is recognised in profit or loss. Land is not depreciated.

### Asset revaluation reserve

Any revaluation increment is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. The exception is to the extent that it reverses a revaluation decrement for the same asset previously recognised in the profit or loss, in which case the increment is recognised in profit or loss.

Any revaluation decrement is recognised in profit or loss. The exception is to the extent that it offsets a previous revaluation increment for the same asset. In this case, the decrement is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

Any accumulated depreciation at the date of the revaluation is transferred to the gross carrying amount of the asset and the asset cost is restated to the revalued amount. When revalued assets are disposed of, the amounts included in the asset revaluation reserve are transferred to retained earnings.

### Revaluation

The fair value of the Group's land, and buildings is based on market values, being the price that would be received to sell land and buildings in an orderly transaction between market participants at the measurement date. Changes to market conditions or assumptions made in the estimation of fair value will result in changes to the fair value of the revalued assets.

The most recent valuation for land and buildings was completed on 31 March 2025 by registered independent valuer AON Risk Solutions. The valuation was carried out in accordance with International Valuation Standards. Fair value was determined by direct reference to recent market transactions on arm's length terms. To establish the valuation of properties, the valuer used a combination of income capitalisation, market comparison and depreciated replacement cost approaches. Fair value was assessed with reference to the "highest and best use" being defined as "the most probable use of an asset that is physically possible, appropriately justified, legally permissible, financially feasible and results in the highest value." For the current year, the movement in the fair value of land and buildings was assessed at balance date. Accordingly, the land and buildings asset were not revalued during the year as the carrying value of land and buildings did not differ materially from its fair value.

Electricity distribution network assets are valued by an independent valuer. The revaluation exercise is performed every three years. The most recent valuation to determine the fair value of the electricity distribution network assets was completed on 31 March 2025 by independent registered valuer Price Waterhouse Coopers. As the fair value of the assets was not able to be reliably determined using market-based evidence, the valuation was prepared using a discounted cash flow (DCF) methodology over a 10-year period, with a terminal value based on the estimated regulatory asset base. The assumptions mainly include estimated future revenues, operating costs and capital expenditure. A post tax nominal WACC of 6.3% was used. The posted discount was not included in the valuation cash flows for FY26 - FY35 as it only forms part of the contract price once declared. The valuation was most sensitive to movements in distribution revenue. The impact on the midpoint estimate valuation of a +/-5% movement in distribution revenue is +/-5.80%.

The movement in the fair value of distribution systems was assessed at balance date. Accordingly, valuation movement during the year was not recognised as the carrying value of electricity distribution network assets did not differ materially from its fair value.

The fair value of certain land and buildings and electricity distribution network assets is determined using inputs that are significant and unobservable, the Group categorised these assets as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 Fair value measurement.

#### **Insurance cover**

The Group maintains prudent insurance cover including coverage for material damage to the substations, and other infrastructure within the distribution network. The distribution system network assets spread over a large area are the lines, poles and distribution transformers which are uninsured as either the insurance cover is unavailable or is prohibitively expensive. The Group has prudent insurance cover for the non-network assets and appropriate contracting and liability insurances.

#### **Depreciation**

Depreciation is charged on a straight-line basis so as to write off the cost or valuation of the fixed assets to their estimated residual value over their expected economic lives. The estimated economic lives are as follows:

Buildings - freehold	10 - 50 years
Distribution systems	5 - 70 years
Fibre assets	5 - 50 years
Generation	5 - 50 years
Plant and equipment	3 - 20 years
Motor vehicles	5 - 15 years
Leasehold improvements	2 - 20 years
Meters	2 - 20 years

The estimation of useful lives of assets has been based on historical experience as well as manufacturers' warranties for plant and equipment, lease terms for leased assets and turnover policies for motor vehicles. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.

#### **Gain/loss on disposal of PPE and intangibles**

During the year a loss on disposal of PPE and intangibles of \$0.3 million (2025: \$0.4 million loss) was recognised in the profit or loss within other income.

#### **Impairment of non-financial assets other than inventory and goodwill**

At each balance date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where the carrying value of an asset exceeds its recoverable amount, such as the higher of value in use and fair value less costs to sell, the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets or cash-generating unit to which it belongs for which there are separately identifiable cash flows.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. A reversal of an impairment loss is recognised in the consolidated statement of comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment is treated as a revaluation increase through other comprehensive income.

During the year, no impairment was recognised on intangible assets and property, plant and equipment (2025: nil).

## 15. Leases

NZ IFRS 16 Leases establishes one sole accounting model for lessees. This is where the amounts in the consolidated statement of financial position are increased by the recognition of right of use assets and the financial liabilities for the future payment obligations relating to leases classified previously as operating leases. The right of use asset is initially measured at cost which is based on the amount of lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease and subsequently at cost less cumulative depreciation and impairment losses; adjustments are made for any new measurement of the lease liability due to the amendment or reassessment of the lease. The right of use asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

The lease liability is measured using the present values of future lease payments. When calculating lease liabilities, the Group applied discount rates (incremental rate), depending on the lease terms.

The Group considers a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In determining the lease term, the non-cancellable period of the lease agreement and the periods covered by the option to extend the lease are taken into account, if the lessee is reasonably certain that they will exercise this option. Leases entered into and identified by the Group include property leases and vehicle leases.

The Group has also applied the practical expedient available from NZ IFRS 16 and excluded short-term leases and low-value assets. The Group considers leases which has a duration of less than 12 months, unless there is reasonable certainty that they can be extended, as short-term leases.

### Right of use assets

	Buildings \$000s	Vehicles \$000s	Total \$000s
<b>Cost</b>			
Balance as at 1 April 2025	42,095	112,491	154,586
Additions	3,064	15,068	18,132
Disposals	(21,884)	(2,767)	(24,651)
Remeasurement	289	46	335
<b>Balance as at 31 March 2026</b>	<b>23,564</b>	<b>124,838</b>	<b>148,402</b>

### Accumulated amortisation and impairment

Balance as at 1 April 2025	(21,845)	(72,535)	(94,380)
Amortisation	(4,147)	(14,335)	(18,482)
Disposals	18,526	1,792	20,318
Other adjustments	-	5	5
<b>Balance as at 31 March 2026</b>	<b>(7,466)</b>	<b>(85,073)</b>	<b>(92,539)</b>

### Net book value

Cost			
Balance as at 1 April 2024	39,088	99,055	138,143
Additions	310	13,516	13,826
Disposals	-	(21)	(21)
Remeasurement	2,697	(59)	2,638
Balance as at 31 March 2025	42,095	112,491	154,586

### Accumulated amortisation and impairment

Balance as at 1 April 2024	(18,701)	(58,429)	(77,130)
Amortisation	(4,136)	(14,107)	(18,243)
Impairment	990	-	990
Disposals	-	-	-
Other adjustments	2	1	3
Balance as at 31 March 2025	(21,845)	(72,535)	(94,380)

### Net book value

	20,250	39,956	60,206
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<b>Lease liabilities</b>	Note	<b>2026</b>	<b>2025</b>
		<b>\$000s</b>	<b>\$000s</b>
<b>Balance as at 1 April</b>		<b>63,817</b>	65,218
Additions		<b>18,132</b>	13,826
Interest	4	<b>2,897</b>	3,035
Remeasurement		<b>335</b>	2,619
Termination		<b>(4,634)</b>	(21)
Payments		<b>(21,136)</b>	(20,872)
Other adjustments		<b>(43)</b>	12
<b>Balance as at 31 March</b>		<b>59,368</b>	63,817

### Operating lease income

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset are classified as operating leases.

As lessor in operating leases, the aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	<b>2026</b>	<b>2025</b>
	<b>\$000s</b>	<b>\$000s</b>
Non-cancellable operating lease		
Within one year	<b>59</b>	45
After one year but not more than five years	<b>136</b>	114
More than five years	<b>45</b>	62
<b>Balance of non-cancellable operating leases</b>	<b>240</b>	221

## 16. Provisions

	<b>2026</b>			<b>2025</b>		
	<b>Onerous provision</b>	<b>Other</b>	<b>Total</b>	Onerous Provision	Other	Total
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Opening balance	-	<b>812</b>	<b>812</b>	6,335	-	6,335
Additional provision during the year	-	<b>118</b>	<b>118</b>	-	812	812
Utilised during the year	-	<b>(243)</b>	<b>(243)</b>	(6,335)	-	(6,335)
<b>Balance as at 31 March</b>	-	<b>687</b>	<b>687</b>	-	812	812
Current	-	<b>87</b>	<b>87</b>	-	812	812
Non-current	-	<b>600</b>	<b>600</b>	-	-	-
<b>Balance as at 31 March</b>	-	<b>687</b>	<b>687</b>	-	812	812

Onerous contract provision is measured as the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on estimated full costs necessary to fulfil the obligations under the contract. Any impairment losses associated with the contract are recognised before the provision for onerous contracts is established.

## 17. Cash flow statement reconciliation

	<b>2026</b>	<b>2025</b>
	<b>\$000s</b>	<b>\$000s</b>
Reconciliation of net profit after tax to net cash flows from operating activity		
Net profit after income tax	<b>41,736</b>	19,637
Adjustments for:		
- Depreciation & amortisation	<b>50,643</b>	46,839
- Loss on sale of PPE	<b>268</b>	269
- Gain on sale of non-current assets held for sale	<b>(953)</b>	-
- Deferred income release	<b>(247)</b>	(247)
- Non cash capital contribution revenue	<b>(5,746)</b>	(6,215)
- Fair value (gain)/loss on derivative financial instruments	<b>(1,049)</b>	1,978
- Capitalised interest	<b>(1,136)</b>	(2,249)
- Right of use asset provision	-	(990)
- Non cash interest	<b>287</b>	550
- Carbon credits valuation movement	<b>193</b>	(9)
- Revaluation movements	-	1,521
- Provision for impairment of assets	-	(50)
Changes in assets & liabilities		
- Increase in trade and other payables	<b>15,767</b>	12,092
- (Decrease)/increase in contract liabilities	<b>(2,541)</b>	2,264
- Decrease in provision	<b>(125)</b>	(5,523)
- (Increase)/decrease in contract assets	<b>(13,373)</b>	1,341
- Increase in provision for tax	<b>(1,407)</b>	320
- Increase in trade and other receivables	<b>(6,956)</b>	(5,815)
- (Increase)/decrease in inventory	<b>(1,659)</b>	605
- Increase in deferred tax liabilities	<b>12,426</b>	2,380
- Increase in employee entitlements	<b>1,034</b>	1,801
Net cash from operating activities	<b>87,162</b>	70,499

The table below sets out an analysis of the Group's liabilities for which cash flows have been, or will be, classified as financing activities in the consolidated cash flow statement.

	2026			
	Cash and cash equivalents	Lease liabilities	Borrowings	Total
	\$000s	\$000s	\$000s	\$000s
Net debt as at 1 April	(6,813)	63,817	171,452	228,456
Cash flows	(469)	(18,239)	33,499	14,791
Non cash movements	(52)	13,790	331	14,069
<b>Net debt as at 31 March</b>	<b>(7,334)</b>	<b>59,368</b>	<b>205,282</b>	<b>257,316</b>

	2025			
	Cash and cash equivalents	Lease liabilities	Borrowings	Total
	\$000s	\$000s	\$000s	\$000s
Net debt as at 1 April	(3,259)	65,218	144,556	206,515
Cash flows	(3,561)	(17,847)	26,593	5,185
Non cash movements	7	16,446	303	16,756
Net debt as at 31 March	(6,813)	63,817	171,452	228,456

## 18. Equity

### Share capital

The total number of shares authorised and issued is 35,981,848 (2025: 35,981,848). Share capital consists of ordinary shares which are classified as equity. All ordinary shares are issued, fully paid, have no par value and are ranked equally. Fully paid shares carry one vote per share and the right to dividends.

### Asset revaluation reserve

The asset revaluation reserve is used to record the increments and decrements in the fair value of property, plant and equipment identified as being carried at valuation. Net revaluation amount recognised in other comprehensive income at balance date was nil (2025: \$25.7 million).

### Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. The Australian subsidiaries' functional currency is Australian dollars which is translated to the presentation currency. Assets and liabilities are translated at exchange rates prevailing at balance date and profit and loss items are translated at average rate during the year. Exchange variations resulting from the translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity.

### Capital management

The Company considers shares, reserves and retained earnings as part of its capital. When managing capital, the Board's objective is to ensure the entity continues as a going concern maintaining adequate working capital, ensuring obligations can be met on time, as well as maintaining returns to shareholders as set out in the Statement of Corporate Intent (SCI). The Group met its 2026 SCI financial targets as disclosed in statement of service performance in these financial statements.

The Group's policy, outlined in the SCI, is to return available capital to shareholders subject to applicable solvency requirements, maintaining the required gearing ratio and meeting group's operational and investment needs. The FY26 posted discount of \$16.8 million accrued at balance date was paid in full in May 2026. Of the \$15.8 million posted discount for FY25, \$8 million was paid in November 2024 and remaining was paid in May 2025.

## 19. Borrowings

	Maturity	2026 \$000s	2025 \$000s
<b>Current</b>	Less than 12 months	<b>30,100</b>	-
<b>Non current</b>			
Unsecured loans	Within 1-2 yrs	<b>33,900</b>	43,700
Unsecured loans	Within 2 & 3 yrs	-	47,600
Unsecured loans	Within 3 & 5 yrs	<b>46,000</b>	44,300
Unsecured loans	Beyond 5 years	<b>76,400</b>	17,300
Interest free Crown loan	Beyond 5 years	<b>12,706</b>	12,129
<b>Balance of non current as at 31 March</b>		<b>169,006</b>	165,029
<b>Total as at 31 March</b>		<b>199,106</b>	165,029

All borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The carrying amount of borrowings repayable within one year approximates their fair value.

After initial recognition, borrowings are measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

The fair value of the interest-free Crown loan was estimated at \$12.7 million (2025: \$12.1 million) using prevailing market interest rates at drawdown date for an equivalent loan, ranging between 3.04% and 7.39% (2025: 3.04% and 7.39%). During the year, interest charges of \$0.6 million (2025: \$0.6 million) were recognised on this loan. The difference of \$6.2 million (2025: \$6.4 million) between the gross proceeds and the fair value of the loan is the benefit derived from the interest-free loan and is recognised as deferred income, refer to Note 7.

At balance date, the Group had \$244 million of lending facilities with an average rate of interest during the year of 3.8% (2025: 5.8%). Security held by the bank is in the form of a negative pledge deed, where an undertaking has been given that certain actions will not be undertaken and key financial ratios will be maintained. The bank covenants have all been met for the years ended 31 March 2025 and 2026.

## 20. Derivative financial assets and liabilities

	2026 \$000s	2025 \$000s
<b>Current asset/(liability)</b>		
Interest rate swaps	-	31
Forward foreign exchange contracts	<b>66</b>	16
<b>Total current asset as at 31 March</b>	<b>66</b>	47
<b>Current liability</b>		
Interest rate swaps	<b>(98)</b>	(5)
Forward foreign exchange contracts	<b>(13)</b>	-
<b>Total current liability as at 31 March</b>	<b>(111)</b>	(5)
<b>Non-current asset/(liability)</b>		
Interest rate swaps	<b>1,503</b>	656
Interest rate swaps	<b>(700)</b>	(994)

Derivatives are used by the Group in the normal course of business to hedge exposure to fluctuations in interest rates and foreign exchange on purchases of property, plant and equipment.

In accordance with the Group's Treasury Policy, derivatives are only used for economic hedging purposes and not as speculative investments. The Group has elected not to apply hedge accounting.

Derivatives are classified as held for trading for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period. The carrying values of the derivatives are the fair values excluding any interest receivable or payable, which is separately presented in the consolidated statement of financial position in other receivables or other payables.

## 21. Financial risk management objectives and policies

The Group Risk Management Policy approved by the Board provides the basis for overall financial risk management. The Group's Treasury Policy covers specific risk management and mitigation principles for liquidity risk, credit risk, foreign exchange risk, hedging and interest rate risk. The Group Treasury identifies and evaluates financial risks in accordance with the policies approved by the Board. To monitor the existing financial assets and liabilities as well as to enable an effective controlling of future risks, the Group has established comprehensive risk reporting covering its business units.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivatives and contract assets	Ageing analysis Credit ratings	Diversification of counter parties, credit limits, performance bonds, prudential arrangements, Board oversight and Treasury Policy limits.
Liquidity risk	Borrowings, contract liabilities and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities, Board oversight and Treasury Policy limits
Market risk – interest rate	Floating rate borrowings	Sensitivity analysis	Interest rate swaps, Board oversight and Treasury Policy limits
Market risk – foreign exchange	Future commercial transactions, recognised financial assets and liabilities denominated in foreign currency	Cash flow forecasting Sensitivity analysis	Forward foreign currency forwards, Board oversight and Treasury Policy limits

### Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group has transactional and translational currency exposures. On 31 March 2026, forward foreign exchange contracts outstanding was \$7.3 million (2025: \$0.6 million).

### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing, hedging positions and the mix of fixed and variable interest rates.

The Group manages its cost of borrowing by limiting the ratio of fixed to floating rate cover held using interest rate swaps. Based on the Group's interest rate risk exposure at balance date, an increase (or decrease) of 1% in the interest rates will likely cause a \$3.9 million (2025: \$2.0 million) increase (or decrease) in the post-tax profit. There would be no effect on other components of equity. The notional value of the outstanding interest rate swap contracts amounted to \$217 million (2025: \$88.0 million). The fixed interest rates of interest rate swaps range between 0.9% to 5.5% (2025: 0.9% to 5.5%).

### Credit risk

Credit risk is the risk that a third party will default on its contractual obligation resulting in financial loss to the Group. The Group places its cash and short-term deposits with high credit quality financial institutions (A1 or better,) and limits the proportion of credit exposure to any one institution in accordance with Company policy. The maximum exposure to credit risk is the fair value of receivables. The Group does not generally require collateral from customers. Trade receivables and contract assets arise from a large number of customers spread across the North Island. The majority of the receivables balance at balance date, was due from three significant customers. A credit evaluation is performed at the onset of material contracts to assess the financial condition of the counterparty, and an ongoing credit evaluation is maintained over the life of the contract to take account of any changes in the risk profile of the counterparty. The Group continuously reviews the accounts receivables and promptly recognises an impairment loss when any indicators arise.

	2026			2025		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
<b>Trade receivables</b>						
Less than 30 days past due	67,410	-	67,410	55,130	(950)	54,180
Past due 31-60 days	167	-	167	607	-	607
Past due 61-90 days	43	-	43	348	-	348
Past due 91 days plus	673	(275)	398	743	(429)	314
Total	68,293	(275)	68,018	56,828	(1,379)	55,449

	2026			2025		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
<b>Contract assets</b>						
Less than 30 days past due	28,116	-	28,116	12,787	-	12,787
Past due 31-60 days	3,489	-	3,489	6,434	-	6,434
Past due 61-90 days	2,542	-	2,542	2,864	-	2,864
Past due 91 days plus	5,495	-	5,495	3,280	-	3,280
Total	39,642	-	39,642	25,365	-	25,365

The Group maintains a provision for estimated losses expected to arise from customers being unable to make required payments. This provision factors in known commercial factors impacting specific customer accounts, as well as the overall profile of the debtors' portfolio. Movements in the allowance for expected credit losses of trade receivables and contract assets are as follows:

	2026	2025
	\$000s	\$000s
Balance as at 1 April	1,379	834
Additions	15	996
Bad debts written off	(712)	(57)
Released	(407)	(394)
<b>Balance as at 31 March</b>	<b>275</b>	<b>1379</b>

### Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank funding facilities. The Group has a maximum amount that can be drawn against its lending facilities of \$244 million (2025: \$201 million). There are no restrictions on the use of the facilities, except for Green Loans, which are specifically designated for renewable projects.

The Group also has in place a credit card facility with a combined credit limit over all cards issued of \$1.0 million (2025: \$1.0 million).

Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The risk implied from the values shown in the following tables, reflects management's expectation of cash outflows. The amounts disclosed are the contractual undiscounted cash flows.

### Contractual cash flow maturity profile

	2026				
\$000s	Within 1 year	1-2 Yrs	2-5 Yrs	Beyond 5 Yrs	Total
<b>Non-derivative financial liabilities</b>					
Trade and other payables	56,994	-	-	-	56,994
Lease liabilities	20,374	17,775	25,255	2,451	65,855
Interest bearing loans	36,952	39,533	56,955	79,850	213,290
Interest free Crown loan	-	-	-	17,093	17,093
<b>Derivative financial (assets)/liabilities</b>					
Forward exchange contracts inflow	66	-	-	-	66
Forward exchange contracts outflow	(13)	-	-	-	(13)
Net settled derivatives					
Interest rate swaps	(98)	262	244	297	705
<b>Total contractual cash flows</b>	<b>114,275</b>	<b>57,570</b>	<b>82,454</b>	<b>99,691</b>	<b>353,990</b>

	2025				
\$000s	Within 1 year	1-2 Yrs	2-5 Yrs	Beyond 5 Yrs	Total
<b>Non-derivative financial liabilities</b>					
Trade payables	39,369	-	-	-	39,369
Lease liabilities	20,060	16,646	30,560	3,470	70,736
Interest bearing loans	7,535	50,312	100,656	19,128	177,631
Interest free Crown loan	-	-	-	17,093	17,093
<b>Derivative financial (assets)/liabilities</b>					
Forward exchange contracts inflow	16	-	-	-	16
Forward exchange contracts outflow	-	-	-	-	-
Net settled derivatives					
Interest rate swaps	26	(31)	464	(771)	(312)
<b>Total contractual cash flows</b>	<b>67,006</b>	<b>66,927</b>	<b>131,680</b>	<b>38,920</b>	<b>304,533</b>

The maturity profile of lease liabilities over the next 2-5 years comprises \$14.5 million due within 2-3 years (2025: \$13.9 million), \$8.2 million due within 3-4 years (2025: \$10.6 million), and \$2.5 million due within 4-5 years (2025: \$6 million).

## 22. Financial instruments measured at fair value

### Financial assets and financial liabilities

The Group classifies its financial assets and financial liabilities into the following categories depending on the purpose for which the asset or liability was acquired.

	2026	2025
	\$000s	\$000s
<b>Financial assets at fair value through profit or loss</b>		
Interest rate swaps	1,503	687
Forward foreign exchange contracts	66	16
<b>Balance of financial assets at fair value through profit or loss</b>	<b>1,569</b>	<b>703</b>
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	7,334	6,813
Trade and other receivables	68,018	55,449
<b>Balance of financial assets at amortised cost</b>	<b>75,352</b>	<b>62,262</b>
<b>Financial liabilities at fair value through profit or loss</b>		
Interest rate swaps	798	999
Forward foreign exchange contracts	13	-
<b>Balance of financial liabilities at fair value through profit or loss</b>	<b>811</b>	<b>999</b>
<b>Financial liabilities at amortised cost</b>		
Borrowings	199,106	165,029
Lease liabilities	59,368	63,817
Trade and other payables	56,994	39,369
<b>Balance of financial liabilities at amortised cost</b>	<b>315,468</b>	<b>268,215</b>

### Financial assets at amortised cost

Financial assets at amortised cost consist of cash and cash equivalents as well as trade and other receivables. These are initially measured at fair value and subsequently at amortised cost. Cash and cash equivalents at balance date comprise cash at bank held on call. Due to the short-term nature of these receivables the carrying value of receivables approximates their fair value. Trade and other receivables and contract assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less an allowance for impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit or loss when there is objective evidence that the asset is impaired.

### Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss consist of derivatives. Derivatives are used to manage exposure to foreign exchange and interest rate risks arising from financing activities.

Derivatives are initially recognised at fair value at the date of the contract and subsequently measured at fair value at each balance date with the resulting gain or loss recognised in the profit or loss. Fair value is calculated as the present value of the estimated future cash flows based on observable interest yield curves. Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZD (the functional currency) using the exchange rates prevailing at the dates of the transactions.

### Financial liabilities at amortised cost

Financial liabilities at amortised cost consist of trade and other payables, lease liabilities and borrowings. These are measured initially at fair value and subsequently at amortised cost using effective interest rate (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

The fair value is materially similar to amortised cost other than Crown Loan which is disclosed in Note 19. Due to the short-term nature of the payables, no discounting is applied.

### Impairment of financial assets

The Group applies the lifetime expected credit loss (ECL) approach to trade receivables and contract assets and recognises a loss allowance to the extent required based on its assessment of ECL. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables. The amount of expected credit losses is updated at each balance date to reflect changes in credit risk since initial recognition of the respective financial instrument. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast of conditions at the balance date, including time value of money where appropriate.

### Fair value hierarchy

A number of assets and liabilities included in the Group's financial statements require measurement at fair value and/or disclosure of fair value. The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels (the 'fair value hierarchy') based on how observable the inputs used in the valuation technique utilised. The fair value hierarchy includes:

Level 1: Quoted prices in active markets for identical items (unadjusted)

Level 2: Observable direct or indirect inputs other than Level 1 inputs

Level 3: Unobservable inputs (i.e. not derived from market data)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. The Group's financial assets and liabilities measured at fair value are classified as Level 2 on the fair value hierarchy unless specified otherwise. The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

There have been no transfers between Level 1 and Level 2 during the year (2025: nil).

### Fair value hierarchy of non-financial assets

The Group obtains independent valuations for its electricity distribution network assets and land, and buildings at least every three years. Valuation techniques are based on the following hierarchy.

The following table summarises the fair value measurement hierarchy of the non-financial assets that are recognised and measured at fair value in the financial statements.

	Level 2 \$000s	Level 3 \$000s	Total \$000s
<b>Property, plant and equipment</b>			
Distribution systems	-	459,048	459,048
Freehold land	8,080	15,675	23,755
Freehold buildings	5,165	13,559	18,724
<b>Balance as at 31 March 2026</b>	<b>13,245</b>	<b>488,282</b>	<b>501,527</b>

### Non-current assets held for sale

Freehold land	-	5,040	5,040
Freehold buildings	-	1,611	1,611
<b>Balance as at 31 March 2026</b>	<b>-</b>	<b>6,651</b>	<b>6,651</b>

	Level 2 \$000s	Level 3 \$000s	Total \$000s
<b>Property, plant and equipment</b>			
Distribution systems	-	432,266	432,266
Freehold land	7,864	20,931	28,795
Freehold buildings	6,468	14,267	20,735
<b>Balance as at 31 March 2025</b>	<b>14,332</b>	<b>467,464</b>	<b>481,796</b>

## 23. Business combinations

On 31 October 2025, the Group acquired a 100% shareholding in the Waikato-based contracting company Connell Contractors Limited for a total consideration of \$17.6 million. The acquisition has been accounted for using the acquisition method in accordance with NZ IFRS 3 Business Combinations.

The acquisition accounting values disclosed below are provisional subject to detailed assessment of identifiable assets and liabilities including any intangibles, right of use assets and lease liabilities. Adjustments to these provisional amounts may be made within the measurement period as permitted under NZ IFRS 3.

### Provisional fair value recognised on acquisition

	2026 \$000s
<b>Assets</b>	
Bank	203
Trade receivable	6,207
Contract assets	904
Inventory	318
Property, plant and equipment (Note 14)	3,135
	<b>10,767</b>
<b>Liabilities</b>	
Trade payable	(3,883)
Employee accruals	(549)
Provision for tax	(541)
Deferred tax liability (Note 12)	(323)
	<b>(5,296)</b>
<b>Total identifiable net assets at fair value</b>	<b>5,471</b>
<b>Satisfied by</b>	
Cash consideration	17,558
<b>Net cash outflow on acquisition</b>	
Transaction costs of the acquisition (included in cash flows from operating activities)	1,120
Cash consideration transferred (included in cashflow from investing activities)	17,558
Less cash and cash equivalent balances acquired (included in cashflows from investing activities)	(203)
	<b>18,475</b>
Goodwill recognised on acquisition (Note 13)	<b>12,087</b>

## 24. Related parties

The Northpower Electric Power Trust is the Group's ultimate parent entity. During the year fully imputed dividends of \$0.6 million (2025: \$0.6 million) were declared and \$0.6 million (2025: \$0.8 million) was paid.

### Subsidiaries

Subsidiaries are entities controlled directly or indirectly by Northpower Limited. All subsidiaries have a 31 March balance date and are wholly owned. Northpower Limited holds 100% of the voting rights in all entities reported as subsidiaries. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Northpower Western Australia Pty Limited and its non-trading wholly owned subsidiary West Coast Energy Pty Limited are incorporated in Western Australia.

Northpower Fibre Limited, Northpower Generation Limited, Te Puna Mauri Ō Omaru Limited and Connell Contractors Limited are incorporated in New Zealand.

The financial statements of subsidiaries are reported in the financial statements using the acquisition method of consolidation. Outstanding balances at balance date are unsecured, interest-free, and are settled either in cash or through non-cash offsetting arrangements for intra-group balances. Intra-group balances and transactions between group companies are eliminated on consolidation.

### Transactions between the Company and key management personnel

Certain directors and key management of Northpower Limited are also directors of the subsidiaries.

A summary of material trading activities with related parties is as below:

Key management personnel	Related party	Position	Purchases from related parties		Amounts owing to related parties	
			\$000s	2025	\$000s	2025
Paul Yovich Trustee of Northpower Electric Trust	Busck Prestressed Concrete Limited	Trustee of a shareholder	2026 5,965	2025 3,475	2026 329	2025 -
Josie Boyd Chief Operating Officer Energy Services	Electricity Engineers' Association	Board member	33	122	-	-
Mike Gibbs Chief Operating Officer Electricity	Electricity Engineers' Association	Executive Committee Member	55	-	-	-
Darren Mason General Manager - Fibre	NZ Telecommunications Forum	Trustee	-	17	-	-
David Hunt Director	Accident Compensation Corporation	Deputy Chair	717	696	-	-

## 25. Guarantees and contingencies

	2026 \$000s	2025 \$000s
Performance bonds in relation to contract work	26,963	29,825
<b>Balance as at 31 March</b>	<b>26,963</b>	29,825

Performance bonds relate to guarantees given to customers to guarantee completion of contracting work both in New Zealand and offshore. No liability was recognised in relation to the above guarantees as the fair value is considered immaterial.

## 26. Commitments

The future aggregate minimum lease payments payable for non-cancellable low value operating leases which are exempted under NZ IFRS 16 Leases are as follows:

	2026 \$000s	2025 \$000s
Within one year	58	82
After one year but not more than five years	-	2
Balance of non-cancellable operating leases	58	84

Capital commitments contracted at balance date was \$34.3 million including software of \$0.2 million (2025: \$28.6 million including software of \$0.1 million).

## 27. Events after balance date

Subsequent to balance date, the Board approved the refinancing of existing bank facilities totalling \$80 million and the establishment of new bank facilities totalling \$56 million. The related facility documentation is in the process of being executed. No adjustments have been made to these financial statements in respect of this subsequent event.

There were no other significant events after balance date.

# Independent auditor's report

## Independent auditor's report

### To the shareholders of Northpower Limited's Group financial statements and performance information for the year ended 31 March 2026

The Auditor-General is the auditor of Northpower Limited and its controlled entities (collectively referred to as '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

We have audited:

- the financial statements of the Group on pages 28 to 50, that comprise the consolidated statement of financial position as at 31 March 2026, the consolidated statement of profit or loss and other 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 material accounting policy information and other explanatory information; and
- the performance information of the Group on pages 26 to 27.

In our opinion:

- the financial statements of the Group:
  - present fairly, in all material respects:
    - its financial position as at 31 March 2026; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to IFRS Accounting standards ('NZ IFRS') and IFRS Accounting Standards ('IFRS'); 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 2026.

Our audit was completed on 24 June 2026. 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 company's ability to continue as a going concern.



The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of 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 accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the Group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 and the performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated 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 1 to 24, 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 (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we carry out other assurance engagements pursuant to the Electricity Information Disclosure Determination 2012, Fibre Information Disclosures 2021 and Telecommunications Development Levy, which is compatible with those independence requirements. Other than the audit and the assurance engagements, we have no relationship with or interest in the Group.



**Silvio Bruinsma**  
**For Deloitte Limited**

On behalf of the Auditor-General  
Auckland, New Zealand

# Northpower

## Northpower Limited

### Chair

M D Trigg

### Directors

M D Trigg (Chair)

C Bruyn (appointed 1 May 2025)

K M Friend

D T Hunt

M K Kong

L S Kubiak

D J Prentice

P G Hutchings (retired 31 July 2025)

## Executive Officers

### Chief Executive

A I McLeod

### Chief Operating Officer Contracting

J M Boyd

### Chief Operating Officer Network

M Gibbs

### Chief Operating Officer New Business

O M O'Neill

### Chief Financial Officer

G W Davidson

### Executive General Manager Legal and Risk

I A Joblin

## Northpower Electric Trust

### Chairman

P R Heatley

### Deputy Chair

S K McKenzie

### Trustees

I M Durham

S L Mai

C L Parker

T G Wilson

P M W Yovich

### Trust Secretary

B A Martin

### Bankers

Westpac Banking Corporation

ASB Bank Limited

ANZ Banking Corporation

### Head office

28 Mount Pleasant Road, Raumanga,  
Whangārei 0110

### Auditors

Deloitte New Zealand

### Registered office

28 Mount Pleasant Road, Raumanga,  
Whangārei 0110

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