

**Top Energy Consumer Trust**

**Separate and Consolidated Annual  
Financial Statements**

**for the year ended 31 March 2026**

## Directory

### Top Energy Consumer Trust

#### Trustees

|                                                          |                        |
|----------------------------------------------------------|------------------------|
| Mrs Yvonne Sharp                                         | Opito Bay - Chair      |
| Mrs Ann Court (Appointed 1 April 2025)                   | Waipapa - Deputy Chair |
| Mr Steven James                                          | Kerikeri               |
| Mrs Adrienne Tari                                        | Kaikohe                |
| Mr Paul White                                            | Rawene                 |
| Mr Hugh Ammundsen (Retired by rotation<br>31 March 2025) |                        |

#### Secretary

|              |               |
|--------------|---------------|
| Paul Doherty | BBS CA MInstD |
|--------------|---------------|

### Top Energy Limited

#### Directors

|                                                                   |                                    |
|-------------------------------------------------------------------|------------------------------------|
| Mr David Sullivan                                                 | BCom CA MInstD - Chair             |
| Mr Matthew Todd (Appointed 01.09.2025)                            | NZCE, PG Dip Bus, MBA, CMInstD, JP |
| Ms Nicole Anderson                                                | PGDPH DipAcc DipBus DipMgt CMInstD |
| Mr Steven Sanderson                                               | MBA                                |
| Mr Simon Young                                                    | BBS MSc Dip Hort Sc M Phil (Econ)  |
| Mr Jon Nichols (Resigned 24.04.2025)                              |                                    |
| (Refer to note 25 for details on directors of other subsidiaries) |                                    |

#### Auditor

BDO Northland  
Northland

#### Bankers

Australia and New Zealand Banking Group Limited, Auckland  
Bank of China Limited, Auckland Branch  
Bank of New Zealand, Auckland  
China Construction Bank (New Zealand) Limited, Auckland  
Industrial and Commercial Bank of China Limited, Auckland Branch  
Westpac New Zealand Limited, Auckland

#### Website address

[www.topenergy.co.nz](http://www.topenergy.co.nz)

## Trustees' report

The Trustees present the annual report of the Top Energy Consumer Trust, incorporating the financial statements and the auditor's report, for the year ended 31 March 2026.

The Board of Trustees of the Top Energy Consumer Trust authorised the financial statements presented on pages 6 to 55 for issue on 30 June 2026.

For and on behalf of the Board.

  
Yvonne Sharp  
Trustee

30 June 2026

  
Paul Doherty  
Secretary

## **TRUSTEES' REVIEW**

### **FOR THE YEAR ENDED 31 MARCH 2026**

Top Energy's results were marked by major events, including severe weather, equipment failures and transmission constraints, which affected network reliability and impacted generation performance. Despite these challenges, the Group delivered financial results close to targets, progressed key infrastructure and system upgrades, increased field resources, and continued advancing its long-term strategic and community objectives.

Trustees were again pleased to receive notification from directors that they had declared and paid another dividend to the Trust. This means that through the company line discount and the trust distribution, \$10m, or an average of \$300 of value, will be received by beneficiaries of the Trust.

#### **Financial performance of the Trust**

The Trust reported a profit after tax of \$3.5m largely due to receiving a \$3.8m dividend from the Company. During the year, the Trust distributed \$3.4m to consumers. Looking beyond this dividend, the Trust's operating performance was a \$11k profit, down from \$31k last year. The intent is to operate as close to breakeven as possible.

Operating expenses increased by \$21k, or 8%, due to engaging an external consultant to undertake a successful director recruitment process.

#### **Financial Performance of the Top Energy Group**

From a shareholder perspective, the Group's financial performance for the year reflects a resilient underlying operating result, with EBITDAF above the prior year, supported by strong network earnings and increased capital contributions. While lower wholesale prices and reduced generation output adversely affected Ngāwhā Generation, the Group maintained balance sheet discipline, reduced debt, met its funding covenants, and achieved or exceeded all but one of its Statement of Corporate Intent financial targets.

These results have been achieved with network line tariffs increases being limited to a level that was required to maintain a sustainable business, rather than the maximum allowable by the Commerce Commission, who regulates network pricing. Trustees are constantly monitoring these increases to ensure the value of local ownership is seen by the Trusts beneficiaries.

The increase in equity for the year was materially influenced by non-cash fair value movements on derivative contracts, reinforcing the importance of focusing on the underlying operating EBITDAF result discussed above.

### Statement of Corporate Intent (SCI)

The above financial performance resulted in the financial targets agreed in the Statement of Corporate Intent (SCI) being achieved at a Group level with the network performance offsetting the lower generation performance.

The network quality standards, reflecting the network's resilience and reliability in terms of the frequency and duration of outages, are an important focus for trustees. The performance this year did not achieve the target and discussions with directors are ongoing to improve the resilience of the electricity network.

The SCI is negotiated with the company's directors each year. At the Company's Annual General Meeting in June 2025, trustees agreed to performance targets for the year ending 31 March 2026. The following summarises the actual performance achieved by the Group, measured against those targets.

|                                                                           | Actual<br>2026 | Target<br>2026 | Actual<br>2025 |
|---------------------------------------------------------------------------|----------------|----------------|----------------|
| Net Profit After Tax, as a percentage of average shareholders' funds for: |                |                |                |
| *The Group                                                                | 8.4%           | 8.1%           | 7.2%           |
| *The Network Business                                                     | 2.4%           | 0.8%           | 1.5%           |
| *The Generation Business                                                  | 17.6%          | 20.7%          | 17.3%          |
| The average length of high voltage outages per customer (minutes/p.a.)    |                |                |                |
| *Planned                                                                  | 165            | 170            | 125            |
| *Unplanned                                                                | 398            | 294            | 258            |

The SCI for the year ended 31 March 2027 has been negotiated with the directors, and a copy of this updated Statement is available on the Company's website.

### Governance

Trustees met 11 times during the financial year to manage the business of the Trust.

The Annual Public Meeting was held on 29 July 2025, where 34 power consumers were in attendance.

In addition, we met with the company's directors, in our role as shareholder, for the Company's Annual General Meeting and on two further occasions to consider matters of strategy and direction of the Top Energy Group. The Chair of Directors and/or the Chief Executive also regularly updates trustees on general Group and industry issues.

The Chairs of the Trust and the Company communicate as necessary to discuss issues that arise.

The Trust board operates a subcommittee, the Director Nominations Committee, which is made up of the Chair and the Deputy Chair of the Trust, and the Chair of the Board

of Directors. This committee met three times during the year and considered directors' performance, scheduled director retirements and recruitment. Recommendations from this Committee are presented to the full Trust Board for final determination.

### **Trust Guidelines**

The Trust has adopted guidelines to govern the right of beneficiaries to have access to certain information. Those guidelines also set out the procedure to be adopted if a request for information is declined by the Trust. During the year ended 31 March 2026, no requests were made to the Trust for information to which the provisions apply. Therefore, no costs have been incurred in meeting such requests, nor has there been any requirement for the Trust to have any decision reviewed and consequently, no costs have been incurred in relation to this possibility either.

### **Retirement and Appointment of Directors**

At the Company's AGM in June 2025, Simon Young and Steven Sanderson retired by rotation, as per the Company's constitution, and were both reappointed.

### **Appointment of Trustees**

No trustees were required to retire during the period. In accordance with the Trust's Deed, the next call for nominations by public notification is expected to occur in November 2026. The nominations will be for three trustee positions. Any resident of the Far North can be nominated for the position, and any retiring trustee can also be nominated.

### **The future**

The electricity sector's future challenge is not just delivering electricity—it is maintaining consumer trust while navigating a high-cost, high-complex transition where affordability, fairness, and reliability are under increasing scrutiny.

Electricity is now an economic and political issue, and a core topic for the next general election as policies focus on affordability, security of supply and decarbonisation, yet parties differ significantly on how to respond.

Trustees remain focused on ensuring that through the directors, the Group is in the best position to support the Far North community in addressing and responding to these challenges.

As Chair of the Top Energy Consumer Trust, I record my thanks to my fellow trustees, the Top Energy directors and staff for their support and dedication.



**Yvonne Sharp**  
Chair

Top Energy Consumer Trust  
Statements of comprehensive income  
For the year ended 31 March 2026

**Statements of comprehensive income**

For the year ended 31 March 2026

|                                                                                                                                |       | Consolidated<br>2026<br>\$'000 | 2025<br>\$'000<br>Restated | Parent<br>2026<br>\$'000 | 2025<br>\$'000<br>Restated |
|--------------------------------------------------------------------------------------------------------------------------------|-------|--------------------------------|----------------------------|--------------------------|----------------------------|
|                                                                                                                                | Notes |                                |                            |                          |                            |
| Operating revenue                                                                                                              | 4     | 115,002                        | 108,133                    | 3,999                    | 3,970                      |
| Expenses, excluding finance costs                                                                                              | 5     | <u>(55,010)</u>                | <u>(51,172)</u>            | <u>(279)</u>             | <u>(258)</u>               |
| <b>Earnings (loss) before interest, tax, depreciation, amortisation and fair value movements of financial assets (EBITDAF)</b> |       | <b>59,992</b>                  | <b>56,961</b>              | <b>3,720</b>             | <b>3,712</b>               |
| Depreciation and amortisation                                                                                                  | 5     | <u>(27,651)</u>                | <u>(25,519)</u>            | <u>-</u>                 | <u>-</u>                   |
| Finance costs                                                                                                                  |       | <u>(15,664)</u>                | <u>(15,425)</u>            | <u>-</u>                 | <u>-</u>                   |
| <b>Earnings (loss) before tax and fair value movements of financial assets (EBTF)</b>                                          |       | <b>16,677</b>                  | <b>16,017</b>              | <b>3,720</b>             | <b>3,712</b>               |
| Fair value gains (losses) on financial assets                                                                                  | 6     | <u>74,052</u>                  | <u>(26,692)</u>            | <u>-</u>                 | <u>-</u>                   |
| <b>Profit (loss) before income tax</b>                                                                                         |       | <b>90,729</b>                  | <b>(10,675)</b>            | <b>3,720</b>             | <b>3,712</b>               |
| Income tax benefit (expense)                                                                                                   | 7     | <u>(24,676)</u>                | <u>4,101</u>               | <u>(234)</u>             | <u>(202)</u>               |
| <b>Profit (loss) from continuing operations</b>                                                                                |       | <b><u>66,053</u></b>           | <b><u>(6,574)</u></b>      | <b><u>3,486</u></b>      | <b><u>3,510</u></b>        |
| <b>Other comprehensive income</b>                                                                                              |       |                                |                            |                          |                            |
| <b>Items that will not be reclassified to profit or loss:</b>                                                                  |       |                                |                            |                          |                            |
| Gain (loss) on revaluation of generation plant                                                                                 | 23    | -                              | 67,185                     | -                        | -                          |
| Cash flow hedges                                                                                                               | 12    | -                              | 91                         | -                        | -                          |
| Income tax relating to revaluation of non-current assets                                                                       | 7     | <u>-</u>                       | <u>(18,812)</u>            | <u>-</u>                 | <u>-</u>                   |
|                                                                                                                                |       | <u>-</u>                       | <u>48,464</u>              | <u>-</u>                 | <u>-</u>                   |
| <b>Other comprehensive income for the year, net of tax</b>                                                                     |       | <u>-</u>                       | <u>48,464</u>              | <u>-</u>                 | <u>-</u>                   |
| <b>Total comprehensive income for the year</b>                                                                                 |       | <b><u>66,053</u></b>           | <b><u>41,890</u></b>       | <b><u>3,486</u></b>      | <b><u>3,510</u></b>        |
| <b>Profit (Loss) is attributable to:</b>                                                                                       |       |                                |                            |                          |                            |
| Beneficiaries of the Top Energy Consumer Trust                                                                                 |       | <u>66,053</u>                  | <u>(6,574)</u>             |                          |                            |
|                                                                                                                                |       | <u>66,053</u>                  | <u>(6,574)</u>             |                          |                            |
| <b>Total comprehensive income (loss) for the year is attributable to:</b>                                                      |       |                                |                            |                          |                            |
| Beneficiaries of the Top Energy Consumer Trust                                                                                 |       | <u>66,053</u>                  | <u>41,890</u>              |                          |                            |
|                                                                                                                                |       | <u>66,053</u>                  | <u>41,890</u>              |                          |                            |

The above statement of comprehensive income should be read in conjunction with the accompanying notes - for details of the restatement refer to note 32.

## Statements of financial position

As at 31 March 2026

|                                    |       | Consolidated   |                | Parent        |               |
|------------------------------------|-------|----------------|----------------|---------------|---------------|
|                                    |       | 2026           | 2025           | 2026          | 2025          |
|                                    |       | \$'000         | \$'000         | \$'000        | \$'000        |
|                                    | Notes |                | Restated       |               | Restated      |
| <b>ASSETS</b>                      |       |                |                |               |               |
| <b>Current assets</b>              |       |                |                |               |               |
| Cash and cash equivalents          | 8     | 573            | 257            | -             | -             |
| Receivables                        | 9     | 15,303         | 19,463         | 5,215         | 5,127         |
| Inventories                        | 10    | 4,044          | 4,398          | -             | -             |
| Current tax benefit                | 11    | 1,750          | -              | -             | -             |
| Derivative financial instruments   | 12    | 1,456          | 222            | -             | -             |
| Total current assets               |       | <u>23,126</u>  | <u>24,340</u>  | <u>5,215</u>  | <u>5,127</u>  |
| <b>Non-current assets</b>          |       |                |                |               |               |
| Property, plant and equipment      | 13    | 771,306        | 761,168        | -             | -             |
| Intangible assets                  | 14    | 28,301         | 42,654         | -             | -             |
| Shares in subsidiaries             | 29    | -              | -              | 25,267        | 25,267        |
| Derivative financial instruments   | 12    | 5,060          | 905            | -             | -             |
| Right-of-use lease assets          | 15    | 9,491          | 7,171          | -             | -             |
| Total non-current assets           |       | <u>814,158</u> | <u>811,898</u> | <u>25,267</u> | <u>25,267</u> |
| <b>Total assets</b>                |       | <u>837,284</u> | <u>836,238</u> | <u>30,482</u> | <u>30,394</u> |
| <b>LIABILITIES</b>                 |       |                |                |               |               |
| <b>Current liabilities</b>         |       |                |                |               |               |
| Trade and other payables           | 16    | 23,670         | 29,712         | 961           | 960           |
| Interest bearing liabilities       | 17    | 20,000         | 71,710         | -             | -             |
| Current tax liabilities            |       | -              | 24             | -             | -             |
| Provisions                         | 18    | 399            | 374            | -             | -             |
| Derivative financial instruments   | 12    | 9,223          | 42,673         | -             | -             |
| Right-of-use lease liabilities     | 15    | 1,842          | 1,247          | -             | -             |
| Total current liabilities          |       | <u>55,134</u>  | <u>145,740</u> | <u>961</u>    | <u>960</u>    |
| <b>Non-current liabilities</b>     |       |                |                |               |               |
| Interest bearing liabilities       | 19    | 264,700        | 225,000        | -             | -             |
| Derivative financial instruments   | 12    | 16,255         | 51,377         | -             | -             |
| Deferred tax liabilities           | 20    | 105,883        | 83,269         | -             | -             |
| Right-of-use lease liabilities     | 15    | 8,600          | 6,703          | -             | -             |
| Total non-current liabilities      |       | <u>395,438</u> | <u>366,349</u> | <u>-</u>      | <u>-</u>      |
| <b>Total liabilities</b>           |       | <u>450,572</u> | <u>512,089</u> | <u>961</u>    | <u>960</u>    |
| <b>Net assets</b>                  |       | <u>386,712</u> | <u>324,149</u> | <u>29,521</u> | <u>29,434</u> |
| <b>BENEFICIARIES' EQUITY</b>       |       |                |                |               |               |
| Reserves                           | 23    | 144,845        | 149,910        | -             | -             |
| Retained earnings                  | 23    | 241,867        | 174,239        | 29,521        | 29,434        |
| <b>Total beneficiaries' equity</b> |       | <u>386,712</u> | <u>324,149</u> | <u>29,521</u> | <u>29,434</u> |

The above statement of financial position should be read in conjunction with the accompanying notes - for details of the restatement refer to note 32.

**Top Energy Consumer Trust**  
**Statements of changes in equity**  
**For the year ended 31 March 2026**

**Statements of changes in equity**

For the year ended 31 March 2026

| Consolidated                                                    | Notes         | Reserves<br>\$'000 | Retained<br>earnings<br>\$'000 | Total equity<br>\$'000 |
|-----------------------------------------------------------------|---------------|--------------------|--------------------------------|------------------------|
| <b>Balance as at 1 April 2025</b>                               |               | 149,910            | 174,239                        | 324,149                |
| <b>Comprehensive income</b>                                     |               |                    |                                |                        |
| Profit for the year                                             |               | -                  | 66,053                         | 66,053                 |
| Revaluation of generation plant                                 | [13] and [14] | -                  | -                              | -                      |
| Reversal of revaluation surplus on disposal of revalued assets  | 13            | -                  | -                              | -                      |
| Deferred tax released on disposal of revalued assets            |               | -                  | -                              | -                      |
| Adjustment to retained earnings                                 |               | -                  | -                              | -                      |
| Cash flow hedges                                                |               | (91)               | -                              | (91)                   |
| Income tax relating to components of other comprehensive income | 7             | -                  | -                              | -                      |
| Amortisation of revaluation reserve                             | 23            | (6,908)            | 6,908                          | -                      |
| Deferred tax released on amortisation of reserve                | 23            | 1,934              | (1,934)                        | -                      |
| <b>Total comprehensive income</b>                               |               | <u>(5,065)</u>     | <u>71,027</u>                  | <u>65,962</u>          |
| Distributions                                                   |               | -                  | (3,399)                        | (3,399)                |
| <b>Balance as at 31 March 2026</b>                              |               | <u>144,845</u>     | <u>241,867</u>                 | <u>386,712</u>         |

|                                                                 | Notes         | Reserves<br>\$'000 | Retained<br>earnings<br>\$'000<br>Restated | Total equity<br>\$'000<br>Restated |
|-----------------------------------------------------------------|---------------|--------------------|--------------------------------------------|------------------------------------|
| <b>Balance as at 1 April 2024</b>                               |               | 105,486            | 179,484                                    | 284,970                            |
| <b>Comprehensive income</b>                                     |               |                    |                                            |                                    |
| Profit for the year                                             |               | -                  | (6,574)                                    | (6,574)                            |
| Revaluation of generation plant                                 | [13] and [14] | 67,185             | -                                          | 67,185                             |
| Reversal of revaluation surplus on disposal of revalued assets  |               | (119)              | 119                                        | -                                  |
| Deferred tax released on disposal of revalued assets            | 23            | 33                 | (33)                                       | -                                  |
| Cash flow hedges                                                |               | 91                 | -                                          | 91                                 |
| Income tax relating to components of other comprehensive income | 7             | (18,812)           | -                                          | (18,812)                           |
| Amortisation of revaluation reserve                             | 23            | (5,492)            | 5,492                                      | -                                  |
| Deferred tax released on amortisation of reserve                | 23            | 1,538              | (1,538)                                    | -                                  |
| <b>Total comprehensive income</b>                               |               | <u>44,424</u>      | <u>(2,534)</u>                             | <u>41,890</u>                      |
| Distributions                                                   |               | -                  | (3,346)                                    | (3,346)                            |
| Adjustment on equity after disposal of subsidiary               |               | -                  | 627                                        | 627                                |
| Prior period adjustment                                         |               | -                  | 8                                          | 8                                  |
| <b>Balance as at 31 March 2025</b>                              |               | <u>149,910</u>     | <u>174,239</u>                             | <u>324,149</u>                     |

The above statement of changes in equity should be read in conjunction with the accompanying notes - for details of the restatement refer to note 32..

**Top Energy Consumer Trust**  
**Statements of changes in equity**  
**For the year ended 31 March 2026**  
(continued)

**Statements of changes in equity (continued)**

| Parent                             | Retained<br>earnings<br>\$'000 | Total equity<br>\$'000 |
|------------------------------------|--------------------------------|------------------------|
| <b>Balance at 1 April 2025</b>     | 29,434                         | 29,434                 |
| <b>Comprehensive income</b>        |                                |                        |
| Gain / (loss) for the year         | <u>3,486</u>                   | <u>3,486</u>           |
| <b>Total comprehensive income</b>  | <u>3,486</u>                   | <u>3,486</u>           |
| Distributions                      | <u>(3,399)</u>                 | <u>(3,399)</u>         |
| <b>Balance as at 31 March 2026</b> | <u>29,521</u>                  | <u>29,521</u>          |

| Parent                             | Retained<br>earnings<br>\$'000<br>Restated | Total equity<br>\$'000<br>Restated |
|------------------------------------|--------------------------------------------|------------------------------------|
| <b>Balance at 1 April 2024</b>     | 29,262                                     | 29,262                             |
| <b>Comprehensive income</b>        |                                            |                                    |
| Gain / (loss) for the year         | <u>3,510</u>                               | <u>3,510</u>                       |
| <b>Total comprehensive income</b>  | <u>3,510</u>                               | <u>3,510</u>                       |
| Distributions                      | <u>(3,346)</u>                             | <u>(3,346)</u>                     |
| Adjustment to retained earnings    | <u>8</u>                                   | <u>8</u>                           |
| <b>Balance as at 31 March 2025</b> | <u>29,434</u>                              | <u>29,434</u>                      |



*The above statement of changes in equity should be read in conjunction with the accompanying notes - for details of the restatement refer to note 32.*

**Top Energy Consumer Trust**  
**Cash flow statement**  
**For the year ended 31 March 2026**

**Cash flow statements**

For the year ended 31 March 2026

|                                                                           | Notes | Consolidated<br>2026<br>\$'000 | 2025<br>\$'000<br>Restated | Parent<br>2026<br>\$'000 | 2025<br>\$'000<br>Restated |
|---------------------------------------------------------------------------|-------|--------------------------------|----------------------------|--------------------------|----------------------------|
| <b>Cash flows from operating activities</b>                               |       |                                |                            |                          |                            |
| Receipts from customers (exclusive of goods and services tax)             |       | 118,920                        | 104,879                    | -                        | -                          |
| Payments to suppliers and employees (exclusive of goods and services tax) |       | (58,753)                       | (47,632)                   | (217)                    | (271)                      |
|                                                                           |       | <u>60,167</u>                  | <u>57,247</u>              | <u>(217)</u>             | <u>(271)</u>               |
| Interest received                                                         |       | -                              | 44                         | 184                      | 64                         |
| Interest paid                                                             |       | (14,774)                       | (15,417)                   | -                        | -                          |
| Income taxes paid                                                         |       | (3,313)                        | -                          | (265)                    | (256)                      |
| <b>Net cash inflow / (outflow) from operating activities</b>              | 31    | <u>42,080</u>                  | <u>41,874</u>              | <u>(298)</u>             | <u>(463)</u>               |
| <b>Cash flows from investing activities</b>                               |       |                                |                            |                          |                            |
| Purchases for property, plant and equipment                               |       | (36,488)                       | (36,589)                   | -                        | -                          |
| Proceeds from sale of property, plant and equipment                       |       | 230                            | (10)                       | -                        | -                          |
| Movement in cash hedge reserve                                            |       | -                              | 91                         | -                        | -                          |
| Purchases of Emission Trading Scheme units                                |       | (9,095)                        | (2,404)                    | -                        | -                          |
| Proceeds from sale of ETS units                                           |       | 21,380                         | -                          | -                        | -                          |
| Dividends received                                                        |       | -                              | -                          | 3,815                    | 7,267                      |
| Repayment (increase) of loans to related parties                          |       | (62)                           | -                          | (118)                    | (3,458)                    |
| <b>Net cash inflow / (outflow) from investing activities</b>              |       | <u>(24,035)</u>                | <u>(38,912)</u>            | <u>3,697</u>             | <u>3,809</u>               |
| <b>Cash flows from financing activities</b>                               |       |                                |                            |                          |                            |
| Proceeds from (Repayments of) borrowings                                  |       | (12,010)                       | 1,110                      | -                        | -                          |
| Interest on Right-of-use leases                                           |       | (549)                          | (438)                      | -                        | -                          |
| Payments on Right-of-use leases                                           |       | (1,265)                        | (934)                      | -                        | -                          |
| Distributions paid to Trust Beneficiaries                                 |       | (3,905)                        | (3,346)                    | (3,399)                  | (3,346)                    |
| Dissolution of subsidiary                                                 |       | -                              | 627                        | -                        | -                          |
| <b>Net cash inflow / (outflow) from financing activities</b>              |       | <u>(17,729)</u>                | <u>(2,981)</u>             | <u>(3,399)</u>           | <u>(3,346)</u>             |
| <b>Net increase (decrease) in cash balances</b>                           |       | <b>316</b>                     | <b>(19)</b>                | <b>-</b>                 | <b>-</b>                   |
| Cash at bank and on hand at the beginning of the financial year           |       | <u>257</u>                     | <u>276</u>                 | <u>-</u>                 | <u>-</u>                   |
| <b>Cash and cash equivalents at end of year</b>                           | 8     | <u>573</u>                     | <u>257</u>                 | <u>-</u>                 | <u>-</u>                   |



The above cash flow statement should be read in conjunction with the accompanying notes - for details of the restatement refer to note 32.

## 1 General information

The Top Energy Consumer Trust (the Trust) was established under the terms of a Trust Deed dated 23 April 1993. The Trust was previously called the Bay of Islands Electric Power Trust. The name was changed on 10 July 2002 to the Top Energy Consumer Trust. The Trust holds the entire share capital of Top Energy Ltd on behalf of the power consumers connected to the network of Top Energy Ltd.

Top Energy Ltd provides electricity line function, electrical construction, and other services. Top Energy Ltd and its subsidiaries (the Top Energy Ltd Group) operate geothermal power stations, sell electricity on the wholesale market and to energy retailers in New Zealand.

Top Energy Limited is a limited liability company, incorporated and domiciled in New Zealand.

These Parent and Group financial statements were approved by the Trustees of the Trust on 30 June 2026.

## 2 Summary of material accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of preparation

#### (i) Statutory base

The Trust is required under the terms of its Trust Deed to prepare financial statements that accord with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements of Top Energy Ltd and its subsidiaries, which have been consolidated into the Trust's group financial statements, have been prepared in accordance with the requirements of the Financial Reporting Act 2013, the Companies Act 1993 and the Energy Companies Act 1992.

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), as appropriate for entities that fall within the Tier 1 for-profit category.

#### (ii) Going concern

The Group recorded a profit after tax of \$66.0m, with an underlying operational profit (EBITDAF) of \$60.0m.

The cause of the profit after tax was principally due to \$53.3m (net of tax) fair value gain on derivatives, covering electricity contract for differences and interest rate hedges. The Company intends to hold these derivatives to maturity as they are economic hedges and provide certainty to the underlying prices.

The Group's ability to continue as a going concern has also been assessed by evaluating the results to 31 March 2026 and the following:

- The Group's operation consists of electricity generation and distribution which is considered an essential service;
- Cash flow from operating activities is positive \$42m;
- 10-year forecasts have been reviewed including relevant sensitivity analysis, and compliance against funding obligations;
- The statement of financial position for the period currently shows a net working capital deficit which is largely driven by a \$20m facility which has subsequently been refinanced. Financial derivatives, annual network line discount provision and income received in advance are the other contributors;
- A desktop assessment of the carrying value of the Generation assets has been completed. No impairment was identified and the value remains reflective of fair value;13(c);
- The Group is forecast to operate within the conditions of its banking facilities as disclosed in note 19.
- At the date of signing, all bank loans have been refinanced. Refer to note 30 for details.

As a result of the above considerations, these financial statements have been prepared on a going concern basis.

## 2 Summary of material accounting policies (continued)

### (a) Basis of preparation (continued)

#### (iii) Entities reporting

The financial statements for the 'Parent' are for the Top Energy Consumer Trust as a separate legal entity.

The consolidated financial statements for the 'Group' are for the economic entity comprising the Top Energy Consumer Trust and all its subsidiary companies.

The Parent and the Group are designated as profit-oriented entities as defined in External Reporting Board Standard A1: Application of the Accounting Standards Framework.

#### (iv) Historic cost convention

These financial statements have been prepared under the historic cost convention, as modified by the following:

- the revaluation of certain financial assets and liabilities (including derivative instruments), which are adjusted to fair value through profit or loss; and
- the revaluation of certain classes of property, plant and equipment and financial assets at fair value through other comprehensive income, which are adjusted to fair value through other comprehensive income.

#### (v) Comparative figures

During the year ended 31 March 2026, the Group revised the presentation of certain expenses within the Expenses note to improve the classification of costs by nature/function. Accordingly, comparative figures have been reclassified to conform to the current year presentation. This reclassification has no impact on total expenses, profit for the year, or equity. The impact of the reclassification on the comparative figures has resulted in increase in expenses related to raw materials and consumables used by \$12.6m, increase in employee benefits expense by \$4.9m and decrease in other expenses by \$17.5m.

#### Prior period restatement

During the year, it was identified that dividend revenue had been recorded net of resident withholding tax. In accordance with NZ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, this error has been corrected by restating the comparative figures for the year ended 31 March 2025. The effect of the restatement was an increase in dividend revenue of \$256,000, an increase in income tax expense of \$202,000, and an increase in income tax receivable of \$54,000, resulting in a net increase to profit for the year and retained earnings of \$54,000. There was no impact on the financial statements for the year ended 31 March 2026, other than the increase in opening retained earnings as set out above. The comparative statement of comprehensive income, statement of financial position, and statement of changes in equity have been restated accordingly. The same adjustment was made for 31 March 2024, resulting in a \$7,000 adjustment to retained earnings.

#### (vi) Functional and presentation currency

Items included in the financial statements of each Group entity's operations are measured using the currency of the primary economic environment in which it operates ('the functional currency'). These financial statements are presented in New Zealand dollars, which is the parent entity's functional and presentation currency.

All financial information has been rounded to the nearest thousand dollars, unless otherwise stated.

### (b) Accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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 described in the relevant accounting policies or notes, as appropriate.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including future events, the expected outcomes of which, are believed to be reasonable under the circumstances.

## **2 Summary of material accounting policies (continued)**

### **(c) Principles of consolidation and equity accounting**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Top Energy Consumer Trust (the 'Trust' or 'parent entity') as at 31 March 2026 and the results of all subsidiaries for the year then ended. Top Energy Ltd and its subsidiaries together are referred to in these financial statements as the Top Energy Group.

Subsidiaries are those entities over which the Trust has, because of its ownership of Top Energy Ltd, the power to govern the financial and operating policies. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date when control ceases.

The Parent investment in its subsidiary is measured at cost and is eliminated upon consolidation.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss component of the statement of comprehensive income.

Inter-entity transactions, balances and unrealised gains and losses on transactions between group entities are eliminated on consolidation. If applicable, amounts reported by subsidiaries are adjusted to ensure consistency with the Group's accounting policies.

### **(d) Borrowing costs**

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets comprise capital projects which have an expected cost in excess of \$500,000 and a planned duration of longer than three months.

All other borrowing costs are recognised in the profit or loss component of the Statement of comprehensive income, in the period in which they are incurred.

### **(e) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and bank overdrafts. These items are readily convertible with known amounts of cash and are subject to an insignificant risk of changes in value.

### **(f) Contract work in progress**

Contract work in progress is stated at the aggregate of contract costs incurred to date less recognised losses. Cost includes all expenses directly related to specific contracts and an allocation of general overhead expenses incurred by the relevant Group company's contracting operations.

Where income has been received in respect of contract work and the work has not been completed by the reporting date, the total of such held on account is included in Trade and other payables as Revenue received in advance.

### **(g) Derivatives and hedging activities**

Derivatives are recognised initially at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. Resulting gain or loss for derivatives excluding cash flow hedge is recognised in profit or loss. Material items may be placed in hedge accounting relationships and can be either fair value hedges or cash flow hedges, depending on the nature of the transaction/underlying exposure and particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

## 2 Summary of material accounting policies (continued)

### (h) Distributions to beneficiaries

Provision is made for the amount of any distribution declared on or before the end of the financial year but not paid at balance date.

Distributions to the Trust's beneficiaries are recognised in the Trust's and the Group's financial statements in the accounting period in which the distribution is declared by the Trustees.

### (i) Employee benefits

#### (i) *Wages and salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

#### (ii) *Long service gratuity*

The liability for retirement gratuity payments due to eligible long-serving employees is recognised in the provision for employee benefits and measured as the value of expected future payments to be made in respect of services provided by employees up to the reporting date.

#### (iii) *Retirement benefit obligations*

The Group makes contributions to defined contribution pension schemes on behalf of some employees. The Group's legal or constructive obligation is limited to these contributions. Contributions are recognised as an expense when employees have rendered service entitling them to the contributions.

### (j) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and Fair Value through Other Comprehensive Income securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group and parent uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps and electricity Contract For Differences are calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate to their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

### (k) Foreign currency translation

Items included in the financial statements of each Group company's operations are measured using the currency of the primary economic environment in which it operates ('the functional currency'). These financial statements are presented in New Zealand dollars, which is the parent entity's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the consolidated income statement within 'other (losses)/gains – net'.

## 2 Summary of material accounting policies (continued)

### (l) Goods and Services Tax (GST)

The statement of comprehensive income and items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

### (m) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment irrespective of whether any circumstances identifying a possible impairment have been identified. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

### (n) Income tax

The tax expense or benefit for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in items of other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, as applicable.

The income tax expense or benefit for the period is the total of the current period's taxable income based on the national income tax rate for each jurisdiction plus/minus any prior years' under/over provisions, plus/minus movements in the deferred tax balance, except where the movement in deferred tax is attributable to a movement in reserves.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not offset within the Group as there is currently no legally enforceable right to offset current tax assets against current tax liabilities.

### (o) Intangible assets

#### (i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business or entity at the date of acquisition. Goodwill on acquisitions of businesses and subsidiaries is included in intangible assets. Goodwill acquired in business combinations is not amortised. Instead, it is tested for impairment annually, or more frequently if circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity disposed of.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

#### (ii) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (typically, three to five years).

#### (iii) Emission Trading Scheme assets

Carbon emission units are recognised at their initial cost less any accumulated impairment losses. For the purpose of impairment testing, carbon emission units are allocated to the cash generating unit to which they relate.

## 2 Summary of material accounting policies (continued)

### (o) Intangible assets (continued)

The carrying value of the units, and the value of the liabilities for which they will have to be surrendered, are calculated on a first in first out basis. The total value of units held is allocated between current and non-current intangible assets. The basis of allocation is that the carrying value of units which equals the current amount accrued as an ETS liability is treated as a current intangible asset less any obligation. The carrying value of all other units is treated as a non-current intangible asset.

#### (iv) Easements

Easements are perpetual rights over land owned by others. The Group obtains easements in order to protect access to its network assets where these are sited on or pass over privately owned land.

Easements are deemed to have an indefinite useful life as the grants do not have a maturity date and the Group expects to use and have benefit from each easement indefinitely. Therefore the Group does not amortise the cost of easements acquired. The Group and parent reviews the carrying value of easements annually for impairment, and writes down the carrying value if any are found to be impaired.

#### (v) Resource Consents

Resource consents are capitalised on the basis of the costs incurred. The Group and parent remeasures Resource Consents at fair value, along with its Generation Assets, as they are intrinsically linked. Resource Consents are amortised over their useful lives, considered to be the period of time until their expiry. Details of Generation Assets are provided within note 2(t).

### (p) Interest bearing liabilities

Interest bearing liabilities are recognised initially at fair value, net of transaction costs incurred, and are subsequently carried at amortised cost.

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

### (q) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of weighted average cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (r) Investments and other financial assets

#### (i) Classification

The Group and parent classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are recorded in profit or loss and for assets measured at spot rates, gains and losses are added to the cost of the asset.

The Group and parent reclassifies debt investments when and only when its business model for managing those assets changes.

#### (ii) Measurement

At initial recognition, the Group and parent measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

## 2 Summary of material accounting policies (continued)

### (r) Investments and other financial assets (continued)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.



## 2 Summary of material accounting policies (continued)

### (r) Investments and other financial assets (continued)

#### *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's and parent's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group and parent classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through hedge relationship:** Hedges of a particular cash flow associated with a recognised asset or liability or a highly probable forecast transaction. For contracts designated as cash flow hedges for accounting purposes, when the cash flows occur Top Energy Limited adjusts the carrying value of the asset acquired.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of comprehensive income within other gains/(losses) in the period in which it arises.

#### *(iii) Impairment*

The Group and parent assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by NZ IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### *(iv) Recognition and derecognition*

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### *(v) Measurement*

At initial recognition, the Group and parent measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Financial assets at fair value through profit or loss are carried at fair value. Gains or losses arising from changes in the fair value are recognised within Fair value gains (losses) on financial assets.

Details on how the fair value of financial instruments is determined are disclosed in note 2(j).

#### *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the Group and parent consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group and parent or the counterparty.

## 2 Summary of material accounting policies (continued)

### (r) Investments and other financial assets (continued)

#### (vi) Impairment

The Group and parent assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

#### *Assets carried at amortised cost*

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group and parent may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Statement of comprehensive income.

Impairment testing of trade receivables is described in 2(x).

#### (vii) Income recognition

#### *Interest income*

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group and parent reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

#### *Dividends*

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

### (s) Leases

Lease liabilities are measured at the present value of remaining lease payments, discounted using a rate which represents our Incremental Borrowing Rate (IBR), as well as a deemed margin to reflect commercial borrowing risk where applicable. This rate is effective on the date of transition, and subsequently reassessed for new lease liabilities on the date they are recognised.

Right-of-use (ROU) assets are initially recognised at cost, being the amount of the lease liability. ROU assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

In considering the lease term, the group applies judgment in determining whether it is reasonably certain that an extension or termination option will be exercised. The majority of the group's leases are property leases. The Group and parent has the right to renew the leases at the end of their lease terms.

The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.



## 2 Summary of material accounting policies (continued)

### (t) Property, plant and equipment

#### *Property, plant and equipment, including the distribution network*

Except for generation assets, all property, plant and equipment is shown at cost, less subsequent depreciation. Cost includes the amounts of revaluation surpluses that arose prior to the Group's transition to NZ IFRS and which were treated as deemed cost at the date of transition.

#### *Generation assets*

Effective 31 March 2014, the Group and parent has accounted for its generation assets at fair value. Valuations are undertaken at sufficiently regular intervals so that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The net revaluation results are presented within other comprehensive income and are accumulated to an asset revaluation reserve in equity.

Additions made subsequent to a periodic revaluation are carried at cost less accumulated depreciation until the date of the next revaluation of the asset class, at which point they are included in the updated valuation total.

A revaluation of the generation assets was undertaken as at 31 March 2025 and tested for impairment, and the resulting values have been incorporated into these financial statements.

#### *Other property, plant and equipment*

All other property, plant and equipment is stated at historic cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

#### *Subsequent expenditure*

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and parent and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

#### *Depreciation*

Land is not depreciated.

Fit-outs to leasehold buildings are depreciated on the straight line basis over the term of the underlying lease. It is assumed that leases will terminate at their next renewal date unless management has already planned to extend the lease beyond that date, in which case the term for depreciation purposes runs to the intended termination date.

Depreciation on other assets is calculated using either the straight line or diminishing value methods to allocate their cost, net of their residual value, over their estimated useful life, as follows:

| Straight Line basis        | Years |
|----------------------------|-------|
| Distribution system        | 15-60 |
| Generation plant           | 5-50  |
| Plant and equipment        | 3-20  |
| Freehold buildings         | 50    |
| Freehold building fit-outs | 5-10  |
| Motor vehicles             | 7     |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit or loss component of the statement of comprehensive income.

## 2 Summary of material accounting policies (continued)

### (u) Provisions

Provisions are recognised when all of the following conditions are met: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

### (v) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and Goods and Services Tax.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement

Revenue is recognised as follows:

#### (i) Electricity line revenue and Electricity sales revenue

Electricity line revenue is recognised in profit or loss on the basis of amounts received and receivable for line function services supplied to customers in the ordinary course of business. The right to payment corresponds directly with the pattern of distribution and electricity consumption. Electricity line revenue is based on actual and assessed meter readings and includes an allowance for unread meters at the reporting date, as this is the most faithful measure of consumption. Revenue is recognised over time as the customer receives and consumes the benefits on an ongoing basis

Electricity sales income is recognised as electricity generated and sold by reference to the quantity delivered as measured in kilowatt hours. Revenue is recognised over time as the customer receives and consumes the benefits on an ongoing basis.

#### *Critical judgements in applying this accounting policy:*

Part of the network charges are based on normalisation, where consumption is estimated by the retailers who supply the consumer, to the end of the billing period based on historical actual electricity usage, as this is the most faithful measure of consumption. Occasionally, historical electricity usage data is not consistent and subsequent adjustments are made. These adjustments are immaterial compared with total network revenue.

#### (ii) Capital contributions

Funds received from customers, as a contribution towards the cost of uneconomic supply facilities, are recognised in profit or loss as soon as any obligations attaching to the contributions have been met. For contributions that are refundable, there is a period of 5 years from the date of receipt which a part or all of the contribution may be refunded to the customer. Revenue is recognised at a point in time being the date of completion which is when the business has the right for payment of the work.

#### (iii) Contracting Services

When received in advance, are held as payments on account (as a liability in the statement of financial position) and released once the relevant job/contract has been completed. As the customer cannot consume any benefit until all components are completed, revenue is recognised at a point in time being the date of completion, which is when the business has the right for payment of the work.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

#### (iv) Other revenue

Revenue is recognised when the Group finalises a contract for sale with the purchaser over time as the customer receives and consumes the benefits of the task being completed as it is being performed. Other revenue also includes the rendering of services, where revenue recognised in the accounting period in which it arises. Typically, this will be on completion of the underlying transaction.

## 2 Summary of material accounting policies (continued)

### (v) Revenue recognition (continued)

#### (v) *Consumer Trust*

Dividend income is recognised when the parent's right to receive the dividend is established. Dividends are measured at the gross amount of the dividend declared excluding imputation credits. Interest income is recognised using the effective interest method and is included in profit or loss as it accrues.



## **2 Summary of material accounting policies (continued)**

### **(w) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Trust or the Group prior to the end of the accounting period and which are unpaid at that date.

Included in trade payables are amounts of contract liabilities. These represent payments received from customers of the Group's Contracting Services division prior to the commencement of the work contracted for. In the event that the customer were to cancel the contract prior to the commencement of work, the advance payment would become repayable to the customer.

Provisions for the Group's and parent's obligations under the New Zealand Emissions Trading Scheme are recognised when the Group's and parent's liability is incurred under Scheme regulations. The liability is calculated in accordance with the prescribed regulations and is recognised at the cost value of the emission units acquired to meet the obligation.

Carbon emission units are surrendered on a first-in first-out basis.

### **(x) Trade and other receivables**

Trade receivables are amounts due from customers for services supplied or goods sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables, expected credit loss allowance, is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The Group makes use of the simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of comprehensive income within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'other expenses' in the Statement of comprehensive income.

### **(y) Changes in accounting policies**

All accounting policies have been applied on a basis consistent with those applied during the previous reporting period unless otherwise stated within these financial statements.

### **(z) Adoption status of relevant new financial reporting standards and interpretations**

#### **Standards, interpretations and amendments to published standards that came into effect during the reporting year**

All mandatory Standards, Amendments and Interpretations have been adopted in the current accounting period. None have had a material impact on these financial statements.

#### **Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group**

There are a number of Standards, Amendments and Interpretations which have been approved. The Group expects to adopt these when they become mandatory.

In May 2024 the Externel Reporting Board issued NZ IFRS 18: Presentation and Disclosure in Financial Statements ('NZ IFRS 18'), effective for reporting periods commencing on or after 1 January 2027. This accounting standard is expected to change the presentation of the Group's income statement and may introduce additional note disclosures. NZ IFRS 18 does not impact the financial position, financial performance or cash flows of the Group. Other standards, amendments and interpretations which are not yet effective are not expected to have a material impact on the Group.

### 3 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and energy price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial and energy markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts, interest rate swaps and electricity contract for differences (CFDs) to hedge certain risk exposures. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other energy price risks and aging analysis for credit risk.

Risk management is carried out by senior management under policies approved by the Board of Trustees. Management identifies and evaluates relevant financial risks and acts to manage these where possible within the parameters set out by the Board of Trustees. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

#### (a) Market risk

##### (i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The foreign currency exposures give rise to the risk of variability to future cash flows. To mitigate this risk, forward foreign exchange contracts have been entered into. The cash flows associated with these contracts are timed to mature when the payment for capital expenditure is made. For contracts designated as cash flow hedges for accounting purposes, when the cash flows occur Top Energy Limited adjusts the carrying value of the asset acquired.

At the current reporting date, the Group had zero forward foreign currency contracts (2025: 2 contracts: EUR 1,186,000) to manage exposure.

##### (ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Throughout the years presented in these financial statements, the Group's borrowings at variable rate were denominated in New Zealand dollars.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating-rate interest amounts, calculated by reference to the agreed notional principal amounts.

Interest rate risk arises in respect of the portion of the Group's borrowings that is not covered by interest rate swaps. The element of Group borrowings at the reporting dates presented in these financial statements is sufficiently small such that, if interest rates had changed by +/- 1% (=100bp) from the average period rate of 3.28% (2025: 4.75%) with all other variables held constant, the effect on post-tax profit for the year in respect of that element of total borrowings would have been less than \$500,000.

If the above sensitivity calculation were applied to the total of interest rate swaps entered into by the Group at the reporting date, the effect of a change of +/- 1% (=100bp) in the floating rate element of those swaps would result in a reduction / increase in the fair value derivative loss recognised at the reporting date of +\$7,244,000/ -\$7,597,000 respectively (2025: +\$9,655,000/ -\$10,175,000).

##### (iii) Energy market risk

The Group has entered into electricity Contract For Differences (CFDs) under which it receives a fixed amount based on a notional quantity of electricity generation. At 31 March 2026, the notional amount of current contracts totaled \$208,870,000 (31 March 2025: \$173,581,000). The settlement dates coincide with the dates on which spot prices are receivable on the underlying electricity generation, being 20th of the following month.

### 3 Financial risk management (continued)

#### (b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum Standard & Poor's credit rating of 'A' (or equivalent) are accepted. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and any other relevant factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. Customers' credit limits are regularly monitored by management.

Three customers comprised 65% of the Group's total trade accounts receivable as at 31 March 2026 (2025: 70%). Subsequent to the reporting dates, the amounts then due were cleared. The Group does not expect the non-performance of any material obligations as at the reporting date.

Credit risk arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity. This arises on derivative financial instruments with unrealised gains. Unrealised gains are presented as derivative financial instrument assets within note 12.

The Group undertakes all of its transactions in foreign exchange and interest rate contracts with trading banks that are registered with the Reserve Bank of New Zealand.

#### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group's management aims to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity requirements on the basis of expected cash flow.

The following table analyses the Group's financial liabilities, excluding derivative financial instruments (which are shown separately), into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows and include interest to maturity.

|                                | Less than 1<br>year<br>\$'000 | Between 1 and<br>2 years<br>\$'000 | Between 2 and<br>5 years<br>\$'000 | Over<br>5 years<br>\$'000 |
|--------------------------------|-------------------------------|------------------------------------|------------------------------------|---------------------------|
| <b>At 31 March 2026</b>        |                               |                                    |                                    |                           |
| <b>Group</b>                   |                               |                                    |                                    |                           |
| Bank overdrafts and loans      | 29,332                        | 8,760                              | 234,113                            | -                         |
| Right-of-use lease liabilities | 1,892                         | 1,872                              | 5,414                              | 4,414                     |
| Trade and other payables       | 22,760                        | -                                  | -                                  | -                         |
| <b>Parent</b>                  |                               |                                    |                                    |                           |
| Trade and other payables       | 961                           | -                                  | -                                  | -                         |
| <b>At 31 March 2025</b>        |                               |                                    |                                    |                           |
| <b>Group</b>                   |                               |                                    |                                    |                           |
| Bank overdrafts and loans      | 14,096                        | 13,132                             | 253,683                            | -                         |
| Right-of-use lease liabilities | 1,280                         | 2,481                              | 3,557                              | 4,660                     |
| Trade and other payables       | 23,584                        | -                                  | -                                  | -                         |
| <b>Parent</b>                  |                               |                                    |                                    |                           |
| Trade and other payables       | 960                           | -                                  | -                                  | -                         |

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### 3 Financial risk management (continued)

The table below analyses the Group's derivative financial instruments that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. For the purposes of calculating the undiscounted contractual cashflows on the interest rate swaps, it has been assumed that the base rate driving the floating portion will remain the same throughout the term of each contract.

| <b>Consolidated only</b>           | Less than 1<br>year<br>\$'000 | Between 1 and<br>2 years<br>\$'000 | Between 2 and<br>5 years<br>\$'000 | Over<br>5 years<br>\$'000 |
|------------------------------------|-------------------------------|------------------------------------|------------------------------------|---------------------------|
| <b>At 31 March 2026</b>            |                               |                                    |                                    |                           |
| Forward foreign exchange contracts |                               |                                    |                                    |                           |
| - inflow                           | -                             | -                                  | -                                  | -                         |
| - outflow                          | -                             | -                                  | -                                  | -                         |
| Interest rate swaps                |                               |                                    |                                    |                           |
| - inflow                           | -                             | -                                  | -                                  | -                         |
| - outflow                          | (3,601)                       | (3,300)                            | (5,808)                            | -                         |
| Electricity CFD's                  |                               |                                    |                                    |                           |
| - inflow                           | 1,456                         | 1,688                              | 2,944                              | -                         |
| - outflow                          | (9,053)                       | (9,006)                            | (6,051)                            | -                         |
| <b>At 31 March 2025</b>            |                               |                                    |                                    |                           |
| Forward foreign exchange contracts |                               |                                    |                                    |                           |
| - inflow                           | 91                            | -                                  | -                                  | -                         |
| - outflow                          | -                             | -                                  | -                                  | -                         |
| Interest rate swaps                |                               |                                    |                                    |                           |
| - inflow                           | 443                           | 239                                | 176                                | -                         |
| - outflow                          | (5,965)                       | (5,963)                            | (17,770)                           | (65)                      |
| Electricity CFD's                  |                               |                                    |                                    |                           |
| - inflow                           | 130                           | 730                                | -                                  | -                         |
| - outflow                          | (42,669)                      | (23,105)                           | (25,256)                           | -                         |

Cash flow forecasting is performed in aggregate by the Group. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs whilst maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, so that the Group does not breach its borrowing limits or covenants (as applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, where applicable, external regulatory or legal requirements (for example, currency restrictions).

#### (d) Fair value estimation

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the relevant reporting date. Quoted market prices or dealer quotes for similar instruments are used as the basis for valuing interest rate swaps, electricity CFDs and forward foreign exchange contracts. Additional credit and debit value adjustments are made to the market prices in order to arrive at fair values as defined by NZ IFRS 13 Fair Value Measurement. The Group employs specialist independent valuers to calculate these valuations.

The carrying value, less impairment provision, of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

### 3 Financial risk management (continued)

The Group applies the provisions of NZ IFRS 7 Financial Instruments: Disclosures for financial instruments that are measured in the statement of financial position at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise equity investments quoted on a recognised stock exchange that are classified as trading securities or Fair Value through Other Comprehensive Income.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.



### 3 Financial risk management (continued)

The following table presents the Group's and Parent's assets and liabilities that are measured at fair value. Refer to note 13 for disclosures of generation plant that is measured at fair value.

| Consolidated - At 31 March 2026                            | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total balance<br>\$'000 |
|------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------------|
| <b>Assets</b>                                              |                   |                   |                   |                         |
| Financial assets at fair value through profit or loss      |                   |                   |                   |                         |
| – Trading derivatives - interest rate swaps                | -                 | 428               | -                 | 428                     |
| – Trading derivatives - electricity CFDs                   | -                 | 6,088             | -                 | 6,088                   |
| – Trading derivatives - forward FX contracts               | -                 | -                 | -                 | -                       |
| <b>Total assets</b>                                        | -                 | 6,516             | -                 | 6,516                   |
| <b>Liabilities</b>                                         |                   |                   |                   |                         |
| Financial liabilities at fair value through profit or loss |                   |                   |                   |                         |
| – Trading derivatives - interest rate swaps                | -                 | (1,368)           | -                 | (1,368)                 |
| – Trading derivatives - electricity CFDs                   | -                 | (24,110)          | -                 | (24,110)                |
| – Trading derivatives - forward FX contracts               | -                 | -                 | -                 | -                       |
| <b>Total liabilities</b>                                   | -                 | (25,478)          | -                 | (25,478)                |
| <b>Consolidated - At 31 March 2025</b>                     |                   |                   |                   |                         |
| <b>Assets</b>                                              |                   |                   |                   |                         |
| Financial assets at fair value through profit or loss      |                   |                   |                   |                         |
| – Trading derivatives - interest rate swaps                | -                 | 176               | -                 | 176                     |
| – Trading derivatives - electricity CFDs                   | -                 | 860               | -                 | 860                     |
| – Trading derivatives - forward FX contracts               | -                 | 91                | -                 | 91                      |
| <b>Total assets</b>                                        | -                 | 1,127             | -                 | 1,127                   |
| <b>Liabilities</b>                                         |                   |                   |                   |                         |
| Financial liabilities at fair value through profit or loss |                   |                   |                   |                         |
| – Trading derivatives - interest rate swaps                | -                 | (3,020)           | -                 | (3,020)                 |
| – Trading derivatives - electricity CFDs                   | -                 | (91,030)          | -                 | (91,030)                |
| – Trading derivatives - forward FX contracts               | -                 | -                 | -                 | -                       |
| <b>Total liabilities</b>                                   | -                 | (94,050)          | -                 | (94,050)                |
| <b>Parent - At 31 March 2026 and 31 March 2025</b>         |                   |                   |                   |                         |
| <b>Assets - None</b>                                       |                   |                   |                   |                         |
| <b>Liabilities - None</b>                                  |                   |                   |                   |                         |
| <b>Assets - None</b>                                       |                   |                   |                   |                         |
| <b>Liabilities - None</b>                                  |                   |                   |                   |                         |

There were no transfers between levels 1, 2 and 3 during the above years.

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### 3 Financial risk management (continued)

#### (e) Financial instruments by category

| Financial assets as per the statement of financial position | Financial assets at Amortised Cost<br>\$'000 | Financial Assets at Fair value through profit or loss<br>\$'000 | Derivatives used for hedging<br>\$'000 | Other<br>\$'000 | Total<br>\$'000 |
|-------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------------|----------------------------------------|-----------------|-----------------|
| <b>Consolidated</b>                                         |                                              |                                                                 |                                        |                 |                 |
| <b>At 31 March 2026</b>                                     |                                              |                                                                 |                                        |                 |                 |
| Derivative financial instruments - electricity CFDs         | -                                            | 6,088                                                           | -                                      | -               | 6,088           |
| Derivative financial instruments - interest rate swaps      | -                                            | 428                                                             | -                                      | -               | 428             |
| Derivative financial instruments - forward FX contracts     | -                                            | -                                                               | -                                      | -               | -               |
| Trade and other receivables                                 | 12,908                                       | -                                                               | -                                      | -               | 12,908          |
| Other financial assets                                      | -                                            | -                                                               | -                                      | -               | -               |
| Cash and cash equivalents                                   | 573                                          | -                                                               | -                                      | -               | 573             |
|                                                             | <u>13,481</u>                                | <u>6,516</u>                                                    | <u>-</u>                               | <u>-</u>        | <u>19,997</u>   |

#### Consolidated

##### At 31 March 2025

|                                                         |               |              |           |               |               |
|---------------------------------------------------------|---------------|--------------|-----------|---------------|---------------|
| Derivative financial instruments - electricity CFDs     | -             | 860          | -         | -             | 860           |
| Derivative financial instruments - interest rate swaps  | -             | 176          | -         | -             | 176           |
| Derivative financial instruments - forward FX contracts | -             | -            | 91        | -             | 91            |
| Trade and other receivables                             | 16,670        | -            | -         | -             | 16,670        |
| Other financial assets                                  | -             | -            | -         | 14,078        | 14,078        |
| Cash and cash equivalents                               | 257           | -            | -         | -             | 257           |
|                                                         | <u>16,927</u> | <u>1,036</u> | <u>91</u> | <u>14,078</u> | <u>32,132</u> |

| Financial assets as per the statement of financial position | Financial assets at Amortised Cost<br>\$'000 | Financial Assets at Fair value through profit or loss<br>\$'000 | Other<br>\$'000 | Total<br>\$'000 |
|-------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------------|-----------------|-----------------|
|-------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------------|-----------------|-----------------|

#### Parent

##### At 31 March 2026

|                          |              |          |          |              |
|--------------------------|--------------|----------|----------|--------------|
| Related party receivable | 5,172        | -        | -        | 5,172        |
|                          | <u>5,172</u> | <u>-</u> | <u>-</u> | <u>5,172</u> |

#### Parent

##### At 31 March 2025

|                          |              |          |          |              |
|--------------------------|--------------|----------|----------|--------------|
| Related party receivable | 5,045        | -        | -        | 5,045        |
|                          | <u>5,045</u> | <u>-</u> | <u>-</u> | <u>5,045</u> |

### 3 Financial risk management (continued)

| Financial liabilities as per the statement of financial position | Financial liabilities at Amortised Cost<br>\$'000 | Financial liabilities at Fair value through profit or loss<br>\$'000 | Total<br>\$'000 |
|------------------------------------------------------------------|---------------------------------------------------|----------------------------------------------------------------------|-----------------|
| <b>Consolidated</b>                                              |                                                   |                                                                      |                 |
| <b>At 31 March 2026</b>                                          |                                                   |                                                                      |                 |
| Borrowings                                                       | 284,700                                           | -                                                                    | 284,700         |
| Derivative financial instruments - forward FX contracts          | -                                                 | -                                                                    | -               |
| Derivative financial instruments - interest rate swaps           | -                                                 | 1,368                                                                | 1,368           |
| Derivative financial instruments - electricity CFDs              | -                                                 | 24,110                                                               | 24,110          |
| Right-of-use lease liabilities                                   | 10,442                                            | -                                                                    | 10,442          |
| Trade and other payables                                         | 22,670                                            | -                                                                    | 22,670          |
|                                                                  | <u>317,812</u>                                    | <u>25,478</u>                                                        | <u>343,290</u>  |
| <b>Consolidated</b>                                              |                                                   |                                                                      |                 |
| <b>At 31 March 2025</b>                                          |                                                   |                                                                      |                 |
| Borrowings                                                       | 296,710                                           | -                                                                    | 296,710         |
| Derivative financial instruments - forward FX contracts          | -                                                 | -                                                                    | -               |
| Derivative financial instruments - interest rate swaps           | -                                                 | 3,020                                                                | 3,020           |
| Derivative financial instruments - electricity CFDs              | -                                                 | 91,030                                                               | 91,030          |
| Right-of-use lease liabilities                                   | 7,950                                             | -                                                                    | 7,950           |
| Trade and other payables                                         | 23,584                                            | -                                                                    | 23,584          |
|                                                                  | <u>328,244</u>                                    | <u>94,050</u>                                                        | <u>422,294</u>  |
| <b>Parent</b>                                                    |                                                   |                                                                      |                 |
| <b>At 31 March 2026</b>                                          |                                                   |                                                                      |                 |
| Trade and other payables                                         | 937                                               | -                                                                    | 937             |
|                                                                  | <u>937</u>                                        | <u>-</u>                                                             | <u>937</u>      |
| <b>Parent</b>                                                    |                                                   |                                                                      |                 |
| <b>At 31 March 2025</b>                                          |                                                   |                                                                      |                 |
| Trade and other payables                                         | 939                                               | -                                                                    | 939             |
|                                                                  | <u>939</u>                                        | <u>-</u>                                                             | <u>939</u>      |

Top Energy Consumer Trust  
Notes to the financial statements  
For the year ended 31 March 2026  
(continued)

#### 4 Revenue

|                                          | Consolidated   |                | Parent       |              |
|------------------------------------------|----------------|----------------|--------------|--------------|
|                                          | 2026           | 2025           | 2026         | 2025         |
|                                          | \$'000         | \$'000         | \$'000       | \$'000       |
|                                          |                |                |              | Restated     |
| <b>From continuing operations</b>        |                |                |              |              |
| Electricity line revenue                 | 60,431         | 53,190         | -            | -            |
| Network line charge discount             | (5,830)        | (5,846)        | -            | -            |
| Capital contributions                    | 5,346          | 3,981          | -            | -            |
| Electricity sales                        | 52,206         | 53,750         | -            | -            |
| Contracting services                     | 2,503          | 2,820          | -            | -            |
| Interest                                 | -              | -              | 184          | 64           |
| Dividends                                | -              | -              | 3,815        | 3,906        |
| Other revenue                            | 346            | 238            | -            | -            |
| Total revenue from continuing operations | <u>115,002</u> | <u>108,133</u> | <u>3,999</u> | <u>3,970</u> |

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## 5 Expenses

|                                                                                                                                                  | Consolidated<br>2026<br>\$'000 | 2025<br>\$'000 | Parent<br>2026<br>\$'000 | 2025<br>\$'000 |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------|--------------------------|----------------|
| <b>Expenses, excluding depreciation, amortisation and finance costs, included in the Statement of Comprehensive Income classified by nature:</b> |                                |                |                          |                |
| Raw materials and consumables used                                                                                                               | 15,605                         | 16,922         | -                        | -              |
| Employee benefits expense                                                                                                                        | 27,945                         | 25,211         | -                        | -              |
| Other expenses                                                                                                                                   | 3,131                          | 1,997          | 279                      | 258            |
| Transmission charges                                                                                                                             | 8,329                          | 7,042          | -                        | -              |
|                                                                                                                                                  | <u>55,010</u>                  | <u>51,172</u>  | <u>279</u>               | <u>258</u>     |
| <b>Profit before income tax includes the following specific expenses:</b>                                                                        |                                |                |                          |                |
| <i>Depreciation</i>                                                                                                                              |                                |                |                          |                |
| Distribution system                                                                                                                              | 9,633                          | 9,198          | -                        | -              |
| Generation plant                                                                                                                                 | 13,863                         | 12,845         | -                        | -              |
| Plant and equipment                                                                                                                              | 908                            | 646            | -                        | -              |
| Vehicles                                                                                                                                         | 672                            | 567            | -                        | -              |
| Buildings                                                                                                                                        | 120                            | 211            | -                        | -              |
| Right-of-use leased assets                                                                                                                       | 1,366                          | 1,039          | -                        | -              |
| Total depreciation                                                                                                                               | <u>26,562</u>                  | <u>24,506</u>  | <u>-</u>                 | <u>-</u>       |
| <i>Amortisation</i>                                                                                                                              |                                |                |                          |                |
| Software                                                                                                                                         | 549                            | 578            | -                        | -              |
| Resource consents                                                                                                                                | 540                            | 435            | -                        | -              |
| Total amortisation                                                                                                                               | <u>1,089</u>                   | <u>1,013</u>   | <u>-</u>                 | <u>-</u>       |
| Total depreciation and amortisation                                                                                                              | <u>27,651</u>                  | <u>25,519</u>  | <u>-</u>                 | <u>-</u>       |
| <i>Net loss (gain) on disposal of property, plant and equipment</i>                                                                              | <u>110</u>                     | <u>63</u>      | <u>-</u>                 | <u>-</u>       |
| <i>Employee benefit expense</i>                                                                                                                  |                                |                |                          |                |
| Wages and salaries, including restructuring costs and termination benefits                                                                       | 26,459                         | 23,897         | -                        | -              |
| ACC levies and employee medical insurance                                                                                                        | 837                            | 722            | -                        | -              |
| Pension costs - defined contribution plans                                                                                                       | 649                            | 592            | -                        | -              |
|                                                                                                                                                  | <u>27,945</u>                  | <u>25,211</u>  | <u>-</u>                 | <u>-</u>       |

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## 5 Expenses (continued)

### Auditors' fees

Top Energy Consumer Trust is audited by BDO Northland. The Top Energy Group is audited by Deloitte Limited, who are acting on behalf of the Auditor-General. The following fees were paid or payable for services provided by the respective appointed auditors of the Group and their related practices:

|                                                                          | Consolidated |            | Parent    |           |
|--------------------------------------------------------------------------|--------------|------------|-----------|-----------|
|                                                                          | 2026         | 2025       | 2026      | 2025      |
|                                                                          | \$'000       | \$'000     | \$'000    | \$'000    |
| <b>Audit services</b>                                                    |              |            |           |           |
| <i>BDO Northland :</i>                                                   |              |            |           |           |
| Audit of the financial statements of the Top Energy Consumer Trust Group | 28           | 25         | 28        | 25        |
| Total remuneration for audit services                                    | <u>28</u>    | <u>25</u>  | <u>28</u> | <u>25</u> |
| <br><i>Deloitte Limited New Zealand:</i>                                 |              |            |           |           |
| Audit of the financial statements of the Top Energy Ltd Group            | 325          | 282        | -         | -         |
| Other assurance services                                                 |              |            |           |           |
| Audit of regulatory statements                                           | 72           | 116        | -         | -         |
| Audit of Unique Emission Factor                                          | -            | 21         | -         | -         |
| Total remuneration for other assurance services                          | <u>397</u>   | <u>419</u> | <u>-</u>  | <u>-</u>  |
| Total remuneration for assurance services                                | <u>425</u>   | <u>444</u> | <u>28</u> | <u>25</u> |

## 6 Fair value gains (losses) on financial assets

|                                                           | Consolidated  |                 | Parent   |          |
|-----------------------------------------------------------|---------------|-----------------|----------|----------|
|                                                           | 2026          | 2025            | 2026     | 2025     |
|                                                           | \$'000        | \$'000          | \$'000   | \$'000   |
| Net gain / (loss) on interest rate swaps                  | 1,904         | (9,630)         | -        | -        |
| Net gain / (loss) on electricity Contract for Differences | <u>72,148</u> | <u>(17,062)</u> | <u>-</u> | <u>-</u> |
|                                                           | <u>74,052</u> | <u>(26,692)</u> | <u>-</u> | <u>-</u> |

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## 7 Income tax expense

|                                                                                                   | Consolidated<br>2026<br>\$'000 | 2025<br>\$'000  | Parent<br>2026<br>\$'000 | 2025<br>\$'000 |
|---------------------------------------------------------------------------------------------------|--------------------------------|-----------------|--------------------------|----------------|
|                                                                                                   |                                |                 |                          | Restated       |
| <b>(a) Income tax expense</b>                                                                     |                                |                 |                          |                |
| <b>Current tax</b>                                                                                |                                |                 |                          |                |
| Current tax on profits for the year                                                               | 1,278                          | 1,901           | 234                      | 202            |
| Adjustments in respect of prior years                                                             | -                              | 1               | -                        | -              |
| Total current tax                                                                                 | <u>1,278</u>                   | <u>1,902</u>    | <u>234</u>               | <u>202</u>     |
| <b>Deferred tax</b>                                                                               |                                |                 |                          |                |
| Origination and reversal of temporary differences                                                 | 23,398                         | 12,809          | -                        | -              |
| Exclude: element arising on fixed asset revaluation -<br>recognised in other comprehensive income | -                              | (18,812)        | -                        | -              |
| Total deferred tax                                                                                | <u>23,398</u>                  | <u>(6,003)</u>  | <u>-</u>                 | <u>-</u>       |
| <b>Income tax expense / (benefit)</b>                                                             | <u>24,676</u>                  | <u>(4,101)</u>  | <u>234</u>               | <u>202</u>     |
| Profit (loss) from continuing operations                                                          | <u>24,676</u>                  | <u>(4,101)</u>  | <u>234</u>               | <u>202</u>     |
| Deferred income tax expense (benefit) included in<br>income tax expense comprises:                |                                |                 |                          |                |
| (Increase) decrease in deferred tax assets                                                        | 19,380                         | (5,948)         | -                        | -              |
| Increase (decrease) in deferred tax liabilities (note 20)                                         | 4,018                          | (55)            | -                        | -              |
|                                                                                                   | <u>23,398</u>                  | <u>(6,003)</u>  | <u>-</u>                 | <u>-</u>       |
| <b>(b) Numerical reconciliation of income tax expense<br/>to prima facie tax payable</b>          |                                |                 |                          |                |
| Profit (loss) from continuing operations before income<br>tax expense                             | <u>90,729</u>                  | <u>(10,675)</u> | <u>3,720</u>             | <u>3,712</u>   |
|                                                                                                   | <u>90,729</u>                  | <u>(10,675)</u> | <u>3,720</u>             | <u>3,712</u>   |
| Tax at the New Zealand tax rate of 28% for both periods<br>(Parent: 33% for both periods)         | 25,404                         | (2,989)         | 1,228                    | 1,225          |
| Tax effect of amounts which are not deductible (taxable)<br>in calculating taxable income:        |                                |                 |                          |                |
| Non-deductible expenditure                                                                        | 3                              | 3               | -                        | -              |
| Income not subject to tax                                                                         | (1,485)                        | (1,055)         | (994)                    | (959)          |
| Other reconciling items                                                                           |                                |                 |                          |                |
| Adjustment in respect of prior years                                                              | 754                            | 4               | -                        | -              |
| Tax losses utilised                                                                               | -                              | (64)            | -                        | (64)           |
| Income tax expense                                                                                | <u>24,676</u>                  | <u>(4,101)</u>  | <u>234</u>               | <u>202</u>     |
| <b>(c) Reconciliation for Income tax receivable</b>                                               |                                |                 |                          |                |
| Withholding tax paid on dividend                                                                  | -                              | -               | 265                      | 256            |
| Income tax expense                                                                                | -                              | -               | (234)                    | (202)          |
| Prior period adjustment                                                                           | -                              | -               | -                        | 7              |
| Income tax refund                                                                                 | <u>-</u>                       | <u>-</u>        | <u>31</u>                | <u>61</u>      |

## 8 Current assets - Cash and cash equivalents

|               | Consolidated<br>2026<br>\$'000 | 2025<br>\$'000 | Parent<br>2026<br>\$'000 | 2025<br>\$'000 |
|---------------|--------------------------------|----------------|--------------------------|----------------|
| Cash on hand  | 1                              | 1              | -                        | -              |
| Bank balances | <u>572</u>                     | <u>256</u>     | <u>-</u>                 | <u>-</u>       |
|               | <u>573</u>                     | <u>257</u>     | <u>-</u>                 | <u>-</u>       |

The Group have several overdraft facilities available to them however none were drawn down as at balance date (2025: Nil)

## 9 Current assets - Receivables

|                                    | Consolidated<br>2026<br>\$'000 | 2025<br>\$'000 | Parent<br>2026<br>\$'000 | 2025<br>\$'000<br>Restated |
|------------------------------------|--------------------------------|----------------|--------------------------|----------------------------|
| <b>Net trade receivables</b>       |                                |                |                          |                            |
| Trade debtors                      | 12,908                         | 16,803         | -                        | -                          |
| Income Tax Receivable              | 31                             | 62             | 31                       | 62                         |
| GST receivable                     | 371                            | 394            | 1                        | -                          |
| Allowance for doubtful receivables | <u>(564)</u>                   | <u>(527)</u>   | <u>-</u>                 | <u>-</u>                   |
| Net trade receivables              | <u>12,746</u>                  | <u>16,732</u>  | <u>32</u>                | <u>62</u>                  |
| <b>Related party receivable</b>    |                                |                |                          |                            |
| Receivable from Top Energy Ltd     | -                              | -              | 5,163                    | 5,045                      |
| <b>Prepayments</b>                 |                                |                |                          |                            |
| Sundry prepayments                 | <u>2,557</u>                   | <u>2,731</u>   | <u>20</u>                | <u>20</u>                  |
| <b>Total current receivables</b>   | <u>15,303</u>                  | <u>19,463</u>  | <u>5,215</u>             | <u>5,127</u>               |

### (a) Impaired receivables

Movements in the expected credit loss allowance of receivables are as follows:

|                                                      |              |              |          |          |
|------------------------------------------------------|--------------|--------------|----------|----------|
| At 1 April                                           | (527)        | (368)        | -        | -        |
| Provision for impairment arising during the year     | (36)         | 158          | -        | -        |
| Provision for impairment released in the year        | -            | -            | -        | -        |
| Charge (credit) to profit and loss during the period | <u>(1)</u>   | <u>(1)</u>   | <u>-</u> | <u>-</u> |
| At 31 March                                          | <u>(564)</u> | <u>(527)</u> | <u>-</u> | <u>-</u> |

The creation and release of the expected credit loss allowance on receivables has been included in 'other expenses' in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

### (b) Foreign exchange and interest rate risk

A summarised analysis of the sensitivity of trade and other receivables to foreign exchange and interest rate risk can be found in note 3.

### (c) Fair value

Due to the short-term nature of trade receivables, their carrying value is assumed to approximate to their fair value.

## 10 Current assets - Inventories

|                                                | Consolidated<br>2026<br>\$'000 | 2025<br>\$'000 | Parent<br>2026<br>\$'000 | 2025<br>\$'000 |
|------------------------------------------------|--------------------------------|----------------|--------------------------|----------------|
| <i>Raw materials</i>                           |                                |                |                          |                |
| Raw materials at cost                          | 3,347                          | 3,913          | -                        | -              |
| Contract costs incurred less recognised losses | 697                            | 485            | -                        | -              |
|                                                | <u>4,044</u>                   | <u>4,398</u>   | <u>-</u>                 | <u>-</u>       |

## 11 Current assets - Current tax benefit

|                                                       | Consolidated<br>2026<br>\$'000 | 2025<br>\$'000 | Parent<br>2026<br>\$'000 | 2025<br>\$'000 |
|-------------------------------------------------------|--------------------------------|----------------|--------------------------|----------------|
| Excess of tax paid for current period over amount due | 1,750                          | -              | -                        | -              |
|                                                       | <u>1,750</u>                   | <u>-</u>       | <u>-</u>                 | <u>-</u>       |

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## 12 Derivative financial instruments

|                                                                                  | Consolidated<br>2026<br>\$'000 | 2025<br>\$'000  | Parent<br>2026<br>\$'000 | 2025<br>\$'000 |
|----------------------------------------------------------------------------------|--------------------------------|-----------------|--------------------------|----------------|
| <b>Current assets</b>                                                            |                                |                 |                          |                |
| Cash flow hedges ((a)(i))                                                        | -                              | 91              | -                        | -              |
| Interest rate swaps - at fair value through profit or loss - see below ((a)(ii)) | -                              | 1               | -                        | -              |
| Electricity Contract for Differences - see below ((a)(iii))                      | 1,456                          | 130             | -                        | -              |
| Cash flow hedge                                                                  | -                              | -               | -                        | -              |
| Total current derivative financial instrument assets                             | <u>1,456</u>                   | <u>222</u>      | <u>-</u>                 | <u>-</u>       |
| <b>Non-current assets</b>                                                        |                                |                 |                          |                |
| Interest rate swaps - at fair value through profit or loss - see below ((a)(ii)) | 428                            | 175             | -                        | -              |
| Electricity Contract for Differences - see below ((a)(iii))                      | 4,632                          | 730             | -                        | -              |
| Total non-current derivative financial instrument assets                         | <u>5,060</u>                   | <u>905</u>      | <u>-</u>                 | <u>-</u>       |
| Total derivative financial instrument assets                                     | <u>6,516</u>                   | <u>1,127</u>    | <u>-</u>                 | <u>-</u>       |
| <b>Current liabilities</b>                                                       |                                |                 |                          |                |
| Interest rate swaps - at fair value through profit or loss - see below ((a)(ii)) | (170)                          | (4)             | -                        | -              |
| Electricity Contract For Differences - see below ((a)(iii))                      | (9,053)                        | (42,669)        | -                        | -              |
| Total current derivative financial instrument liabilities                        | <u>(9,223)</u>                 | <u>(42,673)</u> | <u>-</u>                 | <u>-</u>       |
| <b>Non-current liabilities</b>                                                   |                                |                 |                          |                |
| Interest rate swaps - at fair value through profit or loss - see below ((a)(ii)) | (1,198)                        | (3,016)         | -                        | -              |
| Electricity Contract For Differences - see below ((a)(iii))                      | (15,057)                       | (48,361)        | -                        | -              |
| Total non-current derivative financial instrument liabilities                    | <u>(16,255)</u>                | <u>(51,377)</u> | <u>-</u>                 | <u>-</u>       |
| Total derivative financial instrument liabilities                                | <u>(25,478)</u>                | <u>(94,050)</u> | <u>-</u>                 | <u>-</u>       |
| Net (liabilities) in relation to derivative financial instruments                | <u>(18,962)</u>                | <u>(92,923)</u> | <u>-</u>                 | <u>-</u>       |

For further information refer to note 2(g).

### (a) Instruments used by the Group and parent

#### (i) Forward foreign exchange contracts

Details can be found in note 3(a)(i).

The cash flows associated with these contracts are timed to mature when the payment for capital expenditure is made. For contracts designated as cash flow hedges for accounting purposes, when the cash flows occur Top Energy Limited adjusts the carrying value of the asset acquired

#### (ii) Interest rate swaps

The Group has entered into interest rate swap contracts under which it receives interest at variable rates and pays interest at fixed rates in respect of the notional principal amount of each contract. At 31 March 2026 the notional principal amount of current contracts totalled \$285,000,000 (31 March 2025: \$304,000,000). At 31 March 2026 there was 2 remaining forward starting contracts (31 March 2025: 13), with a total notional principal value of \$70,000,000 (2025: \$147,000,000), to replace maturing contracts.

## 12 Derivative financial instruments (continued)

The contracts require settlement of net interest receivable or payable each 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

### *(iii) Electricity Contract for Differences*

The Group has entered into electricity Contract For Differences (CFDs) under which it receives a fixed amount based on a notional quantity of electricity generation. Details can be found in note 3(a)(iii).

### **(b) Credit risk exposures**

Credit risk arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity. This arises on derivative financial instruments with unrealised gains. Details of the Group's exposure to credit risk are given at note 3(b).



### 13 Non-current assets - Property, plant and equipment

| Consolidated                       | Distribution system \$'000 | Capital work in progress \$'000 | Generation plant \$'000 | Plant and equipment \$'000 | Motor vehicles \$'000 | Freehold land \$'000 | Buildings \$'000 | Total \$'000   |
|------------------------------------|----------------------------|---------------------------------|-------------------------|----------------------------|-----------------------|----------------------|------------------|----------------|
| <b>Year ended 31 March 2026</b>    |                            |                                 |                         |                            |                       |                      |                  |                |
| Opening net book amount            | 285,313                    | 14,342                          | 443,981                 | 4,070                      | 2,979                 | 8,197                | 2,286            | 761,168        |
| Additions                          | 28,508                     | 12,038                          | 1,936                   | 6,356                      | 1,176                 | -                    | -                | 50,014         |
| Disposals                          | (388)                      | -                               | -                       | -                          | (998)                 | -                    | -                | (1,386)        |
| Transfers and reclassifications    | -                          | (14,340)                        | -                       | -                          | -                     | -                    | -                | (14,340)       |
| Depreciation charge                | (9,633)                    | -                               | (13,863)                | (907)                      | (669)                 | -                    | (120)            | (25,192)       |
| Depreciation released on disposals | 109                        | -                               | -                       | -                          | 933                   | -                    | -                | 1,042          |
| Revaluation of generation plant    | -                          | -                               | -                       | -                          | -                     | -                    | -                | -              |
| Closing net book amount            | <u>303,909</u>             | <u>12,040</u>                   | <u>432,054</u>          | <u>9,519</u>               | <u>3,421</u>          | <u>8,197</u>         | <u>2,166</u>     | <u>771,306</u> |
| <b>At 31 March 2026</b>            |                            |                                 |                         |                            |                       |                      |                  |                |
| Cost                               | 537,290                    | 12,040                          | 3,195                   | 20,919                     | 8,813                 | 8,197                | 4,018            | 594,472        |
| Valuation                          | -                          | -                               | 442,866                 | -                          | -                     | -                    | -                | 442,866        |
| Accumulated depreciation           | (233,381)                  | -                               | (14,007)                | (11,400)                   | (5,392)               | -                    | (1,852)          | (266,032)      |
| Net book amount                    | <u>303,909</u>             | <u>12,040</u>                   | <u>432,054</u>          | <u>9,519</u>               | <u>3,421</u>          | <u>8,197</u>         | <u>2,166</u>     | <u>771,306</u> |

### 13 Non-current assets - Property, plant and equipment (continued)

| Consolidated                       | Distribution system<br>\$'000 | Capital work<br>in progress<br>\$'000 | Generation<br>plant<br>\$'000 | Plant and<br>equipment<br>\$'000 | Motor<br>vehicles<br>\$'000 | Freehold<br>land<br>\$'000 | Buildings<br>\$'000 | Total<br>\$'000  |
|------------------------------------|-------------------------------|---------------------------------------|-------------------------------|----------------------------------|-----------------------------|----------------------------|---------------------|------------------|
| <b>Year ended 31 March 2025</b>    |                               |                                       |                               |                                  |                             |                            |                     |                  |
| Opening net book amount            | 272,535                       | 5,429                                 | 391,663                       | 2,012                            | 2,694                       | 8,197                      | 2,497               | 685,027          |
| Additions                          | 18,827                        | 13,356                                | 551                           | 2,425                            | 903                         | -                          | -                   | 36,062           |
| Disposals                          | (475)                         | -                                     | -                             | (187)                            | (588)                       | -                          | -                   | (1,250)          |
| Transfers and reclassifications    | 3,288                         | (4,443)                               | 112                           | 281                              | 57                          | -                          | -                   | (705)            |
| Depreciation charge                | (9,198)                       | -                                     | (12,845)                      | (646)                            | (567)                       | -                          | (211)               | (23,467)         |
| Depreciation released on disposals | 336                           | -                                     | -                             | 185                              | 480                         | -                          | -                   | 1,001            |
| Revaluation of generation plant    | -                             | -                                     | 64,500                        | -                                | -                           | -                          | -                   | 64,500           |
| Closing net book amount            | <u>285,313</u>                | <u>14,342</u>                         | <u>443,981</u>                | <u>4,070</u>                     | <u>2,979</u>                | <u>8,197</u>               | <u>2,286</u>        | <u>761,168</u>   |
| <b>At 31 March 2025</b>            |                               |                                       |                               |                                  |                             |                            |                     |                  |
| Cost                               | 509,170                       | 14,342                                | 3,089                         | 14,850                           | 9,099                       | 8,197                      | 4,018               | 562,765          |
| Valuation                          | -                             | -                                     | 441,038                       | -                                | -                           | -                          | -                   | 441,038          |
| Accumulated depreciation           | <u>(223,857)</u>              | <u>-</u>                              | <u>(146)</u>                  | <u>(10,780)</u>                  | <u>(6,120)</u>              | <u>-</u>                   | <u>(1,732)</u>      | <u>(242,635)</u> |
| Net book amount                    | <u>285,313</u>                | <u>14,342</u>                         | <u>443,981</u>                | <u>4,070</u>                     | <u>2,979</u>                | <u>8,197</u>               | <u>2,286</u>        | <u>761,168</u>   |

### 13 Non-current assets - Property, plant and equipment (continued)

#### (a) Parent entity

The Parent entity owned no assets in the above categories during the years presented in these financial statements.

#### (b) Critical accounting estimates and assumptions

The Group considers annually whether the carrying values of its property, plant and equipment are supportable, based on their expected value-in-use as detailed below. This also takes into consideration note 2(a)(ii) - Going Concern.

The carrying value of the distribution network at 31 March 2025 did not exceed its Regulatory Asset Basis value as defined in the Electricity Distribution Information Disclosure Determination 2012.

The external valuation of the generation plant was performed as at 31 March 2025 using an approach based principally on discounted predicted future cash flows over a year period to 31 March 2045 using a post tax WACC of 7.93% as a discount rate. The forecasts included estimates of future revenues, operating costs, capital expenditure, tax depreciation charges, working capital movements and tax payments.

For the 2025 valuation, the Mid Point valuation was used.

In setting the expected useful lives of the assets that comprise the Ngawha power station, it has been assumed that the necessary resource consents, which have a fixed life, will be renewed prior to their expiry. Under the terms of the resource consent and a subsequent variation issued in June 2017, the consent was granted for 35 years from the date of the variation, expiring in June 2052.

#### (c) Valuation of generation plant

Independent valuations of the Group's generation plant were performed by valuers to determine its fair value as at 31 March 2025. The revaluation adjustment net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'reserves' in shareholders equity (note 23).

The carrying amount of the generation plant that would have been recognised at 31 March 2026 had those assets been carried under the cost model is \$239,531,000 (31 March 2025: \$252,375,000).

#### (d) Valuation processes of the Group and parent

The Group has engaged external, independent and qualified valuers to determine the fair value of the Group's generation plant assets. As at 31 March 2025, the fair values of the generation plant assets were determined by a specialist team within PricewaterhouseCoopers, Auckland.

The size and nature of the electricity generation plant is such that there have been no directly comparable disposals within New Zealand, consequently the valuations were performed using unobservable inputs. The principal factors as determined by the external valuers are set out in the following table.

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### 13 Non-current assets - Property, plant and equipment (continued)

(e) Information about fair value measurements using significant unobservable inputs (Level 3)

| Description      | Fair value<br>at 31 March Valuation<br>2026 technique(s)<br>\$'000 | Significant unobservable inputs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Relationship of<br>unobservable inputs<br>to fair value                                                                                                                                                                                                                                                                                                  |
|------------------|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Generation plant | \$443,000 Discounted cash flow                                     | <p>Projected Wholesale Price Path (revenue) taking into consideration ASX futures prices and a combination of short to medium term factors including an assessment of the Long Run Marginal Coast (LRMC) of electricity generation in New Zealand.</p> <p>Operating Costs, taking into account management's experience and knowledge of the asset's condition and required maintenance plans.</p> <p>Capital expenditure, taking into account management's experience and knowledge of the asset's condition.</p> <p>Weighted average cost of capital, determined using a Capital Asset Pricing Model post tax WACC of 7.93%.</p> <p>Terminal growth rate.</p> | <p>The higher the revenue, the higher the fair value.</p> <p>The higher the operating costs, the lower the fair value.</p> <p>The higher the capital expenditure, the lower the fair value.</p> <p>The higher the weighted average cost of capital, the lower the fair value.</p> <p>The higher the terminal growth rate, the higher the fair value.</p> |

#### Sensitivities

The valuation is most sensitive to a change in revenue driven by a change in the wholesale price path and post tax WACC. A movement in revenue and post tax WACC changes the mid-point valuation in operating costs. The valuation is relatively insensitive to movements in terminal growth rate and capital expenditure.

(f) Capitalised borrowing costs

Capital work in progress during the periods reported above includes capital projects which have an expected cost in excess of \$500,000 and a planned duration of longer than three months. Interest on borrowings raised to finance those projects has been capitalised. The amount capitalised by the Group during the year ended 31 March 2026 was \$714,000 (2025: \$42,000).

Interest capitalised was at the average rate of 3.28% for the year ended 31 March 2026 (2025: 4.26%).

## 14 Non-current assets - Intangible assets

| Consolidated                                                  | Goodwill<br>\$'000 | Resource<br>consents<br>\$'000 | Computer<br>software<br>\$'000 | Easements<br>\$'000 | Emission<br>Trading<br>Scheme<br>units<br>\$'000 | Total<br>\$'000 |
|---------------------------------------------------------------|--------------------|--------------------------------|--------------------------------|---------------------|--------------------------------------------------|-----------------|
| <b>Year ended 31 March 2026</b>                               |                    |                                |                                |                     |                                                  |                 |
| Opening net book amount                                       | 811                | 12,502                         | 1,636                          | 13,627              | 14,078                                           | 42,654          |
| Additions                                                     | -                  | -                              | 814                            | -                   | 9,095                                            | 9,909           |
| Transfers and reclassifications                               | -                  | -                              | -                              | -                   | -                                                | -               |
| Reclassification between current<br>and non-current ETS units | -                  | -                              | -                              | -                   | -                                                | -               |
| Amortisation charge                                           | -                  | (540)                          | (549)                          | -                   | -                                                | (1,089)         |
| Disposals                                                     | -                  | -                              | -                              | -                   | (23,173)                                         | (23,173)        |
| Revaluation of generation plant                               | -                  | -                              | -                              | -                   | -                                                | -               |
| Closing net book amount                                       | <u>811</u>         | <u>11,962</u>                  | <u>1,901</u>                   | <u>13,627</u>       | <u>-</u>                                         | <u>28,301</u>   |
| <b>At 31 March 2026</b>                                       |                    |                                |                                |                     |                                                  |                 |
| Cost                                                          | 811                | -                              | 8,990                          | 13,627              | -                                                | 23,428          |
| Valuation                                                     | -                  | 12,502                         | -                              | -                   | -                                                | 12,502          |
| Accumulated amortisation                                      | -                  | (540)                          | (7,089)                        | -                   | -                                                | (7,629)         |
| Net book amount                                               | <u>811</u>         | <u>11,962</u>                  | <u>1,901</u>                   | <u>13,627</u>       | <u>-</u>                                         | <u>28,301</u>   |
| <b>Year ended 31 March 2025</b>                               |                    |                                |                                |                     |                                                  |                 |
| Opening net book amount                                       | 811                | 10,224                         | 1,065                          | 13,573              | 11,477                                           | 37,150          |
| Additions                                                     | -                  | 28                             | 496                            | 4                   | 2,404                                            | 2,932           |
| Transfers and reclassifications                               | -                  | -                              | 653                            | 50                  | -                                                | 703             |
| Reclassification between current<br>and non-current ETS units | -                  | -                              | -                              | -                   | 197                                              | 197             |
| Amortisation charge                                           | -                  | (435)                          | (578)                          | -                   | -                                                | (1,013)         |
| Revaluation of generation plant                               | -                  | 2,685                          | -                              | -                   | -                                                | 2,685           |
| Closing net book amount                                       | <u>811</u>         | <u>12,502</u>                  | <u>1,636</u>                   | <u>13,627</u>       | <u>14,078</u>                                    | <u>42,654</u>   |
| <b>At 31 March 2025</b>                                       |                    |                                |                                |                     |                                                  |                 |
| Cost                                                          | 811                | -                              | 8,176                          | 13,627              | 14,078                                           | 36,692          |
| Valuation                                                     | -                  | 12,502                         | -                              | -                   | -                                                | 12,502          |
| Accumulated amortisation                                      | -                  | -                              | (6,540)                        | -                   | -                                                | (6,540)         |
| Net book amount                                               | <u>811</u>         | <u>12,502</u>                  | <u>1,636</u>                   | <u>13,627</u>       | <u>14,078</u>                                    | <u>42,654</u>   |

### Parent entity

The Parent entity owned no assets in the above categories during the years presented in these financial statements.

### Emission Trading Scheme units

All emission trading scheme units were sold as at 31 March 2026..



## 14 Non-current assets - Intangible assets (continued)

### (a) Allocation of goodwill between cash-generating units

Goodwill is allocated to the following of the Group's cash-generating units (CGUs):

|                         | Ngawha<br>Generation<br>Ltd<br>\$'000 | Total<br>\$'000 |
|-------------------------|---------------------------------------|-----------------|
| <b>At 31 March 2026</b> |                                       |                 |
| Cost at 1 April 2025    | 811                                   | 811             |
| <b>Total</b>            | <u>811</u>                            | <u>811</u>      |
| <b>At 31 March 2025</b> |                                       |                 |
| Cost at 1 April 2024    | 811                                   | 811             |
| <b>At 31 March 2025</b> | <u>811</u>                            | <u>811</u>      |

### (b) Impairment testing of goodwill

As described in note 2(m) goodwill is tested at least annually for impairment. An impairment arises where the goodwill's carrying value exceeds its recoverable amount.

#### *Critical accounting estimates and assumptions*

The goodwill recoverable amounts are based on value-in-use calculations. Those calculations use cash flow and profit projections based on budgets approved by management to 31 March 2037, and a post-tax discount rate of 7.93% (2025: 7.93%). At 31 March 2026 and 2025 the calculations support the carrying amounts of recorded goodwill. Management believes that any reasonable change in the key assumptions used in the calculations would not cause the current carrying amount to exceed its recoverable amount.



## 15 Leases

### (a) Amounts recognised in the Statement of financial position

The Statement of financial position shows the following amounts relating to Right-of-use leases:

|                                                 | Consolidated  |              | Parent   |          |
|-------------------------------------------------|---------------|--------------|----------|----------|
|                                                 | 2026          | 2025         | 2026     | 2025     |
|                                                 | \$'000        | \$'000       | \$'000   | \$'000   |
| <b>Right-of-use lease assets net book value</b> |               |              |          |          |
| Properties                                      | 3,709         | 2,401        | -        | -        |
| Vehicles                                        | 4,627         | 3,551        | -        | -        |
| Equipment                                       | 20            | 39           | -        | -        |
| Well sites                                      | 1,135         | 1,180        | -        | -        |
|                                                 | <u>9,491</u>  | <u>7,171</u> | <u>-</u> | <u>-</u> |
| <b>Right-of-use lease liabilities</b>           |               |              |          |          |
| Current                                         | 1,842         | 1,247        | -        | -        |
| Non-current                                     | 8,600         | 6,703        | -        | -        |
|                                                 | <u>10,442</u> | <u>7,950</u> | <u>-</u> | <u>-</u> |

### (b) Amounts recognised in the Statements of comprehensive income

The Statement of comprehensive income shows the following amounts relating to Right-of-use leases:

|                                                   | Consolidated |              | Parent   |          |
|---------------------------------------------------|--------------|--------------|----------|----------|
|                                                   | 2026         | 2025         | 2026     | 2025     |
|                                                   | \$'000       | \$'000       | \$'000   | \$'000   |
| <b>Depreciation charge of Right-of-use assets</b> |              |              |          |          |
| Properties                                        | 566          | 537          | -        | -        |
| Equipment                                         | 19           | 18           | -        | -        |
| Vehicles                                          | 736          | 440          | -        | -        |
| Well sites                                        | 45           | 45           | -        | -        |
|                                                   | <u>1,366</u> | <u>1,040</u> | <u>-</u> | <u>-</u> |
| <b>Interest on Right-of-use leases</b>            |              |              |          |          |
| Interest expense (included in finance cost)       | 550          | 438          | -        | -        |
|                                                   | <u>550</u>   | <u>438</u>   | <u>-</u> | <u>-</u> |

The total cash outflow for Right-of-use leases in the year ended 31 March 2026 was \$1,743,000 (2025: \$1,372,000)

### (c) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses, depot sites, well sites, vehicles, and equipment. Rental contracts are typically made for fixed periods, but may have extension options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extensions and termination options held are exercisable only by the Group and not by the respective lessor.

## 16 Current liabilities - Payables

|                                                | Consolidated  |               | Parent     |            |
|------------------------------------------------|---------------|---------------|------------|------------|
|                                                | 2026          | 2025          | 2026       | 2025       |
|                                                | \$'000        | \$'000        | \$'000     | \$'000     |
| Trade payables                                 | 7,209         | 12,559        | 5          | 7          |
| ACC levies, PAYE and other payroll taxes       | 337           | 333           | -          | -          |
| Lines Discount                                 | 5,917         | 5,880         | -          | -          |
| Payroll creditors                              | 2,686         | 2,786         | -          | -          |
| Accruals                                       | 2,682         | 2,390         | 24         | 21         |
| Unclaimed dividends due to Trust beneficiaries | 932           | 932           | 932        | 932        |
| Revenue received in advance                    | 3,907         | 4,832         | -          | -          |
|                                                | <u>23,670</u> | <u>29,712</u> | <u>961</u> | <u>960</u> |

## 17 Current liabilities - Interest bearing liabilities

|                                           | Consolidated  |               | Parent |        |
|-------------------------------------------|---------------|---------------|--------|--------|
|                                           | 2026          | 2025          | 2026   | 2025   |
|                                           | \$'000        | \$'000        | \$'000 | \$'000 |
| Bank loans                                | <u>20,000</u> | <u>71,710</u> | -      | -      |
| Total current interest bearing borrowings | <u>20,000</u> | <u>71,710</u> | -      | -      |

The Groups borrowings are subject to covenants agreed with its lenders. Details are provided at note 19.



## 18 Current liabilities - Provisions

|                   | <b>Consolidated</b> |               | <b>Parent</b> |               |
|-------------------|---------------------|---------------|---------------|---------------|
|                   | <b>2026</b>         | <b>2025</b>   | <b>2026</b>   | <b>2025</b>   |
|                   | <b>\$'000</b>       | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b> |
| Employee benefits | <u>399</u>          | <u>374</u>    | <u>-</u>      | <u>-</u>      |
|                   | <u>399</u>          | <u>374</u>    | <u>-</u>      | <u>-</u>      |

The provision for employee benefits relates to entitlements to retirement gratuity payments under a scheme that ceased to be available to new employees more than 20 years ago. The provision has been calculated as the value of expected future payments to be made in respect of services provided by eligible employees up to the reporting date, using those employees' current wage and salary levels. The provision represents the full entitlement of those qualifying employees, all of which now qualify for the entitlement.

## 19 Non-current liabilities - Interest bearing liabilities

|                                                | <b>Consolidated</b> |                | <b>Parent</b> |               |
|------------------------------------------------|---------------------|----------------|---------------|---------------|
|                                                | <b>2026</b>         | <b>2025</b>    | <b>2026</b>   | <b>2025</b>   |
|                                                | <b>\$'000</b>       | <b>\$'000</b>  | <b>\$'000</b> | <b>\$'000</b> |
| Bank loans                                     | <u>264,700</u>      | <u>225,000</u> | <u>-</u>      | <u>-</u>      |
| Total non-current interest bearing liabilities | <u>264,700</u>      | <u>225,000</u> | <u>-</u>      | <u>-</u>      |

### (a) Liabilities subject to negative pledges given over assets

Total liabilities (both current and non-current) in respect of which negative pledges have been given to the Groups bankers by the guaranteeing companies are as follows:

|                                               |                |                |          |          |
|-----------------------------------------------|----------------|----------------|----------|----------|
| Bank loans                                    | <u>284,700</u> | <u>296,710</u> | <u>-</u> | <u>-</u> |
| Total liabilities covered by negative pledges | <u>284,700</u> | <u>296,710</u> | <u>-</u> | <u>-</u> |

### (b) Banking covenants

The bank loans and overdraft are subject to identical negative pledges given to all of the Group's banks. The pledges impose certain covenants on a "Guaranteeing Group".

The Guaranteeing Group (per note 26) comprises Top Energy Limited, and Ngawha Generation Limited only as at 31 March 2026. Each negative pledge states that the Guaranteeing Group will ensure that the following financial ratios are met:

- (i) Consolidated EBITDA (earnings before borrowing costs, taxation, depreciation and amortisation, extraordinary items, profits and losses derived on the sale of fixed assets or investment, and non-cash unrealised gains or losses from foreign exchange, interest rate swaps, futures and options measured over the preceding 12 month period) to Net Interest Costs for that 12 month period will not be less than 2.00:1.00;
- (ii) Consolidated net debt to consolidated EBITDA will be no greater than 6.50:1.00;
- (iii) Consolidated tangible assets will not be less than 90% of the consolidated tangible assets of the Group,
- (iv) Consolidated EBITDA will not be less than 90% of the total EBITDA of the Group.

All of the above covenants were complied with throughout the year.



## 20 Non-current liabilities - Deferred tax liabilities

|                                                                        | Consolidated   |               | Parent   |          |
|------------------------------------------------------------------------|----------------|---------------|----------|----------|
|                                                                        | 2026           | 2025          | 2026     | 2025     |
|                                                                        | \$'000         | \$'000        | \$'000   | \$'000   |
| <b>The balance comprises temporary differences attributable to:</b>    |                |               |          |          |
| Property, plant and equipment                                          | 114,057        | 107,182       | -        | -        |
| Intangible assets                                                      | (1,274)        | 3,117         | -        | -        |
| Financial assets at fair value through profit or loss                  | (5,309)        | (26,044)      | -        | -        |
| Other temporary differences                                            | (1,591)        | (986)         | -        | -        |
|                                                                        | <u>105,883</u> | <u>83,269</u> | <u>-</u> | <u>-</u> |
| <b>Movements</b>                                                       |                |               |          |          |
| Opening balance at 1 April                                             | 83,269         | 70,727        | -        | -        |
| Charged / (credited) to profit or loss                                 | 23,398         | (6,003)       | -        | -        |
| Eliminated on disposal of subsidiary                                   | -              | (267)         | -        | -        |
| Tax charged (credited) directly to other comprehensive income (note 7) | -              | 18,812        | -        | -        |
| Prior period adjustment                                                | (784)          | -             | -        | -        |
| Closing balance at 31 March                                            | <u>105,883</u> | <u>83,269</u> | <u>-</u> | <u>-</u> |
| <b>Expected maturity of deferred tax liabilities</b>                   |                |               |          |          |
| Within 12 months                                                       | (3,766)        | (12,897)      | -        | -        |
| In excess of 12 months                                                 | 109,649        | 96,166        | -        | -        |
|                                                                        | <u>105,883</u> | <u>83,269</u> | <u>-</u> | <u>-</u> |

The tax rate applied in calculating the deferred tax provision was 28% at each of the reporting dates presented within these financial statements.

## 21 Imputation credits

|                                                                                           | Consolidated only |               |
|-------------------------------------------------------------------------------------------|-------------------|---------------|
|                                                                                           | 2026              | 2025          |
|                                                                                           | \$'000            | \$'000        |
| <b>Balances</b>                                                                           |                   |               |
| Imputation credits available for subsequent reporting periods based on a tax rate of 28%. | <u>16,507</u>     | <u>15,197</u> |

The above amounts represent the balance of the Group companies' imputation accounts as at the end of the reporting period, adjusted for:

- Imputation credits that will arise from the payment of the amount of the provision for income tax;
- Imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

## 22 Settlers' capital

|  | Consolidated<br>2026<br>\$ | 2025<br>\$ | Parent<br>2026<br>\$ | 2025<br>\$ |
|--|----------------------------|------------|----------------------|------------|
|--|----------------------------|------------|----------------------|------------|

### (a) Share capital

|               |     |     |     |     |
|---------------|-----|-----|-----|-----|
| Trust capital | 100 | 100 | 100 | 100 |
|---------------|-----|-----|-----|-----|

Trust capital was paid on execution of the Trust Deed dated 23 April 1993.

## 23 Reserves and retained earnings

|  | Consolidated<br>2026<br>\$'000 | 2025<br>\$'000 | Parent<br>2026<br>\$'000 | 2025<br>\$'000 |
|--|--------------------------------|----------------|--------------------------|----------------|
|--|--------------------------------|----------------|--------------------------|----------------|

### (a) Reserves

|                                                   |                |                |          |          |
|---------------------------------------------------|----------------|----------------|----------|----------|
| Property, plant and equipment revaluation reserve | 144,845        | 149,819        | -        | -        |
| Hedging reserve - cash flow hedges                | -              | 91             | -        | -        |
|                                                   | <u>144,845</u> | <u>149,910</u> | <u>-</u> | <u>-</u> |

### Movements

|                                                                |                |                |          |          |
|----------------------------------------------------------------|----------------|----------------|----------|----------|
| <i>Property, plant and equipment revaluation reserve</i>       |                |                |          |          |
| Balance at 1 April                                             | 149,819        | 105,486        | -        | -        |
| Revaluation - surplus / (loss) before tax                      | -              | 67,185         | -        | -        |
| Deferred tax on the revaluation surplus / (loss)               | -              | (18,812)       | -        | -        |
| Amortisation of revaluation reserve                            | (6,908)        | (5,492)        | -        | -        |
| Deferred tax released on amortisation of reserve               | 1,934          | 1,538          | -        | -        |
| Reversal of revaluation surplus on disposal of revalued assets | -              | (119)          | -        | -        |
| Deferred tax released on disposal of revalued assets           | -              | 33             | -        | -        |
| Balance at 31 March                                            | <u>144,845</u> | <u>149,819</u> | <u>-</u> | <u>-</u> |

### (b) Retained earnings

Movements in retained earnings were as follows:

|                                                |                |                |               |               |
|------------------------------------------------|----------------|----------------|---------------|---------------|
| Balance at 1 April                             | 174,239        | 179,484        | 29,434        | 29,262        |
| Net profit for the year                        | 66,053         | (6,574)        | 3,486         | 3,510         |
| Distributions paid during the year             | (3,399)        | (3,346)        | (3,399)       | (3,346)       |
| Equity of subsidiary dissolved during the year | -              | 627            | -             | -             |
| Net transfer from revaluation reserve          | 4,974          | 4,040          | -             | -             |
| Adjustment to retained earnings                | -              | 8              | -             | 8             |
| Balance at 31 March                            | <u>241,867</u> | <u>174,239</u> | <u>29,521</u> | <u>29,434</u> |

## 24 Distributions

|                                                                                                           | <b>Consolidated</b> |               | <b>Parent</b> |               |
|-----------------------------------------------------------------------------------------------------------|---------------------|---------------|---------------|---------------|
|                                                                                                           | <b>2026</b>         | <b>2025</b>   | <b>2026</b>   | <b>2025</b>   |
|                                                                                                           | <b>\$'000</b>       | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b> |
| Distribution of retained earnings                                                                         | 3,399               | -             | 3,399         | -             |
| Fully imputed dividend for the year ended 31 March 2024 paid in FY 2025 of \$33,460 per fully paid share. | -                   | 3,346         | -             | 3,346         |
| Total dividends provided for or paid                                                                      | <u>3,399</u>        | <u>3,346</u>  | <u>3,399</u>  | <u>3,346</u>  |

All payments made to beneficiaries of the Trust during the years ended 31 March 2026 related to Top Energy Limited dividend declared in 2025 and subsequently paid to the Parent in 2026.

## 25 Trustee and Director disclosures

### (a) Trustees

The following persons were Trustees of the Top Energy Consumer Trust during the financial year ended 31 March 2026:

Mrs Yvonne Sharp (Chair)  
Mrs Ann Court (Deputy Chair) Appointed 1 April 2025  
Mr Steven James  
Mrs Adrienne Tari  
Mr Paul White  
Mr Hugh Ammundsen retired by rotation 31 March 2025

All of the Trustees are connected to Top Energy Limited's electricity distribution network and therefore are also beneficiaries of the Top Energy Consumer Trust.

### (b) Trustees' and Directors' remuneration

Details of the remuneration of each Trustee of the Top Energy Consumer Trust and of each Director of Top Energy Limited and of various subsidiary companies within the Top Energy Ltd Group are set out in the following tables.

#### Year to 31 March 2026

| Name                                             | Cash salary<br>and fees<br>\$ | Total<br>\$ |
|--------------------------------------------------|-------------------------------|-------------|
| <b>Trustees of the Top Energy Consumer Trust</b> |                               |             |
| Y Sharp                                          | 36,250                        | 36,250      |
| A Court                                          | 18,250                        | 18,250      |
| S James                                          | 18,250                        | 18,250      |
| A Tari                                           | 18,250                        | 18,250      |
| P White                                          | 18,250                        | 18,250      |
| <b>Directors of Top Energy Ltd</b>               |                               |             |
| D Sullivan                                       | 145,300                       | 145,300     |
| M Todd (commenced 01 Sep 2025)                   | 49,000                        | 49,000      |
| N Anderson                                       | 58,200                        | 58,200      |
| J Nichols (ceased 24 Apr 2025)                   | 13,767                        | 13,767      |
| S Sanderson                                      | 58,200                        | 58,200      |
| S Young                                          | 73,000                        | 73,000      |

## 25 Trustee and Director disclosures (continued)

|                                           |                |                |
|-------------------------------------------|----------------|----------------|
| <b>Directors of other Group companies</b> |                |                |
| P Doherty*                                | -              | -              |
| B Jones                                   | 58,200         | 58,200         |
| R Kirkpatrick                             | 58,200         | 58,200         |
| A Will                                    | 3,700          | 3,700          |
| <b>Total</b>                              | <b>626,817</b> | <b>626,817</b> |

### Year to 31 March 2025

| Name                                             | Cash salary<br>and fees<br>\$ | Total<br>\$    |
|--------------------------------------------------|-------------------------------|----------------|
| <b>Trustees of the Top Energy Consumer Trust</b> |                               |                |
| Y Sharp                                          | 35,931                        | 35,931         |
| H Ammundsen                                      | 18,056                        | 18,056         |
| S James                                          | 18,056                        | 18,056         |
| A Tari                                           | 18,056                        | 18,056         |
| P White                                          | 18,056                        | 18,056         |
| <b>Directors of Top Energy Ltd</b>               |                               |                |
| D Sullivan                                       | 143,725                       | 143,725        |
| N Anderson                                       | 57,575                        | 57,575         |
| J Nichols                                        | 81,599                        | 81,599         |
| S Sanderson                                      | 57,575                        | 57,575         |
| S Young                                          | 72,225                        | 72,225         |
| <b>Directors of other Group companies</b>        |                               |                |
| P Doherty*                                       | -                             | -              |
| B Jones                                          | 57,575                        | 57,575         |
| R Kirkpatrick                                    | 57,575                        | 57,575         |
| A Will                                           | 3,700                         | 3,700          |
| <b>Total</b>                                     | <b>639,704</b>                | <b>639,704</b> |

The directors of various subsidiary companies whose names are marked with \* are employees of Top Energy Ltd and are remunerated by that company.

### (c) Trustees' and Directors' interests in other entities

The Trust maintains a register of trustees' interests in other entities. No trustee has declared a conflict of interest in respect of their interests in other entities.

Each company within the Group maintains a register of its directors' interests in other entities. No director has declared a conflict of interest in respect of their interests in other entities.

## 26 Contingencies

As at 31 March 2024 a "Guaranteeing Group" had executed a Common Terms Deed in favour of ANZ Bank New Zealand Limited, Bank of China Limited - Auckland Branch, Bank of New Zealand Limited, China Construction Bank (New Zealand) Limited, Industrial and Commercial Bank of China Limited - Auckland Branch, and Westpac New Zealand Limited. The Guaranteeing Group comprises Top Energy Limited and Ngawha Generation Limited. The security arrangement imposes a liability on each subsidiary company within the Group, where each subsidiary is liable to repay all or any part of the guaranteed indebtedness should any of the guaranteeing group fail to meet its obligations under the Deed. The Common Terms Deed and respective Facility Agreements were executed on 29 May 2025.

The Group has provided guarantees to unrelated third parties in respect of the costs of existing and potential future obligations arising from its business activities. At 31 March 2026 the total value entered into by the Group was \$5,775,000 (2025: \$5,775,000).

## 26 Contingencies (continued)

There is a High Court case involving Ngawha Generation Limited and Platinum Power Retail Limited and Platinum Energy Limited as Plaintiffs. No quantum has been claimed, and Ngawha Generation Limited's position is that there is no merit in the case.

On 6 November 2025, an equipment failure at the Kaikohe Substation resulted in a service interruption that has been assessed as meeting the criteria for an extreme event under the Electricity Distribution Services Default Price-Quality Path Determination 2025. The Commerce Commission was notified of the event on 10 November 2025. The entity is required to formally disclose the event, including its impact on quality standards and any associated financial consequences, by 31 August 2026. At balance date, the outcome of the regulatory process remains uncertain. While the event may give rise to quality incentive adjustments or penalties, the existence and extent of any obligation will depend on the final determination by the regulator. No provision has been recognised as the criteria for recognition under NZ IAS 37 have not been met.

## 27 Commitments

### (a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

|                               | <b>Consolidated</b> |               | <b>Parent</b> |               |
|-------------------------------|---------------------|---------------|---------------|---------------|
|                               | <b>2026</b>         | <b>2025</b>   | <b>2026</b>   | <b>2025</b>   |
|                               | <b>\$'000</b>       | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b> |
| Property, plant and equipment | <u>5,152</u>        | <u>7,021</u>  | <u>-</u>      | <u>-</u>      |

Of the capital commitments, \$4,610,000 relate to the Ngawha Generation subsidiary (2025: \$941,000).

## 28 Related party transactions

### (a) Transactions with Top Energy Ltd and the Parent

During the year, Top Energy Ltd processed transactions on an agency basis on behalf of the Trust in order to settle the latter's routine business dealings.

During the year ended 31 March 2026, Top Energy Ltd declared and paid a dividend of \$3,815,000 to the Trust (2025: \$3,906,000).

The Trust charged Top Energy Ltd interest at prevailing market rates on the balance of funds loaned, totalling \$184,000 in the year ended 31 March 2026 (2025: \$69,000). The effective average interest rate applied by the Trust on the loan to Top Energy Limited during the year ended 31 March 2026 was 3.28% (2025: 4.28%).

The balances receivable from Top Energy Ltd at the relevant balance dates are detailed in note 28(f) below and have been included in receivables in the statement of financial position (see note 9). All transactions between Top Energy Ltd and the Trust are made on normal business terms.

Interest charged between the Trust and Top Energy Ltd and balances due between the parties are eliminated on consolidation.

### (b) Trustees

The names of persons who were trustees of the Trust at any time during the financial year are given at note 25.

## 28 Related party transactions (continued)

### (c) Key management personnel remuneration

The totals below refer to remuneration paid to employees of the Top Energy Ltd Group only. They do not include the remuneration of the Trustees of the Trust, details of which are given at note 25.

|             | Short-term<br>benefits<br>\$'000 | Employment<br>benefits<br>\$'000 | Other<br>benefits<br>\$'000 | Total<br>\$'000 |
|-------------|----------------------------------|----------------------------------|-----------------------------|-----------------|
| <b>2026</b> | <b>7,863</b>                     | <b>201</b>                       | <b>144</b>                  | <b>8,208</b>    |
| 2025        | 6,813                            | 175                              | 125                         | 7,113           |

There were no contracts for share-based payments during the years ended 31 March 2026 and 2025.

### (d) Other transactions with key management personnel or entities related to them

There were no transactions with key management personnel or entities related to them, other than the payment of remuneration, during the year ended 31 March 2026 (2025: none).

### (e) Subsidiaries

The Trust's interests in its direct and indirect subsidiaries are set out in note 29.

### (f) Loan to Top Energy Limited

The movements in and balances of the loan between the Trust and Top Energy Ltd were as follows:

|                                                       | <b>Parent only</b>  |                     |
|-------------------------------------------------------|---------------------|---------------------|
|                                                       | <b>2026</b>         | <b>2025</b>         |
|                                                       | <b>\$'000</b>       | <b>\$'000</b>       |
| <b>Balance due from Top Energy Limited at 1 April</b> | <b>5,045</b>        | <b>1,587</b>        |
| Amounts advanced to / (Repaid by) Top Energy Limited  | (66)                | 3,389               |
| Interest charged to Top Energy Limited                | 184                 | 69                  |
|                                                       | <u><b>5,163</b></u> | <u><b>5,045</b></u> |

The above balance is unsecured and is repayable on demand.

### (g) Guarantees

Details of negative pledges made by the Guaranteeing Group to its bankers are given at note 19.

### (h) Terms and conditions

Outstanding balances between Group entities are unsecured and are repayable on demand, or in accordance with loan agreements.

BDO Northland  
ASSURANCE 

## 29 Investments in subsidiaries

The Group and parent had the following subsidiaries at 31 March 2026

| Name                      | Country of incorporation and place of business | Nature of business       | Proportion of ordinary shares held by the Parent % | Proportion of ordinary shares held by the Group and parent % |
|---------------------------|------------------------------------------------|--------------------------|----------------------------------------------------|--------------------------------------------------------------|
| Ngawha Generation Limited | New Zealand                                    | Electricity generation   | -                                                  | 100                                                          |
| Top Energy Limited        | New Zealand                                    | Electricity distribution | 100                                                | -                                                            |
| Te Puna Hihiko Risk Ltd   | Cook Islands                                   | Insurance captive        | -                                                  | 100                                                          |

The companies listed above are directly-held subsidiaries of Top Energy Limited. Top Energy Limited is a directly-held subsidiary of the Trust.

All subsidiary undertakings are included in the consolidation. The proportions of the voting rights in the subsidiary undertakings held directly by the Parent company do not differ from the proportion of ordinary shares held.

### Top Energy Consumer Trust's interest in Top Energy Limited

|                                     | 2026<br>\$'000 | 2025<br>\$'000 |
|-------------------------------------|----------------|----------------|
| <b>Shares at cost</b>               |                |                |
| Shares at cost - Top Energy Limited | <u>25,267</u>  | <u>25,267</u>  |

## 30 Events occurring after the reporting period

On 26 May 2026 the Top Energy Group Board resolved to refinance the current bank debt for a two-year tenor. At the date of signing, the current bank debt under note 17 of \$20m is non-current.



### 31 Reconciliation of profit after income tax to net cash inflow from operating activities

|                                                                                          | Consolidated |          | Parent  |          |
|------------------------------------------------------------------------------------------|--------------|----------|---------|----------|
|                                                                                          | 2026         | 2025     | 2026    | 2025     |
|                                                                                          | \$'000       | \$'000   | \$'000  | \$'000   |
|                                                                                          |              | Restated |         | Restated |
| Profit for the year                                                                      | 66,053       | (6,574)  | 3,486   | 3,510    |
| Adjustments made for:                                                                    |              |          |         |          |
| Depreciation and amortisation                                                            | 27,652       | 25,519   | -       | -        |
| Dividend received from subsidiary                                                        | -            | -        | (3,815) | (3,906)  |
| Net loss (gain) on sale of property, plant and equipment                                 | 1,903        | 63       | -       | -        |
| Movement in provision for doubtful debts                                                 | 37           | 159      | -       | -        |
| Interest on Right-of-use leases                                                          | 549          | 438      | -       | -        |
| Fair value (gains) losses on other financial assets at fair value through profit or loss | (73,961)     | 26,601   | -       | -        |
| Changes in working capital:                                                              |              |          |         |          |
| Decrease (increase) in trade debtors                                                     | 3,917        | (2,817)  | (1)     | -        |
| Decrease (increase) in inventories                                                       | 354          | (199)    | -       | -        |
| Decrease (increase) in other operating assets                                            | 174          | 858      | -       | -        |
| Increase (decrease) in trade creditors                                                   | (6,132)      | 2,437    | (2)     | 7        |
| Increase (decrease) in other operating liabilities                                       | 664          | (244)    | 13      | (20)     |
| Increase (decrease) in income taxes receivable                                           | 6            | (30)     | 21      | (54)     |
| Increase (decrease) in provision for deferred income tax                                 | 20,864       | (4,337)  | -       | -        |
| Net cash inflow from operating activities                                                | 42,080       | 41,874   | (298)   | (463)    |

### 32 Prior Period Restatement

For a description of this restatement refer to the basis of preparation note 2(a)(v). The impact of this adjustment as compared to the prior year audited financial statements is detailed as follows:

|                                          | Parent<br>2025 Financial statements<br>\$'000 | Adjustment<br>\$'000 | Parent<br>Restated 2025<br>\$'000 |
|------------------------------------------|-----------------------------------------------|----------------------|-----------------------------------|
| Operating revenue                        | 3,714                                         | 256                  | 3,970                             |
| Income tax expense                       | -                                             | 202                  | 202                               |
| <b>Net impact on profit for the year</b> | <b>3,456</b>                                  | <b>54</b>            | <b>3,510</b>                      |
| Receivables*                             | 5,065                                         | 61                   | 5,126                             |
| Retained Earnings*                       | 29,372                                        | 61                   | 29,434                            |

\* Includes \$7,000 adjustment to tax expense for 2024.

The income tax effect has had a flow on impact to the consolidated financial statements however is insignificant to the Group.

INDEPENDENT AUDITOR'S REPORT  
TO THE BENEFICIARIES OF TOP ENERGY CONSUMER TRUST AND GROUP

## Opinion

We have audited the separate and consolidated financial statements of Top Energy Consumer Trust ("the Trust") and its subsidiaries (together, "the Group"), which comprise the separate and consolidated statement of financial position as at 31 March 2026, and the separate and consolidated statement of comprehensive income, separate and consolidated statement of changes in equity and separate and consolidated cash flows statement for the year then ended, and notes to the separate and consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of the Trust and the Group as at 31 March 2026, and its separate and consolidated financial performance and its separate and consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and IFRS Accounting Standards.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the separate and Consolidated Financial Statements* section of our report. We are independent of the Trust and Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Trust or any of its subsidiaries.

## Other Information

The Trustees are responsible for the other information. The other information obtained at the date of this auditor's report is the Trustee's directory and Trustees Review report, but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements 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 separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

## Trustees' Responsibilities for the separate and Consolidated Financial Statements

The Trustees are responsible on behalf of the Trust and Group for the preparation and fair presentation of the separate and consolidated financial statements in accordance with NZ IFRS and IFRS Accounting Standards, and for such internal control as the Trustees determine is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, the Trustees are responsible on behalf of the Trust and Group for assessing the Trust and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements 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 is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these separate and consolidated financial statements.

A further description of our responsibilities for the audit of the separate and consolidated financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-7-1/>.

This description forms part of our auditor's report.

## Who we Report to

This report is made solely to the beneficiaries, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the beneficiaries, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Northland  
Whangarei  
New Zealand  
30 June 2026