MANAWA ENERGY

Maintaining focus in a challenging environment

ANNUAL REPORT 2025

MANAWA ENERGY

Tēnā koutou

This Report is dated 16 May 2025 and provides a review of Manawa Energy's financial and non-financial performance for the year ended 31 March 2025.

This Report focuses on Manawa Energy's achievements and progress against its strategy as an Independent Power Producer (IPP) throughout FY25. It includes detail of the continued emphasis on operational excellence and the progress made in relation to the asset investment programme and new development pipeline.

On 11 September 2024 Manawa Energy announced it had entered into a Scheme Implementation Agreement ('SIA') with Contact Energy Limited ('Contact") under which Contact agreed to acquire all of Manawa Energy's shares through a Scheme of Arrangement 'Scheme'.

The New Zealand Commerce Commission has since granted Contact clearance to acquire all of the shares in Manawa Energy under the Scheme. As a result, Manawa Energy will now proceed to hold a shareholder meeting for shareholders to vote on the Scheme. Manawa Energy currently anticipates that the scheme booklet (containing a notice of meeting, explanatory information, and an independent adviser's report on the merits of the Scheme) will be released to NZX prior to the end of May (although this is subject to change).

The Manawa Energy Board thanks its people for their efforts and its shareholders and stakeholders for their ongoing support during another busy year.

Signed on behalf of the Manawa Energy Board by:

Deion Campbell
Chair

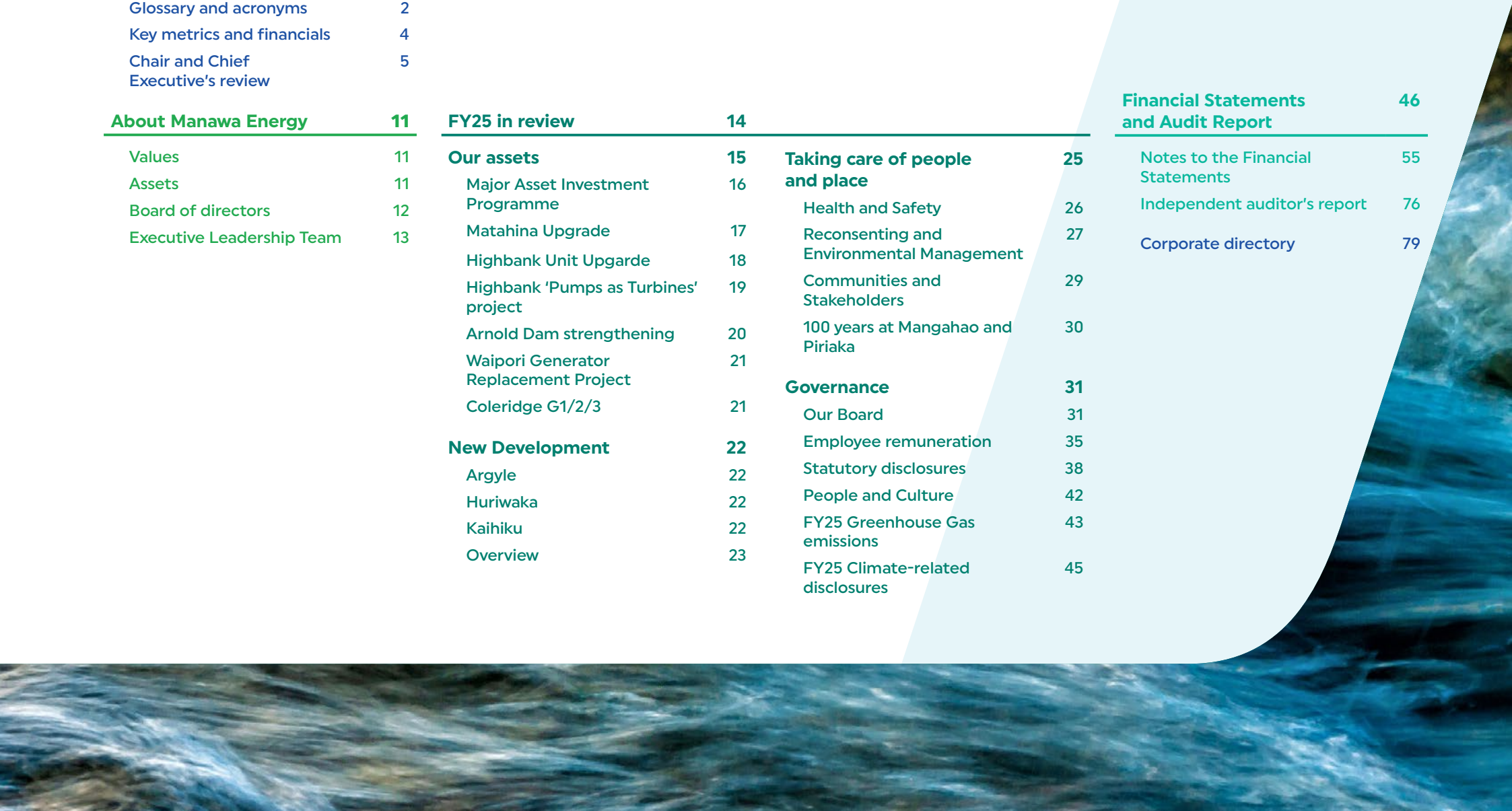
16 May 2025

Sheridan Broadbent
Chair, Audit and Risk Committee

Shareholder communications

We encourage all shareholders to choose to receive digital communications from us so that we use less paper producing our investor documents. For shareholders who continue to receive hard copies, we use sustainable inks and paper.

Contents



Glossary and acronyms

Aotearoa New Zealand Climate Standards (NZCS)
The standards which climate reporting entities are required to report against. The standards include requirements to disclose information about exposure to climate-related risks and opportunities (the requirements apply to around 200 economically significant entities in New Zealand).

ASX
The Australian Stock Exchange, including electricity futures market.

C&I
Commercial and industrial customers.

Cumec
Cubic metre per second, as a unit of water flow.

EBITDAF
Earnings Before Interest, Tax, Depreciation, Amortisation, Fair value movements of financial instruments, and asset impairments. EBITDAF is a non-GAAP (Generally Accepted Accounting Principles) financial measure commonly used within the electricity industry.

Energy transition
The energy sector's shift away from fossil fuel-based systems of energy production and consumption (e.g. oil, gas, coal) in favour of renewable energy sources (e.g. hydro, wind, solar).

ESG
The environmental, social and governance factors to assess sustainability practices and performance.

FPVV
Fixed Price Variable Volume.

FTE
Full time equivalent.

FY
The financial year ended 31 March of the stated year.

Gender equity
Measures whether there is equal pay for equal work. That is, people undertaking the same work (roles requiring similar skills, knowledge, and accountabilities) are paid the same regardless of gender.

Gender pay gap
Measures the gap between women's and men's pay. Generally, it highlights the uneven representation of genders at each level of an organisation.

Gentailer(s)
A vertically integrated company that is both an energy generator and retailer to mass market or residential customers.

GWh
Gigawatt hour, a unit of energy representing one million kilowatt hours.

Infratil
Infratil Limited is an Aotearoa New Zealand-based infrastructure investment company holding a 51.1 percent shareholding in Manawa Energy.

The Group
Is the collection of entities comprising Manawa Energy Limited, Manawa Energy Generation Limited, King Country Energy Holdings Limited, King Country Energy Limited, Manawa Energy Insurance Limited, Manawa Energy Metering Limited, Maungatapere 2021 Limited, Manawa Energy Renewables Holdco 1 Limited and ANZ Renewables Limited.

Independent power producer (IPP)
An independent power producer develops, owns and operates facilities to generate electricity for sale to large end-users, and is not owned by a utility nor typically vertically integrated.

KCE
King Country Energy (**kce.co.nz**) is a hydropower electricity generator, owned by Manawa Energy (75 percent) and King Country Trust (25 percent). It owns five power stations in the King Country and Horowhenua districts that are operated by Manawa Energy: Mokauiti, Wairere, Kuratau, Piriaka and Mangahao.

Main or Storage Lakes
Manawa Energy's Waipori, Cobb River and Coleridge Schemes.

MNW
The Manawa Energy stock 'ticker' on NZX.

MW
Megawatt, a unit of energy – one million watts.

MWac
The capacity of a solar photovoltaic (PV) system to deliver power to the grid in alternating current (AC) form.

MWh
Megawatt hour, a unit of energy representing one thousand kilowatt hours.

NI
North Island.

NZX
New Zealand stock exchange.

PPA – Power Purchase Agreement
A long-term contract between an electricity generator and a customer.

Recordable Injury
Lost Time Injury (LTI) or Medical Treatment Injury (MTI).

RoR
Run-of-River. A hydro-electricity scheme classification that denotes no (or very little) ability to store water.

Scheme of Arrangement/Scheme
The agreement/mechanism by which Contact Energy Limited is acquiring Manawa Energy Limited.

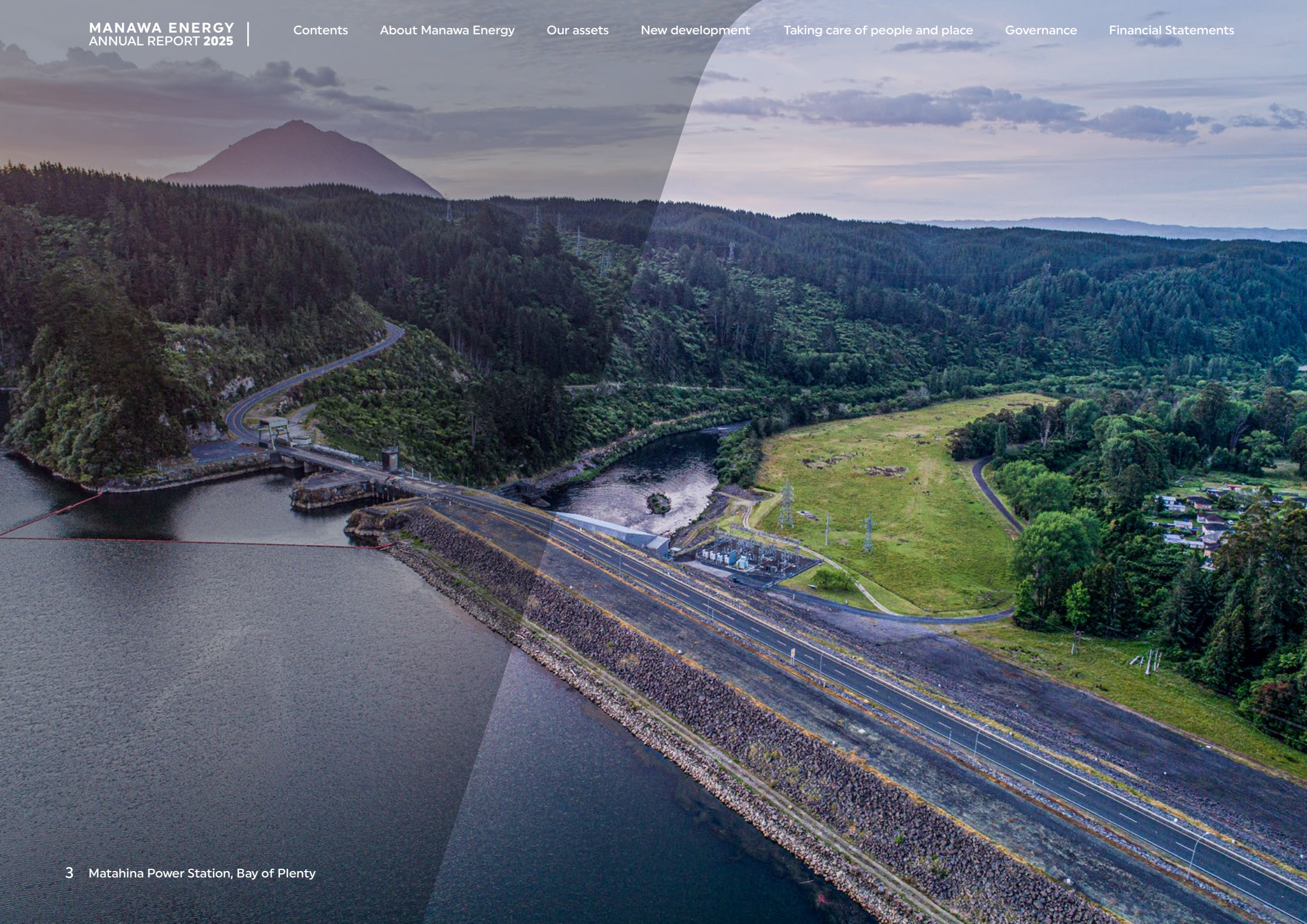
SI
South Island.

TECT
TECT Holdings Limited is a 26.8 percent shareholder in Manawa Energy.

Total Shareholder Return (TSR)
Measures the overall performance of a company's stock by combining the capital gains from share price appreciation and any dividends (assuming reinvestment) paid to shareholders. It's a common metric used to evaluate how well an investment is performing over time.

Var
Variance.

YoY
Year on Year.



3 Matahina Power Station, Bay of Plenty

FY25 Metrics

as at 31 March 2025.

217 FY24 224

employees (FTEs)

26

power schemes

512 FY24 510

megawatts of installed capacity

$0.3m FY24 $24m

profit after tax

1.46 FY24 0.96

Total recordable injury frequency rate

>99% FY24 >99%

of electricity generated was renewable

1,620 FY24 1,901

gigawatt hours of electricity generated

$91.3m FY24 $145m

Normalised* EBITDAF**

>99% FY24 >99%

Resource Consent compliance

4,102 FY24 2,503

tonnes of CO_2 equivalent emissions produced. Using market-based method for Scope 2.

Lost energy from forced outages down

↓40%

* Excluding transaction costs (for the proposed acquisition by Contact Energy).
** EBITDAF is a non-GAAP measure. Please refer to **Note 4** to the financial statements for further details.

Chair and Chief Executive's review

Manawa Energy is pleased to present this Report highlighting its achievements during FY25. It was a year of significant challenges, with unprecedented market conditions adversely impacting the business across much of the year. Throughout, Manawa Energy has continued its emphasis on the health, safety and wellbeing of its people, strong asset management practices and on progressing its extensive capital works program and new development pipeline.

Deion Campbell
Chair

Clayton Delmarter
Chief Executive

Scheme of Arrangement

On 11 September 2024 Manawa Energy announced it had entered into a Scheme Implementation Agreement ('SIA') with Contact Energy Limited ('Contact') under which Contact agreed to acquire all of Manawa Energy's shares through a Scheme of Arrangment ('Scheme').

The New Zealand Commerce Commission has since granted Contact clearance to acquire all of the shares in Manawa Energy under the Scheme. As a result, Manawa Energy will now proceed to hold a shareholder meeting for shareholders to vote on the Scheme. Manawa Energy currently anticipates that the scheme booklet (containing a notice of meeting, explanatory information, and an independent adviser's report on the merits of the Scheme) will be released to NZX prior to the end of May (although this is subject to change).

Given that Manawa Energy's two largest shareholders, which hold in aggregate 77.9% of Manawa Energy's shares, have agreed to vote in favour of the Scheme, Manawa Energy expects that the necessary shareholder approvals for the Scheme will be obtained at the shareholder meeting.

Further information about the remaining steps and timetable for the Scheme will be set out in the scheme booklet, when it is released. The Scheme is subject to several remaining conditions as set out in the SIA. These include shareholder approval, High Court approval and other customary conditions. Subject to satisfying the remaining conditions as set out in the SIA, Manawa Energy expects that the Scheme will be implemented in July 2025.

It was pleasing to see the recognition of the value of the Manawa Energy business, reflecting, amongst other things, the quality of its unique portfolio of assets, its asset management capability and growing development pipeline. Manawa Energy's Board is of the view that the Scheme, if implemented, would provide meaningful benefits to shareholders.

It represents attractive value, with a price set at a significant premium relative to Manawa Energy's share price prior to the announcement. The cash plus scrip structure means that Manawa Energy shareholders will also become shareholders in the combined Contact and Manawa Energy business, a company with a strategic and diversified generation portfolio, large customer base and a significant portfolio of renewable energy development options.

A year of extremely challenging market conditions

Manawa Energy has experienced a very difficult year, without a doubt its most challenging in the short few years since the sale of the mass market retail business in 2022. Throughout FY25, there have been three very challenging quarters, with the characteristics described below, that have had a very adverse impact on financial performance.

Winter 2024 saw the confluence of a number of factors resulting in very elevated wholesale electricity prices. July and August 2024 saw the highest ever average prices, with August also having the highest ever weekly average price ($807/MWh at Ōtāhuhu) – this was due to a combination of an extended period of record-low inflows across New Zealand's key hydro storage lakes (including Manawa Energy's) and other run-of-river (or very limited storage) assets, low levels of wind generation and declining gas availability.

The industry responded in a range of ways including activating demand response initiatives (the most significant involving a reduction in energy consumption by New Zealand's Aluminium Smelter) and freeing up more gas for the electricity sector as a result of gas purchase arrangements entered into by some generators with Methanex. These initiatives, whilst taking further pressure off the market, did not materially change Manawa Energy's position which was largely impacted by very low hydro and wind generation volumes over this period.

Immediately following this, there was a significant improvement in national hydro storage, along with an increase in wind generation to more typical levels. This significant and rapid increase in fuel availability (across wind, hydro and gas) resulted in a material reduction in wholesale energy prices for much of the period from September through to the end of the calendar year (September to December average Ōtāhuhu price was $53/MWh). This meant that whilst Manawa Energy had more fuel available, the price earned for this generation was much lower than anticipated.

From January 2025 through to the end of the financial year, another extreme dry sequence was experienced, with the lowest inflow sequences on record (over 70 years of reliable hydrological data for Manawa Energy) observed across most of Manawa Energy's assets, and across the sector as a whole, which was once again combined with below average levels of wind generation. This resulted in a very rapid increase in wholesale electricity prices from early January 2025, reflective of these conditions and the markets' view of potential energy supply risks going into winter 2025.

Given the majority of Manawa Energy's electricity generation volume is currently sold via fixed price, fixed volume agreements, in particular the Mercury hedge (under which the volume sold reduces annually from FY25 to FY32), Manawa Energy is subject to risks associated with both the volume and the timing of electricity generated. The impact of any short positions (meaning Manawa Energy's production levels are below those required to support its contractual volumes) in the market due to these weather conditions is heightened during periods of significantly elevated wholesale prices (which often coincide as the electricity price and hydrology tend to be negatively correlated). In these circumstances, Manawa Energy must buy on market, to support the contracted volumes unable to be met by its own assets or contractual purchases.

Manawa Energy's total annual production deficit across FY25 relative to long-run expectations was 384GWh, approximately 324GWh of which was across its hydro assets and 60GWh associated with purchased wind volumes. Manawa Energy has therefore been exposed to these risks periodically throughout FY25 owing to the conditions described above, which have had a very material negative impact on FY25 earnings.

Throughout FY25, Manawa Energy responded to these market conditions with various asset operation and trading actions. Several key planned outages were deferred and rescheduled. Manawa Energy also ensured any stored water was utilised prudently. At some lakes it was possible to utilise operating ranges that are only available under rare circumstances, for example Manawa Energy secured temporary variations to operating consents at Waipori to support production during periods of national energy scarcity. High plant reliability and availability ensured units were able to run when fuel was available.

Portfolio trading activities were also used to respond to (and reduce) the impacts of extreme pricing and volume shortfalls. Additional hedging was acquired to mitigate potential further downside risks however some of this was taken at elevated pricing relative to the significantly lower wholesale electricity prices observed from September to December 2024 (due to the rapid increase in available fuel as described) and resulted in unfavourable financial impacts in FY25.

Retailer default

The unprecedented conditions of winter 2024 resulted in a further adverse impact on the business with an independent electricity retailer, for whom Manawa Energy acted as a wholesale intermediary, defaulting on its payment obligations. Manawa Energy subsequently terminated the supply agreement with the retailer and took steps to recover the outstanding amounts owed. Manawa Energy has recovered a significant portion of the original debt, but as a result of the default, Manawa Energy has incurred a bad debt write-off in FY25 of $6.8m.

Following this default, Manawa Energy undertook a comprehensive review of its credit and counterparty governance and policies, with a number of resultant changes made to increase the robustness of these processes to mitigate the future risk of adverse business impacts. Manawa Energy has no other contractual relationships of this type.

Assets and performance

Manawa Energy operates a geographically diverse portfolio of 25 hydropower schemes and a diesel peaking asset in Northland, with some 90 individual and varied generating units. Maintaining assets of the age, scale, complexity, and geographic and technological diversity of Manawa Energy's portfolio is not without its challenges and presents unique risks and opportunities each day.

Manawa Energy is extremely proud of the efforts of its site-based personnel, supported by a very capable cohort of asset management, project management, engineering, stakeholder and environment, market operations and corporate roles to manage this unique collection of assets.

Asset reliability was very high across FY25, ensuring that each kilowatt of capacity was available to support our business in what was, otherwise, a very challenging year.

The team places a lot of focus on ensuring the right routine maintenance is performed at the right time and, pleasingly, this approach continues to yield results. Across FY25, the number of forced outages (when machines are forced to shut down due to an operational or maintenance issue) decreased by 15% compared with FY24 and the machine starting performance ratio (the measure of a machine responding to a start instruction) improved from 99.2% to 99.7%. Collectively, the increased plant reliability over and above Manawa Energy's long-term average equated to adding an additional 12.5GWh of generation, equivalent to adding another Esk Hydro Scheme to the portfolio.

During the year, the team restored the Esk Hydro Scheme in Hawkes Bay to full service, following significant damage due to Cyclone Gabrielle in early 2023. Several other key maintenance projects were delivered including:

- **Bream Bay** – restoring the diesel peaking station to full generating capacity (8MW) following an extended period at reduced capacity;
- **Harper workshop facility** – completed a new purpose-built workshop to serve the Harper and Wilberforce catchment area in Canterbury which supports inflows into Lake Coleridge;
- Installed new gantry cranes in several of Manawa Energy's older power stations as part of a wider portfolio upgrade;
- **Coleridge** – completed repairs to the Acheron Intake after extensive flood damage;
- **Motukawa** – restored the small in-race generator (300kW) to full service after extensive gearbox repairs and modifications; and
- **Mangahao** – completed sluicing and repairs of the mini-hydro intake to enable restoration of the mini-hydro station at No.1 dam (expected completion in Q1 FY26).

In addition to the above, a number of other significant maintenance projects were completed across the year at opportune times (low hydrology and market conditions) as well as commencing several other key projects including:

- **Cobb River Power Station** – replacing the station's roof and wall cladding with a modern cladding system;
- **Mangahao** – completed design and commenced fabrication of the new bypass gate for No. 2 dam; and
- Progressed a number of important investigations to help inform future dam safety upgrades.

Manawa Energy is well advanced with the most significant capital investment program, on its existing assets, in its history. During the year the team achieved a significant number of milestones across a number of projects including:

- **Waipori Generator Replacement** – completion of the installation and commissioning of two new generators at Waipori station 3 and station 4;

- **Matahina Turbine Replacement** – installed and commissioned two new, efficient turbines at Manawa Energy's largest station, which will add an additional 17GWh of production in an average hydrology year;
- **Highbank Pumps-as-Turbines** – converting the Highbank pump station to allow the pumps to operate in generation mode when the main unit is out of service;
- **Highbank unit replacement** – commenced the 18-month outage to replace the existing unit with a completely new, higher capacity, more resilient, and more efficient hydro unit;
- **Coleridge unit replacement** – completed the design and commenced manufacturing of three replacement units for Coleridge power station with the first outage planned to commence in the middle of 2025. This project will also add additional capacity and generation with larger, more efficient turbines; and
- **Arnold Dam strengthening** – completed physical works upgrading the Arnold Dam to provide more physical resilience to both seismic and hydrology load cases.

As the owner of the largest number of hydro dams in New Zealand (57), Manawa Energy continued investing in its Dam Safety Management System, including maintaining its long involvement in New Zealand's s dam industry group NZSOLD (New Zealand Society on Large Dams). The past year saw the introduction of the Building (Dam Safety) Regulations 2022 with Manawa Energy meeting the first milestone of the new regulations, submitting an independent assessment for all of its large dams. FY25 also saw the physical completion of the major dam safety upgrades of the Arnold Dam mentioned above.

New development

Manawa Energy has built a significant pipeline of quality new development projects that have continued to progress across FY25, including receiving all resource consents for the Argyle Solar Farm. The Argyle Solar Farm presents an attractive opportunity in the Marlborough region with a potential capacity of 65MWac, operating adjacent to the Argyle and Wairau hydro stations and providing operational efficiencies and synergies with existing infrastructure.

Across FY25, the development pipeline saw good progress on site-specific technical and environmental assessments and connection activities, as well as securing accretive land access options at existing sites, and additional options at new sites. Transpower connection teams were established for the Argyle and Kaipara Dairies solar projects and Huriwaka and Kaihiku wind projects. Extensive long term wind monitoring is in place at the pipeline wind sites providing high levels of confidence in the wind resource at each site and anticipated annual energy yield.

As at the end of FY25, Manawa Energy holds secured wind and solar development options totalling ~4,600GWh p.a. of potential generation, with a further ~3,000GWh p.a. of wind and solar opportunities in advanced discussions.

Manawa Energy had two key projects listed in the Fast Track Approvals Act during the year – the Kaihiku (Southland) and Huriwaka (Central North Island) Wind Farms, both having the potential to be up to 300MW capacity each. Resource consent lodgement for both projects is expected during H1 FY26.

Financial results

Manawa Energy has recorded FY25 normalised* EBITDAF^ of $91.3m and reported EBITDAF^ of $84.3m. This result is down 37% and 42% respectively compared to FY24.

These results were severely impacted by the extremely challenging market conditions and the retailer default outlined above, with reported EBITDAF^ further impacted by $7.0m of costs relating to the proposed Contact Energy Scheme of Arrangement.

FY25 underlying earnings were down 52% on FY24 to $31.5m, whilst profit after tax^ was down $23.8m to $0.3m. Both measures were impacted by the reduced EBITDAF, with profit after tax also decreased further by $30.0m of adverse (non-cash) fair value movements on financial instruments (FY24: $46.1m adverse movement).

Operating costs (excluding the bad debt write-off relating to the retailer default, new development investment, and transaction costs) were $3.1m lower than FY24, largely driven by prudent cost management and project reprioritisation.

Total capital expenditure across FY25 of $52.5m (including capitalised interest) was down $17.0m on FY24, however remains elevated as Manawa Energy continues its investment in the major asset refurbishment and enhancement project.

Given the Board's expectation that the Scheme will be implemented in July 2025, it has decided not to declare a final dividend for FY25, or provide earnings guidance for FY26.

Health and safety

The Board and executive leadership team remain committed to the health, safety and well-being of our people. Throughout FY25, Manawa Energy has embedded a revised Health & Safety Strategy to drive continuous improvement and a focus on the things that enhance our systems and remove barriers to safe and healthy work.

* excluding transaction costs (for the proposed acquisition by Contact Energy).
^ from continuing operations.

The strategy, formed from input across Manawa Energy and industry best practices, aims to manage and reduce workplace risks, protect employees, and ensure compliance with relevant laws and regulations. Manawa Energy remain committed to enhancing its health and safety practices, continuously improving its systems, processes, and practices to ensure everyone goes home safe and well every day. Manawa Energy will continue to build an open environment for sharing and learning from safety incidents, fostering a learning mindset, and ensuring it has the best systems in place to support safe outcomes.

This year saw Manawa Energy's lost time injury numbers (across employees and contractors) at the same level as the prior year (four). There was an increase in the total recordable injury frequency rate which is the result of one more injury and illness than last year over a smaller number of recorded employee working hours. Manawa Energy is enhancing its suite of measures to provide further insight into its safety performance and leading indicators to support the prevention of safety incidents.

Environment

It has been another big year for the environment team, maintaining a strong track record of environmental compliance and progressing a significant reconsenting program across a number of our assets. Manawa Energy's compliance across some 3,500 resource consent conditions was once again in excess of 99%, with any non-compliances only relating to low-level of technical issues and being quickly addressed.

Reconsenting activities continued across a number of Manawa Energy's hydro schemes. Material progress was made at the Mangorei and Motukawa (Taranaki) schemes whilst stakeholder engagement and technical assessments were advanced significantly at the Wheao (Taupō) and Kamai (Bay of Plenty) schemes to support lodgement in FY26. Preparations also commenced for the development of strategies and workplans for the future reconsenting of the Mangahao (Manawatū), Kuratau (King Country) and Coleridge (Canterbury) schemes.

Manawa Energy is proud of its efforts in the area of tuna (elvers and eels) passage past its dams and infrastructure. Great progress continues to be made in this area, working closely with local mana whenua. The current migration season at Matahina for example saw over two tonnes of elver transferred and released by Ōmataroa Kaitiaki Ltd and the Kokupu Trust (this equates to approximately two million elver). This was a near record season, with the highest numbers of elver transferred since the 2015/16 season.

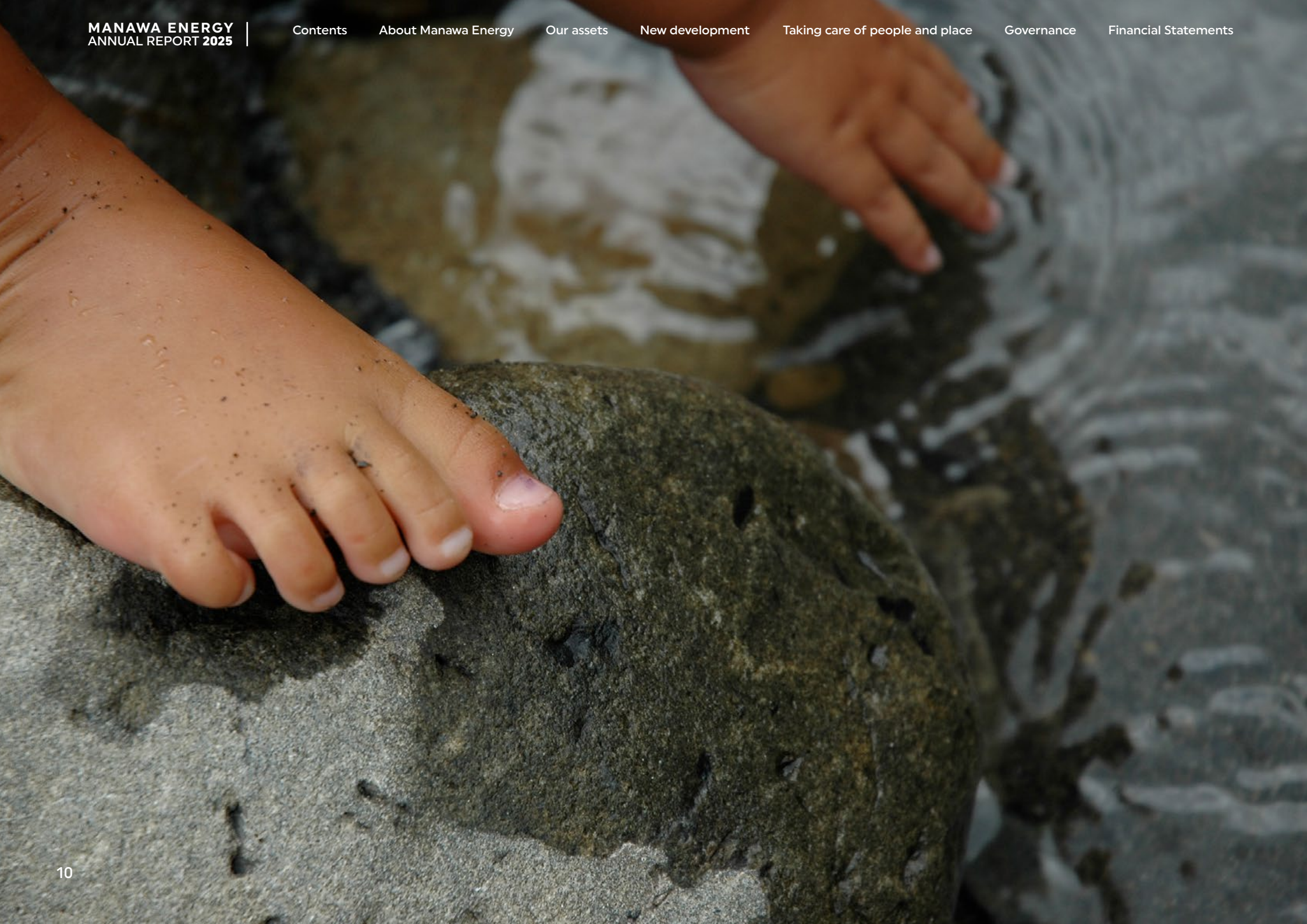
Our thanks

Notwithstanding the challenging operating environment across the year and the overlay of the Scheme of Arrangement, the Manawa Energy team have worked tirelessly to keep its assets running safely and reliably, support the day-to-day business and advance our new generation development pipeline. We would like to thank the team, and our colleagues in the executive leadership team and Board, for your outstanding efforts throughout the year.

To our stakeholders and shareholders – we also thank you for your ongoing support.

Deion Campbell
Chair

Clayton Delmarter
Chief Executive



About Manawa Energy

Manawa Energy is Aotearoa New Zealand's largest independent electricity generator and renewables developer.

We have 26 power schemes throughout New Zealand and a total installed capacity of 512 megawatts, generating an average of 1,944 gigawatt hours of electricity per year. We supply approximately 550 commercial and industrial customers.

Manawa (meaning 'heart') acknowledges our heritage establishing electricity generation on the Ōmanawa River in the Kaimai area during the early 1900s. Our name was gifted by Ngāti Hangarau hapū, mana whenua of the area where our Kaimai hydro-electric power scheme is located.

Values

These four values underpin our culture and guide our behaviour:

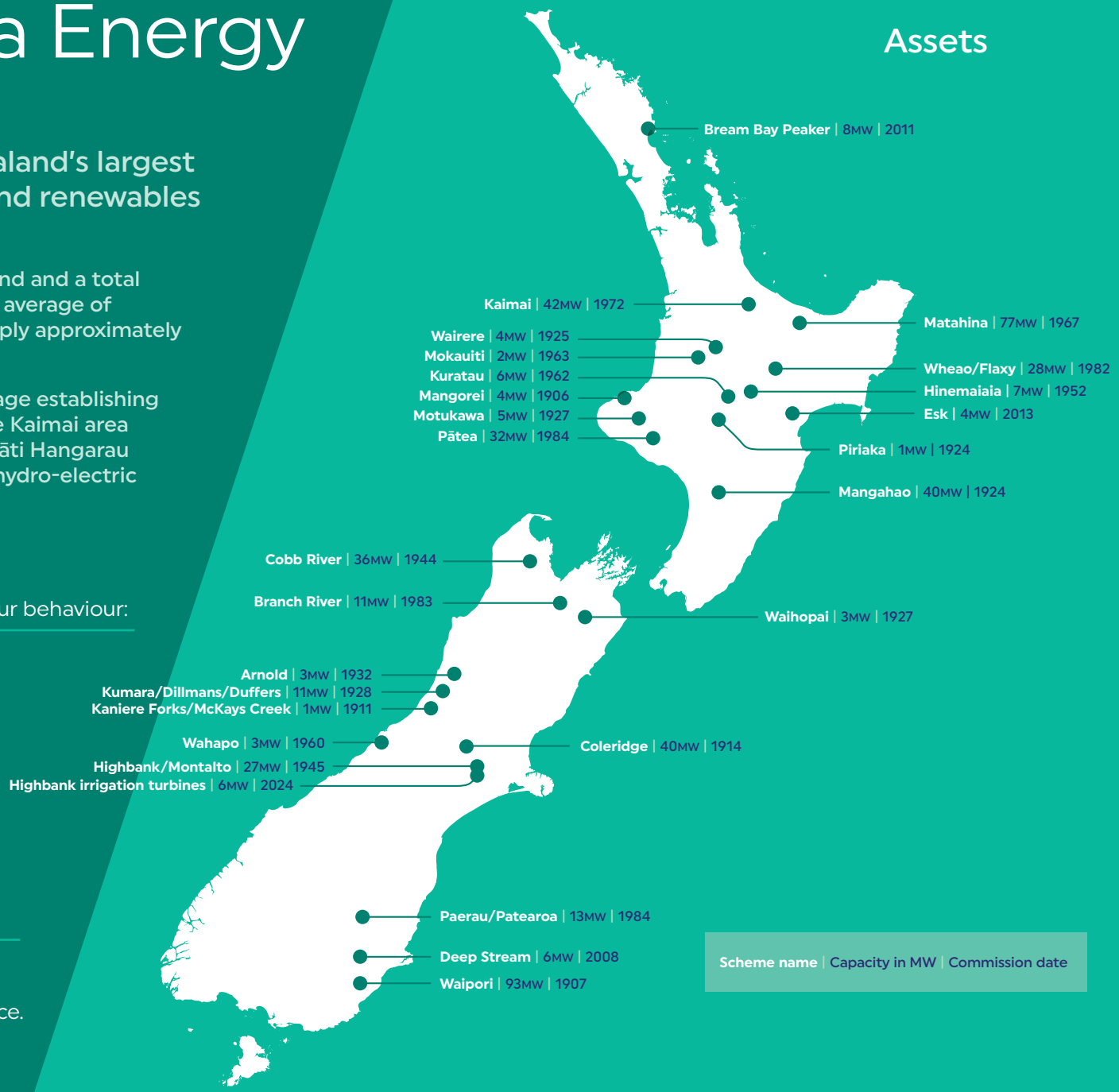
We're down to earth: We take what we do seriously and have fun doing it. We're grounded and respectful, bringing good energy to lighten the load of our big challenges.

We're joined up: We succeed by working together and valuing the contributions of others to deliver on Manawa Energy's goals.

We're resourceful: We're creative, finding smart ways to solve problems, and we aren't afraid to do things a bit differently.

We get it done: We tackle our work head on, taking calculated risks to deliver on our commitments through proactivity, determination, and perseverance.

Assets



Board of directors

For full **profiles** of our Board, please visit our website.

Deion Campbell
CHAIR
NON-INDEPENDENT DIRECTOR

Deion joined the Board in July 2022 and has been Chair since July 2023. He is an Operating Partner at Morrison. His previous experience includes 15 years at Trustpower and four years as CEO of Tilt Renewables. He is Chair of Longroad Energy Holdings, and a director of Origin Energy (Australia) and Pastoral Partners Australia. He holds a BE (Hons) and an ME from the University of Canterbury, is a graduate of the INSEAD Business School Advanced Management Program, is a Chartered Company Director and is a Fellow of Engineering New Zealand.

Joanna Breare
INDEPENDENT DIRECTOR

Joanna joined the Board in 2021 after retiring as Chief Executive of Todd Energy. She holds a BSc (Hons) and a PhD in Geology from the University of London.

Sheridan Broadbent
INDEPENDENT DIRECTOR

Sheridan joined the Board in 2021. She is director of Spark New Zealand and Downer EDI, and Deputy Chair of the Business Leaders' Health and Safety Forum. She holds a BCom from the University of Auckland and is a graduate of the Harvard Business School Advanced Management Program.

Phillippa Harford
NON-INDEPENDENT DIRECTOR

Phillippa joined the Board in July 2023. She is a Partner at Morrison. She was Infratil's Chief Financial Officer for ten years (stepping down in November 2023) and prior to that Head of Tax for Morrison. Phillippa is Trustee of Wellington Regional Stadium Trust. She holds a BCA from Victoria University and is a qualified chartered accountant.

Michael Smith
NON-INDEPENDENT DIRECTOR

Michael was appointed to the Board in 2021 by TECT. He chairs Craigs Investment Partners custodial and superannuation subsidiaries and was a director of Port of Tauranga Limited for 16 years. Michael holds an LLB from Victoria University and has practised as a commercial lawyer since 1985.

Joe Windmeyer
NON-INDEPENDENT DIRECTOR

Joe joined the Board in July 2023. He is a Partner in the corporate advisory team at Russell McVeagh, specialising in corporate and commercial law. He has 30 years of experience advising clients in the energy sector and was named 'Lawyer of the Year' for Corporate Governance and Compliance Practice in the 2024 Best Lawyers New Zealand Guide.

Executive Leadership Team

For full **profiles** of our management team, please visit our website.

Clayton Delmarter

CHIEF EXECUTIVE

Clayton was appointed as Chief Executive in February 2024, after being appointed as interim Chief Executive in September 2023. He has over 20 years' experience in the renewable energy industry in Aotearoa New Zealand, Australia and North America including roles at Morrison and Tilt Renewables. He started in the Trustpower generation team in 2002. He holds a BSc (Technology) (Hons) from the University of Waikato, a Graduate Diploma in Business Studies (Finance) from Massey University and is a graduate of the University of Oxford Saïd Business School Advanced Management and Leadership programme.

Phil Wiltshire

CHIEF FINANCIAL OFFICER

Phil joined the company in February 2022 and leads our finance, strategy, legal, investor relations and business performance functions. He has more than 20 years' experience in CFO roles for various companies including Mainland and Vitaco Health Group. He has a BCom from the University of Auckland and is a member of Chartered Accountants Australia and New Zealand.

Matt James

GM TRADING & WHOLESALE

Matt joined Trustpower in 2000 as a graduate out of Waikato University. He has held various roles over the past 25 years across retail, commercial contracting, product development and strategic partnerships. His most recent role was Head of Commercial and Industrial/Market Operations. He joined the Executive Leadership Team in April 2023.

Todd Mead

GM GENERATION

Todd has more than 30 years of hydro-engineering and project management experience in Aotearoa New Zealand, Australia and North America. He joined Trustpower in 2015 and has held senior generation roles including Engineering Manager, Production Manager and Head of Development. He joined the Executive Leadership Team in April 2023. Todd holds a Bachelor of Mechanical Engineering (Hons) from the University of Auckland, a Master of Engineering Management from the University of Colorado and has completed Melbourne Business School's Advanced Management Program.

Richard Spearman

GM MARKET OPERATIONS

Richard joined Trustpower in 2004 and leads our market operations functions. He has over 30 years' experience in the electricity industry. He has a formal engineering and business background and has led projects ranging from real-time distribution network and generation operations to transmission systems engineering, technology systems, regulatory, metering, energy trading and generation development. He is a member of the Institute of Electrical and Electronics Engineers and the Institute of Directors.

Deborah Sinclair

GM PEOPLE & CULTURE

Deborah has more than 20 years of people and culture experience in a variety of senior roles in New Zealand across a range of industries. She joined Trustpower in 2022 as Head of People & Culture, supporting Manawa Energy's transition to an independent power producer along with developing and embedding the company's revised people and culture strategy.

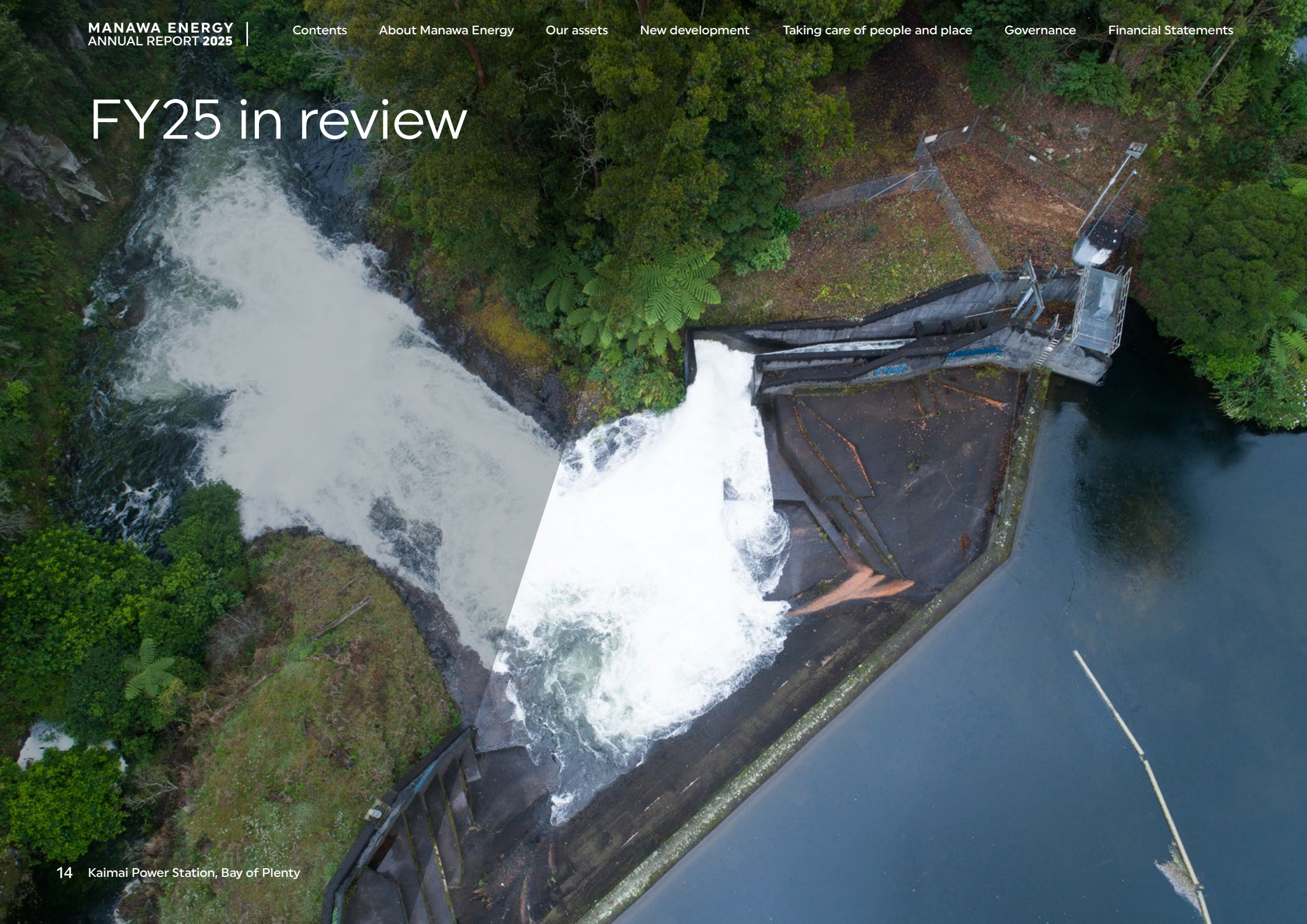
Jim Pearson

GM ENVIRONMENT & STAKEHOLDER RELATIONS (ACTING)

Jim joined the Executive Leadership Team in an acting capacity from 6 May 2024. Jim has over 30 years of project management experience in the energy industry (renewables and oil & gas). Over the past 18 years he has been heavily involved in the New Zealand and Australian wind sector from scoping, through to consenting, procurement, construction and commissioning. He has an extensive track record in project delivery (wind and hydro) and is a project management expert (PMI Project Management Professional). In the New Zealand and Australian market Jim has been responsible for the construction of over NZ$1 billion of wind sector assets in the past 12 years.

Please visit our website for **full profiles** of our Board and Executive Leadership Team.

FY25 in review



14 Kaimai Power Station, Bay of Plenty

Our assets

Delivering for New Zealand

As New Zealand's largest independent electricity generator, Manawa Energy continues to invest in its unique asset portfolio.

FY25 represented another year of record investment in our hydro assets. In addition to our major asset investment programme we have also completed a number of other significant projects, including:

- Both Esk scheme stations restored to full capacity, with improved operational performance (these stations suffered damage during Cyclone Gabrielle);
- Bream Bay capacity restored from 4.5MW to 8MW – providing additional peaking capacity, portfolio cover and regional support;
- A new circuit Overload Protection System was commissioned at Coleridge, to enable full generation from the scheme during routine outages on the Transpower transmission lines;
- The maintenance facility at the Harper River diversion was rebuilt and significantly enlarged, with works completing in FY25. The facility enables maintenance to be completed on the diversions that supply the Coleridge scheme in Canterbury;
- The spillway to Lake Wahapo on the West Coast was repaired after multiple heavy rain events caused damage; and
- The Cobb River Power Station roof and wall claddings have reached the end of their life and are being replaced to ensure the safety of personnel and continued watertightness of the building for decades to come.

Manawa Energy's unique asset base:

- Largest number of dams and hydro assets in the New Zealand energy sector;
- 26 power schemes, 45 stations, 90 generating units;
- Geographical diversity; and
- Schemes between 11 and 117 years old.

Dam Safety Regulations

In 2024, new dam safety regulations came into effect. For Manawa Energy, these new regulations form an important part of our asset management practices and planning as they involve significant monitoring, testing and administrative work given we are the owner of the largest number of hydro dams in the country. The first milestone of the new dam safety regulations included preparing and submitting assessments for all 57 of our classified large dams.

Reliability improvements

Manawa Energy has seen materially improved plant reliability over the last two years, with a significant reduction in the amount of lost energy from unplanned outages.

Unit reliability across the portfolio this year has been equivalent to adding another Esk Scheme (12GWh) in terms of additional generation compared to our long-term average.

Unplanned outages	↓15%
Lost energy from unplanned outages	↓40%
Lost energy from planned outages*	↓64%
Starting Ratio**	↑0.5%

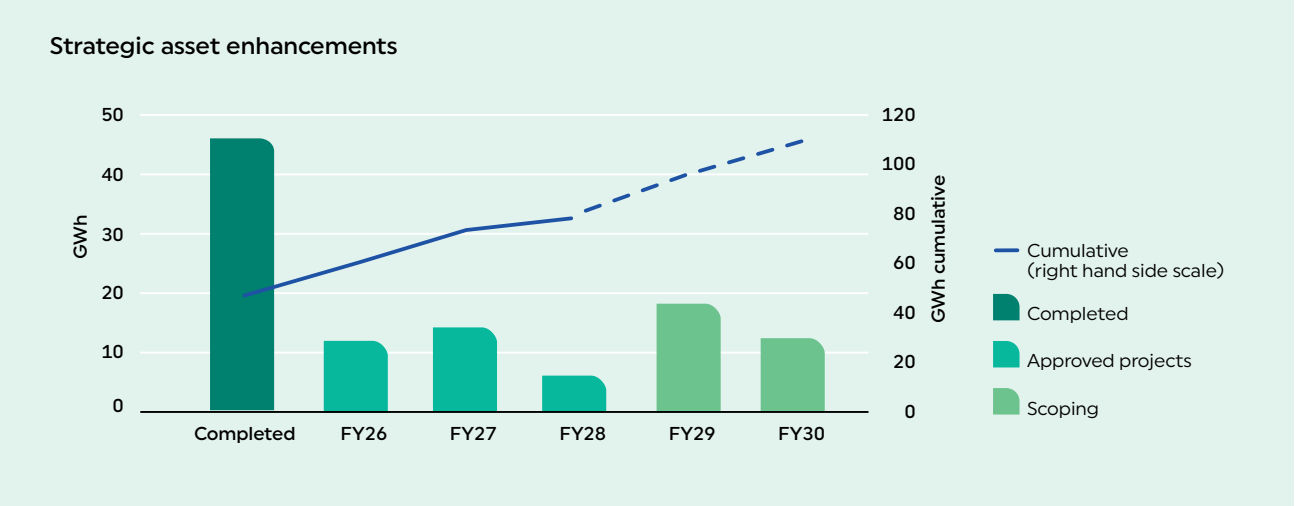
* Positively impacted by optimisation of timing and planning of outages.
** Machine starts when instructed to.

Major Asset Investment Programme

Manawa Energy's major asset investment programme aims to maximise the long-term value of its assets and is progressing the largest reinvestment in its core strategic hydro infrastructure in its history.

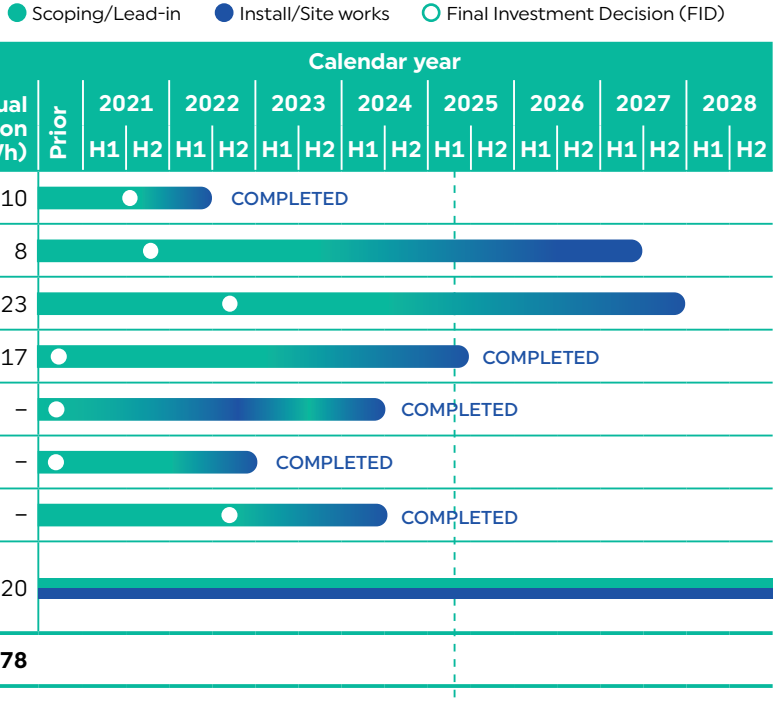
Significant progress has been made throughout FY25 with a continued focus on robust project delivery. The programme is progressing to expectations, meeting time, cost and quality requirements.

Projects completed so far are already providing significant benefits to Manawa Energy – with greater capacity, efficiency, improved risk profile, and reliability all reflected in improved operational performance.



Timeline of selected major projects

Scheme	Location	Capacity (MW)	Commission date	Project scope	Final investment decision	Annual production uplift (GWh)
Branch	Marlborough	11	1983	New intake gallery	Jul-21	10
Highbank	Canterbury	27	1945	New turbine and generator	Dec-21	8
Coleridge	Canterbury	40	1914	3x new turbines, 1x new generator	Nov-22	23
Matahina	Bay of Plenty	77	1967	2x new turbines	Aug-20	17
Waipori	Otago	93	1907	2x new generators	Oct-19	–
Cobb	Tasman	36	1944	2x new generators	Mar-20	–
Arnold	West Coast	3	1932	Seismic strengthening of dam	Nov-22	–
Various	Various	–	Various	Various refurbishments, replacements, dam safety upgrades, and enhancements	Various	20
Total		**288**				**78**



Matahina Upgrade

FY25 saw the achievement of significant milestones for the replacement of both turbines at our Matahina Power Station. The first turbine was replaced and commissioned in FY25, and the second was commissioned and returned to service in early FY26.

Matahina is located on the Rangitāiki River and comprises an 86-metre-high earth dam (the largest of its type in the North Island) that forms Lake Matahina. With an output of 280GWh the 77MW station comprises two Francis turbines and was first commissioned in 1967. It is the largest single station asset for Manawa Energy by capacity and annual production. The current upgrade constitutes the first major works on the two turbines since original installation.

The upgrade included a four-year design and manufacture process, including model testing, with site works commencing in November 2023.

The project includes two units (G1 and G2) and involves the installation of a new turbine headcover on G2 and bottom rings, new guide vanes and new runners on both units, along with other key components. The turbine runner on G2 weighs approximately 20 tonnes, while the G1 runner weighs 16 tonnes – both are 3.5 metres in diameter.

Commissioning and performance testing of the first unit (G2) was completed in May 2024 and the unit successfully re-entered commercial operation in early June 2024.

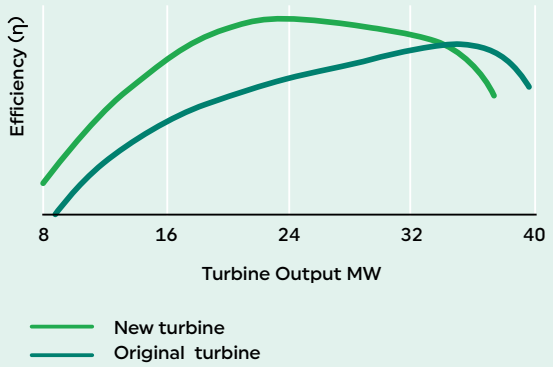
This first replacement turbine runner (G2) is optimised to operate at reduced flows – this has improved the overall operability of the station through better efficiency at lower flows, adding 12GWh per annum of production volume from higher efficiency matched to regular scheme flow patterns.

Works commenced in November 2024 on the second replacement turbine (G1). This turbine runner is optimised to operate at higher flows to complement the first runner. The Matahina G1 replacement is expected to add a further 5GWh per annum of volume uplift and was completed in April 2025.

This project is a once-in-a-generation renewal of a key strategic asset in our portfolio, completed on time and budget, with no Lost Time Injuries, and is delivering performance gains in line with the business case. Together with our contractors we are ensuring the Matahina Power Station remains a reliable source of renewable energy for years to come.

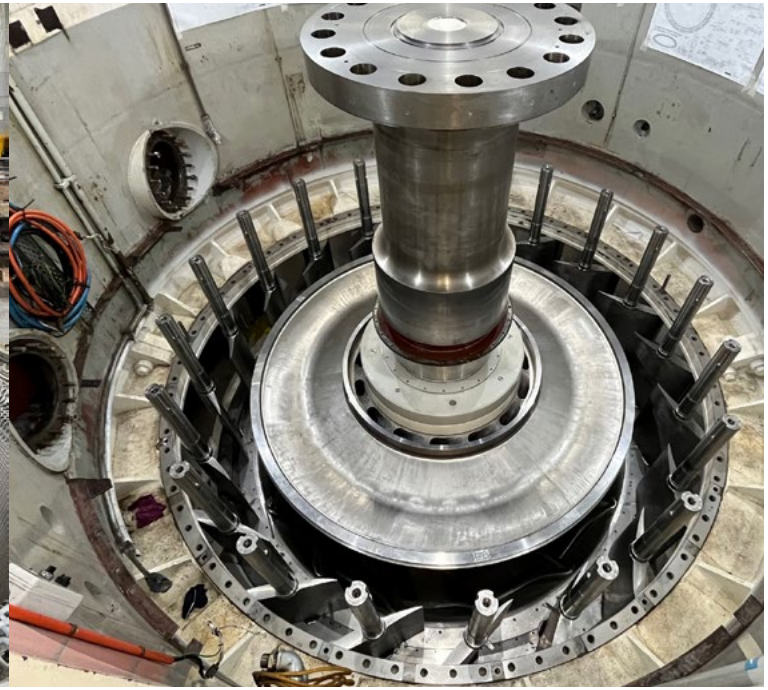
Enhancement benefits from the turbines represent a significant annual uplift in revenue, with the upgrade contributing 17GWh per annum towards our enhancement target of 78GWh of additional generation volume per annum across our portfolio by FY28.

Matahina: Turbine Efficiency Comparison (G2)



Original turbine runner being removed after 57 years of service.

Generator stator with the rotor removed.



New turbine installation.

Highbank Unit Upgrade

Our Highbank Power Scheme is in the Canterbury region and includes the Highbank and Montalto Power Stations, providing a combined 27MW of capacity and powering the equivalent of over 14,000 average kiwi homes per year. Prior to refurbishment, Highbank Power Station generates approximately 106GWh per annum.

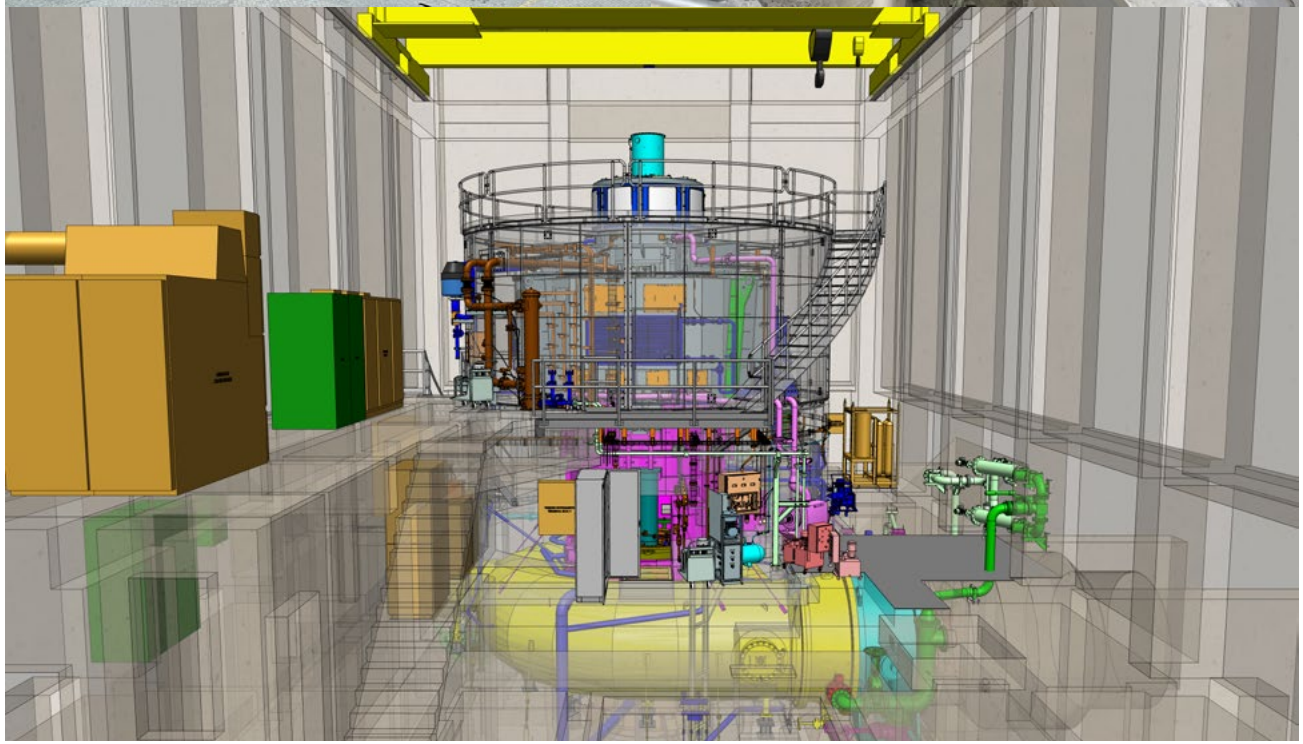
The Highbank Power Scheme and Highbank Pumping Station are part of the Rangitata Diversion Race (RDR) irrigation scheme in mid Canterbury. The Highbank Pumping Station operates between September and April each year, pumping water from the Rakaia River up to the RDR irrigation canal.

The Highbank Unit Upgrade project commenced in 2021 and includes a complete replacement of the existing single 25MW turbine and generator unit, as well as the shaft and stationary components. The project includes installation of a new overhead gantry crane to disassemble and reassemble the equipment, the removal of around 300 cubic metres of concrete and a complete rebuild of the internal structure. This is the largest complete unit replacement in Manawa Energy's history. The new unit has been purpose-designed and built to better withstand the highly erosive glacial waters, be able to have wear-parts replaced more quickly, and provide better peaking capacity.

When complete, this project will deliver 8GWh of additional annual production and will materially improve asset resilience and scheme performance.

Site works commenced during FY25, with the scheme outage commencing from late October 2024. Completion is expected by the middle of calendar year 2026.

Left and right: concrete cutting in progress down to the original station foundations.



3D model of Highbank Powerhouse once completed.

Highbank 'Pumps as Turbines' project

As Highbank is a single-unit station, ordinarily we would not have been able to generate any power during the year-and-a-half outage while undertaking installation of the replacement unit at Highbank.

To mitigate the impact of the outage and enhance scheme performance, Manawa Energy explored converting the six irrigation pumps in the nearby pumping station to also run as generators when required.

An initial feasibility study was undertaken which confirmed no major electrical or mechanical obstacles to converting the pumps. The first pump was successfully converted to a turbine with a 1MW capacity as a test case. Following the success of the first conversion, the remaining pumps were successfully converted and commissioned.

Delivering approximately 6MW in total, the pumps as turbines project will power the equivalent of 6,000 average Kiwi homes per year throughout the Highbank outage and provide valuable generation resilience for any future outages at Highbank.

The 'Pumps as Turbines' project involved making physical changes to the piping and valve installation as well as constructing a new building to house the new Variable Frequency Drives (VFD) which allows the pumps to operate at more efficient speeds during 'generating mode' thereby generating more power. However, despite these additions, the project largely utilises existing assets and infrastructure to provide added resilience for Highbank.

This initiative highlights a practical and innovative way to maximise the benefits of New Zealand's hydropower infrastructure and provides generation resilience as it allows operating flexibility for different flow conditions.

Highbank Power Station.

Highbank Pump Station.

New building housing pump-as-turbines control equipment.

Arnold Dam strengthening

Arnold Power Station was commissioned in 1932 and is a run-of-river scheme on the West Coast of the South Island.

FY25 saw the completion of significant strengthening works on the Arnold Dam. This project has significantly increased Arnold's seismic and hydrology performance. The works included installation of the following:

- a high-capacity drainage system to increase dam resilience to all levels of earthquake;
- a buttress to the earth dam that improves its stability in an earthquake;
- over 1,200m of bored reinforced concrete piles to anchor the concrete spillway down to resist earthquake loads; and
- a large reinforced concrete overlay slab to the earth dam to stabilise it in the event of a large earthquake.

Construction of the strengthening works took 18 months and involved significant diversion works to enable the work to be safely completed in the Arnold River.

The lake was operated at a lower level to mitigate flood impacts to the construction site. However, despite the extensive civil works on the Arnold Dam, the power station continued to generate during the entire 18-month construction period helping to offset construction costs and also moderating the flow passing over the spillway.

Arnold Dam.

Piling works to strengthen Arnold Dam.

Arnold Dam.

Waipori Generator Replacement Project

The Waipori Scheme (93MW) is located southwest of Dunedin and consists of four power stations (Waipori 1A, 2A, 3 and 4). From FY23 to FY25 a project was undertaken to replace the aging generators at Waipori Stations 3 (8MW) and 4 (9MW). The goal of the project was to enhance reliability and extend the asset life by 40 years.

As part of this upgrade, the opportunity was taken to refurbish the Main Inlet Valve (MIV) and modernise the water-cooling system, further improving efficiency, safety, and reducing operating costs.

Over 15,500 hours were worked with zero lost-time injuries and no environmental incidents.

We were able to apply lessons learned from the Waipori 4 outage when undertaking the Waipori 3 work. This included reduced risk of delays through improved pre-outage planning and dedicated resources, as well as competitive tendering.

Despite challenges, the Waipori 3 and 4 project was completed on-time, the new generators are more efficient, and the refurbishment has resulted in reduced ongoing maintenance costs.

The 30 Ton, 70-year-old Main Inlet Valve returning to Waipori 3 Station following a complete overhaul.

Coleridge G1/2/3

Early physical works have commenced on the Coleridge (40MW capacity) upgrade project that will see the total replacement (turbine and generator) of the current 9MW unit (to 12.5MW), as well as the replacement of the turbines for the two other operating units with more efficient and modern replacements.

This project will provide an average annual uplift of 23GWh per annum, increase station capacity by 3.5MW, as well as significantly improve reliability of this scheme. The major component manufacturing commenced in FY25. The project remains on schedule with the first 6-month outage for the G1 replacement due to start in May 2025. Benefits from the Coleridge refurbishment will be recognised progressively across the project as each turbine replacement is completed.

New G1 distributor assembly.

New development

Manawa Energy has built a significant pipeline of quality, prospective projects that have continued to progress during FY25, including receiving resource consents for the Argyle Solar Farm.

Across FY25 our development pipeline saw good progress on site specific technical and environmental assessments, connection activities, as well as securing accretive additional options at existing sites and new options adding to our renewable development pipeline.

As at the end of FY25, Manawa Energy holds secured wind and solar development options totalling ~4,600GWh p.a. of potential generation, with a further ~3,000GWh p.a. of wind and solar opportunities in advanced negotiations.

Also during FY25, two of Manawa Energy's key new development projects were listed in the Fast Track Approvals Act:

- The 300MW Huriwaka Wind Farm in the Central North Island; and
- The 300MW Kaihiku Wind Farm (50 percent partnership with Pioneer Energy) in Southland.

Argyle

- Adjacent to existing Branch River hydro scheme assets in Marlborough.
- Advantage of having existing hydro assets and new development solar assets co-located, including flexibility to respond to demand via intra-day peaking capabilities, operational efficiencies and existing local relationships.
- ~135,000 solar panels on 174Ha of land across two project sites.
- 65MWac/~130GWh pa.
- Fully consented.
- Design, procurement, and connection activities continuing to support a final investment decision as soon as practical.

Pile testing at Argyle site.

Huriwaka

- Manawatū-Whanganui region.
- ~5,600ha site, ~60 turbines.
- ~300MW capacity producing ~1,020GWh per annum.
- Close to national grid – less than 6km to 220kV transmission corridor.
- Over ten years of historic wind data confirming quality of wind resource.
- Final consenting and connection works ongoing.
- Transpower connection team assigned, included on Fast Track Approvals Act schedule.
- Expected consent lodgement (under Fast-track regime) end of H1 CY2025.
- Extensive engagement over the past 2 years with stakeholders including iwi, neighbours, the local community and local, regional and national authorities and agencies.

Huriwaka wind monitoring mast.

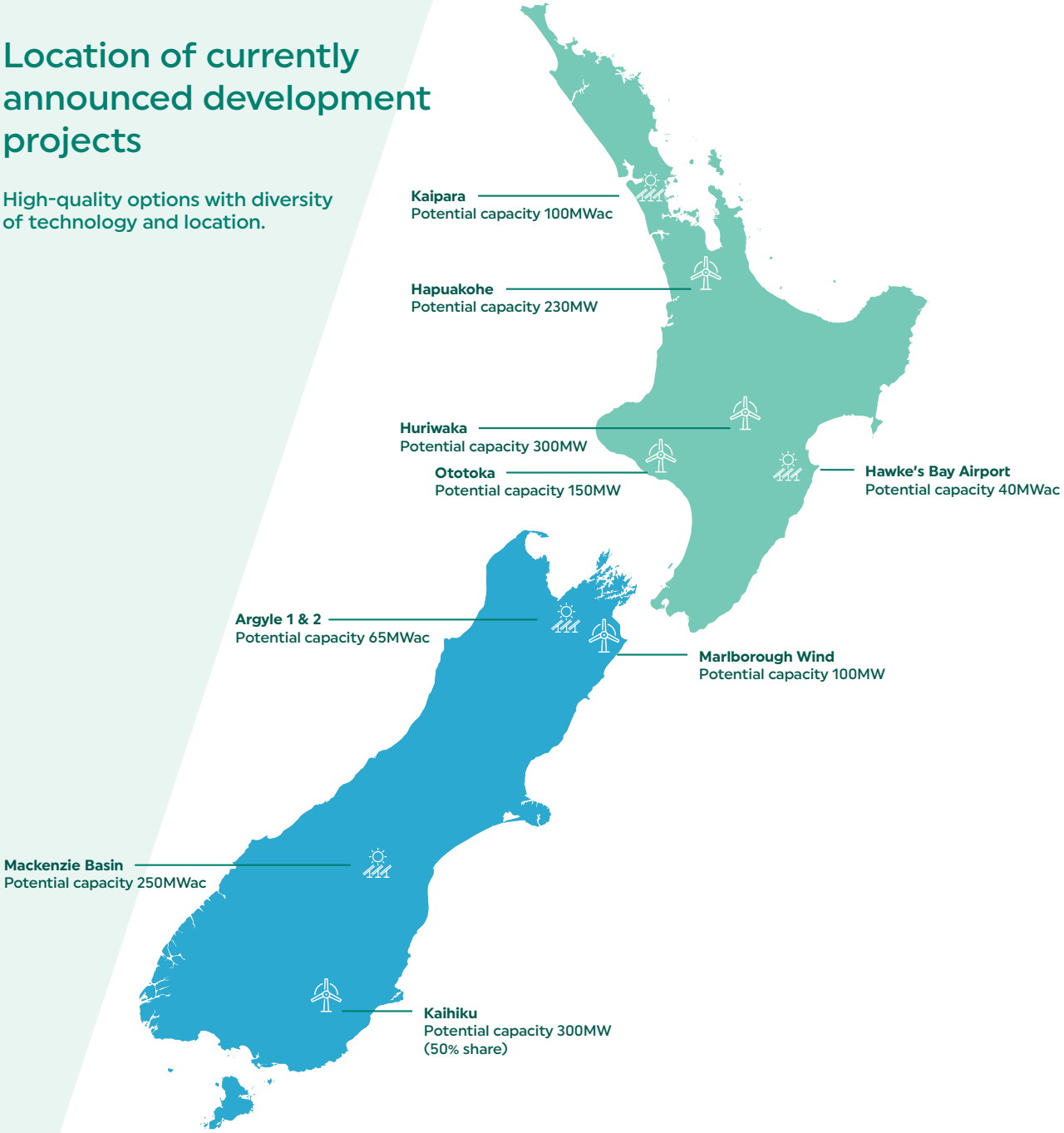
Kaihiku

- Located between Balclutha and Clinton in South Otago.
- 50/50 partnership between Manawa Energy and Pioneer Energy.
- ~8,700ha site, ~73 turbines, access to existing transmission infrastructure located within the project footprint.
- Long-term wind data record confirming an excellent wind resource.
- ~300MW, ~1,050GWh per annum.
- Transpower connection team assigned, included as a listed project in Fast Track Approvals Act.
- Consent lodgement expected H2 CY2025.
- Ongoing consultation with neighbouring properties, mana whenua, Councils and Department of Conservation to ensure potential effects are appropriately managed.

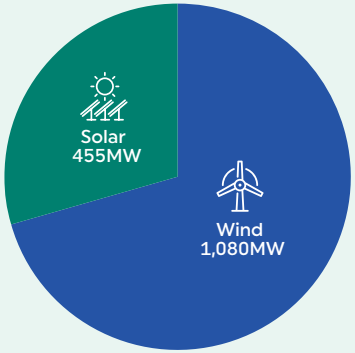
Pest surveying.

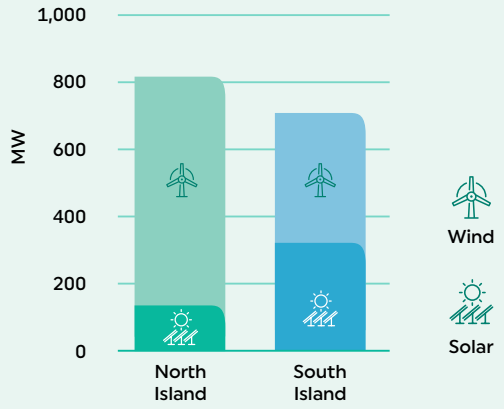
Location of currently announced development projects

High-quality options with diversity of technology and location.



Secured development options

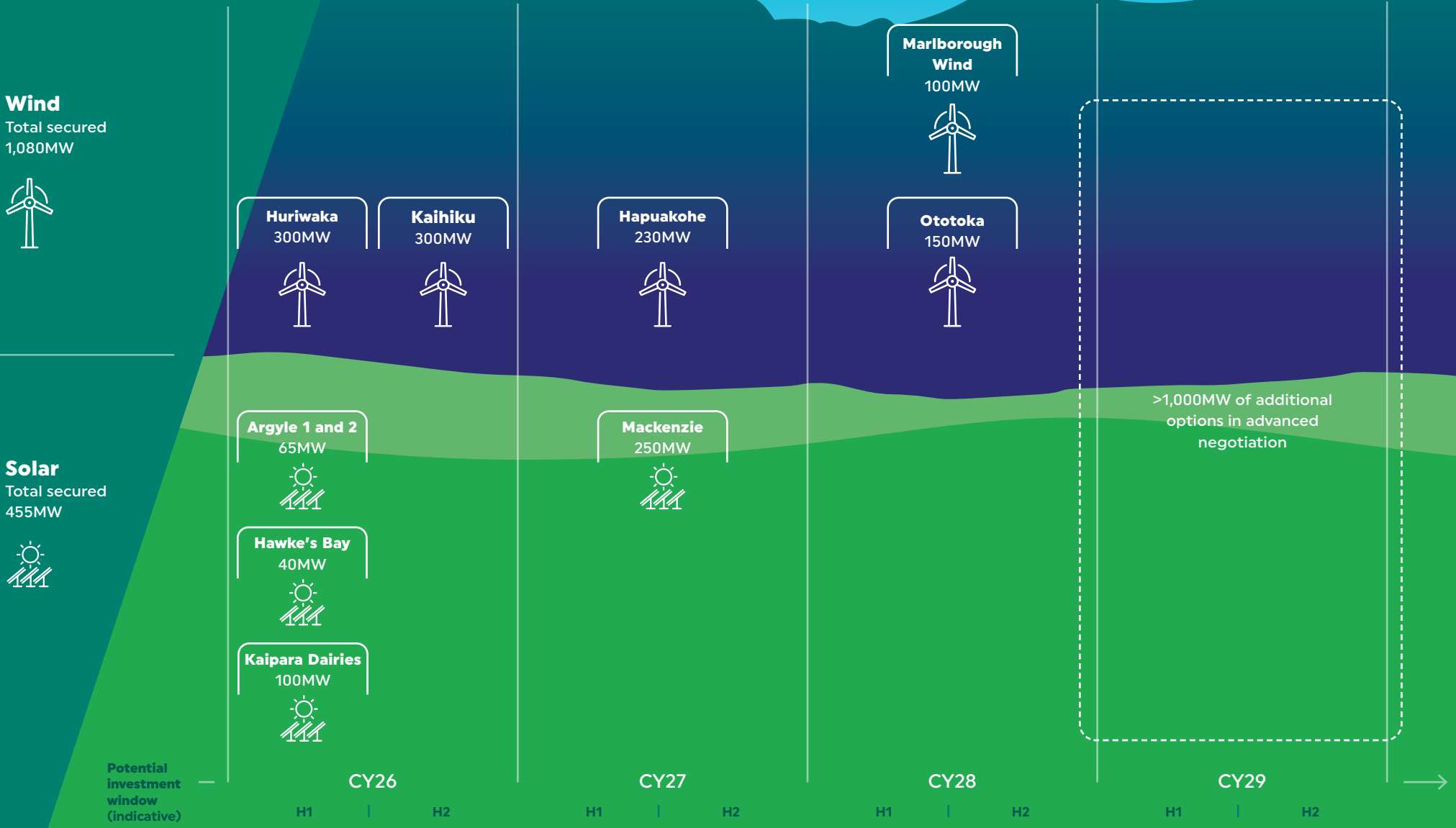




New Development project overview

Wind
Total secured
1,080MW

Solar
Total secured
455MW



Taking care of people and place

Manawa Energy is committed to working for the good of our people, our environment, our communities and our shareholders. We had previously identified and prioritised 15 material initiatives to ensure our sustainability efforts are geared towards the most important environmental, social and governance (ESG) areas.

The following sections highlight work undertaken by Manawa Energy in FY25 to progress our sustainability strategy. We recognise that our reputation and relationships enable continued access to the natural resources we rely on to operate.

Environment

Climate Change

- Renewable energy development
- Resilience of existing assets
- Climate related business risk

Environment

- Environmental management
- Biodiversity

Social

People and Culture

- Safety and wellbeing
- Employee attraction, development and retention
- Diversity, equity and inclusion

Communities

- Community support
- Cultural capability

Governance

Transparency

- Policy and regulation
- Communicating with stakeholders

Leadership

- ESG governance
- Sustainable financial performance
- Ethical supply chain

Health and Safety

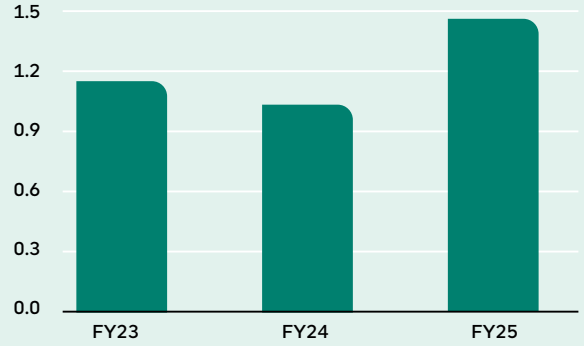
Our employees and contractors often operate in higher-risk physical environments, including in isolated and remote areas. We recognise that we must remain focused on enhancing health and safety practices and continually improve systems that help ensure everyone goes home safe and well every day.

We continue to embed our health & safety strategy that was approved by the Board in 2023. Importantly we are focused on ensuring a risk management culture based on clear leadership, restorative learning, and systems that work well for our people.

Throughout FY25 we have focussed on these areas:

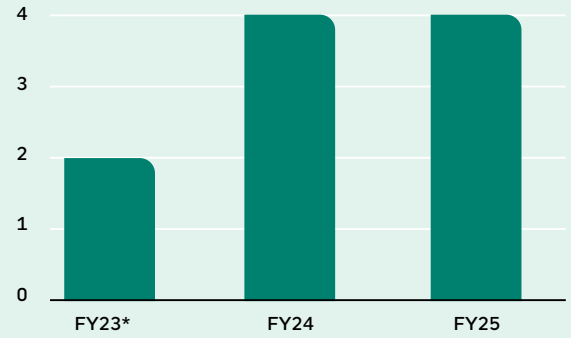
- Health & safety leadership education;
- Utilising technology to provide centralised and updated data on confined spaces, public safety, and site-specific risk registers;
- Reviewing our site-specific risks and assessing the effectiveness of our critical risk controls;
- Updating our health & safety management system (HSMS);
- Revamping our assurance programme;
- Continuing to build on our 'Learning Teams' approach to ensure that all lessons learned from an incident are communicated and practices are modified across Manawa Energy; and
- Providing a wealth of wellbeing information to our people through the My Everyday Wellbeing app.

Total recordable injury frequency rate (TRIFR)



TRIFR is the number of lost time and medical treatment injuries per 200,000 hours worked by Manawa Energy employees (excluding contractors).

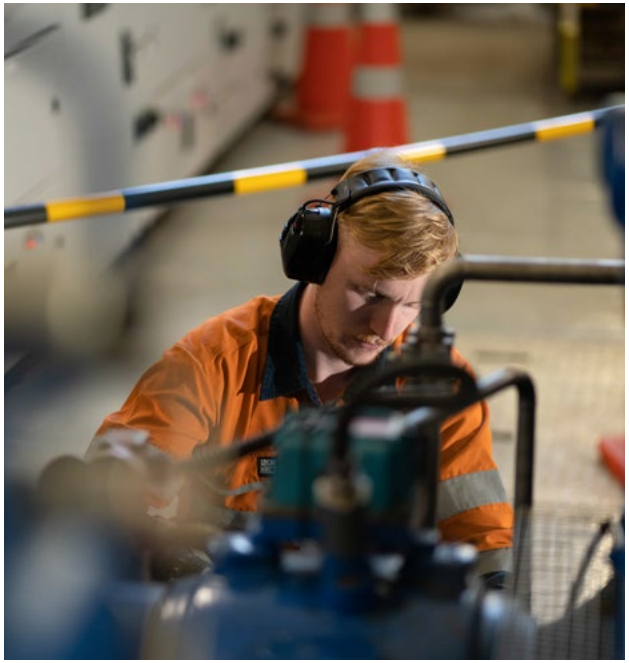
Lost time injuries (LTI)



* Previously, contractor LTIs were excluded from this metric. They are now included in the LTI count but excluded from the TRIFR calculation, as capturing accurate contractor hours is not practical.

Manawa Energy is committed to a sustainable wellbeing culture for all employees. Our strategy, based on internal and industry input, aims to reduce workplace risks, protect employees, and ensure legal compliance. We foster an open environment for sharing and learning from safety incidents, promoting a learning mindset, and maintaining systems that support safe outcomes.

Amongst other measures, we track our safety performance with two key measures: Total Recordable Injury Frequency Rate (TRIFR) and Lost Time Injuries (LTI). While these measures are internationally recognised, they are lagging indicators, which means they measure outcomes after events. We continue to evolve our safety performance measures and are looking at leading indicators that help us focus on preventing incidents and ensure we are putting our resource into the areas of greatest risk.



Reconsenting and Environmental Management

Our consenting and compliance work has continued at pace this financial year.

Reconsenting activities continued across a number of Manawa's hydro schemes. Material reconsenting progress was made at the Mangorei and Motukawa (Taranaki) schemes whilst stakeholder engagement and technical assessments were advanced significantly at the Wheao (Taupō) and Kamai (Bay of Plenty) schemes to support lodgement. Preparations also commenced for the development of strategies and workplans for the future reconsenting of the Mangahao (Manawatū), Kuratau (King Country) and Coleridge (Canterbury) assets.

From a compliance perspective, across the country our power schemes operate within the constraints of approximately 3,500 resource consent conditions.

These conditions govern operations, monitoring and maintenance, and ensure we operate in an environmentally sustainable and legally compliant way. Our consenting and environmental management teams work closely together to ensure that we are meeting our obligations.

In the past year, we have continued Manawa Energy's positive record of compliance with our consents, with greater than 99 percent compliance across our consent conditions. Fourteen environmental incidents or near misses were investigated, with eight confirmed as non-compliant. All non-compliances were minor incidents that were typically low-level technical issues that were quickly addressed.

New Environmental Management System and training approach

Manawa Energy has completed a review of the existing Environmental Management System to make sure that it is fit for purpose. This review has included refreshing the Environmental Awareness training for on-site employees to complete every two years. These changes focused on making training interactive and engaging – with online modules completed before in-person sessions where scenarios are worked through as a group and discussed. A particular focus of the new training approach is to highlight that those on site are the 'eyes and ears' of Manawa Energy and that they play a key role in identifying issues and proactively managing environmental matters. This training will continue to be rolled out in FY26.

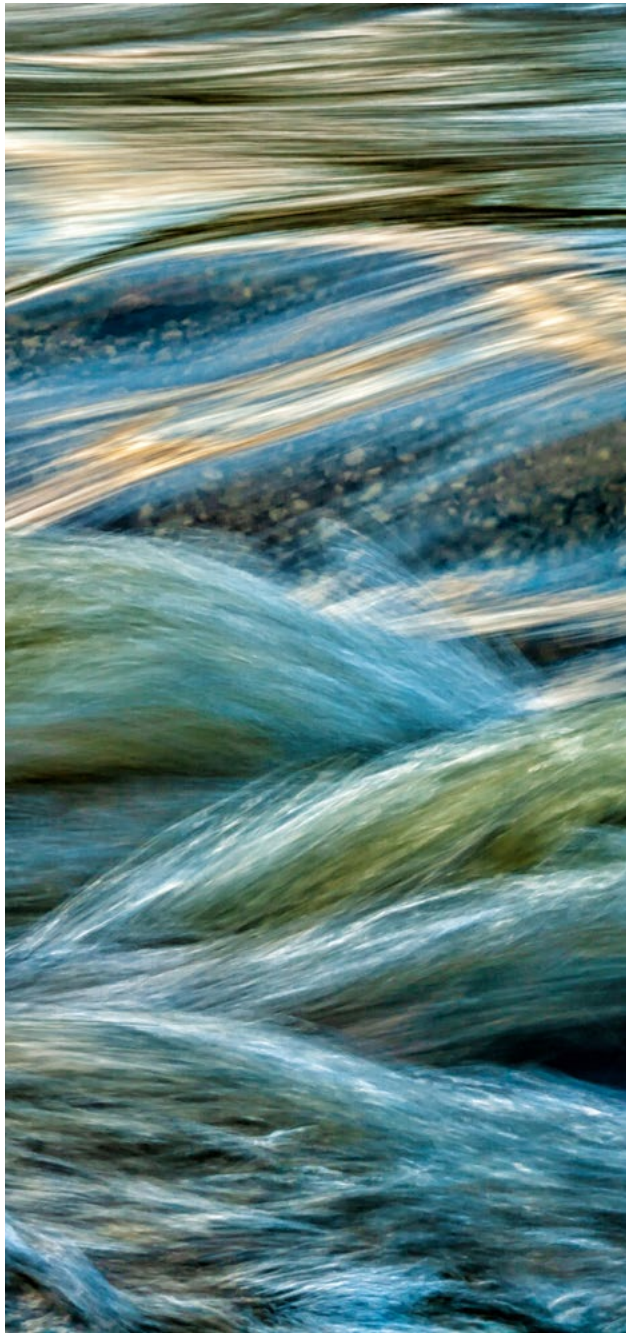
Matahina Dam elver transfer

An example of these initiatives is the assisted transfer of elver upstream at Matahina Dam. The current migration season saw over two tonnes of elver transferred and released by Ōmataroa Kaitiaki Ltd and the Kokopu Trust. Daily catch sizes required the team to complete up to three transfers a day to make sure the elver were well cared for.

Arnold Scheme light deterrent

For the larger migrant eels we also review our solutions and methods for providing safe passage downstream. At the Arnold Scheme we are implementing measures to deter larger migrant eels from the station intake.

We have installed underwater lighting at the station intake to deter eels using specialist lights that are mounted in the water above the intake screens. A procedure has also been developed where one of the spillway gates has been adjusted so that nearly all spill flow passes via that gate under normal flow conditions. This provides an alternative pathway downstream for migrant eels that avoids the station intake during the migration season.



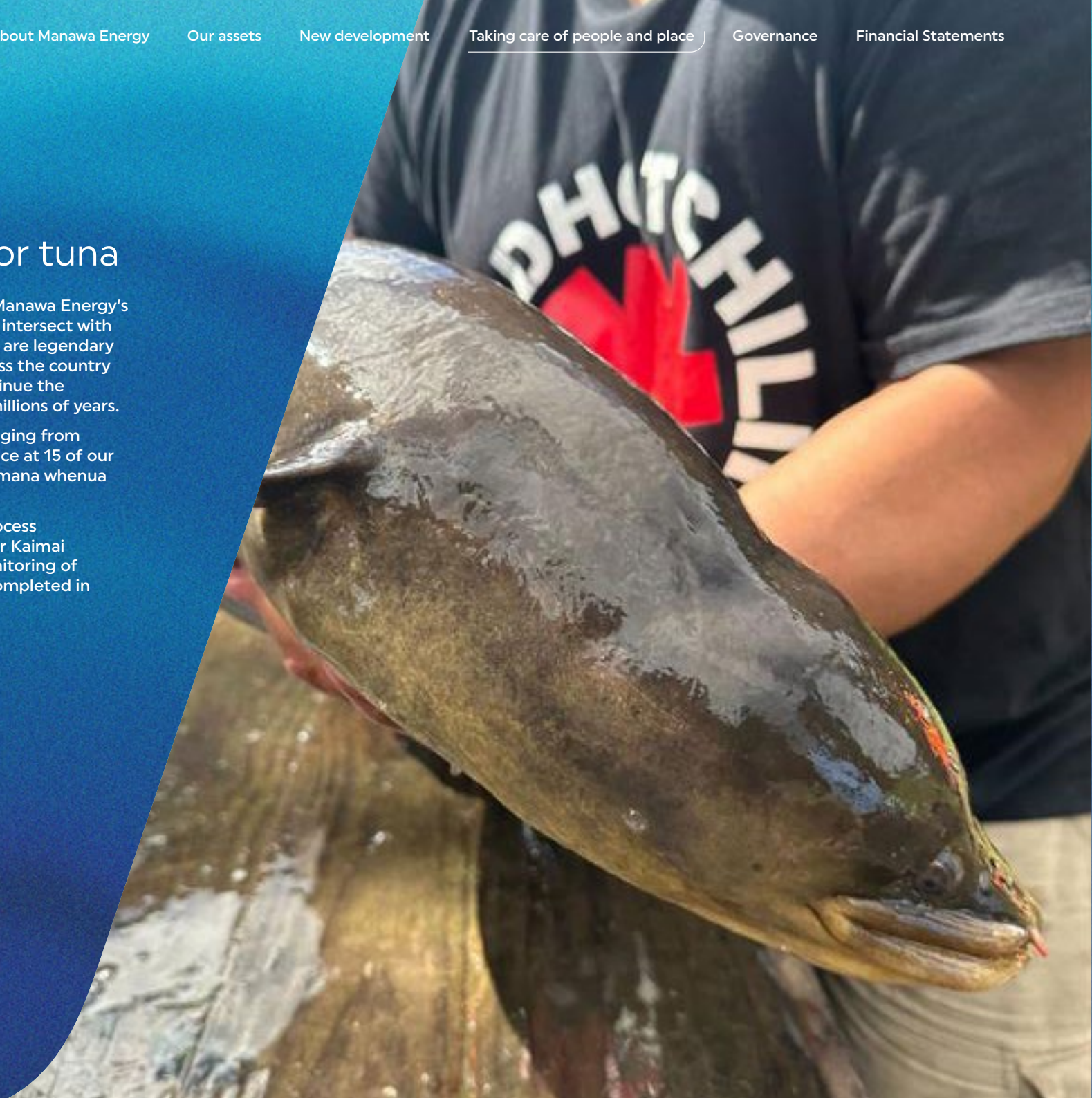
Case study

Continuing to care for tuna

Tuna (eels) are a key species of concern for Manawa Energy's operations as the migration patterns of tuna intersect with our dams around the country. Although tuna are legendary climbers, we have interventions in place across the country that have made it easier for the tuna to continue the travelling routes they have been taking for millions of years.

We currently have site-specific solutions (ranging from passive fish passes to assisted transfer) in place at 15 of our schemes. We also actively partner with local mana whenua to undertake the assisted transfer work.

In terms of passive passage, we are in the process of investigating and installing solutions at our Kaimai and Wheao-Flaxy Schemes. Subsequent monitoring of the performance of these solutions will be completed in partnership with local mana whenua.



Communities and Stakeholders

Active in our community

We are a part of communities throughout Aotearoa New Zealand.

Throughout FY25 we have continued to focus our contributions for the benefit of the communities and environments where we operate.

Manawa Energy proudly supports local communities through our regional sponsorships programme. This programme supports local initiatives in and around our power generation sites that enhance well-being and connection, look after people and the environment, and provide educational opportunities in STEM (Science, Technology, Engineering, and Mathematics), renewable energy, and more. This year, our generation site teams have backed local sports clubs, mental health initiatives, environmental projects, rescue services, community facilities, and school programmes, making a meaningful impact where it matters most.

This year we also contributed more than $150,000 towards environmental enhancement funds and educational scholarships including the Rakaia Catchment Environmental Enhancement Society and the Rangitāiki River Environment Fund.

Other key community activities for FY25 included:

- Donating one of the original 1914 Coleridge generating units to the NZ Vintage Machinery Club;
- Partnering with the Hororātā Community Trust in Canterbury (organiser of the Hororātā Highland Games and the Hororātā Glow Festival);
- Sponsoring the Rangitāiki River Festival – an event Manawa Energy has been a cornerstone supporter of for more than a decade;
- Financed upgrades at the Lake Argyle Campground including new toilets, guttering and native planting;
- Funded a new playground at the Waihopai Community Hall;
- Funded tailrace enhancements at Mangorei to improve accessibility and usability for local kayakers, Land Search and Rescue (LSAR) training, and the neighbouring Taranaki Outdoor Pursuits & Education Centre (TOPEC);
- Allocated $5,000 for sports equipment, swimming lessons, and tree planting for Whataroa and Franz Josef Schools;
- Provided $5,000 of funding to go towards a native tree seedling tunnelhouse for Tiaki Maniototo;
- Gifted $5,500 to the NBS Rescue Helicopter; and
- Open Grade sponsor for the Taihape Shearing and Woolhandling Show, 2025.

Gumboot Friday

In November 2024, we ran our second Gumboot Friday fundraising activation at Manawa Energy. Our people were able to get involved with a Gumboot Golf tournament, raffle and sausage sizzle and were able to make donations. We also made information about supporting mental health for young people available throughout our regions and head office.

Together, employees and Manawa Energy donated a total of $10,000 to the Gumboot Friday Foundation to provide free mental health support.

Choose Your Charity

In March 2025, we ran a new charity initiative for employees called 'Choose Your Charity'. Each employee was able to place a vote for a charity of their choice for Manawa Energy to donate $75 on their behalf. There were 16 charities to vote for, including health and illness, children's causes, mental health, poverty relief, community support, disability support, sustainability, animal welfare, and conservation. We also used the voting period to raise awareness for each charity. The initiative was well received, with over 65 percent of employees placing a vote. Manawa Energy also topped up the donations to each charity after voting closed, contributing a combined total of $15,978 to the charities.

Removal of one of the original 1914 Coleridge generation units for donation to the NZ Vintage Machinery Club.

100 years at Mangahao and Piriaka

In March 2025 we hosted over 400 people at a public open day, to celebrate Mangahao's 100-year anniversary.

Commissioned in 1924 to power the lower North Island, Mangahao still plays a crucial role in providing generation output and voltage stability.

Visitors were guided through the station machine floor and to the power station museum, learning about the station's current operations as well as the century of history.

In August 2024, we also celebrated 100 years of operation at the Piriaka scheme.

Joining the event were descendents from some of the seven lives tragically lost during a tunnel collapse at the time of construction.

Established in 1924, Piriaka Power Station has been a cornerstone of the local community, bringing electricity to Taumarunui and its surrounding areas utilising water from the Whanganui River. The scheme was officially opened on 21 March 1924 by then-Prime Minister William Massey.

To mark this significant milestone, a commemorative sign was unveiled, symbolising the historical importance of the Piriaka Power Station. This sign will soon be expanded to include two additional panels: one dedicated to the area's cultural significance and another highlighting ongoing environmental initiatives.

To celebrate these milestones, the Piriaka Power Station Next Generation Scholarship and the Mangahao Next Generation Scholarships were announced and awarded to future leaders who are directly connected to the Whanganui and Mangahao Rivers as the local communities of both the Piriaka and Mangahao regions.

Governance

Our Board

Roles and responsibilities

The Board is responsible for setting Manawa Energy's overall strategy and direction and determining our approach to risk. Our Board is committed to ensuring that Manawa Energy operates responsibly, ethically and complies with our legal obligations and company values. The Board operates to a charter that sets out its roles and responsibilities.

Board composition

The Board is made up of six directors who possess a range of unique skill sets, experience and perspectives.

A short biography of each director is in the **Board of Directors** section and on our **website**.

The NZX Listing Rules require that at least two directors must be independent directors. The Board has determined that Joanna Breare and Sheridan Broadbent are independent directors. Taking into account the fees paid by Manawa Energy to the independent directors in FY25 and given their respective personal circumstances, these directors continue to meet the financial independence and other requirements to be considered independent directors.

The remainder of our directors are non-independent: Deion Campbell and Phillippa Harford are non-independent due to their association with Infratil. Joe Windmeyer is non-independent due to his association with Infratil and his position as a partner at Russell McVeagh, a provider of professional services to Manawa Energy. Michael Smith is not independent because he has been appointed to the Board by TECT Holdings Limited (exercising its right to appoint a director under Manawa Energy's constitution).

The composition of our Board is not aligned with Recommendation 2.8 of the NZX Corporate Governance Code (31 January 2025) because the majority of the Board is not independent. This reflects that we are an Infratil subsidiary and that TECT Holdings Limited has a right to appoint a director under our constitution.

Recommendation 2.9 of the NZX Corporate Governance Code is that an issuer should have an independent Chair of the Board. Manawa Energy does not comply with this Recommendation – its Chair, Deion Campbell, is a non-independent director. As an Infratil subsidiary, Manawa Energy considersthis to be appropriate.

Board performance

In 2023, the Board disestablished the previous Governance & Nomination Committee and assumed responsibility for the key functions of that committee, including ensuring the Board has an appropriate balance of skills, experience, knowledge, judgement and diversity, and monitoring director training undertaken by each director.

The Board supports continuous education for directors and a fund has been created for directors' training, which can be used by individual directors (with the Chair's approval) where that training will benefit both Manawa Energy and the director.

The Board Charter includes a requirement to annually review and evaluate Board performance. The FY25 review of Board performance has been deferred pending the completion of the Scheme of Arrangement.

Board committees

There are three standing Board committees that provide expert advice and support to the Board on specific issues. The **Board and committee charters** are available on our website.

Committee	Purpose	Members	Notes
Audit and Risk	The Audit and Risk Committee's role is to oversee and assist the Board in the conduct of its responsibilities of ensuring accurate financial and climate-related reporting (including both risks and opportunities), and responsible risk management.	› Sheridan Broadbent (Chair) › Joanna Breare › Phillippa Harford	Recommendation 3.1 of the NZX Corporate Governance Code states that one member of the Audit and Risk Committee should be both independent and have an accounting or financial background. During FY25 Manawa Energy has not adopted recommendation 3.1. While both independent directors who serve on the Committee have considerable financial experience, neither have the NZX prescribed 'adequate' accounting or financial background. The Committee has one non-independent director that has the prescribed accounting or financial background. Having regard to the overall Board composition the Board considers that the composition and expertise of the Audit and Risk Committee is appropriate.
People and Remuneration	The People and Remuneration Committee assists the company to establish coherent people and remuneration strategies, policies and practices.	› Joanna Breare (Chair) › Deion Campbell › Michael Smith	We have not adopted Recommendation 3.3 of the NZX Corporate Governance Code, which suggests that a majority of this committee should be independent directors. The Board considers the committee membership appropriate given the current composition of the Board.
Independent Directors	A standing Independent Directors Committee has been established to consider matters from time to time when a conflict arises.	› Sheridan Broadbent (Chair) › Joanna Breare	The standing members of the Independent Directors Committee are Manawa Energy's independent directors. Additional directors can be invited to join to consider specific conflict matters where that director does not have a conflict or interest in relation to the matter.

The roles of the Audit & Risk and People & Remuneration Committees are formally recorded in charter documents approved by the Board. The Charters were reviewed during FY25 with only minor changes being made.

Corporate policies

We have a comprehensive suite of corporate policies that set our expectations of our people, address key risks, and provide guidance as to how business operations are managed, reported on and overseen. Our Corporate Governance Statement includes information about our policies and how they operate.

Several key risk policies guide Manawa Energy as an independent power producer. These include policies for health and safety, generation asset management, dam safety, business continuity and major incident management, wholesale energy revenue risk management, and cybersecurity.

Our policies are regularly reviewed and approved by the Executive Leadership Team or the Board (as appropriate). Key policies are available on our **website**.

Code of Ethics

Our **Code of Ethics** sets out the standard of behaviour that we expect from our Board and our people. It guides our people to perform their roles in a way that is consistent with our values, strategic objectives, and legal obligations. The Code of Ethics sits alongside our **Protected Disclosures (Whistleblowing)** and **Financial Product Dealing (Insider Trading)** policies. Copies of these documents are available on our website.

Diversity and inclusion

Our **Diversity and Inclusion Policy** is available on our website. We are committed to eliminating barriers and providing a workplace environment that promotes diversity and inclusion. We endeavour to ensure our workplaces are free of discrimination and other unlawful behaviours. This intent is explained in full in our Diversity and Inclusion Policy. Throughout the year, the Board has reviewed progress on the aspiration in our Diversity and Inclusion Policy designed to work towards our goal of increased diversity and inclusion.

Reporting and disclosure

We have a **Continuous Disclosure Policy** to ensure that all of our shareholders have the same prompt access to material information about the company and its prospects.

Managing enterprise risk

Manawa Energy is committed to effective risk management. We know that risk is an inherent aspect of our business and that effective risk management assists in the achievement of our strategic objectives and growth aspirations. Throughout FY25 we have continued to put effort into ensuring we maintain a positive risk management culture.

Manawa Energy has adopted an Enterprise Risk Management (ERM) Framework. Our ERM includes a risk matrix that guides assessment of likelihood of risk and considers the potential for a range of consequences. Consequences range from minor through to critical and are considered across financial, business disruption, stakeholder, community, environmental and safety perspectives.

Risks are then quantified across a spectrum of minor/low/moderate/high/critical.

We have continued to review our risk approach to ensure it remains aligned to our changing business environment and to our strategic aims. Throughout FY25 we have continued to provide our Audit & Risk Committee and Board with regular risk reporting, including reporting on top enterprise risks, key health & safety risks and in relation to climate-related risks & opportunities.

Managing energy trading risk is one of the key matters managed within our risk management framework. In FY25 we adopted a new Wholesale Energy Revenue Risk Management Policy and established a Wholesale Energy Risk Management Committee to manage risks relating to electricity trading. This Policy replaces the previous Energy Trading Policy.

During FY25, Manawa Energy undertook a review of its Credit and Counterparty Policy. The new policy updates the key credit risk processes and reporting to the newly established Wholesale Energy Risk Management Committee.

Risk authorities, responsibilities and accountabilities

Risk management framework

	MINOR	LOW	MODERATE	HIGH	CRITICAL
HIGHLY LIKELY					
LIKELY					
UNLIKELY					
HIGHLY UNLIKELY					
RARE					

Internal audit

Manawa Energy operates an internal audit programme. Internal audit operates independently from the Board and reports to the Audit and Risk Committee. The internal audit programme is designed to address key risks and controls across the business.

External auditor

The Board has appointed KPMG as the company's external auditor for the financial year ending 31 March 2025.

Director remuneration

The total directors' fee pool is $840,000 per year. The value of the pool was approved by shareholders at the 2018 shareholder meeting based on the company having seven directors. The company currently has six directors.

Directors' fees

The following fee structure was in place for the full financial year. In addition, each director was paid a one-off fee of $10,000 to compensate for the additional work required as a result of the proposed scheme of arrangement with Contact Energy.

Directors' fee structure

Position	Current annual fee $
Chair	185,000
Director	100,000
Chair Audit and Risk Committee	20,000
Chair People and Remuneration Committee	15,000
Chair Manawa Energy Insurance Limited	5,000
Total fee payable	**725,000**

The amount paid to directors of subsidiaries is shown in the table below. Note that directors' fees are paid to Manawa Energy and not paid to the individual directors.

Subsidiary director remuneration FY25

Subsidiary	Non-executive directors	Total remuneration (director) $
King Country Energy Limited	Phil Wiltshire	52,500*
	Todd Mead	37,500*
	Joanna Bransgrove	37,500

* Paid to Manawa Energy.

Total director remuneration FY25

	Base Fee $	Audit and Risk Committee Chair $	People and Remuneration Committee Chair $	Manawa Energy Insurance Limited Chair $	One-off fee for additional Scheme of Arrangement Work $	Total Remuneration FY25 $
Joanna Breare	100,000	–	15,000	–	10,000	125,000
Sheridan Broadbent	100,000	20,000	–	–	10,000	130,000
Deion Campbell	185,000	–	–	–	10,000	195,000
Phillippa Harford	100,000	–	–	5,000	10,000	115,000
Michael Smith	100,000	–	–	–	10,000	110,000
Joe Windmeyer	100,000	–	–	–	10,000	110,000
	685,000	**20,000**	**15,000**	**5,000**	**60,000**	**785,000**

Number of meetings held/attended for the year ended 31 March 2025

Director	Board meeting	Audit and Risk Committee	People and Remuneration Committee	Independent Directors Committee
Total meetings held	**13**	**6**	**3**	**–**
Joanna Breare	10	6	3	–
Sheridan Broadbent	13	6	–	–
Deion Campbell	12	–	2	–
Phillippa Harford	13	6	–	–
Michael Smith	13	–	3	–
Joe Windmeyer	12	–	–	–

In addition to the Board meetings noted above, there were several out of cycle Board meetings convened during FY25, including in relation to the entry into a Scheme Implementation Agreement with Contact Energy for the proposed acquisition of Manawa Energy via a Scheme of Arrangement.

Chief Executive remuneration

	Payments for FY25
Total fixed remuneration	$825,389
Short-term incentive FY24 paid in FY25	$90,580
Short-term incentive FY25	to be determined in May 2025
Long-term incentive	to be determined in June 2025
Retention incentive	$400,000
Total	**$1,315,969**

The remuneration of the Chief Executive will next be reviewed in May 2025.

Note that the Board will determine the outcome of the Chief Executive's performance in relation to FY25 in May 2025, and any resulting short-term incentive will be paid in May 2025.

Chief Executive retention payment

During the financial year, the Board of Directors approved a special retention payment for the Chief Executive to ensure leadership stability and business continuity during a period of strategic uncertainty as a result of the Scheme. This carefully considered compensation measure was designed to:

- Maintain executive leadership consistency at a critical juncture in the company's strategic future;
- Mitigate potential disruption to the business over a period with an uncertain timeframe as a result of the complexity and associated conditions of the Scheme; and
- Align the Chief Executive's effort and interests with those of the company and its shareholders.

The retention payment was determined after comprehensive review by the Board, taking into account market benchmarks, the Chief Executive's critical role in the company's current strategic initiatives, and the potential risks associated with a leadership change.

Chief Executive short-term incentive (STI)

The STI is a discretionary scheme based on achieving KPIs. The STI potential is calculated as 20 percent of base salary, and a maximum of 113 percent of that amount can be earned due to the upside available on the EBITDAF portion of the STI if the EBITDAF KPI is significantly overachieved.

The STI calculation is based on the achievement of 'joint company KPIs' (40 percent), 'shared Executive Leadership Team strategic KPIs' (20 percent) and 'individual KPIs' (40 percent) linked to the delivery of Manawa Energy's strategic goals.

Chief Executive STI

Description	Performance measure	Percentage of maximum potential awarded
STI is a discretionary cash-based scheme. Payment is based on the achievement of goals and key results. An overarching "gateway" measure of "No culpable deaths". *STI is calculated as 20% of base salary, with the maximum potential being 113% of that amount.*	40% based on Company goals: › 33% Health & Safety measures; › 33% EBITDAF target; and › 33% People measures. 20% based on shared Executive Team strategic goals: › Revenue contracting strategy; › Maximising the value of existing assets; and › Creating and progressing a competitive pipeline of new development opportunities. 40% based on individual goals and key results that include delivery of the strategy, operational excellence, investor relations, and people and culture goals.	To be determined in May 2025

Employee remuneration approach

Our people are core to delivering strong performance for our stakeholders. Our remuneration framework is designed to be competitive and affordable and to attract and retain skilled people.

Remuneration is linked to performance to ensure strategic business performance and long-term value are connected.

We are guided by the principles that remuneration practice should:

- reward the outcomes and behaviours underpinned by the values that are linked to our strategy and core business activity;
- attract and retain people who deliver on the company's goals;
- pay fairly within the New Zealand market;
- acknowledge that performance is motivated by more than remuneration;
- have transparent and well-understood processes; and
- provide flexibility within a framework.

The Board is supported by a People and Remuneration Committee to assist it in developing and implementing its remuneration philosophy. The People & Remuneration **Committee Charter** and **Executive Remuneration Policy** are on our website.

There are two elements to employee remuneration: fixed remuneration and variable remuneration.

Fixed remuneration

Fixed remuneration is determined based on the role responsibilities, individual performance and experience, and available market remuneration data.

Variable remuneration

Variable remuneration comprises short-term incentives (paid in cash) and long-term incentives (paid in cash or shares; refer to the details under the Long-term incentive scheme).

Short-term incentives (STIs)

Executive STIs for FY25 are based on company performance (40 percent), shared strategic goals (20 percent) and individual performance (40 percent). Non-executive STIs are based on company performance (40 percent) and individual performance (60 percent).

Employee performance is measured against key performance objectives linked to how an individual delivers relevant strategic and operational activity.

Company performance is based on three areas:

- Progress against key health and safety strategy activity, Medical Treatment Injuries (MTI) and Lost Time Injuries (LTIs);
- Financial, based on our EBITDAF for FY25; and
- People, based on engagement scores and leadership measures.

The Board approves the Executive Leadership Team's STI goals on an annual basis.

The Board retains the right to adjust any STI at its discretion and may choose not to pay STI payments.

No STI is payable in the event of a culpable death during the year.

Long-term incentives (LTIs)

The long-term incentive is based on Manawa Energy's relative and absolute shareholder return over three years. Eligible employees are issued a notional parcel of shares calculated based on the share price at the start of the scheme. Employees receive parcels of notional shares at the Board's discretion, depending on seniority.

Under the current LTI scheme, no payment is made unless Manawa Energy's total shareholder return (TSR) is in the top half of all NZX50 companies and the TSR is greater than zero over the three-year period. Payment is determined by the performance of 'relative TSR' and 'absolute TSR' based on a 50/50 split. Payment will be made based on the following performance criteria:

Relative TSR: 50 percent of the value of the notional share parcel is paid if Manawa Energy is at the 50th percentile of all NZX50 companies, and 100 percent of the notional share parcel is payable if Manawa Energy TSR is at or above the 80th percentile of all NZX50 companies.

Absolute TSR: 50 percent of the value of the notional share parcel is paid if Manawa Energy has a TSR of 24.23 percent over the three-year period. And 100 percent of the notional share parcel is payable if Manawa Energy's TSR is 48.47 percent or greater over the three- year period. The absolute TSR thresholds are set for each tranche at the time of issue and may vary year on year.

Both relative and absolute TSR have intermediate calculations on a straight-line basis.

The LTI is settled in cash, and the Board may require employees to use the 'net after tax' proceeds to acquire Manawa Energy shares. The Board retains overall discretion as to the structure of the LTI and the quantum of LTI issued each year.

Remuneration at or above $100,000

During the financial year the number of employees or former employees (including employees holding office as directors of subsidiaries) who received remuneration and other benefits in their capacity as employees of Manawa Energy and its subsidiaries that was or exceeded $100,000 is shown in the table on this page.

The value of total remuneration benefits analysed includes:

- fixed remuneration, including allowance/overtime payments;
- employer KiwiSaver contributions or superannuation allowance payments;
- short-term cash incentives relating to FY24 performance but paid in FY25; and
- redundancy and other payments made on termination of employment.

The figures do not include amounts paid post 31 March 2025 that relate to the financial year ended 31 March 2025.

Further details of the remuneration of the Chief Executive can be found in **Chief Executive remuneration section**.

Salary band			Continuing employees	Discontinued employees	Total
$100,000	to	$109,999	9	4	13
$110,000	to	$119,999	28	1	29
$120,000	to	$129,999	34	2	36
$130,000	to	$139,999	18	2	20
$140,000	to	$149,999	10	–	10
$150,000	to	$159,999	12	1	13
$160,000	to	$169,999	17	–	17
$170,000	to	$179,999	13	–	13
$180,000	to	$189,999	7	–	7
$190,000	to	$199,999	2	1	3
$200,000	to	$209,999	2	1	3
$210,000	to	$219,999	3	–	3
$220,000	to	$229,999	2	–	2
$230,000	to	$239,999	1	–	1
$240,000	to	$249,999	1	–	1
$250,000	to	$259,999	1	–	1
$260,000	to	$269,999	1	–	1
$270,000	to	$279,999	2	–	2
$280,000	to	$289,999	2	–	2
$290,000	to	$299,999	1	–	1
$340,000	to	$349,999	2	–	2
$380,000	to	$389,999	1	–	1
$410,000	to	$419,999	1	–	1
$480,000	to	$489,999	1	–	1
$770,000	to	$779,999	1	–	1
$910,000	to	$919,999	1	–	1
		Total	**173**	**12**	**185**

Statutory disclosures

FY25 Directors of Manawa Energy Limited and subsidiaries

The following people held office as directors of Manawa Energy Limited as at 31 March 2025. There were no changes to the directors of Manawa Energy Limited during the year.

Company Name	Directors
Manawa Energy Limited	Deion Campbell, Phillippa Harford, Joe Windmeyer, Joanna Breare, Sheridan Broadbent, and Michael Smith

The following table lists Manawa Energy's subsidiaries and the people who held office as directors as at 31 March 2025.

Company	Director
ANZ Renewables Limited	Phillip Wiltshire
King Country Energy Holdings Limited	Phillip Wiltshire Todd Mead Joanna Bransgrove
King Country Energy Limited	Phillip Wiltshire
Manawa Energy Metering Limited	Phillip Wiltshire
Manawa Energy Generation Limited	Phillip Wiltshire
Manawa Energy Insurance Limited	Phillip Wiltshire Phillippa Harford
Manawa Energy Renewables Holdco 1 Limited	Phillip Wiltshire
Maungatapere 2021 Limited	Phillip Wiltshire

In accordance with section 140 of the Companies Act, the following table lists the general disclosures of interest by directors of Manawa Energy Limited and its subsidiaries as at 31 March 2025.

Manawa Energy Limited		
Director	**Interest**	**Entity**
Phillippa Harford	Director	Manawa Energy Insurance Limited
	Shareholder	Infratil Limited*
	Unitholder and Partner	Morrison & Co LP
	Trustee	Wellington Regional Stadium Trust
Joe Windmeyer	Partner	Russell McVeagh
Joanna Breare	Shareholder	Infratil Limited*
Sheridan Broadbent	Director	Spark New Zealand Limited
	Director	Downer EDI Limited
	Deputy Chair	New Zealand Business Leaders' Health and Safety Forum
	Shareholder	Infratil Limited*
Deion Campbell	Employee	HRL Morrison & Co
	Director	Pastoral Partners Australia
	Director	Origin Energy (Australia)
	Chair	Longroad Energy Holdings
	Shareholder	Infratil Limited*
Michael Smith	Chair	Custodial Services Ltd
	Chair	Craigs Investment Partners Superannuation Management Ltd
	Chair	First Mortgage Managers Ltd
	Chair	Genera Ltd
	Director	New Zealand Golf Networks Limited
Disclosure of interest by directors of Manawa Energy subsidiaries**		
Todd Mead	GM Generation	Manawa Energy Limited
Phillip Wiltshire	Chief Financial Officer	Manawa Energy Limited

* Non-material shareholding
** to the extent not disclosed above

Interests in Manawa Energy securities

As at 31 March 2025, Manawa Energy Limited directors had the following relevant interests in Manawa Energy securities.

		Interests in Manawa Energy Limited		Interests in associated companies
Director	Class of Security	Number held at 31 March 2025	Number held at 31 March 2024	Number held at 31 March 2025
Sheridan Broadbent	Ordinary shares	2,084	2,084	7,388
Joanna Breare	Ordinary shares	–	–	1,730
Deion Campbell	Ordinary shares	–	–	18,035
	Bonds	–	–	36,000
Michael Smith	Ordinary shares	–	–	–
Phillipa Harford	Ordinary shares	–	–	79,149
Joe Windmeyer	Ordinary shares	–	–	–

Securities dealings of directors

During the year, we were advised of the following securities dealings by directors of Manawa Energy Limited and its subsidiaries.

Director	Date of Dealing	Nature of Transaction	Consideration per share/ bond	Number of shares/ bonds
Deion Campbell	27 February 2025	Acquisition of indirect interest in Infratil shares	$10.55	2,500
	28 February 2025		$10.88	2,500
Phillippa Harford	2 June 2024	Acquisition of beneficial interest in Infratil shares	$10.15	670
	21 June 2024		$10.15	9,318
	10 December 2024		$12.60	304
Sheridan Broadbent	16 July 2024	Acquisition of beneficial interest in Infratil shares	$10.15	885
Joanna Breare	19 February 2025	Acquisition of beneficial interest in Infratil shares	$11.35	1,366
	21 February 2025		$10.94	364

Information used by directors

No director of the company (or a subsidiary) issued a notice requesting to use information received in their capacity as a director that would not otherwise be available to the director.

Indemnity and insurance of directors and executives

In accordance with section 162 of the Companies Act and the terms of its constitution, we have continued to indemnify and insure Manawa Energy's directors and officers against potential liability or costs they might incur for actions or omissions in their capacity as directors, except to the extent prohibited by law.

King Country Energy Limited has entered into deeds of indemnity with directors and certain employees and has put in place insurance for these individuals.

Security holder information

Substantial security holders

As at 31 March 2025, Manawa Energy had 312,973,000 shares on issue.

The Company's register of substantial security holders recorded the following information as at 31 March 2025.

Security holder	Class of security	Number
Infratil Limited	Shares	159,997,249
TECT Holdings Limited	Shares	83,878,838

Spread of holders as at 31 March 2025

Shares	Holders	%	Shares	%
1 to 999	1,605	15.2%	725,604	0.2%
1,000 to 1,999	1,707	16.2%	2,079,905	0.7%
2,000 to 4,999	5,736	54.5%	14,046,223	4.5%
5,000 to 9,999	852	8.1%	5,596,281	1.8%
10,000 to 49,999	545	5.2%	9,579,388	3.1%
50,000 to 99,999	38	0.4%	2,541,171	0.8%
100,000 to 499,999	23	0.2%	4,325,816	1.4%
500,000 to 999,999	5	0.0%	3,318,384	1.1%
1,000,000 plus	14	0.2%	270,760,228	86.4%
Total	**10,525**	**100.0%**	**312,973,000**	**100.0%**

Senior bonds	Holders	%	Senior bonds	%
5,000 to 9,999	252	12.5%	1,421,000	0.4%
10,000 to 49,999	1,401	70.9%	29,043,000	7.7%
50,000 to 99,999	187	9.6%	12,301,000	3.3%
100,000 to 499,999	109	5.5%	17,771,000	4.7%
500,000 to 999,999	6	0.3%	4,110,000	1.1%
1,000,000 plus	22	1.1%	310,354,000	82.8%
Total	**1,977**	**100.0%**	**375,000,000**	**100.0%**

Shares	Holders	%	Shares	%
New Zealand	10,222	97.1%	306,580,445	98.1%
Australia	201	1.9%	5,451,941	1.7%
United Kingdom	32	0.3%	72,467	0.0%
United States of America	18	0.2%	719,973	0.2%
Other	52	0.5%	148,174	0.0%
Total	**10,525**	**100.0%**	**312,973,000**	**100.0%**

Senior bonds	Holders	%	Senior bonds	%
New Zealand	1,962	99.2%	370,668,000	98.9%
Australia	7	0.4%	4,150,000	1.1%
United Kingdom	2	0.1%	31,000	0.0%
United States of America	2	0.1%	60,000	0.0%
Other	4	0.2%	91,000	0.0%
Total	**1,977**	**100.0%**	**375,000,000**	**100.0%**

Largest shareholders as at 31 March 2025

Rank	Holder name	Shares	%
1	Infratil Limited	159,997,249	51.1%
2	TECT Holdings Limited	83,878,838	26.8%
3	Accident Compensation Corporation	4,155,574	1.3%
4	BNP Paribas Nominees (NZ) Limited	3,102,431	1.0%
5	HSBC Nominees A/C NZ Superannuation Fund Nominees Limited	2,749,877	0.9%
6	Forsyth Barr Custodians Limited	2,551,365	0.8%
7	HSBC Nominees (New Zealand) Limited	2,407,767	0.8%
8	New Zealand Depository Nominee Limited (A/C 1 Cash Account)	2,288,248	0.7%
9	Custodial Services Limited (A/C 4)	2,007,919	0.6%
10	Citibank Nominees (New Zealand) Limited	1,940,271	0.6%
11	Generate Kiwisaver Public Trust Nominees Limited	1,816,819	0.6%
12	Public Trust Class 10 Nominees Limited	1,202,896	0.4%
13	TEA Custodians Limited Client Property Trust Account	1,127,633	0.4%
14	Simplicity Nominees Limited	1,061,789	0.3%
15	FNZ Custodians Limited	950,625	0.3%
16	JP Morgan Chase Bank NA NZ Branch	685,431	0.2%
17	Clyde Parker Holland & Rena Holland	596,000	0.2%
18	JBWere (NZ) Nominees Limited	566,328	0.2%
19	Leveraged Equities Finance Limited	520,000	0.2%
20	Masfen Securities Limited	337,912	0.1%
	Total	**273,944,972**	**87.5%**

Largest bondholders as at 31 March 2025

Rank	Holder name	Senior bonds	%
1	Custodial Services Limited (A/C 4)	106,364,000	28.4%
2	Forsyth Barr Custodians Limited (1-Custody)	85,848,000	22.9%
3	FNZ Custodians Limited	30,249,000	8.1%
4	Generate Kiwisaver Public Trust Nominees Limited	13,276,000	3.5%
5	TEA Custodians Limited Client Property Trust Account	10,545,000	2.8%
6	JBWere (NZ) Nominees Limited	10,117,000	2.7%
7	PT (Booster Investments) Nominees Limited - Retail	9,187,000	2.4%
8	Westpac Banking Corporate NZ Financial Markets Group	7,096,000	1.9%
9	Forsyth Barr Custodians Limited (Account 1 E)	6,556,000	1.7%
10	Investment Custodial Services Limited (A/C C)	4,611,000	1.2%
11	Bank Of New Zealand - Treasury Support	3,552,000	0.9%
12	ANZ Bank New Zealand Limited	3,416,000	0.9%
13	Citibank Nominees (New Zealand) Limited	3,124,000	0.8%
14	Forsyth Barr Custodians Limited (A/C 1)	2,792,000	0.7%
15	Mint Nominees Limited	2,320,000	0.6%
16	FNZ Custodians Limited (DRP NZ A/C)	2,074,000	0.6%
17	FNZ Custodians Limited (DTA Non Resident A/C)	2,027,000	0.5%
18	NZX WT Nominees Limited	1,968,000	0.5%
19	MMC Limited	1,650,000	0.4%
20	Custodial Services Limited (A/C 12)	1,222,000	0.3%
	Total	**307,994,000**	**81.8%**

Credit rating

Manawa Energy Limited does not currently have an external credit rating.

NZX listings/waivers

The Company's shares are listed on the NZSX and its senior bonds are listed on the NZDX. There were no waivers granted by NZX or relied on by Manawa Energy in the 12 months preceding 31 March 2025.

NZX disciplinary action

There has been no action taken by NZX in relation to Manawa Energy under Listing Rule 9.9.3.

Auditor fees

Please see **Note 26** of the financial statements.

Donations

Manawa Energy Limited donated over $25,000 to various charities during the year. This does not include over $150,000 provided to environment funds or trusts, nor the educational scholarships and community group sponsorships.

NZX Corporate Governance Code

Manawa Energy Limited has complied with the recommendations of the NZX Corporation Governance Code, except where noted in this report, or in our **Corporate Governance Statement**.

Our Corporate Governance Statement and other governance policies and procedures are available on our **website**. The Corporate Governance Statement sets out in more detail our compliance with the NZX Corporate Governance code and is current as at 15 May 2025.

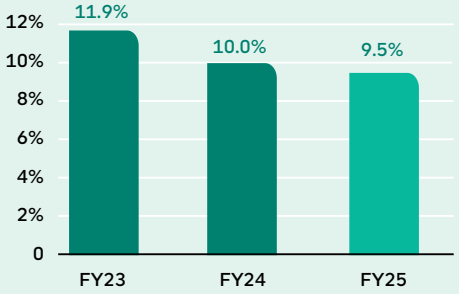
People and Culture

It is important that we build an environment that gets the best from its people to drive company performance. FY25 continued the 'back to basics' approach to enable Manawa Energy to operate as an Independent Power Producer.

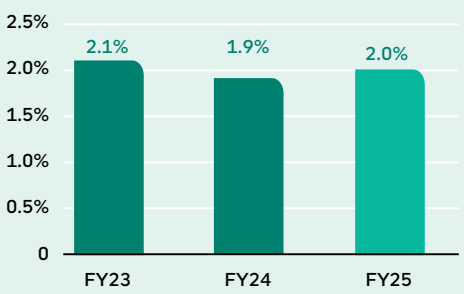
The announcement of the potential acquisition of Manawa Energy by Contact Energy has impacted our approach to employee engagement throughout FY25, and this has been adapted to meet the needs of our people and the business.

The three graphs below are some of the measures used to track the culture and engagement of our people.

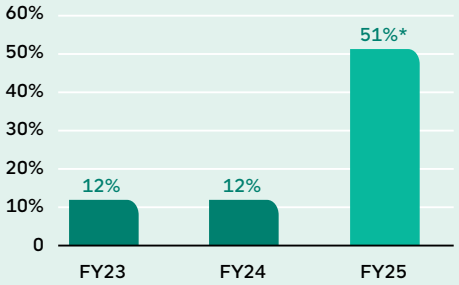
12 month voluntary full- and part-time turnover



Unscheduled absences



Percentage of roles filled by internal candidates



*In FY25 the data was expanded to include roles filled internally and not advertised externally.

Diversity and Inclusion

We continue to strive to meet the aspirations of our Diversity and Inclusion Policy, which are:

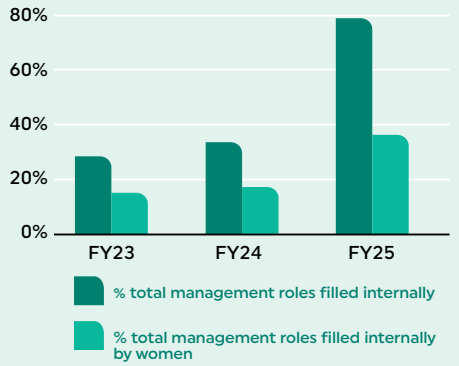
- Our people feel valued and included;
- Diversity of thinking and approach is valued;
- We encourage a broad range of people to be part of Manawa Energy and make employment decisions without bias;
- We have a diverse Board and Executive Leadership Team;
- Diversity is visible across all divisions and at all levels of the business; and
- We are culturally competent and well-equipped to meet the cultural needs and differences of people.

Manawa Energy continues to have in place and introduce a range of practices to support greater diversity and inclusion. Of note in FY25 was leadership development focused on emotional intelligence and a Te Ao Māori programme designed to provide people with a deeper view of the Māori worldview and support the work Manawa Energy undertakes with iwi and hapu.

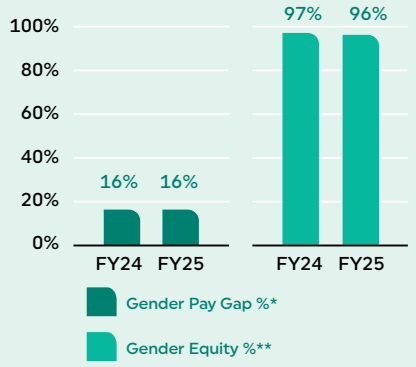
Each year the Board review a range of diversity and inclusion measures to ensure that progress is being made on the aspirations listed above.

Below is a subset of the diversity measures we have in place.

Percentage of management roles filled by internal candidates



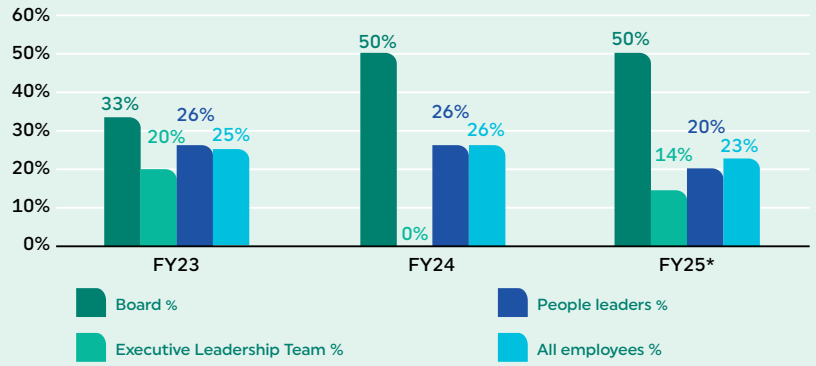
Gender Pay



*Gender Pay Gap calculation: (median male hourly rate – median female hourly rate)/median male hourly rate. Median hourly rate is based on total fixed remuneration.

**Gender Equity (NOTE calculation does not account for individual performance and experience when analysing small groups, i.e., groups of less than 20 people). Calculation: female compa-ratio/male compa-ratio (Note Compa-ratio for any given population is calculated by summing fixed remuneration and dividing by the sum of midpoints for that population).

Percentage of women at Board, Executive, leadership and employee levels as at 31 March 2025



*In FY25 the data was expanded to include roles filled internally and not advertised externally.

Gender Diversity as at 31 March 2025

Year	2023	2024	2025
Board			
Male	4	3	3
Female	2	3	3
Gender Diverse	–	–	–
Executive Leadership Team			
Male	4	5	6
Female	1	–	1
Gender Diverse	–	–	–

FY25 Greenhouse Gas emissions

Manawa Energy has measured Greenhouse Gas (GHG) emissions across the business and prepared a GHG emissions inventory for FY25. This builds on the work that Manawa Energy has undertaken in previous years to measure and understand emissions.

The GHG emissions inventory uses the following classification scopes:

- **Scope 1 direct GHG emissions** – emissions from sources that are owned or controlled by Manawa Energy, for example from the generation assets owned by us and from our vehicle fleet.
- **Scope 2 indirect GHG emissions** – emissions from the purchased/used electricity within our business.
- **Scope 3 indirect GHG emissions** – emissions from sources our business uses but that we do not own or control, e.g. emissions from travel. Scope 3 emissions can also include use of sold products.

For FY25 Manawa Energy's GHG emissions reporting covers Scope 1 and 2 GHG emissions, and a set of Scope 3 emissions (including purchased goods & services, capital goods, downstream leased assets, and business travel).

We calculate our emissions using the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. We have prepared a GHG Emissions Reporting Basis of Preparation document to ensure consistency throughout Manawa Energy's GHG inventory process through to final climate-related disclosure (CRD) reporting.

Manawa Energy Limited's FY25 GHG inventory (Scope 1 and 2 emissions) will be subject to independent limited assurance. The limited assurance conclusion, once finalised, will be included in the FY25 Climate Statement in accordance with the Aotearoa New Zealand Climate Standards.

FY24 was set as the base year for Manawa Energy's GHG emissions reporting of Scope 1 and Scope 2. Given that Manawa Energy is not reporting on all potential classes of Scope 3 emissions, and these will not be captured in the scope of the FY25 assurance engagement.

FY25 GHG emissions have increased because of the increased operation of Manawa Energy's Bream Bay thermal peaker plant over the reporting period (see next page). Bream Bay represents over 1,500 tonnes of the increase in total tCO_2e emissions for FY25.

	Emissions source	FY25 tCO_2e	FY24 tCO_2e Base Year
Scope 1 – direct emissions	Stationary combustion (Bream Bay)	1,724	213
	Mobile combustion (vehicle fleet)	667	644
	Refrigerant gases (SF_6)	–	12
Total Scope 1		**2,391**	**869**
Scope 2 – indirect emissions	Purchased Electricity (Market-based)	545	677
	Purchased electricity (Location-based)	522	656
Total Scope 2	**Market-based**	**545**	**677**
Scope 3 – indirect emissions	Transmission and distribution losses (electricity and gas)	723	441
	Waste and waste water (per capita)	15	18
	Travel (domestic and international air travel, taxis/rental cars, hotel accommodation)	428	498
Total Scope 3		**1,166**	**957**
Total GHG Emissions		**4,102**	**2,503**

1. These numbers should be read in conjunction with Manawa Energy's climate statement.
2. The current FY25 GHG inventory is unaudited and, therefore, could be subject to change once the limited assurance engagement is completed. The Climate Statement will contain the final and assured FY25 GHG inventory for Scopes 1 and 2. These numbers may differ slightly from what is disclosed in the table above.
3. Manawa Energy is only reporting selected Scope 3 emissions, as described on **page 43**.

As per the GHG Protocol, the location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using grid-average emission factor data). The market-based method reflects emissions from no or low emissions electricity that companies have contracted (or if no renewable electricity supply is contracted (nor available for contracting) using then residual mix emission factor).

The reporting of both location-based and market-based emissions is required under the GHG Protocol as Manawa Energy operates in a market where product or supplier specific electricity and data is available.

Climate Reporting

Manawa Energy has relied on the timing exemption available under the Financial Markets Conduct (Requirement to Include Climate Statements in Annual Report) Exemption Notice 2023. This exempts Manawa Energy from the requirement in section 461ZJ(2)(b) of the Financial Markets Conduct Act 2013 to include the Climate Statement or a link to it in the Annual Report for FY25. Instead, a copy of the FY25 Climate Statement will be available on our **website** by 31 July 2025.

Bream Bay

Bream Bay is a small thermal peaker plant Manawa Energy owns in Northland. Throughout FY25 Bream Bay capacity was restored from 4.5MW to 8.0MW.

Whilst the operation of Bream Bay had a substantial impact on Manawa Energy's overall emissions profile for FY25, it provided benefits including additional peaking capacity and portfolio cover during a period of stress in the New Zealand electricity market in winter 2024 and again in early 2025.

We also recognise the important role this asset has made to regional energy security throughout the year.

The operation of Bream Bay was particularly important to Northland during the Transpower unplanned outage that occurred for 4 days in June 2024. During this outage Bream Bay was able to provide 4.5MW of electricity to help 'keep the lights on' to many households in Northland.

FY25 Climate-related disclosures

Manawa Energy is a 'climate reporting entity' for the purpose of the Aotearoa New Zealand Climate Standards (NZ CS). We are preparing our climate-related disclosures as part of our FY25 compliance obligations, and a copy of the Group's climate statements will be published and accessible on our website by 31 July 2025.

The FY25 climate-related disclosures will cover Manawa Energy's governance arrangements, risk management, strategy, metrics, and targets. These disclosures will provide information about the effects of climate change on our business, including analysis of the impact of various potential climate change scenarios and measures to mitigate and adapt to climate-related risks and opportunities.

Our FY25 climate-related disclosures will build on the work undertaken in previous years. Throughout FY25, Manawa Energy has continued to work on embedding climate change considerations into our existing governance, strategy and risk management frameworks. From a governance and risk management perspective, Manawa Energy maintains an enterprise risk management system, and climate risk is considered as part of this system and managed via the risk management framework, governed by the Audit and Risk Committee of the Board.

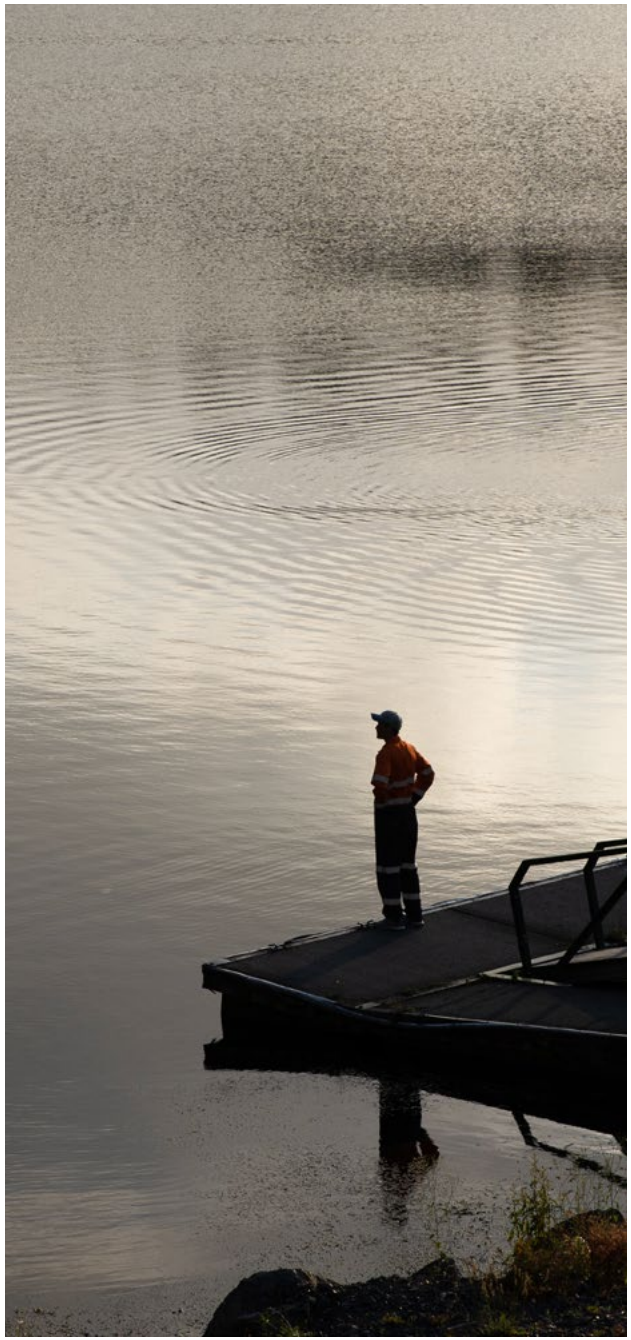
Throughout FY25 we have also undertaken work to improve the detail and integrity of our GHG emissions inventory. During FY25 we have implemented a software system to assist in data collection, measurement and management of GHG emissions.

Expanded climate-related disclosures for FY25 building a climate-resilient business

We have worked to continuously improve the quality of our disclosures this year and to meet the expanded compliance requirements that came into effect in FY25.

We have undertaken further work to better understand our climate-related risks and opportunities including the actions and potential actions we could take to build a more climate-resilient business.

Further information and analysis will be included in our climate-related disclosures when they are published later this year.



Financial Statements

46 Cobb Reservoir, Tasman

Financial Statements

for the year ended 31 March 2025

Manawa Energy is pleased to present its audited financial statements.

The notes to the financial statements are grouped into the broad categories the Directors consider the most relevant when evaluating the performance of Manawa Energy. The sections are:

Financial Performance	**Notes 2–5**
Assets	**Note 6**
Funding	**Notes 7–12**
Financial Risk Management	**Notes 13–17**
Tax, Related Parties and Other Notes	**Notes 18–29**

Accounting policies can be found throughout the notes to the financial statements and are denoted by a black box surrounding them. Policies are placed within the note that is the most relevant, however the policy applies to all financial statements and notes.

Key Metrics

	2025	2024	2023	2022	2021
Net Profit after Tax ($M)	0.3	23.7	444.4	119.8	30.7
Earnings Before Interest, Tax, Depreciation, Amortisation, Fair Value Movements of Financial Instruments and Asset Impairments (EBITDAF)* excluding discontinued operations ($M)	84.3	145.0	136.7	159.7	156.7
Total EBITDAF* ($M)	84.3	144.4	140.2	204.2	200.2
Underlying earnings after tax* ($M)	31.5	66.0	66.3	88.5	90.9
Basic earnings per share (cents per share)	(0.3)	7.4	140.5	37.4	10.9
Underlying earnings per share (cents per share)	9.4	20.7	20.4	27.7	30.1
Dividends paid during the year (cents per share)	15.0	16.5	58.5	35.5	32.5
Net debt to EBITDAF (includes discontinued operations)	5.9	3.1	3.2	3.6	3.6
Net tangible assets per share (dollars per share)	3.86	3.80	3.96	3.25	3.14
Sales					
Mass Market Retail sales (GWh)	–	–	129	1,819	1,824
Commercial & Industrial Retail sales – Fixed Price (GWh)	376	383	424	407	483
Commercial & Industrial Retail sales – Spot (GWh)	440	664	671	813	826
Mercury sales (GWh)	1,893	2,003	1,824	–	–
	2,709	**3,050**	**3,048**	**3,039**	**3,133**
LWAP for Retail sales ($/MWh)	229	143	127	176	147
Energy Production and Purchases					
North Island generation production (GWh)	774	970	1,132	824	777
South Island generation production (GWh)	846	931	785	936	931
Wind PPA offtake (GWh)	587	656	596	599	604
Net other external purchases (GWh)	237	311	308	332	355
	2,408	**2,868**	**2,821**	**2,691**	**2,667**
GWAP for Manawa Energy generation ($/MWh)	229	132	109	166	144
Other Information					
Resource consent non-compliance events	8	17	9	5	10
Staff numbers (full time equivalents)	217	224	238	777	801

*EBITDAF and Underlying earnings after tax are non-GAAP measures. Refer to **Note 4** for more information.

Directors' Responsibility Statement

The Directors are pleased to present the financial statements of Manawa Energy Limited and subsidiaries for the year ended 31 March 2025. The Directors are responsible for ensuring that the financial statements fairly present the financial position of the Group as at 31 March 2025 and the financial performance and cash flows for the year ended on that date.

The Directors consider that the financial statements of the Group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept that enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

The owners of Manawa Energy do not have the power to amend these financial statements after they are issued.

Deion Campbell
Chair

Sheridan Broadbent
Director

Company Registration Number: 565426
Dated: 16 May 2025

Consolidated Income Statement

for the year ended 31 March 2025

	Note	2025 $000	2024 $000
Continuing Operations			
Operating Revenue			
Retail electricity revenue – fixed price		92,311	87,819
Retail electricity revenue – spot price		181,448	135,548
Wholesale electricity revenue		196,544	216,332
Other operating income		20,456	33,414
		490,759	**473,113**
Operating Expenses			
Line costs		64,056	60,450
Electricity costs		225,066	153,231
Generation asset maintenance costs		29,452	31,042
Employee benefits		38,814	34,232
Generation development expense		6,779	4,155
Other operating expenses	5	42,294	44,989
		406,461	**328,099**
Earnings Before Interest, Tax, Depreciation, Amortisation, Fair Value Movements of Financial Instruments and Asset Impairments (EBITDAF)*	4(b)	**84,298**	**145,014**
Impairment of assets	6	3,287	3,179
Loss/(gain) on sale of other land and buildings		336	(1,558)
Net fair value losses on financial instruments	15(d)	30,048	46,066
Amortisation of intangible assets		1,201	1,099
Depreciation	6	21,659	19,592
Operating Profit		**27,767**	**76,636**
Interest paid	9	29,208	26,803
Interest received	9	(1,788)	(574)
Net finance costs		**27,420**	**26,229**
Profit Before Income Tax		**347**	**50,407**
Income tax expense	18	95	26,317
Profit From Continuing Operations		**252**	**24,090**
Profit from Discontinued Operations		–	(436)
Profit After Tax		**252**	**23,654**
Profit after tax attributable to the shareholders of the Company		(808)	22,893
Profit after tax attributable to non-controlling interests		1,060	761
Basic and diluted earnings per share from continuing operations (cents per share)	12	(0.3)	7.5
Basic and diluted earnings per share from discontinued operations (cents per share)	12	–	(0.1)
		(0.3)	**7.4**

*EBITDAF is a non-GAAP measure. Refer to Note 4 for more information.

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2025

	Note	2025 $000	2024 $000
Profit after tax		**252**	**23,654**
Other Comprehensive Income			
Items that may be subsequently reclassified to profit or loss:			
Fair value losses on cash flow hedges	16	(134,379)	(31,260)
Items that will not be subsequently reclassified to profit or loss:			
Revaluation gains on generation assets	6	194,019	–
Tax effect of the following:			
Revaluation gains on generation assets	19	(26,774)	–
Fair value losses on cash flow hedges	16	37,626	8,753
Total Other Comprehensive Gain/(Loss)		**70,492**	**(22,507)**
Total Comprehensive Income		**70,744**	**1,147**
Attributable to shareholders of the Company		68,614	386
Attributable to non-controlling interests		2,130	761
Total comprehensive income attributable to shareholders of the Company arises from:			
Continuing operations		68,614	822
Discontinued operations		–	(436)

Consolidated Statement of Changes in Equity

for the year ended 31 March 2025

	Note	Share capital $000	Revaluation reserve $000	Cash flow hedge reserve $000	Retained earnings $000	Total shareholders' equity $000	Non-controlling interest $000	Total equity $000
Opening balance as at 1 April 2023		**2**	**695,776**	**19,930**	**530,320**	**1,246,028**	**22,901**	**1,268,929**
Profit after tax attributable to the shareholders of the Company		–	–	–	22,893	22,893	761	23,654
Disposal of revalued assets		–	(4)	–	4	–	–	–
Other comprehensive income – items that will not be reclassified to the profit or loss								
Revaluation gains on generation assets		–	–	–	–	–	–	–
Other comprehensive income – items that may be reclassified to the profit or loss								
Fair value losses on cash flow hedges:								
Realised		–	–	(66,959)	–	(66,959)	–	(66,959)
Unrealised		–	–	35,699	–	35,699	–	35,699
Tax effect of the following:								
Revaluation gains on generation assets		–	–	–	–	–	–	–
Fair value losses on cash flow hedges		–	–	8,753	–	8,753	–	8,753
Total other comprehensive income		**–**	**–**	**(22,507)**	**–**	**(22,507)**	**–**	**(22,507)**
Transactions with owners recorded directly in equity								
Dividends paid	11	–	–	–	(51,641)	(51,641)	(1,437)	(53,078)
Total transactions with owners recorded directly in equity		**–**	**–**	**–**	**(51,641)**	**(51,641)**	**(1,437)**	**(53,078)**
Closing balance as at 31 March 2024		**2**	**695,772**	**(2,577)**	**501,576**	**1,194,773**	**22,225**	**1,216,998**
Opening balance as at 1 April 2024		**2**	**695,772**	**(2,577)**	**501,576**	**1,194,773**	**22,225**	**1,216,998**
Profit after tax attributable to the shareholders of the Company		–	–	–	(808)	(808)	1,060	252
Disposal of revalued assets		–	(246)	–	246	–	–	–
Other comprehensive income – items that will not be reclassified to the profit or loss								
Revaluation gains on generation assets		–	192,533	–	–	192,533	1,486	194,019
Other comprehensive income – items that may be reclassified to the profit or loss								
Fair value losses on cash flow hedges:								
Realised		–	–	(232,020)	–	(232,020)	–	(232,020)
Unrealised		–	–	97,641	–	97,641	–	97,641
Tax effect of the following:								
Revaluation gains on generation assets		–	(26,358)	–	–	(26,358)	(416)	(26,774)
Fair value losses on cash flow hedges		–	–	37,626	–	37,626	–	37,626
Total other comprehensive income		**–**	**166,175**	**(96,753)**	**–**	**69,422**	**1,070**	**70,492**
Transactions with owners recorded directly in equity								
Dividends paid	11	–	–	–	(46,946)	(46,946)	(1,636)	(48,582)
Total transactions with owners recorded directly in equity		**–**	**–**	**–**	**(46,946)**	**(46,946)**	**(1,636)**	**(48,582)**
Closing balance as at 31 March 2025		**2**	**861,701**	**(99,330)**	**454,068**	**1,216,441**	**22,719**	**1,239,160**

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position

as at 31 March 2025

	Note	2025 $000	2024 $000
Equity			
Capital and reserves attributable to shareholders of the Company			
Share capital	10	2	2
Revaluation reserve		861,701	695,772
Retained earnings		454,068	501,576
Cash flow hedge reserve	16	(99,330)	(2,577)
Non-controlling interests		22,719	22,225
Total Equity		**1,239,160**	**1,216,998**
Represented by:			
Current Assets			
Cash and cash equivalents		2,252	1,654
Electricity market security deposits	13	26,191	29,972
Accounts receivable and prepayments	21	49,601	73,015
Assets held for sale	22	1,395	3,625
Derivative financial instruments	15(a)	72,274	92,289
Taxation receivable		11,680	14,284
		163,393	**214,839**
Non-Current Assets			
Property, plant and equipment	6	2,070,267	1,849,021
Right-of-use assets		10,036	1,881
Derivative financial instruments	15(a)	47,948	25,710
Other investments		7,354	7,308
Intangible assets		3,752	2,117
		2,139,357	**1,886,037**
Total Assets		**2,302,750**	**2,100,876**

	Note	2025 $000	2024 $000
Current Liabilities			
Accounts payable and accruals	23	50,524	81,390
Unsecured bank loans	7	29,100	17,001
Lease liabilities		743	315
Derivative financial instruments	15(a)	92,485	89,480
Taxation payable		1,426	1,457
		174,278	**189,643**
Non-Current Liabilities			
Unsecured bank loans	7	100,871	64,000
Unsecured senior bonds	7	373,365	372,681
Lease liabilities		9,841	1,642
Derivative financial instruments	15(a)	212,292	48,646
Deferred tax liability	19	192,943	207,266
		889,312	**694,235**
Total Liabilities		**1,063,590**	**883,878**
Net Assets		**1,239,160**	**1,216,998**

Consolidated Cash Flow Statement

for the year ended 31 March 2025

	Note	2025 $000	2024 $000
Cash Flows from Operating Activities			
Cash was provided from:			
Receipts from customers		499,815	468,376
Taxation received		2,247	–
		502,062	468,376
Cash was applied to:			
Payments to suppliers and employees		424,536	307,274
Taxation paid		3,275	40,540
		427,811	347,814
Net cash flow used in operating activities generated by discontinued operation		-	(435)
Net Cash from Operating Activities	28	**74,251**	**120,127**
Cash Flows from Investing Activities			
Cash was provided from:			
Sale of property, plant and equipment		2,395	12,905
Return of electricity market security deposits		171,089	58,100
Interest received		1,788	574
		175,272	**71,579**
Cash was applied to:			
Lodgement of electricity market security deposits		167,308	42,235
Purchase of property, plant and equipment		51,637	68,522
Purchase of other investments		46	7,309
Purchase of intangible assets		840	1,001
		219,831	**119,067**
Net Cash used in Investing Activities		**(44,559)**	**(47,488)**

	Note	2025 $000	2024 $000
Cash Flows from Financing Activities			
Cash was provided from:			
Bank loan proceeds		282,367	228,991
		282,367	**228,991**
Cash was applied to:			
Repayment of bank loans		233,397	222,619
Repayment of lease liability		484	849
Interest paid		28,998	26,235
Dividends paid to owners of the Company		46,946	51,641
Dividends paid to non-controlling shareholders in subsidiary companies		1,636	1,437
		311,461	**302,781**
Net Cash used in Financing Activities		**(29,094)**	**(73,790)**
Net Increase/(Decrease) in Cash and Cash Equivalents		**598**	**(1,151)**
Cash and Cash Equivalents at beginning of the year		1,654	2,805
Cash and Cash Equivalents at end of the year		**2,252**	**1,654**

Notes to the Financial Statements

for the year ended 31 March 2025

NOTE 1: GENERAL INFORMATION

Reporting Entity

The reporting entity is the consolidated group comprising Manawa Energy Limited and its subsidiaries together referred to as Manawa Energy. Manawa Energy is a limited liability company incorporated and domiciled in New Zealand. The principal activities of Manawa Energy are the ownership and operation of electricity generation facilities from renewable energy sources.

Manawa Energy Limited is registered under the Companies Act 1993, and is listed on the New Zealand Stock Exchange (NZX). It is an FMC Reporting Entity under the Financial Markets Conduct Act 2013.

The financial statements are presented for the year ended 31 March 2025.

Basis of Preparation

The financial statements are prepared in accordance with:

- The Financial Markets Conduct Act 2013, and NZX equity listing rules.
- Generally Accepted Accounting Practice (GAAP).
- New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), International Financial Reporting Standards (IFRS) and other applicable New Zealand accounting standards and authoritative notices, as appropriate for for-profit entities.

In preparing the financial statements we have:

- Recorded all transactions at the actual amount incurred (historical cost convention), except for generation assets, and derivatives which are recorded at fair value.
- Reported in New Zealand Dollars (NZD) rounded to the nearest thousand.

Estimates and judgements made in preparing the financial statements are frequently evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Manawa Energy makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

These financial statements have been prepared on a going concern basis, notwithstanding that Manawa Energy had a net current liability position of $10,885,000 as at 31 March 2025. This position is primarily due to the classification of certain bank borrowings as current liabilities as well as the fair value of derivative financial instruments. Manawa Energy has access to undrawn, committed bank facilities that are classified as non-current liabilities. These facilities are contractually available for drawdown and are sufficient to enable the Group to settle its current borrowings as they fall due. The derivative financial instruments are predominantly electricity price derivatives which are expected to be offset by future wholesale electricity revenue.

Critical accounting estimates and judgements

The areas involving a higher degree of judgement or complexity are disclosed below:

- Fair value of Manawa Energy's generation assets (**Note 6**).
- Fair value of derivatives and other financial instruments, particulary the electricity price Contract for Difference (CFD) with Mercury NZ Limited (**Note 15 (b)**).

Adoption Status of Relevant New Financial Reporting Standards and Interpretations

Manawa Energy has not early adopted any standards. There are no NZ IFRSs or NZ IFRIC interpretations that are not yet effective that would be expected to have a material impact on Manawa Energy.

Climate Change Risk

Climate change and environmental policies established by the New Zealand Government may have an impact throughout the New Zealand energy sector and impact the strategy of the business.

The Group considers that the greatest area of uncertainty is the wholesale electricity price path which reflects the impact of the New Zealand Government's climate change policy. The financial statement items which could be impacted by the uncertainty of climate change risks are as follows:

- Generation assets (**Note 6**) are recorded at fair value with the wholesale electricity price path being a key driver of changes in the valuation. Sensitivity to changes in the wholesale electricity price path for generation assets is shown in **Note 6**.
- Electricity price derivatives (**Note 15**) are recorded at fair value with the wholesale electricity price path being the key driver of changes in the valuation. Sensitivity to changes in the wholesale electricity price path for derivatives is shown in **Note 13**.

FINANCIAL PERFORMANCE

NOTE 2: OPERATING SEGMENT

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses and for which operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available. Manawa Energy's Board of Directors has been identified as the chief operating decision maker for the purpose of segmental reporting. Manawa Energy has determined that it operates in one segment generating and providing electricity across New Zealand. The determination is based on the reports reviewed by the Board in assessing performance, allocating resources and making strategic decisions. All of Manawa Energy's operations are located in New Zealand, therefore no geographic information is provided. A portfolio of electricity hedges are used to manage the combined electricity generation revenue and the electricity cost related to commercial and industrial retail customers.

NOTE 3: REVENUE

Revenue from contracts with customers comprises amounts expected to be received for the sale of electricity and related services in the ordinary course of the Group's activities.

Wholesale electricity revenue

Wholesale electricity revenue is received from the spot electricity market for Manawa Energy's own generation production and includes electricity price derivative settlements. Revenue is recognised over time as the electricity is delivered. Where Manawa Energy purchases the output from a third party generator and submits this to the national grid under its own name, Manawa Energy treats this as an agency relationship and does not recognise the revenue or corresponding expense.

Retail electricity revenue

Retail electricity revenue is received from commercial and industrial customers for the supply of electricity to their premises. Revenue is recognised over time when the energy is supplied for customer consumption.

Retail electricity – fixed price refers to revenue from customers who are sold electricity at an agreed price.

Retail electricity – spot price refers to revenue from customers who are sold electricity at spot electricity prices as determined by the New Zealand electricity market.

Revenue is measured and billed by calendar month for half-hourly metered customers and in line with meter reading schedules for non-half-hourly metered customers. There is some judgement applied to determine the volume of unbilled revenue, as revenues from electricity sales include an estimated accrual for units sold but not billed at the end of the reporting period for non-half-hourly metered customers.

Certain electricity meters are read on a progressive basis throughout the period. This means that some customers will have used electricity since their last meter reading but have not been billed for it. Manawa Energy therefore estimates the amount of unbilled electricity.

This estimate is then used in the calculation of electricity revenue, electricity purchases and line costs paid to network companies for the use of their networks and the national grid.

This estimate is based on units bought from the wholesale electricity markets as well as historical factors. Manawa Energy considers the estimate to be accurate as it is prepared on an individual customer-by-customer basis, is used consistently across both revenue and costs so therefore only impacts on the gross margin, and uses a well-established process based on each individual customer's historical data where this is available.

Even if there were a large error in the estimate, 10% for example, the impact on operating profit would be immaterial.

Other operating revenue

Other income is recognised when the service is provided. No individual component of other income is material.

NOTE 4: NON-GAAP MEASURES

(a) Underlying Earnings after Tax

Underlying Earnings is a non-GAAP (Generally Accepted Accounting Principles) financial measure. Manawa Energy believes that this measure is an important additional financial measure to disclose as it excludes movements in the fair value of financial instruments which can be volatile year to year depending on movement in long-term interest rate and/or electricity future prices. Also excluded in this measure are items considered to be one-off and not related to core business such as changes to tax legislation or impairment of generation assets.

Underlying earnings does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities.

Underlying Earnings After Tax	Note	2025 $000	2024 $000
Profit after tax ($000)		**252**	**23,654**
Fair value losses on financial instruments	15	30,048	46,066
Loss/(gain) on sale of other land and buildings		336	(1,558)
Asset impairments		3,287	3,179
Scheme of arrangement transactions costs*		7,016	–
Adjustments before income tax		**40,687**	**47,687**
Change in income tax expense in relation to adjustments		(9,427)	(13,352)
Change in tax treatment of commercial buildings	18	–	8,025
Adjustments after income tax		**31,260**	**42,360**
Underlying Earnings After Tax		**31,512**	**66,014**
Underlying earnings after tax attributable to the shareholders of the Company		29,541	64,826
Underlying earnings after tax attributable to non-controlling interests		1,971	1,188

* Manawa Energy entered into a Scheme Implementation Agreement (SIA) with Contact Energy Limited (Contact) on 11 September 2024 under which Contact has agreed to acquire all of Manawa Energy's shares through a scheme of arrangement. The SIA is conditional upon the satisfaction of certain conditions including shareholder approval, Commerce Commission (received subsequent to balance date, see **Note 29** for details) and High Court approval.

The scheme of arrangement transaction costs were $7,016,000 for the year. $4,151,000 is included in employee benefits and $2,865,000 is included in other operating expenses.

(b) Earnings Before Interest, Tax, Depreciation, Amortisation, Fair Value Movements of Financial Instruments and Asset Impairments (EBITDAF)

EBITDAF is a non-GAAP financial measure but is commonly used within the electricity industry as a measure of performance as it shows the level of earnings before the impact of gearing levels and non-cash charges such as depreciation and amortisation. Market analysts use the measure as an input into company valuation and valuation metrics used to assess relative value and performance of companies across the sector.

EBITDAF does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities.

NOTE 5: OTHER OPERATING EXPENSES

	Note	2025 $000	2024 $000
Bad debt expense		7,009	194
Emission units cost of sales		–	10,629
Computer maintenance and support costs		5,317	4,996
Directors' fees		785	731
Donations		141	186
Market fees and costs		3,964	3,676
Other operating expenses		22,213	24,577
Scheme of arrangement transaction costs	4	2,865	–
		42,294	**44,989**

OUR ASSETS

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment	Note	Generation Assets $000	Other Land and Buildings $000	Other Plant and Equipment $000	Total $000
Opening balance as at 1 April 2023					
Fair value		1,697,359	–	–	1,697,359
Cost		–	19,919	22,669	42,588
Capital work in progress		78,241	5,031	5,575	88,847
Accumulated depreciation		–	(905)	(10,816)	(11,721)
		1,775,600	**24,045**	**17,428**	**1,817,073**
Additions at cost		53,787	9,430	5,198	68,415
Depreciation		(14,874)	(1,157)	(2,645)	(18,676)
Disposals at net book value		(24)	(10,833)	(129)	(10,986)
Revaluations		–	–	–	–
Impairments		–	–	–	–
Transfers		–	–	–	–
Transferred to held for sale asset	22	–	(6,804)	–	(6,804)
Closing balance as at 31 March 2024					
Fair value		1,699,212	–	–	1,699,212
Cost		6,759	4,030	24,566	35,355
Capital work in progress		123,391	12,712	8,748	144,851
Accumulated depreciation		(14,874)	(2,062)	(13,461)	(30,397)
		1,814,488	**14,680**	**19,853**	**1,849,021**
Additions at cost		42,126	7,462	2,081	51,669
Depreciation		(16,883)	(408)	(3,411)	(20,702)
Disposals at net book value		(124)	(33)	(296)	(453)
Revaluations		194,019	–	–	194,019
Impairments		(3,287)	–	–	(3,287)
Transfers		(1,639)	2,232	(593)	–
Closing balance as at 31 March 2025					
Fair value		1,948,572	–	–	1,948,572
Cost		–	23,403	31,002	54,405
Capital work in progress		80,128	1,562	2,161	83,851
Accumulated depreciation		–	(1,032)	(15,529)	(16,561)
		2,028,700	**23,933**	**17,634**	**2,070,267**

Employee benefits capitalised in the year ended 31 March 2025 were $3,327,000 (2024: $2,680,000).

Property, Plant and Equipment
Generation assets are revalued every three years or more frequently if there is evidence of a significant change in value. The revaluation reserve within equity contains accumulated revaluations of generation assets. All other property, plant and equipment is stated at its original cost less depreciation and impairment.

Land is not depreciated. Depreciation on all other property, plant and equipment is calculated using the straight-line method at the following rates:

Freehold buildings	2%
Generation assets	0.5–8%
Metering equipment	5–15%
Plant and equipment	10–33%

Generation Development
An ongoing part of Manawa Energy's business is the development of new generation assets. All costs incurred prior to the commitment to build a new asset are expensed, including exploration, evaluation and consenting costs. In line with the recognition criteria set out in NZ IAS 16 *Property, Plant and Equipment*, all costs from the point of commitment are capitalised if appropriate.

Generation assets include land and buildings which are not separately identifiable from other generation assets. Generation assets were revalued by Manawa Energy, using a discounted cash flow methodology, as at 31 March 2025, to their estimated market value. This revaluation incorporated an independent assessment of the wholesale electricity price path and Manawa Energy's weighted average cost of capital by Deloitte Corporate Finance. All other valuation inputs were internally generated.

Fair value of generation property, plant and equipment

The valuation of Manawa Energy's generation assets is sensitive to the inputs used in the discounted cash flow valuation model. A sensitivity analysis around some key inputs is shown in the following table. The valuation is based on a combination of values that are generally at the midpoint of the range. The valuation impact is calculated as the movement in the fair value as a result of the change in the assumption and keeping all other valuation inputs constant. At 31 March 2025, the overall valuation range was determined to be $1,908,500,000 to $2,168,500,000, with the mid-point selected for revaluation purposes. Sensitivities of the fair value to changes in the weighted average cost of capital have been used to create this overall range. This has resulted in a net increase in the carrying value of generation assets of $190,732,000, comprising a $194,019,000 increase which has been taken to the revaluation reserve and a $3,287,000 impairment of assets.

Assumptions as at 31 March 2025	Low	High	Impact ($000) of Low/High Change in Assumption
Forward electricity price path (independent assessment)	Decreasing in real terms from $183/MWh to $95/MWh, at Otahuhu, by 2031	Decreasing in real terms from $183/MWh to $106/MWh, at Otahuhu, by 2031	-/+ $115,500
Long term inflation	1.7%	2.3%	-$46,300/ +$47,400
Generation volume (long-term average)	1,882GWh	2,082GWh	-/+ $133,600
Operating expenditure	$58,000,000 p.a.	$71,000,000 p.a.	+/- $87,900
Capital expenditure	$25,200,000 p.a. average	$30,700,000 p.a. average	+/-$28,600
Weighted average cost of capital (independent assessment)	7.0%	7.8%	+$139,500/ -$120,500

Some of these inputs are not based on inputs observable in the market, and so under NZ IFRS they are classified within level 3 of the fair value hierarchy.

Property, Plant and Equipment at historical cost

If generation assets were stated on an historical cost basis, the amounts would be as follows	2025 $000	2024 $000
Generation assets (at cost)	1,154,298	1,069,033
Generation assets under construction (at cost)	80,128	123,391
Generation assets accumulated depreciation	(352,961)	(336,078)
	881,465	**856,346**

Capital Commitments	2025 $000	2024 $000
The capital commitments figure is comprised of a number of capital projects across Manawa Energy's generation schemes. None of these projects are individually material.	33,843	43,719

OUR FUNDING

NOTE 7: BORROWINGS

Manawa Energy's debt comprises a combination of bank facilities and senior bonds that are listed on the New Zealand Stock Exchange.

Manawa Energy borrows under a negative pledge arrangement, which with limited exceptions does not permit Manawa to grant any security interest over its assets. The negative pledge deed requires Manawa Energy to maintain certain levels of shareholders' funds and operate within defined performance and debt gearing ratios. The banking arrangements may also create restrictions over the sale or disposal of certain assets unless the bank loans are repaid or renegotiated. Certain Group companies, which represent over 90% of the Group's assets, form a guaranteeing group under the negative pledge arrangement where every member of the guaranteeing group guarantees the debt of every other member.

Manawa Energy's banking facilities are with institutions that all have a Standard & Poor's long-term credit rating of A or higher.

Senior bonds rank equally with bank loans.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently recognised at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the term of the borrowings using the effective interest method. A loan that matures within a year will still be considered non-current if Manawa Energy has an unconditional right to refinance the loan through non-current undrawn facilities with the same lender.

	2025		2024	
	Unsecured Bank Loans $000	Senior Bonds $000	Unsecured Bank Loans $000	Senior Bonds $000
Repayment terms				
Less than one year	34,100	–	17,001	–
One to two years	15,871	125,000	34,000	–
Two to five years	80,000	250,000	30,000	375,000
Bond issue costs	–	(1,635)	–	(2,319)
	129,971	**373,365**	**81,001**	**372,681**
Current portion	29,100	–	17,001	–
Non-current portion	100,871	373,365	64,000	372,681
	129,971	**373,365**	**81,001**	**372,681**
Undrawn facilities				
Less than one year	145,900	–	27,999	–
One to two years	4,129	–	146,000	–
Two to five years	62,000	–	95,000	–
	212,029	**–**	**268,999**	**–**
Weighted average interest rate				
Less than one year	5.4%	–	4.9%	–
One to two years	4.9%	3.4%	7.0%	–
Two to five years	4.8%	5.8%	6.7%	5.0%
	5.0%	**5.0%**	**6.4%**	**5.0%**

Except for senior bonds, the carrying amount of borrowings recorded in the financial statements approximates their fair values. At 31 March 2025 the senior bonds had a fair value of $384,821,000 (31 March 2024: $373,471,000). The bonds have been classified as level 1 in the fair value hierarchy.

Manawa Energy has complied with all debt covenants during the year and the period subsequent to balance date and is forecasting to remain compliant.

Subsequent to balance date, Manawa Energy has refinanced the bank debt maturing in May 2025 to now mature in February 2026. Manawa Energy considers this provides sufficient time for additional refinancing if required.

Reconciliation of change in borrowings arising from financing activities

	2025 $000	2024 $000
Balance 31 March 2024	453,683	446,585
Bank loan proceeds	282,367	228,991
Repayment of bank loans	(233,397)	(222,619)
Non-cash bond brokerage cost amortisation	684	726
Balance 31 March 2025	**503,337**	**453,683**

NOTE 8: CAPITAL RISK MANAGEMENT OBJECTIVES

When managing capital, Manawa Energy's objectives are to ensure sufficient funds are available to pay liabilities when they fall due and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, Manawa Energy has discretion to adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Manawa Energy's primary measure for monitoring its capital structure is net debt to EBITDAF. This is calculated below:

	Note	2025 $000	2024 $000
Net debt			
Unsecured bank debt	7	129,971	81,001
Unsecured senior bonds	7	373,365	372,681
Cash and cash equivalents		(2,252)	(1,654)
		501,084	**452,028**
EBITDAF (including discontinued operations)		84,298	144,408
Net debt to EBITDAF		5.9	3.1

Manawa Energy has a medium-term target of maintaining its net debt to EBITDAF ratio to between 2.5 and 4.0. This is an internal target only and has no implication on Manawa Energy's borrowings.

As a secondary measure, Manawa Energy also monitors its gearing ratio. This ratio is calculated as net debt divided by net debt plus equity. The gearing ratio is calculated below:

	2025 $000	2024 $000
Net debt	501,084	452,028
Equity		
Total equity	1,239,160	1,216,998
Remove net effect of fair value of financial instruments after tax	99,330	2,577
	1,338,490	1,219,575
Total capital funding	**1,839,574**	**1,671,603**
Gearing ratio	**27%**	**27%**

NOTE 9: FINANCE INCOME AND COSTS

	2025 $000	2024 $000
Amortisation of debt issue costs	684	726
Interest paid on unsecured bank loans	7,145	5,452
Interest paid on unsecured senior bonds	18,758	16,466
Interest paid on lease liabilities	274	87
Other interest costs and fees	2,347	4,072
Total Interest Expense	**29,208**	**26,803**
Interest received on cash at bank	1,788	574
Total Interest Income	**1,788**	**574**

Capitalised interest for 31 March 2025 was $1,766,000 (2024: none). Interest paid includes realised gains and losses on interest rate swap arrangements.

NOTE 10: SHARE CAPITAL

	2025	2024	2025	2024
	000s of shares		$000	$000
Authorised and issued ordinary shares at beginning of period	**312,973**	312,973	**2**	2
	312,973	312,973	**2**	2

All shares rank equally with one vote per share, have no par value and are fully paid. The amount of share capital is increased or decreased by the amount paid or received when Manawa Energy buys or sells its own shares.

NOTE 11: DIVIDENDS ON ORDINARY SHARES

	2025	2024	2025	2024
	cents per share		$000	$000
Final dividend prior period	11.0	8.5	34,427	26,603
Interim dividend paid current period	4.0	8.0	12,519	25,038
	15.0	**16.5**	**46,946**	**51,641**

Dividend Distribution
Dividends payable to Manawa Energy's shareholders are recognised as a liability in the financial statements in the period in which the dividend is approved by the Board.

NOTE 12: EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of Manawa Energy by the weighted average number of ordinary shares on issue during the year.

	Note	2025	2024
(Loss)/Profit after tax from continuing operations attributable to the shareholders of the Company ($000)		(808)	23,329
Weighted average number of ordinary shares on issue (000s)	10	312,973	312,973
Basic and diluted earnings per share from continuing operations (cents per share)		(0.3)	7.5
Loss after tax from discontinuing operations attributable to the shareholders of the Company ($000)		–	(436)
Weighted average number of ordinary shares on issue (000s)		312,973	312,973
Basic and diluted earnings per share from discontinuing operations (cents per share)		–	(0.1)
Underlying earnings after tax attributable to the shareholders of the Company ($000)	4	29,541	64,826
Weighted average number of ordinary shares on issue (000s)	10	312,973	312,973
Underlying earnings per share (cents per share)		9.4	20.7

OUR KEY FINANCIAL RISKS

NOTE 13: ELECTRICITY PRICE RISK

In New Zealand there is a wholesale electricity market that sets the price of electricity every half hour. This market is volatile and the prices can vary significantly. All of the electricity that Manawa Energy generates is sold on this market and the cash received is therefore volatile.

Manawa Energy manages this volatility by:

- Selling electricity to certain retail customers at a fixed price.
- Entering hedge agreements which fix the price paid for electricity on the wholesale market (refer **Note 15**).

Consequently these measures limit the amount of electricity sold which is exposed to spot pricing. Manawa's Wholesale Energy Revenue Risk Management Policy sets limits around the amount of spot price exposure permissible now and into the future.

The aggregate notional volume of the outstanding electricity derivatives at 31 March 2025 was 8,170GWh (31 March 2024: 11,811GWh).

Sensitivity analysis

At 31 March 2025, if the relevant forward electricity prices increased/decreased by 10% with all other variables held constant, post-tax profit for the year and other components of equity would have been adjusted by the amounts in the table below, as a result of the fair value change in electricity price derivatives.

	2025 $000	2024 $000
Decrease to profit of a 10% increase in electricity forward price	(13,184)	(9,309)
Increase to profit of a 10% decrease in electricity forward price	13,184	23,965
Decrease to equity of a 10% increase in electricity forward price	(72,044)	(83,591)
Increase to equity of a 10% decrease in electricity forward price	72,044	68,935

Electricity Market Security Deposits

Manawa Energy is required to provide cash deposits as prudential security in order to trade in the wholesale electricity futures market. The required level of deposits depends on the amount of outstanding contracts Manawa Energy is a party to and the fair value of these contracts. These deposits are not necessarily convertible to cash as, in some cases, Manawa Energy's broker in this market applies these funds against offsetting trades. Electricity market security deposits are measured at amortised cost.

NOTE 14: INTEREST RATE RISK

All of Manawa Energy's bank facilities are on floating interest rates. Manawa then uses Interest Rate Swaps (IRS) to fix most of the interest costs of the Group. This stabilises Manawa Energy's debt servicing costs. However for every dollar of debt protected against a potential rise in market interest rates, that same dollar is unable to take advantage of a potential fall in market interest rates. Payments made or received by IRS are recognised as a part of "Interest paid on unsecured bank loans".

The aggregate notional principal amount of the outstanding interest rate derivative instruments at 31 March 2025 was $842,000,000 (31 March 2024: $748,000,000).

Interest payment transactions are expected to occur at various dates between one month and five years from the end of the reporting period consistent with Manawa Energy's forecast total borrowings.

Sensitivity analysis

At 31 March 2025, if interest rates at that date had been 100 basis points higher/lower with all other variables held constant, post-tax profit for the year and other components of equity would have been adjusted by the amounts in the following table, as a result of the fair value change in interest rate derivative instruments.

	2025 $000	2024 $000
(Decrease)/Increase to profit of a 100 basis point increase in interest rates	(4,424)	115
Increase/(Decrease) to profit of a 100 basis point decrease in interest rates	4,077	(140)
(Decrease)/Increase to equity of a 100 basis point increase in interest rates	(4,424)	115
Increase/(Decrease) to equity of a 100 basis point decrease in interest rates	4,077	(140)

NOTE 15: DERIVATIVE FINANCIAL INSTRUMENTS

(a) Fair value of derivative financial instruments

	2025 $000	2024 $000
Current		
Interest rate derivative assets	138	622
Electricity price derivative assets	71,971	91,494
Exchange rate derivative assets	165	173
	72,274	**92,289**
Interest rate derivative liabilities	–	–
Electricity price derivative liabilities	92,475	89,480
Exchange rate derivative liabilities	10	–
	92,485	**89,480**
Non-current		
Interest rate derivative assets	5,422	6,814
Electricity price derivative assets	42,376	18,762
Exchange rate derivative assets	150	134
	47,948	**25,710**
Interest rate derivative liabilities	6,305	10,259
Electricity price derivative liabilities	205,987	38,339
Exchange rate derivative liabilities	–	48
	212,292	**48,646**

Derivatives
Derivatives are initially recognised at fair value on the date the contract is entered into and subsequently remeasured to fair value. The gain or loss on remeasurement is recognised in the income statement, unless the derivative is designated into an effective hedge relationship as a hedging instrument, in which case the timing of recognition in the income statement depends on the nature of the designated hedge relationship. The Group uses cash flow hedges, which is where the derivative is used to manage the variability in cash flows relating to recognised liabilities or highly probable forecast transactions. The effective portion of changes in the fair value of cash flow hedges are recognised in other comprehensive income and accumulated in the cash flow hedge reserve. The ineffective portion of changes in the fair value of cash flow hedges is recognised immediately in the income statement in the net fair value losses on financial instruments line. Amounts accumulated in other comprehensive income are reclassified to the income statement in the period when the hedged item is recognised in the income statement.

(b) Fair Value

Except for senior bonds (see **Note 7**), the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and liabilities are calculated using discounted cash flow analysis based on market-quoted rates.
- The fair value of derivative financial instruments are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve or available forward price data for the duration of the instruments. Where the fair value of a derivative is calculated as the present value of the estimated future cash flows of the instrument, the two key types of variables used by the valuation techniques are:
  - forward price curve; and
  - discount rates.

The selection of variables requires significant judgement and therefore there is a range of reasonably possible assumptions in respect of these variables that could be used in estimating the fair value of these derivatives. Maximum use is made of observable market data when selecting variables and developing assumptions for the valuation techniques.

Electricity derivative valuation input	Source
Electricity forward price curve to value electricity price derivative instruments	Market quoted prices where available and the Directors' best estimate based on their view of the long run marginal cost of new generation where no market quoted prices are available.
Inflation forecast for valuing inflation-linked electricity price derviatives	Reserve Bank of New Zealand forecasts
Discount rate for valuing electricity price derivatives	Assumed counterparty cost of funds ranging from 3.9% to 4.9%.

If the discount rate for valuing electricity price derivatives increased/decreased by 1% then the fair value of the electricity price derivatives would have decreased/increased by $948,000 (2024: $794,000). If the forecast inflation rate had increased/decreased by 1% then the fair value of electricity price derviatives would have increased/decreased by $1,817,000 (2024: $8,270,000).

Treatment of electricity price CFD entered with Mercury NZ Limited

Manawa Energy and Mercury NZ Limited entered into an electricity price derivative on 2 May 2022. On Day 1 this had a negative value of $521,777,000 which was deferred as per NZ IFRS 9 *Financial Instruments*. During the current period $118,960,000 (cumulative to date: $370,829,000) of the deferred day 1 value has been recognised through wholesale electricity revenue as the calibrated CFD cash flows have been realised throughout the period. These CFD cash settlements have reduced the impact of changes in wholesale electricity prices on Manawa Energy's revenue. As the absolute value of the actual hedge as at 31 March 2025 is less than the absolute of the hypothetical, the hedge is deemed effective. On this basis a current period fair value loss of $134,428,000 (2024: $101,052,000) has been recognised with $134,428,000 (2024: $31,457,000) taken to the cash flow hedge reserve and no amount (2024: $69,595,000, see **Note 15(d)**) taken to net fair value losses on financial instruments. The fair value of this electricity price derivative at 31 March 2025 is ($138,104,000) (2024: ($3,676,000)).

Other derivatives valuation Input	Source
Interest rate forward price curve to value interest rate swaps	Published market swap rates
Discount rate for valuing interest rate derivatives	Published market interest rates as applicable to the remaining life of the instrument adjusted by the cost of credit of the counterparty for assets and the cost of credit of Manawa Energy for liabilities.
Foreign exchange forward prices to value foreign exchange contracts	Published spot foreign exchange rates and interest rate differentials
Discount rate for valuing forward foreign exchange contracts	Published market interest rates as applicable to the remaining life of the instrument adjusted by the cost of credit of the counterparty for assets and the cost of credit of Manawa Energy for liabilities.

(c) Fair value hierarchy

NZ IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy which represents the level of judgement and estimation applied in valuing the instrument:

- 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).

There were no transfers between level 1, 2 and 3 assets or liabilities within the fair value hierarchy (2024: none).

The following tables present Manawa Energy's derivatives that are measured at fair value.

Fair value As at 31 March 2025	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Assets per the statement of financial position				
Interest rate derivative assets	–	5,560	–	5,560
Electricity price derivative assets	–	–	114,347	114,347
Exchange rate derivative assets	–	315	–	315
	–	**5,875**	**114,347**	**120,222**
Liabilities per the statement of financial position				
Interest rate derivative liabilities	–	6,305	–	6,305
Electricity price derivative liabilities	–	–	298,462	298,462
Exchange rate derivative liabilities	–	10	–	10
	–	**6,315**	**298,462**	**304,777**

Fair value As at 31 March 2024	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Assets per the statement of financial position				
Interest rate derivative assets	–	7,436	–	7,436
Electricity price derivative assets	–	–	110,256	110,256
Exchange rate derivative assets	–	307	–	307
	–	**7,743**	**110,256**	**117,999**
Liabilities per the statement of financial position				
Interest rate derivative liabilities	–	10,259	–	10,259
Electricity price derivative liabilities	–	–	127,819	127,819
Exchange rate derivative liabilities	–	48	–	48
	–	**10,307**	**127,819**	**138,126**

The following tables present the changes during the year of the financial instruments classified within level 3 of the fair value hierarchy.

	2025 $000	2024 $000
Assets per the statement of financial position		
Opening balance	110,256	155,474
Gains and (losses) recognised in profit or loss		
Realised in wholesale electricity revenue	175,214	13,373
Unrealised	(171,123)	38,785
Gains and (losses) recognised in other comprehensive income		
Realised in wholesale electricity revenue	(15,851)	65,689
Unrealised	15,851	(163,065)
Closing balance	**114,347**	**110,256**
Total gains or (losses) for the period included in profit or loss for assets held at the end of the reporting period	105,261	91,549
Liabilities per the statement of financial position		
Opening balance	127,819	92,927
(Gains) and losses recognised in profit or loss		
Realised in wholesale electricity revenue	182,334	24,785
Unrealised	(146,119)	6,431
(Gains) and losses recognised in other comprehensive income		
Realised in wholesale electricity revenue	247,870	–
Unrealised	(113,442)	3,676
Closing balance	**298,462**	**127,819**
Total (gains) or losses for the period included in profit or loss for liabilities held at the end of the reporting period	124,672	77,163
Settlements during the year	224,899	54,277

(d) Fair value gains/losses on derivatives

The changes in the fair value of derivatives recognised in the income statement and the cash flow hedge reserve for the year to 31 March 2025 are summarised below.

Recognised in the income statement	Note	2025 $000	2024 $000
Interest rate derivatives		2,079	2,587
Ineffective portion transferred from cash flow hedge reserve	16	–	(69,595)
Electricity price derivatives		(32,127)	20,942
		(30,048)	**(46,066)**

Recognised in the cash flow hedge reserve	Note	2025 $000	2024 $000
Electricity price derivatives		(134,428)	(101,052)
Ineffective portion transferred to income statement	16	–	69,595
Exchange rate derivatives		49	197
		(134,379)	**(31,260)**

NOTE 16: CASH FLOW HEDGE RESERVE

	2025 $000	2024 $000
Balance at beginning of year	(2,577)	19,930
Fair value gains/(losses)	97,608	(34,002)
Ineffective portion transferred to income statement	–	69,595
Transfers to property, plant and equipment	33	106
Transfers to wholesale electricity revenue	(232,020)	(66,959)
	(134,379)	(31,260)
Tax on fair value (gains)/losses	(27,331)	9,521
Tax on ineffective portion transferred to income statement	–	(19,487)
Tax on transfers to wholesale electricity revenue	64,966	18,749
Tax on transfers to property, plant and equipment	(9)	(30)
	37,626	**8,753**
	(99,330)	**(2,577)**

NOTE 17: LIQUIDITY RISK

The Group's ability to readily attract cost-effective funding is largely driven by its credit standing.

Prudent liquidity risk management requires maintaining sufficient cash, marketable securities or unutilised committed credit facilities to provide cover for reasonably conceivable adverse conditions. The Group operates under a Board approved treasury policy which dictates the level of available committed facilities to be maintained. This is measured by forecasting debt levels under various adverse scenarios and comparing this to committed facility levels. At balance date the Group has $212m per **Note 7** (2024: $269m) in undrawn facilities to enable it to meet its working capital requirements as needed.

The following tables analyse Manawa Energy's financial liabilities excluding gross settled derivative financial liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the period end date. The amounts in the tables are contractual undiscounted cash flows.

Liquidity risk As at 31 March 2025	Less than 1 month $000	1–6 months $000	6–12 months $000	Over 1 year $000	Total $000
Net settled electricity price derivatives	33,461	172,278	12,772	29,071	247,582
Net settled interest rate derivatives	1,889	3,403	21,435	68,723	95,451
Accounts payable and accruals	47,946	–	–	–	47,946
Unsecured senior bonds	1,047	7,052	8,099	397,014	413,212
Unsecured bank loans	5	35,067	–	132,871	167,943
Total	**84,348**	**217,800**	**42,306**	**627,680**	**972,134**

Liquidity risk As at 31 March 2024	Less than 1 month $000	1–6 months $000	6–12 months $000	Over 1 year $000	Total $000
Net settled electricity price derivatives	12,856	47,272	28,880	22,019	111,027
Net settled interest rate derivatives	1,158	4,831	24,755	71,278	102,022
Accounts payable and accruals	77,142	–	–	–	77,142
Unsecured senior bonds	1,047	7,052	8,099	413,212	429,410
Unsecured bank loans	17,001	107	–	100,152	117,260
Total	**109,204**	**59,262**	**61,734**	**606,661**	**836,861**

OTHER DISCLOSURES

NOTE 18: INCOME TAX EXPENSE

	Note	2025 $000	2024 $000
Profit from continuing operations before income tax		347	50,407
Profit from discontinued operations before income tax		–	(606)
		347	**49,801**
Tax on profit @ 28%		97	13,944
Tax effect of non-deductible expenditure/non-assessable income		1,303	193
Income tax (over)/under provided in prior year		(1,305)	3,985
Removal of tax depreciation on buildings	19	–	8,025
		95	**26,147**
Income tax expense is attributable to:			
Profit from continuing operations		95	26,317
Profit from discontinued operations		–	(170)
		95	**26,147**
Represented by:			
Current tax		3,566	19,719
Deferred tax		(3,471)	6,428
		95	**26,147**

The 28% tax rate used above is the corporate tax rate payable by New Zealand corporate entities on taxable profit under New Zealand tax law.

Income tax expense
Tax returns for Manawa Energy and the detailed calculations that are required for filing tax returns are not prepared until after the financial statements are prepared. Estimates of these calculations are made for the purpose of calculating income tax expense, current tax and deferred tax balances. Any difference between the final tax outcomes and the estimations made in previous years will affect current year balances.

NOTE 19: DEFERRED INCOME TAX

	Note	2025 $000	2024 $000
Balance at beginning of year		207,266	209,591
Current year changes in temporary differences recognised in profit or loss	18	(3,160)	(22,525)
Current year changes in temporary differences recognised in other comprehensive income		(10,852)	(8,753)
Reclassification of prior year temporary differences	18	(311)	20,928
Removal of depreciation on commercial buildings		–	8,025
Total deferred tax liabilities		**192,943**	**207,266**

The tables below show the break down of the temporary differences that make up the deferred tax liabilities and their movement for the year.

Temporary differences in deferred tax liabilities For the year ended 31 March 2025	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Removal of depreciation on commercial buildings	Closing Balance
Revaluations	144,347	–	26,774	–	171,121
Other property, plant and equipment movements	64,540	(6,568)	–	–	57,972
Employee benefits	(1,408)	(973)	–	–	(2,381)
Provision for impairment of accounts receivable	(126)	(45)	–	–	(171)
Financial instruments	11	4,249	(37,626)	–	(33,366)
Other	(98)	(134)	–	–	(232)
	207,266	**(3,471)**	**(10,852)**	**–**	**192,943**

Temporary differences in deferred tax liabilities For the year ended 31 March 2024	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Removal of depreciation on commercial buildings	Closing Balance
Revaluations	144,347	–	–	–	144,347
Other property, plant and equipment movements	60,971	(4,456)	–	8,025	64,540
Employee benefits	(1,584)	176	–	–	(1,408)
Provision for impairment of accounts receivable	(87)	(39)	–	–	(126)
Financial instruments	4,419	4,345	(8,753)	–	11
Other	1,525	(1,623)	–	–	(98)
	209,591	**(1,597)**	**(8,753)**	**8,025**	**207,266**

NOTE 20: IMPUTATION CREDIT ACCOUNT

	2025 $000	2024 $000
Imputation credits available for use in subsequent reporting periods	4,513	21,106

The above amounts represent the balance of the imputation account as at the end of the reporting period, adjusted for imputation credits that will arise from the payment of the amount of taxation payable. The consolidated amounts include imputation credits that would be available to the parent if subsidiaries paid dividends. If the Scheme of Arrangement with Contact Energy completes (see **Note 29** for details), the group imputation credit balances will be reset to zero.

NOTE 21: ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2025 $000	2024 $000
Trade receivables including unbilled sales	29,531	33,025
Provision for expected credit losses	(610)	(450)
Electricity market receivables	6,484	25,445
Other receivables	8,975	10,041
Prepayments	5,221	4,954
	49,601	**73,015**

Trade Receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for expected credit losses.

Collectability of trade receivables is reviewed on an ongoing basis including debts past due, but not considered impaired. Debts which are known to be uncollectible are written off. A provision for expected credit losses is established when the assessment under NZ IFRS 9 deems a provision is required.

Credit Risk

Manawa Energy has no significant concentrations of credit risk (2024: none). It has policies in place to ensure that sales are only made to creditworthy customers. Where a potential customer is not sufficiently creditworthy, additional credit support, a cash bond for example, is required before the customer is accepted. Manawa Energy's Credit and Counterparty Policy ensures that all counterparties with which Manawa Energy has electricity price hedging in place are assigned a credit limit and that potential exposure does not exceed that limit.

Debtors that are unlikely to pay the money they owe Manawa Energy are not included as an asset in the statement of financial position. The provision for expected credit losses is $610,000 (2024: $450,000).

Manawa Energy applies the NZ IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on days past due. The expected loss rates are based on the payment profiles of sales over a 12 month period before 31 March 2025 and the corresponding historical credit losses during this period, adjusted for any significant known amounts that are not receivable.

Manawa Energy's bad debt expense includes $6,841,000 as a result of a settlement agreement with a single customer following a payment default.

NOTE 22: ASSETS HELD FOR SALE

Manawa Energy is currently selling several properties on the West Coast (Arnold). The properties were procured in anticipation of developing new hydro electricity generation projects. The projects were ultimately discontinued and the board has endorsed the disposal of these properties.

NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* requires that where a non-current asset is classified as held for sale that asset must be carried at the lower of cost or the amount expected to be recovered on sale.

NOTE 23: ACCOUNTS PAYABLE AND ACCRUALS

	2025 $000	2024 $000
Employee entitlements	11,607	6,379
Interest accruals	2,578	3,053
GST payable	3,477	4,248
Other accounts payable and accruals	30,052	64,099
Trade accounts payable	2,810	3,611
	50,524	**81,390**

Accounts Payables and Accruals
Accounts payable and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTE 24: RELATED PARTY TRANSACTIONS

Key management personnel

The key management personnel compensation (including Directors' fees) is as follows:

	Note	2025 $000	2024 $000
Salaries and other employee benefits paid during the year		4,449	4,940
Fair value movements in cash-settled, share-based incentives	25	286	(20)
		4,735	**4,920**

$1,400,000 of this amount was unpaid at 31 March 2025 (2024: $990,000).

Certain key managers participate in a cash-settled, share-based incentive scheme (refer to **Note 25**).

Shareholders

Manawa Energy is controlled by Infratil Limited (incorporated in New Zealand) which owns 51.1% (2024: 51.1%) of Manawa Energy Limited's voting shares.

TECT Holdings Limited owns 26.8% (2024: 26.8%) and the residual balance of 22.1% (2024: 22.1%) is widely held.

Entities under common control

One NZ New Zealand Limited

99.9% of One NZ is owned by Infratil Limited. Transactions with One NZ for the year consisted of general mobile and telephone services totalling $760,000 ($89,000 was unpaid as at 31 March 2025) (2024: $472,000).

Mint Renewables Limited

73.0% of Mint Renewables is owned by Infratil Limited. Transactions with Mint Renewables for the year consisted of consulting services totalling $53,000 ($6,000 was unpaid as at 31 March 2025) (2024: $61,000).

Other

Manawa Energy Limited owns 15.0% of the ordinary shares of Rangitata Diversion Race Management Limited (RDR) which owns and operates an irrigation canal in Canterbury. RDR's operating and capital expenditure is funded by advances from its shareholders. There are now no outstanding advances between Manawa Energy and RDR.

NOTE 25: EMPLOYEE SHARE-BASED COMPENSATION

Certain members of Manawa Energy's executive management team and other employees are eligible to receive payment under a cash-settled share-based payment scheme. The scheme is defined as follows:

Each tranche of the scheme covers a three-year period. Key management personnel still employed by Manawa Energy at the end of each relevant period of the scheme are eligible to receive a bonus payment. 50% of the potential payment is determined by the total shareholder return (TSR) of Manawa Energy compared to the companies that comprise the NZX 50 index, while 50% is determined by Manawa Energy's absolute TSR. The combined result is applied to a notional number of allocated shares. Payment is only made if the TSR is greater than that of 50% of NZX 50 companies and if TSR is greater than 0%. Additionally, the scheme has a set maximum return above which no increase in the bonus is received by the participants.

The fair value of the liability at 31 March 2025 has been determined by reference to Manawa Energy's and all other NZX 50 companies' current share price expected dividends and share price movements with comparison to the share price at the start of the relevant period and adjusted to reflect the present value of these future expected cash flows.

For the year ended 31 March 2025 the total expense recognised in the income statement was $536,000 (2024: $83,000) and the liability recognised in the statement of financial position as at 31 March 2025 was $981,000 (2024: $445,000).

NOTE 26: REMUNERATION OF AUDITORS

During the year the following fees were payable to the current auditors of Manawa Energy.

	2025 $000	2024 $000
Audit and audit-related services		
Audit of financial statements	254	251
Other assurance services		
Assurance of regulatory returns[1]	16	16
Review of half year financial statements	50	48
Agreed upon procedures over the financial information for King Country Energy Limited	24	23
GHG Scope 1 & 2 assurance	20	15
GHG Scope 3 pre assurance services	–	32
	363	**385**
Taxation services		
Tax compliance services[2]	72	16
	72	**16**
Other services		
Advisory services in relation to Māori culture capability assessment	–	28
	–	**28**
Total remuneration to auditors	**435**	**428**

1. Regulatory returns include assurance services surrounding the Manawa Energy Insurance Limited solvency return.
2. Tax compliance services relate to the review of income tax returns, tax related correspondence, and the R&D tax incentive scheme for King Country Energy Limited.

NOTE 27: INVESTMENTS IN SUBSIDIARIES

Significant subsidiaries (31 March balance dates)	Country of incorporation and place of business	% owned by Manawa Energy		Nature of business
		2025	2024	
King Country Energy Holdings Limited	New Zealand	100	100	Asset holding
King Country Energy Limited	New Zealand	75	75	Electricity generation
Manawa Energy Insurance Limited	New Zealand	100	100	Captive insurance

NOTE 28: RECONCILIATION OF NET CASH FROM OPERATING ACTIVITIES WITH PROFIT AFTER TAX

	2025 $000	2024 $000
Profit from continuing activities:	252	24,090
Items classified as investing/financing		
Interest paid	28,998	26,235
Interest received	(1,788)	(574)
	27,210	**25,661**
Non-cash items:		
Amortisation of debt issue costs	684	726
Amortisation of intangible assets	1,201	1,099
Depreciation	21,659	19,592
Net gain on sale of property, plant and equipment	(382)	(1,787)
Other fixed and investment asset charges/(credits)	3,958	3,179
Movement in derivative financial instruments taken to the income statement	30,048	46,066
Decrease in deferred tax liability excluding transfers to reserves	(3,456)	6,427
	53,712	**75,302**
Decrease/(increase) in working capital:		
Accounts receivable and prepayments	21,369	(12,931)
Taxation payable/receivable	2,574	(20,831)
Accounts payable and accruals excluding capital expenditure accruals	(30,866)	29,271
	(6,923)	**(4,491)**
Operating cash flows generated from discontinued operations	–	(435)
Net cash from operating activities	**74,251**	**120,127**

NOTE 29: CONTINGENT LIABILITIES AND SUBSEQUENT EVENTS

Manawa Energy and Contact Energy Limited (Contact) entered into a Scheme Implementation Agreement on 11 September 2024 under which Contact has agreed to acquire all of Manawa Energy's shares through a Scheme of Arrangement. Approval of the Scheme is subject to certain conditions, including shareholder approval, Commerce Commission approval and High Court approval.

Subsequent to balance date the Commerce Commission approved the acquisition which remains subject to certain conditions including shareholder approval and High Court approval.

In order to facilitate the transaction, Manawa Energy has entered into an agreement that has given rise to a contingent liability of $12,643,000. This contingent liability will become payable on completion of the Scheme (31 March 2024: nil).

If the Scheme of Arrangement with Contact Energy completes, then under the Scheme Implementation Agreement, all share-based payment entitlements (see **Note 25** for details) will be assessed for cash settlement immediately prior to the implementation of the Scheme of Arrangement. The value of the entitlements will be determined by the incentive plan rules, will be approved by the Manawa Energy Board and may be different than the liability recognised at balance date.

The consequences of completion of the Scheme of Arrangement on Manawa Energy's imputation credit account are detailed in **Note 20**.

Manawa Energy's borrowings include senior bonds (see **Note 7** for details). If the Scheme of Arrangement completes, Manawa Energy expects that the bonds will be repaid early.

There were no contingent assets as at 31 March 2025 (31 March 2024: nil).

The Group is not aware of any significant events that have occurred subsequent to balance date but prior to the signing of these financial statements that have not been disclosed elsewhere in these financial statements.

Independent auditor's report

To the shareholders of Manawa Energy Limited (**Group**)

Report on the audit of the consolidated financial statements

OPINION

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 March 2025;
- the consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements of Manawa Energy Limited (the **Company**) and its subsidiaries (the **Group**) on pages 50 to 75 present fairly in all material respects:

- the Group's financial position as at 31 March 2025 and its financial performance and cash flows for the year ended on that date;
- In accordance with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Manawa Energy Limited 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standards 1 and the IESBA Code.

Our responsibilities under ISAs (NZ)(Revised) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has provided other services to the Group in relation to taxation compliance services to the subsidary King Country Energy Limited. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion.

Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
Generation assets fair value	
As described in **Note 6** of the financial statements, generation assets are recorded at fair value and revalued every three years, or more frequently if there is evidence of a significant change in value, to ensure that at each reporting date the carrying value is within a reasonable range of estimated fair values. Fair value is determined using a discounted cash flow methodology. The valuation of generation assets involves a number of significant assumptions including forward electricity prices, the weighted average cost of capital used to discount future cash flows, the inflation rate, and operational inputs such as future generation volumes, operating costs and capital expenditure. All these assumptions involve judgements about the future. This is therefore considered to be a key audit matter. Management, with the assistance of independent experts, have estimated a valuation range at 31 March 2025 and as a result revalued its generation assets to be within the fair value range.	Utilising our energy sector valuation specialists we have challenged the key assumptions used to determine an estimated valuation range. Our procedures included: › Assessing the methodology used in determining the fair value; › Comparing the forward electricity price path to current externally derived market forecast data; › Comparing the weighted average cost of capital against our independently calculated rate reflecting current market conditions; and › Comparing the inflation rate used to the Reserve Bank of New Zealand forecast. We assessed the appropriateness of the operational inputs and assumptions for generation volumes and costs by: › Comparing forecast generation volumes to actual realised volumes over time and considered the impact of any planned outages on forecasted volumes; and › Assessing forecasted operating and capital expenditure by understanding and evaluating the reasons for any significant changes between the costs in the current forecast and historical actual costs and agreeing forecasts to supporting approval documentation. Additionally, we: › Assessed the competence, independence and objectivity of the Group's independent experts; › Tested the veracity of Managements valuation model to ensure it calculated correctly; › Assessed the overall appropriateness of the fair value range; and › Considered the adequacy of the related financial statement disclosures. We had no matters to report as a result of our procedures.

The key audit matter	How the matter was addressed in our audit
Fair value of electricity derivatives	
As described in **Note 15** of the financial statements, the Group is exposed to electricity wholesale price risks which are managed using complex derivative financial instruments. The Group enters into a number of industry specific electricity derivative transactions to hedge future capacity, price risk and other business risks. These instruments are carried at fair value. There is complexity and judgement involved in determining the appropriate valuation and accounting treatment, particularly in respect of the Mercury Contract for Difference. Management uses a discounted cash flow technique to estimate the fair value of the electricity derivative at the valuation date. This utilises a range of observable and non-observable market data and valuation inputs in a model. This is therefore considered to be a key audit matter.	In conjunction with our specialists our procedures included: › Challenging the key assumptions applied by Management and agreed underlying data to contract terms; › Evaluating the hedge effectiveness of the Mercury CFD hedged electricity derivative. Our financial instrument specialists assessed the effectiveness of these hedges, following *NZ IFRS 9 Financial Instrument* requirements, by independently modelling the future changes in the value of these instruments to assess whether the underlying derivatives were effective; › Assessing the valuation calculation for the Mercury CFD contract; and › Assessing the valuations for all remaining electricity derivative contracts. Additionally, we: › Confirmed electricity derivative contract details with the counterparties. We had no matters to report as a result of our procedures.

Other information

The Directors, on behalf of the Group, are responsible for the other information included in the entity's Integrated Report. The other information comprises information included on pages 1 to 49 and page 79 but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated.

If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the shareholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the Group, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability of the Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

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

Reasonable assurance is a high level of assurance but it 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. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board (XRB) website at:

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

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is David Gates

For and on behalf of:

KPMG
Tauranga
16 May 2025

Corporate directory

MANAWA ENERGY

Board of Directors

Deion Campbell (Chair)
Joanna Breare
Sheridan Broadbent
Phillippa Harford
Michael Smith
Joe Windmeyer

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09 488 8700

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For shareholder enquiries about transactions, changes of address or dividend payments, please contact **Computershare**.

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MANAWA ENERGY

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