
Endeavour Energy Group

Financial Statements

30 June 2026

Contents

Combined Statement of Profit or Loss and Other Comprehensive Income	2
Combined Statement of Financial Position.....	3
Combined Statement of Changes in Equity.....	4
Combined Statement of Cash Flows	5
Combined Notes to the Financial Statements	6
1. Reporting entity and corporate information.....	6
2. Significant accounting policies.....	7
3. Significant accounting judgements, estimates and assumptions	19
4. Revenue	20
5. Expenses.....	21
6. Cash and short-term deposits.....	22
7. Trade and other receivables	22
8. Property, plant and equipment.....	23
9. Right-of-use assets.....	24
10. Intangible assets.....	25
11. Trade and other payables.....	26
12. Provisions	27
13. Lease liabilities	28
14. Other current liabilities	28
15. Superannuation – Defined benefits plan.....	28
16. Interest bearing loans and borrowings.....	31
17. Changes in liabilities arising from financing activities	36
18. Hedging activities and derivatives	37
19. Contributed equity	39
20. Cash flow hedge reserve.....	40
21. Financial risk management.....	40
22. Fair values	44
23. Related party transactions	44
24. Commitments and contingencies.....	45
25. Cash flow reconciliation	45
26. Remuneration of auditors	46
27. Events after the reporting period	46
28. Network Operator Partnership – Supplementary Financial Information	47
29. Network Asset Partnership – Supplementary Financial Information	48
30. Network Unregulated Partnership – Supplementary Financial Information	49
Directors' Declaration.....	50
Independent Auditor's Report to the Members of Endeavour Energy Group	51

**Combined Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2026**

		For the year ended	
		30 June 2026	30 June 2025
	Note	\$m	\$m
Revenue from contracts with customers	4(a)	1,867.6	1,708.8
Other income	4(b)	171.5	108.4
Net loss on disposal of assets		(2.8)	(2.5)
Expenses excluding finance costs	5(a)	(1,360.8)	(1,306.6)
Finance costs	5(b)	(319.1)	(309.3)
Profit for the year		356.4	198.8
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Superannuation defined benefits re-measurement gains/(losses)	15	4.4	(5.8)
		4.4	(5.8)
Items that may be reclassified subsequently to profit or loss			
Effective portion of changes in cash flow hedges	18	200.4	(317.8)
		200.4	(317.8)
Total other comprehensive income/(loss) for the year		204.8	(323.6)
Total comprehensive income/(loss) for the year		561.2	(124.8)

The above Combined Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

**Combined Statement of Financial Position
As at 30 June 2026**

		As at	
		30 June 2026	30 June 2025
	Note	\$m	\$m
ASSETS			
Current assets			
Cash and short-term deposits	6	145.2	149.8
Trade and other receivables	7	209.1	198.3
Prepayments		35.8	37.2
Inventories		49.9	43.1
Derivative financial assets	18	55.8	32.3
Assets held for sale		2.3	0.3
Total current assets		498.1	461.0
Non-current assets			
Trade and other receivables	7	6.7	8.7
Derivative financial assets	18	220.9	218.0
Property, plant and equipment	8	9,107.0	8,710.5
Right-of-use assets	9	47.7	54.3
Intangible assets	10	1,053.4	1,093.1
Goodwill	10	1,074.0	1,074.0
Other non-current asset	15	3.4	-
Total non-current assets		11,513.1	11,158.6
Total assets		12,011.2	11,619.6
LIABILITIES			
Current liabilities			
Trade and other payables	11	327.3	319.0
Interest bearing loans and borrowings	16	510.2	80.0
Lease liabilities	13	7.7	7.5
Provisions	12	199.2	186.5
Derivative financial liabilities	18	48.7	38.7
Other current liabilities	14	20.5	17.8
Total current liabilities		1,113.6	649.5
Non-current liabilities			
Interest bearing loans and borrowings	16	6,150.2	6,469.6
Lease liabilities	13	40.5	45.7
Provisions	12	18.1	24.7
Derivative financial liabilities	18	108.5	126.9
Total non-current liabilities		6,317.3	6,666.9
Total liabilities		7,430.9	7,316.4
Net assets		4,580.3	4,303.2
EQUITY			
Contributed equity	19	4,393.7	4,393.7
Cash flow hedge reserve	20	199.1	(1.3)
Accumulated losses		(12.5)	(89.2)
Total equity		4,580.3	4,303.2

The above Combined Statement of Financial Position should be read in conjunction with the accompanying notes

**Combined Statement of Changes in Equity
For the year ended 30 June 2026**

		Contributed Equity	Cash Flow Hedge Reserve	Accumulated Losses	Total
	Note	\$m	\$m	\$m	\$m
Balance as at 1 July 2025		4,393.7	(1.3)	(89.2)	4,303.2
Profit for the year		-	-	356.4	356.4
Other comprehensive income					
Superannuation defined benefits re-measurement gains	15	-	-	4.4	4.4
Effective portion of cash flow hedges	20	-	200.4	-	200.4
Total other comprehensive income for the year		-	200.4	4.4	204.8
Total comprehensive income for the year		-	200.4	360.8	561.2
Transactions with owners recorded directly in equity					
Distributions		-	-	(284.1)	(284.1)
Total transactions with owners recorded directly in equity		-	-	(284.1)	(284.1)
Balance as at 30 June 2026		4,393.7	199.1	(12.5)	4,580.3

		Contributed Equity	Cash Flow Hedge Reserve	Retained Earnings/ (Accumulated Losses)	Total
	Note	\$m	\$m	\$m	\$m
Balance as at 1 July 2024		4,393.7	316.5	203.0	4,913.2
Profit for the year		-	-	198.8	198.8
Other comprehensive income					
Superannuation defined benefits re-measurement losses	15	-	-	(5.8)	(5.8)
Effective portion of cash flow hedges	20	-	(317.8)	-	(317.8)
Total other comprehensive loss for the year		-	(317.8)	(5.8)	(323.6)
Total comprehensive (loss)/income for the year		-	(317.8)	193.0	(124.8)
Transactions with owners recorded directly in equity					
Distributions		-	-	(485.2)	(485.2)
Total transactions with owners recorded directly in equity		-	-	(485.2)	(485.2)
Balance as at 30 June 2025		4,393.7	(1.3)	(89.2)	4,303.2

The above Combined Statement of Changes in Equity should be read in conjunction with the accompanying notes

Combined Statement of Cash Flows
For the year ended 30 June 2026

		For the year ended 30 June 2026	30 June 2025
	Note	\$m	\$m
Cash flows from operating activities			
Receipts from customers		2,158.7	1,940.4
Payments to suppliers and employees		(1,267.3)	(1,062.4)
Interest received		4.1	11.5
Interest and finance costs paid		(323.8)	(291.0)
Interest paid on lease liabilities		(3.1)	(3.3)
Net cash flows from operating activities	25	568.6	595.2
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		2.7	6.0
Payments for property, plant and equipment and intangible assets		(554.0)	(424.2)
Net cash flows used in investing activities		(551.3)	(418.2)
Cash flows from financing activities			
Payment of distributions		(284.1)	(485.2)
Payment of lease liabilities		(8.5)	(8.0)
Proceeds from borrowings		2,456.6	1,890.0
Repayment of borrowings		(2,172.0)	(1,867.4)
Payment of transaction costs		(13.9)	(12.1)
Net cash flows used in financing activities		(21.9)	(482.7)
Net decrease in cash and cash equivalents		(4.6)	(305.7)
Cash and cash equivalents at the beginning of the year		149.8	455.5
Cash and cash equivalents at the end of the year	6	145.2	149.8

The above Combined Statement of Cash Flows should be read in conjunction with the accompanying notes

**Combined Notes to the Financial Statements
For the year ended 30 June 2026**

1. Reporting entity and corporate information

The financial statements of the Endeavour Energy Group ("the Group") comprise the combination of the following entities:

- a) Endeavour Energy Network Asset Partnership, an Australian partnership constituted under the Network Asset Partnership Deed and carried on by each of:
 - i. ERIC Epsilon Asset Corporation 1 Pty Ltd ACN 617 221 575 in its capacity as trustee of the ERIC Epsilon Asset Trust 1;
 - ii. ERIC Epsilon Asset Corporation 2 Pty Ltd ACN 617 221 655 in its capacity as trustee of the ERIC Epsilon Asset Trust 2;
 - iii. ERIC Epsilon Asset Corporation 3 Pty Ltd ACN 617 221 708 in its capacity as trustee of the ERIC Epsilon Asset Trust 3;
 - iv. ERIC Epsilon Asset Corporation 4 Pty Ltd ACN 617 221 726 in its capacity as trustee of the ERIC Epsilon Asset Trust 4; and
 - v. Edwards A Pty Ltd ACN 618 642 691 in its capacity as trustee of the Edwards A Trust.
(the "**Network Asset Partnership**" or "**NAP**")
- b) The wholly owned subsidiary of the Network Asset Partnership, Network Finance Company Pty Limited ACN 617 869 511 ("**FinCo**").
- c) Endeavour Energy Network Operator Partnership, an Australian partnership constituted under the Network Operator Partnership Deed and carried on by each of:
 - i. ERIC Epsilon Operator Corporation 1 Pty Ltd ACN 617 221 735 in its capacity as trustee of the ERIC Epsilon Operator Trust 1;
 - ii. ERIC Epsilon Operator Corporation 2 Pty Ltd ACN 617 221 744 in its capacity as trustee of the ERIC Epsilon Operator Trust 2;
 - iii. ERIC Epsilon Operator Corporation 3 Pty Ltd ACN 617 221 753 in its capacity as trustee of the ERIC Epsilon Operator Trust 3;
 - iv. ERIC Epsilon Operator Corporation 4 Pty Ltd ACN 617 221 771 in its capacity as trustee of the ERIC Epsilon Operator Trust 4; and
 - v. Edwards O Pty Ltd ACN 618 643 486 in its capacity as trustee of the Edwards O Trust.
(the "**Network Operator Partnership**" or "**NOP**").
- d) The wholly owned subsidiary of the Network Operator Partnership, Endeavour Energy Network Management Pty Ltd ACN 617 221 495 ("**Mgt Co**").
- e) Endeavour Energy Network Unregulated Partnership, an Australian partnership constituted under the Network Unregulated Partnership Deed and carried on by each of:
 - i. Edwards U Pty Limited (ACN 621 806 773) in its capacity as trustee for the Edwards U Trust;
 - ii. ERIC Epsilon Contestable Services Corporation 1 Pty Ltd (ACN 621 653 736) in its capacity as trustee for the ERIC Epsilon Contestable Services Trust 1;
 - iii. ERIC Epsilon Contestable Services Corporation 2 Pty Ltd (ACN 621 653 843) in its capacity as trustee for the ERIC Epsilon Contestable Services Trust 2;
 - iv. ERIC Epsilon Contestable Services Corporation 3 Pty Ltd (ACN 621 653 923) in its capacity as trustee for the ERIC Epsilon Contestable Services Trust 3; and
 - v. ERIC Epsilon Contestable Services Corporation 4 Pty Ltd (ACN 621 654 055) in its capacity as trustee for the ERIC Epsilon Contestable Services Trust 4.
(the "**Network Unregulated Partnership**" or "**NUP**")
- f) The wholly owned subsidiary of the Network Unregulated Partnership, Ausconnex Management Pty Ltd ACN 622 089 632 ("**Ausconnex**").

The Group's registered office and principal place of business is Level 40-42 8 Parramatta Square, 10 Darcy Road Parramatta NSW 2150.

NAP and NOP were established on 11 May 2017 on signing of the Partnership Deeds. NUP was established in the same manner on 9 October 2017. A consortium comprising the funds and clients managed by Australia's Macquarie Asset Management ("MAM"), Canada's British Columbia Investment Management Corporation ("BCI") and The Qatar Investment Authority ("QIA") ("Consortium") holds 50.4% partnership interests and the NSW Government (through various corporations established in accordance with the *Electricity Retained Interest Corporation Act 2015 (NSW)*) holds 49.6% partnership interests over NAP, NOP and NUP respectively.

On 14 June 2017, NAP entered into a 99 year finance lease to lease the Endeavour Energy electricity distribution network assets ('Leased Property') from the NSW State Government. On the same date these assets were leased from NAP to NOP through a 99 year sublease, and NOP was granted a license to operate the network assets by the NSW State Government.

Pursuant to the Partnership Deeds, all the Partners agreed to ensure equivalence in that the proportion of Partnership interest held by each Partner should be identical between NOP, NAP and NUP. It is akin to a stapling arrangement whereby securities in separate entities must be traded or transferred together. Endeavour Energy Group is the controller, operator and manager of the distribution network in the National Electricity Market covering Sydney's Greater West, the Blue Mountains, Southern Highlands, Illawarra and South Coast of New South Wales ('NSW') and provides electricity services to both residential and commercial customers in NSW. Endeavour Energy Group is registered as a Distribution Network Service Provider in the Australian National Electricity Market and is regulated by the Australian Energy Regulator ('AER'). Over a regulatory control period the AER determines the annual expected revenue that Endeavour Energy Group is allowed to recover from customers based on the framework set out in the National Electricity Law and National Electricity Regulation. Endeavour Energy Group distributes electricity on behalf of energy retailers to their customers. The retailers pay Endeavour Energy Group for the provision of distribution services to their customers according to the regulated distribution tariff rates approved by the AER, the transmission charges and for related services to the retailers' customers.

Endeavour Energy Group also delivers unregulated services with a focus on infrastructure and emerging energy solutions.

The financial statements were authorised for issue by the Directors on 20 August 2026.

2. Significant accounting policies

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

2.1 Basis of preparation

These combined financial statements have been prepared to meet the information needs of the Partners of NAP, NOP and NUP as required under the Partnership Deeds dated 11 May 2017 (NAP and NOP) and 9 October 2017 (NUP) and the Group's debt providers and their lending requirements, and in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). The Group is a for-profit entity for the purpose of preparing the financial statements.

The combined financial statements of the Group also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

These combined financial statements have been prepared on a historical cost basis, except for derivative financial instruments and defined benefits superannuation that have been measured at fair value and non-current assets held for sale are stated at the lower of their carrying value and fair value less costs to sell. The carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The financial report is presented in Australian dollars, which is the Group's functional currency. The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191* and in accordance with that instrument, all values are rounded to the nearest tenth of a million (\$m), except when otherwise stated.

Going concern

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. As at 30 June 2026, the Group's current liabilities exceeded its current assets by \$615.5 million, primarily due to the classification of borrowings maturing within the next 12 months, including \$350.0 million of Medium Term Note Programme (AMTN) issuances maturing in November 2026 and \$165.0 million drawn under Facility A of the July 2025 Sustainability Linked Syndicated Facility Agreement maturing in June 2027. Management remains focused on the Group's liquidity and expects to manage business operations in the next 12 months from the date of approval of these combined financial statements to maintain adequate liquidity. The Group has various external debt facilities that are used to finance its operations. As at 30 June 2026, the Group had access to \$1,730.0 million in undrawn facilities out of a total of \$8,510.9 million in loans and borrowings (refer to Note 16). These facilities, together with expected operating cash flows, are sufficient to cover the Group's cash requirements for the next 12 months, including loan repayments due, expected capital expenditures, distributions, and other capital commitments. The Group also expects that these undrawn facilities will remain available for more than 12 months from the date the audit opinion is signed.

Notwithstanding the net current liability position, the Group is satisfied it will be able to meet all its obligations as they fall due given the overall net asset position, continued profitability and operating cashflows and available finance facilities. Furthermore, management has assessed events after the reporting date and confirms that no events have occurred that would cast significant doubt on the Group's ability to continue as a going concern.

2.2 Basis of combination

i. Combined entities

The financial statements have been prepared by combining the financial information of NAP, NOP, FinCo, Mgt Co, NUP and Ausconnex (together the "Endeavour Energy Group"). In preparing the combined financial statements, all intercompany balances and transactions have been eliminated in full.

The business of Endeavour Energy Group is conducted through NAP, NOP, FinCo, Mgt Co, NUP and Ausconnex. Whilst there is no control relationship between NAP, NOP, FinCo, Mgt Co, NUP and Ausconnex, these entities constitute the Endeavour Energy Group, referred to herein as "the Group".

ii. Transactions eliminated on combination

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, have been eliminated in full.

2.3 Summary of significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects either to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

The Group appropriately classifies and designates financial assets and liabilities assumed in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration transferred by the acquirer is recognised at fair value at the acquisition date.

Goodwill is an intangible asset that represents the future benefits arising from the net assets acquired in a business combination that are not otherwise identified. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed at the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination.

b) Current versus non-current classification

The Group presents assets and liabilities in the Combined Statement of Financial Position based on current/non-current classification in accordance with AASB 101 *Presentation of Financial Statements*, including the amendments effective 1 January 2024. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no right to defer the settlement of the liability for at least twelve months after the reporting period.

Under the amended AASB 101, the assessment of whether the Group has a right to defer settlement is made as at the reporting date, and is not affected by expectations or intentions regarding early settlement. Rights to defer must be substantive and unconditional.

Liabilities subject to covenants that must be met on or before the reporting date may affect classification. Covenants that apply after the reporting date do not affect classification but require additional disclosure. Details of the Group's financing arrangements and related covenant requirements are disclosed in Note 21(e). The Group was compliant with all applicable covenant requirements as at the reporting date and management expects continued compliance over the next twelve months. Accordingly, borrowings have been classified as non-current.

The Group classifies all other liabilities as non-current.

c) Fair value measurement

The Group measures financial instruments, including derivative financial instruments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using assumptions that market participants would use when pricing an asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

d) Revenue

The Group is in the business of distributing electricity on behalf of energy retailers to their customers and delivering unregulated services with a focus on metering, infrastructure and emerging energy solutions. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue is recognised and disclosed net of trade allowances, duties and taxes paid.

Revenue from contracts with customers

(i) Network use of system revenue

The Group recognises revenue involving the rendering of electricity supply services in the profit and loss on an accrual basis based on consumption. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, or if the costs incurred or to be incurred cannot be measured reliably.

These activities are usually highly integrated and, accordingly, where appropriate are accounted for as a single performance obligation. Performance obligations are fulfilled over time as the services are delivered, as the Group has a right of payment for services delivered to date. Consequently, the Group recognises revenue for these service contracts over time. Payment terms depend on the contracts specifics and usually are within 10 to 45 day term.

At reporting date, the Group accrues an estimate of the network use of system revenue associated with electricity consumed where the meter has not been read. The methodology used for estimating the unread revenue accrual calculates unread revenue volume, where energy imports relating to basic meters are phased over the current month and future months in order to estimate the likely billing pattern relating to consumption. This calculation is accounted for as revenue from unread meters in profit or loss.

(ii) Other revenue

The Group recognises other revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Endeavour Energy's activities.

The performance obligation is satisfied over time and payment is usually due upon receipt of the equipment by the customer or as subcontractor services are performed, depending on the terms of the contract. Payment terms are usually within 10 to 45 days.

Other income

(i) Capital contributions

This represents cash and non-cash capital contributed by customers and developers, mainly towards the capital cost of electricity connections.

Contributions of non-current assets are recognised as other income and an asset when the Group gains control of the asset, which occurs following a letter of acceptance. The fair value of contributed assets is recognised at the date at which control is gained and the assets are ready for use.

Cash capital contributions are initially recorded as liabilities. Once the network asset is completed or modified as outlined in the terms of the contract, the contribution amount is transferred to other income, and the asset is recognised at fair value.

The capital contribution does not meet the criteria to be presented as revenue under AASB 15 *Revenue from Contracts with Customers*. Therefore, the Group recognises the consideration as other income when there are no remaining obligations, and the consideration has been substantially received.

(ii) Interest income

Interest income on cash and cash equivalents is recognised in the Combined Statement of Profit or Loss and Other Comprehensive Income using the effective interest rate method.

e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except when the amount of GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Combined Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the Combined Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

f) Taxes

Under Australian income tax legislation, no income tax is payable by the partnerships within the Group. The net income or losses of those partnerships accrue to the partners in proportion to their respective interests and any applicable tax is paid by them and/or direct or indirect investors in those partners.

The corporate entities within the Group are intended to break even. As such, any current income tax payable by those entities is not significant. Where income tax is receivable or payable, current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to taxation authorities.

Deferred tax assets have been offset against deferred tax liabilities to the extent that they relate to Australian income taxes levied on the same taxable entities within the Group.

The tax laws relied upon to compute any tax amounts payable or receivable are those that are enacted or substantively enacted at the reporting date.

g) Foreign currencies

The Group's financial statements are presented in Australian dollars, which is the same as the functional currency of its entities.

Transactions in foreign currencies are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

h) Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the Combined Statement of Financial Position.

i) Property, plant and equipment

The cost method of accounting is used for the initial recording of all acquisitions of property, plant and equipment controlled by the Group. Subsequent to initial recognition, property, plant and equipment is measured on a historical cost basis, net of accumulated depreciation and accumulated impairment losses.

Non system assets purchased below \$1,000 are expensed as acquired. All costs of assets constructed by the Group are capitalised. Cost includes expenditure that is directly attributable to the acquisition and or construction of the asset including costs of materials, services, direct labour, the initial estimate (where relevant) of the costs of dismantling and removing the items and restoring the site on which they were located, and an allocated proportion of supporting overhead costs. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset.

Management judgement is required in the assessment of the types of costs that are directly attributable to the construction of property, plant and equipment. Satisfying the directly attributable criteria requires an assessment of those unavoidable costs that, if not incurred, would result in the property, plant and equipment not being constructed. Directly attributable overheads are allocated to the cost of construction of an asset using direct labour dollars.

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

Property, plant and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated except for land identified under a finance lease for which no compensation will be provided on return of the asset to the lessor.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Buildings 40 years
- System assets 7 to 60 years
- Plant and equipment 4 to 15 years

Leasehold improvements included under plant and equipment are depreciated over the shorter of their useful life or the lease term, unless the Group expects to use the assets beyond the lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Combined Statement of Profit or Loss and Other Comprehensive Income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j) Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

• *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated amortisation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are amortised on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

• *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- *Short-term leases and low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of IT equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The Group leases out some of its properties, including premises, land and communications towers, under operating lease agreements at market rentals, predominantly on a fixed term basis.

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the Combined Statement of Profit or Loss and Other Comprehensive Income. The costs of repairs and maintenance incurred on these properties for the year are recognised as an expense in the profit or loss.

k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

l) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets are stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the Combined Statement of Profit or Loss and Other Comprehensive Income.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. Easements, which are interests in land allowing access to network assets, are not amortised as they are granted for an unlimited time.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Combined Statement of Profit or Loss and Other Comprehensive Income when the asset is derecognised.

The estimated useful lives of intangible assets are as follows:

Computer software	2 to 4 years
Easements	Indefinite

m) Trade and other receivables

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and are initially recognised at fair value. The Group holds the trade and other receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate (EIR) method, less loss allowance.

Collectability of trade receivables is reviewed on an ongoing basis in accordance with AASB 9 *Financial Instruments*. Individual debts that are known to be uncollectible are written off when identified. Details about the calculation of the loss allowance are provided in Note 21(b).

n) Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is determined using the average purchase price of each item. In the case of internally manufactured stock for internal use, costs include direct labour, materials and a portion of variable overhead which comprises the cost of bringing the inventories to their appropriate location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

o) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to balance date where there is an obligation to make future payment. The amounts are unsecured with the exception of any finance costs on senior debt outstanding and derivative balances payable, and usually paid within 30 days of recognition.

Subsequent to initial recognition of these liabilities at fair value, they are measured at amortised cost using the EIR method. This measurement is equivalent to the original invoice amount.

p) Loans and borrowings

Loans and borrowings are initially recognised at fair value, net of directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings that are not designated in fair value hedge relationships, are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The EIR amortisation is included as finance costs in the Combined Statement of Profit or Loss and Other Comprehensive Income.

Transaction costs are amortised using the EIR method over the life of the loan. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowing costs incurred for the construction of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

q) Other liabilities

Deferred revenue

Deferred revenue is recognised for customer prepayments for external, recoverable and contestable works carried out by the Group at reporting date. The revenue is deferred pending completion of the works and services.

Deposits

Deposits represent liabilities for contractors' deposits which can be refunded at any time after balance date. The amount which can be refunded in the succeeding financial year and at any time is shown as current and the remainder of the liability as non-current.

r) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, primarily interest rate swaps and cross-currency exchange rate swaps to hedge its interest rate risks and foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss, except for the effective portion of cash flow hedges, which is recognised in Other Comprehensive Income (OCI) and later reclassified to profit and loss when the hedge item affects profit and loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the Combined Statement of Profit or Loss and Other Comprehensive Income as a finance cost. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the Combined Statement of Profit or Loss and Other Comprehensive Income as a finance cost.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit and loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in Other Comprehensive Income (OCI) in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Combined Statement of Profit or Loss and Other Comprehensive Income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses cross currency swap contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to cross currency swap contracts is recognised as a finance cost. Refer to Note 21(c) for more details.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Derecognition of financial instruments

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Combined Statement of Profit or Loss and Other Comprehensive Income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Combined Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

s) Impairment

Impairment of financial assets

For trade receivables, the Group applies the simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are outstanding beyond the normal trading terms. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the Combined Statement of Profit or Loss and Other Comprehensive Income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Combined Statement of Profit or Loss and Other Comprehensive Income.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGU's) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

t) Cash and short-term deposits

Cash and short-term deposits in the Combined Statement of Financial Position comprise cash at banks, deposits held at call with financial institutions, and other short-term, highly liquid investments that are readily convertible to known amounts of cash, and that are subject to an insignificant risk of changes in value.

For the purposes of the Combined Statement of Cash Flows, cash includes cash and short-term deposits net of bank overdraft.

u) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resourced embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

v) Employee benefits

All liabilities for employee benefits that are expected to be paid for services provided by employees to reporting date represent present obligations and are fully provided for in the financial statements.

The Group does not expect its annual leave, long service leave, maturing allowance and pre-1993 sick leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises liabilities for long service leave, maturing allowance and pre-1993 sick leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels and a range of demographic assumptions including retirement, withdrawal, death and disability rates. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows. The majority of these benefits are current in nature and therefore there is no unconditional right to defer settlement of the obligation. Accordingly, the present value of these benefits is equal to its nominal value.

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. Based on actuarial advice, the nominal annual leave balance plus related on-costs were used to approximate the present value of the annual leave liability.

Liabilities for other employee benefits expected to be wholly settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the Group at the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

The amounts provided have been apportioned between current and non-current provisions. The current provisions being that portion which is expected to be paid within the ensuing 12 months or where there is no unconditional right to defer settlement of the obligation.

w) Superannuation

Defined contribution plan

A defined contribution plan is a post-employment benefit under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plan

The Group participates in a defined benefit superannuation arrangement administered by Construction and Building Unions Superannuation Fund (Cbus), which assumed responsibility for the arrangement from the Energy Industry Superannuation Scheme (EISS) under a Successor Fund Transfer ("SFT") agreement in May 2023. The Group account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan. Refer to Note 15 for more details.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The discount rate is the market yield on corporate bonds as at 30 June 2026 that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

All re-measurements arising from defined benefit plans are recognised in other comprehensive income in the year in which they occur.

Where the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Endeavour Energy Group has classified the defined benefits scheme between current and non-current amounts, as appropriate, based on the expected timing of recovery of the surplus and the discharge of the obligation.

x) Distributions

The Group recognises a liability for distributions to Partners of the Group when the distribution is authorised by the Partnerships (NAP, NOP and NUP) in accordance with their respective Partnership Deeds.

y) Segment reporting

The Chief Operating Decision Makers (CODM) of the Group, as defined by AASB 8 *Operating Segments*, is the Executive Leadership Team, led by the Chief Executive Officer. The CODM review the performance of the Group as a whole and make decisions regarding the allocation of resources on this basis. As a result, the Group has only one operating segment.

The Group is required to report its different regulatory lines of business as part of its reporting to the AER. Information in relation to the regulatory lines of business has been disclosed in the financial statements. The form of regulatory control that applies to the Group's services depends on the category of the services.

2.4 New and amended standards and interpretations adopted by the Group

Several amendments and interpretations apply for annual periods beginning on or after January 2025, but do not have a significant impact on the Group's combined financial statements.

2.5 Standards issued and effective but not yet adopted

AASB S2 Climate-related Disclosures

AASB S2 *Climate-related Disclosures* is effective for annual reporting periods beginning on or after 1 January 2025. The standard is not currently a mandatory reporting requirement for the Group and has therefore not been adopted for the current reporting period. The Group intends to prepare a Financial Statement Linked Sustainability Report from the next reporting period on a voluntary basis, aligned to the principles of AASB S2.

2.6 New and amended standards and interpretations issued and not yet effective

The new and amended standards and interpretations applicable to the Group that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Title	Description	Effective date	Operating year	Note
AASB 2024-2	Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	1 January 2026	30 June 2027	(i)
AASB 2024-3	Amendments to Australian Accounting Standards – Annual Improvements Volume 11	1 January 2026	30 June 2027	(i)
AASB 18	Presentation and Disclosure in Financial Statements	1 January 2027	30 June 2028	(ii)
IFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029	30 June 2030	(iii)

- (i) The amendments are not expected to have a material impact on the Group's financial statements.
- (ii) The new standard aims to improve how entities communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. The Group is still assessing the impact of the new standard on its financial statements.
- (iii) The new standard will affect companies subject to rate regulation that determines how much a company can charge customers and when it can charge them. It aims to help investors better understand how that rate regulation affects a company's financial performance, financial position and its prospects for future cash flows. The standard has been issued by the IASB and, at the date of these financial statements, an equivalent Australian Accounting Standard has not yet been issued. The Group will assess the impact the standard will have on its financial statements.

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the estimate affects only that period or in the period of revisions and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial statements, and estimates with a significant risk of material adjustment in the next year are included in the following notes:

- Note 2.3(a) - Goodwill
- Note 2.3(c) - Fair value measurement
- Note 2.3(d) - Revenue
- Note 2.3(s), 7 - Impairment
- Note 2.3(i), 8 - Property, plant and equipment
- Note 2.3(l), 10 - Intangible assets
- Note 2.3(u), 12 - Provisions
- Note 2.3(w), 15 - Superannuation
- Note 2.3(p), 2.3(r), 16, 18 - The valuation of derivative and loan instruments and application of hedge accounting

4. Revenue

(a) Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the year ended	
	30 June 2026	30 June 2025
	\$m	\$m
Network use of system revenue ⁽¹⁾	1,644.0	1,476.6
Other revenue ⁽²⁾	223.6	232.2
Total revenue from contracts with customers	1,867.6	1,708.8

- (1) The Group recognised revenue of \$1,052.1 million (30 June 2025: \$1,001.3 million) collectively from three energy retailers (each a customer) as part of the Group's total revenues. Each of the three customers have contributed 10% or more of the Group's total revenues.
- (2) Other revenue consists of streetlighting income, transformer workshop sales, Accredited Service Provider (ASP) related fees, contestable metering income, pole rental income, other regulated fees, sale of scrap materials and Nightwatch income.

(b) Other income

	For the year ended	
	30 June 2026	30 June 2025
	\$m	\$m
Capital contributions	167.4	96.9
Interest income	4.1	11.5
Total other income	171.5	108.4

5. Expenses

(a) Expenses excluding finance costs

	For the year ended	
	30 June 2026	30 June 2025
	\$m	\$m
Distribution of energy and other services	811.5	754.0
Employee benefits expense	136.8	131.0
Defined contributions expense	37.3	32.7
Total expenses before depreciation and amortisation	985.6	917.7
Depreciation	298.3	289.2
Amortisation	76.9	99.7
Total expenses excluding finance costs	1,360.8	1,306.6

(b) Finance costs

	For the year ended	
	30 June 2026	30 June 2025
	\$m	\$m
Interest on interest bearing loans and borrowings	298.8	323.6
Interest on lease liabilities	3.1	3.3
Amortised transaction costs	10.6	9.0
Net interest expense/(income) on derivatives	13.3	(19.9)
Hedge ineffectiveness	(2.0)	(0.9)
Derivatives in a fair value hedge – movement through profit or loss	167.8	(184.7)
Fixed rate debt in fair value hedge relationships – interest and foreign currency adjustments	(170.5)	184.2
Other borrowing costs	5.9	2.6
Capitalised interest	(7.9)	(7.9)
Total finance costs	319.1	309.3

6. Cash and short-term deposits

	As at 30 June 2026	30 June 2025
	\$m	\$m
Cash at banks	145.2	149.8
Total cash and short-term deposits	145.2	149.8

Cash at bank earns interest at floating rates based on daily bank deposit rates.

For the purposes of the Combined Statement of Cash Flows, cash and short-term deposits is net of any bank overdraft.

7. Trade and other receivables

	As at 30 June 2026	30 June 2025
	\$m	\$m
Current		
Trade receivables, net of allowance for expected credit losses	47.8	49.0
Unbilled receivables	161.3	149.3
Total current trade and other receivables	209.1	198.3
Non-current		
Other debtors	6.7	8.7
Total non-current trade and other receivables	6.7	8.7

Trade receivables are non-interest bearing and are generally on terms of 10 to 45 days.

As at 30 June 2026, the provision for impairment of receivables was \$0.6 million (30 June 2025: \$0.9 million). See below for movements in the provision for impairment of receivables:

	Individually impaired \$m	Collectively impaired \$m	Total \$m
At 30 June 2024	0.2	0.7	0.9
Additional provisions/(Unused amounts reversed)	-	-	-
At 30 June 2025	0.2	0.7	0.9
Unused amounts reversed	(0.1)	(0.2)	(0.3)
At 30 June 2026	0.1	0.5	0.6

See Note 21(b) on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

8. Property, plant and equipment

	System assets \$m	Land and buildings \$m	Plant and equipment \$m	Assets under construction \$m	Total \$m
Cost					
At 1 July 2024	8,775.4	512.9	195.1	787.3	10,270.7
Additions	-	-	-	527.9	527.9
Transfers from assets under construction	377.3	19.6	5.3	(402.2)	-
Disposals	(2.3)	(0.6)	(8.8)	-	(11.7)
Reclassifications	-	-	-	(37.8)	(37.8)
Assets held for sale	-	(0.2)	-	-	(0.2)
At 30 June 2025	9,150.4	531.7	191.6	875.2	10,748.9
Additions	-	-	-	729.1	729.1
Transfers from assets under construction	325.1	26.8	26.7	(378.6)	-
Disposals	(4.2)	(0.2)	(5.1)	-	(9.5)
Reclassifications	-	-	-	(28.2)	(28.2)
Assets held for sale	-	(2.4)	-	-	(2.4)
At 30 June 2026	9,471.3	555.9	213.2	1,197.5	11,437.9
Depreciation and impairment					
At 1 July 2024	(1,625.6)	(51.8)	(79.3)	-	(1,756.7)
Depreciation charge for the year	(257.4)	(7.7)	(24.1)	-	(289.2)
Disposals	0.7	-	6.8	-	7.5
At 30 June 2025	(1,882.3)	(59.5)	(96.6)	-	(2,038.4)
Depreciation charge for the year	(265.4)	(8.6)	(24.3)	-	(298.3)
Disposals	1.2	-	4.6	-	5.8
At 30 June 2026	(2,146.5)	(68.1)	(116.3)	-	(2,330.9)
Net book value at 30 June 2025	7,268.1	472.2	95.0	875.2	8,710.5
Net book value at 30 June 2026	7,324.8	487.8	96.9	1,197.5	9,107.0

The amount of interest capitalised during the year ended 30 June 2026 was \$7.9 million (30 June 2025: \$7.9 million). The average rate used to determine the amount of borrowing costs eligible for capitalisation was 4.61% (30 June 2025: 4.44%), which is the EIR of the specific borrowing including hedging.

The Group recognised \$167.4 million of property, plant and equipment during the year, representing non-cash capital contributed by its customers (30 June 2025: \$96.9 million). This capital contribution was recognised as other income and the initial gross amount was estimated at fair value by reference to the market price of these assets on the date on which control is obtained.

9. Right-of-use assets

	System Assets \$m	Property \$m	Motor Vehicles \$m	Other \$m	Total \$m
Cost					
At 1 July 2024	6.0	48.5	24.5	1.4	80.4
Additions	-	-	5.6	-	5.6
Disposals	-	-	(10.5)	-	(10.5)
Other	-	(0.6)	-	-	(0.6)
At 30 June 2025	6.0	47.9	19.6	1.4	74.9
Additions	-	-	2.9	-	2.9
Disposals	-	-	(2.4)	-	(2.4)
Other	-	0.6	-	-	0.6
At 30 June 2026	6.0	48.5	20.1	1.4	76.0
Amortisation					
At 1 July 2024	(0.6)	(5.3)	(15.2)	(0.1)	(21.2)
Amortisation	(0.2)	(4.8)	(4.4)	(0.5)	(9.9)
Disposals	-	-	10.5	-	10.5
At 30 June 2025	(0.8)	(10.1)	(9.1)	(0.6)	(20.6)
Amortisation	(0.2)	(4.9)	(4.5)	(0.5)	(10.1)
Disposals	-	-	2.4	-	2.4
At 30 June 2026	(1.0)	(15.0)	(11.2)	(1.1)	(28.3)
Net book value at 30 June 2025	5.2	37.8	10.5	0.8	54.3
Net book value at 30 June 2026	5.0	33.5	8.9	0.3	47.7

10. Intangible assets

	Goodwill \$m	Licence \$m	Computer software \$m	Easements \$m	Assets under construction \$m	Total \$m
Cost						
At 1 July 2024	1,074.0	1,070.3	360.1	19.3	2.6	2,526.3
Additions	-	-	-	-	1.1	1.1
Transfers from assets under construction	-	-	41.4	-	(41.4)	-
Disposals	-	-	(1.2)	(1.7)	-	(2.9)
Reclassifications	-	-	-	-	37.8	37.8
At 30 June 2025	1,074.0	1,070.3	400.3	17.6	0.1	2,562.3
Additions	-	-	-	-	0.4	0.4
Transfers from assets under construction	-	-	28.3	-	(28.3)	-
Disposals	-	-	(23.3)	(1.5)	-	(24.8)
Reclassifications	-	-	-	-	28.2	28.2
At 30 June 2026	1,074.0	1,070.3	405.3	16.1	0.4	2,566.1
Amortisation and impairment						
At 1 July 2024	-	(76.2)	(230.4)	-	-	(306.6)
Amortisation	-	(10.8)	(79.0)	-	-	(89.8)
Disposals	-	-	1.2	-	-	1.2
At 30 June 2025	-	(87.0)	(308.2)	-	-	(395.2)
Amortisation	-	(10.8)	(56.0)	-	-	(66.8)
Disposals	-	-	23.3	-	-	23.3
At 30 June 2026	-	(97.8)	(340.9)	-	-	(438.7)
Net book value at 30 June 2025	1,074.0	983.3	92.1	17.6	0.1	2,167.1
Net book value at 30 June 2026	1,074.0	972.5	64.4	16.1	0.4	2,127.4

Impairment test of goodwill and indefinite life intangibles

The Group tests whether goodwill and indefinite life easements acquired through business combination have suffered any impairment on an annual basis. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows of other assets or CGU. The Group has two CGUs, namely the network service provider ('NSP') (comprising NAP and NOP) and NUP.

The recoverable amount of each CGU has been determined using the value in use model ('VIU').

For the purpose of impairment testing, the carrying amount of goodwill has been allocated to these CGUs as follows:

NSP	\$1,063.0 million (30 June 2025: \$1,063.0 million)
NUP	\$11.0 million (30 June 2025: \$11.0 million)

(i) Key assumptions used in VIU calculation

The VIU model was based on the 23 years of cash flows from the corporate model (FY27-FY49) with a 30 June 2026 valuation date. VIU outcomes are compared to the equivalent carrying amount of the business in order to test goodwill for impairment.

The cash flows for goodwill impairment testing do not include estimated future cash inflows or outflows that are expected to arise from:

- a future restructuring to which an entity is not yet committed; or
- improving or enhancing the asset's performance (i.e. no growth capital expenditures).

For the current regulatory period of FY25 to FY29, the total capex spend is in line with the Board approved FY27 Management Business Plan (FY27 MBP).

For the periods beyond the current regulatory period, management has also reviewed the FY27 MBP to identify the regulated asset base ('RAB') capex to reflect in the plan and the corresponding cash flow forecasts for the purpose of impairment testing in the FY26 period.

(a) NSP CGU

Terminal value is based on a RAB multiple of 1.48x to 2.14x (30 June 2025: 1.70x to 2.51x) and discount rate is 6.98% (30 June 2025: 6.95%) per annum.

(b) NUP CGU

Terminal value is based on an EBITDA multiple of 12.0x to 14.75x (30 June 2025: 12.0x to 14.75x) and discount rate is 7.58% (30 June 2025: 7.55%) per annum.

(ii) *Sensitivity to changes in assumptions*

Management has considered and assessed reasonably possible changes for key assumptions above. Management believes that the probability of events occurring that would cause the carrying amount of the CGUs to exceed their recoverable amount is low.

11. Trade and other payables

	As at	
	30 June 2026	30 June 2025
	\$m	\$m
Trade payables	110.0	56.3
Net interest payable	66.3	72.0
Accruals and other payables	151.0	190.7
Total trade and other payables	327.3	319.0

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-day terms
- Interest payable is normally settled quarterly and semi-annually throughout the financial year
- Other payables are non-interest bearing and are normally settled within six months

For explanations on the Group's liquidity risk management processes, refer to Note 21(d).

12. Provisions

	Employee benefits \$m	Insurance and other provisions \$m	Total \$m
At 1 July 2024	196.5	24.4	220.9
Additional provisions	48.9	3.3	52.2
Utilised	(54.7)	(3.1)	(57.8)
Unused amounts reversed	(0.1)	(4.0)	(4.1)
At 30 June 2025	190.6	20.6	211.2
Additional provisions	74.6	8.8	83.4
Utilised	(64.1)	(4.1)	(68.2)
Unused amounts reversed	(12.5)	-	(12.5)
Reclassification (Note 15)	3.4	-	3.4
At 30 June 2026	192.0	25.3	217.3
Current	181.9	4.6	186.5
Non-current	8.7	16.0	24.7
At 30 June 2025	190.6	20.6	211.2
Current	185.5	13.7	199.2
Non-current	6.5	11.6	18.1
At 30 June 2026	192.0	25.3	217.3

Employee Benefits

The provision for employee benefits relates to amounts accruing to employees up to reporting date in respect of employee benefits including defined benefit superannuation obligations, annual leave, pre 1993 sick leave, maturing allowance and long service leave. The amounts provided for in relation to maturing allowance and long service leave are based on its present value (also equal to its nominal value) plus on cost. The majority of maturing allowance and long service leave are current in nature and therefore there is no unconditional right to defer settlement of the obligation. All other employee benefit amounts expected to be settled within 12 months have been measured at amounts expected to be paid when the liabilities are settled. The non-current provision for employee benefits at 30 June 2025 also includes \$2.0 million relating to the Defined Benefits Superannuation liability, refer to Note 15 for more details.

Insurance and other provisions

The Group is a self-insurer through its insurance provision for workers' compensation and meets all liabilities under the Workers' Compensation legislation in NSW. The liabilities cover claims incurred but not yet reported and the anticipated fund management fees in respect of the management of those claims. Other provisions relate to general provisions recognised by the Group.

13. Lease liabilities

	As at 30 June 2026	30 June 2025
	\$m	\$m
Current	7.7	7.5
Non-current	40.5	45.7
Total lease liabilities	48.2	53.2

Lease liabilities were recognised by the Group and measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate.

14. Other current liabilities

	As at 30 June 2026	30 June 2025
	\$m	\$m
Deposits and retentions	8.2	10.2
Unearned income	12.3	7.6
Total other current liabilities	20.5	17.8

15. Superannuation – Defined benefits plan asset/(liability)

	As at 30 June 2026	30 June 2025
	\$m	\$m
Current asset/(liability)	-	(4.5)
Non-current asset/(liability)	3.4	(2.0)
Total defined benefit superannuation plan asset/(liability)	3.4	(6.5)

The Group has a defined benefit superannuation plan that covers a small proportion of employees, which requires contributions to be made to a separately administered fund.

During the year, the funded status of the defined benefit plan improved, resulting in the plan moving from a net defined benefit liability of \$6.5 million at 30 June 2025 to a net defined benefit asset of \$3.4 million at 30 June 2026.

Consequently, the balance was reclassified from employee benefit provisions to other non-current assets, with the recognised asset being subject to the asset ceiling requirements of AASB 119.

(a) Nature of the benefits provided by the fund

The Pool B Subdivision of the Defined Benefits Section of Cbus (the "Fund") provides defined benefits, i.e. at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal. The Fund has been closed to new members for many years, with the exception of members of certain 'eligible schemes' who can transfer their entitlements into the Fund.

Disclosures below are prepared in relation to the Fund only.

(b) Description of the Regulatory Framework

The Energy Industries Superannuation Scheme (the "Former EISS") was established on 30 June 1997 by a Trust Deed made under an Act of the NSW Parliament, for the purpose of providing retirement benefits for employees of certain Energy Industries bodies in NSW. On 12 May 2023, all Pool B assets and liabilities of the Former EISS were transferred to Cbus under a Successor Fund Transfer ("SFT") agreement, following which the Fund commenced as Cbus's first defined benefit superannuation arrangement.

The Fund is regulated primarily by the Superannuation Industry (Supervision) Act 1993 (Cth) ("the SIS legislation"), but is also subject to regulation under the Superannuation Administration Act 1996 (NSW).

The SIS legislation governs the superannuation industry and provides the framework within which superannuation plans operate. The SIS Regulations require an actuarial investigation to be performed for each defined benefit superannuation plan every three years, or every year if the plan pays defined benefit pensions, unless an exemption has been obtained from the prudential regulator, the Australian Prudential Regulation Authority (APRA).

APRA licenses and supervises regulated superannuation plans.

Under Cbus, actuarial investigations are required annually. The most recent actuarial investigation under Cbus was performed as at 30 June 2025. The next investigation will be performed as at 30 June 2026.

(c) Description of other entities' responsibilities for governance of the Fund

The Fund's Trustee (United Super Pty Ltd) is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of the Fund's beneficiaries. The Trustee has the following roles:

- Administration of the Fund and payment to the beneficiaries from Fund assets when required in accordance with the Fund's rules;
- Management and investment of the Fund's assets;
- Compliance with other applicable regulations; and
- Compliance with the Trust Deed.

(d) Reconciliation of the net defined benefit (liability)/asset

The following tables summarise the components of net benefit expense recognised in profit or loss, actuarial gains and losses recognised in other comprehensive income, and funded status and amounts recognised in the Combined Statement of Financial Position.

	Present value of obligation \$m	Fair value of plan assets \$m	Asset ceiling \$m	Net amount \$m
At 1 July 2025	(143.9)	137.4	-	(6.5)
Current service cost	(0.6)	-	-	(0.6)
Net interest (expense)/income	(6.5)	6.4	-	(0.1)
(Expense)/income recognised in profit or loss	(7.1)	6.4	-	(0.7)
Contributions by fund participants				
Employers	-	6.2	-	6.2
Plan participants	(0.7)	0.7	-	-
	(0.7)	6.9	-	6.2
Re-measurement gains in Other Comprehensive Income				
Return on plan assets, excluding amounts included in interest expense	-	0.7	-	0.7
Gains from changes in financial assumptions	1.5	-	-	1.5
Gains from liability experience	2.8	-	-	2.8
Adjustment for effect of asset ceiling	-	-	(0.6)	(0.6)
Income recognised in Other Comprehensive Income	4.3	0.7	(0.6)	4.4
Benefits paid	20.0	(20.0)	-	-
Taxes, premiums and expenses paid	1.3	(1.3)	-	-
At 30 June 2026	(126.1)	130.1	(0.6)	3.4

(e) **Fair value of Fund assets**

The Fund's assets are invested in four Reserves (i.e. an Employer Reserve, a Contributor Reserve, a Deferred Reserve and an Other Reserve) the total of which is shown in the table below.

The Trustee decides on the investment strategy for the Employer Reserve (i.e. by formulating a Strategic Asset Allocation (SAA) for these assets). The SAA is essentially a long-term 'benchmark' allocation, however which also allows for minor short-term deviations from the benchmark.

The current SAA of the Employer Reserve reflects a benchmark exposure of 55% to growth-type assets and 45% to defensive-type assets (see asset class table below for the percentages invested in each asset class at 30 April 2026).

There are no Employer 'sub-funds' in the Fund; however, the Fund's administrator maintains a notional defined benefit asset account in respect of each Employer, which facilitates tracking of each Employer's funding status and contribution requirements.

The bulk of the assets held in the other reserves are invested in accordance with members' investment choices.

Asset category	Significant observable inputs Level 2	
	As at 30 April 2026 \$m	As at 30 April 2025 \$m
Pool B Subdivision of Cbus	1,765.1	1,763.5

The fair value of Plan assets includes no amounts relating to any of the Group's own financial instruments, or any property occupied by, or other assets used by, the Group.

(f) **Significant actuarial assumptions at reporting date**

	30 June 2026	30 June 2025
Weighted average expected salary increase rate (excluding promotional increases) ¹	3.28%	2.83%
Weighted average rate of CPI increase ¹	2.62%	2.49%
Discount rate	5.75%	5.16%
Pensioner mortality ²		

¹Based on the weighted average duration of the defined benefit obligation of 9 years (30 June 2025: 9 years).

²Pensioner mortality is based on the mortality experience of Australian Public Sector pensioners over the years 2017 to 2022 including improvement rates based on Australian Life Tables 2015-17.

16. Interest bearing loans and borrowings

	As at 30 June 2026	30 June 2025
	\$m	\$m
AUD \$ denominated interest bearing loans	4,380.0	4,931.0
USD \$ denominated interest bearing loans	1,160.5	1,160.5
EUR € denominated interest bearing loans	835.6	-
CAD \$ denominated interest bearing loans	294.7	294.7
JPY ¥ denominated interest bearing loans	82.9	82.9
GBP £ denominated interest bearing loans	27.2	27.2
Fixed rate debt in fair value hedge relationships – interest and foreign currency adjustments	(83.9)	86.6
Transaction costs	(36.6)	(33.3)
Total loans and borrowings	6,660.4	6,549.6
Current	510.2	80.0
Non-current	6,150.2	6,469.6
Total loans and borrowings	6,660.4	6,549.6

Endeavour Energy Group

The Group has various external debt facilities that are used to finance its operations.

Agreement/ Programme	Tranche/Description	Maturity	Interest rate ⁽¹⁾	Facility limit		Loan balance		As at	As at
				\$m		\$m		30 June 2026	30 June 2025
				Foreign currency	AUD	Foreign currency	AUD	Carrying value \$m	Carrying value \$m
December 2019 Syndicated Facility Agreement	Revolving loan (capital expenditure)	n/a	n/a	-	-	-	-	-	30.0
September 2021 Bilateral Facilities	Facility 1 - Tranche A – Revolving Loan ⁽²⁾⁽³⁾	Jul-27	4.7462%	-	45.0	-	-	-	45.0
	Facility 1 – Tranche E – Revolving Loan ⁽²⁾⁽³⁾	Jul-27	5.0638%	-	150.0	-	65.0	65.0	30.0
	Facility 2 - Tranche C - Term Loan ⁽²⁾	n/a	n/a	-	-	-	-	-	50.0
	Facility 3 - Tranche B ⁽²⁾	n/a	n/a	-	-	-	-	-	50.0
March 2022 Sustainability Linked Syndicated Facility Agreement	Facility A – Term Loan	n/a	n/a	-	-	-	-	-	456.0
	Facility B – Revolving Loan	n/a	n/a	-	-	-	-	-	420.0
October 2022 Syndicated Facility Agreement and Accordion Tranche	Facility A - Term Loan	Oct-29	5.6016%	-	395.0	-	395.0	395.0	395.0
	Facility B - Term Loan	Oct-32	5.9016%	-	400.0	-	400.0	400.0	400.0
	Facility C - Term Loan	Oct-34	6.0330%	-	325.0	-	325.0	325.0	325.0
October 2024 Sustainability Linked Syndicated Facility Agreement	Facility A - Term Loan ⁽⁴⁾	Oct-31	5.6016%	-	800.0	-	800.0	800.0	800.0
	Facility B - Term loan ⁽⁴⁾	Oct-34	5.9016%	-	200.0	-	200.0	200.0	200.0
July 2025 Sustainability Linked Syndicated Facility Agreement 1	Facility A - Revolving Loan ⁽⁵⁾	Jun-27	4.9108%	-	165.0	-	165.0	165.0	-
	Facility B - Revolving Loan ⁽⁵⁾	Jun-28	5.0613%	-	500.0	-	-	-	-
	Facility C - Revolving Loan ⁽⁵⁾	Jun-29	5.1262%	-	450.0	-	-	-	-
July 2025 Sustainability Linked Syndicated Facility Agreement 2	Facility D - Revolving Loan ⁽⁵⁾	Jul-30	5.4166%	-	650.0	-	-	-	-
	Facility E - Term Loan ⁽⁵⁾	Jul-35	5.8443%	-	300.0	-	300.0	300.0	-

Endeavour Energy Group

								As at 30 June 2026	As at 30 June 2025
		Maturity	Interest rate ⁽¹⁾	Facility limit \$m	Loan balance \$m		Carrying value \$m	Carrying value \$m	
Agreement/ Programme	Tranche/Description			Foreign currency	AUD	Foreign currency	AUD	AUD	AUD
AMTN	Fixed	Nov-26	2.2500%	-	350.0	-	350.0	345.7	340.1
	Fixed	Oct-29	2.4090%	-	80.0	-	80.0	72.2	73.1
	Fixed	Oct-28	2.5790%	-	350.0	-	350.0	327.0	329.5
	Fixed	Jun-30	6.0610%	-	400.0	-	400.0	397.0	414.3
	Floating	Jul-30	6.1673%	-	90.0	-	90.0	90.0	90.0
United States Private Placement Notes	Series A – USD Fixed ⁽⁶⁾	Feb-28	3.5000%	USD 425.0	560.2	USD 425.0	560.2	598.1	628.4
	Series B – USD Fixed ⁽⁶⁾	Feb-30	3.6000%	USD 100.0	131.8	USD 100.0	131.8	137.2	145.4
	Series C – USD Fixed ⁽⁶⁾	Feb-33	3.7000%	USD 120.0	158.1	USD 120.0	158.1	158.7	169.0
	Series D – AUD Fixed	Feb-30	4.3600%	-	40.0	-	40.0	37.9	39.1
	Series E – AUD Floating	Feb-30	5.8873%	-	75.0	-	75.0	75.0	75.0
	Series F – AUD Fixed	Feb-33	4.5400%	-	45.0	-	45.0	41.1	42.7
	Series G – AUD Floating	Feb-33	5.9673%	-	40.0	-	40.0	40.0	40.0
	Series H – AUD Fixed	Dec-28	4.3600%	-	260.0	-	260.0	251.1	257.2
	Series I – USD Fixed ⁽⁶⁾	May-31	5.4300%	USD 20.0	30.7	USD 20.0	30.7	29.1	31.4
	Series J – USD Fixed ⁽⁶⁾	May-32	5.4700%	USD 35.0	53.8	USD 35.0	53.8	51.0	55.0
	Series K – USD Fixed ⁽⁶⁾	May-34	5.5000%	USD 100.0	153.7	USD 100.0	153.7	145.5	156.9
	Series L – USD Fixed ⁽⁶⁾	May-36	5.6000%	USD 47.0	72.2	USD 47.0	72.2	68.2	73.7
	Series M – CAD Fixed ⁽⁶⁾	May-34	5.0000%	CAD 260.0	294.7	CAD 260.0	294.7	279.6	311.2
	Series N – JPY Fixed ⁽⁶⁾	May-36	1.6500%	JPY 3,000.0	31.1	JPY 3,000.0	31.1	23.2	30.9
	Series O – JPY Fixed ⁽⁶⁾	May-39	1.8400%	JPY 5,000.0	51.8	JPY 5,000.0	51.8	36.7	50.7
	Series P – GBP Fixed ⁽⁶⁾	May-39	5.5000%	GBP 14.0	27.2	GBP 14.0	27.2	25.3	28.3
EMTN	Series 1 – EUR Fixed ⁽⁶⁾⁽⁷⁾	Sep-33	3.5000%	EUR 500.0	835.6	EUR 500.0	835.6	817.4	-
					8,510.9		6,780.9	6,697.0	6,582.9
Transaction costs								(36.6)	(33.3)
Total loans and borrowings								6,660.4	6,549.6

- (1) Interest rate applicable to the facility at 30 June 2026.
- (2) On 27 August 2021, Network Finance Company Pty Limited executed three bilateral debt facilities totalling \$225.0 million. The tenors of the facilities are between 3 and 5 years. In April 2024, some of these facilities were extended for an additional 3 years. Two of these bilateral facilities were cancelled in July 2025 as part of refinancing, facility consolidation and establishment of new Sustainability Linked Syndicated Facilities in July 2025.
- (3) On 30 June 2025, Network Finance Company Pty Limited amended the Bilateral Facility 1 limits and maturity date. This facility was amended further on 19 December 2025, including extending the maturity to July 2027. In addition to the two revolving loans the Bilateral Facility includes a number of limits not detailed in the above as these are not drawn and therefore not recognised as liabilities: namely a) \$65m Letter of Credit and Bank Guarantee facility; b) \$90m 'pay-away' limit for inter-day payments; c) a notional overdraft allowing group accounts balances to be pooled where an individual account may be overdrawn provided on a group basis the accounts are in credit; and d) credit card facilities.
- (4) On 18 October 2024, Network Finance Company Pty Limited executed a \$1.0 billion Sustainability Linked Syndicated Facility Agreement to borrow floating rate AUD denominated debt for a term of up to 10 years.
- (5) On 17 July 2025, Network Finance Company Pty Limited executed two Sustainability Linked Syndicated Debt Facilities totalling \$2,065.0 million with tenors across 2, 3, 4, 5 and 10 years.
- (6) Foreign currency denominated notes have been disclosed at the hedge rate included in the cross currency swaps as detailed below in Note 18.
- (7) On 13 February 2026, Network Finance Company Pty Limited established a Secured Euro Medium Term Note (EMTN) Programme. On 3 March 2026, the Network Finance Company Pty Limited issued EUR €500.0 million of fixed rate notes under this programme. Network Finance Company Pty Limited executed cross currency swaps to help manage the currency exposure associated with this EUR denominated debt and interest obligations, synthetically converting the EUR exposure into a floating rate AUD exposure.

All external debt of the Group is issued by Network Finance Company Pty Limited. All members of the Group have guaranteed repayment of debt facilities, provided security in the form of a fixed and floating charge over all the Group's assets and granted a mortgage over the Main Lease in favour of the Security Trustee for the benefit of secured debt lenders and secured derivative providers.

Active Loan Facility Agreements

Network Finance Company Pty Limited has five bank loan facility agreements, being the September 2021 Bilateral Facility, the October 2022 Syndicated Facility Agreement, the October 2024 Sustainability Linked Syndicated Facility Agreement and the two July 2025 Sustainability Linked Syndicated Facility Agreements.

On 27 August 2021, Network Finance Company Pty executed three bilateral debt facilities totalling \$225.0 million. The tenors of the facilities are between 3 and 5 years which have been extended for certain facilities and tranches. The effective interest rate on the facilities is the aggregate of the applicable Bank Bill Swap Rate (BBSY), plus a margin. On 24 July 2025, the indebtedness under the Facility 2 and Facility 3 of the September 2021 Bilateral Facilities were repaid in full and both facilities were cancelled. At 30 June 2026, there was \$65.0 million outstanding under the remaining facility (30 June 2025: \$175.0 million).

On 5 October 2022, Network Finance Company Pty Limited entered a new \$920.0 million Syndicated Facility Agreement (October 2022 Syndicated Facility Agreement) to borrow floating rate AUD denominated debt for terms of between 7 years and 12 years. On 3 April 2023, Network Finance Company Pty Limited utilised provisions within the agreement to increase the Facility Limit to \$1,120.0 million under the same terms and conditions. The effective interest rate on the facility is the aggregate of the applicable BBSY and a margin for each loan facility. At 30 June 2026, there was \$1,120.0 million outstanding under this facility (30 June 2025: \$1,120.0 million).

On 18 October 2024, Network Finance Company Pty Limited entered a \$1.0 billion Sustainability Linked Syndicated Facility Agreement (October 2024 Syndicated Facility Agreement) to borrow floating rate AUD denominated debt for the term of up to 10 years. The effective interest rate on the facility is the aggregate of the applicable BBSY and a margin for each loan facility. The interest rate can vary up to plus or minus 5 basis points depending on the performance of the Endeavour Energy Group against certain sustainability linked targets contained in the facility. At 30 June 2026, there was \$1.0 billion outstanding under this facility (30 June 2025: \$1.0 billion).

On 17 July 2025, Network Finance Company Pty Limited executed two new Syndicated Debt Facilities (July 2025 Sustainability Linked Syndicated Facility Agreements) totalling \$2,065.0 million with tenors across 2, 3, 4, 5 and 10 years. Financial close was achieved on 24 July 2025. The effective interest rate on these facilities is the aggregate of the applicable BBSY and a margin for each loan participation. The interest rate can vary up to plus or minus 5 basis points depending on the performance of the Endeavour Energy Group against certain sustainability linked targets contained in the facility. At 30 June 2026, there was \$465.0 million outstanding under these facilities.

Loan Facilities Repaid and Cancelled During the Year

During the year, several facilities were repaid and cancelled as part of refinancing and liquidity management initiatives.

On 16 December 2019, Network Finance Company Pty Limited entered a \$475.0 million Revolving Syndicated Facility Agreement (December 2019 Syndicated Facility Agreement) to borrow floating rate AUD denominated debt for a term of 3.5 years, which had been extended to June 2026 via an amendment agreement on 25 November 2022. At 30 June 2025 there was \$30.0 million outstanding under this facility. On 24 July 2025, the indebtedness was repaid in full and the facility was cancelled.

On 18 March 2022, Network Finance Company Pty Limited executed a \$920.0 million Sustainability Linked Syndicated Facility Agreement to borrow floating rate AUD denominated debt for a term of up to 5 years. The interest margin under this facility was linked to sustainability performance targets. At 30 June 2025 there was \$876.0 million outstanding under this facility. On 24 July 2025, the indebtedness was repaid in full and the facility was cancelled.

On 3 September 2024, Network Finance Company Pty executed two new bilateral debt facilities totalling \$100.0 million. The tenors of the facilities were between 5 and 7 years. On 24 July 2025, the facilities were cancelled.

Capital Market Debt Agreements

Network Finance Company Pty Limited has three US (Private Placement) Note and Guarantee Agreements, an Australian Medium Term Note ("AMTN") Programme and a Euro Medium Term Note ("EMTN") Programme.

US Note Issuances

On 14 December 2017 Network Finance Company Pty Limited entered a Note and Guarantee Agreement with certain debt investors. On 14 February 2018 Network Finance Company Pty Limited issued USD \$645.0 million of debt denominated in US Dollars and AUD \$200.0 million of debt denominated in AU Dollars. The debt has maturities of between 10 and 15 years from the date of issue, and is a mixture of fixed rate debt and floating debt as detailed in the above table.

Network Finance Company Pty Limited executed cross currency swaps to help manage the currency exposure associated with this USD denominated debt and interest obligations, synthetically converting the USD exposure into a floating rate AUD exposure. The foreign currency rate in the cross currency swap was 0.7587, resulting in the AUD value for the USD debt exposure as detailed in the above table.

On 13 June 2018 Network Finance Company Pty Limited arranged for the issuance of AUD \$260.0 million fixed rate USPP Notes and associated hedging. The associated Note and Guarantee Agreement was executed on 13 July 2018, and settled with the financial close on 13 December 2018. The debt has a maturity of 10 years from the date of issue as detailed in the table above.

On 20 March 2024, Network Finance Company Pty Limited entered a Note and Guarantee Agreement with certain debt investors. On 15 May 2024 Network Finance Company Pty Limited issued USD \$202.0 million, CAD \$260.0 million, JPY ¥8.0 billion and GBP £14.0 million of fixed rate debt denominated in the respective foreign currency. The various series have maturities of between 7 and 15 years from the date of issue.

Network Finance Company Pty Limited executed cross currency swaps to help manage the currency exposure associated with these foreign currency denominated debts and interest obligations, synthetically converting the foreign currency exposures into a floating rate AUD exposure. The foreign currency rates in the cross currency swaps were AUD/USD 0.6506, AUD/CAD 0.8823, AUD/JPY 96.54 and AUD/GBP 0.5152, resulting in the AUD value for the foreign currency debt exposures as detailed in the above table.

AMTN Issuances

During November 2019, Network Finance Company Pty Limited executed an AMTN Programme and issued a total of \$430.0 million of fixed rate notes, with a maturity of either 7 or 10 years.

During May 2021, Network Finance Company Pty Limited executed an AMTN Programme and issued \$350.0 million of fixed rate notes, the terms of which are summarised in the above table.

During June 2023, Network Finance Company Pty Limited executed an AMTN Programme and issued a total of \$490.0 million of Notes, the terms of which are summarised in the above table.

EMTN Issuance

On 13 February 2026, Network Finance Company Pty Limited established a Secured Euro Medium Term Note (EMTN) Programme. On 3 March 2026, the Network Finance Company Pty Limited issued EUR €500.0 million of fixed rate notes under this programme, the terms of which are summarised in the above table.

Network Finance Company Pty Limited executed cross currency swaps to help manage the currency exposure associated with this EUR denominated debt and interest obligations, synthetically converting the EUR exposure into a floating rate AUD exposure. The foreign currency rate in the cross currency swap was 0.5984, resulting in the AUD value for the EUR debt exposure as detailed in the above table.

17. Changes in liabilities arising from financing activities

The movements in financial liabilities and related financial assets are as follows:

	1 July 2025 \$m	Cash flows \$m	Foreign exchange movements \$m	Changes in fair values \$m	New leases \$m	Other* \$m	30 June 2026 \$m
Interest bearing loans and borrowings	6,549.6	284.6	(114.5)	(55.9)	-	(3.4)	6,660.4
Current lease liabilities	7.5	(8.5)	-	-	-	8.7	7.7
Non-current lease liabilities	45.7	-	-	-	3.5	(8.7)	40.5
Derivative financial liabilities	165.6	-	-	(8.4)	-	-	157.2
Total liabilities	6,768.4	276.1	(114.5)	(64.3)	3.5	(3.4)	6,865.8
Derivative financial assets	250.3	-	-	26.4	-	-	276.7
Total assets	250.3	-	-	26.4	-	-	276.7

	1 July 2024 \$m	Cash flows \$m	Foreign exchange movements \$m	Changes in fair values \$m	New leases \$m	Other* \$m	30 June 2025 \$m
Interest bearing loans and borrowings	6,344.6	22.7	34.5	149.6	-	(1.8)	6,549.6
Current lease liabilities	7.1	(8.0)	-	-	-	8.4	7.5
Non-current lease liabilities	49.1	-	-	-	5.0	(8.4)	45.7
Derivative financial liabilities	142.3	-	-	23.3	-	-	165.6
Total liabilities	6,543.1	14.7	34.5	172.9	5.0	(1.8)	6,768.4
Derivative financial assets	359.4	-	-	(109.1)	-	-	250.3
Total assets	359.4	-	-	(109.1)	-	-	250.3

*The 'Other' column represents capitalised transaction costs on interest bearing loans and borrowings and the effect of reclassification of non-current portion of lease liabilities to current due to the passage of time.

18. Hedging activities and derivatives

Derivative type	Carrying amount			Movements recognised in	
	Assets \$m	Liabilities \$m	Net \$m	Profit or Loss \$m	Other Comprehensive Income \$m
As at 30 June 2026					
Debt related – fair value hedges ⁽¹⁾	-	(53.9)	(53.9)	(23.6)	-
Debt related – cross currency swap ⁽²⁾	39.7	(102.7)	(63.0)	(144.2)	(5.3)
Debt related – cash flow hedges ⁽³⁾	237.0	(0.6)	236.4	2.0	205.7
Total debt related derivatives	276.7	(157.2)	119.5	(165.8)	200.4
Current	55.8	(48.7)			
Non-current	220.9	(108.5)			
Total debt related derivatives	276.7	(157.2)			

Derivative type	Carrying amount			Movements recognised in	
	Assets \$m	Liabilities \$m	Net \$m	Profit or Loss \$m	Other Comprehensive Income \$m
As at 30 June 2025					
Debt related – fair value hedges ⁽¹⁾	14.2	(44.6)	(30.4)	73.9	-
Debt related – cross currency swap ⁽²⁾	93.4	(6.4)	87.0	110.9	(22.5)
Debt related – cash flow hedges ⁽³⁾	142.7	(114.6)	28.1	0.8	(295.3)
Total debt related derivatives	250.3	(165.6)	84.7	185.6	(317.8)
Current	32.3	(38.7)			
Non-current	218.0	(126.9)			
Total debt related derivatives	250.3	(165.6)			

- (1) The underlying hedged item represents fixed rate AUD issuances hedged back to a synthetic floating exposure. Interest related movements in relation to these bonds are recognised in the Combined Statement of Profit or Loss and Other Comprehensive Income and are offset by movements in the related hedging derivatives within the Combined Statement of Profit or Loss and Other Comprehensive Income.
- (2) Cross currency swaps are designated in both fair value and cash flow hedges. The objective of this hedging is to convert any foreign currency borrowings to a synthetic AUD floating interest rate borrowing exposure.
- (3) The Group has a series of interest rate swap hedges whereby it pays fixed and receives floating, which convert both floating rate debt and synthetically created floating exposures to a synthetic fixed exposure. These hedges are deemed to be in a cash flow hedge relationship.

Recognition and measurement

Derivative financial instruments are used to manage exposures to certain financial risks and are recognised initially at fair value. On subsequent revaluation, for example, from trade date, derivatives are carried as assets when the fair value is positive and liabilities when their fair value is negative.

The Group designates its derivatives as hedges for either:

- the fair values of certain liabilities (fair value hedges); or
- the cash flows associated with assets and liabilities and highly probable forecast transactions (cash flow hedges).

Derivatives – debt related

Debt related derivatives hedge either the foreign currency principal amounts, fair value of fixed rate borrowings attributable to movements in interest rates, cash flow interest rate hedging for AUD floating rate borrowings, or synthetically created floating rate exposures.

During the current and prior reporting period, the Group held cross currency swaps to mitigate exposures to changes in the fair value of foreign currency denominated debt from fluctuations in foreign currency and interest rates. The hedged items designated were a portion of the Group's foreign currency denominated borrowings.

As the Group already has a profile of interest rate hedging in place to pay AUD fixed rate, when the Group issued fixed rate debt in the US Private Placement (USPP), AMTN and EMTN markets, interest rate swaps were executed to swap the fixed rate exposure back to a AUD synthetic floating rate exposure, designated as fair value hedges.

The synthetic floating rate exposure is then managed via the existing cash flow hedge profile. Refer to Note 21 for more details.

The following table details the cross currency swap contract AUD principal payments due as at the reporting date:

Pay AUD/Receive Foreign Currency	Foreign Currency	Exchange Rate*	Less than 1 year \$m AUD	1-2 years \$m AUD	2-5 years \$m AUD	More than 5 years \$m AUD
As at 30 June 2026						
USPP Debt hedges	AUD/USD	0.7587	-	560.2	131.8	158.1
USPP Debt hedges	AUD/USD	0.6506	-	-	30.7	279.7
USPP Debt hedges	AUD/CAD	0.8823	-	-	-	294.7
USPP Debt hedges	AUD/JPY	96.54	-	-	-	82.9
USPP Debt hedges	AUD/GBP	0.5152	-	-	-	27.2
EMTN Debt hedges	AUD/EUR	0.5984	-	-	-	835.6
			-	560.2	162.5	1,678.2
As at 30 June 2025						
USPP Debt hedges	AUD/USD	0.7587	-	-	692.0	158.1
USPP Debt hedges	AUD/USD	0.6506	-	-	-	310.4
USPP Debt hedges	AUD/CAD	0.8823	-	-	-	294.7
USPP Debt hedges	AUD/JPY	96.54	-	-	-	82.9
USPP Debt hedges	AUD/GBP	0.5152	-	-	-	27.2
			-	-	692.0	873.3

*Rate at contract start date

19. Contributed equity

The following table provides details of partner's capital issued by NAP, NOP and NUP:

	NAP		NOP		NUP	
	Number	\$m	Number	\$m	Number	\$m
As at 30 June 2026						
Ordinary capital interest	504	1,743.8	504	463.0	630	7.7
A class capital interest	496	1,716.2	496	455.6	620	7.4
Total contributed equity	1,000	3,460.0	1,000	918.6	1,250	15.1
As at 30 June 2025						
Ordinary capital interest	504	1,743.8	504	463.0	630	7.7
A class capital interest	496	1,716.2	496	455.6	620	7.4
Total contributed equity	1,000	3,460.0	1,000	918.6	1,250	15.1

The financial statements have been prepared by combining the financial information of NAP, NOP, FinCo, Mgt Co, NUP and Ausconnex (together the "Endeavour Energy Group"). In preparing the financial statements, all intercompany balances and transactions have been eliminated in full.

The business of Endeavour Energy Group is conducted through NAP, NOP, FinCo, Mgt Co, NUP and Ausconnex. Whilst there is no control relationship between NAP, NOP, FinCo, Mgt Co, NUP and Ausconnex, these entities constitute the Endeavour Energy Group, referred to herein as "the Group".

Ordinary Capital Interest

The respective Ordinary Capital Interests of NAP, NOP and NUP are issued to Edwards A Pty Limited as trustee for Edwards A Trust (Edwards NAP), Edwards O Pty Limited as trustee for Edwards O Trust (Edwards NOP) and Edwards U Pty Limited as trustee for Edwards U Trust (Edwards NUP). Edwards NAP, Edwards NOP and Edwards NUP are controlled by a consortium led by funds and clients managed by Australia's Macquarie Asset Management ("MAM"), Canada's British Columbia Investment Management Corporation ("BCI") and The Qatar Investment Authority ("QIA"). The interests are classified as equity and are fully paid.

A Class Capital Interest

The respective A Class Capital Interests in each of NAP, NOP and NUP are issued to four separate Electricity Retained Interest Corporation vehicles ('ERIC Partners') controlled by the NSW Government. An A class interest will be automatically converted to ordinary interest when it is held by an entity other than an ERIC Partner.

The rights and obligations attaching to A Class Capital Interests and Ordinary Capital Interests are identical except for as provided in the respective Partnership Deeds, e.g. voting rights. The interests are classified as equity and are fully paid.

Partnership liability

Each Partner is responsible for discharging the liabilities of NAP, NOP and NUP in proportion with their respective Partnership interest.

Distribution

Each Partner is entitled to the distribution in proportion with their respective Partnership interests. All distributions are subject to approval by the respective Partnership Board. In accordance with each Partnership Deed, a quarterly distribution of a minimum of 85% of surplus cash will be distributed to Partners, unless Directors make a unanimous determination to distribute a less amount in respect of a particular quarter.

20. Cash flow hedge reserve

The movements in cash flow hedge reserve are as follows:

	Cash flow hedge reserve \$m
As at 1 July 2024	316.5
Unrealised losses on effective portion of changes in cash flow hedges	(317.8)
As at 30 June 2025	(1.3)
Unrealised gains on effective portion of changes in cash flow hedges	200.4
As at 30 June 2026	199.1

Nature and purpose of Cash flow hedge reserve

The cash flow hedge reserve is used to record unrealised gains or losses of effective cash flow hedges. The unrealised gains or losses of all other derivatives are recognised in profit or loss.

21. Financial risk management

(a) Financial risk management objectives and policies

The Group is involved in activities that expose it to a variety of financial risks including credit risk, foreign currency risk, interest rate risk and liquidity risk. In accordance with Board approved policies, financial instruments may be used to hedge the exposures to fluctuations in exchange rates and interest rates.

Financial instruments comprise cash, trade debtors, trade creditors, short-term deposits, loans and derivatives. The main purpose of these financial instruments is to raise finance or invest surplus cash for the entity's operations, and to manage exposure to price or interest rate movements.

The Group's treasury function, leadership team and Board manage the Group's exposure to key financial risks in accordance with the Board's financial risk management policies. The Group may enter into a variety of financial derivatives to manage its exposures including:

- Cross-currency swaps to manage exposure to interest rate and currency risk arising from foreign currency denominated borrowings;
- Interest rate swaps to manage interest rate risk associated with debt servicing obligations; and
- Foreign exchange contracts to manage the risk of movements in foreign currencies if obligations are not denominated in Australian dollars.

The Group does not enter into or trade in derivatives for speculative purposes.

In addition to the Group's treasury function, external support is acquired from experts in various fields. The Board approved Group Treasury Policy provides clear guidelines to management in respect of the management of the financial risks of the Group and are designed to ensure that it adequately reflects the strategic risk management objectives of the Board.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 2 to the financial statements.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange and interest rate and cross-currency swap transactions and other financial instruments including derivatives.

(i) Trade and other receivables

The credit risk on trade and other receivables and accrued income from unread meters that have been recognised in the Combined Statement of Financial Position, is generally the carrying amount net of loss allowance. The Group's policy requires customers to pay in accordance with agreed payment terms. Payment terms are generally 10–45 days and outstanding receivables are regularly monitored and collected. All credit and recovery risks associated with trade receivables have been provided for in the Combined Statement of Financial Position.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Set out below is the information about the credit risk exposure (collectively impaired) on the Group's trade receivables using a provision matrix:

	0 to 30 days	31 to 60 days	61 to 90 days	>90 days	Total
As at 30 June 2026					
Expected loss rate	2.2%	2.2%	2.2%	2.2%	
Estimated total gross carrying amount at default (\$m)	17.1	1.2	1.5	3.8	23.6
Expected credit loss (\$m)	0.4	-	-	0.1	0.5
As at 30 June 2025					
Expected loss rate	2.2%	2.2%	2.2%	2.2%	
Estimated total gross carrying amount at default (\$m)	18.7	1.1	1.3	7.2	28.3
Expected credit loss (\$m)	0.4	-	0.1	0.2	0.7

The maximum exposure to credit risk of trade receivables at the reporting date is the carrying value of each class of financial assets disclosed in Note 7. The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. Counterparties with receivables neither past due nor impaired are assessed as credit worthy.

The allowance amounts in respect of trade receivables are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point, the amount is considered irrecoverable and is written off against the financial asset directly.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions and derivative financial instruments is managed by the Group's treasury function in accordance with the Board's financial risk management policies. Credit risk also arises from bank facilities which offer committed lines of credit, overdraft facilities, transaction banking services and financial guarantees, which may not be honoured when relied upon. The Group's credit risk for bank deposits, undrawn credit lines and derivatives is predominantly with investment grade rated corporations. Where the counterparty is a non-Government owned corporation, credit worthiness is established in accordance with the Group's risk management policies which include the use of external credit ratings to derive risk limits as approved by the Board.

The Group's exposure relating to financial guarantees is disclosed in Note 24. The Group's exposure relating to financial derivative instruments is disclosed in Note 18.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises foreign currency risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk in respect of its debts in the USPP market that are denominated in USD, CAD, JPY and GBP and in the EMTN market that are denominated in EUR.

The Group enters into cross currency swap contracts to mitigate the risk of adverse movements in foreign exchange rates in relation to principal and interest payments arising from foreign currency borrowings. Under the cross currency swaps, the Group receives fixed amounts in foreign currency and pays variable interest rates (based on Australian BBSY) for the full term of the underlying borrowings. Additionally, cross currency swaps have been partly designated as fair value hedges and cover the foreign currency principal exposure and foreign currency fixed interest rate exposure on the underlying debt instruments.

Foreign currency sensitivity

The Group has performed a sensitivity analysis to assess the impact of a reasonably possible change of +/- 10% in foreign currency exchange rates, with all other variables held constant. The analysis considers the effect on the fair value of monetary assets and liabilities denominated in foreign currencies, after applying hedge accounting.

Based on the Group's current foreign currency exposure and hedging arrangements, such fluctuations would not result in a material impact on the Group's profit or loss or equity.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by maintaining an appropriate mix between fixed and floating interest rate borrowings, and hedging is undertaken through interest rate swap contracts. The Group also adopts a policy of ensuring that its debt portfolio is managed within a risk framework including Board approved weighted average life ranges and debt maturity profiles.

As the Group already has a profile of interest rate hedging in place to pay AUD fixed rate, when the Group issued fixed rate debt in the US Private Placement (USPP), AMTN and Euro Medium Term Note (EMTN) markets, interest rate swaps were executed to swap the fixed rate exposure back to an AUD synthetic floating rate exposure, designated as fair value hedges. The synthetic floating rate exposure is then managed via the existing cash flow hedge profile as detailed above.

The Group's hedging activities and derivatives is disclosed in Note 18.

Interest rate sensitivity

The Group has performed a sensitivity analysis to assess the impact of reasonably possible changes in interest rates at the reporting date, after applying hedge accounting.

Based on the Group's interest rate exposure and hedging arrangements, such fluctuations would not result in a material impact on the Group's profit or loss or equity.

(d) Liquidity risk

Liquidity risk is the risk of difficulty in ensuring the availability of sufficient funds to meet obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group Treasury Policy provides an appropriate framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group's liquidity risks are managed with the availability of readily accessible standby facilities and other funding arrangements placing surplus funds on deposit.

Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities and net derivatives based on the remaining period from balance date to the contractual maturity date:

	Less than 6 months \$m	6 to 12 months \$m	1 to 5 years \$m	> 5 years \$m	Total contractual cash flows \$m	Carrying amount \$m
As at 30 June 2026						
Interest-bearing loans and borrowings	131.0	680.8	3,607.8	4,566.3	8,985.9	6,660.4
Trade and other payables (excluding lease liabilities)	327.3	-	-	-	327.3	327.3
Lease liabilities	5.4	4.9	32.3	15.6	58.2	48.2
Net derivatives	16.6	(0.8)	(107.0)	(238.7)	(329.9)	(119.5)
Total	480.3	684.9	3,533.1	4,343.2	9,041.5	6,916.4
As at 30 June 2025						
Interest-bearing loans and borrowings	176.5	177.0	4,658.1	3,313.2	8,324.8	6,549.6
Trade and other payables (excluding lease liabilities)	319.0	-	-	-	319.0	319.0
Lease liabilities	5.1	5.3	33.4	22.1	65.9	53.2
Net derivatives	19.4	13.7	(80.3)	(49.7)	(96.9)	(84.7)
Total	520.0	196.0	4,611.2	3,285.6	8,612.8	6,837.1

The positive values in the table above denotes a payment whereas the negative values denotes a receipt.

The amounts disclosed in the table are the estimated contractual undiscounted cash flows of the financial liabilities, including estimated interest payments. However, those amounts may be settled gross or net. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For certain debt facilities and the derivatives, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

(e) Capital risk management

The Group's objectives are to determine an appropriate capital structure to enable an appropriate return on equity and efficient investment decisions to be made on a commercial basis.

Under the Treasury policy, both an appropriate capital structure and a minimum-to-maximum capital structure range are determined whilst considering the following criteria:

- Provision of an acceptable stream of distributions.
- Maintenance of an appropriate investment grade rating, taking into account industry and entity specific factors.
- Ability to meet key debt service criteria, based on industry benchmarks.
- Capacity to finance the approved capital expenditure program through internally generated cash flows and debt, with consideration of the current phase of the investment cycle; and
- Provision of sufficient financial flexibility for relevant contingencies.

Certain of the Group's debt facilities contain financial covenants and these include:

- net senior financial indebtedness to regulated asset base ratio of less than 97.5%;
- a net financial indebtedness to regulated asset base ratio, to be less than 110%;
- a cash flow coverage ratio of 1.2 times interest expense.

These have been complied with during the year.

22. Fair values

The Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurements and/or disclosure purposes based on the methods. When applicable, further information about the assumptions used in determining fair values is disclosed in the notes specific to that asset or liability.

Derivatives

The fair value of interest rate swaps and cross currency exchange swaps are valued using valuation techniques, which employ the use of observable market inputs. The most frequently applied valuation techniques include swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves. The marked-to-market value of other derivative asset and liability positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. For lease liabilities, the market rate of interest is determined by reference to similar lease agreements.

Fair values compared to carrying amounts

The fair values of financial assets and liabilities approximate their carrying values with the exception of interest bearing loans and borrowings which have a fair value of \$6,697.0 million (2025: \$6,582.9 million) and carrying amount of \$6,660.4 million (2025: \$6,549.6 million).

The Group uses the following hierarchy for determining the fair value of a financial asset or liability:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities; and
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly (as prices) or indirectly observable (derived from prices). The Group's interest-bearing loans and borrowings and derivative instruments including cross currency exchange swaps and interest rate swaps fall within Level 2 of the hierarchy.

Fair values of the Group's interest-bearing loans and borrowings are determined by discounting future cash flows using period-end borrowing rates on loans and borrowings with similar terms and maturity.

There were no transfers between Level 1 and Level 2, and no financial instruments were measured at Level 3 (where fair value is measured using unobservable inputs for the asset or liability), for the periods presented in this report.

23. Related party transactions

Intra-group Transactions

The Group structure of Endeavour Energy is detailed in Note 1. Transactions that occurred during the reporting period between entities in the Group included:

- Building and construction of network assets
- Leasing of network assets
- Provision of loan advances and repayments
- Provision of employment agency services and other employee services
- Treasury services
- Information technology services
- Accounting and financial management services
- Administrative services

Intragroup balances and transactions and any unrealised gains and losses have been eliminated in the financial statements.

Transactions with key management personnel, associates and joint ventures

A review of related party transaction declarations by other key management personnel for the reporting period ended 30 June 2026 indicate there were no related party transactions considered by management to be material and require further disclosure.

24. Commitments and contingencies

Commitments

At 30 June 2026, the Group had commitments of \$170.7 million (30 June 2025: \$129.1 million) relating to the purchase of property, plant and equipment.

Guarantees

The Group has issued bank guarantees to indemnify counterparties in the event of non-performance of certain contractual obligations. There are a total of \$33.9 million of bank guarantees on issue as at 30 June 2026 (30 June 2025: \$31.4 million). Of these bank guarantees, \$16.6 million are contingent on performance of certain obligations under project performance contracts (30 June 2025: \$16.5 million) and a \$17.3 million bank guarantees to cover any workers compensation claims and losses that the Group may not honour, as a self-insurer (30 June 2025: \$14.9 million).

Contingent liabilities

The Group has no material contingent liabilities as at 30 June 2026 and 30 June 2025.

Provisions are not required in respect of contingent matters associated with potential claims contingency and sundry general claims, as it is not probable that a future sacrifice of economic benefits will be required.

25. Cash flow reconciliation

Reconciliation of profit for the year to net cash flows from operating activities:

	For the year ended 30 June 2026	30 June 2025
	\$m	\$m
Profit for the year	356.4	198.8
Adjustments to reconcile profit for the year to net cash flows:		
Depreciation and amortisation	375.2	388.9
Non-cash capital contributions	(167.4)	(96.9)
Net loss on disposal of assets	2.8	2.5
Superannuation defined benefits re-measurement gains/(losses)	4.5	(5.8)
Hedge ineffectiveness	(2.0)	(0.9)
Derivatives in a fair value hedge – movement through profit or loss	167.8	(184.7)
Fixed rate debt in fair value hedge relationships – interest and foreign currency adjustments	(170.5)	184.2
Capitalised interest	(7.9)	(7.9)
Amortised transaction costs	10.6	9.0
Changes in assets and liabilities:		
Increase in trade and other receivables	(8.9)	(16.9)
Decrease/(increase) in prepayments	1.4	(3.3)
(Increase)/decrease in inventories	(6.8)	4.6
Increase in other non-current asset	(3.4)	-
Increase in trade and other payables	8.0	130.6
Increase/(decrease) in provisions	6.1	(9.7)
Increase in other liabilities	2.7	2.7
Net cash flows from operating activities	568.6	595.2

26. Remuneration of auditors

The auditor of the Group is Ernst & Young Australia.

	For the year ended 30 June 2026	30 June 2025
	\$	\$
<i>Amounts received or due and receivable by Ernst & Young Australia for:</i>		
An audit or review of the financial report of entities of the Group		
Year-end audit	627,848	611,617
Half-year audit/(FY25 half-year review)	324,480	78,072
Climate-related financial disclosures limited assurance for Mgt Co	50,000	-
Other services in relation to the entities of the Group:		
EMTN issuance procedures and review	175,109	-
Regulatory reporting audit	135,000	129,824
Ring-fencing compliance audit	42,000	45,000
Grant audit	35,000	-
Taxation services*	-	68,333
Non-audit services	134,977	39,524
Total	1,524,414	972,370

*Taxation services in FY25 relate to reimbursable costs from the parent holding companies of ERIC Holdings & Edwards O Holdings in relation to the Renewal Energy Zone transaction.

27. Events after the reporting period

Distributions of \$164.0 million for the quarter ended 30 June 2026 were approved by the Board on 20 August 2026.

Apart from this, there are no other known events that would impact the state of affairs of the Group or have a material impact on the financial statements up to balance date.

28. Network Operator Partnership – Supplementary Financial Information

- a) The consolidated balance sheet for the Network Operator Partnership and its subsidiary Network Management Pty Limited is as follows:

	As at	
	30 June 2026	30 June 2025
	\$m	\$m
ASSETS		
Current assets		
Cash and short-term deposits	126.5	89.3
Trade and other receivables	214.1	215.6
Related party receivables	153.1	115.7
Inventories	43.7	39.4
	537.4	460.0
Assets held for sale	0.1	0.1
Total current assets	537.5	460.1
Non-current assets		
Trade and other receivables	6.7	8.7
Right-of-use assets	42.8	49.1
Property, plant and equipment	288.5	244.5
Intangible assets	1,037.3	1,075.6
Goodwill	1,063.3	1,063.3
Other non-current asset	3.4	-
Total non-current assets	2,442.0	2,441.2
Total assets	2,979.5	2,901.3
LIABILITIES		
Current liabilities		
Trade and other payables	261.8	247.1
Related party payables	105.2	48.8
Provisions	199.2	186.5
Lease liabilities	7.7	7.5
Other current liabilities	11.4	13.9
Total current liabilities	585.3	503.8
Non-current liabilities		
Provisions	18.1	24.8
Lease liabilities	40.5	45.7
Related party loan payable	1,717.5	1,677.5
Total non-current liabilities	1,776.1	1,748.0
Total liabilities	2,361.4	2,251.8
Net assets	618.1	649.5
EQUITY		
Share capital	918.6	918.6
Accumulated losses	(300.5)	(269.1)
Total equity	618.1	649.5

- b) Principles of consolidation have been adopted when combining the financial information of the Network Operator Partnership and its subsidiary Network Management Pty Limited to prepare the amounts disclosed at Note 28(a). Intra-group balances and transactions between the Network Operator Partnership and its subsidiary Network Management Pty Limited have been eliminated in full when preparing the amounts disclosed at Note 28(a) above. Balances and transactions with the Network Asset Partnership or the Network Unregulated Partnership have not been eliminated when preparing the amounts disclosed at Note 28(a) above.

29. Network Asset Partnership – Supplementary Financial Information

- a) The consolidated balance sheet for the Network Asset Partnership and its subsidiary Network Finance Company Pty Ltd is as follows:

	As at	
	30 June 2026	30 June 2025
	\$m	\$m
ASSETS		
Current assets		
Cash and short-term deposits	6.5	48.4
Trade and other receivables	0.8	1.0
Related party receivables	105.6	48.6
Derivative financial assets	55.8	32.3
	168.7	130.3
Assets held for sale	2.2	0.2
Total current assets	170.9	130.5
Non-current assets		
Derivative financial assets	220.9	218.0
Related party loan receivable	1,800.8	1,700.8
Property, plant and equipment	9,082.6	8,811.1
Intangible assets	16.1	17.6
Total non-current assets	11,120.4	10,747.5
Total assets	11,291.3	10,878.0
LIABILITIES		
Current liabilities		
Trade and other payables	66.7	72.8
Interest bearing loans and borrowings	510.2	80.0
Related party payables	73.5	78.3
Derivative financial liabilities	48.7	38.7
Total current liabilities	699.1	269.8
Non-current liabilities		
Interest bearing loans and borrowings	6,150.2	6,469.6
Derivative financial liabilities	108.5	126.9
Total non-current liabilities	6,258.7	6,596.5
Total liabilities	6,957.8	6,866.3
Net assets	4,333.5	4,011.7
EQUITY		
Share capital	3,460.0	3,460.0
Cash flow reserve	199.1	(1.3)
Retained earnings	674.4	553.0
Total equity	4,333.5	4,011.7

- b) Principles of consolidation have been adopted when combining the financial information of the Network Asset Partnership and its subsidiary Network Finance Company Pty Ltd to prepare the amounts disclosed at Note 29(a). Intra-group balances and transactions between the Network Asset Partnership and its subsidiary Network Finance Company Pty Ltd have been eliminated in full when preparing the amounts disclosed at Note 29(a) above. Balances and transactions with the Network Operator Partnership or the Network Unregulated Partnership have not been eliminated when preparing the amounts disclosed at Note 29(a) above.

30. Network Unregulated Partnership – Supplementary Financial Information

- a) The consolidated balance sheet for the Network Unregulated Partnership and its subsidiary Ausconnex Management Pty Ltd is as follows:

	As at	
	30 June 2026	30 June 2025
	\$m	\$m
ASSETS		
Current assets		
Cash and short-term deposits	12.2	12.1
Trade and other receivables	30.1	19.0
Related party receivables	0.3	0.2
Inventories	6.1	3.7
Total current assets	48.7	35.0
Non-current assets		
Property, plant and equipment	125.2	48.6
Right-of-use assets	5.0	5.2
Goodwill	10.7	10.7
Total non-current assets	140.9	64.5
Total assets	189.6	99.5
LIABILITIES		
Current liabilities		
Related party payables	80.3	37.5
Other current liabilities	7.8	3.1
Total current liabilities	88.1	40.6
Non-current liabilities		
Related party loan payable	83.3	23.3
Total non-current liabilities	83.3	23.3
Total liabilities	171.4	63.9
Net assets	18.2	35.6
EQUITY		
Share capital	15.1	15.1
Retained earnings	3.1	20.5
Total equity	18.2	35.6

- b) Principles of consolidation have been adopted when combining the financial information of Network Unregulated Partnership and its subsidiary Ausconnex Management Pty Ltd to prepare the amounts disclosed at Note 30(a). Intra-group balances and transactions between the Network Unregulated Partnership and its subsidiary Ausconnex Management Pty Ltd have been eliminated in full when preparing the amounts disclosed at Note 30(a) above. Balances and transactions with the Network Asset Partnership or the Network Operator Partnership, have not been eliminated when preparing the amounts disclosed at Note 30(a) above.

Directors' Declaration

In accordance with a resolution of the Directors of the Endeavour Energy Group ("the Group"), I state that:

In the opinion of the Directors:

- a) The financial statements and notes of the Group for the year ended 30 June 2026:
 - (i) give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and
 - (ii) comply with Australian Accounting Standards as described in Note 2.1 to the financial statements and other mandatory professional reporting requirements;
- b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.1; and
- c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



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Cheryl Bart AO
Director
20 August 2026

Independent auditor's report to the members of Endeavour Energy Group

Opinion

We have audited the financial report of Endeavour Energy network Operator partnership ("NOP"), Endeavour Energy Network Asset Partnership ("NAP"), Endeavour Energy Network Unregulated Partnership ("NUP"), Ausconnex Management Pty Ltd ("Ausconnex"), Network Finance Company Pty Limited ("FinCo") and Endeavour Energy Network Management Pty Ltd ("MgtCo") (collectively the Group), which comprises the combined statement of financial position as at 30 June 2026, the combined statement of profit or loss and other comprehensive income, combined statement of changes in equity and combined statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Group as at 30 June 2026, and their financial performance and their cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the directors for the financial report

The directors of the Group are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



**Shape the future
with confidence**

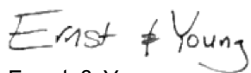
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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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


Ernst & Young



Mitchell Fitzgerald
Engagement Partner
Sydney
20 August 2026