



Annual Report

For the Financial Year ended 30 June 2025

Snowy Hydro Limited and its Controlled Entities
ABN 17 090 574 431



Snowy Hydro FY25 Annual Report –
page 48 correction and Financial Report correction

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Acknowledgement of Country

Snowy Hydro celebrates and acknowledges the Traditional Custodians of the many lands and waters on which we live, work and serve. We pay our respects to Elders past, present, and emerging for their custodianship of Country over the centuries throughout Australia. We recognise and honour the ongoing connection and deep spiritual relationship that Aboriginal and Torres Strait Islander peoples have to Mother Earth and acknowledge the unique role they play in caring for and protecting her for future generations.

A message from our Chair and CEO

As the energy sector undergoes its most fundamental change since the creation of the National Electricity Market (NEM), Snowy Hydro continues its legacy of serving energy users in homes and businesses across Australia, at the heart of our nation's transition to clean energy.

Snowy is an end-to-end energy generator and retailer, with a unique mix of on-demand power stations, strong wholesale electricity market capability and a significant retail operation that earns high levels of trust among our customers.

The 2025 financial year was a period of both progress and challenges for Snowy. While some challenges were common to all major players in the transition, particularly developers of major renewable energy infrastructure, we also faced challenges unique to our business. These included lower than forecast inflows to the Snowy Scheme impacting the fuel available to our conventional hydro power stations, as well as unplanned extensions to power line maintenance restricting our ability to deliver electricity to parts of the grid at critical times.

Despite these challenges, our financial results remained solid. Snowy delivered an underlying profit after tax of \$399.7 million. We paid approximately \$333.5 million in dividends to our shareholder, the Commonwealth Government, in line with expectations.

The Snowy 2.0 pumped hydro expansion of the Snowy Scheme is Australia's largest renewable energy project. It will act as a giant battery to store excess power as more wind and solar come online, delivering it to the grid when it's needed most. Its ability to do that at scale makes it a critical enabler of the renewable energy transition. More than half of all the long-duration storage that the Australian Energy Market Operator (AEMO) estimates will be required for Australia to reach net zero emissions by 2050 will come from Snowy 2.0.

Despite challenges associated with delivering a complex mega project in a remote area, Snowy 2.0 has made good progress, however is facing persistent and material cost pressures. We are reassessing the project's cost to complete and will provide an update when the review is complete.



James Cain
Chair



Dennis Barnes
Managing Director
and CEO

Kurri Kurri Power Station (the operating name for the Hunter Power Project) first generated electricity for the grid in July 2025. We are now in the final stages of commissioning and expect to be fully completed later in 2025.

Our Retail business had an exceptional year, growing to over 1.5 million customer accounts. Our position as the NEM's fourth largest retailer means we play an important role placing meaningful competitive pressure in the market, with the aim of uplifting service standards across the board.

We are proud that our Retail brands' track record of service excellence continues, with Red Energy being recognised with a Canstar Blue Award for Most Satisfied Customers for an amazing 15th consecutive year.

We maintain industry-leading settings to help customers who are vulnerable or facing hardship. Our Australian-based customer care team handled over 67,000 calls that delivered vital assistance this year.

We're equally proud that Snowy Energy maintained a 100% satisfaction rating for its large commercial and industrial customers for the eighth year in a row.

With more and more energy users generating and storing their own electricity through solar panels, home batteries and electric vehicles, the nature of energy retail is also undergoing a fundamental shift. We are investing in a new core technology platform for our Retail brands that will ensure they can continue to deliver a compelling value proposition to our customers as we partner with them to manage these consumer-owned energy resources and help them get the most out of the renewable energy transition.

Snowy Hydro's legacy of responsible environment and community outcomes is central to our work which began in Kosciusko National Park when construction of the original scheme began 75 years ago.

Caring for the environments we operate in is fundamental to our strategy and influences the decisions we make every day. As custodians of the water in the Snowy Scheme, we follow strict rules that balance renewable energy generation to deliver reliability and enable decarbonisation, with important downstream agricultural, environmental and recreational outcomes.

This year, our partnerships with the Clontarf and Stars Foundations continued to be important support for young Aboriginal people in the Snowy Mountains region. We began our own journey of building understanding of First Nations cultures among Snowy's team with a new yarning circle at our Discovery Centre that creates a space for cultural connection, while cultural education training was rolled out to our people for the first time.

Red Energy marked 10 years of partnership with Breast Cancer Network Australia (BCNA), having contributed over \$2.3 million to its vital work through our BCNA Saver Plan.

We are also fostering the next generation of energy leaders through the Snowy STEM Academy, which delivered science, technology, engineering, and mathematics (STEM) learning programs to thousands of students nationwide.

Snowy places the highest priority on the health and safety of its team and the communities it serves, while fostering a strong safety culture through continuous investment in safety programs. This focus extends to our major projects, where ensuring the safety of all employees and contractors remains the number one priority.

Looking ahead, the energy market faces significant challenges as coal plants retire, including the need for new transmission infrastructure and firming capacity to support increasing clean wind and solar generation. Our retailing position, combined with our unique portfolio of on-demand power stations and storage means Snowy Hydro is set to play an important role in the energy transition's success. The transformation program that launched in earnest this financial year is about optimising Snowy to maximise our contribution and ensure we are delivering the most value possible to our shareholders and stakeholders.

Every day, Snowy's people prove their commitment to our customers and the NEM's energy users. Strongly motivated by our values and our purpose of 'powering Australia's sustainable future', the passion and talents of the team drive our achievements. We thank them for their incredible contributions.

We would also like to acknowledge our partnerships with the federal and state government departments and agencies that represent our shareholders and regulators. Their constructive support and guidance makes Snowy stronger and we look forward to continuing to work with them to deliver positive outcomes together.

Snowy is well-positioned for the future, ready to continue our legacy of service to Australia.



About this report

Our Annual Report provides an overview of Snowy Hydro's business activities and outlines our financial, environmental, social and governance performance for the financial year ended 30 June 2025 (**FY25**).

It covers Snowy Hydro Limited and its controlled entities for FY25. It has been prepared in accordance with (without limitation) the Corporations Act 2001 (Cth) and the Public Governance, Performance and Accountability Act 2013 (Cth) (**PGPA Act**) and the framework applicable to Government Business Enterprise (**GBE**) entities and companies. It is also guided by the Global Reporting Initiative (**GRI**) Standards 2021, with a GRI Content Index and data book available on our website.

This report is approved by Snowy Hydro's Board and provided to Snowy Hydro's Shareholder Ministers in accordance with s. 97 of the PGPA Act.

About Snowy Hydro

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Our values

Our values are the heart of who we are and how we deliver our purpose. They guide us in everything we do, from how we interact with each other, our customers and communities, to how we act on opportunities, solve problems and overcome challenges.



Safety

Safety is always our number one priority



Teamwork

We help people succeed through support and trust



Ownership

We take pride in our work and own our choices



Agility

We are adaptable and embrace change



Decency

We treat others the way we'd like to be treated



Courage

We speak up and act for what's important

Statement of Expectations

Snowy Hydro exists to achieve the goals outlined in our Shareholder Ministerial statement of expectations (**Statement of Expectations**). The Statement of Expectations sets out the Commonwealth Government's expectations of Snowy Hydro and confirms our primary focus is to support Australia's transition to a cleaner energy system, by operating our existing power stations and by expanding pumped hydro in the Snowy Mountains Hydroelectric Scheme (**Snowy Scheme**) through Snowy 2.0.

The Statement of Expectations also sets out our broader objectives: to provide reliable, secure, affordable, renewable energy across Australia, including on-demand power to back up renewables and facilitate more wind and solar generation. We do this by developing, operating and maintaining the Snowy Scheme. We also own and operate other power generation and energy storage facilities and actively participate in the wholesale and retail markets for electricity and gas, as well as related contracts and services.

The Statement of Expectations also confirms that Snowy Hydro is required to operate in a commercial manner, at arm's length from government.

It outlines our shareholder's expectations, including those related to water management, community engagement, employment, transparency, integrity, accountability and governance. Snowy Hydro is committed to meeting high standards in serving our customers, communities and energy users across Australia.

Snowy Hydro's Shareholder Ministers are Senator the Hon. Katy Gallagher, Minister for Finance, and the Hon. Chris Bowen MP, Minister for Climate Change and Energy. The Shareholder Ministers have not issued any directions to Snowy Hydro under its Constitution, an Act or an instrument during FY25, and no government policy orders apply in relation to Snowy Hydro under s. 93 of the PGPA Act. Snowy Hydro is not subject to a community service obligation.

Our business

Snowy Hydro's purpose is to '**power Australia's sustainable future**'.

We are uniquely positioned to deliver on this purpose by:

- Contributing to Australia's decarbonisation by helping to underpin the energy transition through our on-demand electricity generation and storage that allows more renewables to come online;
- Supporting our customers through our Retail brands Red Energy, Lumo Energy and Snowy Energy, equipping them with information and tools to get the most out of the energy transition; and
- Enabling competition in the wholesale and retail electricity market to raise customer experience standards and play a part in helping reduce pressure on prices.

Snowy Hydro is made up of three core business units and Corporate Support functions, in addition to the Snowy 2.0 and Kurri Kurri Power Station major projects.

After these major projects are completed, they will integrate into our Generation division.

Our Core Business Units

Generation: Operates, maintains and upgrades our diverse portfolio of pumped and conventional hydro, gas and diesel power stations.

Retail: Provides electricity and gas products to more than 1.5 million retail customer accounts through our Red

Energy and Lumo Energy brands, and to large-scale customers through our Snowy Energy brand.

Commercial and Trading: Sets our commercial strategy and manages our participation in the wholesale energy market.



Major Projects

Snowy 2.0: Delivering Australia's largest renewable energy project, the pumped hydro expansion of the Snowy Scheme.

Kurri Kurri Power Station: Now finalising the commissioning of the 660 MW Kurri Kurri Power Station, a critical new on-

demand gas-fueled generator in the New South Wales Hunter Valley.

These teams are supported by our Corporate Support functions, including Finance and Assurance, Legal and Regulatory, Governance, Risk and Compliance, People and Culture, Corporate Affairs, Community and Sustainability, and Technology.

Our business

Operations and Customer Footprint



Over 1,700MW

PPA wind and solar long-term partnerships



2,860MW

generation capacity under construction



3rd largest generator in Australia by capacity



4th largest retailer in the NEM by customer numbers



8 Hydro
4 Diesel
3 Gas



5,310 gigalitres of total active water storage capacity

600km of foreshore around our reservoirs



6,400 Hectares of land leased and licensed in the Kosciuszko National Park (less than 1% of the park's total area)



24,000 Hectares of freehold land

Our strategy

1

Enable the renewable energy transition

Our electricity generating assets and storage support more wind and solar to come online, supporting Australia's decarbonisation

- Operating and maintaining our pumped hydro and conventional hydro power stations
- Developing Snowy 2.0 and Kurri Kurri Power Station
- Partnering with wind and solar projects for renewable energy
- Operating and maintaining gas and diesel power stations
- Storing and supplying gas
- Implementing other strategic programs

2

Deliver reliability and energy security

Our operations are a significant contributor to the National Electricity Market's (NEM's) reliability and Australia's energy security

- Using water for long-duration storage
- Securing partnerships for batteries to provide short-duration electricity storage
- Storing and supplying gas
- Ensuring our power stations are reliable and can provide on-demand electricity

3

Promote market competition

Participating in the retail and wholesale energy markets enables competition to raise customer service standards and help reduce pressure on prices

- Serving mass market retail customers through our Red Energy and Lumo Energy brands
- Serving large-scale commercial and industrial retail customers through our Snowy Energy brand
- Trading in wholesale energy markets
- Delivering industry-leading customer service

4

Deliver responsible environment and community outcomes

Meeting our responsibilities as a minimum and looking for the right opportunities to go further

- Custodianship of water, parts of Kosciuszko National Park and other natural resources
- Meeting important environmental regulations
- Leading how we support customers who are vulnerable, or experiencing financial hardship or family and domestic violence
- Engaging communities and delivering programs to uplift social and economic outcomes
- Contributing to Australia's reconciliation journey

5

Develop and engage our people

Our people are the key to Snowy's success and the future of renewable energy

- Empowering our people to always put safety first
- Developing our people to support our capability and contribute to Australia's future renewable energy workforce
- Making Snowy a great place to work
- Improving diversity outcomes to maximise workforce participation

Our value chain

NEM and customer outcomes



Energy reliability



Energy security



Black start capability



Increased competition



Generation Hydro, pumped hydro and gas/diesel



Wind and solar PPAs



Water management



Gas supply management

Our Purpose

To power Australia's sustainable future

snowyhydro



Operational Impacts



Water irrigation



Environmental releases



Water recreation



Community



Education



Hardship



Smart meters

Our role in Australia's energy transition

Snowy Hydro is at the heart of Australia's journey towards a clean energy future. As the nation increases its wind and solar generation, our critical on-demand power and energy storage play a vital role in keeping the grid reliable, enabling Australia to achieve its renewable energy targets and decarbonisation goals.

Our unique portfolio of on-demand power stations is central to this contribution. By flexibly managing our pumped and conventional hydro, gas and diesel power stations, including the iconic Snowy Scheme, we can respond quickly to market conditions to help keep the grid efficient and reliable as more wind and solar come online.

With 660 MW of crucial on-demand capacity, Kurri Kurri Power Station will significantly boost this capability. As our fourth on-demand gas power station, Kurri Kurri Power Station is set to enter full commercial service in 2025, following commissioning which started in December 2024. The power station first generated electricity for the grid in July 2025.

Beyond the power stations we own and operate, we partner with wind and solar developers to support the growth of clean energy and create economic benefits in regional Australia, while adding other types of renewable energy to our portfolio.

These partnerships currently amount to over 1,700 MW of contracted renewable capacity and allow one of our Retail brands, Snowy Energy, to offer innovative energy products to our customers. We continue to explore the right opportunities to expand our renewable energy partnerships.

To further enhance grid flexibility and stability, we are also considering partnerships in short-duration storage like batteries to complement the long-duration storage our pumped hydro assets provide.

Snowy 2.0

Snowy 2.0 is Australia's largest renewable energy project, and with a 150-year design life will help underpin our clean energy future for generations. A major pumped hydro expansion of the existing Snowy Scheme, Snowy 2.0 will act as a giant battery, storing excess power from increasing amounts of wind and solar energy and delivering it when homes and businesses need it most.

Snowy 2.0's 2,200 MW capacity is enough to power three million homes for a week, which is the equivalent of around 23 million home batteries. This capacity means it will enable 6,600 MW of wind and solar to come online.

Snowy 2.0's incredible 350 GWh of energy storage will provide more than half of the 647 GWh of dispatchable energy storage that the Australian Energy Market Operator (**AEMO**) says the NEM will need to achieve Net Zero by 2050.¹

Snowy 2.0 also significantly benefits the Australian economy, with 80% of its investment flowing into national and local economies, while building a skills legacy for future clean energy projects.

¹ Based on AEMO's 2024 Integrated System Plan <https://aemo.com.au/-/media/files/major-publications/isp/2024/2024-integrated-system-plan-isp.pdf?la=en>.

Our sustainability focus

In FY25, Snowy Hydro reviewed our material sustainability topics to ensure they continued to line up with our strategy, our stakeholders' priorities and global sustainability trends. The process drew on interviews with key internal stakeholders and a review of emerging issues shaping the energy sector. This assessment confirmed nine material topics that guide our sustainability strategy. They are outlined below.

Material Sustainability Topics

Energy transition & climate change

Help Australia act on climate change by providing the electricity storage and on-demand power needed to support more renewable wind and solar energy coming online. We will also support our customers through the transition, while looking for ways to reduce our own emissions.

Customer experience

Build long-term partnerships with our customers and earn their trust by offering a diverse range of energy products, including renewable electricity, backed by exceptional and industry-leading customer service.

Energy affordability

Do everything we can to help reduce pressure on the cost of electricity by responsibly participating and enabling competition in wholesale and retail energy markets, including by offering fair and responsible pricing.

Energy hardship & vulnerability

Be proactive in identifying and supporting customers who are experiencing financial, personal, or health-related challenges and crises that impact their ability to manage energy costs.

Water & environment

Responsibly manage water and other natural resources that are under our care, balancing the needs of energy users with important environmental obligations and the needs of downstream water users.

Health & safety

Put the physical and psychological wellbeing of our people, our customers and communities first, by demonstrating a culture of safety, learning and leadership.

Employee engagement

Foster a workplace that attracts, engages and retains diverse, talented people, equipping them with the skills to thrive in the renewable energy sector and reach their full potential.

Community & social impact

Build trust and long-term relationships by engaging with the communities we are part of in an honest and accountable manner, as we seek opportunities to make positive social and economic contributions.

Responsible business practices

Operate a secure and resilient business that creates shared value for our shareholder, customers, and other stakeholders by managing risk, pursuing opportunities, and demonstrating transparency and good governance.

Energy transition and climate change

Our approach

Snowy Hydro plays an important role in keeping Australia's energy system stable as the shift to renewable electricity generation continues. Our core contribution is the flexible operation of our on-demand power portfolio, including the Snowy Scheme's pumped and conventional hydro stations, as well as our gas and diesel generators. By strategically managing these assets, Snowy can respond quickly to market conditions, maintaining the grid's efficiency and reliability as more wind and solar is integrated.

Managing our supporting assets responsibly in a changing climate is also an important part of our approach. This includes sophisticated water management, monitoring factors such as snowmelt and storage levels, while maintaining dam safety and mitigating bushfire risks.

We report emissions under the National Greenhouse and Energy Reporting Scheme and are expanding to full scope 3 reporting for a more complete view of our value-chain's emissions, while also exploring future climate targets.

Our generation profile in FY25



Our progress

In FY25, we took practical steps to reduce our operational carbon footprint, starting with the transition to hybrid vehicles in our passenger fleet.

Red Energy and Lumo Energy retained Climate Active certification for the third consecutive year, championed by our employee-led Net Zero Heroes group.

Helping customers on their renewable journey

Our Retail brands help customers work towards their decarbonisation goals. We offer accredited renewable energy options that allow households and businesses to match their energy use with renewable generation at a pace that suits them.

In FY25, customer uptake of GreenPower rose 15% compared to FY24. Our 100% renewable TrueGreen product for large commercial and industrial customers also gained momentum, with new agreements including Bunnings and NRMA, as well as our long-standing partnership with Taronga Conservation Society of Australia.

Looking ahead

We are deepening our understanding of climate-related risks and opportunities by analysing a range of climate scenarios and how they could affect our assets, operations and long-term strategy.

Sustainability champion

"Sustainability is at the heart of so much of my work, from easing the way for customers as the grid transitions, to finding more sustainable ways of operating and bringing our people on the journey. It means so much to me to be able to do this as I also focus on reducing my own personal carbon emissions."

-Lorraine Woodbridge, Emerging Markets Specialist and NetZero Hero



Generating change across the grid

Delivering nationally significant energy infrastructure is not done in isolation. New power stations must be connected to the grid in a way that optimises their benefits for energy users and Australia's renewable transition, so we get the most out of the investments.

The approval of the HumeLink transmission project in December 2024 was a major milestone in realising the value of Snowy 2.0 to the NEM. HumeLink will connect Snowy 2.0 to the New South Wales grid at a new substation near Wagga Wagga. The completion of HumeLink by developer Transgrid in line with Snowy 2.0's commissioning is necessary to unlock the pumped hydro mega-project's benefits to the electricity network and the economy.

A crucial next step for ensuring Snowy 2.0's benefits are maximised is the Sydney Ring South project. While HumeLink will bring the line up to Bannaby in the NSW Southern Tablelands. Connecting Snowy 2.0 to Sydney depends on the development of Sydney Ring South, which is currently progressing through the Regulatory Investment Test for Transmission. According to AEMO's 2024 Integrated System Plan, Sydney Ring South is now classified as a "newly actionable project" with an expected completion date of September 2028.

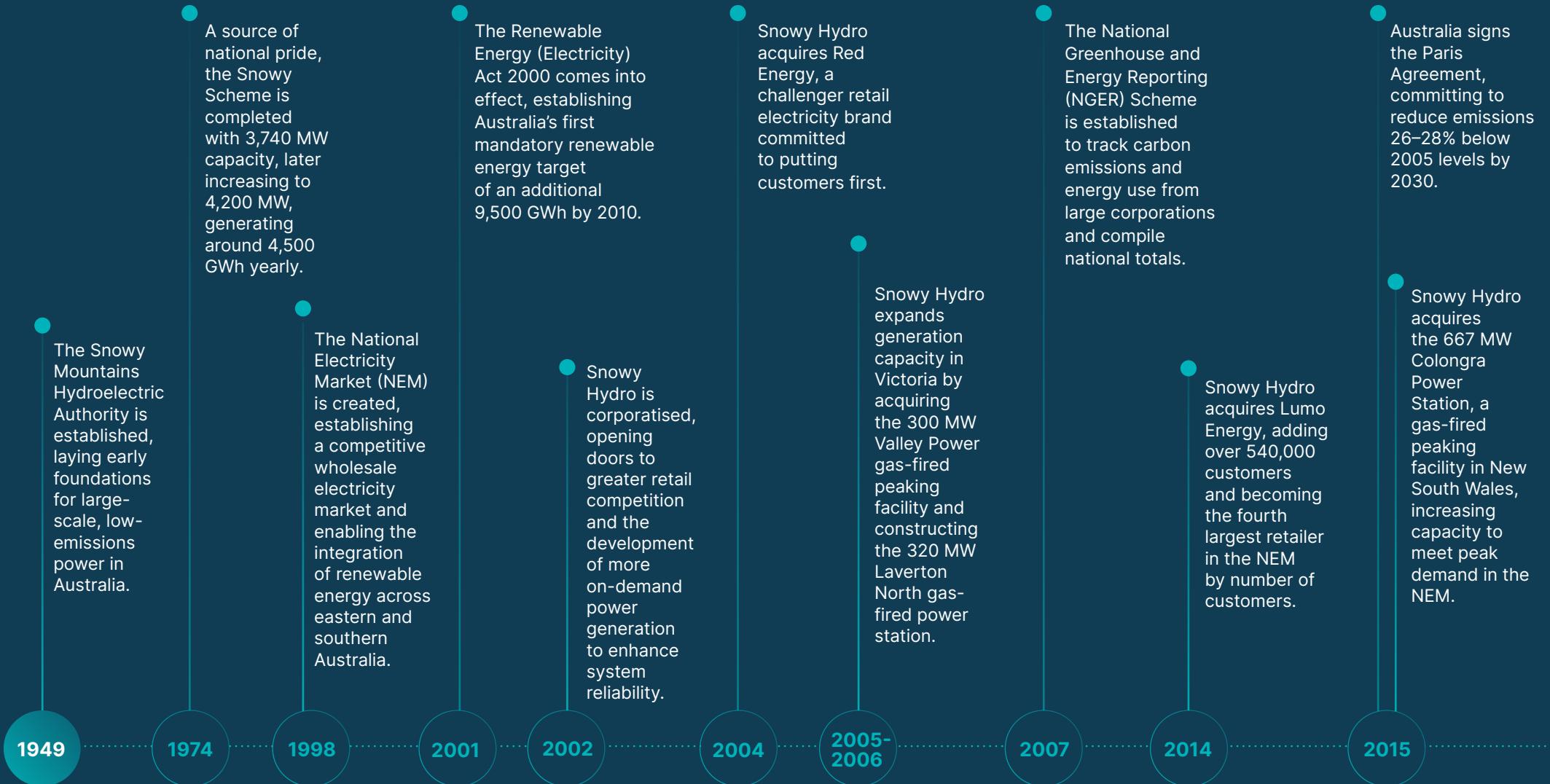
A third transmission project, VNI West is the other vital transmission link for Snowy 2.0, which will enable the project's significant energy capacity to support Victoria's grid reliability. While work on VNI West is progressing, its timeline was revised to 2030 to accommodate updated planning and more extensive community engagement.

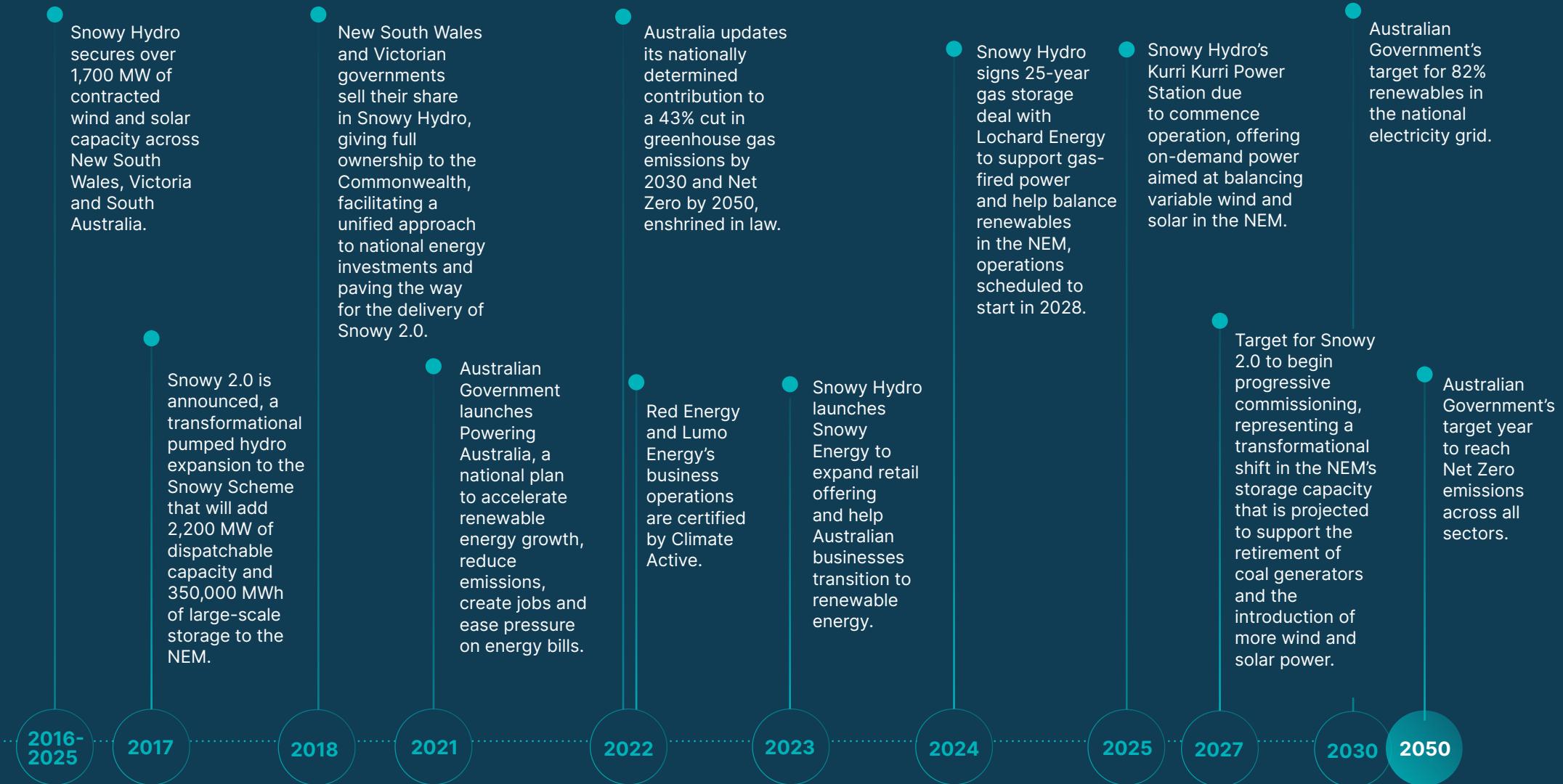
Snowy 2.0's, 2,200 MW capacity is enough to power three million homes for a week and is expected to enable 6,600 MW of wind and solar to come online by storing the excess energy generated during the day and delivering it when it's needed. Kurri Kurri Power Station's 660 MW is also a significant addition to available capacity in the NEM, which makes a substantial contribution to supply reliability and the introduction of more wind and solar.

Together, these projects and the transmission that connects them are reshaping Australia's energy landscape, building a more reliable grid to support Australia's decarbonisation by enabling more renewable generation.



Pioneering power: Building an energy legacy





Water and environment

Our approach

For decades, Snowy Hydro's assets have produced renewable energy in Kosciuszko National Park, one of Australia's most unique and sensitive natural environments. Today, our Generation operations span three states. Caring for the environments we operate in is fundamental to our strategy and influences the decisions we make every day.

The Snowy Water Licence establishes clear obligations for managing our water storage and releases. Meeting these obligations requires a coordinated approach, bringing together real-time monitoring, sophisticated hydrological modelling and close collaboration with government agencies and regulators. The Snowy Water Licence strikes a balance between generating reliable energy, maintaining river health and meeting the needs of downstream water users.

Our asset management is based on an ISO 14001-certified system that provides a structured and consistent approach to identifying risks, ensuring regulatory compliance and managing our environmental impact. Led by a specialised team, this system supports the delivery of site-specific plans, ongoing monitoring, staff training and regular audits to inform improvement.

The same principles of care apply to our gas and diesel assets in New South Wales, Victoria and South Australia. At each site, we implement local controls designed to manage emissions, protect biodiversity and mitigate pollution.

Our progress

This year, our environmental initiatives focused on restoring habitat, improving biodiversity and enhancing waterway health.

In the Snowy Mountains region, we planted thousands of native trees and shrubs and installed artificial nesting hollows for local wildlife. We also supported upgrades to a koala pre-release enclosure to help strengthen the resilience of this treasured species.



2,400

trees and shrubs planted in FY25

Our work in river and catchment management included sediment management at our water diversion structures and collaborative rehabilitation projects along the Murray and Tumut rivers. Within Kosciuszko National Park, we continued to reduce our environmental and visual footprint by removing old powerlines and progressively rehabilitating sites.

Mimicking natural river flows

In partnership with the New South Wales Department of Climate Change, Energy, the Environment and Water, we are trialling innovative rainfall-linked releases from Jindabyne and Tantangara dams. By timing these releases to follow upstream rainfall, we can help recreate natural river flow patterns, creating better conditions for native fish, insects and plants to thrive.



265 GL

of environmental flows released in Water Year 2025

Sustainability champion

"As custodians of the water in the Snowy Scheme, we support renewable energy, agriculture, and ecosystems across the region. Sustainability means balancing these vital roles with care for the environment and local communities, now and into the future."

- James Pirozzi, Manager, Weather and Water



Protecting native fish in our waterways

Protecting native fish species is a crucial aspect of environmental stewardship. Our Snowy 2.0 Threatened Fish Management Plan commits \$5 million to conservation initiatives to support the endangered Macquarie Perch and Stocky Galaxias. These measures are implemented by partners such as the New South Wales Fisheries² with input and guidance from an expert advisory committee.

This year, activities included population monitoring, habitat surveys, the construction of eight new broodstock ponds at the Narrandera Fisheries Centre to expand the captive breeding capacity of Macquarie Perch and the release of 300 Macquarie Perch into the Murrumbidgee River. At the same time, captive breeding of Stocky Galaxias continued at Charles Sturt University, with larvae from this program used in climate impact studies to guide future releases.

Our Biosecurity Risk Management Plan aims to prevent and minimise aquatic impacts from Snowy 2.0 construction. Milestones this year include the completion of the Tantangara Creek Barrier, which will help prevent invasive fish from entering critical habitat and continued surveillance for pest fish and diseases.

Sustainability champion

"I feel privileged to live and work in the beautiful Snowy Mountains and deeply appreciate its unique environment. For me, sustainability at Snowy Hydro means protecting the environment and community today so future generations can enjoy them too."



- Jannaya Ashelford, Senior Environmental Advisor

² New South Wales Fisheries is an abbreviated term to describe the New South Wales government department, the Department of Primary Industries and Regional Development, Fisheries and Forestry, Freshwater Fisheries and Threatened Species.



Community and social impact

Our approach

Snowy Hydro is committed to fostering positive social and economic outcomes in the communities we are a part of. We prioritise open engagement and build strong partnerships to support initiatives that are purposeful and relevant to local areas.

By collaborating closely with community groups and First Nations peoples, we seek to understand local priorities and cultural values, while creating meaningful opportunities and tangible benefits. Through ongoing engagement, targeted programs and strategic investments, we aim to generate lasting positive impact that empower communities and support their long-term growth.

Our progress

In FY25, we celebrated 75 years of the Snowy Scheme with Snowy Mountains communities by rolling out a special grants program and holding events, including a lunch for workers who helped build the scheme and their families. We also held an open day at our flagship Tumut 3 pumped hydro power station to connect communities to Snowy and build understanding of the renewable energy transition.



44

community engagement sessions in FY25



111,374

visitors to Discovery Centre in FY25

Through our partnerships with the Clontarf and Stars Foundations, we continued to support First Nations education and wellbeing, while a new yarning circle at the Discovery Centre created space for cultural connection.

Our Retail brands, Red Energy and Lumo Energy, also supported social and conservation programs, including domestic violence services, wildlife protection and e-waste recycling that helps provide meals through SecondBite.

SNOWY HYDRO'S COMMUNITY COMMITMENT PILLARS



Education and development

We are dedicated to fostering education opportunities and career pathways for local young people with a focus on STEM (science, technology, engineering and mathematics)



Health and wellbeing

We support the health and wellbeing of our community by nurturing initiatives focused on physical and psychological wellbeing



Regional capacity building

We encourage active community engagement and participation by supporting initiatives that aim to foster long-term growth and build local capacity



Environment

We are responsible for caring and protecting the environment and creating a sustainable future

Community grants

Our grants provide funding to community groups across the Snowy Mountains to help build capacity and provide resources for them to deliver their own grassroots programs. In FY25, we distributed over \$200,000 to support a wide range of local initiatives, in addition to \$83,000 as part of the special 75th Anniversary grants scheme.

"A funding contribution of this amount is crucial in the sustainability of our work. Big Brothers Big Sisters does not receive regular government funding, so to receive not just financial support, but also the backing and validation of our work by an organisation like Snowy Hydro gives us confidence in a sustainable future."

-Emma Peacock, Mentoring Coordinator, Big Brothers Big Sisters



\$487,500

community grant funding
in FY25

88



supported community
groups in FY25



Partnering for wildlife and community

Our Retail brand Red Energy is proud to partner with Taronga Conservation Society of Australia supporting wildlife conservation and helping connect people with nature.

The partnership helps fund education programs, habitat protection and care for endangered species. This year, customers contributed \$162,990 through our Red Wildlife Saver Plan, directly supporting this important work. Red Energy customers also enjoy exclusive zoo offers, encouraging families to learn, explore and get involved in protecting the natural world.

Empowering the next generation of energy leaders

Through our Snowy STEM Academy, we deliver science, technology, engineering and mathematics (**STEM**) learning programs to school students of all ages nationwide. This year our outreach programs, school visits and immersive sessions at our Discovery Centre reached thousands of pupils.

These initiatives are powered by the passion of Snowy Hydro's people, who proudly share their knowledge to boost our young people's energy know-how and inspire them with the possibilities created by a career in a STEM field.

The Snowy STEM Academy is the first step in our approach to future proofing the renewable energy sector's talent pipeline. By getting the next generation interested in STEM, we aim to increase interest in Snowy's traineeship, apprenticeship and work placement programs. Snowy's focus on development boosts renewable energy skills, which ultimately benefits the entire sector and Australia's energy transition.

For STEM learning resources, visit <https://www.snowyhydro.com.au/education/snowystemacademy/>

Powering up the future

This year, Snowy Hydro's annual science competition went national for the first time, inviting students across Australia to share their ideas for a renewable energy future. Winners were chosen by a panel and public voting, with projects showcased on the Snowy Hydro website and at the Discovery Centre.

Local School STEM Fund

Snowy Hydro's Local School STEM Fund helps integrate STEM into school programs, providing funding to schools in regional communities with more limited access to resources. Since 2023, the fund has provided over \$631,000 to support STEM initiatives, benefiting more than 13,400 students across 80 schools.

Snowy STEM Academy by numbers



8,085*

Snowy Academy participants



38,259*

visits to STEM Academy education pages



177*

schools engaged



159*

education programs

*data from FY25

Sustainability champion

"Sustainability is how we prepare for the future. Our future sits with those who come after us. It is about inspiring young people to see themselves as part of Australia's sustainable energy future. Whether that is through working in the industry or thinking about how they use energy."

-Andrew Burke, Education Manager



Employee engagement

Our approach

Snowy Hydro is committed to creating a workplace that attracts, engages and retains talented energy sector leaders. We want our people to feel valued, supported and connected, so they thrive and reach their full potential.

As part of our commitment to building Australia's renewable energy skills, Snowy prioritises training and development. Our leaders work closely with their teams through structured development plans, regular performance discussions and access to a comprehensive learning portal. This is backed by flexible work options to promote inclusion and participation, competitive pay and a range of employee benefits, all supported by collective bargaining and fair workplace practices.



57,686
employee training hours in FY25

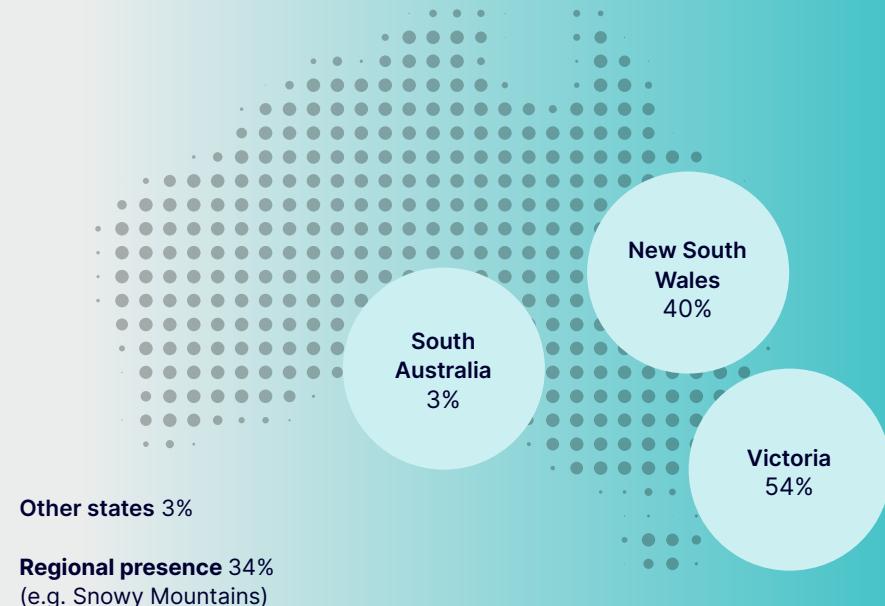
Keeping our teams informed and engaged is equally important. CEO updates, monthly town halls and campfire sessions provide opportunities for questions and dialogue. Our events celebrate and connect our people to important dates, including International Women's Day. We also come together to mark Reconciliation Week and NAIDOC Week, deepening our shared appreciation of First Nations cultures.

Workforce overview

2,257
employees
Permanent employees 89%
Temporary employees 11%

91%
full-time employees

9%
part-time employees



Our progress

In FY25, we delivered three initiatives to strengthen our people engagement.

1. A new HR system that streamlines performance management, learning and employee information. It provides managers and their teams with better tools to connect, track development and manage roles efficiently.
2. Our refreshed performance framework now provides clearer expectations and greater consistency. It connects our people's contributions directly with Snowy's strategy, linking pay to organisation, team and individual results through a mix of fixed and variable rewards, regular reviews and market-benchmarked pay.
3. We introduced an enhanced parental leave offer, which now provides 30 weeks of paid leave for primary carers and 10 weeks for non-primary carers, along with new adoption and fertility-related leave. Superannuation is paid on the unpaid portion of leave and our team now has access to additional wellbeing programs during their leave. Launched on 1 July 2024, these benefits strengthen our long-standing high return-to-work rate, which exceeds 90% and reaches 100% in engineering and trade roles.

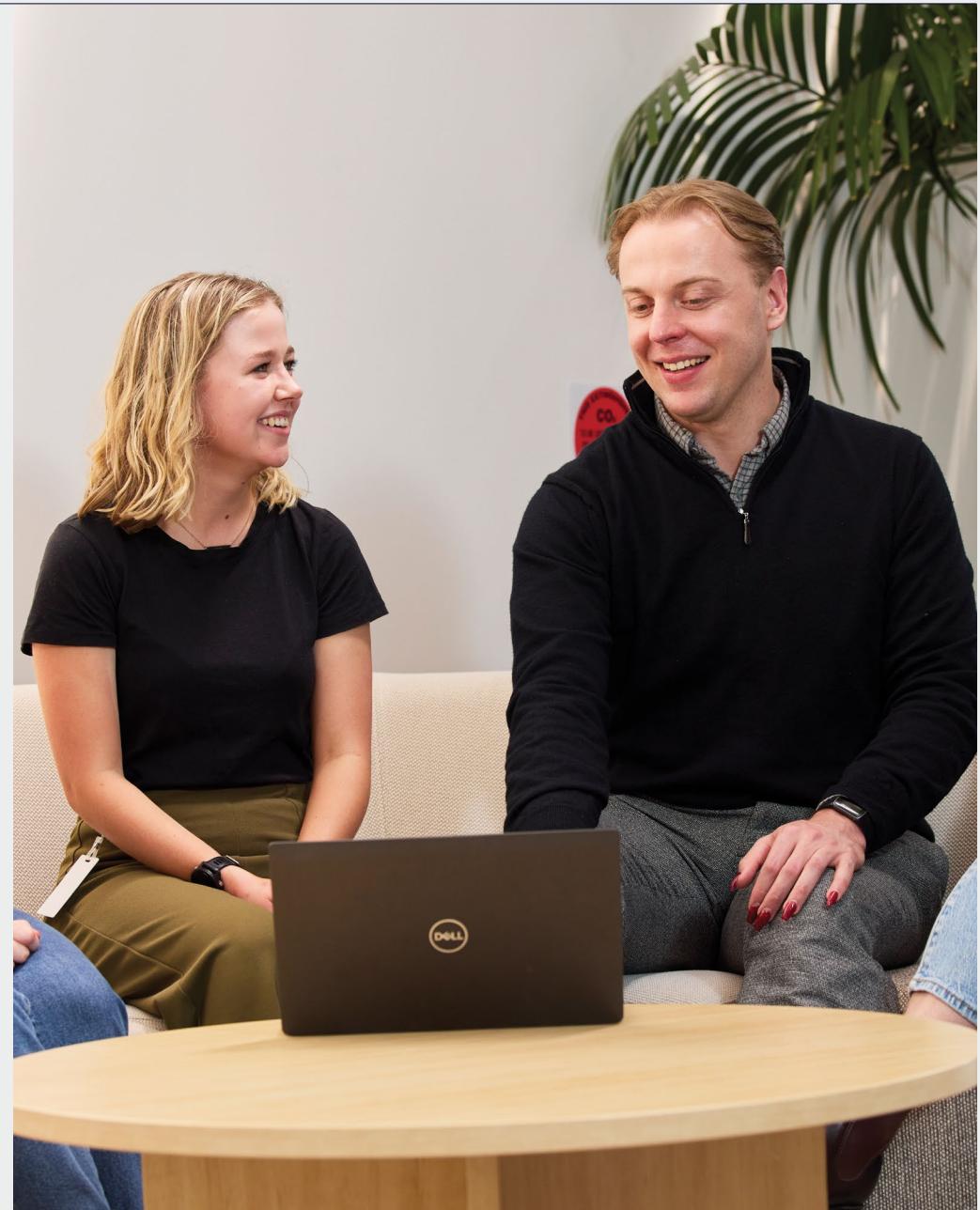
“Snowy’s parental leave gave me the chance to be genuinely present for my family. Being able to take time as a new father to support my wife and care for my daughter has been a privilege and made what could have been a stressful period an incredibly rewarding one.”

-Joe Gillespie, Strategic Analyst



“Snowy’s generous parental leave meant I could spend those precious first years with my daughter and son. Having that time to share milestones, travel together and ease into our new normal was a gift I will always be grateful for.”

-Jenna Sazdanoff, Production Technician - Planner



Diversity and inclusion

Our approach

At Snowy Hydro, our commitment to diversity and inclusion (**D&I**) has been a defining part of our identity for over seven decades.

Snowy fosters an inclusive and diverse workplace that represents and drives connection to the people we work with and the communities we work in or serve. We are dedicated to embracing everything that makes each of us unique, including age, cultural background, location, family circumstances, disability, ethnicity, gender identity, sexual orientation, marital or family status, culture and socio-economic background.

We want to continue to take a proactive approach to achieve our full potential for the business and our people. This is supported by our focus on building leadership capability to embed D&I into everything we do including promoting diverse pathways, fostering flexible work environments and investing in emerging talent.

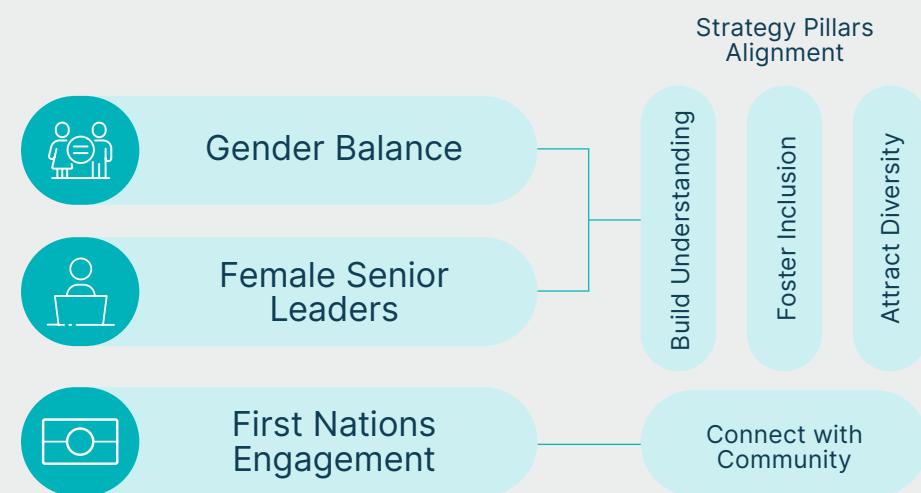
To achieve this sustainably, we need to balance a general approach to D&I with targeted focus areas where we have larger gaps. Whilst we are largely culturally representative of the Australian community, this remains a strong cultural pillar, we continue to be focused on increasing gender and indigenous representation through to 2027.

Our strategy

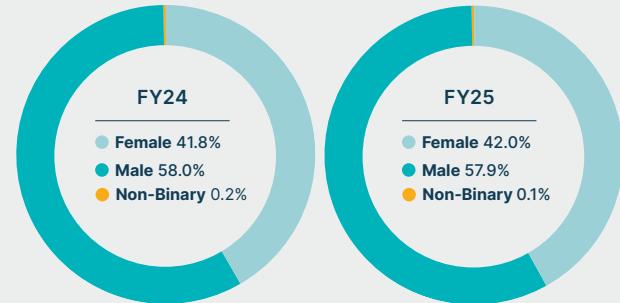
- Strengthen leadership capability to embed inclusive practices.
- Create flexible work options that support different life stages.
- Build and retain diverse talent pipelines for all levels of our workforce.
- Partner with industry to make the energy sector a more welcoming place for everyone.

Our progress

In FY25, our Board endorsed our 2025–2027 D&I Strategy, which focuses on creating diverse career pathways, fostering flexibility and developing our future talent pipeline to meet our gender and leadership targets.

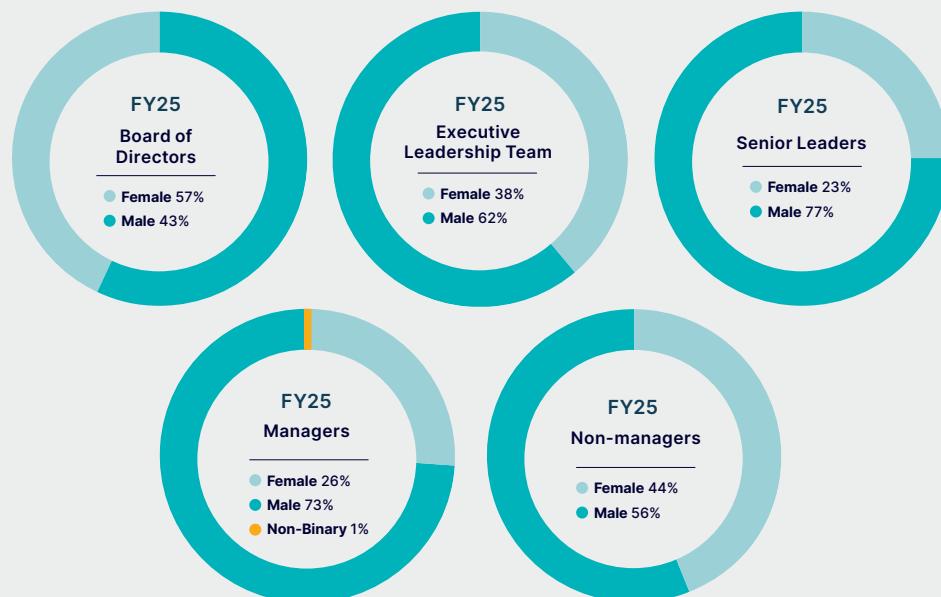


Gender diversity overview



Across Snowy, female representation has grown slightly, while non-binary staff numbers remain steady.

Diversity by employment level



Cultural diversity

Snowy's cultural diversity is representative of Australia's cultural diversity.

ABS data

Australia **69.3%**



UK **3.6%**



India **3.2%**



NZ **2.5%**



Philippines **1.4%**



Vietnam **1.1%**



South Africa **0.8%**



Malaysia **0.7%**



Nepal **0.7%**



Italy **0.6%**



Sri Lanka **N/A**



Grouped others **16.1%**



Snowy Hydro

Australia **65.8%**



UK **3.8%**



India **9.2%**



NZ **4.5%**



Philippines **1.0%**



Vietnam **0.6%**



South Africa **1.8%**



Malaysia **0.4%**



Nepal **0.1%**



Italy **0.2%**



Sri Lanka **1.2%**

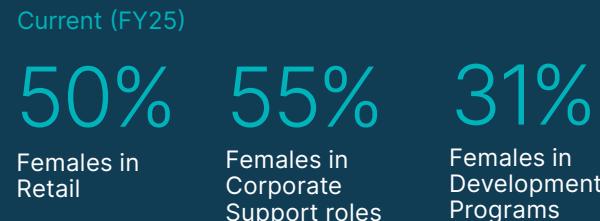


Grouped others **11.4%**



Tracking our gender goals

Targets and progress



This year's leadership momentum

Executive Leadership:

Female leadership decreased marginally to 38%, driven by a 30% growth in our overall executive team size including, the addition of a female Transformation Officer.

Senior Leaders:

Female leadership grew by 40%, with males up 14%; female share now 23%, up from 19%.

Middle Managers:

Female leadership increased by 48%, with males up 12%; female share now 26%, up from 21%.



First female Chief Operations Officer appointed, effective July 2025

Our strategy



Strengthen leadership capability to embed inclusive practices



Create flexible work options that support different life stages



Build and retain diverse talent pipelines for all levels of our workforce



Partner with industry to make the energy sector a more welcoming place for everyone



This year's pipeline development



of new hires were women, up from 43% in FY24



female participation in our Graduate Program, up from 33% in FY24



female representation in our University Scholarship Program, consistent with FY24 levels



local women enrolled in our 4-year regional apprenticeship program

Our people see diversity as central to life at Snowy

86%

say Snowy values diversity*

81%

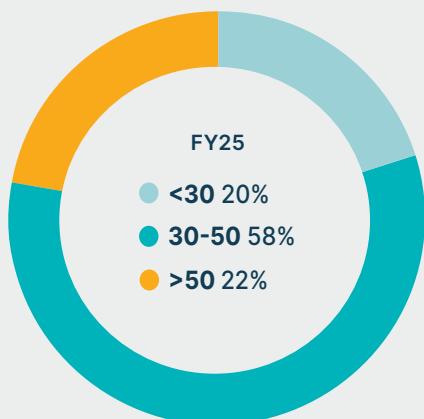
believe our workplace values different perspectives*

83%

feel everyone is treated equally, regardless of differences*

*Based on responses from Snowy Hydro's 2024 employee engagement survey

Age profile



Snowy Hydro's workforce is concentrated in the 30-50 age range, reflecting a balance of experience and early-career talent.

Workplace Gender Equality Agency

Our latest Workplace Gender Equality Agency (WGEA) submission, based on 2023* data, shows an overall median gender pay gap of 38.4%, largely reflecting the higher proportion of men in senior leadership, trade and technical roles, which often include overtime and allowances. This challenge is common across the energy sector. We are committed to closing this gap through actions such as gender-balanced shortlists, embedding diversity and inclusion into organisational changes, and maintaining zero tolerance for discrimination.

*WGEA 2023 reporting covers data in calendar year 2022. Our FY25 gap for comparable roles is just 0.5%, demonstrating strong pay equity in like-for-like positions.

Securing tomorrow's talent

We are strengthening both the external and internal pipeline to build future diversity in energy and engineering.

Through ATSE Elevate scholarships, regional women and non-binary students gain financial support, mentoring and access to a national STEM network, helping grow the next generation of energy talent.

At an industry level, our CEO champions systemic change through the Champions of Change - Energy Group, making the sector more diverse and welcoming.

Inside Snowy Hydro, our women in STEM community supports women in technical roles, fostering an inclusive workplace and providing tailored career development.

Health and safety

Our approach

The health and safety of our team and the communities we are a part of are our most important priority. This includes physical as well as psychological health and wellbeing. Our operations span diverse settings, ranging from higher-risk environments like power stations and mega-project construction sites to office-based workplaces. We tailor our approach to these different risk profiles while empowering our people to always put safety first.

In our Generation division, safety is managed through our Health, Safety, Environment and Quality Management System, certified to ISO 45001:2018 and ISO 9001:2015. Programs like ALPS (All Learn by Promoting Safety) encourage employees to report hazards early and share lessons learned. When incidents occur, we focus on understanding their root causes and implementing improvements to prevent recurrence. Regular forums provide a practical way to raise health, safety, environment and quality matters to help maintain a safe workplace.

For our Retail team, safety focuses on ergonomic assessments, safe work practices and routine emergency preparedness, protecting employees from the risks typical of office-based roles.

A number of health and wellbeing initiatives are available to the whole organisation, including flu vaccinations, skin checks, monthly health tips and psychological health support.

We also continue our safety focus at our major projects to ensure that it remains our number one priority for employees and contractors.

Our progress

In FY25, our Generation division focused on enhancing safety for our team members by simplifying processes, promoting early hazard reporting and streamlining major accident prevention checks. This focus was reflected in a 17% increase in ALPS participation.

Two incidents were notified to Comcare by Snowy (not including our major projects) in FY25, with both incidents being resolved.

Across our major projects, a total of 36 notifiable incidents were reported to Comcare in FY25, which all involved major project contractors. Appropriate actions were taken to address the risks and root causes of each incident, and information was provided to Comcare when requested.

Throughout FY25, no formal investigations were conducted and no notices were issued to Snowy (including with respect to our major projects) by Comcare under Part 10 of the Work Health and Safety Act 2011.

Further safety information is available in the non-financial operational performance measures section of the Directors' Report and in the Remuneration Report.

Sustainability champion

"I believe every interaction is a chance to invest in relationships. Our Clean, Green and Safe committees play a role in bringing people together across teams for change consultation and improving our workplace. It is part of my everyday commitment to social sustainability, even from my position in IT."

-Cooper Stevenson, Service Desk Technician and CGS Committee Member



Customer experience

Our approach

Customer experience is central to our strategic pillar to promote competition in the energy sector. We focus on delivering reliable energy and a variety of plans, including renewable options for customers aiming to reduce emissions, while helping to raise service standards across the industry.

The transition to renewable energy brings both challenges and opportunities for our customers. We work alongside them to navigate these changes and understand what they mean for their energy use and future planning.

Our Retail brands are regularly recognised for providing high-quality, customer-focused service. Support is responsive to each customer's energy needs and circumstances, in line with regulatory obligations and our values.

We actively listen through net promoter scores and global benchmarking tools like RepTrak, using these insights to inform improvements in our products, services and customer experience to help build customer trust.

Our progress

In FY25, our focus on delivering quality service was acknowledged through several awards.

Red Energy received the Canstar Blue Most Satisfied Customers Award for Electricity Providers in New South Wales, marking 11 consecutive years of achieving 5-star ratings across various categories. Red Energy also became the first and only retailer to win a Canstar Blue Most Satisfied Customers Award for an unprecedented 15 years in a row.

In the 2024 Roy Morgan Satisfaction Awards, Red Energy was named Electricity Provider of the Year for the third consecutive year and Gas Provider of the Year.

Snowy Energy also maintained a perfect 100% satisfaction rating among its large-scale commercial and industrial customers in the independent Utility Market Intelligence survey for the eighth consecutive year.

Switched on customer communities

We launched two online communities, the Red Collective and the Lumo Collective, to connect customers across Australia and invite their input on our products, services and customer experience. Together, these groups have grown to over 8,000 active members.

A decade of partnership with Breast Cancer Network Australia

Red Energy is proud to mark 10 years of partnership with Breast Cancer Network Australia (**BCNA**), supporting its vital work through fundraising, sponsorships and community engagement. Through the BCNA Saver Plan, which raises funds while providing value to customers, Red Energy has contributed over \$2.3 million to help Australians affected by breast cancer.

Support spans major sponsorships like the Pink Lady Match, Field of Women and Pink Sports Day, as well as staff initiatives such as Pink Fun Bun days, Breast Cancer Awareness Month activities and the Carman's Fun Run.

By backing BCNA, we help improve access to information, treatment and support for more than 21,000 Australians diagnosed each year, along with those living with metastatic disease.

To learn more, please visit redenergy.com.au.

Backing Aussie talent

Our Retail brands support women's sport through partnerships with the Melbourne Mavericks and the NSW Swifts Super Netball teams, as well as the Newcastle Knights NRLW, celebrating the dedication, resilience and achievements of female Australian athletes.

Through our Red Energy brand, we are also proud to support Paralympian Lauren Parker. Her remarkable journey from a life-changing accident to Paralympic golds and world championship titles continue to inspire us all.



Energy hardship and vulnerability

Our approach

We recognise that unexpected changes can make it hard for some customers to manage their energy bills. When this happens, our focus is on providing practical, respectful help.

Our Retail brands proactively identify customers who may be struggling and encourage early engagement to prevent debt from escalating. Supported by our hardship policy, customers can access personalised help through our locally based customer care team. Assistance includes tailored payment plans aligned with income cycles, guidance on concessions and rebates, energy efficiency advice and referrals to financial counsellors.

We also provide confidential support for customers impacted by family violence, recognising the unique challenges they face and helping them manage their energy costs safely.

Our progress

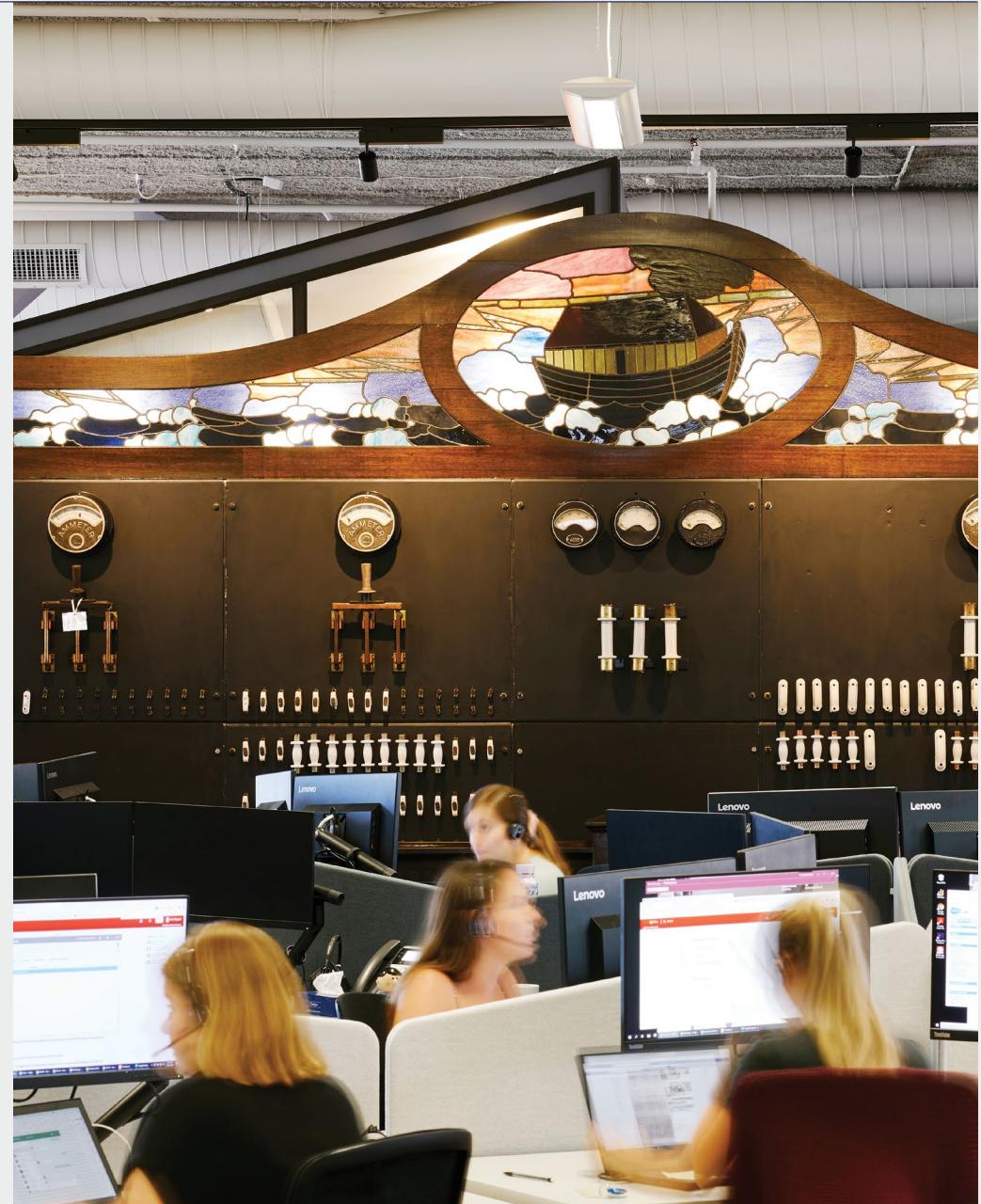
This year, our Australian-based customer care team handled 67,711 calls that delivered vital assistance to vulnerable customers as part of our commitment to providing fair and accessible support to those facing hardship.

Our EvenPay® option helps customers manage their bills with confidence by spreading payments weekly, fortnightly or monthly. With no payment fees and regular usage reviews, it reduces the risk of bill shock. In FY25, 47,117 customers used EvenPay®.

Sustainability champion

"For me, sustainability is about building strong foundations with our customers - sharing knowledge, tips and insights that help shape the solid frameworks they can rely on. It is about making sure they know we are here to support them through the tough times, easing some of the burden so they can focus on moving forward with building financial stability."

-Patricia Georgopoulos, Customer Care Team Manager



Energy affordability

Our approach

Electricity is an essential service and we recognise the importance of keeping it accessible and cost-effective for households and businesses.

While wholesale and retail costs are only one component of an electricity bill, we recognise the role we play in easing pressure on market prices. This involves operating our power stations to support NEM reliability and limit price volatility, while managing the finite water resources that fuel our hydroelectric generation. Large-scale energy storage projects, such as Snowy 2.0, increase available storage, providing greater flexibility to help balance supply and demand across the NEM.

Our progress

In FY25, our Retail brands received strong recognition for customer trust, service and billing clarity.

In the 2025 Mozo People's Choice Awards, which surveyed over 4,000 Australians, Lumo Energy received awards across all five categories, while Red Energy was recognised in four. Both brands were awarded for Outstanding Customer Satisfaction, Excellent Customer Service, High Trust and Most Recommended, with Lumo Energy also receiving the award for Clearest Billing.

Red Energy was named the Most Trusted Gas Brand in New South Wales and Victoria in Finder's 2024 Customer Satisfaction Awards. Lumo Energy received Top Value Electricity Provider in South Australia and Top Value Gas Brand in Victoria, with both brands also recognised for strong customer service and trust.

Bring Your Bills Day

Our Retail brands, Red Energy and Lumo Energy, take part in community "Bring Your Bills Day" events. These events give customers the opportunity to sit down with our team to review their energy bills, discuss payment options and explore ways to save.

Responsible business practices

Looking ahead

We have started preparing for the new mandatory climate-related reporting, which will be part of our FY26 annual report.

Our approach

We take a considered and transparent approach to how we operate, guided by our values and Statement of Expectations. Governance measures support day-to-day decision-making across areas such as procurement, privacy, whistleblowing and risk management.

Our Supplier Code of Conduct sets expectations around labour practices, safety, environmental responsibility and compliance. These are supported by due diligence, risk screening and ongoing supplier performance monitoring. Modern slavery risks are addressed through targeted supply chain oversight and detailed in our Modern Slavery Statement.

We engage with First Nations businesses and communities, supported by our First Nations Engagement Advisor, who helps build respectful relationships and ensure cultural heritage is recognised and protected across our sites.

Ongoing training on topics such as risk management, anti-bribery and corruption, and conflicts of interest supports consistent understanding and application across the organisation.

Further detail is provided in the Corporate Governance Statement in this report and the 2025 Voluntary Tax Transparency Report, available on our website at www.snowyhydro.com.au/about/reports/.

Our progress

We started reviewing internal policies and frameworks to seek to ensure they remain fit for purpose, including updating our Whistleblower and Public Interest Disclosure Policy. In parallel, we advanced a business transformation project to modernise processes, strengthen accountability, and enhance the way we manage risk insights.

We began developing our first Reflect Reconciliation Action Plan, working with employees and partners to shape its direction. Cultural awareness training and a new engagement handbook were launched that supported respectful interactions across our business. Through our partnership with Supply Nation, we also grew our network of Indigenous-owned suppliers, forming new partnerships with organisations such as Yarn'n and Outback Talent.

Sustainability champion

“When I think of sustainability, I reflect on how my First Nations people cared for the land sustainably for millennia. Our success made the land appear untouched to newcomers. Today, there is a growing effort to understand and replicate those traditional practices. That is why I am proud to work at Snowy Hydro, fostering engagement, partnership, and support for First Nations people and communities.”

-Bunja Smith, First Nations Engagement Advisor



FY25 Highlights

Finance

Revenue

\$4.72b

Revenue growth

14%

Net profit after tax

\$822.6m

Dividends to shareholder

\$333.5m

Employees

Total employees

2,257

Training hours

57,686

Total nationalities

63

Community

Discovery
Centre Visitors

111,374

STEM Academy
participants

8,085

Community
engagement sessions

44

Water and environment

Environmental
releases

265 GL

Trees and
shrubs planted

2,400

Directors' Report

In accordance with the Corporations Act, the Directors of Snowy Hydro Limited present their report on the consolidated entity consisting of Snowy Hydro Limited and its controlled entities, for the year ended 30 June 2025.

In this section

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Business results overview	37
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Business overview

Principal activities

Snowy Hydro is a producer, trader and retailer of energy in the NEM, and a leading provider of risk management and financial hedge contracts. In addition, Snowy is a water manager, operating under a stringent water licence. We capture, store, divert and release water for the use of irrigators, town water supplies and the environment.

We have more than 5,500 MW of generating capacity across New South Wales, Victoria and South Australia, as well as gas and diesel power stations.

We have contracted over 1,700 MW of new renewable energy through long-term offtake contracts in place for wind and solar projects across Australia. In 2017, we established our first offtake agreement for solar generation at Tumbarumba in New South Wales, which commenced in April 2019. Since then, we have entered into contracts with 14 wind and solar projects across the NEM.

In 2019, we began construction of the Snowy 2.0 pumped hydro expansion of the Snowy Scheme. Snowy 2.0 will link two existing dams, Tantangara and Talbingo, through 27 km of tunnels and a new underground power station. It is a nation-building mega project that will significantly contribute to underpinning Australia's transition to renewable energy.

In 2022, we commenced construction of Kurri Kurri Power Station, a 660 MW gas-fired power station in the NSW Hunter Valley. Commissioning began in December 2024, with the station first delivering electricity to the grid in July 2025. Kurri Kurri Power Station is due to enter full commercial service in late 2025.

Snowy is the fourth largest retailer in the NEM through two retail energy companies, Red Energy and Lumo Energy. We bring competition to the NEM, providing customers with greater choice and ultimately placing positive pressure on service standards. Our Retail businesses have over 1.5 million customer accounts, including households, small to medium-sized enterprises, and commercial and industrial (**C&I**) customers across Victoria, New South Wales, the Australian Capital Territory, South Australia and Queensland. We also operate the utilities connection business, Direct Connect.



Business results overview

FY25 Results overview

The operational and financial review includes a number of non-International Financial Reporting Standards (**IFRS**) financial measures. Snowy Hydro management uses these non-IFRS financial measures to assess the performance of the business and make decisions on the allocation of resources. Among these non-IFRS financial measures is underlying profit after tax. This measure is statutory profit after tax adjusted for:

- Significant items (which are material items of revenue or expense that are unrelated to the underlying performance of the business); and
- Changes in the fair value of financial instruments recognised in the consolidated statement of profit or loss (to remove the volatility caused by mismatches in valuing financial instruments and the underlying asset differently).

Snowy Hydro believes that underlying profit after tax provides a better understanding of its financial performance than statutory profit after tax and allows for a more relevant comparison of financial performance between financial periods. These non-IFRS measures have not been subject to audit or review.

The consolidated statutory profit after tax attributable to the owners of Snowy Hydro in FY25 was \$822.6 million (FY24: \$418.5 million). The underlying profit after tax in FY25 was \$399.7 million (FY24: \$522.8 million). The following table reconciles statutory profit after tax to underlying profit after tax, and then to underlying EBITDA.

Reconciliation of statutory profit after tax to underlying profit after tax and underlying EBITDA

\$million	2025	2024
Statutory Profit after tax	822.6	418.5
Adjust for the following after tax items:		
Changes in fair value of financial instruments	(423.5)	102.3
Other	0.6	2.0
Underlying Profit after tax	399.7	522.8
Depreciation and amortisation expense	151.4	154.0
Net finance income	(5.9)	(3.0)
Income tax expense	169.0	225.5
Underlying EBITDA	714.2	899.3

Snowy Hydro's Underlying EBITDA in FY25 was \$714.2 million, a decrease of 21% from \$899.3 million in FY24.

Review of operations and future developments

A review of our operations and results of Snowy Hydro for FY25 is presented in this section of the report. Information about likely developments in our operations and the expected results of those operations in the future has been included in this report, except to the extent that disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

Our generation performance was lower in FY25 after the previous year benefited from one-off market events which were broadly absent this year. FY25 was also characterised by a number of transmission constraints in New South Wales, caused by line upgrades to support the Waratah Super Battery. These constraints continued through much of the year and hindered our bidding strategy, particularly for the Tumut power station, making it harder to defend our portfolio effectively.

Water inflows for the year were 1,504 GL, which was 10% lower than 2024 (1,673 GL). This marked a second consecutive very dry year for Snowy, but through prudent management of our water resource, we have maintained enough storage across our reservoirs.

In addition Snowy entered into a 25-year gas storage agreement with Lochard Energy at the Iona underground gas storage facility to support meeting our future gas storage needs to support our Retail customers and gas fired generation fleet. The long-term Lochard storage deal will allow us to utilise stored gas when required to operate our gas fired power stations. Operating expenditure associated with this agreement will start from the commencement date in January 2028.

In FY25, Snowy Hydro's Retail division surpassed a significant milestone of 1.5 million customer accounts and grew by over 126,000 customers. This was achieved through strong sales (particularly in New South Wales), low customer churn and market leading customer satisfaction. Revenue from Retail customers increased by 12% in FY25.

Kurri Kurri Power Station

Throughout FY25, there was significant progress delivering Kurri Kurri Power Station, with electricity first generated to the grid in July 2025. We are in the final stages of commissioning and expect to reach full commercial service in late 2025.

While significant progress was achieved, over the year the project experienced extended periods of extreme weather and other factors that have impacted productivity and stopped work on the project, impacting its cost and timeline. The project currently remains on track to be delivered within its target cost. We are actively managing risks as we finalise commissioning.

Snowy 2.0

Snowy 2.0 has made good progress in FY25, including a fourth Tunnel Boring Machine (TBM4) receiving planning approval. TBM4 has a key risk mitigation role, being designed to tunnel through the challenging Long Plain Fault Zone of the headrace tunnel. Construction also commenced on the intake structure at the upper Tantangara reservoir, which is a key entry point for water into the headrace tunnel that will connect to the underground power station.

Excavation is now complete for the gate shaft and intake structure at the lower Talbingo reservoir, which will serve as the outlet from the tailrace tunnel. In addition, Tunnel Boring Machine 1 (TBM Kirsten) achieved a 46% incline, continuing its ascent towards 47% in the inclined pressure shaft. The Polo Flat precast factory in Cooma successfully completed manufacturing all 112,275 standard TBM segments.

Snowy 2.0 progress has also experienced a number of challenges, including disruptions associated with protected industrial action during the re-negotiation of the Enterprise Agreements and safety matters.

Our focus remains reaching our project milestones, while ensuring safety and environmental outcomes are given the highest priority. We will continue the work on building team culture and a range of activities to create a more connected, collaborative and effective team delivering what is one of the most challenging and complex projects underway in the world.

Other Costs Outside Underlying EBITDA

Other adjustments after tax include the change in fair value of financial instruments gain of \$423.5 million and other net operating expenses of \$0.6 million.

Capital management

Total interest bearing liabilities, net of unamortised borrowing costs, were \$6,504.1 million at June 2025, an increase of \$1,705.4 million from the June 2024 level of \$4,798.7 million.

Snowy Hydro's Standard & Poor's (S&P) credit rating has remained stable at BBB+.

During the year, total loan facilities increased by a net \$1,775 million, from \$5,900 million in June 2024 to \$7,675 million in June 2025.

Outlook

As our strategy positions Snowy Hydro to support energy users and our customers through the transition to renewable energy, the outlook for Snowy remains positive.

Our unique portfolio of on-demand electricity generation assets is set to grow, with the Kurri Kurri Power Station due to reach full commercial service in late 2025.

We will continue supporting decarbonisation of the NEM, remaining committed to contracting renewable energy offtakes, including wind, solar and short-duration battery.

Despite challenges associated with delivering a complex mega project in a remote area, Snowy 2.0 has made good progress, however is facing persistent and material cost pressures. We are reassessing the project's cost to complete and will provide an update when the review is complete.

Despite water inflows for FY25 being 10% lower than FY24, marking a second consecutive very dry year for us, we have prudently managed our water resources, maintaining enough storage across our reservoirs. Looking ahead, we currently predict above average precipitation for the next three to six months.

The outlook for our Retail division is challenging. We are focused on growing our customer base in a market with declining retail prices while minimising the impact on revenue. To support growth and the emerging "prosumer" trend, a market segment increasingly seeking to manage their own energy resources, we are investing in a new core retail platform. This investment will enhance our capabilities and transform us into a comprehensive energy services provider.

Finally, we have also begun a major internal transformation program to ensure we remain a leader in a fundamentally changing energy sector. The program focuses on optimising our core business operations and enhancing our financial resilience.

Further detail can be found in Snowy Hydro's Public Corporate Plan on our website.

Dividends

Dividends paid during the financial year, consistent with Corporate Plan expectations, and declared since 30 June 2025 were as follows:

\$million	2025	2024
Recognised amounts		
Preference share dividend		
The preference share dividend of 3.347 and 3.625 cents per share, fully franked at the corporate tax rate of 30%, paid on 25 October 2024 and 24 April 2025, respectively (2024: Preference share dividend of 3.222 and 3.749 cents per share, fully franked at the corporate tax rate of 30% and paid on 27 October 2023 and 26 April 2024, respectively)	97.6	97.6
Final dividend		
Final dividend for 2024 of 7.592 cents per share, fully franked at the corporate tax rate of 30% and paid on 25 October 2024 (2024: Final dividend for 2023 of 3.601 cents per share, fully franked at the corporate tax rate of 30% and paid on 27 October 2023)	165.5	69.7
Interim dividend		
Interim dividend for 2025 of 1.939 cents per share, fully franked at the corporate tax rate of 30% and paid on 24 April 2025 (2024: Interim dividend for 2024 of 3.173 cents per share, fully franked at the corporate tax rate of 30% and paid on 26 April 2024)	70.4	68.9
Total recognised amounts	333.5	236.2
Unrecognised amounts		
Preference share dividend		
The preference share dividend for 2025 of 3.337 cents per share, fully franked at the corporate tax rate of 30%, payable on 24 October 2025 (2024: Preference share dividend of 3.347 per share, fully franked at the corporate tax rate of 30%, payable on 25 October 2024)	46.7	46.9
Final dividend		
Final dividend for 2025 of 0.604 cents per share, fully franked at the corporate tax of 30%, payable on 24 October 2025 (2024: 7.592 cents per share, fully franked at the corporate tax of 30%, payable on 25 October 2024)	23.0	165.5
Total unrecognised amounts	69.7	212.4
Dividend franking account balance	321.7	248.4

Non-financial operational performance measures

The following performance targets are outlined in our Corporate Plan.

Purpose	Measure	FY25 Targets	FY25 Result
People and Safety	Fatalities - Snowy Hydro employees and supervised contractors	0	0
	Fatalities - Snowy 2.0 Project (contractors) and Kurri Kurri Power Station (contractors)	0	0
	Total reportable injury frequency rate (number per million hours worked; employees and supervised contractors)	2.4	3.55 ¹
Retail Customer Experience	Employee engagement (percentage of staff very/extremely satisfied as determined by survey)	Top quartile of the Global Benchmark Index	Second quartile of the Global Benchmark Index ²
	Net Promoter Score (percentage of promoters minus the percentage of detractors)	Industry leading	Industry leading
Regulatory Compliance	Customer satisfaction (percentage of customers very or quite satisfied)	>80% Industry leading	83% Industry leading
	Ombudsman complaints (number of complaints per 10,000 mass-market customers)	Below industry average	Below industry average
	Retail Regulatory financial penalties	0	1 ³
	Compliance with Snowy Water Licence requirements (percentage of requirements met)	100%	100%
Generation Reliability	Publicly reportable environmental licence breaches (number of)	0	0
	Hydro generator start reliability (%)	> 99.5	99.81
	Hydro generator forced outage factor (%)	< 1.0	0.96
	Gas Generator start reliability (%)	> 99.5	97.7 ⁴
	Gas Generator forced outage factor (%)	< 1.0	0.52

¹ TRIFR: Total reportable injury frequency rate (number per million hours worked; employees and supervised contractors). Includes generation, Retail and Snowy 2.0 owners team. This is reflective of 15 recordable injuries, comprising five restricted work injuries, eight medical treatment injuries, and two lost time injuries, down from five recorded in the previous year. While the total number of recordable injuries has increased compared to FY24, more severe injuries (i.e. lost time injuries) have decreased. Snowy's health and management systems are focused on addressing the various safety risks that are inherent to our operations.

² Employee engagement score of 76% is in the Second Quartile of the Global Benchmark Index. Snowy Hydro will review detailed feedback to identify and address areas of focus.

³ Red Energy paid penalties totalling \$474,600 to the Australian Energy Regulator (AER) in relation to the AER's investigation into alleged breaches by Red Energy of hardship obligations within the National Energy Retail Law and the National Energy Retail Rules.

⁴ Gas generator start reliability is below Target due mostly to vibration outages at Colongra and various age of plant related issues at Valley Power.

Board of Directors and Company Secretary

**James Cain**

Appointed Chair and Non-Executive Director in March 2025.

Experience and expertise
BDP, B. Bldg, MBA (Exec)

James has a 30-year background in property, infrastructure, business and major capital works in the public and private sectors, including extensive executive, non-executive director and consultancy experience.

James brings a focus on infrastructure and major project delivery, engineering, strategy and governance to Snowy Hydro's Board. His executive experience includes 12 years with property and construction company Lendlease in various roles, including General Manager for Victoria, Tasmania and South Australia, five years as Executive Director of Major Projects Victoria, the Victorian Government's primary capital works agency, and 19 years at M21 Advisory Pty Ltd, a commercial advisory consultancy he established in 2006.

James' non-executive director experience includes his current terms as a Director of Inland Rail Pty Ltd and Director of Mirvac Group. James also serves as a member of the Committee of the Melbourne Cricket Club.

Previously, James has been Chair of property fund manager ISPT, Chair of the Victorian Port Corporation and Deputy Chair of the Port of Melbourne Corporation.

Snowy Hydro Committees: Member of the People and Culture Committee and Member of the Portfolio Risk Committee.

Other directorships: Non-Executive Director of Inland Rail Pty Ltd and Non-Executive Director of Mirvac Group. Member of the Melbourne Cricket Club. Director and Secretary of M21 Advisory Pty Ltd.

**Dennis Barnes**

Managing Director and Chief Executive Officer since February 2023.

Experience and expertise
BSc (Hons), MBA, DipM

Dennis was appointed Snowy Hydro's Chief Executive Officer and Managing Director of the Company in February 2023. Dennis has over three decades' experience in the energy sector, with a focus on renewables and retail, and brings a wealth of strategic knowledge and proven capability in delivering strong performance across large energy businesses.

Snowy Hydro Committees: Member of the Safety, Operations and Environment Risk Committee and ex-officio attendee of all other Committees.

Other directorships: Director of the Australian Energy Council.



Scott Mitchell

Non-Executive Director since March 2019.

Experience and expertise

GAICD

Scott brings a deep knowledge of Federal and State government and a range of skills, including public policy, budget management, strategic development and implementation, and stakeholder relations. Scott has more than 20 years' experience advising both Federal and State governments, including as Advisor to former Trade Minister, the Hon Mark Vaile AO, Policy Manager at the National Farmers' Federation, and Chief of Staff to the Hon Terry Redman MP, former Western Australian Minister for Agriculture and Food, Forestry and Corrective Services. Scott was previously the Federal Director of the National Party of Australia.

Scott has been running his own consultancy since February 2017, advising major Australian companies across various sectors on government relations strategies, communications and regulatory issues. Scott also undertakes pro bono work with a number of organisations.

Snowy Hydro Committees: Chair of the People and Culture Committee and member of the Safety, Operations and Environment Risk Committee.

Other directorships: Executive Director of Scott Mitchell and Partners. Director of The Commonwealth Club.



Karen Moses OAM

Non-Executive Director since July 2019.

Experience and expertise

BEcon, Dip Ed, FAICD

Karen is a Non-Executive Director of Orica Ltd, Charter Hall Ltd and Company B Ltd (not-for-profit – the Belvoir Street Theatre). She is a fellow of the Sydney University Senate, where she chairs the Finance Committee.

Karen previously spent over 30 years in the energy industry, covering upstream production, generation, supply, and retail with Origin Energy, Exxon, and BP. She has held senior executive positions, including Finance & Strategy Director and Chief Operating Officer at Origin Energy. In 2017, Karen was a member of the Future Security of the National Energy Market Finkel Review Panel.

Karen was awarded the Medal of the Order of Australia for her service to the energy industry in June 2025.

Snowy Hydro Committees: Chair of the Portfolio Risk Committee and member of the People and Culture Committee.

Other directorships: Non-Executive Director of Orica Ltd, Charter Hall Ltd and Company B Ltd (not-for-profit – the Belvoir Street Theatre). Fellow of the Sydney University Senate.



Sandra Dodds

Non-Executive Director since July 2019.

Experience and expertise

BCom, FCA, GAICD

Sandra is a Non-Executive Director of OceanaGold Ltd, Contact Energy Ltd, Fletcher Building, and Fletcher Industries Ltd. Sandra has a broad and diverse industrial background, with experience working in highly regulated environments in Australia, New Zealand and Asia. She began her career as a Chartered Accountant at KPMG in New Zealand before transitioning to operational roles.

Prior to her last role as CEO of Urban Infrastructure ANZ at Broadspectrum (formerly known as Transfield Services Ltd), Sandra spent 10 years at Downer EDI, where she held a number of senior executive leadership roles which included CEO of Downer Asia. Sandra was previously Chair of TW Power Services Ltd and a Director of Sydney Harbour Ferries Ltd.

Snowy Hydro Committees: Chair of the Audit and Compliance Committee and member of the People and Culture Committee.

Other directorships: Non-Executive Director of OceanaGold Ltd, Contact Energy Ltd, Fletcher Building and Fletcher Industries Ltd.



Leanne Heywood OAM

Non-Executive Director since March 2022.

Experience and expertise

B.Bus(Acc), MBA, FCPA, GAICD

Leanne is a Non-Executive Director of MAC Copper Limited, Lotus Resources Limited, Deterra Royalties Ltd, and Denison Gas Ltd. She is also a council member of Charles Sturt University. She has significant management experience gained through an international executive career in the mining sector, most recently in a senior international copper marketing role with Rio Tinto and prior to that as Chief Financial Officer of a copper mine in the Rio Tinto portfolio.

She was named New South Wales Business Woman of the Year in 2019, and in 2021 was awarded the Medal of the Order of Australia (OAM).

Leanne holds an MBA from the University of Melbourne. She is a member of the Australian Institute of Company Directors (GAICD) and a Fellow of CPA Australia.

Snowy Hydro Committees: Chair of Safety, Operations and Environment Risk Committee and member of the Audit and Compliance Committee.

Other directorships: Non-Executive Director of MAC Copper Ltd, Lotus Resources Ltd, Deterra Royalties Ltd and Denison Gas Ltd. Council member of Charles Sturt University.



Louise Thurgood

Non-Executive Director since July 2024.

Experience and expertise

MBA, PG Cert (App Fin), BA (Hons), GAICD

Louise is an accomplished executive and business leader, with 25 years' experience in complex, fast-growing global companies in the banking, finance, and infrastructure sectors, as well as extensive experience in risk management.

Louise is currently Non-Executive Director and Deputy Chair of Inland Rail Pty Ltd, Non-Executive Director of Silk Logistics Holdings Ltd and Company B Ltd (not-for-profit – the Belvoir Street Theatre) and founder and Director of Orion Mechanical Services Pty Ltd.

Previously, Louise was a member of the Heritage Council of New South Wales. Past Non-Executive Director roles have included Sydney Metro and Moorebank Intermodal Company.

Snowy Hydro Committees: Member of the Portfolio Risk Committee, Safety, Operations and Environment Risk Committee and the Audit and Compliance Committee.

Other directorships: Non-Executive Director and Deputy Chair of Inland Rail Pty Ltd, Non-Executive Director of Silk Logistics Holdings Ltd and NAISDA Foundation (not-for-profit) Company B Ltd (not-for-profit – the Belvoir Street Theatre).

Former Directors

David Knox, BSc (Hons) Mech Eng, MBA, FIEAust, FTSE, GAICD

David was the Chair and a Non-Executive Director of Snowy Hydro from January 2020 to 31 December 2024.

Timothy Longstaff, BEc, FCA, GAICD, SF.Fin

Timothy was a Non-Executive Director from April 2022 to 31 March 2025.

Directors' Meetings

In FY25, Snowy Hydro's Board of Directors met eight times in accordance with the Board's meeting schedule. In addition, Directors attended Board strategy sessions and special purpose committee meetings during the financial year. The Directors also conducted visits of Snowy Hydro's operations at various sites and met with operational management during the year.

The following table includes:

- Directors who held office at any time during FY25; and
- the number of Board and Board Committee meetings held during FY25 that each Director, as a member of the Board or Board Committee, was eligible to attend, and the number of meetings attended by each Director.

The tables excludes the attendance of those Directors who attended meetings of the Board Committee of which they are not a member and out of cycle meetings which are called for a special purpose. In FY25, the Directors attended 74 meetings for Committees of which they were not a member and/or out of cycle meetings.

H Number of scheduled meetings held during the time the Director held office or was a member of the Committee during the year

A Number of scheduled meetings attended

N/A Not Applicable

Director	Board and Committee Meetings									
	Board		Audit and compliance		Portfolio Risk		Safety, Operations, Environment Risk		People & Culture	
	H	A	H	A	H	A	H	A	H	A
James Cain ¹	4	4	N/A	N/A	N/A	N/A	N/A	N/A	1	1
Dennis Barnes ²	8	8	N/A	N/A	N/A	N/A	4	4	N/A	N/A
Scott Mitchell	8	8	N/A	N/A	N/A	N/A	4	4	5	5
Karen Moses	8	8	N/A	N/A	6	6	N/A	N/A	5	5
Sandra Dodds	8	8	4	4	N/A	N/A	N/A	N/A	5	5
Leanne Heywood	8	8	4	4	N/A	N/A	4	4	N/A	N/A
Louise Thurgood ³	8	8	N/A	N/A	5	5	3	3	N/A	N/A
<i>Former Directors</i>										
David Knox ⁴	4	4	N/A	N/A	N/A	N/A	N/A	N/A	3	3
Timothy Longstaff ⁵	5	4	3	2	4	3	N/A	N/A	N/A	N/A

¹ James Cain was appointed to the Board on 1 March 2025.

² The CEO is a member of the Board Safety, Operations and Environment Risk Committee and ex-officio attendee of other Board Committees.

³ Louise Thurgood was appointed to the Board on 1 July 2024.

⁴ David Knox retired on 31 December 2024.

⁵ Timothy Longstaff retired on 31 March 2025.

Company Secretary:

Suzannah Fletcher, BA, LLB, LLM, Grad. Dip. Legal Practice, Grad Dip. Corp.Gov, FGIA, GAICD, FCIS

Suzannah was appointed Company Secretary on 31 January 2023 and is Snowy Hydro's Chief Governance, Risk and Compliance Officer. Prior to joining Snowy, Suzannah held senior company secretary and corporate governance roles at Commonwealth Bank of Australia, Westpac Banking Corporation, Allianz Australia Limited and ANZ Wealth Australia Limited.

Indemnities and insurance for Directors and Officers

Under its Constitution, Snowy Hydro must indemnify current and past Directors and Officers for any liability incurred by them as a Director or Officer of Snowy Hydro or its related bodies corporate to the extent allowed under law. The Constitution also permits Snowy Hydro to purchase and maintain a Directors and Officers' insurance policy.

Snowy Hydro has entered into agreements with current Directors and Officers and certain former Directors and Officers where they are indemnified from any loss, expense or damage in accordance with the terms and subject to the limits set by the Constitution. The agreements stipulate that Snowy Hydro will meet the full amount of any such loss, expense or damage, allowed under the law. Snowy Hydro is not aware of any liability having arisen, and no claim has been made against Snowy Hydro during or since the period ended 30 June 2025 under these agreements.

No indemnity has been granted to an auditor of Snowy Hydro or of any related body corporate against a liability incurred as auditor of Snowy Hydro.

During the year, Snowy Hydro has paid premiums in respect of a contract insuring Directors, Company Secretary and other Officers against liabilities incurred in their capacity as Director or Officer, as the case may be, of the consolidated entity. The contract prohibits disclosure of the nature of the liabilities and the amount of the premium.



Other information

Significant changes in the state of affairs

Contributed equity increased by \$1,625 million following the issue of 1,625 million fully paid ordinary shares to the shareholder, the Commonwealth Government. In the opinion of the Directors, there were no significant changes in the state of affairs of Snowy Hydro that occurred during the financial year other than those included in this Directors' Report.

Events subsequent to balance sheet date

On 27 August 2025 Snowy Hydro signed its first 15-year virtual offtake agreement with Akaysha Energy for the 311 MW Elaine Battery. With a contracted capacity of 220 MW, it is the largest four-hour virtual offtake agreement in Australia and sets a precedent for the sector.

Except as otherwise disclosed, the Directors are not aware of any matters or circumstances that have arisen since 30 June 2025, which have significantly affected, or may significantly affect the operations of Snowy Hydro in future financial years, the results of those operations in future financial years, or the state of affairs of Snowy Hydro in future financial years.

Environmental regulation

Snowy Hydro's operations are subject to particular and significant environmental obligations under the laws and regulations of the Commonwealth and States. For the year ended 30 June 2025:

- There were zero publicly reportable breaches of Snowy Hydro's Environmental Protection Licences.
- In relation to the Kurri Kurri Power Station project, Snowy Hydro did not record any environmental incidents which were reportable to any regulator.
- In relation to the Snowy 2.0 project, Snowy Hydro received a penalty notice relating to drilling fluid that migrated to the surface ("frac out") during the contractor's installation of an underground power cable.

- In relation to the Snowy 2.0 project, Snowy Hydro agreed to pay \$400,000 (FGJV committed to contributing half the cost \$200,000) to help protect the Northern Corroboree Frog as part of an enforceable undertaking with the NSW Environment Protection Authority in relation to a 2023 environmental incident at the Snowy 2.0 site.

Amendments to legislation

There were no notable changes to relevant legislation and regulation affecting the operations of Snowy Hydro.

Judicial and administrative decisions

There were no significant judicial or administrative decisions affecting the operations of Snowy Hydro.

Proceedings on behalf of Snowy Hydro

No person has applied to the Court under section 237 of the Corporations Act for leave to bring proceedings on behalf of Snowy Hydro, or to intervene in any proceedings to which Snowy Hydro is a party, for the purpose of taking responsibility on behalf of Snowy Hydro for all or part of those proceedings. Snowy Hydro was not a party to any such proceedings during the year.

Rounding

Snowy Hydro is a company of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the Financial Report have been rounded off to the nearest one hundred thousand dollars, unless otherwise indicated.

Non-audit services

The Company's auditor is the ANAO who has retained Deloitte Touche Tohmatsu to assist with the assignment. No non-audit services have been provided by the ANAO. Non-audit services provided by the contract auditor, Deloitte Touche Tohmatsu, are detailed in Note 28 to the consolidated financial statements.

The Board of Directors has considered the position, and in accordance with advice received from the Board Audit and Compliance Committee, is satisfied that the provision of the non-audit services during the year by Deloitte Touche Tohmatsu:

- is compatible with the general standard of independence for auditors imposed by the Corporations Act; and
- did not compromise the auditor independence requirements of the Corporations Act in view of the materiality of the amounts, the nature of the services and the processes established to monitor the independence of the auditors.

Auditor's independence declaration

A copy of the external auditor's declaration under section 307C of the Corporations Act in relation to the audit for the financial year is on page 121 of the Financial Report.

Signed in accordance with a resolution of the Directors



James Cain
Chair

28 October 2025



Dennis Barnes
Managing Director

28 October 2025



Corporate Governance Statement

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Image captured by Emma Schoutrop, Plant Mechanical Engineer

Corporate Governance Statement

We are committed to achieving best practice corporate governance. Our corporate governance framework and practices have been developed with regard to the provisions of the Corporations Act, the PGPA Act and the Government Business Enterprise Guidelines (**GBE Guidelines**). Our framework is also guided by the ASX Corporate Governance Principles and Recommendations (4th Edition) published by the ASX Limited's Corporate Governance Council.

The Board of Snowy Hydro (**the Board**) is responsible for the corporate governance of Snowy and its controlled entities, including the adoption of appropriate policies and procedures to ensure Snowy is managed and controlled to protect and enhance shareholder value.

The Board monitors the operational and financial position of Snowy Hydro and agrees its business strategy, including considering and approving a Corporate Plan and annual budget. The Board is committed to maximising performance, generating shareholder value, and sustaining the growth and success of Snowy. The Board maintains, and requires that Snowy management maintain the highest level of corporate ethics.

Snowy Hydro is led by an independent, highly experienced, skills-based Board supported by Board Committees who assist the Board in discharging their governance responsibilities.

Our corporate governance documentation, including this statement and the charters referenced, are available on our website at: <https://www.snowyhydro.com.au/our-business/who-we-are/corporate-governance/>

This corporate governance statement is current as at 30 June 2025 and was approved by the Board on 3 September 2025.



Responsibilities and structure

Principle 1: Lay solid foundations for management and oversight

Responsibilities of the Board

The Board Charter outlines the roles and responsibilities of the Board.

Key responsibilities are:

- Setting the Board's expectations for Snowy Hydro's values and desired culture;
- Providing strategic direction, including approving the Corporate Plan and annual budget;
- Oversight of effective management and control of Snowy Hydro, including the appropriateness of people management systems;
- The appointment and removal of the CEO;
- Oversight of adequacy of people resources to ensure sufficient depth of resources and appropriate succession planning;
- Approving Snowy's overall treasury policy, including dividend payout ratio and payments pursuant to that policy;
- Approving any capital expenditure exceeding \$20 million;
- Approving and monitoring the management of Snowy's base case assumptions pertaining to new investments and capital, including the progress of any major capital expenditures, acquisitions or divestitures;
- Establishing processes and controls to maintain the integrity of financial accounting and reporting;
- Overseeing and reviewing the principal risks facing Snowy Hydro, including ensuring that appropriate standards of accountability, risk management and corporate governance are in place;
- Reporting to the shareholder on their stewardship of Snowy on a regular and timely basis; and
- Reviewing and, to the extent necessary, amending the Board and Committee Charters.



The Board Charter and other Board Committee Charters are available on our website at www.snowyhydro.com.au/about/corporate-governance/.

The Board currently comprises seven Directors, with six independent Non-Executive Directors and the CEO. A profile of each Director is set out in the Directors' Report and is available on our website at www.snowyhydro.com.au/about/leadership/.

Members of the Board also met with representatives of our shareholder on a regular basis and maintained an ongoing dialogue with our external auditor. Non-Executive Directors routinely meet without management present to discuss matters appropriate to that forum. The CEO attends all Board and Board Committee meetings except where he has a material personal interest in a matter being discussed. Executives and management are invited to participate in Board and Board Committee meetings as appropriate and are available to be contacted by Board members between meetings.

Delegated Authority

Snowy Hydro's Constitution and Board Charter enable the Board to delegate to Board Committees and the CEO, subject to the limitations contained in the delegation instruments (including Snowy Hydro's Delegation of Authority Policy and the Board Committee Charters).



Role of Board Committees

The Board has four standing Board Committees. The roles, responsibilities and composition requirements of each of the Board Committees are outlined in their respective Charters and summarised below:

Committee	Key responsibilities	Composition requirements	Membership as at 30 June 2025
Board Audit and Compliance Committee (BACC)	Provides advice to the Board on risks relating to audit, financial reporting, financial and business risk management, corporate management frameworks and certain compliance matters.	At least three Non-Executive Directors. Majority of Committee members must be independent. At least one Committee member should have significant expertise in financial reporting, accounting or auditing. An independent Non-executive Director must be Committee Chair.	<ul style="list-style-type: none"> • Sandra Dodds (Chair) • Leanne Heywood • Louise Thurgood
Board Portfolio Risk Committee (BPRC)	Provides advice to the Board on risks relating to Snowy Hydro's energy trading activities (including credit risk management), treasury functions, trading operations and corporate and strategic activities.	At least three Non-executive Directors. Majority of Committee members must be independent. An independent Non-executive Director must be Committee Chair.	<ul style="list-style-type: none"> • Karen Moses (Chair) • Louise Thurgood • James Cain¹
Board Safety, Operations and Environment Risk Committee (BSOER)	Provides advice to the Board on risks relating to the operations of the generation, hydraulic and communication assets of Snowy Hydro, workplace health and safety and environmental practices, including water release obligations and sustainability initiatives.	At least three Non-executive Directors. Majority of Committee members must be independent.	<ul style="list-style-type: none"> • Leanne Heywood (Chair) • Scott Mitchell • Louise Thurgood² • Dennis Barnes
Board People and Culture Committee (BPCC)	Provides advice to the Board on risks relating to Snowy Hydro's human resources. In particular, the Committee will advise the Board on the remuneration and performance measurement policy, organisational development practices, Board Performance, and succession planning and remuneration of the CEO and MD.	A Non-executive Director as Chair of the Committee.	<ul style="list-style-type: none"> • Scott Mitchell (Chair) • Karen Moses • Sandra Dodds • James Cain³

The Board Audit and Compliance Committee Charter is available on our website at www.snowyhydro.com.au/wp-content/uploads/2025/07/BACC-Charter-approved-by-the-Board-on-27-June-2025.pdf. All Board Committees are comprised of independent Non-Executive Directors save that the CEO is a member of the Safety, Operations and Environment Risk Committee and ex-officio member of other Board Committees. Members of Board Committees are chosen for the skills and experience they can contribute to the relevant Board Committee and their qualifications set out in the Directors' Report.

¹ Effective from 27 June 2025.

² Effective from 4 September 2024.

³ Effective from 13 March 2025.

The Chair of each Committee reports to the Board at the Board's next meeting on any matters arising from the Committee's duties and responsibilities. The Board also receives copies of the minutes of all Committee meetings. This seeks to ensure that all Directors have oversight of, as well as the opportunity to discuss, matters being considered by the Committees. Board Committees may also refer to the Board or other Board Committee any matters that have come to their attention that are relevant for the Board or another Board Committee. All Directors receive all Board Committee papers and can attend any Board Committee meeting providing there is no conflict of interest.

The number of meetings of Board Committees for FY25, and each Director's attendance, is set out in the Directors' Report.

The CEO, and the Executive team through the CEO, is responsible to the Board for the development and implementation of strategy and the overall management and performance of Snowy Hydro. The CEO reports regularly to the Board on the progress being made by Snowy in all aspects of the business.

Board appointments

In accordance with Snowy Hydro's Constitution, Directors are appointed by the Commonwealth with the terms of office determined at the time of appointment. The Board assesses forecast vacancies, recruitment needs and continuity as part of its Annual Board Plan, and makes skills-based recommendations to the shareholder on reappointments and/or new appointments in accordance with the GBE Governance and Oversight Guidelines, taking into account the current skills mix and experience of the Board and the strategic needs of Snowy Hydro.

Role of the Company Secretary

The Company Secretary attends Board and Board Committee meetings and holds office on terms and conditions determined by the Board, with their appointment or removal to be made or approved by the Board. The Company Secretary is accountable to the Board through the Chair on all matters relating to the proper functioning of the Board and has a management reporting line to the CEO. A profile for the Company Secretary can be found in the Directors' Report.

Board evaluation

The Board has a formal process for evaluating the performance and effectiveness of the Board, Board Committees and individual directors. This process is documented in the Annual Board Plan. The Board Chair facilitates this process, with support from the People and Culture Committee, on an annual basis with the outcomes used to inform changes to charters, processes or performance. In accordance with the GBE Governance and Oversight Guidelines, the Board engages an external party every two years to conduct this evaluation.

Diversity and inclusion

Our approach to diversity and inclusion is set out in the Diversity & Inclusion section of the "About Snowy Hydro" section of this report.

Principle 2: Structure the Board to be effective and add value

The Board has in place a robust annual review process to ensure its corporate governance practices remain fit for purpose, effective and aligned with Snowy Hydro's strategic objectives, and complies with GBE Guidelines. This process, which is documented in the Annual Board Plan, includes consideration of the ongoing adequacy of the governance structure, an assessment of the effectiveness of Board, Committee and Director performance, and an assessment of Board skills and diversity requirements in the context of Snowy's strategic objectives.

Establishment of a Nomination Committee

Snowy Hydro has established a Board People and Culture Committee, with responsibility for making recommendations to the Board on board composition, performance and succession planning, performance and remuneration matters, diversity and people related risks. The People and Culture Committee assists the Board in the facilitation of the annual review process set out above.

The People and Culture Committee is chaired by an independent Non-Executive Director and comprises four independent Non-Executive Directors including the Board Chair. The responsibilities of the People and Culture Committee are formally documented in its charter, which is available on our website. The People and Culture Committee met five times in FY25 to consider performance and remuneration matters, including Board and Committee performance and Board renewal related matters.

Maintenance of a Board skills matrix

The Board is committed to ensuring that it continues to attract and retain highly skilled Directors who bring an appropriate mix of skills, experience, expertise, diversity, independence and other qualities to Board decision making in order for the Board to provide the breadth and depth of understanding necessary to create shareholder value and fulfil our Shareholder Ministerial Statement of Expectations, and protect and promote the interests of Snowy Hydro and the Commonwealth.

The Board has developed a matrix of required Board skills and experience, taking into account Snowy Hydro's desire to ensure a diverse range of backgrounds, experience and qualifications. The skills matrix informs the key skills and experience the Board is seeking to achieve in its membership collectively, the areas for continuing education and/or professional development for Directors, and where the Board may wish to supplement its experience with that of expert external advisers. The skills matrix also assists in succession planning for Board vacancies and/or reappointments and subsequent recommendations made to the shareholder in relation to such appointments.

Director independence

Snowy Hydro considers a Director to be independent if they are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered judgment, and is also independent of management. As at the date of this statement, the Board considers all Non-Executive Directors are independent and have remained so throughout the term of their appointment.

The Board Charter sets out the criteria by which the Board assesses the independence of each Director in light of any disclosed interests. An assessment of independence is made at any time a Director discloses any new interest or relationship. The Board, through the Chair, evaluates the materiality of any declared interest or relationship that could be perceived to compromise the independence of a Director on a case-by-case basis having regard to the Director's circumstances.

Directors are aware of their ongoing obligations to keep the Board and any Committee informed of an interest which could potentially conflict with the interests of Snowy Hydro.

Where a Director has a declared material personal interest and/or may be presented with a potential material conflict of interest in a matter being presented to the Board or a Committee, the Director does not receive copies of Board/Committee reports relating to the matter and generally recuses themselves from the Board or Committee meeting at the time the matter is being considered. Consequently, the Director also does not vote on the matter. Any disclosures made by a Director at a meeting are minuted.

Majority independent Board and Chair

As at 30 June 2025, the Board comprised six independent Non-Executive Directors and the CEO, Dennis Barnes. The Board is chaired by an independent Non-Executive Director, James Cain.

Induction and ongoing education and/or professional development for Directors

We maintain a comprehensive induction program for new Directors which includes a program of formal induction sessions with the Board Chair, the CEO, the Board Committee Chairs, each Group Executive, site visits of Snowy Hydro's key operational sites, and an induction pack to allow new Directors to gain an understanding of our corporate plan, financial performance, corporate governance framework, culture and values, and current issues before the Board. Ongoing education and/or professional development for Directors is delivered through individual briefings and presentations made by Executives, regular site visits to key operational locations and undertaking relevant external education. These activities are planned each year and included in the Board and Board Committees' meeting calendars.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

We expect all Directors, employees and contractors to comply with both the letter and the spirit of the law. We promote and expect high standards of integrity, transparency and professionalism in all of our dealings. Above all, we strive to be a safe, ethical and environmentally responsible company.

Values and Code of Conduct

We actively foster a culture of ethical conduct. Our corporate values of Safety, Decency, Ownership, Agility, Courage and Teamwork (Values) underpin our success and provide guidance on our expectations of our Directors and employees.

The Board is committed to the promotion of ethical, honest and responsible decision-making and the observance of their fiduciary duties. Directors are required to act in good faith, in the best interests of Snowy Hydro and abide by our Code of Conduct, having regard to the interests of the shareholder but also considering the interest of employees, customers and other parties with whom we are engaged.

Reportable conduct

The Code of Conduct is supported by other key policies including the Whistleblower and Public Interest Disclosure Policy, which provides mechanisms to raise concerns regarding actual, unethical, unlawful or undesirable conduct without fear of reprisal and with the support and protection of Snowy Hydro. The reportable conduct program includes an independently operated hotline service to allow for anonymous reporting, and includes coverage of the legislative regimes in the Corporations Act, Taxation Administration Act, Public Interest Disclosure Act and National Anti-Corruption Commission Act.

Breaches of the Code of Conduct, and a summary of any disclosures received through the reportable conduct program are reported to the Board and/or Board Committee as appropriate. In the event that a Director is the subject of an allegation, the Board Chair (or Board Audit and Compliance Committee Chair if the matter involves the Board Chair) will engage with remaining Directors to appoint an external party to investigate the allegation.

Our Reportable conduct policies and procedures are accessible below on our website at: <https://www.snowyhydro.com.au/about/corporate-governance/>

Anti-Bribery and Corruption, Fraud & Sanctions Policy

Snowy Hydro is committed to preventing bribery, corruption, and fraud in accordance with our Values, our Shareholder Ministerial statement of expectations and Code of Conduct.

Our Anti-Bribery and Corruption, Fraud & Sanctions Policy sets our zero tolerance for bribery, corruption and fraud, and outlines how we identify, assess and manage bribery, corruption and fraud risks. Breaches of this Policy must be reported to the General Manager - Risk, or via the reportable conduct channels available in the Whistleblower and Public Interest Disclosure Policy. These include the Public Interest Disclosure regime and the National Anti-Corruption Commission.

Snowy's Board Audit and Compliance Committee are responsible for monitoring the effectiveness of the Anti-Bribery and Corruption, Fraud & Sanctions Policy.

Privacy

Snowy Hydro recognises the importance of privacy and is committed to ensuring that it manages personal information it collects and/or receives in accordance with the Privacy Act 1988 (Cth), including the Australian Privacy Principles.

Principle 4: Safeguard the integrity of corporate reports

We have robust processes and controls in place to verify and maintain the integrity of our corporate reports. These internal controls cover financial, operational and compliance risk, and take the form of appropriate financial delegations, financial planning and reporting, compliance with appropriate procurement standards, and internal audit practices.

Audit and Compliance Committee

The Board has established an Audit and Compliance Committee (BACC), with the primary function of assisting the Board through its oversight and review of financial reporting, financial management, frameworks for risk management, compliance and corporate management, and auditor independence and performance. The role and responsibilities of the Audit and Compliance Committee are documented in its Board approved charter.

As at 30 June 2025, the BACC comprises three independent Non-Executive Directors all of whom have the appropriate qualifications, skills and/or experience to assist the Committee to perform its functions. The Committee is chaired by Ms Sandra Dodds, an independent Non-Executive Director and former senior executive who has significant expertise in accounting, financial and operational matters in accordance with the Committee composition requirements.

The BACC meets at least four times a year. The CEO, Chief Financial Officer, Chief Operating Officer, Chief Commercial Officer, Chief Governance, Risk and Compliance Officer, Head of Group Assurance, the external auditor and other management representatives attend meetings at the discretion of the Committee. The Committee meets privately with:

- the ANAO and the external auditor on general matters concerning external audit and other related matters, including the half year and full year financial reports; and
- the Head of Group Assurance on an as needed basis on matters concerning the internal audit plan and findings.

The Committee provides regular reports to the Board through its minutes and through verbal updates from the Committee Chair following each meeting. Collectively, these reports address all matters relevant to the Committee's responsibilities including:

- an assessment of whether external reporting is consistent with Committee members' information and knowledge, and if this external reporting is adequate for our shareholder needs;
- recommendations for changes to management processes supporting external reporting;
- the Committee's policies and procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners; and
- an assessment of the performance and independence of internal and external auditors in relation to matters within the Committee's responsibility.

CEO and CFO Declarations

Prior to the adoption of the financial reports, the Board received and considered a written statement from the CEO and the Chief Financial Officer to the effect that:

- the financial records of the consolidated entity have been properly maintained;
- the statements comply with accounting standards and any other requirements prescribed by the Corporations Act and PGPA Act, and present fairly the entity's financial position, financial performance and cash flows; and
- the integrity of the financial statements is founded on a sound system of risk management and internal control which is operating effectively.

Principle 5: Make timely and balanced disclosure

We recognise the importance of ensuring our shareholder is provided with timely and meaningful disclosures of any material information impacting Snowy Hydro. Accordingly, we keep Shareholder Ministers and their departments informed of any significant developments on an ongoing basis.

Continuous disclosure

Under the PGPA Act, and as a GBE, Snowy has continuous disclosure obligations to our Shareholder Ministers. Accordingly, on an ongoing basis, we disclose performance against the Corporate Plan, financial outcomes, progress of strategic initiatives such as Snowy 2.0 and Kurri Kurri Power Station, and any significant issues, including through quarterly progress reports, the annual report, the annual corporate planning process, correspondence to Shareholder Ministers on out of cycle developments, and regular meetings between the Board Chair and CEO and Shareholder Departments. We also respond promptly to requests from shareholder departments.

Principle 6: Respect the rights of shareholders

As outlined in Principle 5, we engage regularly with our shareholder and provide information requested or required by the shareholder to exercise its rights.

Governance information

Our website includes a dedicated corporate governance section setting out Snowy Hydro's governance structure and providing an overview of the responsibilities of the Board, Committees and Executive management. The website also includes details of Snowy's leadership, being the Board of Directors and the Executive management team, and recent annual reports.

In addition, we have published our Corporate Plan, which sets out our corporate purpose, objectives and Values, and provides an overview of our operations and key performance metrics. The Corporate Plan is reviewed and approved annually by the Board prior to submission to the shareholder and publication on the website.

Shareholder communication

The Board, Executive team and senior management communicate regularly with our shareholder to seek to ensure a 'no surprises' approach. In addition to the formal reporting outlined in Principle 5, this includes frequent engagement with Shareholder Ministerial offices and Departments, and opportunities for Shareholder Ministers and their Departments to engage with the Board.

Principle 7: Recognise and manage risk

The Board and management are committed to maintaining a robust and effective risk management framework that proactively identifies and manages risks applicable across Snowy. Snowy's Risk Management Policy sets out our objectives for maintaining and continuously improving a strategic and consistent enterprise-wide approach to risk management that is integrated into organisational processes and underpinned by a risk-aware culture.

Establishment of risk committees

The Board has ultimate accountability for the management of risks affecting Snowy Hydro and ensuring that effective risk management practices are in place across the business. The Board is assisted in fulfilling these duties by the Audit and Compliance

Committee, which monitors the effectiveness of Snowy's risk identification and management framework. All other Board Committees (comprising the Safety, Operations and Environmental Risk, Portfolio Risk, and People and Culture) support the Board in the management of key risk areas including regulatory compliance, energy trading, safety, environmental, operational, cyber and people-related risks.

Review of risk management framework

Management is accountable for the risk management framework and has implemented internal controls to identify, evaluate and manage significant contemporary and emerging risks in relation to Snowy Hydro's business, including conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change. Management provides reports to each Committee on the risks pertaining to their Charter, including material movements and/or identification of new significant risks. The reports inform activities including the annual internal audit plan, and special reports requested by respective Committees on new or significant sources of risk.

Group Assurance function

The effectiveness of the risk management framework is regularly assessed through management self-reviews as well as via independent and objective assurance provided by Snowy Hydro's Group Assurance function. Internal Audit operates in accordance with an annual internal audit plan that is tailored to address key internal and external risks applicable to the business. This plan is reviewed and approved annually by the Audit and Compliance Committee of the Board, and audit results are incorporated into the continuous improvement of the risk management framework and supporting controls.

Sustainability approach

Our approach to sustainability is set out in the Our Sustainability Focus section of this report.

Principle 8: Remunerate fairly and responsibly

Remuneration Committee

The Board has established a People and Culture Committee to assist the Board in discharging its responsibilities in relation to appropriate and responsible remuneration, having regard to the performance of Snowy Hydro, individual performance, statutory requirements and current market practice. Further details on the People and Culture Committee, including its composition and Charter requirements are set out under Principle 2.

Directors' remuneration

The Remuneration Tribunal determines the remuneration and travel allowances payable to Directors. Full details of Directors' remuneration are included in the Remuneration Report.

Executives' remuneration

The remuneration of the Executives is considered by the Board People and Culture Committee and subject to Board oversight and governance controls. The Board believes that remuneration outcomes should reflect the observance of our values and fulfilment of our Shareholder Ministerial statement of expectations to create shareholder value.

Before determining remuneration outcomes, the Board formally reviews individual management performance and risk and leadership behaviours. The Board retains the ultimate discretion in relation to remuneration outcomes. Full details of Key Management Personnel remuneration are included in the Remuneration Report in this report.



Remuneration Report

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1. Key Management Personnel (KMP)

This Remuneration Report ([report](#)) outlines the principles, policies and strategy Snowy Hydro applies to remunerate our KMP and other Executives. The report demonstrates how the remuneration framework aligns to Snowy Hydro's goals and strategic priorities, enabling performance-based remuneration and supporting the attraction and retention of high calibre Executives.

The report details remuneration information for the financial year ended 30 June 2025 (FY25) as it applies to KMP who are those persons having authority and responsibility for planning, directing and controlling the activities of the Snowy Hydro entity, directly or indirectly. Snowy Hydro has assessed KMP to include Board Directors, the MD and CEO and a number of Executives in accordance with RMG 139 Commonwealth companies Executive Remuneration Reporting Guide for Annual Reports and AASB124 Related Party Disclosures.

Name	Position ¹	KMP Term
Board Directors		
James Cain ²	Chair	Part Year
Dennis Barnes	Managing Director and Chief Executive Officer (MD and CEO)	Full Year
Sandra Dodds	Non-Executive Director	Full Year
Leanne Heywood	Non-Executive Director	Full year
Scott Mitchell	Non-Executive Director	Full Year
Karen Moses	Non-Executive Director	Full Year
Louise Thurgood ³	Non-Executive Director	Full Year
Former Board Directors		
David Knox ⁴	Chair	Part Year
Timothy Longstaff ⁵	Non-Executive Director	Part Year

1 Position reflects position title at end of financial year or at employment cessation date.

2 James Cain's term as the Board Chair commenced on 1 March 2025.

3 Louise Thurgood's term as a Non-Executive Director commenced on 1 July 2024.

4 David Knox retired as the Board Chair on 31 December 2024.

5 Tim Longstaff retired as a Non-Executive Director on 31 March 2025.

Name	Position ¹	KMP Term
MD and CEO and KMP Executives		
Dennis Barnes	MD and CEO	Full Year
Iain Graham	CEO Retail	Full Year
Kim Josling	Chief Financial Officer (CFO)	Full Year
Roger Whitby	Chief Operating Officer (COO)	Full Year
Gordon Wymer	Chief Commercial Officer (CCO)	Full Year

1 Position reflects position title at end of financial year or at employment cessation date.

2. Remuneration Framework Summary

The table below provides an overview of the FY25 approach to KMP and Executive remuneration (with numbers indicating the relevant section of the report where further information can be found).

Remuneration Governance (section 3)		Remuneration Principles (section 4)
The People & Culture Committee makes recommendations to the Board on Snowy Hydro's remuneration policies and practices. The Committee seeks advice/feedback regularly from external independent remuneration advisors and from the MD and CEO and other Executives, as required.		
Remuneration Strategy and Framework (section 4)		
Component	MD and CEO	Executives including KMP
Fixed Annual Remuneration (FAR)	<ul style="list-style-type: none"> The Remuneration Tribunal (RT) sets the Total Remuneration Reference Rate (TRRR) applicable to the Snowy Hydro MD and CEO. The Board then determines the MD and CEO's Fixed Annual Remuneration (FAR) within a range from 10% below to 5% above the Reference Rate. The MD and CEO's FAR may not exceed the Reference Rate within the first 12 months of appointment. The Board may seek external independent remuneration advice. 	Set with reference to the market and various factors as determined as appropriate by the Board.
At Risk Variable Remuneration (VR)	<ul style="list-style-type: none"> Annual performance-based remuneration aligned to the strategic priorities of Snowy Hydro, individual areas of accountability and corporate values: <ul style="list-style-type: none"> 80% Group Balanced Scorecard (quantitative); 20% Individual KPIs (qualitative). VR is dependent on achieving performance scorecard measures over and above threshold performance set by the Board and aligned to the Corporate Plan. The RT has determined that the Snowy Hydro MD and CEO is eligible for VR up to 40% of FAR. Realised VR is subject to deferral and malus/in-period adjustments conditions as follows: <ul style="list-style-type: none"> 75% paid Year 1 (vesting year); 15% paid Year 2; and 10% paid Year 3. 	<ul style="list-style-type: none"> Annual performance-based remuneration aligned to the strategic priorities of Snowy Hydro, individual areas of accountability and corporate values: <ul style="list-style-type: none"> 80% Group Balanced Scorecard (quantitative); and 20% Individual KPIs (qualitative). VR is dependent on achieving performance scorecard measures over and above threshold performance set by the Board and aligned to the Corporate Plan. Target set at 20% of FAR. Maximum capped at 40% of FAR. VR is subject to the malus /in-period adjustments conditions.
Remuneration Strategy and Framework (section 4)		
Remuneration is designed to support Snowy Hydro's strategy to underpin Australia's transition to a carbon neutral future, backed by Snowy Hydro's assets, and exceptional service to customers.		

3. Remuneration Governance

3.1. People and Culture (P&C) Committee role

The role of the People and Culture Committee (**Committee**) is to assist the Board in carrying out its responsibilities under the Commonwealth Government Business Enterprises Governance and Oversight Guidelines. In particular, the Committee is responsible for ensuring Snowy Hydro has coherent policies and practices that fairly and responsibly manage the performance, remuneration and succession arrangements for the MD and CEO and Executives.

The Committee reviews and makes recommendations to the Board on the performance outcomes and remuneration arrangements for the MD and CEO, KMP and other Executives. In addition to its remuneration responsibilities, the Committee's duties entail overseeing the people strategy including culture, leadership and talent management and succession, and Human Resources (HR) policies and practices. The Committee is also responsible for overseeing significant employment terms and conditions including in Enterprise Agreements, reviewing any significant complaints and Code of Conduct breaches, and assisting the Board in its oversight of Snowy Hydro's compliance with applicable legal, regulatory and reporting requirements. The Committee's Charter and the performance of the Committee against the Charter is reviewed on an annual basis. The current Committee Charter is available on the Snowy Hydro website:

<https://www.snowyhydro.com.au/wp-content/uploads/2025/07/BPCC-Charter-approved-by-the-Board-on-27-June-2025.pdf>.

3.2. Engagement of external advice

Where appropriate, the Board or its Committee consult external remuneration advisers. When such advisers are used, the Board considers potential conflicts of interest and ensures terms of engagement regulate access to and (when required) set out their independence from members of management. During FY25 Snowy Hydro received no external remuneration advice.

3.3. MD and CEO and Executive contract terms

With the exception of the MD and CEO who is on a fixed term contract, KMP and other Executives are on rolling contracts until notice of termination is given by either Snowy Hydro or the Executive.

The notice period is six months for the MD and CEO, and between three and six months for KMP and other Executives. In appropriate circumstances, payment may be made in lieu of notice. Where Snowy Hydro initiates termination, including mutually agreed resignation, the individual may receive a termination payment of up to six months' FAR (including applicable notice).

Where the termination occurs as a result of misconduct or a serious or persistent breach of contract (termination for cause), Snowy Hydro may terminate employment immediately without notice, payment in lieu of notice or any other termination payment.

4. Remuneration Strategy and Framework

Snowy Hydro's Executive remuneration is designed to attract, motivate and retain high calibre personnel who have the requisite experience and skills to lead a large complex organisation. Core to Snowy Hydro's Executive remuneration strategy is providing a clear and direct link between pay and organisation and individual performance.

This is achieved through:

- A remuneration framework which has a fixed and an "at risk" variable remuneration component which are only paid if agreed performance thresholds and Board approved KPIs are met;
- A regular review of the Executive remuneration framework, including the performance measures under the variable remuneration programs;
- Consideration and benchmarking of market remuneration practices to determine any proposed changes to Executive remuneration;
- A balance of corporate and individual KPIs to determine performance outcomes after the minimum performance criteria are met; and
- Linking each Executive's variable remuneration to the achievement of Board approved measurable performance goals, including application of malus provisions to previous awards (if relevant).

4.1 Remuneration Framework components

As determined by the Remuneration Tribunal, the MD and CEO's annual remuneration arrangements comprise of two components:

- Fixed Annual Remuneration (FAR); and
- Variable Remuneration (VR).

The same annual remuneration arrangements apply to all other Executives.

4.2 Fixed Annual Remuneration

Fixed Annual Remuneration (FAR) remunerates the MD and CEO, KMP and other Executives for delivering on the core requirements of their role. Base salary, superannuation contributions and non-cash benefits comprise an Executive's FAR.

MD and CEO Fixed Annual Remuneration

Snowy Hydro MD and CEO's remuneration is set by the Remuneration Tribunal. This position is classified by the Remuneration Tribunal as a Principal Executive Officer (PEO) Band E. The Remuneration Tribunal sets the Total Remuneration Reference Rate (TRRR) applicable to the Snowy Hydro MD and CEO. The Board then determines the Snowy Hydro MD and CEO's FAR within a range from 10% below to 5% above the TRRR. The Snowy Hydro MD and CEO FAR may not exceed the TRRR within the first 12 months of appointment.

KMP and other Executives

FAR is positioned at a level to attract, motivate and retain KMP and other Executives and to reflect the individual's responsibilities, skills, performance, qualification and experience. Factors taken into account when setting the appropriate FAR include:

- Market data for comparable roles including other Government Business Enterprise's remuneration positioning;
- Complexity of the role and internal relativities;
- An individual's skills, experience and performance assessments;
- Any changes in role and responsibility;
- Previous salary adjustments; and
- Community expectations.

Once hired, the MD and CEO, KMP and other Executives have no guarantee of FAR increases as per the terms in their contracts. FAR is reviewed annually by the Board to ensure alignment with the above factors.

4.3 Variable Remuneration (VR) Program

Snowy Hydro's Variable Remuneration (VR) remunerates individuals for their contribution to the company's short term performance in line with the Corporate Plan. The VR Plan is an "at risk" annual variable pay opportunity where a variable payment can be awarded subject to meeting threshold performance conditions and achievement of relevant Group and individual KPIs.

Snowy Hydro uses a balanced scorecard approach when setting key result areas (KRA) for the MD and CEO, KMP and other Executives. The KRAs and the KPIs are aligned to the Corporate Plan's long term goals whilst also providing focus on the key strategic deliverables for the performance year.

The following key result areas are included in the MD and CEO, KMP and other Executives Scorecard:

- 80% based on the Scorecard KPIs – to ensure the strongest link and ultimate collective Executive accountability for overall group outcomes; and
- 20% based on the Individual Scorecard - set criteria which are qualitative in nature.

The corporate and individual scorecard is illustrated in the table below:

Type	Key Result Area	Weight
Scorecard KPIs (Quantitative)(80%)	Financial	30%
	Sustainability (including Safety and Customer)	20%
	Growth (including Snowy 2.0, Kurri Kurri Power Station)	30%
Individual Scorecard KPIs (Qualitative) (20%)	Sample KPIs may include depending on Corporate Plan: <ul style="list-style-type: none"> • Major Programs of Work; • Reputation and risk; • Stakeholders; and • Safety, Leadership and Culture. 	20%
	Total	100%

The individual focus component also allows for adjustment of quantitative performance outcomes up or down depending on the circumstances in the external environment, changes in priorities not foreseen at the beginning of the performance period and demonstration of company values and behaviours.

The VR Target Opportunity is expressed as a percentage of FAR and is set at 20%. The VR Maximum (the maximum potential remuneration available) is set at 40%. The MD and CEO, KMP and other Executives are only paid at levels in excess of Target if the Company delivers superior performance above agreed criteria.

At the end of the financial year the People & Culture Committee reviews the performance of the MD and CEO, KMP and other Executives. The Committee then recommends to the Board individual VR awards. All VR awards are paid in cash within three months of the end of the financial year, except where deferral conditions apply.

Individual VR plan awards are calculated using the following formula:

FAR x 'Target' Opportunity x MD and CEO and Executive Balanced Scorecard Outcome consisting of Group Scorecard Outcome (80%) + Individual Scorecard Outcome (20%)

Notwithstanding the achievement of the agreed KRAs, the Board has absolute discretion to make the final determination of the MD and CEO, KMP and other Executive variable payouts, including application of malus provisions to previous awards (if relevant).

For MD and CEO only, any realised VR is subject to deferral as follows:

- 75% paid Year 1 (vesting year);
- 15% paid Year 2; and
- 10% paid Year 3.

4.4 Remuneration Benchmarking

Snowy Hydro aims to position target total remuneration fairly yet competitively against comparable organisations. External market benchmarks are prepared (when required) by independent remuneration advisors, drawing on publicly available disclosed data from relevant Australian listed and unlisted companies and GBEs.

Target total remuneration for each role is informed by the benchmark data and relevant internal relativities.

In alignment with the Committee Charter, remuneration levels are reviewed and approved annually by the Board on the recommendation from the People and Culture Committee. In the case of the MD and CEO the relevant data may be submitted to the Remuneration Tribunal on a periodic basis.



5. Linking Strategy, Performance and Remuneration

The table below demonstrates the link between Snowy Hydro's core strategy and MD and CEO and Executive remuneration.

Delivering on Snowy Hydro's five core strategic elements				
1	2	3	4	5
Enable the renewable energy transition Our electricity generating assets and storage support more wind and solar to come online.	Deliver reliability and energy security Our operations are a significant contributor to the National Electricity Market's reliability and to Australia's energy security.	Promote market competition Participating in the retail, C&I and wholesale energy markets enables competition to improve customer service standards and help reduce pressure on prices.	Deliver responsible environment and community outcomes Meeting our responsibilities as a minimum and looking for the right opportunities to go further.	Develop and engage our people Our people are the key to Snowy's success and the future of renewable energy.
... which are incorporated in Snowy Hydro's short-term and long-term measures				
Corporate KPIs (80%)				
Strategic Projects	Financial and Operations	Customer	Safety, Environment and Engagement	
Delivery of Snowy 2.0, Kurri Kurri Power Station and other major projects Despite challenges associated with delivering a complex mega project in a remote area, Snowy 2.0 has made good progress, however is facing persistent and material cost pressures. Kurri Kurri Power Station project experienced challenges in FY25 including inclement weather, however, it is set to enter full commercial service in late 2025.	Group EBITDA and Operational metrics Snowy Hydro's FY25 Underlying EBITDA reached threshold. Snowy Hydro's credit rating remains stable. Hydro, gas and diesel power stations delivered solid results on all key operational metrics.	Industry Leading Customer Satisfaction Our Retail brands (Red and Lumo) exceeded Roy Morgan customer satisfaction score target for the year, with Red Energy winning the national 2024 Roy Morgan Award for Most Satisfied Customers. Our Retail brands (Red and Lumo) continued to be #1 in NPS amongst peers. We continue to be the standout performer in the Commercial and Industrial (C&I) market on customer satisfaction.	Incidents Severity Rate (ISR) Score / Enviro KPIs Whilst our generation division achieved below Threshold for Total Incident Severity Rate (TISR) performance, most injuries were minor with no systemic issues identified. Psychosocial risk and incidents were managed within performance benchmarks.	Safety Leadership and Cultural Improvement The delivery of the Safety Leadership program and identified improvements was broadly in line with the Board's expectations. Cultural improvement initiatives were prioritised and have been successfully implemented. Maintains our high levels of employee engagement, productivity and retention.
Below Target	Below Target	Outperformance	On Target	On Target
Individual KPIs (20%)				
... and impacts on Executive remuneration.				

The Board and the Committee determined that Snowy Hydro's performance 'met' or 'exceeded expectations' for Customer, Generation Operations, Environment and Engagement KPIs and 'below expectations' for Financial and Safety KPIs and the delivery of Strategic Projects. The Committee recommended the Board pay the MD and CEO a VR of 44.3% of his maximum potential variable remuneration; and an average of 55% of their maximum potential variable remuneration for other KMP.

6. KMP Remuneration for FY25

Executives received a mix of remuneration during FY25 including fixed and variable remuneration.

The table below summarises the remuneration that was received by KMP in FY25 which includes FAR and any variable remuneration. It is calculated on an accruals basis in accordance with statutory rules and applicable Accounting Standards.

All figures in \$		Short-term benefits		Post employment	Other long-term benefits	Total
Name	Base salary & fees ¹	Short-term variable pay ²	Other benefits	Super contribution ³	Long service leave	
Dennis Barnes	1,693,930	322,504		29,932	14,559	2,060,925
Iain Graham	1,075,359	314,496		29,932	48,269	1,468,056
Kim Josling	827,680	174,054		29,932	32,918	1,064,584
Roger Whitby	980,991	204,241		127,930	46,972	1,360,134
Gordon Wymer	1,113,016	226,212		29,932	(6,678)	1,362,482
Total	5,690,976	1,241,507		247,658	136,040	7,316,181

¹ Base salary and fees includes accrued annual leave entitlements and allowances paid in cash.

² Short-term variable payments are expected to be paid in September 2025.

³ For defined benefit superannuation plan members, this amount represents the notional employer contribution rate, plus the productivity component.

7. Board Directors' Fees

The Snowy Hydro Board of Non-Executive Directors are appointed by the Commonwealth Government by the two Shareholder Ministers. Non-Executive Directors' annual fees are set by the Remuneration Tribunal, not Snowy Hydro.

The Remuneration Tribunal regularly reviews and sets fees for the roles of Non-Executive Directors' (excluding statutory superannuation contributions which are paid in addition to the fees set by the Remuneration Tribunal). Non-Executive Director fees cover all activities including Board membership and participation except in the case of the Audit and Compliance Committee where the Chair and members receive additional fees. Snowy Hydro has three other standing Committees, namely the Portfolio Risk Committee, People and Culture Committee, and Safety, Operations and Environment Risk Committee, none of which are paid additional fees.

The following table sets out the Non-Executive Directors' fees (excluding superannuation) as determined by the Remuneration Tribunal and covers FY24 and FY25.

Role/Committees	1 July 2024 ¹	1 July 2025 ²
Chair	\$251,000	\$257,030
Non-Executive Director	\$125,520	\$128,590
Audit and Compliance	Chair ³	\$24,820
	Member ³	\$12,420
		\$12,720

¹ Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2024.

² Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2025.

³ Snowy Hydro Board Chair is not entitled to receive these additional fees.

Table 3: Non-Executive Directors KMP statutory disclosures

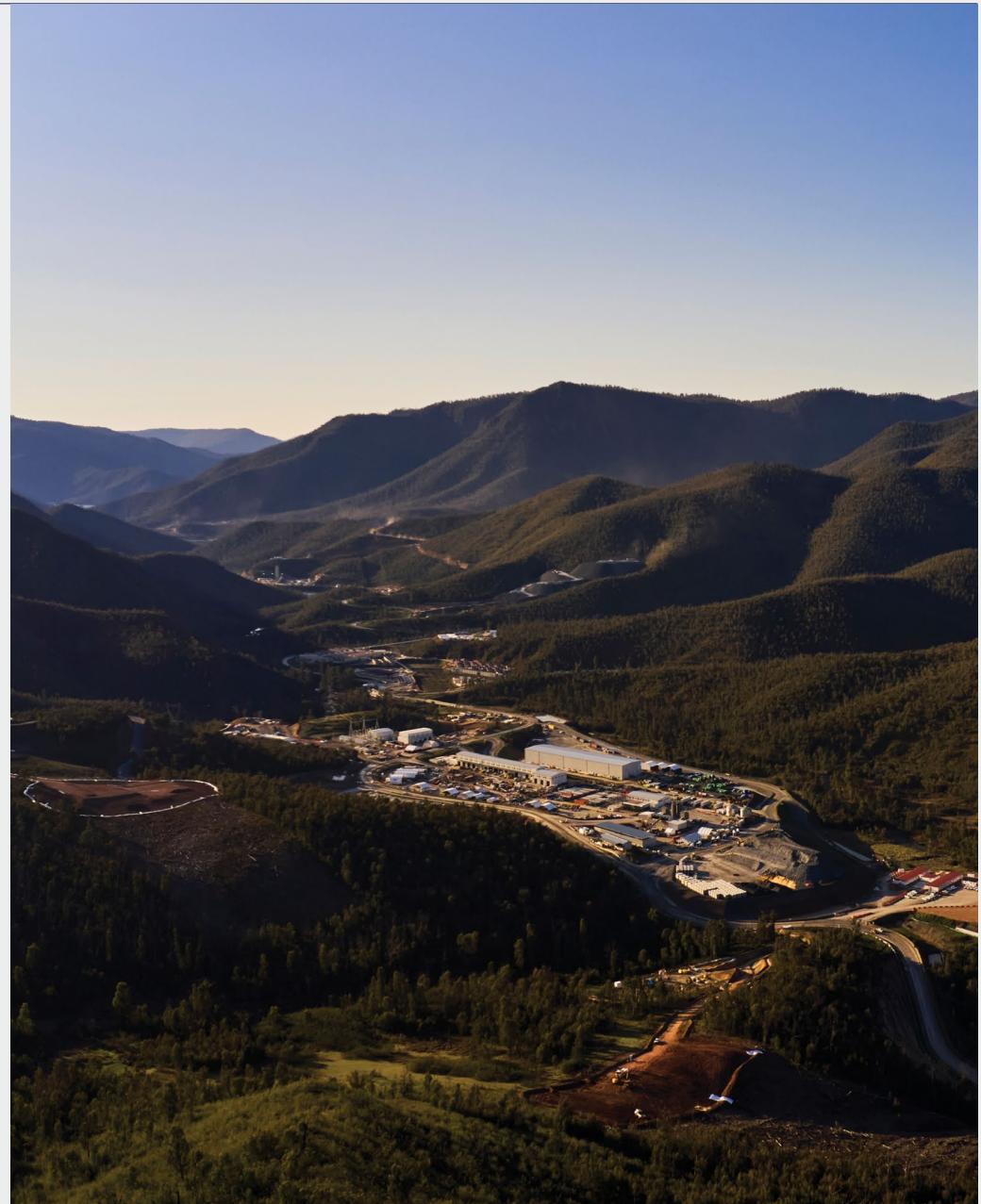
All figures in \$	Short-term benefits	Post employment	Total
Name	Base Salary & Fees	Super contribution	
Board of Directors			
James Cain ¹	81,039	7,483	88,522
Sandra Dodds	150,674	17,345	168,019
Leanne Heywood	138,243	15,914	154,157
Scott Mitchell	125,792	14,481	140,273
Karen Moses	125,792	14,481	140,273
Louise Thurgood ²	126,085	8,890	134,975
Former Board of Directors			
David Knox ³	127,023	14,363	141,386
Timothy Longstaff ⁴	83,187	13,836	97,023
Total	957,835	106,793	1,064,628

¹ James Cain's term as the Board Chair commenced on 1 March 2025.

² Louise Thurgood's term as a Non-Executive Director commenced on 1 July 2024.

³ David Knox retired as the Board Chair on 31 December 2024.

⁴ Tim Longstaff retired as a Non-Executive Director on 31 March 2025.



Financial Report

For the period ended 30 June 2025

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Consolidated financial report

Consolidated Statement of Profit or Loss

For the period ended 30 June 2025

\$million	Note	2025	2024
Revenue	2	4,719.2	4,154.8
Other income		11.6	6.1
Direct costs of revenue	2	(3,344.0)	(2,674.3)
Consumables and supplies		(107.0)	(101.0)
Employee benefits expense		(344.4)	(316.0)
Depreciation and amortisation expense		(151.4)	(154.0)
Impairment loss recognised on trade receivables	2	(32.3)	(33.7)
Other expenses		(189.9)	(139.6)
Changes in fair value of financial instruments	16	605.1	(146.2)
Profit before net finance income and income tax		1,166.9	596.1
Interest income	3	18.8	11.2
Finance costs	3	(12.9)	(8.2)
Profit before income tax		1,172.8	599.1
Income tax expense	4	(350.2)	(180.6)
Profit for the period attributable to the owners of Snowy Hydro Limited		822.6	418.5

The consolidated statement of profit or loss should be read in conjunction with the notes to the consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the period ended 30 June 2025

\$million	Note	2025	2024
Profit for the period		822.6	418.5
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligations	24	0.1	(0.3)
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	0.1
		0.1	(0.2)
Items that may be reclassified subsequently to profit or loss			
Changes in fair value of cash flow hedges and foreign exchange contracts	16	(101.7)	(48.0)
Income tax relating to items that may be reclassified subsequently to profit or loss		30.5	14.4
		(71.2)	(33.6)
Total other comprehensive income, net of income tax		(71.1)	(33.8)
Total comprehensive income for the period attributable to the owners of Snowy Hydro Limited		751.5	384.7

The consolidated statement of comprehensive income should be read in conjunction with the notes to the consolidated financial statements.

Consolidated Statement of Financial Position

As at 30 June 2025

\$million	Note	2025	2024
Current assets			
Cash and cash equivalents		406.2	278.2
Trade and other receivables	6	974.9	703.3
Inventories		35.8	32.6
Income tax receivable		23.0	-
Other financial assets	7	1,252.8	635.2
Other assets	8	324.8	290.2
Total current assets		3,017.5	1,939.5
Non-current assets			
Goodwill and other intangible assets	10	514.1	499.6
Property, plant and equipment	9	13,202.5	10,027.9
Other financial assets	7	84.6	205.2
Other assets	8	58.7	98.6
Total non-current assets		13,859.9	10,831.3
Total assets		16,877.4	12,770.8

\$million	Note	2025	2024
Current liabilities			
Trade and other payables	12	911.5	678.9
Interest bearing liabilities	14	1,118.4	1,189.3
Provisions	13	176.8	173.5
Other financial liabilities	15	430.5	456.7
Income tax payable		-	119.4
Total current liabilities		2,637.2	2,617.8
Non-current liabilities			
Other payables	12	17.0	12.3
Interest bearing liabilities	14	5,385.7	3,609.4
Deferred tax liabilities	11	299.7	53.9
Provisions	13	170.9	145.6
Other financial liabilities	15	0.8	8.7
Total non-current liabilities		5,874.1	3,829.9
Total liabilities		8,511.3	6,447.7
Net assets		8,366.1	6,323.1
Equity			
Issued capital	17	4,421.1	2,796.1
Preference shares	18	1,400.0	1,400.0
Reserves	19	81.2	152.4
Retained earnings		2,463.8	1,974.6
Total equity attributable to the owners of Snowy Hydro Limited		8,366.1	6,323.1

The consolidated statement of financial position should be read in conjunction with the notes to the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the period ended 30 June 2025

\$million	Issued Capital	Preference shares	Hedging reserve	Retained Earnings	Total attributable to the owners of Snowy Hydro Limited
Balance as at 1 July 2023	2,519.1	1,400.0	186.0	1,792.5	5,897.6
Profit for the period	-	-	-	418.5	418.5
Other comprehensive income for the period, net of tax	-	-	(33.6)	(0.2)	(33.8)
Equity subscription	277.0	-	-	-	277.0
Dividends paid	-	-	-	(236.2)	(236.2)
Balance as at 30 June 2024	2,796.1	1,400.0	152.4	1,974.6	6,323.1
Profit for the period	-	-	-	822.6	822.6
Other comprehensive income for the period, net of tax	-	-	(71.2)	0.1	(71.1)
Equity subscription	1,625.0	-	-	-	1,625.0
Dividends paid	-	-	-	(333.5)	(333.5)
Balance as at 30 June 2025	4,421.1	1,400.0	81.2	2,463.8	8,366.1

The consolidated statement of changes in equity should be read in conjunction with the notes to the consolidated financial statements.

Consolidated Statement of Cash Flows

For the period ended 30 June 2025

\$million	Note	2025	2024
Cash flows from operating activities			
Receipts from customers		4,311.5	3,912.8
Payments to suppliers and employees		(3,622.8)	(3,003.3)
Cash generated from operations		688.7	909.5
Interest received		18.6	10.9
Interest and other costs of finance paid		(225.4)	(125.8)
Income tax paid, net of refunds received		(216.3)	(90.4)
Net cash generated from operating activities		265.6	704.2
Cash flows from investing activities			
Payments for property, plant and equipment		(3,000.7)	(2,877.3)
Proceeds from sale of property, plant and equipment		0.8	24.3
Payments for intangible assets		(54.7)	(58.1)
Payments for other investing activities		(68.3)	(3.3)
Net cash used in investing activities		(3,122.9)	(2,914.4)
Cash flows from financing activities			
Proceeds from equity subscription		1,625.0	277.0
Drawdown of borrowings		1,729.0	2,217.0
Payment of lease liabilities		(22.9)	(17.1)
Transaction costs related to loans and borrowings		(12.3)	(1.3)
Dividends paid	20	(333.5)	(236.2)
Net cash generated from financing activities		2,985.3	2,239.4
Net increase in cash		128.0	29.2
Cash at beginning of the period		278.2	249.0
Cash at end of the period		406.2	278.2

The consolidated statement of cash flows should be read in conjunction with the notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the period ended 30 June 2025

1. Basis of preparation

Snowy Hydro Limited (the **Company**) is a for profit entity limited by shares, incorporated and domiciled in Australia. Its shares are privately held by the Commonwealth Government as a Government Business Enterprise and it operates as a Corporations Act company with an independent Board of Directors.

The consolidated financial statements comprise the Company and its controlled entities (together referred to as **Snowy Hydro** or the **Group**). The nature of the operations and principal activities of Snowy Hydro are described in the Directors' Report.

Statement of compliance

The consolidated financial statements are general purpose financial statements and have been prepared in accordance with the Corporations Act, applicable Accounting Standards and Interpretations, and comply with other requirements of the law.

The consolidated financial statements also comply with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board.

The consolidated financial statements were authorised for issue by the Directors on 3 September 2025.

Basis of preparation

These consolidated financial statements have been prepared on the basis of historical cost, except for derivative financial instruments which have been measured at fair value. Cost is based on the fair value of the consideration given in exchange for assets.

All amounts are presented in Australian dollars.

Unless otherwise shown in the financial statements, amounts have been rounded to the nearest one hundred thousand dollars and are shown as \$million. Snowy Hydro is a company of the kind referred to in the Australian Securities and Investments Commission (**ASIC**) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016.

Basis of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the Company and its controlled entities as defined in Accounting Standard AASB 10 *Consolidated and Separate Financial Statements*. A list of controlled entities appears in Note 21 to the financial statements. Consistent accounting policies are employed across all controlled entities in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the Company obtains control and until such time as the Company ceases to control such entity. In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

Where the cost of the acquisition exceeded the fair value of the identifiable assets, liabilities and contingent liabilities, acquired goodwill has been recognised in the consolidated statement of financial position. On the acquisition of a business any excess of the fair value of assets and liabilities acquired over the cost of acquisition has been recognised in the consolidated statement of profit or loss as a gain on acquisition.

Adoption of new and revised accounting standards

Snowy Hydro has adopted all of the new and revised Standard and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any material changes.

Reporting period

Reporting period has the same meaning as the financial year for the purposes of the Corporations Act 2001 (Cth).

In accordance with the Public Governance, Performance and Accountability Rule 2014 this Annual Report 2025 refers to the period from 1 July 2024 to 30 June 2025. Snowy Hydro's 2024 Annual Report represented the reporting period 1 July 2023 to 30 June 2024.

Critical accounting judgements and key sources of estimation uncertainty

Critical judgement and key assumptions that management has made that have the most significant effect on the amounts recognised in the financial statements are detailed in the notes below:

Note	Judgement/Estimation
2	Revenue recognition
6	Provision for doubtful debts
8 & 13	Environmental certificates
10	Impairment of goodwill
16	Valuation of financial instruments

Notes to the Financial Report

The notes are organised into the following sections:

Financial performance overview

Provides a breakdown of individual line items in the consolidated statement of profit or loss, and other information that is considered most relevant to users of the annual report.

Financial position overview

Provides a breakdown of individual line items in the consolidated statement of financial position that are considered most relevant to users of the annual report.

Capital structure and risk management

Provides information about the capital management practices of Snowy Hydro and shareholder returns for the year. This section also discusses Snowy Hydro's exposure to various financial risks, explains how these affect the Group's financial position and performance and what the Group does to manage these risks.

Group structure

Explains aspects of the Snowy Hydro structure and the impact of this structure on the financial position and performance of Snowy Hydro.

Other

Provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements and provides information about items that are not recognised in the financial statements but could potentially have a significant impact on Snowy Hydro's financial position and performance.

Financial Performance Overview

2. Revenue and expenses

	2025	2024
\$million		
Revenue		
Revenue from contracts with customers		
Wholesale	1,433.5	998.0
Retail	3,328.2	2,971.6
Total revenue from contracts with customers	4,761.7	3,969.6
Other net (loss)/revenue activities	(42.5)	185.2
Total revenue	4,719.2	4,154.8
 Expenses		
Direct costs of revenue	(3,344.0)	(2,674.3)
Impairment loss recognised on trade receivables	(32.3)	(33.7)
Operating lease expenses	(2.1)	(1.8)

Recognition and measurement

- **Wholesale revenue** is recognised at a point in time, being when the Group fulfils its performance obligations in generating energy. The transaction price is dictated by spot market prices and control is deemed to have been passed to AEMO when electricity is generated as it is utilised in the NEM to provide energy to retailers.
- **Retail revenue** is recognised at a point in time, being when the Group fulfils its performance obligations in providing energy to its customers, whereby the energy is consumed by the customers at the same time it is provided by the Group. The transaction price includes a fixed component (service charge) and a variable component (based on consumption). Control is deemed to have passed to the customer upon consumption of energy, as this represents the point in time when the customer gains the right to use and obtain the benefits of the supply.
- **Other net (loss)/revenue activities** is predominantly net portfolio performance and environmental certificates. The net portfolio performance is recognised at a point in time when the Group fulfils its contract obligations. The sale of environmental certificates is recognised at a point in time when the Group fulfils its performance obligation with customers through the transfer of certificates to the purchaser measured at the sale price.

Critical accounting estimate - Unbilled revenue

At the end of each reporting period, the volume of energy supplied since a customer's last bill is estimated in determining unbilled revenue. This estimation requires judgement and is based on historical customer consumption patterns. Related to this are unbilled network expenses of unread electricity and gas meters which are estimated based on historical customer consumption patterns. Note 6 discloses the unbilled revenue balance for the reporting period.

3. Net finance income

\$million	2025	2024
Interest income	18.8	11.2
Interest expense and funding cost	(316.6)	(209.8)
Interest rate hedge income	70.0	65.7
Interest expense from leasing arrangements	(5.8)	(6.4)
Finance costs capitalised	239.5	142.3
Finance costs	(12.9)	(8.2)
Net finance income	5.9	3.0

Recognition and measurement

- **Interest income and expense:** are accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rates. Interest costs directly attributable to the acquisition or construction of qualifying assets are added to the cost of those assets. The weighted average capitalisation rate on funds borrowed for finance costs capitalised is 4.5% (2024: 4.2%).
- **Leasing arrangements:** Lease liabilities are measured at commencement date at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest.



4. Income tax expense

Reconciliation of income tax expense charged to the consolidated statement of profit or loss:

\$million	2025	2024
Profit from operations	1,172.8	599.1
Tax expense calculated at 30%	(351.8)	(179.7)
Prior year adjustments	2.3	(0.3)
Non-deductible expenses	(0.8)	(0.7)
Research and development offset	0.1	0.1
Total income tax expense on profit	(350.2)	(180.6)
<i>Comprising of:</i>		
Current tax expense	(73.9)	(185.7)
Deferred tax (expense)/income	(276.3)	5.1
Total income tax expense on profit	(350.2)	(180.6)

The tax rate used in the above reconciliation is the corporate tax of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

Snowy Hydro and its wholly-owned Australian resident entities are eligible to consolidate for tax purposes and elected to be taxed as a single entity from 1 July 2003. The head entity in the tax consolidated group is Snowy Hydro Limited. Entities within the tax consolidated group are listed in Note 21.

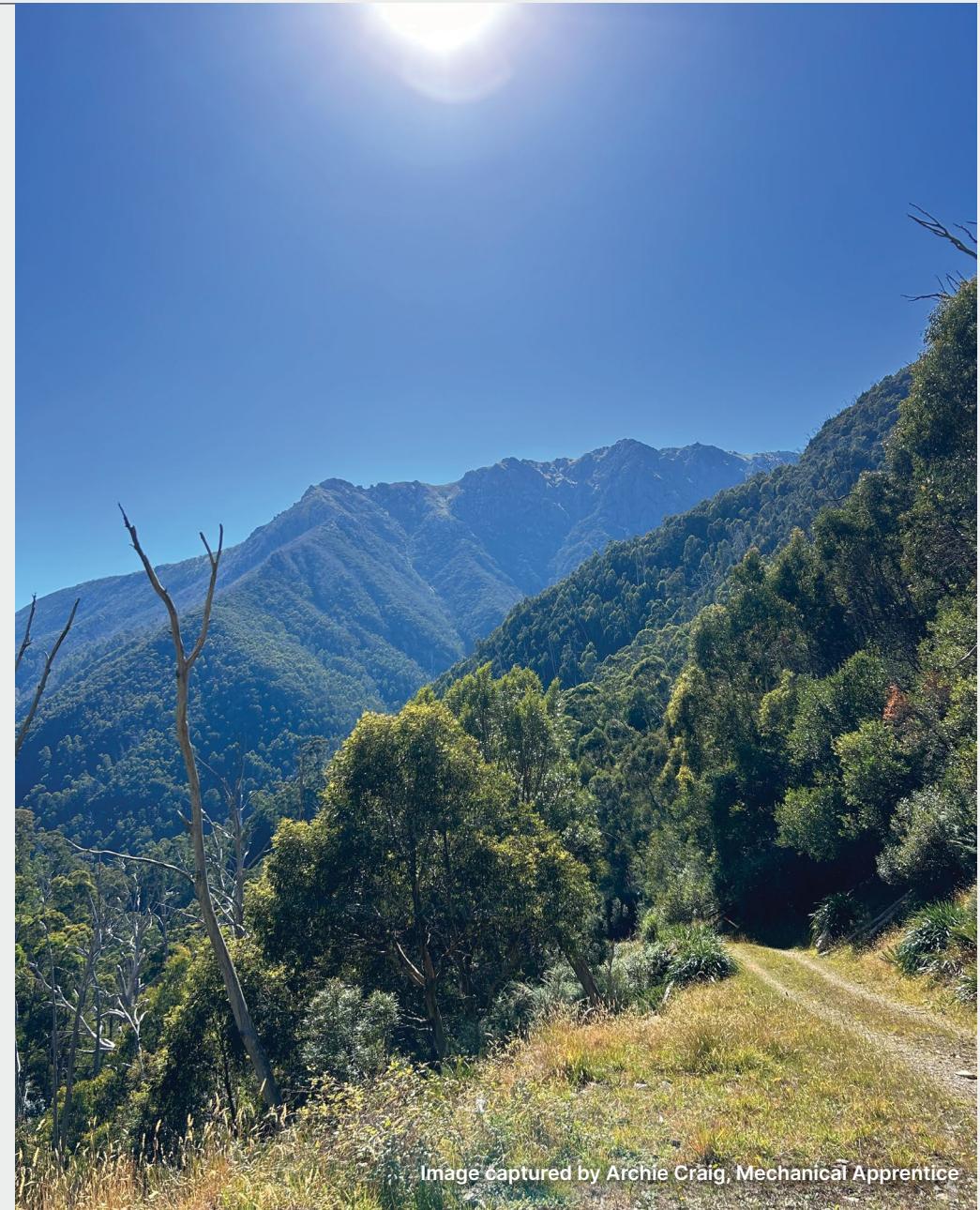
Snowy Hydro Limited is a signatory to the Voluntary Tax Transparency Code, and prepares its Tax Report in accordance with the code. The Tax Report for the 30 June 2025 year is available on the Snowy Hydro Limited website.

Recognition and measurement

Current and deferred tax is recognised as an expense in the consolidated statement of profit or loss, except when it relates to items credited or debited directly to other comprehensive income or directly to equity, in which case the current and deferred tax is also recognised directly to other comprehensive income or equity, respectively, or where it arises from an initial accounting for a business acquisition, in which case it is taken into account in the determination of goodwill.

5. Profit to operating cash flows

\$million	2025	2024
Profit before income tax	1,172.8	599.1
Adjustments for:		
Profit on sale of non-current assets	(0.6)	(23.3)
Depreciation and amortisation	151.4	154.0
Impairment loss recognised on trade receivables	32.3	33.7
Impairment write-off on property, plant and equipment	-	0.5
Write-down of inventories	0.4	-
Changes in fair value of financial instruments	(605.1)	146.2
Interest income	(18.8)	(11.2)
Finance costs	12.9	8.2
	745.3	907.2
Changes in assets and liabilities:		
(Increase) in trade and other receivables	(275.2)	(250.5)
(Increase) in inventories	(3.1)	(1.4)
(Increase)/decrease in other financial assets	(49.6)	152.3
Decrease/(increase) in other assets	56.5	(90.5)
Increase in trade and other payables	210.5	226.3
Increase in provisions	4.1	32.7
Increase/(decrease) in other financial liabilities	0.2	(66.6)
Net cash generated from operations	688.7	909.5



Financial Position Overview

6. Trade and other receivables

\$million	2025	2024
Trade receivables	1,048.4	773.1
Allowance for doubtful debts	(83.8)	(77.6)
Goods and services tax receivable	10.3	7.8
Total trade and other receivables	974.9	703.3

Expected credit loss on trade receivables

\$million	
Balance as at 1 July 2024	77.6
Additional allowance for doubtful debts	32.3
Amounts written off, previously provided for	(26.1)
Balance as at 30 June 2025	83.8

The ageing analysis of trade receivables and expected credit losses is as follows:

	2025	2024			
	Total \$million	Lifetime ECL Rate	Allowance \$million	Total \$million	Allowance \$million
Unbilled revenue	424.9	2.0%	8.3	381.2	8.1
Not past due	471.6	1.2%	5.6	267.6	5.3
Past due 0-30 days	65.5	7.8%	5.1	34.9	5.6
Past due 31-60 days	13.8	31.9%	4.4	25.3	4.2
Past due 61-90 days	7.9	39.2%	3.1	8.8	3.7
Greater than 90 days	64.7	88.6%	57.3	55.3	50.7
	1,048.4		83.8	773.1	77.6

Recognition and measurement

Trade and other receivables are recognised initially at contractual amounts due and are subsequently stated at amortised cost using the effective interest method, less allowances for lifetime expected credit losses.

Critical accounting estimate - Expected credit loss

In accordance with AASB 9 *Financial Instruments*, the Group applies the 'simplified approach' when measuring expected credit losses. This approach requires the calculation of a lifetime expected credit loss for trade receivables. Expected credit losses on trade receivables are estimated by using a provision matrix with reference to historical credit loss experience and then applying an adjustment for forward-looking estimates. The Group categorises its trade receivables based on ageing. Loss rates are estimated in each customer segment, including by age category, fuel type and customer status and are based on the probability of a receivable progressing through to a write-off. The impact of economic factors is considered in assessing the likelihood of recovery from customers. Economic factors include the direction of conditions both general and specific to the industry (e.g. customer churn).

7. Other financial assets

\$million	2025	2024
Current		
Financial assets carried at fair value		
Energy derivatives - economic hedge	1,136.5	542.7
Foreign exchange contracts, commodity swaps and interest rate swaps - cash flow hedge	33.7	59.6
Loans and receivables		
Deposits with brokers	82.6	32.9
Total current other financial assets	1,252.8	635.2
Non-current		
Financial assets carried at fair value		
Interest rate swaps - cash flow hedge	84.6	205.2
Total non-current other financial assets	84.6	205.2

8. Other assets

\$million	2025	2024
Current		
Deposits		
Prepayments	131.9	63.6
Environmental certificates	51.4	67.8
Total current other assets	141.5	158.8
Non-current		
Prepayments	324.8	290.2
Total non-current other assets	58.7	98.6

Recognition and measurement

Environmental certificates are recognised at the lower of cost and net realisable value in the consolidated statement of financial position.

9. Property, plant and equipment

\$million	Land and buildings	Leasehold improvements	Plant & equipment	Construction in progress	Total
Gross carrying amount					
1 July 2023	217.8	26.8	2,975.7	5,313.3	8,533.6
Additions	29.7	-	-	2,951.8	2,981.5
Capitalised to asset class	3.5	1.6	96.0	(101.1)	-
Net restoration movement	-	-	(8.5)	-	(8.5)
Disposals	(1.0)	(0.2)	(2.3)	-	(3.5)
Impairment charge	-	-	(0.5)	-	(0.5)
30 June 2024	250.0	28.2	3,060.4	8,164.0	11,502.6
Additions	2.5	-	-	3,291.4	3,293.9
Capitalised to asset class	68.0	-	73.9	(141.9)	-
Disposals	(0.1)	-	(2.0)	-	(2.1)
30 June 2025	320.4	28.2	3,132.3	11,313.5	14,794.4
Accumulated depreciation					
1 July 2023	(62.2)	(18.8)	(1,286.4)	-	(1,367.4)
Disposals	0.7	0.1	1.6	-	2.4
Depreciation	(13.7)	(2.4)	(93.6)	-	(109.7)
30 June 2024	(75.2)	(21.1)	(1,378.4)	-	(1,474.7)
Disposals	0.1	-	1.8	-	1.9
Depreciation	(20.6)	(2.6)	(95.9)	-	(119.1)
30 June 2025	(95.7)	(23.7)	(1,472.5)	-	(1,591.9)
Net book value					
2024	174.8	7.1	1,682.0	8,164.0	10,027.9
2025	224.7	4.5	1,659.8	11,313.5	13,202.5

9. Property, plant and equipment (continued)

Recognition and measurement

- Property, plant and equipment:** Assets are recorded at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition or construction of the asset and its estimated costs of decommissioning and rehabilitation. Finance costs directly attributable to the acquisition or construction of qualifying assets are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss as incurred. The gain or loss arising on disposal or retirement is recognised in profit or loss. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if an asset's carrying amount is greater than its estimated recoverable amount. During the year, a profit of \$0.6 million (2024: profit of \$23.3 million) was recognised on the disposal of property, plant and equipment.
- Right-of-use assets:** Right-of-use assets are measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Included within property, plant and equipment are right-of-use assets with a carrying value at 30 June 2025 of \$72.3 million (2024: \$85.7 million) in the land and buildings class, and \$23.8 million (2024: \$30.1 million) in the plant and equipment class. Depreciation charged on these assets for the period was \$16.0 million (2024: \$11.7 million) in the land and buildings class, and \$6.3 million (2024: \$6.3 million) in the plant and equipment class.

- Depreciation:** Assets are depreciated at rates based upon their expected economic life using the straight-line method. Leasehold improvements are depreciated over the period of the relevant lease or estimated useful life, whichever is shorter. Land is not depreciated. Depreciation is recognised in profit or loss except to the extent that it is capitalised as part of the cost of a qualifying asset. During the year, depreciation of \$7.9 million (2024: \$3.8 million) was capitalised as part of the cost of Snowy 2.0 and Kurri Kurri Power Station developments.

The following estimated useful lives are used in the calculation of depreciation:

- Buildings: 10-50 years
- Electrical and mechanical equipment: 5-60 years
- Civil works: 30-75 years
- Mobile plant: 3-20 years
- Control systems: 5-8 years.

10. Goodwill and other intangible assets

\$million	Goodwill	Customer acquisition costs	Computer software	Total
Cost				
1 July 2023	383.2	417.4	194.0	994.6
Additions	-	33.0	25.1	58.1
30 June 2024	383.2	450.4	219.1	1,052.7
Additions	-	33.1	21.6	54.7
30 June 2025	383.2	483.5	240.7	1,107.4
Amortisation				
1 July 2023	-	(360.3)	(144.7)	(505.0)
Amortisation	-	(33.4)	(14.7)	(48.1)
30 June 2024	-	(393.7)	(159.4)	(553.1)
Amortisation	-	(20.9)	(19.3)	(40.2)
30 June 2025	-	(414.6)	(178.7)	(593.3)
Net book value				
2024	383.2	56.7	59.7	499.6
2025	383.2	68.9	62.0	514.1

Recognition and measurement

- **Goodwill** represents the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities acquired. Goodwill is not amortised but tested for impairment annually and whenever there is an indicator of impairment.
- **Customer acquisition costs:** Customer contracts acquired in a business combination are carried at cost less accumulated amortisation. The costs incurred in acquiring new customers are recognised based on the directly attributable costs of obtaining the customer contract. Amortisation is recognised as an expense on a straight line basis over the period of the expected benefit.

Critical accounting estimate - carrying value assessment

The Group tests goodwill for impairment at least annually to ensure it is not carried above its recoverable amount. This determination requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit (CGU) and a suitable discount rate in order to calculate present value.

There are two CGUs in the consolidated entity comprising a gas and electricity retailer and an electricity generator. Notwithstanding this, the retailer and the generator operate in unison and therefore form one operating segment. Indicators of impairment of goodwill are assessed against the two CGUs. During the financial year, the consolidated entity assessed the recoverable amount of the CGUs and determined that no impairment existed. The recoverable amount of the CGUs has been determined based on a value in use calculation of an asset with an indefinite life. The corporate valuation model provides for a 10 year projection of revenue, operating and capital expenditure, financing activities and taxation based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. This projection term reflects the perpetual nature of the Snowy Hydro assets and also provides for a realistic pattern of replacement capital expenditure over the projection term.

In accordance with AASB 136 *Impairment of Assets*, the recoverable amount test discounts pre-tax nominal asset cash flows (including routine maintenance and refurbishment capital expenditure), at a pre-tax nominal Weighted Average Cost of Capital (WACC) of 7.4% (2024: 7.5%). The standard valuation includes a terminal value calculated by assuming the final year's cash flow is maintained in perpetuity (in real terms) and discounted to the valuation date using the same pre-tax nominal WACC noted above. The Snowy 2.0 Project valuation uses a longer-term modelling horizon, negating the need for a terminal value calculation. The recoverable amount is most sensitive to the changes in the following assumptions:

10. Goodwill and other intangible assets (continued)

Sensitivity	Management's approach to determining the value	Growth rate
Forward market price projections for spot, contract and option premium revenue	Spot and contract revenue projections are consistent with Snowy Hydro's recent performance and are based on forward market curves for the observable trade period from GFI Group, and internal modelling thereafter. Capacity pricing (i.e. option premium income and difference payments made under the contracts) is based on a blended combination of GFI and Snowy Hydro's assessment of long-term pricing based on new-entrant modelling.	Implied in curves and modelled outcomes
Water inflows	The water inflow sequence underlying the projections reflects the expectation that 2026 inflows will be near average and that future average inflows will trend in line with past experience. The starting water storage levels are also reflected in the projections.	Not applicable
Capital expenditure	Capital expenditure is derived from Snowy Hydro's long-term capital asset planning model and includes all expenditure relating to existing assets.	Zero real growth in prices
Retail gross margin	The retail operating cost model is sufficiently flexible to respond to customer growth and is modelled as such; customer growth targets drive cost to acquire and cost to serve. The most sensitive valuation assumption is what gross margin the Retail businesses charge mass-market customers. This valuation sensitivity exercise is performed in isolation of a corporate response that might ensue (such as reducing customer targets).	Retail gross margin is materially maintained

11. Net deferred tax liabilities

\$million	Opening balance	Charge to income statement	Charged to OCI	Other/transfer	Closing balance
2025					
Deferred tax assets					
Provisions	84.9	10.1	-	-	95.0
Non derivative financial instruments	4.0	1.8	-	-	5.8
Total deferred tax assets	88.9	11.9	-	-	100.8
Deferred tax liabilities					
Property, plant and equipment	16.0	99.5	-	-	115.5
Derivative financial instruments	109.4	185.8	(30.5)	-	264.7
Other	17.4	2.9	-	-	20.3
Total deferred tax liabilities	142.8	288.2	(30.5)	-	400.5
Net deferred tax liabilities	(53.9)	(276.3)	30.5	-	(299.7)
2024					
Deferred tax assets					
Property, plant and equipment	59.6	(75.6)	-	16.0	-
Provisions	50.9	33.9	0.1	-	84.9
Non derivative financial instruments	3.0	1.0	-	-	4.0
Total deferred tax assets	113.5	(40.7)	0.1	16.0	88.9
Deferred tax liabilities					
Property, plant and equipment	-	-	-	16.0	16.0
Derivative financial instruments	169.0	(45.2)	(14.4)	-	109.4
Other	17.9	(0.5)	-	-	17.4
Total deferred tax liabilities	186.9	(45.7)	(14.4)	16.0	142.8
Net deferred tax liabilities	(73.4)	5.0	14.5	-	(53.9)

11. Net deferred tax liabilities (continued)

Recognition and measurement

- Current tax:** The income tax payable/receivable in the statement of financial position represents the amount expected to be paid (or refunded) in relation to taxable income for the financial year measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for the current, and prior periods, is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).
- Deferred income tax** is provided in full, using the balance sheet method, on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting and tax purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. A deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the consolidated entity intends to settle the tax assets and liabilities on a net basis.

12. Trade and other payables

\$million	2025	2024
Current		
Trade payables	835.5	635.2
Other payables	76.0	43.7
Total current trade and other payables	911.5	678.9
Non-current		
Other payables	17.0	12.3
Total non-current trade and other payables	17.0	12.3

Recognition and measurement

Trade and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. Payables are stated at their amortised cost.

13. Provisions

\$million	Employee benefits	Environmental liability	Site rehabilitation	Other provisions	Total
Current					
1 July 2024	60.1	112.6	-	0.8	173.5
Recognised/ remeasured	34.9	145.9	-	(0.6)	180.2
Settled/ transferred	(32.4)	(144.5)	-	-	(176.9)
30 June 2025	62.6	114.0	-	0.2	176.8
Non-Current					
1 July 2024	36.2	-	109.4	-	145.6
Recognised/ remeasured	0.8	-	24.5	-	25.3
Settled/ transferred	-	-	-	-	-
30 June 2025	37.0	-	133.9		170.9

Recognition and measurement

- **Provisions** are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that settlement will be required and the obligation can be reliably estimated. Material provisions which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Group.
- **Employee benefits** provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and other employee obligations when it is probable that settlement will be required and they are capable of being reliably measured. Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the current remuneration rate. Material employee provisions expected to be settled after 12 months are measured at their projected remuneration rate, discounted to their present values.
- **Environmental scheme liability** is recognised when electricity and gas is purchased from the NEM and simultaneously supplied to customers. Regulatory bodies impose a percentage on the volume of electricity and gas purchased to determine the number of environmental certificates the purchaser is obliged to surrender. The provision is measured at the estimated value of the cost of certificates required to meet this obligation.
- **Site rehabilitation** provision is initially recognised at the best estimate of the costs to be incurred in settling the obligation. Where restoration activities are expected to occur more than 12 months from the reporting period the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised in each period as finance cost.

14. Interest bearing liabilities and credit facilities

i) Interest bearing liabilities - unsecured

\$million	2025	2024
Current		
Bank loans	1,105.0	1,175.0
Borrowing costs	(8.6)	(8.2)
Lease liabilities	22.0	22.5
Total current interest bearing liabilities	1,118.4	1,189.3
Non-Current		
Bank loans	5,154.0	3,505.0
Shareholder loan	150.0	-
Borrowing costs	(13.3)	(10.7)
Lease liabilities	95.0	115.1
Total non-current interest bearing liabilities	5,385.7	3,609.4

ii) Credit facilities - unsecured

\$million	2025	2024
Financing facilities		
Amounts used	6,409.0	4,680.0
Amounts unused*	1,266.0	1,220.0
Total financing facilities	7,675.0	5,900.0

*The unused financing facilities above exclude the remaining \$4,350 million shareholder construction loan which will be drawn down by \$1,450 million each year until June 2028.

These credit facilities comprise bank debt and shareholder loans with fixed maturity dates as follows: \$1,625 million in 2026, \$1,475 million in 2027, \$1,587 million in 2028, \$1,425 million in 2029, \$1,288 million in 2030 and \$275 million in 2031.

In March 2025, the Company finalised a \$4,500 million shareholder construction loan, with \$150 million drawn in April 2025.

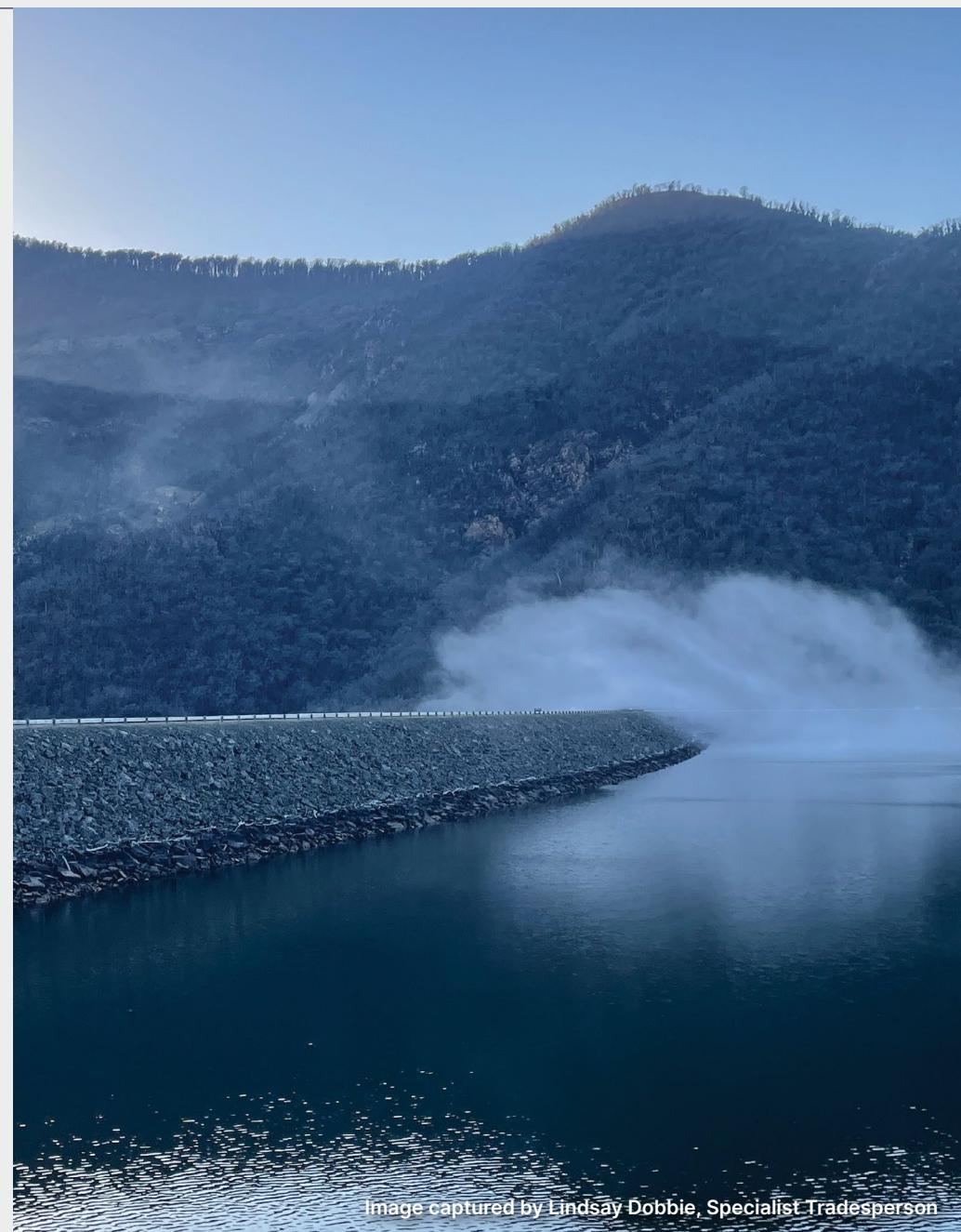
\$million	2025	2024
Uncommitted short-term money market facilities		
Amounts used	-	-
Amounts unused	15.0	30.0
Total short-term money market facilities	15.0	30.0

Recognition and measurement

- **Borrowings** are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the consolidated statement of profit or loss over the period of the borrowing, using the effective interest rate method.
- **Lease liabilities** are measured at commencement date at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest.

15. Other financial liabilities

\$million	2025	2024
Current		
Financial liabilities carried at fair value		
Energy derivatives - economic hedge	410.3	438.3
Foreign exchange contracts - cash flow hedge	2.1	18.4
Commodity forwards - cash flow hedge	1.7	-
Other		
Unearned income	16.4	-
Total current other financial liabilities	430.5	456.7
Non-current		
Financial liabilities carried at fair value		
Foreign exchange contracts - cash flow hedge	-	8.5
Commodity forwards - cash flow hedge	0.8	0.2
Total non-current other financial liabilities	0.8	8.7



Capital Structure and Risk Management

16. Financial instruments

1. Capital Management

The Group's objectives in managing capital are to safeguard its ability to operate as a going concern by maintaining sufficient liquidity so that it can continue to provide returns for the shareholder, and to maintain a capital structure commensurate to targeting a strong investment grade corporate credit rating (Standard & Poor's), to minimise the cost of capital and to provide credit transparency to trading and lending counterparties.

The capital structure of the Group consists of net debt (borrowings as detailed in Note 14 offset by cash and cash equivalents) and equity (comprising issued capital, reserves, and retained earnings). The Group's capital structure is reviewed annually by the Board Audit and Compliance Committee which considers the Group's expected operating cash flows, capital expenditure plans, maturity profile of debt facilities, dividend policy and the ability to access funding from banks and other sources.

The Group monitors its capital management objectives by continuously assessing several benchmarks related to debt, cash flows and financial performance.

2. Financial Risk Management

\$million	2025	2024
Financial assets		
Amortised cost		
Cash and cash equivalents	406.2	278.2
Trade receivables and deposits with brokers	1,047.2	728.4
Fair value through profit or loss		
Energy derivatives	1,136.5	542.7
Derivatives designated and effective as hedging instruments		
Interest, foreign exchange and commodity derivatives	118.3	264.8
Financial liabilities		
Amortised cost		
Interest bearing liabilities	6,504.1	4,798.7
Trade payables	835.5	635.2
Fair value through profit or loss		
Energy derivatives	410.3	438.3
Derivatives designated and effective as hedging instruments		
Foreign exchange and commodity derivatives	4.6	27.1

The change in fair value of derivatives recognised through profit or loss comprises:

\$million	2025	2024
Gain/(loss) recognised on energy derivatives (standard swaps, options and bespoke contracts)	621.7	(128.7)
Loss due to interest rate hedge ineffectiveness	(0.4)	(3.6)
Movement of cap premium received not yet amortised	(16.2)	(13.9)
Changes in fair value of financial instruments recognised through profit or loss	605.1	(146.2)

16. Financial instruments (continued)

The change in fair value of derivatives designated and effective as hedging instruments recognised through hedging reserves comprises:

\$million	2025	2024
(Losses)/gains recognised on:		
Foreign exchange contracts	49.6	(12.5)
Commodity swaps	(2.6)	0.5
Interest rate swaps	(148.7)	(36.0)
Changes in fair value of financial instruments recognised through hedging reserves		
	(101.7)	(48.0)

The Group's Treasury and Portfolio management functions provide services to the business to monitor and manage risks relating to NEM outcomes, commodity prices, foreign exchange and interest rates movement, liquidity and credit exposure as they arise in the normal course of operations of the Group.

Risk exposures are assessed and monitored using a variety of methods including stress modelling and ongoing surveillance, with regular risk reporting to both Executive and Board Risk Committees. The Group uses derivative instruments, physical hedges such as generation capacity, and strict liquidity management to mitigate the exposures while aiming to optimise risk-adjusted financial returns within policies approved by the Board of Directors.

Policy compliance is monitored by a segregated compliance management process and reviewed by the Board on a regular basis.

The Group holds and issues financial instruments as an integral part of conducting its revenue generating and financing activities including:

- Funding: to finance the Group's operating activities. The principal types of instruments include revolving bank loans and bank guarantees;
- Operating: the Group's day to day business activities generate financial instruments such as cash, trade and other receivables and payables; and
- Risk management: to reduce the risks to financial performance that would arise if all generation was subject to spot market outcomes. The Group transacts electricity swaps and options to notionally contract a portion of its generation capacity.

Interest rate, foreign exchange contracts and commodity derivatives are transacted to manage cash flow risks associated with financing with floating rate debt instruments, purchasing in foreign currencies, and energy procurement activities.

Key financial risks from utilising the aforementioned financial instruments are explained further in the following sections:

- i. market risk (including electricity and commodity price risk, foreign exchange and interest rate risk)
- ii. liquidity risk
- iii. credit risk

The Group's overall financial risk management strategy remains unchanged from 2024.

(i) Market risk

Electricity and commodity price risk

Fluctuations in electricity and commodity prices will impact the Group's results and cash flows. To manage price risks associated with electricity generation, and sales of electricity and gas to Retail customers, the Group has established a risk framework that consists of policies on the overall limits of exposure across spot and energy derivatives markets, delegations and transaction limits for trading activity.

The Group utilises a range of energy derivative instruments to manage electricity price risk, both in futures and over-the-counter markets. These derivative instruments are classified into swaps (standard swaps, load-following swaps and capped swaps) and options (caps, standard options and average rate options). Some over-the-counter caps and related derivative products include features providing the counterparty with the ability to nominate different strike prices and notional megawatt (**MW**) volumes (within limits) for different contract periods. Additionally, in recent years the Group has established a portfolio of Power Purchase Agreements (**PPAs**) sourcing from renewable energy fuel including solar and wind to back our supply to Retail customers. By utilising the standby, fast-start generation capacity from our physical generation assets, Snowy Hydro is able to match the generation and demand profiles to manage potential mismatch risks.

16. Financial instruments (continued)

The table below sets out the fair value of derivatives at the reporting date.

\$million	2025	2024
Energy derivatives asset - current	1,136.5	542.7
Energy derivatives liability - current	(410.3)	(438.3)
Total energy derivatives	726.2	104.4

The Group has entered into commodity derivatives totalling a fair value of (\$2.5m) at June 2025 (2024: \$0.1m). The derivatives were in effective hedge relationships. As the balance is immaterial, commodity derivatives are only disclosed in the liquidity risk table and fair valuation hierarchy table.

These derivatives are classified as current because they are held for trading, however management's intent is to hold to maturity. Of the total energy derivatives, \$110.3 million (2024: \$140.1 million) of the asset and \$126.4 million (2024: \$129.0 million) of the liability is expected to mature within 12 months, and \$1,026.2 million (2024: \$402.6 million) of the asset and \$283.9 million (2024: \$309.3 million) of the liability is expected to mature beyond 12 months.

Energy derivatives - economic hedge

The Group uses energy derivative instruments to economically hedge electricity price risks within the risk management framework. The economic hedges do not meet the requirements of hedge accounting set out in AASB 9 Financial Instruments. Therefore these instruments are categorised as held for trading and changes in fair valuation are recognised immediately as changes in fair value of financial instruments in the consolidated statement of profit or loss.

Energy and commodity price sensitivity analysis

The table below sets out the impact of changes of prices on profit or loss and other comprehensive income based solely on the Group's exposures at the reporting date (holding all other variables constant and without any mitigating actions that management might take should the price changes occur). A 30% (2024: 35%) price change has been applied to flat, peak and off-peak electricity swaps, a 45% (2024: 50%) price change has been applied to electricity options. These changes are based on the volatility of historical prices of the relevant instruments.

\$million	Profit/ (loss) before tax		Other comprehensive income	
	Increase/ (decrease) in fair value	Increase/ (decrease) in fair value	2025	2024
Electricity swap - price increase	160.0	128.3	-	-
Electricity swap - price decrease	(160.4)	(128.7)	-	-
Electricity options - price increase	(206.5)	(257.5)	-	-
Electricity options - price decrease	206.2	256.7	-	-

Foreign exchange risk

The Group operates wholly within Australia and contracts with suppliers in Australian dollars or other currencies. Contracts in New Zealand dollars are not hedged as historically the New Zealand dollar has maintained a proportional relationship with the Australian dollar, and purchase and contract exposures are immaterial.

Where a purchase or contract is payable in another currency, the Group is exposed to the fluctuation of exchange rates. The Group's Treasury policy is to hedge any aggregate (per contract) foreign exchange exposure which exceeds AUD \$500,000 equivalent value.

In April 2019, the Company signed a contract as part of the Snowy 2.0 project which has a component denominated in EURO. Accordingly, the Company has entered into a series of foreign exchange contracts, with €55.9 million outstanding at 30 June 2025 on the Snowy 2.0 project. The purpose of these contracts is to fix the Australian dollar cost of the equipment purchases over the life of the project up to January 2026.

16. Financial instruments (continued)

Foreign exchange contracts - cash flow hedge

The Group has entered into foreign exchange contracts to hedge the exchange rate risk arising from purchases or contracts that are denominated in foreign currencies, which are designated as cash flow hedges at inception and tested for effectiveness at each reporting date. The economic relationship between the hedged item and hedging instruments is established based on the currency, amount and timing of the respective cash flows. It is the Group's policy to match the key terms of the foreign exchange contract with the underlying transaction and apply a hedge ratio of 1:1 on the base contract. The entire forward rate of the foreign exchange contracts is designated to hedge the base contract currency risk. As at year end, the underlying purchases are assessed to remain highly probable and the amount accumulated in equity will be reclassified to profit or loss or assets when the underlying transaction affects profit or loss or results in acquisition of non-financial assets.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparties' and the Group's own credit risk on the fair value of the foreign exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- changes in the timing and notional amount of the hedge transactions.

The following tables provide an overview of the foreign exchange hedge in place for the reporting period, detailing hedge exposure at different maturity.

2025 \$million	Less than 1 year	1-3 years	More than 3 years	Total
Forward exchange contracts				
Net exposure (in millions of EUR)	72.4	-	-	72.4
Average EUR:AUD forward contract rate	0.56	-	-	0.56
Net exposure (in millions of USD)	6.6	-	-	6.6
Average USD:AUD forward contract rate	0.67	-	-	0.67

2024 \$million	Less than 1 year	1-3 years	More than 3 years	Total
Forward exchange contracts				
Net exposure (in millions of EUR)	100.7	44.7	-	145.4
Average EUR:AUD forward contract rate	0.55	0.54	-	0.55

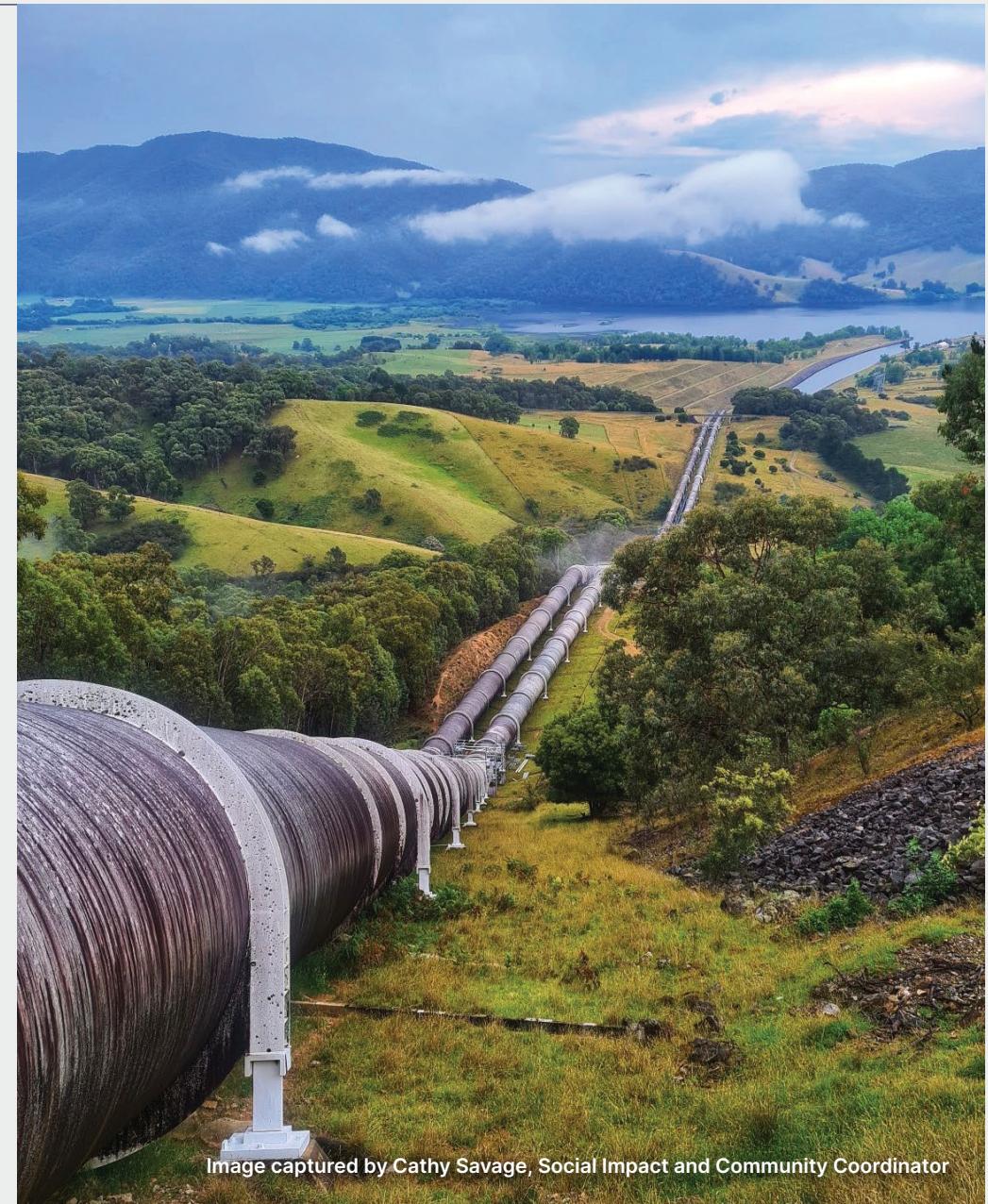
16. Financial instruments (continued)

The amounts at the reporting date relating to items designated as hedged items for foreign currency risk were as follows:

Capital expenditure	2025	2024
\$million		
Change in value used for calculating hedge effectiveness	(2.9)	46.7
Cash flow hedge reserve	(2.9)	46.7
Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied	-	-

The amounts relating to items designated as foreign exchange hedging instruments and hedge ineffectiveness were as follows:

Forward exchange contracts	2025	2024
\$million		
Assets (carrying amount)		
Other current financial assets	2.9	-
Liabilities (carrying amount)		
Other current financial liabilities	(2.1)	(18.4)
Other non-current financial liabilities	-	(8.5)
Gain/(loss) on foreign cash balance designated as a hedging instrument	2.1	(19.8)
The change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness	2.9	(46.7)
Changes in the value of the hedging instrument recognised in OCI	(2.9)	46.7
Hedge ineffectiveness recognised in profit or loss	-	-
Amount from hedging reserve transferred to property, plant and equipment and goodwill and other intangible assets	3.2	-



16. Financial instruments (continued)

Foreign exchange rate sensitivity analysis

The table below sets out the impact on profit or loss and other comprehensive income, if the foreign exchange forward rate had been higher or lower, based on the foreign exchange forward curve applicable to the Group's financial instruments denominated in a foreign currency at the reporting date. All other variables have been held constant.

The impact of any mitigating actions that management might take if the exchange rate change had occurred has not been taken into account.

\$million	Profit/(loss) before tax		Other comprehensive income	
	2025	2024	2025	2024
EUR +6.93% (2024: +7.15%)	-	-	8.9	16.3
EUR -6.93% (2024: -7.15%)	-	-	(8.9)	(16.3)
USD +9.23% (2024: +9.72%)	-	-	(0.8)	-
USD -9.23% (2024: -9.72%)	-	-	1.0	-

Interest rate risk

The Group is exposed to interest rate risk from floating rate borrowings (excluding finance lease liabilities). The Group manages interest rate risk by fixing the interest rate for a portion of the borrowings with interest rate swaps. The Group adopts a policy of targeting between 50% and 90% of its forecast interest rate risk exposure, at the time of hedge placement which is hedged at a fixed rate.

Interest rate swaps - cash flow hedge

The Group has entered into interest rate swaps to hedge the fluctuation of projected interest payments arising from floating rate borrowings, which are designated as cash flow hedges at inception and tested for effectiveness at each reporting date. The economic relationship between the hedged item and hedging instruments is established based on the reference interest rates, notional amount, repricing dates and maturity of the respective cash flows. It is the Group's policy to match the key terms of the interest rate swaps and projected interest payments and apply a hedge ratio of 1:1, hedging instrument to hedged debt. As at year end, the projected interest payments are assessed to remain highly probable and the amount accumulated in equity will be reclassified to profit or loss when the underlying transaction affects profit or loss.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty's and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates;
- differences in repricing dates between the interest rate swaps and the floating rate borrowings; and
- changes in the timing and notional amount of the projected interest payments.

The Group had the following financial assets and liabilities exposed to floating interest rate risk as at 30 June 2025:

\$million	2025	2024
Floating rate instruments		
Financial assets		
Cash and cash equivalents	406.2	278.2
	406.2	278.2
Financial liabilities		
Bank loans	6,259.0	4,680.0
Shareholder loan	150.0	-
Interest rate swap notional principal	(3,176.8)	(3,176.8)
	3,232.2	1,503.2

16. Financial instruments (continued)

The following table summarises the interest rate hedges in place for the reporting period, detailing the notional principal hedge amounts outstanding, the average fixed rate, and the current fair value:

	Average swap fixed interest rate		Notional principal amount	
	2025 %	2024 %	2025 \$million	2024 \$million
Less than 1 year	2.07	2.07	3,176.8	3,176.8
1 to 2 years	2.06	2.07	2,876.8	3,176.8
2 to 3 years	2.04	2.06	2,426.4	2,876.8
3 to 4 years	-	2.04	-	2,426.4
4 to 5 years	-	-	-	-
Average	2.06	2.06	2,826.6	2,914.2

The amounts at the reporting date relating to items designated as hedged items for interest rate risk were as follows:

Floating interest payments	2025	2024
\$million		
Change in value used for calculating hedge effectiveness	(115.4)	(264.1)
Cash flow hedge reserve	(115.4)	(264.1)
Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied	-	-

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

Interest rate swaps \$million	2025	2024
Assets (carrying amount)		
Other current financial assets	30.8	59.3
Other non-current financial assets	84.6	205.2
Liabilities (carrying amount)		
Other current financial liabilities	-	-
Other non-current financial liabilities	-	-
The change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness	115.4	264.5
Changes in the value of the hedging instrument recognised in OCI	(115.4)	(264.1)
Hedge ineffectiveness recognised in other expenses	-	(0.4)
Amount reclassified from hedging reserve to profit or loss	70.0	65.7

16. Financial instruments (continued)

Interest rate sensitivity analysis

The table below sets out the impact on profit or loss and equity, if interest rates had been 100 (2024: 100) basis points higher or 100 (2024: 100) basis points lower, based on the interest rate yield curve applicable to the Group's interest bearing assets and liabilities at the reporting date. All other variables have been held constant.

The impact of any mitigating actions that management might take if the interest rate change had occurred has not been taken into account.

\$million	Profit/ (loss) before tax		Other comprehensive income	
	2025	2024	2025	2024
Interest rate +100 (2024: +100) basis points*				
Interest on cash and bank loans	(60.0)	(46.8)	-	-
Interest on interest rate swap	31.8	30.8	-	-
Fair valuation of interest rate swap	-	-	93.3	114.1
Interest rate -100 (2024: -100) basis points*				
Interest on bank loan	60.0	46.8	-	-
Interest on interest rate swap	(31.8)	(30.8)	-	-
Fair valuation of interest rate swap	-	-	(96.6)	(119.3)

*2024 sensitivity analysis was based on +100 bps and -100 bps movement of the interest rate curve.

The Group assesses the reasonableness of the sensitivity scenario at reporting time to reflect the most up-to-date market environment and determined +100 bps and -100 bps is also appropriate for 2025.

Cash flow hedge reconciliation

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting.

\$million	2025	2024
Balance at the beginning of the reporting period	152.4	186.0
Cash flow hedges		
<i>Changes in fair value:</i>		
Foreign currency risk	46.4	(13.9)
Interest rate risk	(78.7)	29.6
Commodity risk	(2.7)	3.4
<i>Amount reclassified to profit or loss:</i>		
Interest rate risk	(70.0)	(65.7)
Commodity risk	0.1	(2.8)
<i>Amount included in the cost of non-financial items:</i>		
Foreign currency risk	3.2	1.4
<i>Tax on movements on reserves during the year</i>	<i>30.5</i>	<i>14.4</i>
Balance at the end of the reporting period	81.2	152.4

16. Financial instruments (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due.

Short-term liquidity risk predominantly arises through four sources: the potential for large margin calls on electricity futures contracts in the event of adverse movements in forward electricity prices; prudential calls from AEMO; the risk of settling large payouts on a contract or contracts where the Group's generation fails to cover those contract positions; and monthly payment claims on the Snowy 2.0 Project and the Kurri Kurri Power Station Project.

The Group manages its liquidity risk by continuously monitoring forecast and actual cash flows and prudential exposures, matching the maturity profiles of financial assets and liabilities and maintaining committed stand-by facilities. The Group holds an Australian Financial Services Licence under which it must continuously monitor its forward liquidity ratios and the amount of surplus liquid funds. Any unremedied breach of these conditions would trigger a cessation of trading.

At the reporting date, the Group had committed, undrawn facilities of \$1,266.0 million (2024: \$1,220.0 million), as detailed in Note 14 Interest bearing liabilities and credit facilities.

The Group manages its market related liquidity risk by maintaining adequate reserves of generation capacity and high levels of plant reliability and availability which allows for the generation of spot income to match contracted outgoing commitments to various NEM counterparties.

The nature of the Group's exposure to liquidity risk and its objectives and processes to manage this risk remain unchanged from the prior financial year.

The table details the contractual maturity of the financial liabilities of the Group at the end of the reporting period. The amounts are based on the undiscounted cash flows of financial liabilities on the earliest date on which the Group could be required to pay. The table includes both interest and principal cash flows.

To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. For derivative instruments that are required to be net settled, the amounts are based on the undiscounted net cash inflows and outflows; for derivative instruments that are required to be gross settled, the amounts are based on undiscounted gross cash inflows and outflows.

2025 \$million	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Financial liabilities					
<i>Non derivative instruments</i>					
Trade payables	835.5	-	-	-	835.5
Bank loan (facilities)*	1,625.0	1,475.0	4,150.0	275.0	7,525.0
Shareholder loan	-	-	150.0	-	150.0
Lease liabilities	27.9	24.4	41.7	78.6	172.6
	2,488.4	1,499.4	4,341.7	353.6	8,683.1

2024 \$million	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Financial liabilities					
<i>Non derivative instruments</i>					
Trade payables	635.2	-	-	-	635.2
Bank loan (facilities)*	1,175.0	1,388.0	3,087.0	250.0	5,900.0
Lease liabilities	29.3	27.1	58.1	84.3	198.8
	1,839.5	1,415.1	3,145.1	334.3	6,734.0

2024 \$million	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Financial liabilities					
<i>Non derivative instruments</i>					
Trade payables	635.2	-	-	-	635.2
Bank loan (facilities)*	1,175.0	1,388.0	3,087.0	250.0	5,900.0
Lease liabilities	29.3	27.1	58.1	84.3	198.8
	1,839.5	1,415.1	3,145.1	334.3	6,734.0
<i>Derivative instruments</i>					
Energy derivatives	130.7	37.2	136.5	327.7	632.1
Foreign exchange contracts	18.9	9.0	-	-	27.9
	149.6	46.2	136.5	327.7	660.0

*Bank loans are revolving bank facilities with various maturities. Depending on the business operations, the Group draws from the facilities and pays back all or part of the outstanding balances periodically. Therefore it is difficult to accurately forecast the contractual cash flows at year end. The amounts shown represent the full limits of facilities, and assumes they would be fully drawn until the maturities of those facilities. The estimates therefore are likely to be higher than the actual, eventual cash flows.

The financial statements tabled with the Australian Parliament on 7 October 2025 have been reissued to rectify a minor typographical error in the table heading and a data alignment issue. The tables are now accurately presented.

16. Financial instruments (continued)

(iii) Credit risk

Credit risk is the risk that a counterparty will not fulfil its financial obligations under a contract or other arrangement that may cause a financial loss to the Group.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed under a Board approved policy which includes the use of credit limits allocated based on the overall financial and competitive strength of the counterparty.

Derivative contract counterparties are generally limited to high-credit-quality financial institutions and organisations operating in the NEM, being subject to its prudential obligations, and financial markets. Credit assessment of the counterparty is carried out when the Group deals with it for the first time and reviewed when necessary, or at least annually.

The concentration of credit risk arising from energy derivative trading is significant within a few counterparties at the end of the reporting period. The Group manages the concentration risk by continuously monitoring the credit exposure against the individual assigned credit limit and the Group's aggregate limit. The Group also utilises International Swap and Derivative Association (ISDA) agreements to limit its exposure to credit risk through the netting of amounts receivable from and payable to its counterparties.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure. The nature of the Group's exposures to credit risk and its objectives and processes to manage this risk remain unchanged from the prior financial year.

Trade and other receivables consist of more than 1.5 million residential, small and large commercial and industrial customer accounts, in New South Wales, Australian Capital Territory, Victoria, South Australia and Queensland. Refer to Note 6 Trade Receivables for further information.

3. Fair Value of Financial Assets and Financial Liabilities

The following table presents the financial instruments that are measured and recognised at fair value on a recurring basis. Snowy Hydro classifies its financial instruments into the three levels prescribed under the accounting standards. The three levels in the hierarchy reflect the level of independent observable market data used in determining the fair values and are defined as follows:

Level 1

Quoted prices (unadjusted) in active markets for identical financial instruments.

Level 2

Other valuation methods for which all inputs that have a significant impact on fair value are observable, either directly (as prices) or indirectly (derived from prices).

Level 3

One or more key inputs for the instrument are not based on observable market data (unobservable inputs).

There were no material transfers between levels during the period.

16. Financial instruments (continued)

2025 \$million	Level 1	Level 2	Level 3	Total fair value
Financial assets				
<i>Derivative financial instruments</i>				
Energy derivatives	13.9	7.1	1,115.5	1,136.5
Foreign exchange contracts	-	2.9	-	2.9
Interest rate swaps	-	115.4	-	115.4
Total financial assets	13.9	125.4	1,115.5	1,254.8
Financial liabilities				
<i>Derivative financial instruments</i>				
Energy derivatives	27.4	7.6	375.3	410.3
Foreign exchange contracts	-	2.1	-	2.1
Commodity swaps	-	2.5	-	2.5
Total financial liabilities	27.4	12.2	375.3	414.9
Net financial assets/(liabilities)	(13.5)	113.2	740.2	839.9
2024 \$million	Level 1	Level 2	Level 3	Total fair value
Financial assets				
<i>Derivative financial instruments</i>				
Energy derivatives	34.0	12.8	495.9	542.7
Interest rate swaps	-	264.5	-	264.5
Commodity swaps	-	0.3	-	0.3
Total financial assets	34.0	277.6	495.9	807.5
Financial liabilities				
<i>Derivative financial instruments</i>				
Energy derivatives	37.5	22.0	378.8	438.3
Foreign exchange contracts	-	26.9	-	26.9
Commodity swaps	-	0.2	-	0.2
Total financial liabilities	37.5	49.1	378.8	465.4
Net financial assets/(liabilities)	(3.5)	228.5	117.1	342.1

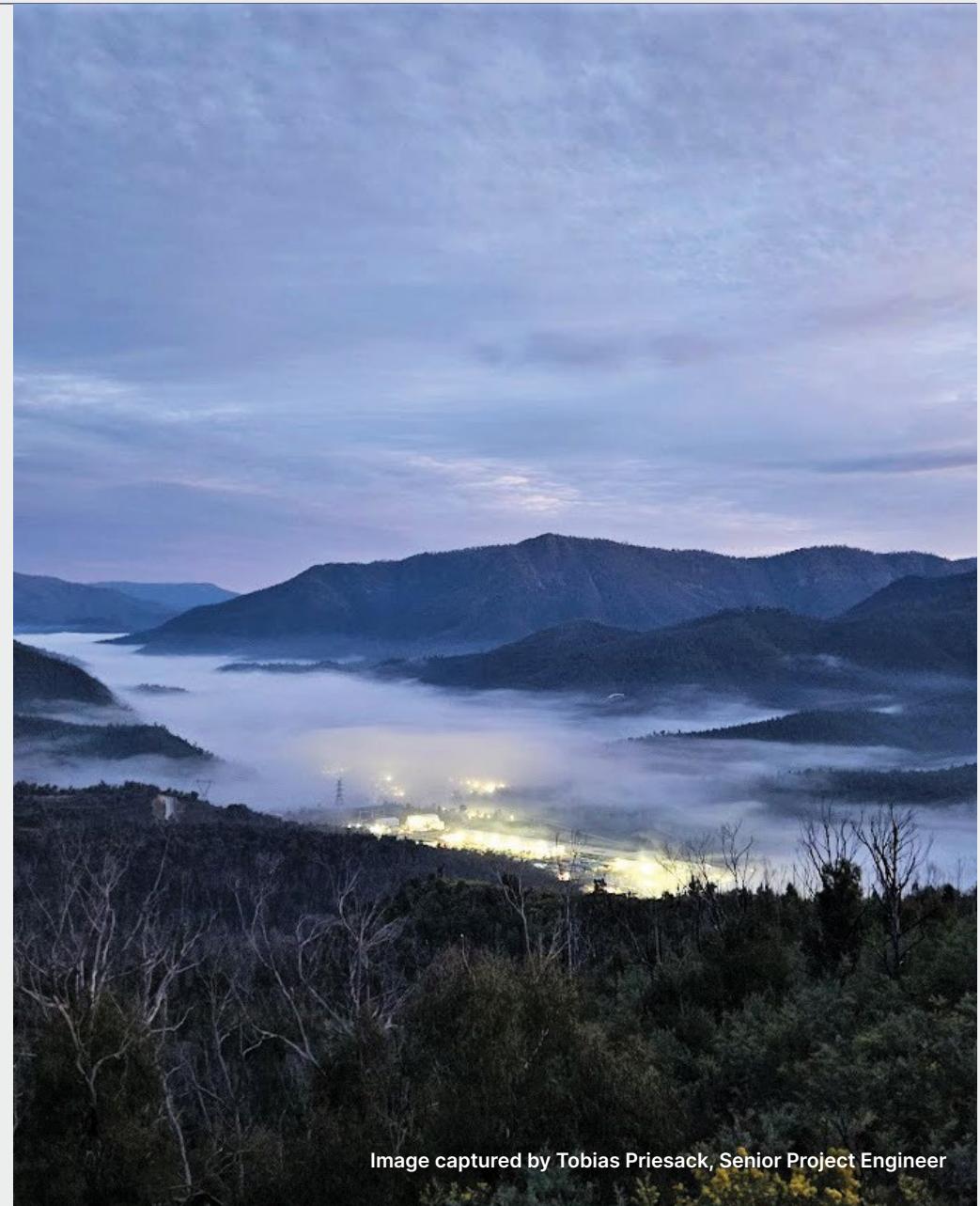


Image captured by Tobias Priesack, Senior Project Engineer

16. Financial instruments (continued)

Management has assessed the carrying value of financial assets (excluding derivative financial assets) and financial liabilities (excluding derivative financial liabilities) as a reasonable approximation of fair value in accordance with accounting standards, however management notes that this methodology does not allow for the Group's ability to defend its positions through Generation and does not capture the value to the business from selling Snowy Hydro TrueGreen™ and other renewable energy products to its customers.

The following is a summary of the methods that are used to estimate the fair value of Snowy Hydro's financial instruments:

Instrument	Hierarchy	Fair Value Methodology
Electricity and commodity swaps and options regularly traded in active markets	Level 2	Present value of estimated future cash flows relating to the difference between the contract rates and the market forward rate. Cash flows are discounted at a rate that reflects the credit risk of the relevant counterparty or own credit risk, when applicable.
Electricity swaps and options not regularly traded in active markets, with no observable inputs	Level 3	Generally accepted valuation models which reflect the difference between the contract rates and an internal swap or cap curve based on management's assessment of long-term forward prices and new-entrant pricing which takes into account capital costs, fixed and variable operating costs, efficiency factors and asset lives, as well as premiums for accepting physical risks or pricings of comparable projects cash flows are discounted at a rate that reflects the credit risk of the relevant counterparty or own credit risk, when applicable, or the Group's weighted average cost of capital.
Electricity Load Following Swaps	Level 3	Present value of estimated future cash flows relating to the difference between the contract rates and the market forward rate based on forecast energy usage profiles. Market prices are adjusted with a half hourly calibration factor to price the usage profile.
Financial instruments traded in active futures markets	Level 1	Quoted market prices at the end of the reporting period.
Foreign exchange contracts	Level 2	Present value of estimated future cash flows relating to the difference between the contract rates and the quoted forward exchange rates. Cash flows are discounted at a rate that reflects the credit risk of the relevant counterparty or own credit risk, when applicable.
Interest rate swaps	Level 2	Present value of estimated future cash flows. Key variables include market pricing data, discount rates and credit risk of Snowy Hydro or counterparty where relevant. Variables reflect those which would be used by market participants to execute and value the instruments.

16. Financial instruments (continued)

4. Level 3 Fair Value Measurement Instruments

The following table presents the changes in level 3 instruments for the period ended 30 June 2025:

\$million	2025	2024
Opening balance	117.1	368.1
Option premium received in cash during the period	(148.6)	(185.3)
<i>Total gains and losses in profit or loss</i>		
Settlements during the period	160.8	159.0
Changes in fair value of financial instruments	610.9	(224.7)
Closing balance	740.2	117.1

Gains and losses in profit or loss due to changes in fair value are included within 'Changes in fair value of financial instruments'. All other gains and losses in profit or loss are shown in revenue.

Sensitivity analysis of level 3 instruments

The use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, the sensitivity of the valuation to a 45% (2024: 50%) movement in the price curve for cap instruments, 30% (2024: 35%) movement in the price curve for peak swap capped instruments and 30% (2024: 35%) movement in the price curve for flat and off-peak swap capped and load following swap instruments would have the following effects:

2025 \$million	Profit/(loss) before tax		
	Fair value	Increase movement	Decrease movement
Energy derivative assets	1,115.5	1,005.5	(1,005.9)
Energy derivative liabilities	(375.3)	(40.6)	40.3

2024 \$million	Profit/(loss) before tax		
	Fair value	Increase movement	Decrease movement
Energy derivative assets	495.9	910.1	(910.1)
Energy derivative liabilities	(378.8)	(63.3)	62.6

The sensitivity measure is based on the historical analysis of movement in the annual cap prices over the historical period for short-term broker markets (less than 100 MW and short duration up to 2 years) and applied to non-standard, long-term large volume contracts.

17. Issued capital

\$million	2025	2024
3,805,000,000 (2024: 2,180,000,000) fully paid ordinary shares	4,421.1	2,796.1

18. Preference shares

\$million	2025	2024
1,400,000,000 (2024: 1,400,000,000) fully paid preference shares	1,400.0	1,400.0

19. Reserves

\$million	2025	2024
Hedging reserves		
Balance at the beginning of the reporting period	152.4	186.0
<i>Gains/(losses) recognised:</i>		
Foreign exchange contracts	49.6	(12.5)
Interest rate swaps	(148.7)	(36.0)
Commodity swaps	(2.6)	0.5
Deferred tax arising on hedges	30.5	14.4
Balance at the end of the reporting period	81.2	152.4

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges.



20. Dividends

\$million	2025	2024
Recognised amounts		
Preference share dividend		
The preference share dividend of 3.347 and 3.625 cents per share, fully franked at the corporate tax rate of 30%, paid on 25 October 2024 and 24 April 2025, respectively (2024: Preference share dividend of 3.222 and 3.749 cents per share, fully franked at the corporate tax rate of 30% and paid on 27 October 2023 and 26 April 2024, respectively)	97.6	97.6
Final dividend		
Final dividend for 2024 of 7.592 per share, fully franked at the corporate tax rate of 30% and paid on 25 October 2024 (2024: Final dividend for 2023 of 3.601 cents per share, fully franked at the corporate tax rate of 30% and paid on 27 October 2023)	165.5	69.7
Interim dividend		
Interim dividend for 2025 of 1.939 cents per share, fully franked at the corporate tax rate of 30% and paid on 24 April 2025 (2024: Interim dividend for 2024 of 3.173 cents per share, fully franked at the corporate tax rate of 30% and paid on 26 April 2024)	70.4	68.9
Total recognised amounts	333.5	236.2
Unrecognised amounts		
Preference share dividend		
The preference share dividend for 2025 of 3.337 cents per share, fully franked at the corporate tax rate of 30%, payable on 24 October 2025 (2024: Preference share dividend of 3.347 cents per share, fully franked at the corporate tax rate of 30%, payable on 25 October 2024)	46.7	46.9
Final dividend		
Final dividend for 2025 of 0.604 cents per share, fully franked at the corporate tax of 30%, payable on 24 October 2025 (2024: 7.592 cents per share, fully franked at the corporate tax of 30%, payable on 25 October 2024)	23.0	165.5
Total unrecognised amounts	69.7	212.4
Dividend franking account balance	321.7	248.4

Group Structure

21. Subsidiaries

Name of Entity	Country of incorporation	% Ownership	
		2025	2024
Parent entity	Australia		
Snowy Hydro Limited (b)		-	-
Controlled Entities			
Snowy Hydro Trading Pty Ltd (c)	Australia	100	100
Red Energy Pty Ltd (a) (c)	Australia	100	100
Latrobe Valley BV (c)	Netherlands	100	100
Valley Power Pty Ltd (c)	Australia	100	100
Contact Peaker Australia Pty Ltd (c)	Australia	100	100
Lumo Energy Australia Pty Ltd (a) (c)	Australia	100	100
Lumo Energy (NSW) Pty Ltd (a) (c)	Australia	100	100
Lumo Energy (Qld) Pty Ltd (a) (c)	Australia	100	100
Lumo Energy (SA) Pty Ltd (a) (c)	Australia	100	100
Lumo Energy Telecommunications Pty Ltd (a) (c)	Australia	100	100
Lumo Generation NSW Pty Ltd (a) (c)	Australia	100	100
Lumo Generation SA Pty Ltd (a) (c)	Australia	100	100
Emagy Pty Ltd (a) (c)	Australia	100	100
TFI Partners Pty Ltd (a) (c)	Australia	100	100
Direct Connect Australia Pty Ltd (a) (c)	Australia	100	100
Connection Media Pty Ltd (a) (c)	Australia	100	100
Lot 143 Pty Ltd (c) (d)	Australia	100	-

(a) Entities which have entered into a deed of cross guarantee with Snowy Hydro pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 and are relieved from the requirement to prepare and lodge audited financial reports.

(b) Snowy Hydro Limited is the head entity within the tax consolidated group.

(c) These companies are members of the tax consolidated group

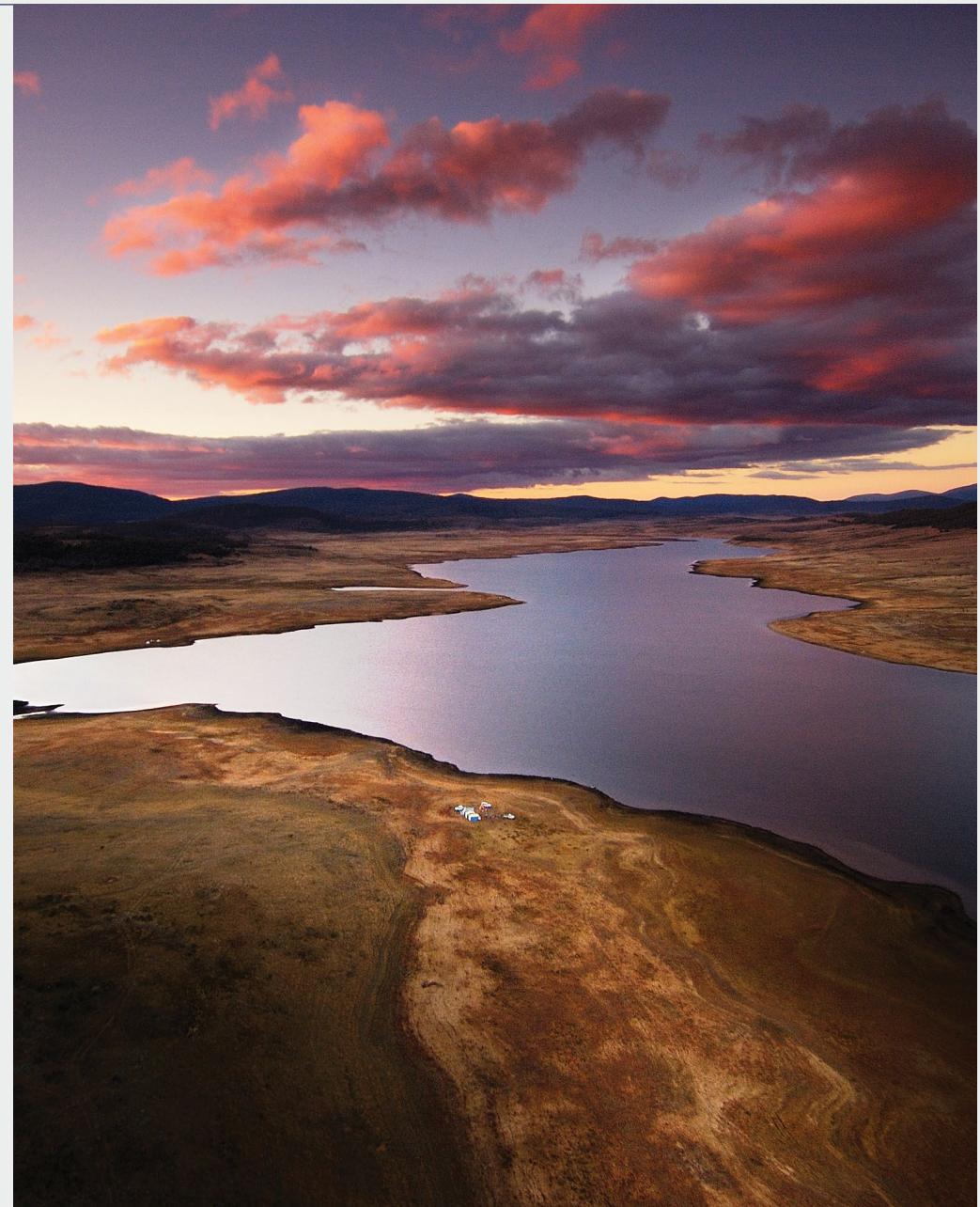
(d) Lot 143 Pty Ltd was incorporated on 23 August 2024.

21. Subsidiaries (continued)

The consolidated statement of profit or loss and consolidated statement of financial position of the entities which are party to the deed of cross guarantee are:

Statement of profit or loss

\$million	2025	2024
Revenue	4,680.7	4,141.4
Interest income	18.8	11.2
Other income	18.4	12.4
Direct costs of revenue	(3,337.1)	(2,669.4)
Consumables and supplies	(107.0)	(101.0)
Employee benefits expense	(344.4)	(316.0)
Depreciation and amortisation expense	(141.6)	(144.3)
Finance costs	(12.9)	(8.2)
Impairment loss recognised on trade receivables	(32.3)	(33.7)
Other expenses	(189.9)	(139.6)
Changes in fair value of financial instruments	605.1	(146.2)
Profit before income tax expense	1,157.8	606.6
Income tax expense	(345.7)	(182.8)
Profit attributable to the owners of the parent entity	812.1	423.8



21. Subsidiaries (continued)

Statement of financial position

\$million	2025	2024
Current assets		
Cash and cash equivalents	406.2	278.2
Trade and other receivables	974.9	703.3
Inventories	35.8	32.6
Income tax receivable	23.0	-
Other financial assets	1,252.8	635.2
Other assets	324.8	290.2
Total current assets	3,017.5	1,939.5
Non-current assets		
Goodwill and other intangible assets	514.1	499.6
Property, plant and equipment	13,171.8	9,986.6
Other financial assets	84.6	205.2
Investments in subsidiaries	95.1	95.1
Other assets	152.1	209.8
Total non-current assets	14,017.7	10,996.3
Total assets	17,035.2	12,935.8

\$million	2025	2024
Current liabilities		
Trade and other payables	911.5	677.0
Interest bearing liabilities	1,118.4	1,189.3
Provisions	176.8	173.5
Other financial liabilities	430.5	456.7
Income tax payable	-	119.4
Total current liabilities	2,637.2	2,615.9
Non-current liabilities		
Other payables	17.0	12.3
Interest bearing liabilities	5,385.7	3,609.4
Deferred tax liabilities	311.7	64.5
Provisions	170.9	145.6
Other financial liabilities	0.8	8.7
Total non-current liabilities	5,886.1	3,840.5
Total liabilities	8,523.3	6,456.4
Net assets	8,511.9	6,479.4
Equity		
Issued capital	4,421.1	2,796.1
Preference shares	1,400.0	1,400.0
Reserves	81.2	152.4
Retained earnings	2,609.6	2,130.9
Total equity	8,511.9	6,479.4

22. Parent entity disclosures

a) Summary financial information (Parent entity)

\$million	2025	2024
Assets		
Current assets	4,920.8	3,393.9
Total assets	18,821.8	14,275.2
Liabilities		
Current liabilities	4,959.3	4,575.2
Total liabilities	10,875.8	8,407.6
Equity		
Issued capital	4,421.1	2,796.1
Preference shares	1,400.0	1,400.0
Reserve	81.2	152.4
Retained earnings	2,043.7	1,519.1
Profit for the period	858.0	326.7
Total comprehensive income	786.9	292.9

b) Guarantees entered into by the parent entity in relation to its subsidiaries

\$million	2025	2024
Guarantees provided under the deed of cross guarantee as referred to in Note 21	226.0	158.6

c) Contingent liabilities of the parent entity

Contingent liabilities detailed in Note 26 relate to the parent entity.

d) Capital commitments

\$million	2025	2024
Not longer than 1 year	3,454.5	1,830.4
Later than 1 year but not later than 5 years	81.4	3,564.8
Later than 5 years	-	0.8
Total capital commitments	3,535.9	5,396.0

The above commitments disclosure includes the expected phasing of contractual commitments to the principal contractors for the Snowy 2.0 and Kurri Kurri Power Station developments. The Snowy 2.0 project commitments reflect the Shareholder's approved target cost limit. We are in the process of reassessing Snowy 2.0's forecast cost to complete, and the impact to our future commitments.

e) Lease commitments

\$million	2025	2024
Not longer than 1 year	1.0	0.2
Later than 1 year but not later than 5 years	10.2	-
Later than 5 years	17.3	-
Total lease commitments	28.5	0.2

Lease commitments only reflect short-term and low value leases, and future cash commitments on a lease which is not yet required to be recognised in the financial statements. The commencement date for this lease is expected to be in November 2025.

23. Related party disclosures

a) Equity interests in related parties

Detail of the percentage of ordinary shares held in controlled entities is disclosed in Note 21 to the financial statements.

b) Key management remuneration

Key management personnel are those people who have authority and responsibility for planning, directing and controlling the activities of Snowy Hydro, including the Directors of the parent entity. The aggregate remuneration made to key management personnel is set out below:

\$	2025	2024
Short-term employee benefits	7,892,643	8,472,810
Post-employment benefits	354,451	339,439
Other long-term employee benefits	136,040	763,492
Termination benefits	-	-
Total remuneration	8,383,134	9,575,741

c) Directors' and Specified Executive Loans

No loans were made nor are any outstanding between Snowy Hydro and any director or director related entities.

d) Directors' Equity Holdings

No shares or options of the consolidated entity are held by any Director or Director related entities.

e) Other Transactions With Directors

No other transactions, other than in the ordinary course of business on commercial terms, have been entered into between the consolidated entity and any director or director related entities.

f) Transactions Within the Wholly-Owned Group

The wholly-owned group includes the ultimate parent entity and seventeen wholly-owned controlled entities.

The ultimate parent entity in the wholly-owned group is Snowy Hydro Limited. During the financial year Snowy Hydro provided management, accounting and administrative services to its controlled entities other than Valley Power and Lumo Generation SA on a cost free basis. Snowy Hydro also provides all personnel, operational and management services to Valley Power and Lumo Generation SA on a cost basis. All intercompany balances are at call, but the Directors have declared that they are not expected to be called in the current period. The balance of intercompany loans owed by the parent entity to the controlled entities as at 30 June 2025 was \$634.6 million (30 June 2024: \$465.4 million owed by the parent entity).

Other

24. Defined benefit superannuation plan

Employees of Snowy Hydro are members of a variety of superannuation funds covering both defined contribution and defined benefit plans. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Snowy Hydro's defined benefit plans include:

- Cbus Super - Defined Benefit Division (**Cbus Super**) (formerly Energy Industries Superannuation Scheme - Pool B);
- State Authorities Superannuation Scheme (**SASS**);
- State Superannuation Scheme (**SSS**); and
- State Authorities Non-contributory Superannuation Scheme (**SANCS**)

The SASS, SSS and SANCS schemes are part of the same pooled funds and are therefore treated together for the defined benefit scheme financial statement disclosures below.

For the defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out annually. Remeasurements, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Service cost (including current service cost, past service cost and gains and losses on curtailments and settlement) are recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the deficit in Snowy Hydro's defined benefit plans, calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets.

The defined benefit plans are administered by a separate Fund that is legally separated from the entity.

The defined benefit plans require contributions from employees. Contributions are in the following two forms; one is based on the number of years of service and the other one is based on a fixed percentage of salary of the employees. Employees can also make discretionary contributions to the plans.

The Schemes provide defined benefits in the form of lump sum or pension benefits on retirement, death, disability and withdrawal. These schemes are here forth referred to as the 'Schemes'. The Schemes are closed to new members.

Description of the regulatory framework

Cbus Super is primarily regulated 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 rest of the Schemes are governed by the following NSW legislation: Superannuation Act 1916, State Authorities Superannuation Act 1987, Police Regulation (Superannuation) Act 1906, State Authorities Non-Contributory Superannuation Act 1987, and their associated regulations.

SASS, SSS and SANCS have received an exemption from detailed annual actuarial valuations and therefore detailed actuarial valuations are only required triennially. The last actuarial valuation of the Schemes was performed as at 30 June 2024.

Description of other entities' responsibilities for the governance of the Schemes

The Schemes' Trustees are responsible for the governance of the Scheme according to the Scheme rules and regulations.

24. Defined benefit superannuation plan (continued)

Description of the risks

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- **Investment risk:** The risk that investment returns will be lower than assumed and the employer will need to increase contributions to offset this shortfall.
- **Longevity risk:** The risk that pensioners live longer than assumed, resulting in pensions being paid for a longer period and thereby requiring additional contributions.
- **Pension indexation risk:** The risk that pensions will increase at a rate greater than assumed, increasing future pensions and thereby requiring additional contributions.

- **Salary growth risk:** The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- **Legislative risk:** The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

Description of significant events

No significant events occurred during the financial year.

Reconciliation of the Net Defined Benefit Liability/(Asset)

\$million	Present value of obligation	Fair value of plan assets	Total	Impact of minimum funding requirement/asset ceiling	Net amount
2024	18.9	(17.9)	1.0	-	1.0
Current service cost	-	-	-	-	-
Interest expense/(income)	1.0	(0.9)	0.1	-	0.1
Total amount recognised in profit or loss	1.0	(0.9)	0.1	-	0.1
<i>Remeasurements:</i>					
Return on plan assets, excluding amounts included in interest expense	0.1	(0.6)	(0.5)	-	0.5
Actuarial loss from changes in demographic and financial assumptions	0.4	-	0.4	-	0.4
Actuarial loss from liability experience	-	-	-	-	-
Change in asset ceiling, excluding amounts included in interest expense	-	-	-	-	-
Total amount recognised in OCI	0.5	(0.6)	(0.1)	-	(0.1)
<i>Contributions:</i>					
Employers	-	(0.2)	(0.2)	-	(0.2)
Plan participants	-	-	-	-	-
<i>Payments from plan:</i>					
Benefit payments	(1.1)	1.1	-	-	-
2025	19.3	(18.5)	0.8	-	0.8

24. Defined benefit superannuation plan (continued)

Fair value of Fund assets

The major categories of plan assets as a percentage of the fair value of total plan assets at the end of the reporting period are as follows:

As at 30 June 2025	Cbus Super	SSS/SANCS
Australian equities	17%	12%
International equities	22%	38%
Property	10%	8%
Infrastructure	14%	-
Global credit	8%	-
Alternatives	-	32%
Fixed interest	22%	3%
Short-term securities	-	7%
Cash	7%	-
Total	100%	100%

All plan assets are held within investment funds which do not have a quoted market price in an active market.



24. Defined benefit superannuation plan (continued)

Significant actuarial assumptions at the reporting date

As at 30 June 2025	Cbus Super	SSS/SANCS
Discount rate	5.26%	5.48%
Salary increase rate (excluding promotional increases)	3.5% pa	3.47% - 3.58% pa
Rate of CPI increase	2.5% pa	2.5% - 3.0%
Pensioner mortality	As per Mercer standard pensioner mortality rates which are based on the mortality experience of Australian Public Sector pensioners over the years 2017 to 2022, including improvement rates based on an average of the 25-year and the 125-year improvement factors from the Australian Life Tables 2015-17.	As per assumptions used for the 2024 Actuarial Investigation of the Pooled Fund and are disclosed in the actuarial investigation report available on the Trustee's website.

The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate for the Cbus Super defined benefit plan is 1% higher/(lower), the defined benefit obligation would decrease by \$1.3 million (increase by \$1.5 million);
- If the discount rate for the SSS/SANCS defined benefit plan is 0.5% higher/(lower), the defined benefit obligation would decrease by \$0.3 million (increase by \$0.3 million); and
- If the rate of CPI increase for all plans are 0.5% higher/(lower), the defined benefit obligation would increase by \$1.0 million (decrease by \$0.9 million).

Asset-Liability matching strategies

The asset-liability risk is monitored in setting the investment strategy; however no explicit asset-liability matching strategy is used. There has been no change in the process used to manage its risks from prior periods.

Funding arrangements

Funding arrangements for SSS/SANCS are reviewed at least every three years following the release of the triennial actuarial review and were last reviewed following completion of the triennial review as at 30 June 2024. Funding arrangements for Cbus Super are reviewed yearly, with the most recent review as at 30 June 2024. Contribution rates are set after discussions between the employer and relevant parties such as the Trustee and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

Expected contributions

Expected employer contributions for the financial year ending 30 June 2026 are \$0.06 million and \$0.2 million for Cbus Super and SANCS/SSS respectively.

Maturity profile of defined benefit obligation

The weighted average duration of Snowy Hydro's defined benefit obligation is 9 years and 11.6 years for Cbus Super and SANCS/SSS respectively.

25. Commitments

\$million	2025	2024
Capital expenditure commitments		
- property, plant and equipment		
Not longer than 1 year	3,454.5	1,830.4
Later than 1 year but not later than 5 years	81.4	3,564.8
Later than 5 years	-	0.8
Total capital expenditure commitments	3,535.9	5,396.0
- property, plant and equipment		
Lease commitments		
Not longer than 1 year	1.0	0.2
Later than 1 year but not later than 5 years	10.2	-
Later than 5 years	17.3	-
Total lease commitments	28.5	0.2

The above commitments disclosure includes the expected phasing of contractual commitments to the principal contractors for the Snowy 2.0 and Kurri Kurri Power Station developments. The Snowy 2.0 project commitments reflect the Shareholder's approved target cost limit. We are in the process of reassessing Snowy 2.0's forecast cost to complete, and the impact to our future commitments.

Lease commitments only reflect short-term and low value leases, and future cash commitments on a lease which is not yet required to be recognised in the financial statements. The commencement date for this lease is expected to be in November 2025.

26. Contingent liabilities

Snowy Hydro is involved in various legal proceedings arising out of the normal course of business. The Directors believe that the outcome of these proceedings will not have a material impact on Snowy Hydro's financial position or results of operations. Contingent liabilities of the consolidated entity as at 30 June 2025 are:

(a) Ongoing contingent liabilities represented by:

Snowy Hydro has entered into a number of bank guarantees in relation to operating within the national electricity and gas markets, network and credit support and for rental properties in Sydney and Melbourne, to the value of \$282.1 million (2024: \$211.7 million).

(b) Liability for Former Scheme Sites has been extinguished except to the extent of any contaminated former sites. These contaminated sites are being rehabilitated as they are identified. The consolidated entity does not believe that the contingent liability on any sites identified in the future would be material.

27. Subsequent events

On 27 August 2025 Snowy Hydro signed its first 15-year virtual offtake agreement with Akaysha Energy for the 311 MW Elaine Battery. With a contracted capacity of 220 MW, it is the largest four-hour virtual offtake agreement in Australia and sets a precedent for the sector.

Except as otherwise disclosed in this report, no item, transaction or event of a material nature has arisen since 30 June 2025 that would significantly affect the operations of Snowy Hydro, the results of those operations, or the state of affairs, in future financial periods.

28. Remuneration of auditors

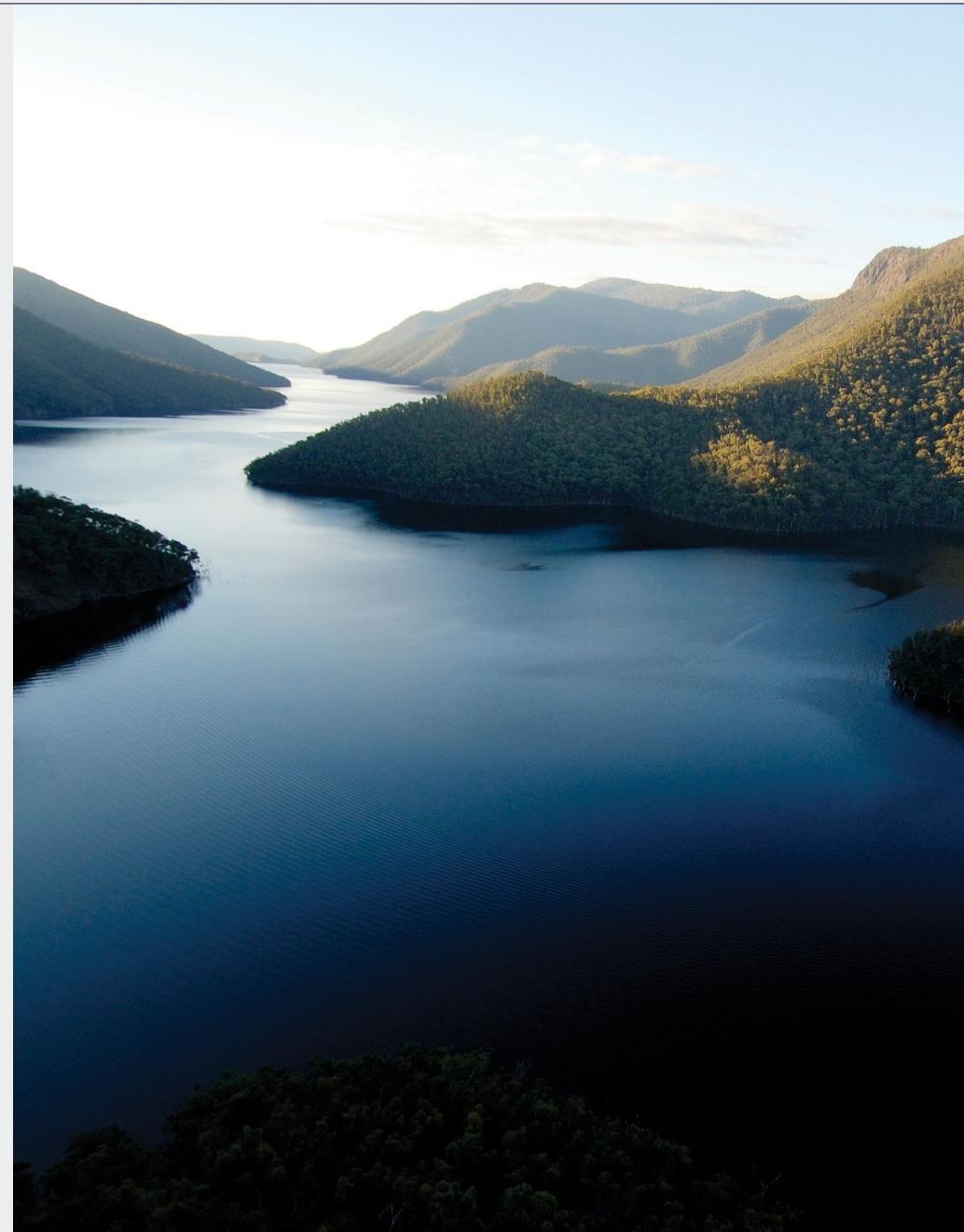
Under Section 98 of the PGPA Act, the Auditor-General is responsible for auditing the financial statements of Snowy Hydro Limited and its subsidiaries. In December 2019, the ANAO retained Deloitte Touche Tohmatsu to assist with the assignment.

Snowy Hydro Limited has engaged Deloitte Touche Tohmatsu on assignments additional to their contract auditor duties and may decide to continue to do so, where their expertise and experience with the Group is important and no potential conflicts of interest exist. Any such engagement with Deloitte Touche Tohmatsu is subject to prior approval by the ANAO and having regard to their independence policies.

The Directors are satisfied that the provision of advisory services by Deloitte Touche Tohmatsu did not compromise auditor independence requirements, having a specific regard to Deloitte Touche Tohmatsu's role as the contractor to the ANAO.

During the year the following fees were paid or payable for services provided by the auditor and Deloitte Touche Tohmatsu:

\$	2025	2024
Audit services		
Audit or review of the financial report	886,500	902,400
Other audit services	32,000	33,000
Other non-audit services		
Technology services	52,775	40,478
Total remuneration of auditors	971,275	975,878



Consolidated Entity Disclosure Statement

Entity name	Entity type	Trustee, partner or participant in JV	Country of incorporation	% of share capital held	Tax residency
Snowy Hydro Limited	Body corporate	-	Australia	-	Australian
Snowy Hydro Trading Pty Ltd	Body corporate	-	Australia	100%	Australian
Red Energy Pty Ltd	Body corporate	-	Australia	100%	Australian
Latrobe Valley BV	Body corporate	-	Netherlands	100%	Australian
Valley Power Pty Ltd	Body corporate	-	Australia	100%	Australian
Contact Peaker Australia Pty Ltd	Body corporate	-	Australia	100%	Australian
Lumo Energy Australia Pty Ltd	Body corporate	-	Australia	100%	Australian
Lumo Energy (NSW) Pty Ltd	Body corporate	-	Australia	100%	Australian
Lumo Energy (Qld) Pty Ltd	Body corporate	-	Australia	100%	Australian
Lumo Energy (SA) Pty Ltd	Body corporate	-	Australia	100%	Australian
Lumo Energy Telecommunications Pty Ltd	Body corporate	-	Australia	100%	Australian
Lumo Generation NSW Pty Ltd	Body corporate	-	Australia	100%	Australian
Lumo Generation SA Pty Ltd	Body corporate	-	Australia	100%	Australian
Emagy Pty Ltd	Body corporate	-	Australia	100%	Australian
TFI Partners Pty Ltd	Body corporate	-	Australia	100%	Australian
Direct Connect Australia Pty Ltd	Body corporate	-	Australia	100%	Australian
Connection Media Pty Ltd	Body corporate	-	Australia	100%	Australian
Lot 143 Pty Ltd	Body corporate	-	Australia	100%	Australian



Directors' Declaration

The Directors of Snowy Hydro Limited (the Company) declare that, in their opinion:

- (a) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the financial position as at 30 June 2025 and of the performance for the period ended on that date of Snowy Hydro; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) there are reasonable grounds to believe that the Parent Entity and the subsidiaries identified in Note 21 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee between the Parent Entity and those subsidiaries pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785; and
- (d) the consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of the Directors

James Cain
Chair

28 October 2025

Dennis Barnes
Managing Director

28 October 2025

Mr James Cain
Chair
Snowy Hydro Limited
2 Monaro Highway
Cooma NSW 2630

SNOWY HYDRO LIMITED
FINANCIAL REPORT 2024-25
AUDITOR'S INDEPENDENCE DECLARATION

In relation to my audit of the financial report of Snowy Hydro Limited (and its controlled entities) for the year ended 30 June 2025, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*;
- and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

Lesa Craswell
Group Executive Director

Delegate of the Auditor-General

Canberra
28 October 2025



INDEPENDENT AUDITOR'S REPORT

To the members of Snowy Hydro Limited

Opinion

In my opinion, the financial report of Snowy Hydro Limited (the Company) and its subsidiaries (together 'the Group') for the year ended 30 June 2025 is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

The financial report of the Group, which I have audited, comprises the following as at 30 June 2025 and for the year then ended:

- Consolidated Statement of Profit or Loss;
- Consolidated Statement of Comprehensive Income;
- Consolidated Statement of Financial Position;
- Consolidated Statement of Changes in Equity;
- Consolidated Statement of Cash Flows;
- Notes to the financial statements, comprising material accounting policy information and other explanatory information;
- Consolidated Entity Disclosure Statement; and
- Directors' Declaration.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the relevant ethical requirements for financial report audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – Re-issuance of financial report

Without qualifying my opinion, I draw attention to Note 16(ii) in the financial report. As indicated in Note 16(ii), the attached financial report has been re-issued, and supersedes the financial report signed by the Directors on 3 September 2025. This auditor's report supersedes my auditor's report dated 3 September 2025 relating to the previously issued, and now superseded, financial report.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Key audit matter

Valuation, existence and completeness of financial instruments – energy derivatives

Refer to Note 7 'Other financial assets', Note 15 'Other financial liabilities' and Note 16 'Financial Instruments'.

The Group enters into contracts to economically hedge risks arising from exposure to future variability in energy prices. These contracts may contain terms that require recognition by the Group as derivative financial instruments at fair value in accordance with the requirements of AASB 9 *Financial Instruments*.

I consider the valuation of contracts containing energy derivatives to be a key audit matter because of the complexity and judgement applied by the Group in estimating the fair value of the resulting financial instruments. The process for accounting for and estimating a fair value for these financial instruments is inherently complex due to:

- the judgement applied by the Group in understanding and applying terms of such contracts to determine the appropriate accounting treatment to recognise the resulting financial instruments;
- the judgement and level of estimation applied by the Group to determine material inputs into the valuation models for these financial instruments, including: forecast future energy prices and market demand, future generation capacity for solar and wind generators, calculation of discount rates and other market factors. The level of estimation complexity is increased due to the limited observable market data for some contracts that have been entered into by the Group as comparable contracts and market data are not readily available. In these cases, the inputs are based on unobservable data as estimated and prepared by the Group;
- the arithmetical complexity of the valuation models developed by the Group to account for these instruments; and
- the level of complexity related to the preparation and presentation of financial statement disclosures relating to these financial instruments, particularly when the valuation models are based on unobservable market data.

For the year ended 30 June 2025, the Group reported total financial assets relating to energy derivatives of \$1,136.5 million and total financial liabilities relating to energy derivatives of \$410.3 million.

How the audit addressed the matter

In relation to the valuation, existence and completeness of financial instruments, I performed the following procedures:

- assessed the design, implementation and operating effectiveness of key controls in the risk management process and systems related to the origination and maintenance of complete and accurate information relating to contracts containing financial instruments;
- tested, on a sample basis, the completeness, existence and valuation of financial instruments recognised by the Group at 30 June 2025. These procedures included:
 - obtaining an understanding of the terms of the contract to assess the appropriateness of the accounting treatment determined by the Group to assess whether it complied with the recognition requirements of AASB 9 and AASB 13 *Fair Value Measurement*;
 - evaluating the integrity of the calculations included in the Group's valuation models;
 - agreeing the financial instrument transactions from the underlying records to the general ledger; testing the accuracy of the incorporation of the terms of each contract into valuation models by substantiating them to the originating contract; and
- evaluating the reasonableness of inputs included in the valuation models. This included:
 - assessing whether observable market data had been considered by the Group to the extent it was available;
 - understanding the Group's process for developing estimates of future price and market assumptions relevant to contracts;
 - and considering the sensitivity of valuations by adjusting key inputs to other outcomes that may be reasonably foreseeable to assess the reasonableness of the valuation range.
- assessed the appropriateness of the disclosures included in Note 7, Note 15 and Note 16 to the financial statements in accordance with the requirements of AASB 7 *Financial Instruments: Disclosures* to assess whether the notes contained sufficient information relating to any significant judgements and the impact of these in relation to the valuation of financial instruments.

Key audit matter	How the audit addressed the matter	future. The complexity of these judgements has been impacted by the current economic conditions including the effects of interest rate rises and inflation rates in Australia.	rate rises and inflation rates;
Valuation of property, plant and equipment (PPE) – construction in progress	<p>In relation to the valuation of property, plant and equipment – construction in progress, I performed the following procedures:</p> <ul style="list-style-type: none"> evaluated the revised contract for the delivery of Snowy 2.0 to understand the impact of changes in contract terms on forecast payments and construction milestones; evaluated the design and operating effectiveness of key controls supporting the approval of costs related to the construction of Snowy 2.0; evaluated the Group's accounting policy in relation to the capitalisation of construction costs to assess compliance with the requirements of AASB 116 <i>Property, Plant and Equipment</i>; evaluated the appropriateness of the recognition of the provision for demobilisation costs to confirm that it was measured in accordance with the requirements of AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>; assessed the appropriateness of costs capitalised during the period by: <ul style="list-style-type: none"> testing, on a sample basis, capitalised costs to determine whether they were in accordance with the Group's accounting policy; and making inquiries of the Group to understand the status of the project, performance against budget and the progress of construction at 30 June 2025, including corroboration to project reporting prepared by construction delivery partners. 	<p>The Group has made judgements as to the likely impact on the recoverability of trade and other receivables which involved judgmental forecasts of economic assumptions, consideration of possible alternative economic scenarios and determining their likelihood to determine an estimate of ECL.</p> <p>For the year ended 30 June 2025, the Group reported total trade and other receivables of \$974.9 million, net of an allowance for doubtful debts of \$83.8 million.</p>	<ul style="list-style-type: none"> evaluated the debtor profiling and ageing categories at period end including an assessment of the quantum of the provision against aged debtor accounts and any adjustments made in accordance with AASB 9 for ECL; tested the arithmetical accuracy of calculations performed by the Group within the ECL model; and evaluated the Group's historical ability to accurately estimate the ECL by considering the movement between the ageing categories from prior periods and historical bad debt write offs.
Key audit matter	How the audit addressed the matter	Other information	
<p><i>Refer to Note 9 'Property, plant and equipment'.</i></p> <p>The Group is undertaking the construction of Snowy 2.0, a pumped hydro electricity generating asset, which will occur over a number of financial years.</p> <p>I consider this to be a key audit matter due to the level of judgement applied by the Group in relation to determining the appropriateness of costs to be capitalised during the construction of Snowy 2.0.</p> <p>The complexity of these judgements is increased due to the number and nature of contractual obligations, construction milestones, estimation of costs to complete the construction of the asset and timing involved in delivery of Snowy 2.0.</p>	<p>For the year ended 30 June 2025 the Group reported total construction in progress, which included Snowy 2.0, of \$11,313.5 million.</p>	<p>The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025 but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.</p>	
<p><i>Refer to Note 6 'Trade and other receivables' and Note 16 'Financial instruments'.</i></p> <p>At 30 June 2025, the Group recognised trade and other receivables arising mainly from contracts with customers for supply of electricity and gas by the Group's subsidiaries – Red Energy and Lumo Energy.</p> <p>I consider this to be a key audit matter due to the complexity of the accounting treatment required for the measurement of the allowance for doubtful debts. The measurement of the allowance for doubtful debts involves complex calculations requiring an increased level of judgement to be applied by the Group to estimate Expected Credit Losses ('ECL'). This judgement includes an assessment of the likelihood that trade and other receivables will be recovered from customers in the</p>	<p>In relation to the valuation of the allowance for doubtful debts, I performed the following procedures:</p> <ul style="list-style-type: none"> obtained an understanding of the process and tested key controls as it relates the ECL; assessed the reasonableness of the methodology adopted by the Group to assess trade and other receivables for ECL, including the following: <ul style="list-style-type: none"> validation of the key inputs and underlying data which informed the Group's estimation; evaluating the Group's application of forward-looking macroeconomic assumptions and scenario weightings applied in the calculation of ECL; and consideration of probable impacts arising due to impacts of the current economic conditions, including the effects of interest 	<p>In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.</p> <p>If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.</p>	
Key audit matter	How the audit addressed the matter	Directors' responsibility for the financial report	
<p><i>Refer to Note 6 'Trade and other receivables' and Note 16 'Financial instruments'.</i></p> <p>At 30 June 2025, the Group recognised trade and other receivables arising mainly from contracts with customers for supply of electricity and gas by the Group's subsidiaries – Red Energy and Lumo Energy.</p> <p>I consider this to be a key audit matter due to the complexity of the accounting treatment required for the measurement of the allowance for doubtful debts. The measurement of the allowance for doubtful debts involves complex calculations requiring an increased level of judgement to be applied by the Group to estimate Expected Credit Losses ('ECL'). This judgement includes an assessment of the likelihood that trade and other receivables will be recovered from customers in the</p>	<p>In relation to the valuation of the allowance for doubtful debts, I performed the following procedures:</p> <ul style="list-style-type: none"> obtained an understanding of the process and tested key controls as it relates the ECL; assessed the reasonableness of the methodology adopted by the Group to assess trade and other receivables for ECL, including the following: <ul style="list-style-type: none"> validation of the key inputs and underlying data which informed the Group's estimation; evaluating the Group's application of forward-looking macroeconomic assumptions and scenario weightings applied in the calculation of ECL; and consideration of probable impacts arising due to impacts of the current economic conditions, including the effects of interest 	<p>The directors of the Company are responsible for the preparation of:</p> <ul style="list-style-type: none"> the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the <i>Corporations Act 2001</i>; and the consolidated entity disclosure statement that is true and correct and in accordance with the <i>Corporations Act 2001</i>; and 	
<p><i>Refer to Note 6 'Trade and other receivables' and Note 16 'Financial instruments'.</i></p> <p>At 30 June 2025, the Group recognised trade and other receivables arising mainly from contracts with customers for supply of electricity and gas by the Group's subsidiaries – Red Energy and Lumo Energy.</p> <p>I consider this to be a key audit matter due to the complexity of the accounting treatment required for the measurement of the allowance for doubtful debts. The measurement of the allowance for doubtful debts involves complex calculations requiring an increased level of judgement to be applied by the Group to estimate Expected Credit Losses ('ECL'). This judgement includes an assessment of the likelihood that trade and other receivables will be recovered from customers in the</p>	<p>In relation to the valuation of the allowance for doubtful debts, I performed the following procedures:</p> <ul style="list-style-type: none"> obtained an understanding of the process and tested key controls as it relates the ECL; assessed the reasonableness of the methodology adopted by the Group to assess trade and other receivables for ECL, including the following: <ul style="list-style-type: none"> validation of the key inputs and underlying data which informed the Group's estimation; evaluating the Group's application of forward-looking macroeconomic assumptions and scenario weightings applied in the calculation of ECL; and consideration of probable impacts arising due to impacts of the current economic conditions, including the effects of interest 	<p>for such internal control as the directors determine is necessary to enable the preparation of:</p> <ul style="list-style-type: none"> the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error. 	
<p><i>Refer to Note 6 'Trade and other receivables' and Note 16 'Financial instruments'.</i></p> <p>At 30 June 2025, the Group recognised trade and other receivables arising mainly from contracts with customers for supply of electricity and gas by the Group's subsidiaries – Red Energy and Lumo Energy.</p> <p>I consider this to be a key audit matter due to the complexity of the accounting treatment required for the measurement of the allowance for doubtful debts. The measurement of the allowance for doubtful debts involves complex calculations requiring an increased level of judgement to be applied by the Group to estimate Expected Credit Losses ('ECL'). This judgement includes an assessment of the likelihood that trade and other receivables will be recovered from customers in the</p>	<p>In relation to the valuation of the allowance for doubtful debts, I performed the following procedures:</p> <ul style="list-style-type: none"> obtained an understanding of the process and tested key controls as it relates the ECL; assessed the reasonableness of the methodology adopted by the Group to assess trade and other receivables for ECL, including the following: <ul style="list-style-type: none"> validation of the key inputs and underlying data which informed the Group's estimation; evaluating the Group's application of forward-looking macroeconomic assumptions and scenario weightings applied in the calculation of ECL; and consideration of probable impacts arising due to impacts of the current economic conditions, including the effects of interest 	<p>In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related 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.</p>	
<p><i>Refer to Note 6 'Trade and other receivables' and Note 16 'Financial instruments'.</i></p> <p>At 30 June 2025, the Group recognised trade and other receivables arising mainly from contracts with customers for supply of electricity and gas by the Group's subsidiaries – Red Energy and Lumo Energy.</p> <p>I consider this to be a key audit matter due to the complexity of the accounting treatment required for the measurement of the allowance for doubtful debts. The measurement of the allowance for doubtful debts involves complex calculations requiring an increased level of judgement to be applied by the Group to estimate Expected Credit Losses ('ECL'). This judgement includes an assessment of the likelihood that trade and other receivables will be recovered from customers in the</p>	<p>In relation to the valuation of the allowance for doubtful debts, I performed the following procedures:</p> <ul style="list-style-type: none"> obtained an understanding of the process and tested key controls as it relates the ECL; assessed the reasonableness of the methodology adopted by the Group to assess trade and other receivables for ECL, including the following: <ul style="list-style-type: none"> validation of the key inputs and underlying data which informed the Group's estimation; evaluating the Group's application of forward-looking macroeconomic assumptions and scenario weightings applied in the calculation of ECL; and consideration of probable impacts arising due to impacts of the current economic conditions, including the effects of interest 	<p>Auditor's responsibilities for the audit of the financial report</p> <p>My objective is 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office 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 the financial report.</p>	

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

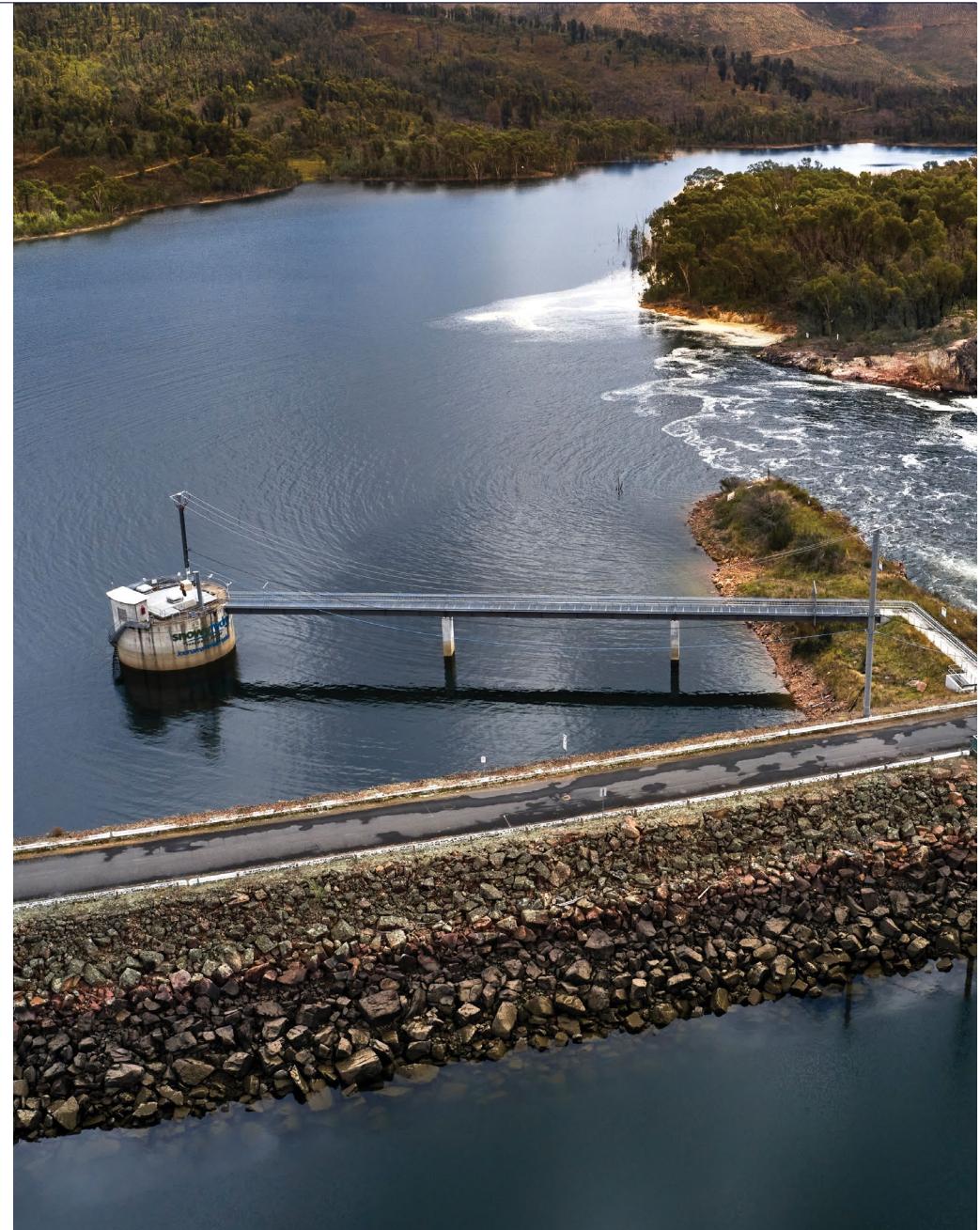
Australian National Audit Office



Les Craswell
Group Executive Director

Delegate of the Auditor-General

Canberra
28 October 2025



Other information

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Corporate Directory

Directors in office during the year and the period until the date of this Report:

James Cain (Chair) BDP, B. Bldg, MBA (Exec) (appointed 1 March 2025)

Dennis Barnes, CEO and Managing Director BSc (Hons), MBA, DipM

Scott Mitchell GAICD

Karen Moses OAM, BEcon, Dip Ed, FAICD

Sandra Dodds BCom, FCA, GAICD

Leanne Heywood OAM, B.Bus (Acc), MBA, FCPA, GAICD

Louise Thurgood MBA, PG Cert (App Fin), BA Econ (Hons), GAICD

David Knox, Chair BSc (Hons) Mech Eng, MBA, FIEAust, FTSE, GAICD
(retired 31 December 2024)

Timothy Longstaff BEc, FCA, GAICD, SF.Fin (retired 31 March 2025)

Auditor

Under s. 98 of the PGPA Act, the Auditor-General is responsible for auditing the financial statements of Commonwealth companies. The Australian National Audit Office (ANAO) has contracted Deloitte Touche Tohmatsu to audit Snowy Hydro Limited and its Controlled Entities on behalf of the Auditor-General.

The Auditor-General is able to conduct a performance audit of a Commonwealth company, in the circumstances outlined in the Auditor-General Act 1997.

Website address

www.snowyhydro.com.au

Principal registered office

Monaro Highway
Cooma NSW 2630
Australia

Environment Protection and Biodiversity Conservation Act 1999(EPBC Act) and Emissions Statement

For the period ended 30 June 2025

As a Commonwealth company, Snowy Hydro reports each year in compliance with s.516A of the EPBC Act on the following matters:

- How the activities of Snowy Hydro accorded with the principles of ecologically sustainable development;
- The effect of Snowy Hydro's activities on the environment;
- The measures Snowy Hydro is taking to minimise the impact of activities by Snowy Hydro on the environment; and
- The mechanisms for reviewing and increasing the effectiveness of those measures.

Principles of ecologically sustainable development:

Decision making

Guided by our Statement of Expectations, Snowy Hydro's purpose is to 'power Australia's sustainable future'. This aspiration guides our long-term and short-term economic, environmental, social, and equitable considerations in decision making. Our purpose reflects our role in underpinning the affordability, reliability and stability of east coast Australia's electricity system as it transitions from predominantly coal-fired to a system dominated by more sustainable renewable generation. In this way, Snowy Hydro plays a crucial role enabling ecologically sustainable development by enabling Australia's shift to a low carbon renewable energy system, particularly through the expansion of pumped hydro in the Snowy Scheme with Snowy 2.0.

Threats of serious or irreversible environmental damage

We recognise risks associated with our operations (e.g. pollution from loss of containment, construction on major projects, or uncontrolled release of water). In accordance with our risk management framework, we have controls in place to manage these risks. Further information on how we manage risk is available in our Corporate Governance Statement in this report. Climate change poses a serious threat to the environment and human health. Our business model helps to mitigate the increase in greenhouse gases through our generation of sustainable energy and supporting the capacity for more renewable energy in the NEM.

Intergenerational equity

For over 75 years Snowy Hydro has demonstrated ongoing commitment to environmental stewardship and ecologically sustainable development. The Snowy 2.0 project will expand our commitment to providing sustainable energy well into the future.

Conservation of biological diversity and ecological integrity

This is achieved through Snowy Hydro's environmental management framework, which has three pillars.

Firstly, our Environment Policy sets the overarching standards for performance through a commitment to the care and protection of the environment.

Secondly, all work is managed through our ISO 14001 accredited Environmental Management System, which focuses attention on our legal and other obligations (such as the Snowy Water Licence) and the framework for site specific operational controls.

Thirdly, improvement actions are delivered through our Environment Strategy, which is focused on building our capability to manage risks and care for the environment proactively.

We actively collaborate with local agencies and communities on rehabilitation and conservation initiatives to enhance biodiversity values across our diverse operational environments. We continuously strive to improve our systems and on-ground practices, ensuring we uphold our commitment to environmental stewardship.

The Valuation Principle

Snowy Hydro aligns with the valuation principle of ecologically sustainable development by supporting Australia's shift to a renewable energy system and progressing internal changes to reduce our operational carbon footprint. Our alignment to the valuation principle is further described in the Energy Transition and Climate Change section of this report.

Effect of activities on the environment:

The Australian Public Service Net Zero Emissions Reporting Framework requires Snowy Hydro to provide scope 1, 2 and selected scope 3 emissions data to the Commonwealth Department of Finance's Climate Action in Government Operations (CAiGO) for them to calculate the associated carbon emissions.

Scope 1 emissions are direct emissions that are released from sources directly owned or controlled by Snowy Hydro. Scope 2 emissions are indirect emissions that arise from the production of energy that we purchase and use, such as purchased electricity. Scope 3 emissions are indirect emissions that arise from activities or assets not under our direct control, but are created in our value chain, such as emissions from business travel and disposal of waste.

Emissions Statement (RMG137):

Snowy Hydro reports our scope 1 and 2 emissions data as part of requirements for the National Greenhouse and Energy Reporting (NGER) scheme. This data is subject to external assurance review. Emissions data as provided and calculated by CAiGO for Resource Management Guide (RMG) 137 (Annual Reports for Commonwealth Companies) is below. The scope of the emissions reported here are not intended to match other reporting frameworks (e.g., NGER), and discrepancies may be expected.

2024-25 Greenhouse gas emissions inventory – location-based method				
Emission Source	Scope 1 t CO ₂ -e	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e
Electricity (Location Based Approach)	N/A	549,788	33,693.13	583,481.13
Natural Gas	172,431	N/A	28,437.18	200,868.18
Solid Waste	-	N/A	34.65	34.65
Refrigerants	240	N/A	N/A	240.00
Fleet and Other Vehicles	1,514	N/A	374.68	1,888.68
Domestic Commercial Flights	N/A	N/A	671.77	671.77
Domestic Hire Car	N/A	N/A	-	-
Domestic Travel Accommodation	N/A	N/A	273.21	273.21
Other Energy	21,251	N/A	5,393.18	26,644.18
Total t/CO₂-e	195,436	549,788	68,877.79	814,101.79

Note:

- i. The table above presents emissions related to electricity usage using the location-based accounting method.
- ii. CO₂-e = Carbon Dioxide Equivalent.
- iii. Emissions from domestic commercial flights and hire cars for FY25 may be underestimated or incomplete due to limitations of data sourced from third-party providers. As emissions reporting processes continue to mature, the quality and completeness of this data are expected to improve.

2024-25 Electricity greenhouse gas emissions				
Emission Source	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	Electricity kWh
Electricity (Location Based Approach)	549,788	33,693.13	583,481.13	834,074,634.06
Market-based electricity emissions	551,712.86	74,923.97	626,636.82	681,126,982.09
Total renewable electricity consumed	n/a	n/a	n/a	152,947,651.97
Renewable Power Percentage ¹	n/a	n/a	n/a	151,759,879.67
Jurisdictional Renewable Power Percentage ^{2,3}	n/a	n/a	n/a	-
GreenPower ²	n/a	n/a	n/a	1,187,772.30
Large-scale generation certificates ²	n/a	n/a	n/a	-
Behind the meter solar ⁴	n/a	n/a	n/a	-
Total renewable electricity produced	n/a	n/a	n/a	-
Large-scale generation certificates ²	n/a	n/a	n/a	-
Behind the meter solar ⁴	n/a	n/a	n/a	-

Note: The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO₂-e = Carbon Dioxide Equivalent. Electricity usage is measured in kilowatt hours (kWh).

1. Listed as Mandatory renewables in our FY24 Annual Report. The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET).
2. Listed as Voluntary renewables in our FY24 Annual Report.
3. The Australian Capital Territory is currently the only state with a jurisdictional renewable power percentage (JRPP).
4. Reporting behind the meter solar consumption and/or production is optional.

Measures to minimise impact on the environment:

Snowy Hydro's governance mechanisms minimise impacts and ensure residual risks are managed appropriately. These include:

- Environmental Management System accredited annually to ISO 14001:2015 standard, which sets out the processes for identifying and managing environmental risks, reviewing the effectiveness of controls and processes and identifying opportunities for improvement;
- Environmental Policy, that guides our workforce and contractors on our environmental performance expectations;
- Environmental Strategy (2024 – 2026), which promotes a culture of care and good management tools enabling the prevention of harm to the environment and reducing regulatory risk. This is achieved through a commitment to care for and protect the environment, effective and user-friendly processes for risk and compliance management, and growing our environmental sustainability capability;
- Operational controls to identify and manage environmental risks, and respond to new or changing significant risks. In FY25 key improvement initiatives were:
 - a. Continued focus on water pollution risks and controls across the Hydro scheme including updates to environmental management documents and roll out of a focussed assurance program;
 - b. Roll out of a targeted environmental compliance training program to new and existing staff in roles with potential to cause environmental impact;
 - c. Continued improvements to our emissions alarming, trending and awareness across the business;
 - d. Development of a Rehabilitation Strategy for the removal of redundant transmission lines in Kosciuszko National Park, and implementation of the first stage of the Strategy (removal of Happy Jacks/Eucumbene line).

Mechanisms for reviewing and increasing the effectiveness of measures:

Snowy Hydro's primary measures for environmental performance are audit, incident and compliance data. Our annual schedule of environmental inspections and audits focus on contractor activities, critical control processes, high risk activities, compliance with the requirements of the EMS and other relevant environmental management plans and procedures. Throughout FY25, improvement actions were identified, and there were no major non-conformances. Inspection and audit data for FY25 is shown in the table below.

Audit type	Number of audits completed
Project Environmental Compliance Inspections	11
Level 2 Environmental Site Inspections	40
Environmental Management Plan and Critical Process Review	12
EPA Licence Compliance Audits	11
Level 2 Integrated Clean, Green and Safe (CGS) Assurance Audits	6
Level 3 External Assurance Audits	5
Total	85

Snowy Hydro's monthly incident data is displayed in the graph below. The data shows consistently low numbers of incidents resulting in serious environmental harm with no Level 3 or 4 environmental incidents in FY25 (refer to chart legend below).

Environmental Events data is available in the Data Book, available on our website.

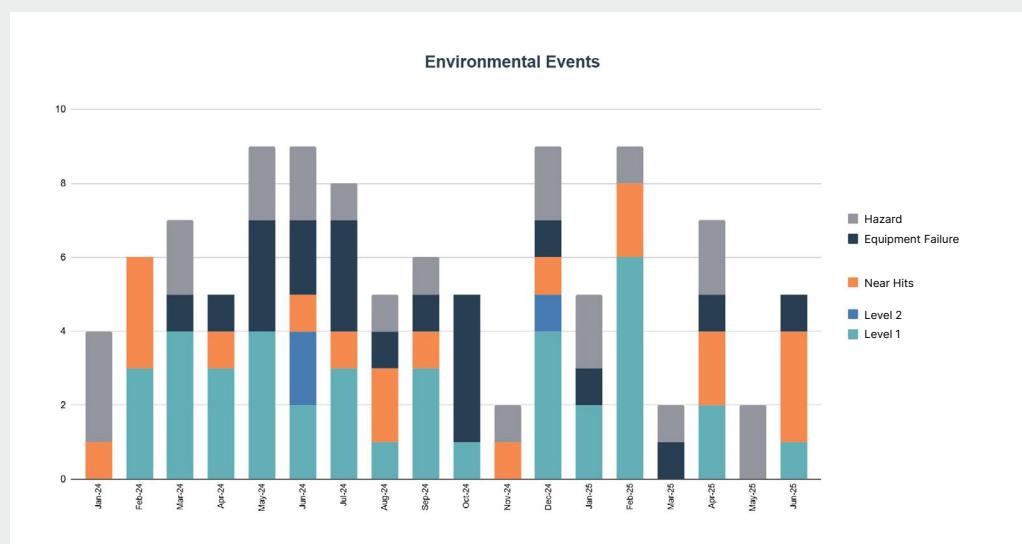


Chart legend:

Events are classified as incidents, equipment failures and hazards.

Incident: an event which resulted in injury, ill-health or damage to the environment or property.

Equipment Failure: an event that resulted in or from the unexpected failure of a piece of equipment.

Hazard: a source, situation, or act with potential to cause injury, ill-health or damage to the environment or property.

Level 1: promptly reversible or trivial impact on air, water quality, soil, flora, fauna, habitat, heritage or ecosystem function.

Level 2: short-term (<3 years) or potential short-term impact on soil, air or water quality, flora, fauna, habitat, heritage or ecosystem function. Administrative non-compliance with Licensing or legislation with no environmental impact.

Level 3: medium to long-term (3–10 years) impact on soil, air or water quality, flora, fauna, habitat, heritage or ecosystem function. Environmental harm resulting in non-compliance with licensing or environmental legislation.

Level 4: permanent, unconfined impacts to soil, air or water quality, flora or fauna populations, habitats, or ecosystem function. Requires a significant and coordinated response with assistance and direction from senior management or external agencies.

Near hit: an event with potential environmental impacts but did not result in actual environmental harm.

Regulatory Reporting Requirements Index

Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), for the period ended 30 June 2025

PGPA Rule Reference	Description	Location	Pages
28E(a)	The purposes of the company as included in the company's corporate plan for the reporting period	Our Business	7
28E(aa)	The results of a measurement and assessment of the company's performance during the reporting period, including the results of a measurement and assessment of the company's performance against any performance measures and any targets included in the company's corporate plan for the reporting period	Directors' Report	36-40
28E(b)	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Statement of Expectations	6
28E(c)	Any directions given to the entity by a Minister under the company's constitution, an Act or an instrument during the reporting period	Statement of Expectations	6
28E(d)	Any government policy order that applied in relation to the company during the reporting period under section 93 of the Act	Statement of Expectations	6
28E(e)	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under the company's constitution, an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the company during the reporting period under section 93 of the Act	Not applicable, no non-compliance	-
28E(f)	Information on each director of the company during the reporting period	Directors' Report	41-44
28E(g)	An outline of the organisational structure of the company (including any subsidiaries of the company)	Note 21 to the Consolidated Financial Statements Consolidated Entity Disclosure Statement	108 119

PGPA Rule Reference	Description	Location	Pages
Description			
28E(ga)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location	Employee Engagement and Diversity and Inclusion	22-27
28E(h)	An outline of the location (whether or not in Australia) of major activities or facilities of the company	Directors' Report	36
28E(i)	Information in relation to the main corporate governance practices used by the company during the reporting period	Corporate Governance Statement	49-59
28E(j), 28E(k)	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision-making process undertaken by the directors of the company for making a decision to approve the company paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	Not applicable	-
28E(l)	Any significant activities or changes that affected the operations or structure of the company during the reporting period	Directors' Report	47
28E(m)	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the company	Directors' Report	47
28E(n)	Particulars of any reports on the company given by: (a) Independent Auditor's Report, or (b) a Parliamentary Committee, or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner; or (e) the Australian Securities and Investments Commission	Independent Auditor's Report	121-123
28E(o)	An explanation of information not obtained from a subsidiary of the company and the effect of not having the information on the annual report	Not applicable	-

PGPA Rule Reference	Description	Location	Pages
Description			
28E(oa)	Information about executive remuneration	Remuneration Report	60-69
28E(ob)	<p>The following information about the audit committee for the company:</p> <ul style="list-style-type: none"> (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee 	<ul style="list-style-type: none"> (a) Corporate Governance Statement (b)–(d) Directors' Report (e) Remuneration Report 	<ul style="list-style-type: none"> 53 41-45 60-69
28F Disclosure requirements for government business enterprises			
28F(1)(a)(i)	An assessment of significant changes in the company's overall financial structure and financial conditions	Directors' Report	47
28F(1)(a)(ii)	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial condition	<ul style="list-style-type: none"> Directors' Report Note 25 to the Consolidated Financial Report 	<ul style="list-style-type: none"> 39 117
28F(1)(b)	Information on dividends paid or recommended	<ul style="list-style-type: none"> Directors' Report Note 20 to the Consolidated Financial Statements 	<ul style="list-style-type: none"> 39 107
28F(1)(c)	<p>Details of any community service obligations the government business enterprise has including:</p> <ul style="list-style-type: none"> (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations 	Not applicable	-
28F(2)	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	Directors' Report	37

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