snowy hydro

Corporate Plan

For Financial Years 2027–2031

Contents

ACKNOWLEDGMENT 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 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.

INTRODUCTION

About this Plan

The Directors of Snowy Hydro Limited (Snowy Hydro) present our Corporate Plan for financial year 2026-2027 (FY27) for our Shareholder Ministers, Senator the Hon. Katy Gallagher, Minister for Finance, and the Hon. Chris Bowen MP, Minister for Climate Change and Energy. This plan covers Snowy Hydro and its operating subsidiaries for the period from FY27 to FY31.

The plan is required by, and prepared in accordance with section 95 of the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act), the *Public Governance, Performance and Accountability Rule 2014* (Cth) (PGPA Rule) and the Commonwealth Government Business Enterprise Governance and Oversight Guidelines (January 2018) (GBE Guidelines). Currently, no Government priorities under the Statement of Key Priorities,[1] Government policy orders[2] or written instructions or directions under Snowy Hydro's Constitution apply to Snowy Hydro.

Legal Notice

This plan contains various long-range plans, projections, high-level estimates and other forward looking information (Estimates). Those Estimates are based on the best considered professional assessment of present economic and operating conditions, Australian Government policy at the time of writing this plan, and assumptions regarding future events and actions which, at the date of writing this plan, are expected to take place. The Estimates involve known and unknown risks, uncertainties and other factors beyond control that may cause Snowy Hydro's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the Estimates. While the Estimates are based on the best considered professional assessment, the management team and officers (as defined in the *Corporations Act 2001* (Cth)) of Snowy Hydro Limited do not give any guarantee or assurance to any third party that the results, performance or achievements expressed or implied by the Estimates will actually occur, and the Estimates should not be relied on or considered to be a representation of what will happen by any third party.

1 Section 95(3) of the PGPA Act requires Snowy Hydro's plan to align with any Government 'Statement of Key Priorities' that relates to Snowy Hydro's business.

2 Section 93 of the PGPA Act allows the Finance Minister to make a Government Policy Order specifying a policy of the Australian Government to apply to one or more wholly-owned Commonwealth companies.

"As Australia's biggest battery, Snowy 2.0 will become the cornerstone of our energy future."

Chair and CEO message

Snowy Hydro is our nation's energy company, owned by every Australian. Built on the legacy of the iconic Snowy Scheme, we have underpinned energy reliability for more than 50 years. That same spirit of ingenuity and determination drives us today as we manage more than 6,000 megawatts (MW) of generating capacity and serve 1.6 million customers through our retail brands.

The energy landscape is changing rapidly. As the shift to a renewable energy system accelerates, it brings both immense opportunities and complex challenges.

On demand gas generation is essential to energy reliability during the transition[3] and will play a major and growing role in enabling intermittent renewable generation as the NEM decarbonises. It will also play a critical back-up role during periods of high demand when other sources of supply are low.[4]

Kurri Kurri Power Station (KKPS) is essential to this reliability challenge. This year we successfully completed commissioning this 660 MW facility on its primary fuel - gas. KKPS is set to support homes and businesses that count on stable energy supply across the grid.

For more than 20 years, Red Energy has built a foundation of customer trust. Today, alongside Lumo Energy, our retail brands proudly serve a steadily growing customer base. Our commitment to our customers is reflected in our award-winning service. Red Energy proudly secured a Canstar Blue award for customer satisfaction for a record-breaking 16th consecutive year and was named Australia's most trusted utility brand by Roy Morgan for the third time.

To sustain this trust as the energy transition accelerates, we recently commenced modernisation of our retail technology platform. This advanced operating system will modernise how we serve households, empowering our dedicated customer teams to maintain the high-quality care Australians expect while actively helping them manage new energy resources like rooftop solar, home batteries and electric vehicles.

We are also taking decisive steps to secure cleaner energy for our growing retail customer base and support the development of renewable energy assets. Over the past year, we locked in a new 15-year long-term Power Purchase Agreement (PPA) for 120 MW from the Carmody's Hill Wind Farm in South Australia.

We also signed two major battery agreements - a 105 MW contract for the Golden Plains Battery and a 220 MW contract for the Elaine Battery in Victoria, bringing our total contracted wind, solar and battery storage capacity to close to 2,300 MW. The Elaine Battery is the largest four-hour "virtual toll" agreement of its kind in Australia. These large-scale batteries provide a vital role for Snowy, by soaking up excess wind and solar energy and then utilising this energy to supply our customers' peak load and stabilise the network during times of sudden volatility.

While short-duration grid batteries play a valuable role, independent market experts have increasingly highlighted the stark reality that they simply cannot sustain the grid during prolonged 'droughts' of wind and solar generation.

To secure Australia's energy sovereignty as coal-fired power stations retire, the grid needs deep, long-duration storage.

3 Australian Energy Market Operator, 2026 Integrated System Plan https://www.aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2026-integrated-system-plan-isp

4 Australian Energy Market Operator, 2026 Integrated System Plan https://www.aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2026-integrated-system-plan-isp

That is why we are building Snowy 2.0. As Australia's biggest battery, Snowy 2.0 will become the cornerstone of our energy future. Our teams and the over 5,000 workers on the project are navigating some of the most complex engineering challenges in the world, constructing 27 kilometres of tunnels as well as a power station the size of the Sydney Opera House, almost a kilometre underground.

When complete, Snowy 2.0 will deliver an unmatched 350,000 megawatt hours (MWh) of energy storage which is enough to power three million homes for a week and the equivalent of around 26 million home batteries. It will provide more than half of the deep storage the NEM needs, allowing us to store excess renewable energy on a massive scale and dispatch it exactly when the grid needs it most.

Beyond its critical role on the grid, Snowy 2.0 will fundamentally strengthen our business when complete, by driving financial resilience, operational flexibility and long-term revenue from energy storage, firming, retail and grid services.

We are continuing our detailed review of the cost reassessment submitted by Snowy 2.0's principal contractor, Future Generation Joint Venture. Informed by independent construction cost experts, we are evaluating the commercial and practical implications to inform our advice to Snowy's shareholder.

Snowy Hydro's success is entirely driven by our people. Over the past year, we have continued to invest heavily in the skills and capabilities of our workforce, ensuring we are training the leaders who will guide Australia's energy sector for decades to come.

We are equally committed to the regions we call home. In 2025, we released our inaugural Snowy Mountains Community Benefits Report, which highlights the tangible, on-the-ground impact of our operations. In this year alone, Snowy Hydro injected more than $59 million into the regional economy through local suppliers and contractors, and we invested more than $600,000 directly into grassroots community groups and schools, including through our Snowy STEM Academy.

We also remain deeply committed to our environmental stewardship. For 75 years, we have proudly cared for parts of the precious Kosciuszko National Park, including by carefully managing water that flows through the Snowy Scheme.

By providing the essential on-demand power the NEM requires, every megawatt of our capacity enables three megawatts of renewable energy to come online. We are proud of our heritage, while our eyes are firmly fixed on the future.

Like the original Snowy Scheme, which still helps underpin energy reliability today, the investments we are making now will be national assets that power Australia for generations to come.

James Cain
Chair
&
Dennis Barnes
Managing Director and CEO

PILLARS

Statement of Expectations

Our Shareholder Ministers' Statement of Expectations (Statement of Expectations) confirms our primary focus is to support Australia's transition to a renewable energy system, by operating our existing power stations and by expanding pumped hydro in the Snowy Mountains Hydroelectric Scheme through Snowy 2.0.

The Statement of Expectations also sets out our broader objectives: to provide and enable reliable, secure, affordable, renewable and firming 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 Mountains Hydroelectric Scheme, as well as by owning and operating other power generation and energy storage facilities. We also actively participate in the wholesale and retail markets for electricity and gas, as well as related contracts and services.

It also confirms that Snowy Hydro must 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 each of these expectations as we serve our customers, communities and energy users across Australia.

Our Values

Our values are our foundation. They guide how we show up and deliver for the people who matter most – our customers, our stakeholders and each other.

Safety

We're all in on safety – both physical and mental, so we keep everyone safe by prioritising care and learning.

Teamwork

We truly connect and pull in the same direction, so we win together.

Ownership

We fully commit to our responsibilities and results, so we see things through to the end.

Agility

We thrive through change and embrace it, so we know when to adapt and find new ways.

Decency

We act with respect and integrity, so we do the right thing, are good to deal with and leave things better than we found them.

Courage

We face challenges head-on with care and conviction, so we stand up for what matters and chart a path to success.

Our Business

Snowy Hydro's purpose is to 'power Australia's sustainable future'. We are focused on driving the shift to a renewable energy system because it is the lowest-cost way to power Australia's future.

We are uniquely positioned to deliver on this purpose by:

- Underpinning 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, helping them to manage their needs through the energy transition; and
- Enabling competition in the wholesale electricity market aiming to play a part in easing pressure on prices.

Snowy Hydro is made up of three business areas and Corporate Support functions, in addition to the Snowy 2.0 major project. After Snowy 2.0 is complete, it will integrate into our Generation business area.

Our Business Areas

- **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 1.6 million customers 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.

Snowy 2.0

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

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

Transformation

Snowy Hydro is transforming to ensure we continue to play our critical role as Australia's energy company during this period of rapid sector transition.

Specifically, we are preparing to deliver a significantly larger capital program to sustain our generation fleet, while streamlining our core functions to navigate external market complexity and the decentralisation of the energy system.

Our transformation is driven by clear strategic objectives: strengthening our asset management and project delivery, modernising our technology to better support operators and customers, driving operational efficiency across the organisation, and investing in our future talent. Crucially, we are also enhancing the financial resilience required to fund our growth and sustain our central role in the NEM.

We have launched a structured, enterprise-wide transformation program.

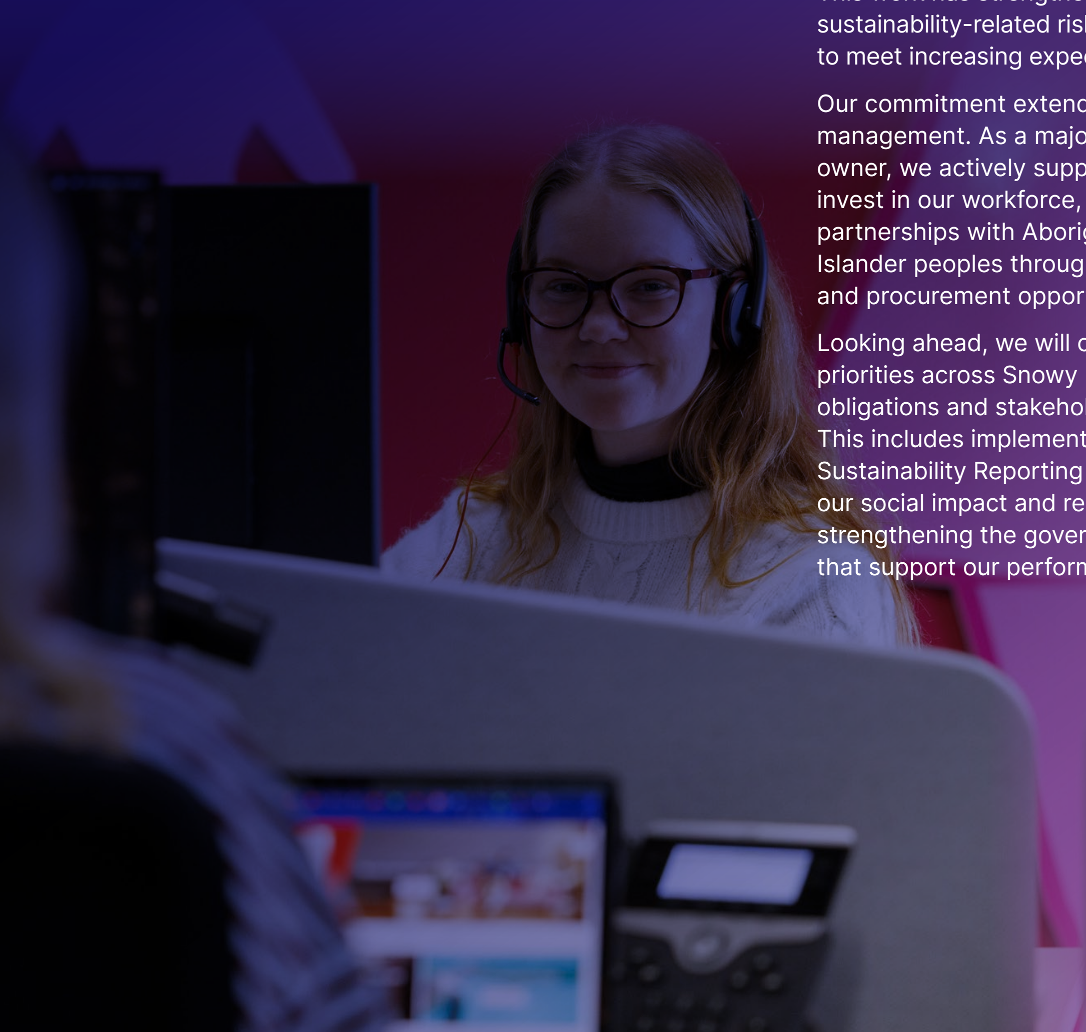
Sustainability

Sustainability is embedded across our planning, operations and long-term business strategy. Our approach is guided by nine material topics: energy transition and climate change, energy hardship and vulnerability, employee engagement, customer experience, water and environment, community and social impact, energy affordability, health and safety, and responsible business practices.

In FY26, we advanced initiatives across these priorities, including climate scenario analysis, emissions target setting, reconciliation and biodiversity programs. This work has strengthened our understanding of sustainability-related risks and improved our ability to meet increasing expectations for transparency.

Our commitment extends well beyond environmental management. As a major employer and infrastructure owner, we actively support our regional communities, invest in our workforce, and build meaningful partnerships with Aboriginal and Torres Strait Islander peoples through employment, education and procurement opportunities.

Looking ahead, we will continue to embed these priorities across Snowy Hydro as regulatory obligations and stakeholder expectations evolve. This includes implementing the Australian Sustainability Reporting Standards, progressing our social impact and reconciliation efforts, and strengthening the governance and data systems that support our performance.



Safety

Safety is our first and absolute priority. We are deeply committed to the physical and psychological wellbeing of our people, contractors, customers and communities, ensuring everyone goes home safely at the end of every day.

As we deliver complex, nation-building infrastructure like Snowy 2.0, maintaining rigorous safety oversight is critical. We work closely with our principal contractors and delivery partners and expect the highest safety standards across all active construction sites and operations.

Across our existing generation fleet, we invest in targeted safety enhancement programs covering gas, electrical, dam and major accident prevention, to ensure our assets operate safely and reliably. We back this physical safety with a strong learning culture to turn operational insights into tangible, real-world improvements.

For our retail customers, safety means security and support. We provide care to protect and assist customers who are vulnerable, facing financial hardship, or experiencing family and domestic violence.

OPERATING CONTEXT

The rapid and complex transformation of the NEM, driven by end-of-life baseload coal-fired power stations retiring, presents both challenges and opportunities for the grid, industry and energy users.

Wind and solar generation will be the core of the new energy system, supported by short-duration battery storage and long-duration storage from pumped hydro. During the transition, on-demand gas-fired generation will play a critical role to help ensure reliable energy supply during periods of high demand and lower renewable generation.[5]

As the energy industry prepares for the retirement of Eraring and Yallourn coal-fired power stations in 2029 and 2028 respectively, a balanced and diverse network of energy generation sources will power Australians into the future.[6] The Australian Energy Market Operator's (AEMO) Integrated System Plan highlights that to safely manage the exit of coal, the NEM requires a massive expansion of firming capacity and energy storage.[7]

While grid-scale batteries provide crucial short-duration storage, pumped hydro remains the only proven, reliable source of the long-duration storage required to manage multi-day wind and solar generation lulls.[8]

While recent market conditions have been relatively subdued, growing dependence on variable renewable energy sources increases grid sensitivity to periods of low solar and wind generation.

Both deep storage and gas-fired generation are essential to address these reliability gaps. However, securing the ongoing gas supply required for escalating gas-powered generation usage remains an industry-wide challenge. AEMO's Gas Statement of Opportunities forecasts structural shortfalls in the East Coast Gas Market emerging later this decade. While the recently announced domestic gas supply obligation is expected to increase domestic gas availability, the policy is yet to be fully implemented. Addressing structural challenges, in particular transportation pipeline capacity, storage availability and surges in energy needs, will help to secure fuel supply chains and support reliability in the NEM.

In the retail sector, regulatory demands and the rapid uptake of consumer energy resources (CER) like rooftop solar and home batteries are reshaping the playing field. This accelerated CER and prosumer growth is fundamentally reshaping the market, driving retailers to expand beyond traditional electricity supply into asset sales, leasing and prosumer-focused services.

5 Australian Energy Market Operator, 2026 Integrated System Plan
https://www.aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2026-integrated-system-plan-isp

6 Australian Energy Market Operator, 2026 Electricity Statement of Opportunities
https://www.aemo.com.au/-/media/files/electricity/nem/planning_and_forecasting/nem_esoo/2026/2026-electricity-statement-of-opportunities.pdf?rev=4f2e73fbd906456288198fdbc24b335a&sc_lang=en&hash=8BC15B81DC0725EA49821C9D301AAB9E

7 Australian Energy Market Operator, 2026 Integrated System Plan
https://www.aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2026-integrated-system-plan-isp

8 Department of Climate Change, Energy, Pumped Hydro, 2025
https://www.dcceew.gov.au/energy/renewable/pumped-hydro

At the same time, energy prices remain central to cost-of-living challenges for many Australians. Our responsibility to drive market competition has never been more important. Through Red Energy and Lumo Energy, we remain committed to delivering value to the mass market while maintaining support for customers experiencing vulnerability, domestic violence or financial hardship.

The physical constraints of the grid also continue to impact the market. While planned transmission upgrades will eventually improve connectivity, delivery delays mean that near-term constraints remain. Upon completion, these links will not entirely resolve storage and firming shortfalls, nor will they eliminate the volatility caused by transmission maintenance outages. This structural reality requires strategic interventions, such as our recent battery virtual tolling agreements in Victoria, to help ensure reliable supply across the NEM.

Through the delivery of Snowy 2.0, our expanded dispatchable fleet and our strategic renewable partnerships, Snowy Hydro is uniquely positioned to navigate these dynamics. We continue to adapt our business model to ensure our assets and resources are deployed to maximise our support for energy reliability and security, drive competition and enable Australia's ongoing shift to a secure, renewable energy system.

OUR STRATEGY

Our strategy is built on five core elements that respond to our Statement of Expectations and optimise our approach to delivering value for our shareholder, customers, other stakeholders, Snowy Hydro and ultimately, for Australia.

Our focus is to offer products and services that provide increasing value as the energy transition accelerates and coal-fired generation progressively retires.

1

Enable the renewable energy transition

Our electricity generating assets and storage support new wind, solar and batteries to come online, supporting Australia's energy transition.

- Operating and maintaining our pumped hydro and conventional hydro power stations
- Developing Snowy 2.0 and Kurri Kurri Power Station
- Partnering with wind, solar and battery projects to enable renewable energy development
- Operating and maintaining gas and diesel power stations
- Storing gas
- Identifying and implementing new strategic opportunities in technologies that support the renewable transition

2

Deliver reliability and energy security

Our operations are a significant contributor to the NEM's reliability and Australia's energy security.

- Using long-duration water storage to provide on-demand energy
- Securing partnerships for batteries to provide short-duration electricity storage
- Storing 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
- 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
- Supporting 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 Hydro'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 Hydro a great place to work
- Improving diversity outcomes to maximise workforce participation

1. Enable the renewable energy transition

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

Our unique portfolio of dispatchable power stations is central to this contribution. By managing our flexible pumped and conventional hydro, gas, and diesel facilities, we respond quickly to market conditions, keeping the grid efficient and stable as more wind and solar come online.

Once commissioned, Kurri Kurri Power Station will significantly boost this capability. This 660 MW facility is our fourth on-demand gas power station, providing essential, fast-start backup to the grid.

Beyond the assets we own and operate, we partner with wind and solar developers to support the growth of renewable energy and create economic benefits in regional Australia. We have locked in long-term PPAs and virtual battery storage agreements that bring our total contracted wind, solar and battery storage capacity to close to 2,300 MW. This includes a new 15-year agreement to procure 120 MW of renewable energy from the Carmody's Hill Wind Farm in South Australia and two virtual battery agreements: a 105 MW virtual toll for the Golden Plains Battery and a landmark 220 MW virtual toll for the Elaine Battery in Victoria.

These short-duration battery storage agreements complement the deep, long-duration storage provided by our pumped hydro assets. These batteries provide the fast-start power needed to quickly soak up excess renewable energy and safeguard energy reliability by delivering power when demand says it's needed, further enhancing grid flexibility.

Furthermore, these partnerships allow our retail brands to offer innovative energy products that match electricity usage to renewable sources.

To support our gas fleet in providing on-demand reliability, we have entered into a 25-year agreement with Lochard Energy at the Iona underground gas storage facility in Victoria. Commencing in January 2028, this strategic agreement secured the long-term reserves required to operate our gas-fired power stations, providing an important safety net that backs up wind and solar generation.

Snowy 2.0

Snowy 2.0 is Australia's largest renewable energy project. As a major pumped-hydro expansion of the existing Snowy Scheme, Snowy 2.0 will act as a giant battery, storing excess power from the increasing generation of wind and solar and delivering it when homes and businesses need it most. As aging, unreliable coal-fired power stations reach their end-of-life, Snowy 2.0 will provide the essential on-demand power needed for Australian homes and businesses to have reliable power. There is simply no other option on the table that will deliver Australia the energy reliability and security of Snowy 2.0, which will have the largest energy storage of any energy storage project operating, in development or planned in the world.

Snowy 2.0's 2,200 MW capacity will enable 6,600 MW of new wind and solar to come online. It will deliver an unmatched 350,000 MWh of energy storage: enough to power 3 million homes for a week, or the equivalent of around 26 million home batteries.

This level of energy storage is unique on a global scale. While other pumped hydro projects may have more capacity, which means how much power they can produce at any single moment, Snowy 2.0's level of total storage is unmatched globally. Consequently, the benefits to Australia's energy security will be remarkable.

The long-duration nature of pumped hydro storage means that Snowy 2.0 will play an irreplaceable and complementary role with grid-scale batteries. While batteries are the best way to balance generation and demand across the day, pumped hydro is the only proven technology suitable for protecting against multi-day wind and solar lulls that threaten reliability issues and spikes in wholesale prices.

Snowy 2.0 also fundamentally strengthens Snowy Hydro finances and operational flexibility. This value is driven by a diversified revenue profile across energy storage, wholesale firming, retail synergies and essential grid stability services.

This nation-building expansion, which is creating 5,000 jobs in the construction phase, is one of the most complex and challenging engineering feats in the world. Our teams are navigating some of the most rugged and variable terrain in the country to construct 27 kilometres of tunnels and a power station the size of the Sydney Opera House almost a kilometre underground.

The development of Snowy 2.0 is making a significant contribution to the national economy, with 80% of the total investment being spent here in Australia, on local wages and with local businesses. Beyond the physical infrastructure, Snowy 2.0 is creating a lasting legacy of skills. We are training the workforce that will lead Australia's energy sector for decades to come, ensuring our nation has the talent to stand on its own feet for our energy future.

Designed to operate for 150 years, Snowy 2.0 will be a national asset owned by every Australian to help secure our energy sovereignty. Like the original Snowy Scheme, which continues to underpin our energy security after more than 70 years, this next phase will power Australia with reliable energy for generations to come.

We are continuing our detailed review of the cost reassessment submitted by Snowy 2.0's principal contractor, Future Generation Joint Venture. Informed by independent construction cost experts, we are evaluating the commercial and practical implications to inform our advice to Snowy's shareholder.

2. Deliver reliability and energy security

Snowy Hydro provides firm, on-demand power rather than traditional baseload generation. As the national grid becomes increasingly reliant on variable wind and solar, our strategic focus is to ensure electricity supply remains stable. By actively managing our deep energy storage and fast-start generation, we quickly respond to sudden changes in supply and demand, acting as the backbone of the energy system.

To maintain this reliability, we are undertaking a significant capital program to upgrade and extend the life of our existing power stations. While the original assets within the iconic Snowy Scheme are aging, they can be sustained with targeted upgrades and replacements to ensure they are ready to serve the NEM for decades to come.

Our gas fleet is also undergoing critical investment. We recently undertook the first of a two-stage major overhaul of our 320 MW Laverton station in Victoria, ensuring it will be available to support the network's reliability for another 20 years. Similarly, each of the four units at our 667 MW Colongra station in New South Wales will soon undergo a major overhaul. Looking ahead, we are also evaluating the value to the market of a potential refurbishment of our 300 MW Valley Power station in regional Victoria.

These investments directly address the physical realities of a changing energy market. As wind and solar output naturally fluctuates, our stations are required to start and stop far more frequently than originally designed.

To counter this, we will continue to develop and execute engineering and operational strategies to optimise how we forecast and deliver essential maintenance across our assets.

Gas generation is important during the renewable transition. Until sufficient wind and solar, backed by enough storage capacity through a balance of short duration batteries and long-duration pumped hydro is online, it provides an essential safety net. Our gas power stations operate for a minority of the time, only when the grid needs them most, when renewable generation is low and storage options like batteries and pumped hydro are depleted.

Because of this, securing a reliable supply of gas is essential. With structural shortfalls forecast across Australia's east coast, we are exploring solutions to secure the new gas supply and storage required to keep our backup generators running. By prudently managing our physical assets and securing essential fuel, Snowy Hydro remains the ultimate 'insurance policy' for the NEM, supporting energy security for homes and businesses across the grid.

3. Promote market competition

Our participation across both the retail and wholesale energy markets is designed to drive competition, uplift customer service standards and minimise upward pressure on prices for all energy users.

Through our retail brands Red Energy and Lumo Energy, we currently serve more than 1.6 million customers. As the fourth-largest retailer in the NEM, our industry-leading customer service standards mean we apply competitive pressure across the retail market to help drive positive outcomes for all energy customers, regardless of who supplies their power.

We achieve this by consistently delivering the industry-leading, Australian-based customer service Red Energy is known for. In 2026, Red Energy was proudly awarded a Canstar Blue award for customer satisfaction for a record-breaking 16th consecutive year and was named Australia's most trusted utility brand by Roy Morgan for the third time.

Our product innovation sees us offer Red Energy customers the option of products built around major partnerships with Qantas Frequent Flyer, Taronga Conservation Society of Australia and the Breast Cancer Network of Australia.

In the large-scale commercial and industrial retail (C&I) sector, our Snowy Energy brand continues this standard of excellence, achieving 100% customer satisfaction for nine consecutive years.

As the energy transition fundamentally changes how households engage with the grid, we are evolving our products and services in response. We are investing in a refreshed core technology platform to meet the growing 'prosumer' trend, empowering customers to better manage their own energy resources like rooftop solar, home batteries and electric vehicles. The new platform will mean our people can spend more time doing what they do best - serving our customers.

While we transition to become a more comprehensive energy services provider, we will remain a full-service retailer, maintaining our unwavering commitment to compassionate, industry-leading support for vulnerable customers.

Beyond our direct retail footprint, Snowy Hydro fosters competition across the broader wholesale market. We maintain our unique portfolio of on-demand power stations to allow us to provide contracting products that essentially serve as insurance for other retailers against wholesale price spikes. By providing this certainty in the face of the energy market's inherent volatility, we help lower the cost of doing business across the market, ultimately reducing price pressure for energy customers.

Finally, we actively underwrite third-party investments in new generation and capacity assets, including our recent long-term PPAs and virtual battery tolls. This provides financial certainty to developers, enabling new market players to enter the sector and driving the expansion of renewable energy across the NEM.

4. Deliver responsible environmental and community outcomes

Snowy Hydro's commitment to Australia's energy future goes hand in hand with delivering positive environmental and community outcomes. We understand our operations bring benefits and impacts, and recognise our responsibility to keep communities informed and to listen to feedback that influences our approach.

For more than 75 years, we have maintained a deep commitment to environmental stewardship, proudly caring for parts of the precious Kosciuszko National Park and carefully managing the water that flows through the Snowy Scheme.

We operate under strict environmental and water management regulations. We are committed to meeting these obligations, engaging openly and constructively with our regulators to maintain transparency.

We are equally committed to maintaining strong, productive relationships with the regional communities we call home. Our approach to positive social impact begins with understanding local needs and driving positive economic outcomes. As detailed in our inaugural Snowy Mountains Community Benefits Report, our presence in 2025 alone injected more than $59 million into regional Snowy Mountains economies through local suppliers and contractors. We also invested more than $600,000 directly into grassroots community groups.

A pillar of this community investment is education. Through the Snowy STEM Academy, we engage primary and high school students to deliver science, technology, engineering and mathematics programs, aiming to improve local educational outcomes and inspire the next generation of energy innovators.

We acknowledge and deeply respect the Traditional Owners of the lands on which we operate. We are actively strengthening our relationships with First Nations peoples through the implementation of our Reconciliation Action Plan. This includes proudly partnering with organisations like the Clontarf Foundation and the Stars Foundation to support the education, life skills and career development of young First Nations people.

5. Develop and engage our people

Our people are the driving force behind Snowy Hydro's success. In a rapidly evolving energy sector where competition for talent is intense, attracting, retaining and developing highly skilled people is critical to delivering our strategy.

To ensure our workforce is ready for the challenges ahead, we are developing a strategic workforce plan, which will allow us to forecast and invest in the skills required to lead Australia's energy transition.

We are also committed to investing in our people's technical capabilities, growing strong leaders across every function and fostering an inclusive culture of safety, wellbeing and continuous learning. We recognise that supporting diversity within our teams is essential to unlocking innovation and maximising the full potential of our current and future workforce.

Beyond our immediate operational needs, we view our investment in people as a national responsibility. We are training the team members of today to be the industry leaders of tomorrow, helping build the broader skills legacy Australia requires to power its energy future.

A pillar of this is our end-to-end career pathways, driven by our traineeship, graduate and apprenticeship programs. These initiatives provide hands-on experience across the energy spectrum, from operating world-class generation assets and managing grid stability, to developing innovative solutions for our retail customers.

Above all, we are committed to maintaining an engaging, inclusive culture where physical and mental wellbeing always come first. Our goal is to ensure every team member feels inspired and supported, and clearly understands how their daily work contributes to Snowy Hydro powering Australia's sustainable future.

OUR ENTERPRISE RISKS

Snowy Hydro adopts an integrated approach to risk management, reflecting our culture where managing risk is everyone's responsibility.

Our Board monitors the effectiveness of Snowy Hydro's risk management framework, delegating specific oversight to Board committees as set out in their charters. Committees cross-refer relevant matters to another committee or the Board as required. The Board recognises that a strong risk culture is essential to support the framework's effective operation.

Our management team implements the framework, developing the policies and processes required to identify and manage risk across all Snowy Hydro activities. We will continue to improve our management of risk to ensure it remains fit for purpose in response to emerging risks, changing business environments and stakeholder expectations.

Given the link between risk and strategy, mitigations are integrated throughout this plan. Additionally, to meet the PGPA Act and GBE Guidelines, Snowy Hydro shares a corporate document with Shareholder Ministers detailing enterprise risk ratings and mitigation strategies. Snowy Hydro updates these risks when required, but at least annually, to reflect external and operational changes.

Enterprise Risk

Identified enterprise risks that could impact achievement of Snowy Hydro's objectives set out in our Statement of Expectations, revenue targets or future financial performance are listed below. In accordance with our risk management practices, we have developed and continue to evolve our strategies to reduce the likelihood of these risks impacting Snowy Hydro; and limiting the consequences if they were to materialise.

Strategic: Disconnect between our strategic path and the national energy reality. Erosion of competitive edge and market share.

Safety: Failure to prevent severe harm to personnel. Uncontrolled release of energy or loss of containment.

Environment & Sustainability: Uncontrolled pollution or ecological impact. Inability to adapt to the escalating impacts of climate change.

Asset Lifecycle: Unmanaged divergence between asset reality and strategic intent.

Portfolio Management: Market stress pushing financial and asset capacity to the limit. Variance between water resource availability and operational commitments.

Technology, Cyber & AI: Loss of control of critical infrastructure. Compromise of information, technology and digital integrity. Failure to maintain data integrity and human oversight in automated decision-making.

People: Failure to secure and mobilise a skilled and productive workforce.

Stakeholders: Failure to maintain stakeholder trust and social licence.

Resilience, Compliance & Conduct: Regulatory and market misalignment. Inability to maintain organisational resilience and crisis recovery. Failure to follow the laws and rules that govern our business.

Project: Failure to effectively prioritise, sequence and deliver capital projects to cost and schedule.

PERFORMANCE

FY26 Performance

Our FY26 performance has been impacted by tougher market conditions, including transmission constraints and weather conditions leading to a reduced demand for peaking generation.

Our retail business continued to grow, passing a significant milestone of 1.6 million customers and maintaining its market leading customer service rating.

Financial

1. Gross revenue for FY26 largely in line with plan.
2. Group EBITDA for FY26 was above plan.
3. Paid dividends of approximately $120 million to our shareholder in accordance with the FY26 plan.
4. Operating expenses were in line with plan.
5. Business as usual capital expenditure below plan.

Customers

1. More than 1.6 million retail electricity and gas accounts.
2. Retail customer growth of 117,000, exceeding plan.
3. Red Energy was the #1 brand amongst competitors for Net Promoter Score for the 10th year running.
4. Red Energy wins Roy Morgan Electricity Provider of the Year for the third consecutive year and Gas Provider of the Year.
5. Red Energy became the first and only business to win a Canstar Blue Most Satisfied Customers Award 16 years in a row.
6. C&I net revenue and load for FY26 was below plan.
7. Continued strong support of wholesale risk management products for NEM counterparties of all sizes.
8. Ninth consecutive year of 100% customer satisfaction amongst our large commercial and industrial customers, measured by Utility Market Intelligence.

Health, safety and wellbeing - Non-major projects

1. The total number of recordable injuries has decreased compared to FY25.
2. In our generation business, we focused on identifying and addressing safety risks inherent to our operations and identifying and implementing learnings. We have increased our focus on major accident events and other process safety hazards with improved reporting and education.
3. In our retail business we continued a range of activities to support psychological health, wellbeing and diversity of our people including webinars on a range of topics including managing financial pressures. Field sales teams, which are most exposed to slips and trips and dog encounters, had a good year with no reportable injuries helping to deliver a Retail TRIFR of zero.
4. Snowy was ranked 4th on TIME's Best Employers in Australia 2025.

Snowy 2.0 and Kurri Kurri Power Station

Snowy Hydro continues to monitor all aspects of the Snowy 2.0 and Kurri Kurri Power Station projects and continues to make safety our number one priority.

Non-Financial Performance

The table below sets out Snowy Hydro's non-financial performance measures and targets.

Purpose	Measure	FY26 Targets	FY26 Result	FY27 Targets	>FY27 Targets
People and Safety	Fatalities - Snowy Hydro employees and supervised contractors	0	0	0	0
	Fatalities - Snowy 2.0 Project (contractors) and Kurri Kurri Power Station (contractors)	0	0	0	0
	Total reportable injury frequency rate (number per million hours worked; employees and supervised contractors)	2.4	2.69[9]	2.4	2.4
	Employee engagement (percentage of staff very/extremely satisfied as determined by survey)	Top quartile of the Global Benchmark Index	Survey not undertaken[10]	Top quartile of the Global Benchmark Index	Top quartile of the Global Benchmark Index
Retail Customer Experience	Net Promoter Score (percentage of promoters minus the percentage of detractors)	Industry leading	Industry leading[11]	Industry leading	Industry leading
	Customer satisfaction (percentage of customers very or quite satisfied)	>80% Industry leading	85.1% Industry leading	>80% Industry leading	>80% Industry leading
Regulatory Compliance	Ombudsman complaints (number of complaints per 10,000 mass market customers)	Below industry average	Below industry average	Below industry average	Below industry average
	Retail regulatory financial penalties	0	0	0	0
	Compliance with Snowy Water Licence requirements (percentage of requirements met)	100%	100%	100%	100%
	Unauthorised exceedance of our approved environmental emissions/discharge limits or an enforcement action by a regulator[12]	0	1[13]	0	0
Generation Reliability	Hydro generator start reliability (%)	> 99.5	99.58	> 99.5	> 99.5
	Hydro generator forced outage factor (%)	< 1.0	1.22[14]	< 1.0	< 1.0
	Gas Generator start reliability (%)	> 98.5	98.99	> 98.5	> 98.5
	Gas Generator forced outage factor (%)	< 1.0	0.69	< 1.0	< 1.0

9 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 eleven recordable injuries, comprising four Medical Treatment Injuries (MTI), four Restricted Work Injuries (RWI), and three Lost Time Injuries (LTI). The total number of recordable injuries has decreased compared to FY25. Snowy Hydro's health and safety management are focused on identifying and addressing safety risks inherent to our operations and identifying and implementing learning.

10 Snowy's latest Group engagement score is 76%, with the Generation score at 74% and Retail at 76%. This is slightly below the top quartile of the Global benchmark index of 78%. The next engagement survey is proposed to be conducted in FY27.

11 Net Promoter Score provides a metric to measure customer experience. This measure can be compared to industry competitors. A further measure of Retail customer satisfaction is the single source survey conducted monthly by Roy Morgan, which asks customers to rate products or services on a satisfaction scale.

12 Excludes Snowy 2.0 and Kurri Kurri commissioning activities.

13 Environmental Protection Licence emissions limit exceedance occurred in August 2025. One unit ran at Laverton for a short period of time without emissions controls, exceeding our EPL Carbon Monoxide limit.

14 Hydro generator forced outage factor is below target due to the impact of forced outage on Unit 4 at Tumut 1 Power Station during Quarters 1 and 2 in FY26.

snowy hydro