

The background of the cover is a photograph of a woman in safety gear (hard hat, safety glasses, orange high-visibility shirt, and blue pants) smiling and leaning on a metal railing. Behind her are large white pipes stacked in rows on a hillside. In the distance, there are green hills and a body of water under a cloudy sky.

snowyhydro

Annual Report

For the Financial Year
ended 30 June 2026

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

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.



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Reporting suite

This Annual Report forms part of Snowy Hydro Limited's and its controlled entities (Snowy Hydro or the Group) annual reporting suite, which provides information on Snowy Hydro's financial, operational, sustainability and governance performance.

Annual report

Our primary reporting document, containing the operating and financial review, climate-related disclosures, sustainability performance, financial statements, remuneration report and key governance information for the financial year ended 30 June 2026 (FY26).

It covers Snowy Hydro Limited and its controlled entities for FY26 and 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.

This Annual 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.

Corporate plan

Sets out our strategic direction, priorities and objectives, guiding the delivery of long-term value for our shareholder, customers, communities and employees.

Community benefits report

Highlights our investment in communities in the Snowy Mountains region, partnerships and programs that create positive social, economic and environmental outcomes in the regions where we operate.

Annual water operating report

Provides detailed information on water management, operational releases and environmental water activities across the Snowy Scheme.

Modern slavery statement

Describes how we identify, assess and address modern slavery risks within our operations and supply chains.

Reconciliation action plan

Sets out our commitments and actions to advance reconciliation by strengthening relationships, respect and opportunities with First Nations peoples.

Tax transparency report

Provides information on our approach to tax governance and the taxes we pay, supporting transparency and accountability in our tax affairs.

Workplace Gender Equality Agency report

Outlines our workforce gender equality performance, including gender composition, pay equity and workplace policies, in line with Workplace Gender Equality Agency reporting requirements.

All above reports are available on the Snowy Hydro website.



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A message from our Chair and CEO

Snowy Hydro is our nation's energy company, owned by every Australian. Built on the legacy of the iconic Snowy Scheme, we have helped underpin energy reliability for more than 70 years, since the Scheme's first power station, Guthega, began operating in 1955.

While we take great pride in our past, Snowy is firmly focused on the future. The same spirit of ingenuity and determination that saw the Snowy Scheme help build modern Australia still drives us today as we manage more than 6,000 megawatts (MW) of generating capacity and serve 1.6 million homes and businesses through our retail brands, Red Energy and Lumo Energy. Snowy's ongoing investment is creating local jobs and economic activity, particularly in regional communities.

Our purpose is to power Australia's sustainable future. The brief from our shareholder is to achieve this by underpinning energy security, enabling the renewable transition and encouraging competition in energy markets. This year, our people's achievements have contributed significantly to this important mission.

We locked in a new energy offtake agreement this year that brought our total contracted wind and solar portfolio to 1,980 MW. We also executed our first two grid-scale battery agreements, adding short-duration storage to Snowy's increasingly diverse portfolio.

Snowy is also set to play a role in managing the renewable energy portfolio that will support the Tomago Aluminium smelter in the Hunter Valley. We are working closely with the Commonwealth on commercial arrangements and look forward to sharing more details in due course.

With energy prices remaining central to household cost-of-living challenges, we remain focused on providing a competitive offering and prices for our customers. We are always striving to do better and are pleased to share that Red Energy earned a Canstar Blue award for customer satisfaction for a 16th consecutive year, and Roy Morgan named Red Energy Australia's most trusted utility brand for the third time.

To support our 1.6 million customers as energy use evolves, we commenced modernisation of our retail technology platform. This transition will help customers manage home batteries, solar, and electric vehicles while giving our teams more time to deliver the outstanding service that Red Energy is known for.

Commissioning the Kurri Kurri Power Station has presented several challenges. While primary gas fuel commissioning was completed in March 2026, testing on backup diesel faced delays due to supply chain considerations and commissioning complexities. We are working with the turbine manufacturer to resolve outstanding technical issues and expect the power station to be commercially available towards the end of 2026. We are focused on getting this right so the plant operates safely and reliably when the grid needs it most.

Delivering Snowy 2.0 remains vital to Australia's energy security. Independent modelling released this year confirmed deep storage reduces wholesale price pressure while underpinning grid reliability. Snowy 2.0's energy storage will be significant on a global scale, the equivalent of 26 million home batteries, supplying over half the long-duration storage the National Electricity Market (NEM) needs by 2050.

The 5,000-strong workforce made significant progress on this mega-project, which involves constructing 27 kilometres of tunnels and underground power station caverns the volume of the Sydney Opera House, almost a kilometre underground. We commissioned our fourth tunnel boring machine (TBM), Monica, one of the world's most advanced, which has been custom-made for the Snowy Mountains' uniquely challenging geology. TBM Lady Eileen Hudson completed her drive in May, breaking through into the power station cavern complex in what was a significant milestone. The project's focus is now moving to power station construction.



James Cain
Chair, Snowy Hydro

Dennis Barnes
CEO, Snowy Hydro

Following repeated requests, in late 2025 we formally instructed our contractor Future Generation Joint Venture (FGJV) to carry out a line by line reforecast of the project's construction program and costings. This work has now been completed. FGJV's forecast cost to complete results in a target project cost to complete of \$22.2 billion. The cost reassessment also resulted in an updated view of the project's schedule with commissioning complete in late 2029. While our contract with FGJV contains obligations that ensure the contractor is motivated to reduce cost and schedule, as well as penalties for under performance, given the unique nature of the project, the level of risk and technical complexity, and FGJV's cost estimation challenges, we are allowing for a cost scenario of \$25 billion. Snowy Hydro will continue to hold FGJV to account for its performance and its obligation to deliver the project safely, with completion achieved at the earliest time and for the lowest possible cost.

We are working closely with our shareholder to develop an appropriate capital structure for Snowy Hydro to support the increase in costs and maintain Snowy Hydro's target credit rating of BBB+.

Snowy's success is entirely driven by our people. Over the past year, we continued investing heavily in workforce capabilities to train the technical leaders who will guide Australia's energy sector for decades to come.

We remain equally committed to the region Snowy calls home. As highlighted in our inaugural Snowy Mountains Community Benefits Report, we injected over \$59 million into regional economies through local suppliers and contractors and employed more than 700 locals. This year, we have invested almost \$1.2 million directly in grassroots community groups, the not-for-profit sector, tourism and local schools in the region.

We have supported communities across our operating footprint more broadly through the Snowy STEM Academy's education programs, STEM education grants in the Hunter Valley, assisting customers with energy affordability at Bring Your Bill Days and by supporting the Breast Cancer Network Australia and Taronga Conservation Society.

Environmental stewardship remains core to our identity. For more than 75 years, we have proudly cared for the areas in Kosciuszko National Park that make up our relatively small but important operational footprint. We are proud of our long history of full compliance with the appropriately strict rules that govern our management of the water flowing through the Snowy Scheme, carefully balancing water's important contribution to Australia's energy reliability with critical environmental, agricultural, recreational and cultural uses.

Operating a business that so many Australians rely on is an incredible responsibility, one that is felt and proudly embraced by every Snowy team member. As Chair and CEO, we are immensely grateful to every person across Snowy who shows up every day to help keep the lights on, look after our customers and push our major projects forward. We do not take the trust of our customers, communities or the Australian public for granted. As we step into the year ahead, our focus remains simple: run our business safely, tackle our challenges openly and get on with the job of securing Australia's energy future.

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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 psychosocial, 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.

Statement of Expectations

Snowy Hydro operates in line with the objectives set out by our Shareholder Ministers, the Minister for Finance, Senator the Hon. Katy Gallagher and the Minister for Climate Change and Energy, the Hon. Chris Bowen MP.

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

The Statement of Expectations also establishes our broader objective to provide reliable, secure, affordable and firming energy across Australia to

back up renewables and enable more wind and solar generation. We deliver on this mandate by operating and maintaining the Snowy Scheme, managing our broader generation portfolio and actively participating in wholesale and retail electricity and gas markets.

As a Government Business Enterprise, Snowy Hydro operates on a commercial basis at arm's length from the government. The Statement of Expectations outlines clear shareholder expectations across water management, community engagement, employment, transparency, integrity, accountability and governance. We are committed to upholding high standards in these areas as we serve customers and communities nationwide.



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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.



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



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



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



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



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

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Powering the transition: securing Australia's energy future

Australia's energy landscape is experiencing a rapid, complex and historic transformation. The transition to an energy system built around renewable sources as ageing, increasingly unreliable coal-fired power stations retire, presents considerable challenges for the National Electricity Market (NEM) as demand for power increases.

Snowy Hydro is at the centre of this transition. Built on the legacy of the iconic Snowy Scheme, we are our nation's energy company, owned by every Australian. For more than 70 years, our on-demand power and energy storage have supported Australia's economy and way-of-life by powering reliable energy supply to homes and businesses.

Today, we continue to build on that legacy to support the lowest-cost, most reliable path to Australia's future energy mix.



The path forward

By 2050, the Australian Energy Market Operator (AEMO) predicts the amount of electricity consumed across the NEM will nearly double, driven by population and economic growth, the electrification of transport and industry, and massive new loads such as data centres.

Nearly two-thirds of the remaining coal plants, which have powered Australia for decades, are projected to retire by 2036. AEMO's roadmap shows the least-cost way of replacing this capacity while supporting Australia's fight against climate change is a system built around renewable energy. This means clean wind and solar, a mix of short-duration battery and long-duration pumped hydro storage, backed up by gas generation during the transition.

The NEM will require nearly 120 GW of utility-scale wind and solar by 2050, which is around five times more than the current level. Generation from wind and solar is variable. This variable generation needs battery and pumped hydro storage in the right combination. Batteries and pumped hydro are complementary technologies. The short-duration nature of batteries is ideal for daily balancing. During prolonged periods of low wind and solar generation, pumped hydro is the most economic and reliable energy storage technology.

Unlocking the benefits of the future energy system depends on transmission. The future energy system needs enough transmission capacity, delivered at the right time.

Supporting renewable energy development

Snowy Hydro is supporting the growth of other renewable energy developers through our power purchase agreements (PPAs) and virtual storage arrangements. By partnering with wind, solar and battery developers to contract energy generation and storage capacity from their new developments, we provide investment certainty that drives the renewable transition forward.

This year we secured another 120 MW of renewable energy capacity from Carmody's Hill Wind Farm in South Australia, bringing our total contracted wind and solar capacity to 1,980 MW. We also diversified our portfolio by expanding into grid-scale battery virtual offtakes, including 105 MW from the Golden Plains Battery and 220 MW from the Elaine Battery in Victoria.



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Investing in the future of energy security

To help future-proof our ability to deliver on-demand power, we completed a major overhaul of the first of Laverton Power Station in Victoria's two generators. This critical upgrade restored the turbine to the equipment manufacturer's requirements and extended the plant's operational lifespan by 20 years.

While this kind of investment in our existing assets, including the Snowy Scheme, will be necessary over coming years, we are also investing in new assets to meet the changing needs of the NEM.

Gas generation is important during the transition to serve as an essential back-up, a last layer of protection against periods of high demand and low renewable generation. AEMO's 2026 Integrated System Plan says the NEM will require 17 GW of flexible gas-powered generation over coming decades.¹

KKPS will be Snowy Hydro's fourth on-demand gas-fired power station designed to run for a minority of the time, providing 660 MW of on-demand energy to support the grid when electricity demand is high. The power station will operate using gas as its primary fuel, with diesel being used strictly as a backup on rare occasions and under strictly regulated limits.

The cornerstone of Australia's energy future is the pumped hydro expansion of the Snowy Scheme, Snowy 2.0. The project is world-leading in terms of its scale and complexity. When complete, Snowy 2.0's storage will also be among the largest in the world at 350 gigawatt-hours (GWh). To put this in perspective, that is more than half the total storage AEMO says the NEM needs through to 2050, the equivalent to around 26 million home batteries, effectively delivering a home battery's worth of storage for nearly every person in Australia for around \$850 each.

Snowy 2.0 is a generational investment in Australia's energy security. Like most megaprojects, Snowy 2.0's delivery has met with challenges. We are working with the principal contractor responsible for delivering the project, Future Generation Joint Venture, to improve delivery and get the best possible cost and schedule outcome. Like other nation-building projects Australia has undertaken, Snowy 2.0's value will be far-reaching and enduring. Built to operate for 150 years, Snowy 2.0 will power our nation for generations.

Deep storage is essential to the mix

Independent modelling by Baringa Partners released this year confirms Snowy 2.0 is critical to maintaining grid stability and preventing extreme price surges as coal-fired power stations retire.

Baringa's white paper evaluated a simulated post-coal grid during a week-long wind and solar drought. The analysis demonstrated that relying solely on short-duration batteries during such prolonged low-resource events causes severe network stress and wholesale price spikes.

By generating continuously across that entire week, Snowy 2.0's 350 GWh of deep storage keeps the grid stable and suppresses average wholesale energy prices by \$7,095/MWh throughout the event.

¹ Australian Energy Market Operator, 2026 Integrated System Plan https://www.aemo.com.au/-/media/files/electricity/nem/planning_and_forecasting/nem_escp/2025/2025_electricity_statement_of_opportunities.pdf

Putting people at the heart of the transition

Delivering a successful energy transition requires putting people first, our customers, communities and our team. Through our retail brands, Red Energy and Lumo Energy, alongside Snowy Energy for commercial and industrial clients, we serve more than 1.6 million customers.

In a tight cost-of-living environment, our retail presence drives healthy market competition while also providing flexibility and energy efficiency advice. Red Energy won a Canstar Blue award for customer satisfaction for a record 16th consecutive year and was named Australia's Most Trusted Utility Brand by Roy Morgan for the third time.

Building Australia's renewable energy future happens in communities across Australia, so listening to local voices is central to how we work. We keep communities informed of

our major projects and operations, and create genuine opportunities for locals to give feedback and help shape decisions. Crucially, we ensure host regions benefit economically through local jobs, regional spend and long-term community investments across construction and decades of ongoing operation.

Snowy Hydro's success depends on our people, which is why we focus on offering compelling career opportunities for a workforce that reflects the diverse communities we serve. We are creating a strong development culture and investing in leadership capability across our customer care centres, power stations and offices. This commitment delivers career-building experience today while building the skilled workforce needed to strengthen Australia's evolving energy sector.



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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. When operating, Snowy 2.0 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.

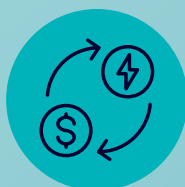
Core business areas



Generation



Retail



Commercial and Trading

Major projects



Snowy 2.0

Corporate support

Our business

Operations and customer footprint



15 power stations

8 hydro
4 diesel
3 gas



3rd largest

generator in Australia
by capacity



1.6 million+

retail customers



4th largest

retailer in Australia in
the NEM by customer
numbers

80km of aqueducts



145km of interconnected tunnels

16 major dams

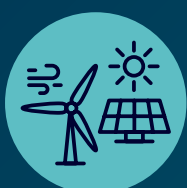


40km of new tunnels
under construction



6,200 MW

total generation
capacity



Almost 2,000 MW

PPA wind and solar
long-term partnerships



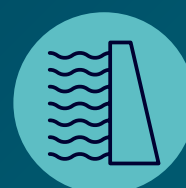
325 MW

battery virtual
tolling agreements



2,200 MW

generation capacity
under construction



5,310 GL

of total active water
storage capacity

24,000 hectares
of freehold land



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)

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Our value chain

NEM and customer outcomes



Energy reliability



Energy security



Black start capability



Increased competition



Wind and solar PPAs



Generation

Hydro, pumped hydro and gas/diesel



Residential retail

Electricity and gas



Commercial and industrial

Electricity



Battery tolling agreements



Water management



Gas supply management



Wholesale trading and price risk products



Energy firming

Our purpose

To power Australia's sustainable future

snowyhydro

Operational impacts



Water irrigation



Environmental releases



Water recreation



Community



Education



Hardship



Smart meters

Sustainability performance

This section details how Snowy Hydro manages the environmental, social, and governance topics most important to our customers, communities and team. It covers our approach and progress this year, highlighting actions we are taking to create long-term sustainable value while supporting Australia's energy transition.

You can find additional sustainability disclosures throughout this Annual Report and across our broader reporting suite, available on our website.

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Our sustainability focus

Our material sustainability topics form the foundation of our approach to sustainability and have been developed in line with the Global Reporting Initiative Standards.

This year we tested and validated these material topics against energy sector shifts, evolving stakeholder expectations and our business strategy to ensure they remain focused on where we can make the most meaningful difference.

The definition for each material sustainability topic is provided below.

Material sustainability topics

Energy transition and climate change

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

Energy affordability

Help reduce pressure on the cost of electricity by participating and enabling competition in wholesale and retail energy markets.

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.

Customer experience

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

Water and 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.

Community and social impact

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

Energy hardship and vulnerability

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

Health and safety

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

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.

Powering a just transition

Australia's energy system is changing. We are supporting this transition by investing in renewable energy, storage and customer solutions, while maintaining a strong focus on environmental stewardship, water management and biodiversity conservation.

Energy transition and climate change

As Australia's renewable energy transition accelerates, Snowy Hydro plays a central role underpinning grid stability through the flexible operation of our on-demand power stations. Our portfolio, spanning the Snowy Scheme's conventional and pumped hydro stations, alongside fast-start thermal power stations including gas peakers, backs up wind and solar with rapid-response power when the grid needs it most. Our existing dispatchable (gas and diesel) portfolio provides the physical backstop needed to support increasing penetration of intermittent renewable generation in the market.

In FY26, our assets supplied 3,765 GWh of electricity to the grid (3,606 GWh from the Snowy Scheme, and 159 GWh from our gas and diesel assets), supported by a further 2,119 GWh contracted through our PPAs and supplied to the grid. Assets under our operational control generated total scope 1 and 2 emissions of 549,974 tCO₂-e (location-based) and 570,726 tCO₂-e (market-based), resulting in a GHG Protocol market-based emissions intensity of 150 gCO₂-e/kWh.

Snowy Hydro has been a part of Australia's energy reliability for decades. The resilience of our businesses is fundamental to ensuring Snowy Hydro is able to continue to support Australia through the energy transition and helping achieve our country's net zero 2050 target. This year we did a deep dive into the risks and opportunities climate change is creating for our business.

We now have a greater understanding of the physical climate risks Snowy Hydro is facing, like changing hydrology, flooding, bushfires and extreme heat, alongside risks that could occur during the transition itself, such as transmission constraints, regulatory change and evolving customer behaviour. There are also market opportunities in energy storage, firming and consumer energy services that will be created by the energy transition. We have already been acting on a number of these insights and will work to continually integrate climate risks and opportunities more deeply into our strategy and capital allocation process.

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Snowy's net zero ambition

Snowy Hydro has now set an ambition to have net zero scope 1 and 2 greenhouse gas emissions by 2050. We are seeking opportunities to reduce our emissions to realise this ambition. With a significant proportion of our emissions resulting from the electricity we use to operate Snowy Hydro, our emissions footprint will reduce through the decarbonisation of the NEM, particularly as aging coal power stations retire. Snowy 2.0 will be a significant enabler of coal's retirement from the grid. Offsets will also form a part of the solution for Snowy Hydro to reach net zero (scopes 1 and 2) by 2050. This year we established a formal offsets policy to guide our use of offsets and ensure it remains best practice.



Supporting the energy transition in more ways

The transition to a lower-emissions economy needs more than just renewable electricity. This year, we continued to invest in helping our customers, communities and the energy industry as a whole reduce their emissions, while strengthening Australia's energy security.

We signed new long-term wind and battery agreements with Aula Energy, TagEnergy and Akaysha Energy, expanding our renewable energy and storage portfolio. Through our retail brands, we also secured new renewable electricity agreements with customers, including Bunnings, NRMA and Transport for NSW, helping reduce their emissions. Under the Transport for NSW agreement, almost 40 per cent of the state's public transport electricity requirements will be matched with renewable electricity,

with the equivalent of more than 800,000 tonnes of CO₂-e emissions projected to be avoided each year compared with conventional electricity sources.

Beyond electricity supply, we partnered with Snowy Valleys Council to install public electric vehicle chargers across the Snowy region. The chargers improve access to charging infrastructure for regional communities, support the transition to lower-emission transport and also support our growing hybrid vehicle fleet.

Together, these initiatives reflect the broader role we play in helping the energy system accommodate more renewable generation while continuing to meet the changing needs of homes, businesses and communities.

Closing the loop on safety equipment

Since 2020, we have recycled retired safety clothing and equipment, helping divert waste from landfill while supporting a more circular approach to resource use.

In 2025, we recycled 507 kg of safety gear, avoiding an estimated 1,265 kg of CO₂-e emissions. Through our recycling partner, retired hi-vis clothing was transformed into durable dog beds, extending the life of the materials while providing comfort for animals in rescue care.



Energy affordability

With cost-of-living pressures weighing heavily on Australians, our role in reducing pressure on energy prices is important. This year Snowy Hydro's retail brands have continued to offer products built around providing value to our customers. Minimising retail prices is always a focus and our strong customer growth gives us confidence that we are on the right track.

We also help customers manage their energy costs by encouraging them to seek assistance early and working with them to find solutions that suit their individual circumstances. Support includes tailored payment plans,

access to concessions and rebates, energy efficiency advice and referrals to financial counsellors.

Snowy Hydro also plays an important role in supporting energy competition by offering other energy companies contracts that provide protection against wholesale price spikes. Backed by the reliability and flexibility of our power stations, these contracts help other energy companies manage risk. This strengthens competition and ultimately benefits households and businesses across the energy system.

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Supporting our communities and customers

Trust is the bedrock of our business. As a provider of an essential service, we earn that trust by listening to our customers, supporting local communities, and operating responsibly.

Community and social impact

While our story began in the Snowy Mountains, today our team lives, works and serves in communities across Australia. We believe strong communities are built on lasting relationships, open conversations and authentic action. That means sitting down with First Nations peoples, community leaders, local business and the social sector, to listen first and understand what matters most to them.

We turn those conversations into practical support by funding local projects and organisations that make a real difference in our communities. We also back regional economies by employing locals, creating training and career pathways, and doing business with local suppliers.

Our community commitment pillars

Energy for everyone

Australia's energy future is for everyone. We want to help people with the cost of energy, especially when they need it most. We're also focused on people who are vulnerable and communities at risk of being left behind in the energy transition.

Reconciliation

We are committed to playing a positive role in reconciliation in Australia. We want Snowy to meaningfully build our understanding and respect for First Nations cultures and we create opportunities for Aboriginal people and businesses.

Future energy leaders

Australia's energy future depends on our young people. We invest in the next generation, empower them through STEM and inspire them with the possibilities an energy career can create.

Stronger communities

Whether we're serving customers through Red Energy and Lumo Energy, generating electricity, or building what's next – we leave communities empowered and more resilient.



FY26 Community highlights



25
community
engagement sessions



112,601
visitors to
Discovery Centre



\$626,701
community
grant funding



64
supported
community groups



12,237
students engaged
in Snowy STEM
Academy programs



148
schools engaged



79,184
visits to
STEM Academy
education pages



148
education programs

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Supporting our Snowy Mountains communities

For more than 75 years, we have been privileged to be part of what makes communities across the Snowy Mountains great. We are passionate about playing a part in making the region stronger.

This year we continued investing in education, local organisations and regional partnerships across the Snowy Monaro, Snowy Valleys, and Towong local government areas. Our Community Grants Program reached a major milestone, passing \$1 million in cumulative funding for hundreds of community-led projects since 2022.

Through our major partnership with the Snowy Sculpture Trail, we are boosting regional tourism, helping attract visitors and support local businesses. We also expanded STEM education through the Snowy STEM Academy Schools Fund, deepened partnerships with First Nations organisations and delivered ongoing regional benefits through local employment, procurement and by sponsoring local community events.

Further information is available in our Snowy Mountains Community Benefits Report on our website.



Reconciliation at Snowy

In November 2025, we launched Snowy Hydro's inaugural Reconciliation Action Plan (RAP), establishing a formal framework to strengthen relationships, respect and opportunities for First Nations peoples.

We deepened our long-standing partnerships with the Clontarf Foundation and Stars Foundation delivering mentoring, site visits, work experience and career pathways for First Nations youth.

We also engaged directly with Traditional Owners and First Nations communities on cultural heritage management and artefact consultations across our project sites.

To build cultural capability across our workforce, employees participated in National Reconciliation Week and NAIDOC Week activities, the Giyyong Festival and the Brungle Public School NAIDOC STEM Day. Regular virtual yarning sessions provided further opportunities for our team to listen to and learn from First Nations cultures and perspectives.

Further information is available in our Reflect Reconciliation Action Plan on our website.

Customer experience

Across Snowy Hydro and our retail brands, we are committed to putting customers first. Our industry-leading service standards not only provide our customers with a great experience, but put pressure on other retailers to raise service standards across the sector.

By listening to our customers and understanding what value means to them, we have delivered distinctive products that represent compelling value. Like our Qantas Red plan, which means customers earn Qantas Points through their energy use. Or our TrueGreen product,

which powers commercial and industrial customers with large energy needs with 100% certified renewable energy.

This year we launched a major upgrade of our retail technology systems. This investment ensures our technology keeps pace as customer expectations evolve alongside the energy transition. By pairing these system upgrades with direct feedback from online customer communities and independent surveys, we make sure we are constantly improving where it matters most to our customers.

Customer experience wins

In 2026, our retail brands earned widespread industry recognition for customer satisfaction, trust and service excellence. Red Energy was named Roy Morgan's Electricity Provider of the Year for the fourth consecutive year, Gas Provider of the Year and Australia's Most Trusted Utility Brand. Red Energy also secured Canstar awards for Most Satisfied Customers across both electricity and gas, alongside KPMG's Customer Experience Excellence Award for the utilities sector. Lumo Energy also performed strongly, winning Canstar awards for Outstanding Value for electricity in Victoria and Most Satisfied Customers in South Australia.



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Lauren Parker making Paralympic history

Red Energy is proud to partner with Paralympic champion Lauren Parker to celebrate her achievements and share her story.

In March this year, Lauren made history as the first Australian to serve as a flag bearer at both the Summer and Winter Paralympic Games. Less than a year after stepping onto the snow for the first time, she qualified in cross-country skiing and biathlon for the Milano Cortina Winter Paralympics, adding another remarkable milestone to her sporting career.



Supporting Australians affected by breast cancer

Red Energy and the Breast Cancer Network Australia (BCNA) have worked together for more than a decade to support Australians affected by breast cancer through fundraising, awareness and community engagement.

To date, Red Energy has contributed nearly \$4.6 million through the BCNA Saver Plan, helping fund information, support services and advocacy for people affected by breast cancer. This year, Red Energy was recognised as BCNA's principal partner, reflecting the strength of our more than 10-year relationship and shared commitment to improving outcomes for those impacted by the disease.

Our people also supported BCNA through fundraising and volunteering at initiatives including the Pink Lady Match at the Melbourne Cricket Ground and Thredbo's annual Pink Day, helping raise awareness and vital funds.



Energy hardship and vulnerability

Unexpected life challenges can make managing energy bills difficult. When Red Energy customers experience financial stress, our Australian-based customer care teams provide practical, respectful and personalised support. We also deliver confidential assistance for customers impacted by family and domestic violence, helping them manage their energy accounts safely and securely.

This year we invested \$2 million in expanding this commitment by launching Energy Care, which helps customers in hardship with energy efficiency and electrification. The program

provides in-home energy assessments, tailored reduction advice, home improvements to control temperature for less and free upgrades to more energy efficient appliances.

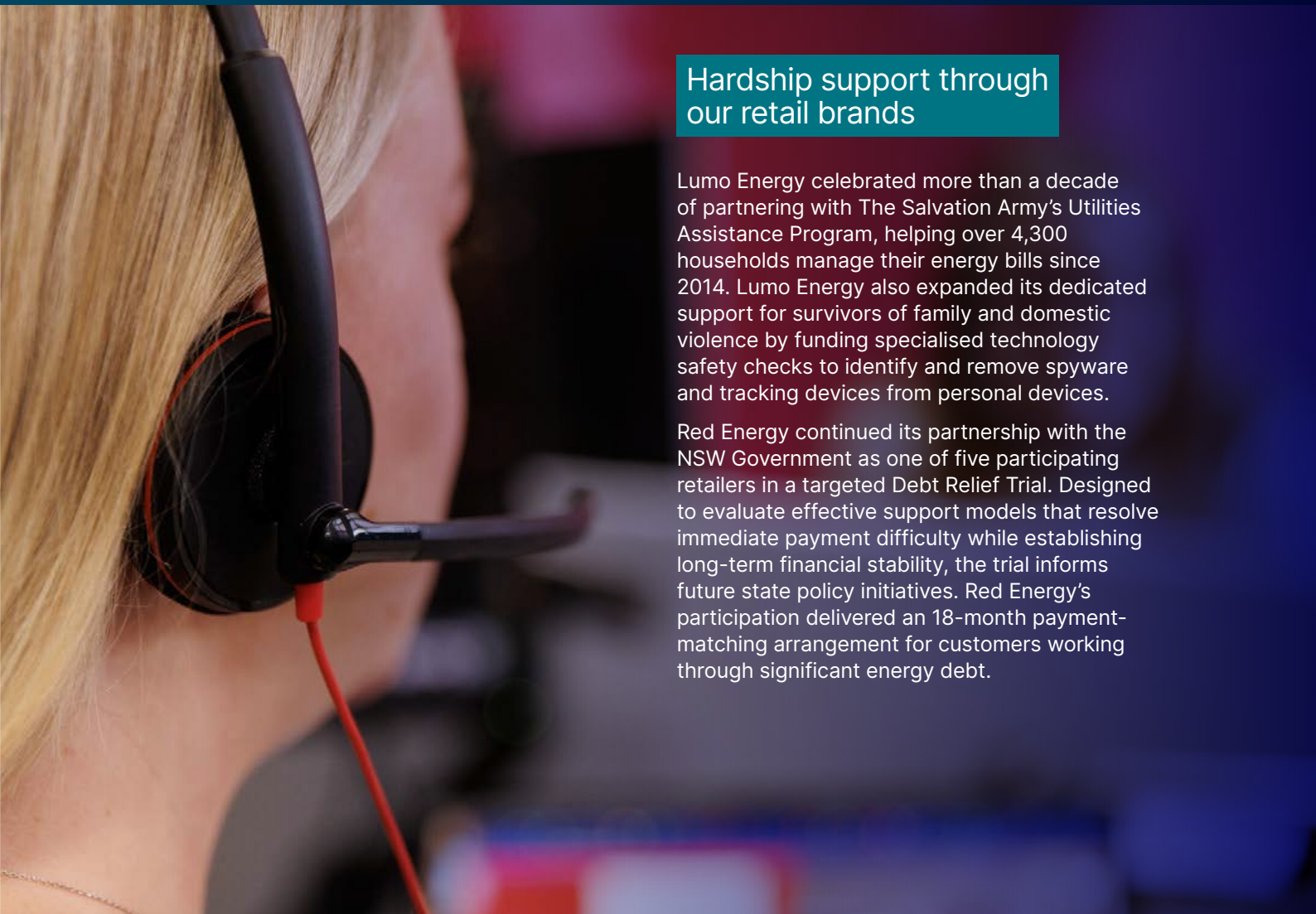
In its first year, Energy Care helped hundreds of households reduce consumption, improve their financial position and transition off hardship support, achieving net daily savings of up to \$2.64 per household.

We also provided 2,000 electric heated throws and 1,000 air circulator fans for free to vulnerable families, delivering low-cost warmth and cooling.

Hardship support through our retail brands

Lumo Energy celebrated more than a decade of partnering with The Salvation Army's Utilities Assistance Program, helping over 4,300 households manage their energy bills since 2014. Lumo Energy also expanded its dedicated support for survivors of family and domestic violence by funding specialised technology safety checks to identify and remove spyware and tracking devices from personal devices.

Red Energy continued its partnership with the NSW Government as one of five participating retailers in a targeted Debt Relief Trial. Designed to evaluate effective support models that resolve immediate payment difficulty while establishing long-term financial stability, the trial informs future state policy initiatives. Red Energy's participation delivered an 18-month payment-matching arrangement for customers working through significant energy debt.



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Operating with integrity and care

Doing business the right way is fundamental to building lasting trust. From looking after our people to running our operations with honesty and accountability, we hold ourselves to high standards every day.

Water and environment

For more than 70 years, Snowy Hydro has generated hydroelectricity in Kosciuszko National Park, one of Australia's most unique and environmentally sensitive landscapes. Today, our generation operations span New South Wales, Victoria and South Australia. We have a consistent and strong approach to environmental management wherever we operate.

Environmental impacts are managed through our ISO 14001-certified environmental management system, the Snowy Water Licence and site-specific environmental management plans and regulatory licences. This framework ensures a consistent approach to managing environmental risks, meeting regulatory obligations, monitoring performance, training our team and continually improving.

Across our hydro, gas and diesel assets, we implement site-specific controls to manage emissions, protect biodiversity, prevent pollution and support land rehabilitation. Ongoing monitoring and continuous improvement help ensure our operations are managed responsibly and in accordance with our environmental obligations.

Managing water responsibly

The Snowy Water Licence governs how water is stored and released across the Snowy Scheme, balancing water's role as fuel for electricity generation and reliable supply, with downstream environmental, cultural, recreational and agricultural water needs. Meeting these obligations requires sophisticated hydrological modelling, real-time monitoring and close collaboration with the Australian and New South Wales governments, regulators and other stakeholders.

In spring 2025, around 172,000 megalitres of water was released from Jindabyne Dam as part of the annual Snowy River Increased Flows program. These releases mimicked natural seasonal flows, helping flush fine sediment, improve water quality and enhance habitat for native fish and other aquatic species.

We also delivered increased environmental flows to seven other waterway locations within and downstream of the Snowy Scheme, including the Snowy, Murrumbidgee, Geehi and Goodradigbee rivers. Additional releases to the Upper Murrumbidgee River during dry conditions helped maintain river connectivity and protect aquatic habitats.

Further information is available in our Annual Water Operating Report on our website.



Enhancing habitat through revegetation

As part of our ongoing environmental rehabilitation across the Snowy Mountains, Snowy team members, their families, and local team members planted more than 1,300 native trees and shrubs at the Khancoban airstrip. We chose local species tailored to the landscape to support native wildlife habitats for the long term. Once grown, the planting will also create a natural vegetated screen around a future equipment staging area, improving local views while boosting ecological health.

Protecting threatened native fish

Protecting native fish species is a key part of our environmental stewardship and our commitment to healthy waterways. Through the Snowy 2.0 Threatened Fish Management Plan, we are investing \$5 million in conservation initiatives to support two endangered freshwater species: the Macquarie Perch, found downstream of Tantangara Dam in the Murrumbidgee River and the Stocky Galaxias, a small native fish found only in a handful of alpine streams in the Snowy Mountains. The program is delivered in partnership with NSW Fisheries and other specialist organisations.

This year, the program established new populations through captive breeding and translocations, while monitoring confirmed successful breeding, healthy populations and improved understanding of the species' distribution and genetic diversity.



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Health and safety

Keeping our people, contractors and host communities safe underpins how we operate every day. There is nothing more important to us at Snowy Hydro. Our teams work across a wide range of environments, from office spaces to operating power stations and major underground construction sites, requiring practical risk management at every level.

We combine ISO-certified safety systems with an active, employee-led safety culture. Through local health, safety and environment committees, hazard reporting and thorough incident reviews, we uncover emerging risks, strengthen controls and share practical lessons across the business. Alongside physical safety, we support overall wellbeing with mental health resources, preventative health initiatives, fitness benefits and regular team toolbox talks.

We strive to foster a healthy safety culture based on open communication, early reporting and continuous learning. Our behavioural safety program reinforces safe daily practices, while the All Learn by Promoting Safety (ALPS) initiative encourages safety shares, conversations and hazard reporting. We also work closely with contractors to maintain consistent safety standards across our sites.

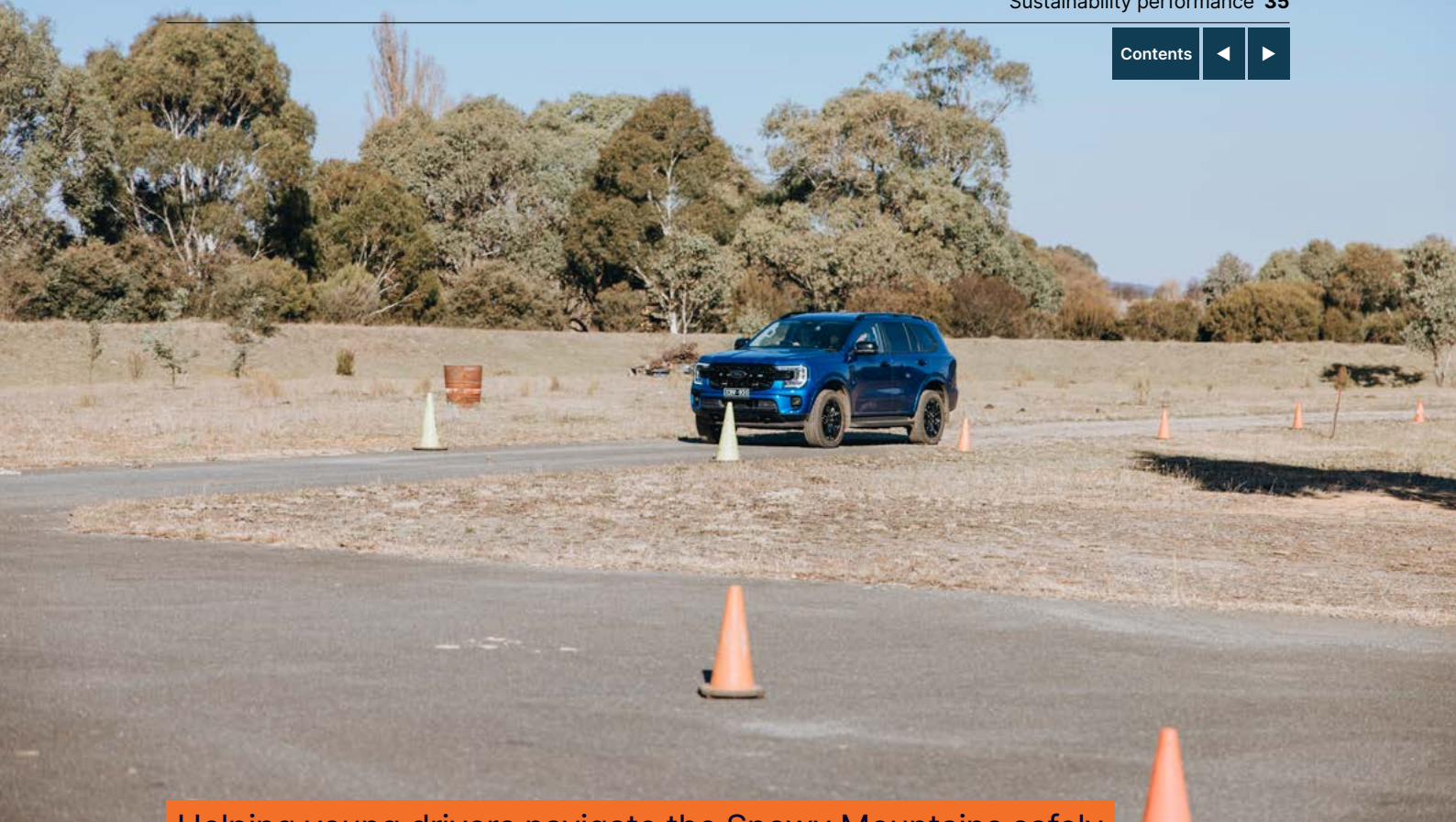
Our incident investigations use a structured, no-blame approach to identify underlying causes and prevent similar events from recurring. Ongoing assurance activities and digital tools help ensure incidents are recorded, actions are tracked and controls are working as intended.

In FY26, our total recordable injury frequency rate improved to 2.69, compared with 3.55 in FY25, and the number of recordable injuries decreased. Hazard reporting increased, while safety incidents declined slightly. We also continued to engage with health and safety regulators, particularly across our major projects.

We continued to refine our Major Accident Prevention program by consolidating individual critical control verifications into fewer, more comprehensive assessments. This provides a more focused way to check that controls used to prevent major accident events are understood and working effectively. Employee feedback continued to inform how we measure safety performance and respond to injury trends and outstanding actions. Our employee-led Clean, Green and Safe Committees continued to meet regularly across regional sites and corporate offices, providing a forum to raise local issues, share practical improvements and monitor agreed actions.

Alongside physical safety, we strengthened our focus on psychosocial risk management by reviewing our practices, building awareness of psychosocial hazards and incorporating psychological safety and accessibility into learning programs. This included learning about fatigue, its impact on safety and how to manage it. Our health and wellbeing initiatives included influenza vaccinations, skin checks, occupational health advice, random drug and alcohol testing and access to a health and performance coach. The Snowy Health Matters bulletin provided regular information on nutrition, fitness, injury prevention and recovery.





Helping young drivers navigate the Snowy Mountains safely

We have partnered with Driving Solutions for more than 20 years to deliver the Young Driver Training Program in the Snowy Mountains. The program has helped more than 2,200 students develop the skills and confidence to drive safely in one of Australia's most challenging road environments.

Unlike in many parts of the country, young drivers in the Snowy Mountains face steep alpine roads and rapidly changing weather conditions, potentially including snow and ice. These hazards demand practical driving skills that go well beyond standard learner driver training.

Our support of the program means Year 12 students from schools across the region can complete the program at no cost. The course combines classroom learning with practical, on-road experience, equipping young drivers with the knowledge and confidence to manage the unique conditions they are likely to encounter.



Testing critical infrastructure

Maintaining dam safety and reliability is essential to protecting our people, our communities and our water assets. In July, we completed the five-yearly 'wet test' of the spillway gate at Murray 2 Dam. While routine annual dry tests verify mechanical systems without water pressure, a wet test is a full-scale exercise that confirms the spillway operates automatically under realistic conditions. By carefully coordinating water levels and power station operations, our engineering and operations teams simulated a high-water event. The spillway gate opened and closed as designed, proving the ongoing reliability of this critical infrastructure.

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Employee engagement

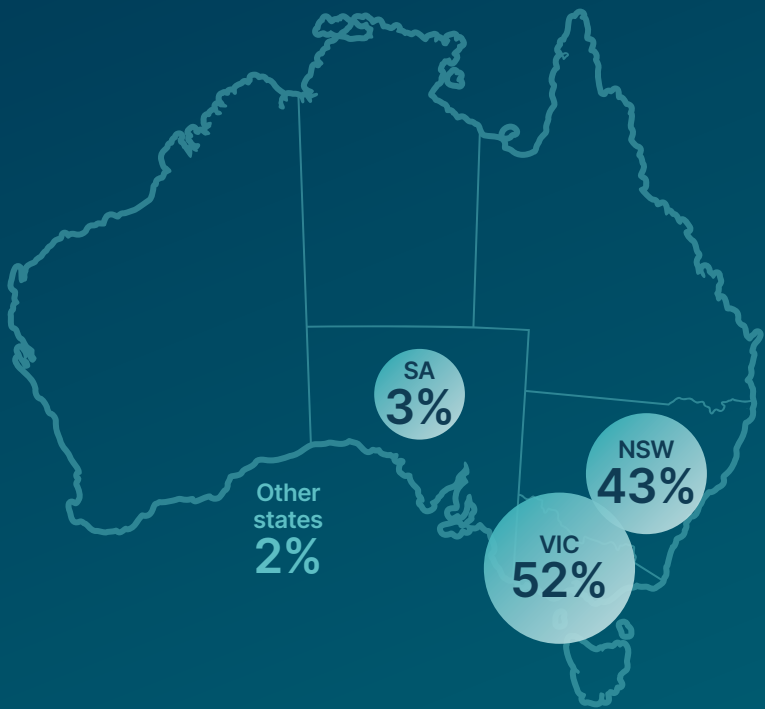
Snowy Hydro is committed to creating a workplace where our people feel valued, supported and empowered to do their best work. We strive to attract, develop and retain the best people to deliver Australia's evolving energy future.

We invest in our people through structured growth plans, leadership programs and regular career coaching. We back this with flexible working options, competitive pay and benefits, along with inclusive workplace practices that support employee wellbeing.

Keeping our people informed and connected is essential to Snowy Hydro's performance. We ensure all team members are connected to the big picture of Snowy Hydro's strategy and understand how their work contributes to our purpose. Access to leaders and the opportunity to ask questions are important parts of that, including regular forums where anyone on the team can talk directly to the CEO and executive team. We also celebrate events throughout the year that build our culture and sense of belonging, including International Women's Day, National Reconciliation Week, NAIDOC Week, and dedicated health and accessibility initiatives.



Workforce overview



Number of employees

2,337

Employee training hours

84,575

Full-time employees

92%

Part-time employees

8%

Permanent employees

87%

Temporary employees

13%



Developing Australia's future energy workforce

Delivering Australia's energy transition depends on developing the next generation of engineers, tradespeople and STEM professionals.

This year, we expanded programs to inspire young people toward careers in energy, while continuing to invest in our own workforce. Through the Snowy STEM Academy, school-based apprenticeships and traineeships, we introduced students to practical, real-world pathways to exciting energy careers.

At the higher education and professional level, we partnered with the Australian Academy of Technological Sciences and Engineering on their Elevate scholarship program and formalised a long-term agreement with Engineers Australia to strengthen ongoing capability. Together, these initiatives build the technical workforce needed to power Australia's evolving grid.

Recognised as one of Australia's best employers

We were pleased to be ranked 4th on TIME's Best Employers in Australia 2025 list. Based on more than 200,000 employee evaluations, the ranking reflects people's willingness to recommend their employer to others. The recognition acknowledges the positive workplace culture our people help create every day and reflects the environment we strive to provide for current and future employees.



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Diversity and inclusion

A vibrant, diverse and inclusive workforce is the key to Snowy Hydro's success. By drawing on the unique backgrounds, perspectives and life experiences of our people, we sharpen innovation, improve risk management, drive performance and better understand and serve our customers. We want Snowy to be a workplace where every team member belongs, is valued and feels recognised.

Our pillars

- 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 approach

One of our most important obligations is to our people. We deliver on our diversity and inclusion commitments through this approach:

- **Safety and wellbeing:** We ensure every team member feels safe and protected from discrimination, harassment and victimisation, providing people-centric ways to report concerns and reduce risks.
- **Decency and respect:** We treat everyone fairly. Our goal is a workplace free from bullying and unfair judgment so everyone feels included.
- **Courageous leadership:** We develop leaders who bring out the best in our diverse team, cultivating a high-performance environment while partnering with the broader energy sector to advance industry-wide inclusion.
- **Inclusive recruitment:** We actively recruit qualified people from all backgrounds, applying clear and fair selection processes that minimise bias.
- **Develop and promote:** We recognise our people as our greatest asset, ensuring all team members have equitable access to training, resources and career progression.
- **Equitable rewards and recognition:** We ensure fair pay and recognition for everyone, championing transparency, fairness and consistency as core principles.
- **Flexible work:** We help our people balance professional excellence with their personal commitments by offering flexible work options and ways to stay connected at every stage of life.

We partner with external organisations to continually review, benchmark and strengthen our approach to diversity and inclusion.

Our progress

This year, we advanced our Diversity and Inclusion (D&I) Strategy 2025–2027, focusing on diverse career pathways, flexible working and strengthening our future talent pipeline to support our gender representation and leadership goals. We have also refreshed our D&I policy to reinforce our commitment and approach.

Based on 2025 data, our latest Workplace Gender Equality Agency (WGEA) submission shows an overall median gender pay gap of 38.4%. To drive progress in this important aspect of D&I, we evaluated our performance metrics and adopted three new prioritised targets in addition to our existing targets:

- Increasing the representation of women in management roles;
- Establishing mechanisms to report sexual harassment directly to the CEO, Executive and Board (covering prevalence, nature, and outcomes); and
- Undertaking a comprehensive gender pay gap analysis.

These priorities reinforce our commitment to building a more diverse and inclusive workforce through evidence based actions, engagement and transparent accountability.

Recognising that genuine diversity extends past gender representation, we are progressing our Reflect RAP to build cultural competency and establish sustainable employment pathways for First Nations talent. For more information, refer to the “Supporting our communities and customers” section.

*In FY26 we have a gap of 0.9% across comparable roles demonstrating strong pay equity. The WGEA assessment is based on comparing the median pay gap by gender.

Gender diversity overview

Period	Female (%)	Male (%)	Non-binary (%)
FY25	42.0	57.9	0.1
FY26	40.1	59.7	0.2

Diversity by employment level

Employment level	Female (%)		Male (%)		Non-binary (%)	
	FY25	FY26	FY25	FY26	FY25	FY26
Board of directors	57.0	42.9	43.0	57.1	–	–
Executive leadership team	38.0	45.5	62.0	54.5	–	–
Senior leaders	23.0	30.1	77.0	69.9	–	–
Managers	26.0	28.0	73.0	72.0	1.0	–
Non-managers	44.0	41.7	56.0	58.1	–	0.2

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Tracking our gender goals

Targets and progress



- Target**
- **30%** female representation in senior leadership roles by 2030
- Progress (FY26)**
- **30.1%** senior female leaders (FY25: 23%)



- Target**
- **40:40:20** gender balance by 2030 in Retail, Corporate Support and Development Programs
- Progress (FY26)**
- **47.1%** females in Retail
 - **50.0%** females in Corporate Support
 - **32.9%** females in Development Programs

FY26 pipeline development



34%
of new hires were women, down from 45% in FY25.



38.9%
female participation in our Graduate Program. January 2026 intake achieved 48%, the highest rate since the program started.



66.7%
female representation in our University Scholarship Program.



2
local women enrolled in our 4-year regional apprenticeship program (2 in FY25).

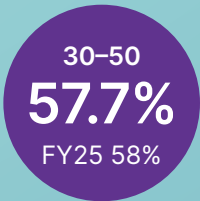
FY26 leadership momentum

Executive leadership:
female leadership increased to 45.5%, including the addition of our first female Chief Operations Officer.

Senior leaders:
female leadership grew to 30.1%, from 23% in FY25, resulting in hitting our 30 by 30 target.

Middle managers:
female leadership increased slightly to 28%, from 26% in FY25.

FY26 age profile



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

Responsible business practices

Our values and Statement of Expectations guide how we operate, ensuring we maintain a transparent, accountable, and ethical business. Strong governance underpins our daily decision-making through clear policy frameworks, regular team training and robust assurance processes.

For more details on our governance framework, see the Corporate Governance Statement in this Annual Report. You can also view our Voluntary Tax Transparency Report on our website to learn more about our tax practices.

Responsible sourcing and supplier due diligence

Responsible procurement is central to how we run an ethical and transparent business. During the year, we updated our procurement framework to give our people a consistent, risk-based approach to purchasing goods and services. It introduces clearer governance and practical tools so that oversight is always tailored to the specific risk and value of each activity.

Alongside our Supplier Code of Conduct, due diligence and modern slavery checks, these measures protect human rights, fair labour practices, worker safety, and environmental standards across our supply chain. Ultimately, they ensure we hold our suppliers and ourselves to high ethical standards.

Further information is available in our Modern Slavery Statement on our website.

Technology governance and cyber security

Protecting our digital systems and critical infrastructure is fundamental to keeping our operations secure and resilient. This year we appointed leaders across cyber security, data and AI, and enterprise architecture. This coordinated leadership strengthens how we manage technology risk, protect critical assets and drive responsible innovation. We also updated our privacy, cyber and data management practices to safeguard our operational data and meet evolving regulatory standards, ultimately strengthening protections for our customers and the energy system more broadly.



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Directors' Report

In accordance with the *Corporations Act 2001* (Cth), 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 2026.

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Operations

Review of Operations

In addition to the information in this Directors' Report, the joint Chair and CEO Message, About Snowy Hydro and Sustainability performance sections of this Annual Report provide a review of Snowy Hydro's operations and performance.

Principal activities

Snowy Hydro's principal activities during FY26 are covered in the joint Chair and CEO message and About Snowy Hydro sections and as set out below.

Snowy Hydro is a generator, trader and retailer of energy in the National Electricity Market (NEM), and a leading provider of risk management and financial hedge contracts. In addition, we are 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 6,000 MW of generating capacity across New South Wales, Victoria and South Australia, which includes our traditional hydro, pumped hydro, gas and diesel assets.

We have contracted 1,980 MW of capacity with 14 new renewables projects across the NEM.

These long-term offtake contracts are for both wind and solar energy. In 2017, we established our first offtake agreement for solar generation at Tailem Bend in South Australia, which commenced in April 2019. Since then, we ran a renewables procurement process in 2018 and transacted with eight projects. Subsequently we entered into transactions with a further five projects.

We have contracted two virtual storage transactions with major batteries in Victoria, a 105 MW contract for the Golden Plains Battery and a 220 MW contract for the Elaine Battery.

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.

In 2022, we commenced construction of Kurri Kurri Power Station, a 660 MW gas-fired power station in the NSW Hunter Valley. We have transitioned out of construction and into phased commissioning. Having completed primary gas fuel commissioning in March 2026, with commissioning activities ongoing.

Snowy Hydro 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 brands have over 1.6 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

FY26 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 FY26 was \$374.7 million (FY25: \$822.6 million). The underlying profit after tax in FY26 was \$423.4 million (FY25: \$399.7 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	2026	2025
Statutory Profit after tax	374.7	822.6
<i>Adjust for the following after tax items:</i>		
Changes in fair value of financial instruments	1.7	(423.5)
Other	47.0	0.6
Underlying Profit after tax	423.4	399.7
Depreciation and amortisation	162.2	151.4
Net finance income	(11.0)	(5.9)
Income tax expense	182.2	169.0
Underlying EBITDA	756.8	714.2

Snowy Hydro's Underlying EBITDA in FY26 was \$756.8 million, an increase of 6% from \$714.2 million in FY25.

Other Costs Outside Underlying EBITDA

Items adjusted to determine underlying profit after tax include a net loss on changes in fair value of financial instruments of \$1.7 million (FY25: gain of \$423.5 million) and other net expenses of \$47.0 million (FY25: \$0.6 million). Other net expenses primarily comprise pre-operational commissioning costs associated with Kurri Kurri Power Station, together with other minor non-recurring operational expenses.

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Capital management

Total interest bearing liabilities, including lease liabilities and net of unamortised borrowing costs, were \$9,258.6 million at 30 June 2026, an increase of \$2,754.5 million from \$6,504.1 million as at 30 June 2025.

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 \$2,100 million, from \$7,675 million at 30 June 2025 to \$9,775 million at 30 June 2026.

Dividends

Dividends paid during the financial year, consistent with Corporate Plan expectations, and declared since 30 June 2026 were as follows:

\$million	2026	2025
Recognised amounts		
Preference share dividend		
The preference share dividend of 3.337 and 3.682 cents per share, fully franked at the corporate tax rate of 30%, paid on 24 October 2025 and 24 April 2026, respectively (2025: Preference share dividend of 3.347 and 3.625 cents per share, fully franked at the corporate tax rate of 30% and paid on 25 October 2024 and 24 April 2025, respectively)	98.3	97.6
Final dividend		
Final dividend for 2025 of 0.604 cents per share, fully franked at the corporate tax rate of 30% and paid on 24 October 2025 (2025: 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)	23.0	165.5
Interim dividend		
No interim dividend paid for 2026 (2025: 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)	–	70.4
Total recognised amounts	121.3	333.5
Unrecognised amounts		
Preference share dividend		
The preference share dividend for 2026 of 3.356 cents per share, fully franked at the corporate tax rate of 30%, payable on 23 October 2026 (2025: Preference share dividend of 3.337 cents per share, fully franked at the corporate tax rate of 30% and paid on 24 October 2025)	47.0	46.7
Final dividend		
Final dividend for 2026 of 0.631 cents per share, fully franked at the corporate tax rate of 30%, payable on 23 October 2026 (2025: 0.604 cents per share, fully franked at the corporate tax rate of 30% and paid on 24 October 2025)	30.2	23.0
Total unrecognised amounts	77.2	69.7
Dividend franking account balance	287.8	321.7

Non-financial operational performance measures

The following performance targets are outlined in our Corporate Plan.

Purpose	Measure	FY26 Target	FY26 Results
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	2.69 ¹
	Employee engagement (percentage of staff very/extremely satisfied as determined by survey)	Top quartile of the Global Benchmark Index	Survey not undertaken ²
Retail Customer Experience	Net Promoter Score (percentage of promoters minus the percentage of detractors)	Industry leading	Industry leading ³
	Customer satisfaction (percentage of customers very or quite satisfied)	>80% Industry leading	85.1% Industry leading
Regulatory Compliance	Ombudsman complaints (number of complaints per 10,000 mass-market customers)	Below industry average	Below industry average
	Retail regulatory financial penalties	0	0
	Compliance with Snowy Water Licence requirements (percentage of requirements met)	100%	100%
	Unauthorised exceedance of our approved environmental emissions/discharge limits or an enforcement action by a regulator ⁴	0	1 ⁵
Generation Reliability	Hydro generator start reliability (%)	>99.5	99.58
	Hydro generator forced outage factor (%)	<1.0	1.22 ⁶
	Gas Generator start reliability (%)	>98.5	98.99
	Gas Generator forced outage factor (%)	<1.0	0.69

¹ 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.

² Snowy Hydro'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.

³ 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.

⁴ Excludes Snowy 2.0 and Kurri Kurri Power Station commissioning activities.

⁵ 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.

⁶ 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.

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Review of operations and future developments

A review of our operations and results of Snowy Hydro for FY26 is presented in this section. Information about likely developments in our operations and the expected results of those operations in the future have been included in this Annual Report, except to the extent that disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

Our FY26 performance has been challenged by tougher market conditions, specifically periods of low prices in the NEM driven by a combination of unseasonably milder weather, higher renewable generation, battery capacity growth and lower transmission constraints. Despite the subdued market and facing inflationary pressures, our FY26 Underlying EBITDA increased 6% from FY25 and this was underpinned by the strength and resilience of our integrated business and our strict operating cost discipline.

Snowy Hydro's Retail business added 117,000 new customer accounts in FY26, reaching a total of over 1.6 million customers, led predominantly by growth in New South Wales.

As outlined in the Chair and CEO message of this Annual Report, in FY26 we entered into two long-term power purchase agreements and two major battery tolling agreements that bring our contracted wind, solar and battery storage capacity to approximately 2,300 MW.

During FY26, Snowy Hydro conducted a comprehensive climate-related scenario analysis to assess its strategic resilience and evaluate material climate-related risks and opportunities across our value chain. This assessment evaluated the resilience of Snowy Hydro's strategy and business model against two mandated temperature pathways: a low-warming transition scenario and a high-warming physical-stress scenario. Details regarding the scenario analysis framework, governance oversight, risk prioritisation, key assumptions, time horizons, and full findings are disclosed in the Sustainability Report section of this Annual Report. Two of the nine climate-related risks and opportunities identified had a material financial impact in FY26.

'Hydrology and water stress' was evaluated as a material climate-related physical risk, directly linking catchment precipitation and water availability to hydroelectricity generation output. In FY26, inflows were 2,303 GL, which was 11% lower than plan, resulting in a negative variance in generation revenue relative to our initial forecast. Inflows were 53% higher than FY25 (1,504 GL). Despite higher inflows in FY26 compared to FY25, dry conditions have persisted for a third consecutive year. Through active water storage management, operational flexibility and energy portfolio diversification, this inflow shortfall did not materially impact overall financial results, accounting for less than 1% of total consolidated revenue for FY26.

Snowy Hydro has identified delayed transmission infrastructure and grid congestion across key Renewable Energy Zones as a material climate-related transitional risk. During FY26, network transmission constraints in New South Wales hindered optimal bidding strategies and dispatch. While grid congestion created financial pressures in FY26, Snowy Hydro determined that this financial effect is not separately identifiable from broader market price volatility and operational factors. Accordingly, a qualitative disclosure is provided, with the primary financial impacts reflected in wholesale energy sales and trading revenue in the Consolidated Statements.

Snowy Hydro remains committed to actively monitoring, managing, and mitigating climate-related risks and opportunities as an integral part of its enterprise risk management framework and corporate planning.

Kurri Kurri Power Station

Snowy Hydro completed Kurri Kurri Power Station's gas commissioning in late March 2026.

In response to growing concerns over diesel supply, in particular regional diesel supply, we reviewed the short-to-medium-term benefits of its diesel commissioning program in late April 2026. Balancing market advantages against community and stakeholder expectations, Snowy Hydro decided to pause commissioning.

UGL, our principal contractor for the project, reached final works completion and vacated the site late May 2026. We have appointed C2O Group as the interim Operations and Maintenance Contractor until diesel commissioning is complete and our own operations team takes over plant operations.

After considering changes to the diesel supply environment and stakeholder expectations, diesel commissioning resumed in mid-July 2026 and is expected to run through to September 2026. Regardless of the outcome of diesel commissioning, we expect the facility to be available for commercial operations on at least gas ahead of the critical summer peak.

Snowy 2.0

In our FY25 Annual Report, we confirmed approval was received for a fourth tunnel boring machine (TBM Monica). TBM Monica was successfully commissioned and launched this year. TBM Florence achieved the major milestone of advancing past chainage 7,000 in the Headrace Tunnel, approaching its halfway point. While TBM Lady Eileen Hudson completed her second tunnel, completing the excavation for the six-kilometre Tailrace Tunnel and broke through into the Power Station Complex. Dismantling TBM Lady Eileen Hudson will progress in FY27.

At Tantangara, the final concrete pours for the Tantangara Diffuser, totalling 13,000 m³ of concrete, were completed. Once operational, the diffuser will control the upper reservoir water flow into the Headrace Tunnel. Inside the Power Station Complex, the first permanent concrete works were also undertaken. This marks a transition from excavation to structural civil works for this area.

In terms of Snowy 2.0's generating equipment, all six pump-turbines have been manufactured, with five already delivered to the site. Additionally, all six high voltage transformers have also been manufactured and are undergoing rigorous testing.

While the project reached major milestones in FY26, the performance of the project was impacted by the project complexity, logistics and lower than expected productivity by our contractor, Future Generation Joint Venture (FGJV).

Following repeated requests, in late 2025 we formally instructed our contractor FGJV to carry out a line by line reforecast of the project's construction program and costings. This work has now been completed. FGJV's forecast cost to complete results in a target project cost to complete of \$22.2 billion. The cost reassessment also resulted in an updated view of the project's schedule with commissioning complete in late 2029. While our contract with FGJV contains obligations that ensure the contractor is motivated to reduce cost and schedule, as well as penalties for under performance, given the unique nature of the project, the level of risk and technical complexity, and FGJV's cost estimation challenges, we are allowing for a cost scenario of \$25 billion. Snowy Hydro will continue to hold FGJV to account for its performance and its obligation to deliver the project safely, with completion achieved at the earliest time and for the lowest possible cost.

We are working closely with our shareholder to develop an appropriate capital structure for Snowy Hydro to support the increase in costs and maintain Snowy Hydro's target credit rating of BBB+.

On 18 June 2026, the Australian National Audit Office (ANAO) published its report in relation to its performance audit to assess the effectiveness of Snowy Hydro's management of the delivery of Snowy 2.0. We agreed with four of the ANAO's five recommendations and partially agreed with one. Refer to the Regulatory Report for further information.

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Outlook

Our focus remains on offering products and services that capture increasing value as the energy transition accelerates and coal-fired generation progressively retires. The outlook for Snowy Hydro remains positive.

Our unique portfolio of on-demand electricity generation assets is set to grow, with the Kurri Kurri Power Station preparing for full operation ahead of the critical summer peak. In addition, we will continue to actively underwrite third-party investments in new generation and capacity assets, that build on our recent long-term wind and solar offtakes and virtual battery tolls. These strategic procurements will support our customer growth ambitions, as well as enabling new market players to enter the sector and drive the expansion of clean energy across the NEM.

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.

Despite three consecutive years of dry inflows, we have prudently managed our water resources to start FY27 with storages at 31%. The outlook for FY27 is for another dry year, primarily influenced by the developing El Niño conditions in the Pacific Ocean which tend to drive warmer and drier conditions for South East Australia. Stored water means we are well positioned to meet contracted energy demands.

The outlook for our retail division remains challenging. We are focused on growing our customer base in a market with declining retail prices while minimising the impact on revenue. As the energy transition accelerates we expect to sustain trust in our retail brand while we support growth and the emerging “prosumer” trend, a market segment increasingly seeking to manage their own energy resources. To that end we have 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 continue with our 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, with positive results to date.

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



Board of Directors and Company Secretary

Particulars of the qualifications, experience and expertise of the Directors at the date of this Annual Report, including other directorships, are set out below.



James Cain

Appointed Chair and Non-Executive Director in March 2025.

Experience and expertise

BDP, B.Bldg, MBA (Exec)

James has a 30-year professional background in property, infrastructure, and major capital works in the public and private sectors. Over that time, he has worked as an executive, non-executive director and independent consultant.

James brings a focus on infrastructure and engineering project delivery, 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 with the Victorian Government as Executive Director of Major Projects Victoria, the Victorian Government's primary capital works agency and 20 years at M21 Advisory, a commercial advisory consultancy he established in 2006.

James has extensive Non-Executive Director experience having held the position of Chair of ISPT Pty Ltd, Chair of the Victorian Ports Corporation, Deputy Chair of the Port of Melbourne Corporation and Non-Executive Director of Victorian Rail Track Corporation (VicTrack) and Inland Rail.

James is currently a Non-Executive Director of Mirvac and a member of the Committee of the Melbourne Cricket Club (manager of the MCG).

Snowy Hydro Committees:

Member of the Board People and Culture Committee.



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 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.

Dennis is a Director of the Australian Energy Council.

Snowy Hydro Committees:

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

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Karen Moses OAM

Non-Executive Director since July 2019.

Experience and expertise

OAM, BEcon, Dip Ed, FAICD

Karen is a Non-Executive Director of Orica Ltd (ASX: ORI) where she Chairs the Audit and Risk Committee 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.

She was previously a Non-Executive Director of Charter Hall Group (ASX: CHC).

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 Board Portfolio Risk Committee and member of the Board People and Culture Committee.



Leanne Heywood OAM

Non-Executive Director since March 2022.

Experience and expertise

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

Leanne is a Non-Executive Director of Lotus Resources Limited (ASX: LOT), Firefly Metals Ltd (ASX: FFM), Advanced Engineered Materials Ltd (ASX: AEM) and Deterra Royalties Ltd (ASX: DRR). She is also a Non-Executive Director of Denison Gas Limited and the Royal Flying Doctor Service of Australia (South Eastern Section).

Leanne previously served as a Non-Executive Director and Chair of the Audit Committee at Arcadium Lithium, prior to its acquisition by Rio Tinto.

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 (ASX: RIO) and prior to that, as Chief Financial Officer of a copper mine in the Rio Tinto portfolio.

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

She 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 the Board Audit and Compliance Committee and a member of the Board Portfolio Risk Committee.



Louise Thurgood

Non-Executive Director since July 2024.

Experience and expertise

MBA, PG Cert (App Fin), BA Econ (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 a Non-Executive Director of NAISDA Foundation (not-for-profit) and Company B Ltd (not-for-profit – the Belvoir Street Theatre). Louise is also founder and Director of Orion Mechanical Services Pty Ltd and is a Member of the National Standing Committee on Energy and the Environment for Global Access Partners.

Previously, Louise was a Non-Executive Director of Sydney Metro, Inland Rail, Silk Logistics Holdings Ltd and Moorebank Intermodal Company and was a member of the Heritage Council of New South Wales.

Snowy Hydro Committees:

Chair of the Board Safety, Operations and Environment Risk Committee and member of the Board Audit and Compliance Committee.



Daniel Walton

Non-Executive Director since November 2025.

Experience and expertise

Daniel Walton is an experienced Executive and Company Director with a proven record in strategic leadership, governance, and public policy. He brings deep expertise across the energy, resources, manufacturing, and workplace relations sectors.

He currently serves as Group Executive – Strategy and Growth at the EML Group and was formerly the National Secretary of the Australian Workers' Union.

Daniel is Chair of The McKell Institute and a Non-Executive Director of the National Reconstruction Fund Corporation. He has previously held board positions with AustralianSuper and Chifley Financial Services, and served on a range of government bodies, including as Chair of the NSW Renewable Energy Sector Board. He has also advised federal and state governments on trade, resources, climate, energy, and industry policy.

Snowy Hydro Committees:

Member of the Board Safety, Operations and Environment Risk Committee and Board People and Culture Committee.

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David Fredericks

Non-Executive Director since November 2025.

Experience and expertise

BEC, LLB (Hons), GradDipLegPrac

David has been the Secretary of three Commonwealth Government departments with responsibility for energy policy, the most recent being the Department of Climate Change, Energy, the Environment and Water. David has extensive knowledge and experience of energy markets in Australia, and of the range of participants, including energy providers. David is a Non-Executive Director and Deputy Chair of Airservices Australia.

Previously, David was the Deputy Secretary in the Department of Finance responsible for Federal budget matters, and he has been the Chief Operating Officer of two Commonwealth Government departments. David has been an adviser to Commonwealth and State Ministers, including in the Prime Minister's Office. He also practised as a Barrister in Sydney for five years.

Snowy Hydro Committees:

Member of the Board Portfolio Risk Committee and Board Audit and Compliance Committee.



Sussan Ley

Non-Executive Director since 26 September 2026.

Experience and expertise

BEC, MTaxLaw, MAcc

Sussan has extensive experience in government, environmental regulation, regional Australia and major infrastructure.

Sussan most recently served as Leader of the Liberal Party and Leader of the Opposition from May 2025 to February 2026. She represented the regional NSW electorate of Farrer in the Australian Parliament for more than 24 years and served as Minister for the Environment, Minister for Health, Sport and Aged Care and in a range of other senior government portfolios. Before entering Parliament, Sussan worked as an air traffic controller, commercial pilot and partner in a regional farming enterprise, and also served in a senior, tax-qualified role with the Australian Taxation Office. Reflecting her longstanding commitment to agricultural science and sector capability, Sussan is a non-executive director of the Crawford Fund for Food Security.



Merryn York AM

Non-Executive Director since 26 September 2026.

Experience and expertise

BE (Electrical), MEngSc, Hon FIE Aust, FTSC, GAICD

Merryn has more than 30 years' executive experience across Australia's energy industry covering transmission planning, major infrastructure investment, market regulation and the integration of renewable energy into the electricity system.

Merryn was most recently Executive General Manager, System Design at the Australian Energy Market Operator, where she led system planning to support Australia's transition to net zero. Previously, Merryn was a Commissioner at the Australian Energy Market Commission and Chief Executive of Powerlink Queensland.

Merryn has been a Non-Executive Director at Transpower New Zealand since 2025. She has previously held Director roles on the Boards of Transmission Company Victoria, Energy Networks Australia and ElectraNet SA.

Former Directors

Sandra Dodds, BCom, FCA, GAICD

Sandra was a Non-Executive Director from 1 July 2019 to 31 March 2026.

Scott Mitchell, GAICD

Scott was a Non-Executive Director from 26 March 2019 to 25 September 2026.

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Directors' Meetings

In FY26, Snowy Hydro's Board of Directors met eleven times. 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**:

- The Directors who held office at any time during FY26; and
- The number of Board and Board Committee meetings held during FY26 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 table excludes the attendance of those Directors who attended meetings of the Board Committee of which they are not a member⁷ and out of cycle meetings which are called for a special purpose. In FY26, the Directors attended 29 meetings for Board Committees of which they were not a member and/or out of cycle meetings.

Key to abbreviations used in table

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

A: Number of scheduled meetings attended

N/A: Not Applicable

Director	Board meetings		Board Committee meetings							
			Audit & Compliance		Portfolio Risk		Safety, Operations, Environment Risk		People & Culture	
	H	A	H	A	H	A	H	A	H	A
James Cain ⁸	11	10	N/A	N/A	3	2	N/A	N/A	5	5
Dennis Barnes ⁹	11	11	N/A	N/A	N/A	N/A	4	4	N/A	N/A
Karen Moses	11	11	N/A	N/A	6	6	N/A	N/A	5	5
Leanne Heywood	11	11	5	5	2	2	3	3	N/A	N/A
Louise Thurgood	11	11	5	5	4	4	4	4	N/A	N/A
David Fredericks ¹⁰	7	7	4	4	4	4	N/A	N/A	N/A	N/A
Daniel Walton ¹¹	7	7	N/A	N/A	N/A	N/A	3	3	3	1
Former Director										
Sandra Dodds ¹²	8	8	3	3	N/A	N/A	N/A	N/A	4	4
Scott Mitchell ¹³	11	11	N/A	N/A	N/A	N/A	4	3	5	5

⁷ In FY26, Board members attended Committee meetings in addition to those Committee meetings where they were a member a total of 20 times.

⁸ James Cain retired from the Board Portfolio Risk Committee on 11 November 2025.

⁹ The CEO is a member of the Board Safety, Operations and Environment Risk Committee and ex-officio attendee of other Board Committees.

¹⁰ David Fredericks was appointed to the Board on 11 November 2025.

¹¹ Daniel Walton was appointed to the Board on 11 November 2025.

¹² Sandra Dodds retired as a Non-Executive Director on 31 March 2026.

¹³ Scott Mitchell retired as a Non-Executive Director on 25 September 2026.

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 Hydro, 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 2026 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.

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Other information

Significant changes in the state of affairs

Contributed equity increased by \$975 million following the issue of 975 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

Following repeated requests, in late 2025 we formally instructed our contractor Future Generation Joint Venture (FGJV) to carry out a line by line reforecast of the project's construction program and costings. This work has now been completed. FGJV's forecast cost to complete results in a target project cost to complete of \$22.2 billion. The cost reassessment also resulted in an updated view of the project's schedule with commissioning complete in late 2029. While our contract with FGJV contains obligations that ensure the contractor is motivated to reduce cost and schedule, as well as penalties for under performance, given the unique nature of the project, the level of risk and technical complexity, and FGJV's cost estimation challenges, we are allowing for a cost scenario of \$25 billion. Snowy Hydro will continue to hold FGJV to account for its performance and its obligation to deliver the project safely, with completion achieved at the earliest time and for the lowest possible cost.

We are working closely with our shareholder to develop an appropriate capital structure for Snowy Hydro to support the increase in costs and maintain Snowy Hydro's target credit rating of BBB+.

The provisions for the Snowy 2.0 site rehabilitation have also been updated with FGJV's forecast cost to complete (Note 13).

The Directors are not aware of any other matters or circumstances that have arisen since 30 June 2026, 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 operations, a high level of compliance with all licences and obligations was achieved. The two major construction projects being carried out by Snowy Hydro (Snowy 2.0 and Kurri Kurri Power Station) did not achieve the same level of compliance, however efforts to improve are substantial and ongoing.

For the year ended 30 June 2026, the following non-compliances occurred:

- One non-compliance with the environmental protection licence for Laverton North Power Station in August 2025 for exceeding air quality limits on one occasion. This incident did not result in harm to the environment. The Victorian Environment Protection Authority (EPA) was notified.
- One non-compliance with the environmental protection licence for Colongra Power Station in November 2025 for overfilling the on-site diesel tank beyond the allowable capacity. This incident did not result in the loss of containment of any diesel or in harm to the environment.
- One non-compliance with the environmental protection licence for the Snowy Scheme in May 2026 when a landslip resulted in sediment entering a waterway. This was immediately rectified and the incident did not result in harm to the environment. The New South Wales Environment Protection Authority was notified.
- In relation to Kurri Kurri Power Station, there were four project related non-compliance events with the environmental protection licence relating to air quality limits, visual plume and odour during commissioning activities in July 2025 and January 2026. The New South Wales Environment Protection Authority, and other required regulatory agencies were notified for each event.
- In relation to the Snowy 2.0 project, Snowy Hydro received:
 - 28 July 2025 – a \$18,780 infringement notice for failing to notify the Commonwealth Department of Climate Change, Energy, the Environment and Water Department within required timeframes regarding an incident with potential impacts on protected matters;
 - 21 November 2025 – a \$30,000 infringement notice from New South Wales Environment Protection Authority for Snowy Hydro's contractor, FGJV, poorly maintained a sediment basin leading to a discharge;

- 21 November 2025 – a \$30,000 infringement notice from New South Wales Environment Protection Authority for Snowy Hydro's contractor, FGJV, allowing sediment-laden water to be discharged due to plant maintenance failures and a drainage line blocked by vegetation, causing the sediment basin to overflow; and
- 13 April 2026 – a \$45,000 infringement notice from New South Wales Environment Protection Authority for Snowy Hydro's contractor, FGJV, inadvertently using acidic water for dust suppression and irrigation on haul roads and batters for 12–19 hours.

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 2001* (Cth) 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 2026/183 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 2001* (Cth); and
- did not compromise the auditor independence requirements of the *Corporations Act 2001* (Cth) 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 2001* (Cth) in relation to the audit for the financial year is on page 171 of the Financial Report.

Signed in accordance with a resolution of the Directors



James Cain

Chair

28 September 2026



Dennis Barnes

Managing Director

28 September 2026

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Remuneration Report

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1. Key management personnel

This Remuneration Report (report) outlines the principles, policies and strategy Snowy Hydro applies to remunerate our Key Management Personnel (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 2026 (FY26) 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 Managing Director and Chief Executive Officer and a number of Executives in accordance with RMG 139 *Commonwealth Companies' Executive Remuneration Reporting Guide for Annual Reports* and AASB 124 *Related Party Disclosures*.

Table 1: FY26 Key Management Personnel

Board Directors

Name	Position ¹	KMP Term
James Cain	Chair	Full Year
Dennis Barnes	Managing Director and Chief Executive Officer (MD and CEO)	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	Non-Executive Director	Full Year
David Fredericks ²	Non-Executive Director	Part Year
Daniel Walton ³	Non-Executive Director	Part Year

Former Board Directors

Name	Position	KMP Term
Sandra Dodds ⁴	Non-Executive Director	Part Year

MD and CEO and KMP Executives

Name	Position ⁵	KMP Term
Dennis Barnes	MD and CEO	Full Year
Iain Graham	CEO Retail	Full Year
Kim Josling	Chief Financial Officer (CFO)	Full Year
Gordon Wymer	Chief Commercial Officer (CCO)	Full Year
Maia Schweizer	Chief Operating Officer (COO)	Full Year

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

2. David Fredericks's term as a Non-Executive Director commenced on 11 November 2025.

3. Daniel Walton's term as a Non-Executive Director commenced on 11 November 2025.

4. Sandra Dodds retired as a Non-Executive Director on 31 March 2026.

5. 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 FY26 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)

The Board People and 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 Principles (section 4)

Our Remuneration Framework is underpinned by five principles: Clear accountability, Simple and transparent, Fair, Strategically aligned and performance and values based; and Strong remuneration governance.

Remuneration Strategy and Framework (section 4)

Component	MD and CEO	Executives including KMP
Fixed Annual Remuneration (FAR)	- 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 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)	- Annual performance-based remuneration aligned to the strategic priorities of Snowy Hydro, individual areas of accountability and corporate values: 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: 75% paid Year 1 (vesting year); 15% paid Year 2; and 10% paid Year 3.	- Annual performance-based remuneration aligned to the strategic priorities of Snowy Hydro, individual areas of accountability and corporate values: 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.

Linking Strategy, Performance and Remuneration (section 5)

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.

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3. Remuneration governance

Board People and Culture Committee role

The role of the Board 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: www.snowyhydro.com.au/wp-content/uploads/2026/07/People-and-Culture-Committee-Charter.pdf

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 FY26, the Committee received external remuneration advice from EY and Korn Ferry.

EY were engaged to validate the notional superannuation contribution rates for employees who are members of the legacy defined benefit Public Sector Superannuation Scheme. Fees paid to EY to undertake the validation analysis and provide the report totalled \$18,500.

Korn Ferry were engaged by the Committee to undertake an executive remuneration benchmarking study, including job sizing of executive roles, the provision of market data reports including un-adjusted market quartiles and executive remuneration benchmarks across relevant peer groups encompassing GBE, ASX and utilities/energy sectors.

Fees paid to Korn Ferry to undertake the benchmarking study and provide the executive remuneration benchmarking report totalled \$93,500.

None of the advice provided by the above-mentioned consultants included any statutory "remuneration recommendations" (as defined by the *Corporations Act 2001* (Cth)) during FY26. All decisions regarding the positioning, quantum, and performance metrics of KMP remuneration packages were made solely by the Committee and the Board based on the provided raw data, internal performance assessments, and corporate strategy.

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).

Remuneration framework components

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

- Fixed Annual Remuneration; and
- Variable Remuneration.

The remuneration mix at target includes 83.3% FAR and 16.7% VR. The same annual remuneration arrangements apply to all other Executives.

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.

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Variable Remuneration 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 corporate 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	Financial	30%
(Quantitative) (80%)	Sustainability (including People, Safety, Customer, and Operational Effectiveness)	30%
	Strategic Impact & Innovation (Snowy 2.0)	20%
Individual Scorecard KPIs	Sample KPIs may include depending on Corporate Plan:	
(Qualitative) (20%)	• 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 Board 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:

$$\text{FAR} \times \text{'Target' Opportunity} \times \text{MD and CEO and Executive VR Performance Outcome consisting of Group Scorecard Outcome (80\%) + Individual Scorecard Outcome (20\%)}$$

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.

Climate-related considerations

In FY26, Executive VR incentives directly linked to the delivery of Snowy 2.0, Australia's largest committed renewable energy project, were:

- MD and CEO: 20% allocation;
- Chief Delivery Officer – Snowy 2.0: 80% allocation;
- Other Executives: 20% allocation; and
- CEO – Retail: no VR incentive is linked to Snowy 2.0 delivery (or to any other climate-related performance metrics).

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 Government Business Enterprises.

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 Committee. In the case of the MD and CEO the relevant data may be submitted to the Remuneration Tribunal on a periodic basis.



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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.

Our five core strategic elements

1	2	3	4	5
Enable the renewable energy transition Our electricity generating assets and storage support more wind, solar and batteries to come online, supporting Australia's energy transition.	Deliver reliability and energy security Our operations are a significant contributor to the NEM's reliability and to Australia's energy security.	Promote market competition Participating in the retail and wholesale energy markets enables competition to raise 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 Hydro's success and the future of renewable energy.

...are incorporated in Snowy Hydro's short-term and long-term measures of Executive performance
Corporate KPIs (80%) + Individual KPIs (20%)

Strategic Impact & Innovation	Financial and Operations	Customer and Stakeholder Value	Safety, Environment and People	
Delivery of Snowy 2.0, Kurri Kurri Power Station and other major projects	Group EBITDA and Operational metrics	Industry Leading Customer Satisfaction	Incidents Severity Rate (ISR) Score / Environmental KPIs	Leadership and Cultural Improvement
While Snowy 2.0 has reached major milestones in FY26, the delivery was impacted by the project complexity, logistics and lower than expected productivity by our principal contractor, Future Generation Joint Venture (FGJV). Kurri Kurri Power Station experienced commissioning challenges in FY26 and is set to enter full commercial service in 2026.	Snowy Hydro's FY26 Underlying EBITDA was above target. Our ongoing transformation program exceeded cash resilience targets, and core processes prioritised for re-design were effectively implemented. Snowy Hydro's credit rating remains stable. Hydro, gas and diesel power stations delivered solid results.	Our Retail brands (Red and Lumo) exceeded Roy Morgan customer satisfaction score target for the year, with Red Energy winning the national 2025 Roy Morgan Award for Most Satisfied Customers in both Electricity and Gas categories. 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 NPS and customer satisfaction.	Although the performance of our generation division fell short of the Threshold for the Total Incident Severity Rate (TISR), no systemic issues were detected. Our High Potential Incident Frequency Rate (HPIFR) remains low and stable, and the Total Recordable Injury Frequency rate (TRIFR) trended lower over the year. Environmental licence and compliance obligations were achieved within Operations, however the two major projects (Snowy 2.0 and Kurri Kurri Power Station) did not achieve the same level of compliance.	Executives actively championed our safety culture and advanced our psychosocial risk management maturity, establishing CEO-led steering committee, conducting an enterprise-wide baseline survey, and piloting new leadership learning modules. Critical roles were refined and succession planning strengthened to support smooth leadership transitions and organisational continuity. Workforce planning was progressed to identify and respond to future workforce and capability needs. Grow Energy Superheroes was established to strengthen people leadership at every level and position Snowy Hydro as a leading developer of leadership talent for the energy industry.
Below Target	On Target	Outperformance	Below Target	On Target

...and impact on Executive Remuneration

The Board and the Committee determined that Snowy Hydro's performance 'met' or 'exceeded expectations' for Customer, Financial, Operations, and People KPIs and 'below expectations' for Safety KPIs and the delivery of Strategic Projects. The Board and the Committee determined that the MD and CEO will receive no VR payment for FY26; and to pay an average of 46.4% of maximum potential variable remuneration for other KMP.

6. KMP remuneration for FY26

Executives received a mix of remuneration during FY26 including fixed and variable remuneration.

The table below summarises the remuneration that was received by KMP in FY26 which includes FAR and any variable remuneration. It is calculated on an accruals basis in accordance with statutory rules and applicable Accounting Standards.

Table 2: Executive KMP statutory disclosures

All figures in \$	Short-term benefits		Post employment benefits	Other long-term benefits	Total
Name	Base salary ¹	Short-term variable pay ²	Super contribution	Long service Leave	
Dennis Barnes	1,845,126	-	30,000	14,626	1,889,752
Iain Graham	977,350	-	30,000	41,595	1,048,945
Kim Josling	828,839	215,440	30,000	41,005	1,115,284
Maia Schweizer	1,050,503	255,570	30,000	5,202	1,341,275
Gordon Wymer	1,142,268	280,915	30,000	13,189	1,466,372
Total	5,844,086	751,925	150,000	115,617	6,861,628

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

2 Short-term variable payments are expected to be paid in September 2026.

7. Board Directors' fees

The Snowy Hydro Board of Non-Executive Directors is 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 Directors' fees cover all activities including Board membership and participation except in the case of the Board Audit and Compliance Committee where the Chair and members receive additional fees. Snowy Hydro has three other standing Committees, namely the Board Portfolio Risk Committee, Board People and Culture Committee, and Board 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 FY26 and FY27.

Role/Committees	1 July 2025 ¹	1 July 2026 ²
Chair	\$257,030	\$257,030
Non-Executive Director	\$128,590	\$128,590
Audit and Compliance – Chair ³	\$25,420	\$25,420
Audit and Compliance – Member	\$12,720	\$12,720

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

2. Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2026.

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

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Table 3: Non-Executive Directors KMP statutory disclosures

All figures in \$	Short-term benefits		Post-employment benefits	Total
Name	(Director's fees)	(Superannuation payments) ¹	Superannuation contribution	
Non-Executive Directors				
James Cain	257,030	30,000	-	287,030
David Fredericks ^{2,3}	89,875	-	10,832	100,707
Leanne Heywood ²	144,473	-	17,474	161,947
Scott Mitchell	128,590	-	15,490	144,080
Karen Moses	128,590	-	15,490	144,080
Louise Thurgood ²	141,310	-	17,038	158,348
Daniel Walton ⁴	81,785	-	9,852	91,637
Former Non-Executive Director				
Sandra Dodds ^{2,5}	116,882	-	14,026	130,908
Total	1,088,535	30,000	100,202	1,218,737

1 Amounts paid in lieu of superannuation fund contributions where a superannuation guarantee employer shortfall exemption was granted by the ATO for the period.

2 Remuneration incorporates fees payable to the Chair and members of the Audit and Compliance Committee.

3 David Fredericks' term as a Non-Executive Director commenced on 11 November 2025.

4 Daniel Walton's term as a Non-Executive Director commenced on 11 November 2025.

5 Sandra Dodds retired as a Non-Executive Director on 31 March 2026.

Corporate Governance Statement

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

The Board provides stewardship, strategic leadership, governance and oversight of Snowy Hydro. In doing so it 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 Hydro. The Board maintains, and requires that Snowy Hydro management maintains, 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, the Board and all four Board Committee charters, are available on our website at: www.snowyhydro.com.au/about/corporate-governance.

This corporate governance statement is current as at 30 June 2026 and was approved by the Board on 28 September 2026.



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:

- providing leadership and strategic direction, including approving the Corporate Plan and annual budget;
- oversight, and where necessary, challenge, of effective management and control of Snowy Hydro, including management's implementation of our strategic objectives, the appropriateness of our people management systems, and our Values and performance;
- approving the corporate goals and performance objectives relevant to the remuneration of the CEO and direct reports to the CEO;
- approving Snowy Hydro's remuneration framework to ensure it aligns with our Shareholder Ministerial Statement of Expectations, Values, Code of Conduct, strategic objectives, risk management, legal and regulatory obligations and remains appropriate within changing market conditions;
- assessing the performance of the CEO and direct reports to the CEO;
- approving and providing oversight of Snowy Hydro's Values and Code of Conduct;
- approving the appointment and removal of the CEO in consultation with our Shareholder Ministers;
- approving the appointment of the Company Secretary and direct reports to the CEO and reviewing the CEO's assessment of performance of direct reports to the CEO;
- oversight of succession planning for the CEO and direct reports to the CEO;
- approving Snowy Hydro's overall treasury policy, including dividend payout ratio and payments pursuant to that policy;
- approving and overseeing the effectiveness of Snowy Hydro's Whistleblower and Public Interest Disclosure Policy and receiving summaries of incidents, themes or trends disclosed under the policy, or serious breaches of the Code of Conduct, or Anti-Bribery & Corruption Fraud, and Sanctions Policy, or Conflicts of Interest, Gifts & Benefits Policy;
- monitoring the processes in place to facilitate employee awareness of Snowy Hydro's Whistleblower and Public Interest Disclosure Policy;
- approving and overseeing the effectiveness of Snowy Hydro's Portfolio and Trading Risk Management Framework and its related documents;
- approving and overseeing the effectiveness of Snowy Hydro's Anti-Money Laundering and Counter Terrorism Financing Program and its related documents;
- approving any capital expenditure exceeding \$20 million;
- reviewing Snowy Hydro's base case assumptions pertaining to new investments and capital, including the progress of any major capital expenditures, acquisitions or divestitures;
- overseeing the effectiveness of processes and controls to maintain the integrity of financial accounting and reporting;
- overseeing and reviewing the principal risks facing Snowy Hydro, including climate-related risks and opportunities to ensure that appropriate standards of accountability, risk management and corporate governance are in place;
- approving Snowy Hydro's sustainability objectives, metrics, targets and sustainability-related disclosures;
- monitoring the implementation of strategy, including the integration of the corporate and sustainability plans, and the operational and financial position and performance of Snowy Hydro;
- monitoring the integrity of Snowy Hydro's accounting and corporate report systems, including external audit;
- approving and monitoring the effectiveness of Snowy Hydro's governance practices and frameworks;
- overseeing the management of Snowy Hydro's obligations as a GBE under the PGPA Act and the PGPA Rule;
- reporting to the shareholder on their stewardship of Snowy Hydro on a regular and timely basis; and
- reviewing and, to the extent necessary, amending the Board and Board Committee Charters annually (by 1 December) or as required.

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

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The Board currently comprises eight Directors, with seven 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.

In FY26 the Board met 11 times to consider and provide management with guidance on strategic and/or operational matters. 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 Limited'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 is assisted by four standing Board Committees. The key 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 2026
Board Audit and Compliance Committee	Assists the Board in managing risks relating to Snowy Hydro's external and internal audit functions, financial, sustainability and performance reporting, financial and business risk management, fraud and corruption, corporate management frameworks and certain compliance matters.	At least three Non-Executive Directors, each of whom must have appropriate qualifications, knowledge, skills or experience to assist the Committee to perform its functions. 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 and must not be the Chair of the Board.	• Leanne Heywood (Chair)¹ • Louise Thurgood • David Fredericks²
Board Portfolio Risk Committee	Assists the Board in managing risks relating to Snowy Hydro's price risk hedging activities including credit risk, market risk and liquidity exposure as it arises from wholesale market activities.	At least three Non-Executive Directors. Majority of Committee members must be independent. An independent Non-Executive Director must be Committee Chair.	• Karen Moses (Chair) • David Fredericks³ • Leanne Heywood⁴
Board Safety, Operations and Environment Risk Committee	Assists the Board in managing risks relating to managing safety, operations and environment risks, including those pertaining to workplace health and safety, environmental management and sustainability, production capability and delivery, water operations, business continuity and emergency management, information and physical security management, governance and post-implementation reviews of major projects and information technology systems.	At least three Non-Executive Directors. Majority of Committee members must be independent. An independent Non-Executive Director must be Committee Chair.	• Louise Thurgood (Chair)⁵ • Scott Mitchell • Dennis Barnes • Daniel Walton⁶
Board People and Culture Committee	Assists the Board in relation to Snowy Hydro's people and culture matters including advising the Board on the remuneration and performance measurement policy, organisational development practices, people related risks, evaluating the performance of the Board, Board Committees, CEO and direct reports to the CEO, succession planning and remuneration of the CEO and supporting equal opportunity and promoting diversity and inclusion within Snowy Hydro.	At least three Non-Executive Directors. Majority of Committee members must be independent A Non-Executive Director as Chair of the Committee..	• Scott Mitchell (Chair) • Karen Moses • James Cain • Daniel Walton⁷

¹ Appointment as Chair effective from 1 April 2026.

² Effective from 11 November 2025.

³ Effective from 11 November 2025.

⁴ Effective from 1 April 2026.

⁵ Appointment as Chair effective from 1 April 2026.

⁶ Effective from 11 November 2025.

⁷ Effective from 11 November 2025.

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All Board Committees are comprised of independent Non-Executive Directors save that the CEO is a member of the Board 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.

The Chair of each Board Committee reports to the Board at the Board's next meeting on any matters arising from the Board Committee's duties and responsibilities. The Board also receives copies of the minutes of all Board Committee meetings. This seeks to ensure that all Directors have oversight of, as well as the opportunity to discuss, matters being considered by the Board 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 FY26, 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 Hydro in all aspects of the business.

Board appointments

In accordance with Snowy Hydro Limited's Constitution, Directors are appointed by the Shareholder Ministers with the terms of office determined, and documented in a written agreement, 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 Board 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

Snowy Hydro has a Diversity & Inclusion Policy, a copy of which is available on our website. Our approach to diversity and inclusion is set out in the Diversity & Inclusion section of the Sustainability performance section of this Annual Report. Through the Board People and Culture Committee, the Board has set measurable objectives for achieving gender diversity in the composition of the Board, senior executive positions and the workforce generally.



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

The Board is committed to ensuring it is of an appropriate size and collectively has the skills, commitment and knowledge of Snowy Hydro and the energy industry to enable it to discharge its duties effectively and to add value. The composition of the Board is reviewed regularly to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its responsibilities effectively.

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 Board People and Culture Committee assists the Board in the facilitation of the annual review process set out above.

The Board 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 Board People and Culture Committee are formally documented in its charter, which is available on our website. The Board People and Culture Committee met five times in FY26 to consider performance and remuneration matters, including Board and Board 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 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.

The Board reviews the skills matrix at least annually to ensure it covers the skills needed to address existing and emerging business and governance issues relevant to Snowy Hydro.

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 Board 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 Board Committee, the Director does not receive copies of Board or Board Committee reports relating to the matter and generally recuses themselves from the Board or Board 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 and a formal Register of declared interests is maintained by the Company Secretary.

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Majority independent Board and Chair

As at 30 June 2026, the Board comprised seven 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

Snowy Hydro maintains 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 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 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

Snowy Hydro expects 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

Snowy Hydro actively fosters 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. The Board is informed of any material breaches to the Code of Conduct, which is reviewed every two years and published on our website.

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: www.snowyhydro.com.au/about/corporate-governance.

Anti-Bribery & Corruption, Fraud and 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 & Corruption, Fraud and Sanctions Policy sets our zero tolerance for bribery, corruption, fraud and breach of sanctions law, and outlines how we identify, assess and manage bribery, corruption, fraud and sanctions risks. Breaches of this Policy must be reported to the General Manager – Risk & Compliance, 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 Hydro's Board Audit and Compliance Committee is responsible for assisting the Board in monitoring the effectiveness of the Anti-Bribery & Corruption, Fraud and Sanctions Policy.

Anti-Money Laundering and Counter Terrorism (AML/CTF)

Snowy Hydro maintains a robust AML/CTF Program, in accordance with the AML/CTF Act 2006, to identify, assess, mitigate and manage the risks of money laundering and terrorism financing we may reasonably encounter in our provision of Designated Services.

The Board oversees the Program's effectiveness, setting the tone for a culture of transparency and accountability. Board oversight is informed by meaningful management data and analysis, ensuring our systems adequately identify, measure, monitor, and manage these financial crime risks on an ongoing basis.

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

Snowy Hydro has 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.

Board Audit and Compliance Committee

The Board has established a Board Audit and Compliance Committee, with the primary function of assisting the Board through its oversight and review of financial and sustainability reporting, financial management, frameworks for risk management, compliance and corporate management, and auditor independence and performance. The role and responsibilities of the Board Audit and Compliance Committee are documented in its Board approved charter. The Board Audit and Compliance Committee Charter is available on our website at www.snowyhydro.com.au/wp-content/uploads/2026/07/Board-Audit-and-Compliance-Committee-Charter.pdf.

As at 30 June 2026, the Board Audit and Compliance Committee 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 Leanne Heywood, 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.



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The Board Audit and Compliance Committee meets at least four times a year. The CEO, Chief Financial Officer, Chief Operating Officer, Chief Commercial Officer, Chief Governance, Risk and Compliance Officer, Group Head of 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

Snowy Hydro recognises 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 Hydro 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, Snowy Hydro engages regularly with our shareholder and provides information requested or required by the shareholder to exercise its rights.

Governance information

Snowy Hydro's website includes a dedicated corporate governance section setting out Snowy Hydro's governance structure and providing an overview of the responsibilities of the Board, Board Committees and the Executive team. The website also includes details of Snowy Hydro's leadership, being the Board of Directors and the Executive 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 our 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 Shareholder 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 Hydro. Snowy Hydro'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 Board Audit and Compliance Committee, which monitors the effectiveness of Snowy Hydro's risk identification and management framework. All other Board Committees (comprising the Board Safety, Operations and Environmental Risk Committee, Board Portfolio Risk Committee, and Board People and Culture Committee) 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 Board 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 Board Committees on new or significant sources of risk.

The Board, through its Board Committees, reviews Snowy Hydro's risk management framework at least annually to satisfy itself that the framework remains sound and that we are operating within the risk appetite set by the Board.

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 Board Audit and Compliance Committee, 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 Annual Report.

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Principle 8: Remunerate fairly and responsibly

Remuneration Committee

The Board has established a Board 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 Board 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.

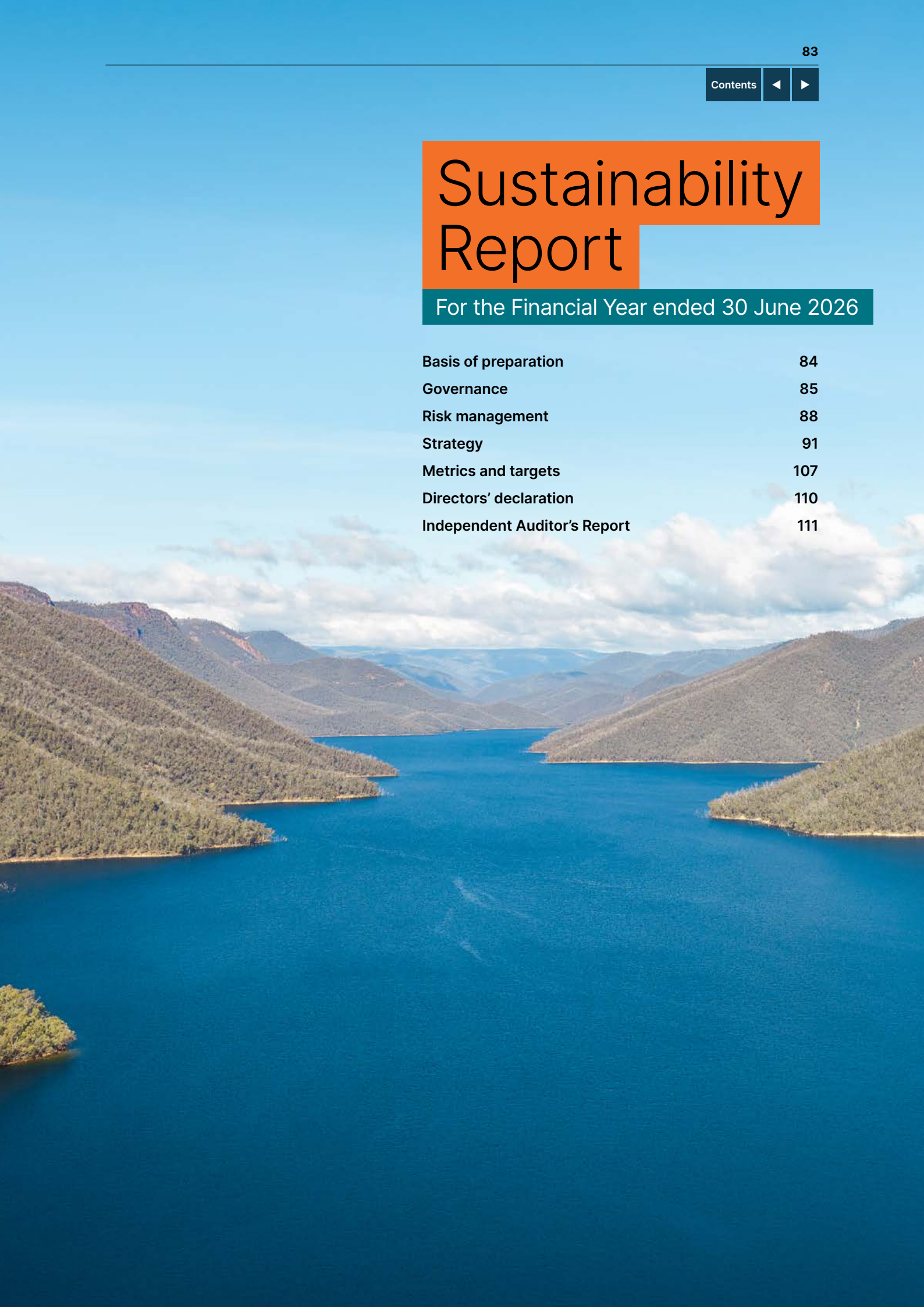
Before determining remuneration outcomes, the Board formally reviews individual Executive performance and risk and leadership behaviours. The Board retains the ultimate discretion in relation to remuneration outcomes. Full details of Key Management Personnel remuneration are included in the Remuneration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



Sustainability Report

For the Financial Year ended 30 June 2026

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Basis of preparation

Compliance and reporting framework

This Sustainability Report has been prepared for the financial year 2026 as a mandatory sustainability report in accordance with Section 296A of the *Corporations Act 2001*. The disclosures comply with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures. These disclosures provide a comprehensive view of climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects, as required by legislation.

Reporting entity and boundary

In accordance with AASB S2 Appendix D (Aus20.1), the reporting entity for these disclosures is identical to that of the general-purpose financial statements. This report encompasses Snowy Hydro Limited and its subsidiaries. The organisation applies an operational control approach for defining its reporting boundaries for Greenhouse Gas (GHG) emissions. This approach aligns with the requirements of the *National Greenhouse and Energy Reporting (NGER) Act 2007*.

The measurement hierarchy for GHG emissions in AASB S2 requires an entity to apply the GHG Protocol: A Corporate Accounting and Reporting Standard (2004) to measure GHG emissions unless an entity is required to apply a different method by a jurisdictional authority or legislation. Since Snowy Hydro is required by Australian legislation to apply the NGER Scheme for GHG measurement and reporting, Snowy Hydro has not departed from the requirements in AASB S2 by using the methodologies in the NGER Scheme for scope 1 and 2 emissions and applying NGER-prescribed global warming potential values from Intergovernmental Panel on Climate Change (IPCC) AR5 to ensure consistency with statutory reporting.

According to the climate disclosure standard (Appendix C Effective date and transition, AASB S2), organisations are given a transition period to disclose their scope 3 greenhouse gas emissions. Snowy Hydro is applying the transition relief and will disclose our total scope 3 emissions, measured in accordance with the Greenhouse Gas Protocol, in our FY27 Sustainability Report (financial year ending 30 June 2027).

This Report was approved for release in accordance with a resolution of the Directors of the Company on 28 September 2026.

Presentation and methodology

All disclosures cover the 12-month reporting period from 1 July 2025 to 30 June 2026. In accordance with the transition relief provided in AASB S2 Appendix C, Snowy Hydro has elected not to provide comparative information in this first year of mandatory reporting. Comparative information will be included in the FY27 Sustainability Report and subsequent periods to enable year-on-year analysis.

Financial data included in this report, such as capital expenditure related to climate mitigation or potential financial effects of climate risks, is expressed in Australian Dollars (\$AUD), consistent with the presentation currency of the financial statements. Estimates or significant judgements have been applied, particularly regarding climate scenario analysis and our emissions target and ambition.

In accordance with AASB S2 Appendix D (Paragraph 74), management has applied significant judgement in the preparation of these disclosures, most notably in the materiality filtering process. This involved narrowing a comprehensive set of climate-related risks and opportunities (CRROs) to the nine core items selected for quantitative financial modelling. Furthermore, judgment was exercised in selecting climate scenarios, with management determining that the AEMO ISP 2024 and specific IPCC datasets provided the most reasonable and supportable information available at the time for Snowy Hydro's operational context (see the Risk Management and Strategy sections in this report).

Measurement uncertainty and estimates

The disclosures contain estimates that are subject to high levels of measurement uncertainty, as defined in AASB S2 Appendix D (Paragraph 78). In particular, estimates of potential financial impacts, such as recurring annualised revenue-at-risk, are highly sensitive to future market volatility and evolving regulatory outcomes, including ongoing NSW EPA consultations. Additionally, progress against scope 2 emissions in our near-term target is inherently tied to the external decarbonisation of the grid, and the pace of which remains subject to the actual realisation of the AEMO ISP 2024 Step Change scenario. Users should note that long-term climate pathways (including SSP1-2.6, SSP2-4.5, and SSP5-8.5) involve inherent scientific and socio-economic uncertainties that may cause actual outcomes to differ materially from current projections.



Governance

'The objective of climate-related financial disclosures on governance is to enable users of general-purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.'

The role of the Board and its Committees

The Board of Directors' (Board's) primary role is to provide stewardship, strategic leadership, governance and oversight of Snowy Hydro and ensure that its business objectives are aligned with the Commonwealth Government's expectations of Snowy Hydro as outlined in the Statement of Expectations issued by the Shareholder Ministers. Its role is also to guide and monitor Snowy Hydro's strategies, policies and performance to optimise performance and create shareholder value, while having regard to employee, community and other stakeholder interests.

The Board's responsibilities include:

- oversight and review of the principal risks facing Snowy Hydro, including climate-related risks and opportunities, to ensure that appropriate standards of accountability, risk management and corporate governance are in place;
- approving Snowy Hydro's sustainability objectives, metrics, targets and sustainability-related disclosures; and
- monitoring the implementation of strategy, including the integration of the corporate and sustainability plans and the operational and financial position and performance of Snowy Hydro.

The Board meets as required to facilitate the effective discharge of its duties and will generally meet at least nine times each year; in FY26, the Board met eleven times. During FY26, key matters the Board and its Committees discussed, reviewed and approved included Snowy Hydro's approach to assessing climate-related risks and opportunities, our greenhouse gas emissions target and ambition, the authorisation for trading ACCUs and our climate-related disclosures.

Three Board Committees support the Board in overseeing climate-related risks and opportunities – the Board Safety, Operations and Environment Risk Committee (BSOERC), the Board Portfolio Risk Committee (BPRC) and the Board Audit and Compliance Committee (BACC). Snowy Hydro's Board and Board Committee Charters, including their duties and responsibilities regarding climate-related risks and opportunities, were updated effective 1 July 2025 and have been aligned with the climate-related financial disclosure legislation. The Board Charter and Board Committee Charters are available on our website.

The BSOERC's role is to assist the Board in the effective discharge of its responsibilities in relation to managing safety, operations and environment risks including those pertaining to environmental management and sustainability, including climate-related risks and opportunities. The BSOERC's responsibilities include annually reviewing physical and transition climate-related risks and opportunities and having oversight of planned responses to manage risks and respond to opportunities and reviewing the Sustainability Report including recommending to the Board sustainability objectives, metrics, targets and sustainability-related disclosures.

The BPRC's role is to assist the Board in the effective discharge of its responsibilities in managing the risk in relation to Snowy Hydro's price risk hedging activities. The BPRC's responsibilities include periodically reviewing portfolio risk strategy and performance covering new and existing products, trading authorities, tradable capacity, transmission, fuel for generation purposes, regulatory issues and market rules, and new and emerging technologies; all of which impact Snowy Hydro's ability to respond and address climate-related risks and opportunities.

The BACC's role is to assist the Board in the effective discharge of its responsibilities in managing risk including in relation to Snowy Hydro's audit and assurance of sustainability-related disclosures and the AASB S2 climate-related financial disclosures. The BACC's responsibilities include:

- reviewing in detail and reporting to the Board on the integrity of Snowy Hydro's half year and annual financial statements, including climate-related financial disclosures, prior to their release; and
- oversight of sustainability reporting for audit and assurance of climate-related disclosures, accuracy of reporting and disclosure of all relevant assumptions, judgments and uncertainties.

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The BSOERC, BPRC and the BACC will generally meet at least four times a year. During FY26, these Committees met four times. Updates and briefings were provided during these meetings on climate reporting regarding the development and implementation progress of AASB S2. Disclosures prepared in accordance with AASB S2 were reviewed by the BSOERC and BACC and recommended to the Board for approval as part of the FY26 Annual Report process. In addition, in FY26 the BPRC reviewed and approved Snowy Hydro's approach for trading and purchasing Australian Carbon Credit Units.

The Board and its Committees considered trade-offs relating to technology availability, timing and potential financial impacts, recognising the need to balance climate objectives with commercial and operational realities, while continuing to support the decarbonisation of the National Electricity Market (NEM).

Board skills and competencies

Snowy Hydro's Shareholder Ministers appoint directors to the Board. The Chair, with support from the Board People and Culture Committee (BPCC), applies a robust approach to advising Shareholder Ministers on matters relating to Board renewal and succession planning. The Board proactively assesses succession planning and its renewal program, including a review of skills, composition and membership. This process is continuous to ensure that the advice given considers a balance on the Board between experience and fresh perspectives and the Board continues to be fit for purpose.

In reviewing Board appointments, consideration is given to the skills, experience and background of existing Board members, Snowy Hydro's strategy and any identified new or additional skills required to supplement the Board's capabilities. The Board also considers conflicts, independence and diversity requirements. These considerations form the basis of the Board's advice to the Shareholder Ministers regarding an upcoming Board vacancy or requirement.

The current FY26 Board Skills Matrix specifically includes 'Sustainability (including climate change)'. A description of each director's background and experience can be found in this Annual Report. When there are changes to climate-related risks, relevant regulation, or Board membership, the Board may hold briefing sessions to upskill members on the implications to Snowy Hydro. During FY25 and FY26, the Board received briefing sessions on regulatory enforcement themes (including ESG), updates on ASX corporate governance principles, its responsibilities regarding AASB S2, Snowy Hydro's approach to climate-related risks and opportunities, and our approach to GHG emissions targets.

Management's role and functional integration

The Board has delegated day-to-day management of Snowy Hydro to the CEO. The CEO has in turn delegated a number of climate-related responsibilities, such as the preparation of AASB S2 Climate-related Financial Disclosures, to the Executive Leadership Team (ELT) and their management teams.

The ELT is responsible for ensuring that business areas effectively identify, assess, and manage climate-related risks, opportunities and current impacts. Across Snowy Hydro, various business areas manage environmental and climate-related issues on an ongoing basis; specific areas of responsibility within our business divisions include: Generation (Water & Environment and Dam Safety teams), Retail, Commercial & Trading and Corporate Support (Sustainability and Governance, Risk & Compliance).

Specifically for FY26, the Sustainability Team, reporting to the Chief Corporate Affairs Officer, was responsible for leading the climate-related disclosure process aligned to AASB S2 requirements. Identification and assessment of climate-related risks and opportunities were supported by a cross-functional Climate Advisory Group (CAG). Some of the key steps included:

- identification, analysis of climate-related risks and opportunities, and current impacts, undertaken by the Climate Advisory Group;
- undertake climate-related scenario analysis for short-, medium- and long-term impacts (three time horizons); and
- produce a Climate Risk and Opportunities Register, which is presented to the ELT and to the BSOERC for endorsement and inclusion into the Sustainability Report.

While climate considerations are a key focus in many areas of Snowy Hydro's operations, climate scenario analysis was undertaken during FY26 (see Strategy, Climate scenario analysis process section).

Climate-related considerations in remuneration

The Board is responsible for approving Snowy Hydro's remuneration framework to ensure it aligns with the Statement of Expectations, Values, Code of Conduct, strategic objectives, risk management, legal and regulatory obligations and remains appropriate within changing market conditions.

The Board People Culture Committee (BPCC) assists the Board by:

- overseeing and reviewing the remuneration framework;
- overseeing and recommending to the Board the corporate goals and performance objectives relevant to the remuneration of the CEO and direct reports to the CEO, including the Executive Leadership Team (ELT); and
- reviewing and endorsing for Board approval the annual Remuneration Report.

Further details about the remuneration framework, including the percentage of remuneration that is linked to climate-related considerations, are disclosed in the Remuneration Strategy and Framework section of the Remuneration Report in this Annual Report.

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Risk management

'The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.'

Our approach to risk

Risk management is an integral part of Snowy Hydro's operations. As stated in the enterprise Risk Management Framework (RMF), risk management is everyone's responsibility and is integrated into our culture, activities and decision-making processes. Our vision for risk management is for it to optimise strategic decision-making, ensuring that we have the risk maturity to effectively address uncertainties that could affect achieving our objectives.

Snowy Hydro's RMF is based on internationally recognised principles, in accordance with AS ISO 31000:2018 Risk management – Guidelines. This provides the basis for our ongoing work to identify, assess, treat, monitor and report on material risks.

Our RMF adopts a risk hierarchy designed to enable consistent and comprehensive identification of risks across the organisation, risk aggregation and disaggregation, and streamline risk reporting. This creates a 'parent and child' relationship where higher-level enterprise (Level 1) or strategic risks are cascaded into lower-level operational risks, and vice versa, depending on the governance level of responsibility. Snowy Hydro's RMF (updated in August 2025) clearly outlines Climate Change Risk as a Level 1 risk, noting that integration of the risk hierarchy and cascading of risks across Snowy Hydro were in progress during FY26.

Our approach to climate risk

Complementary to our RMF, Snowy Hydro has developed a formalised Climate Risk Management Plan (CRMP) and started using its approach to identify, assess and manage climate-related risks and opportunities from FY26. We considered our entire value chain (upstream, internal and downstream) for climate-related risks that may impact Snowy Hydro. The climate-related risks are those relating to the transition to a lower-carbon economy (transitional risks) and the risks to our workforce, resources, infrastructure, and assets (physical risks).

The assessment covers all activities within our value chain. We continue to evolve our processes to further deepen our analysis of both upstream and downstream risks over time.

Snowy Hydro's cross-functional climate advisory group supported identifying and assessing climate-related risks during FY26 through consultation workshops and individual interviews across business groups. The CRMP is structured around the following key topics: scope, principles and relevant documents; understanding the context and legislative background; roles and responsibilities; climate risk assessment and scenario analysis, monitoring and reviewing climate risks; reporting and recordkeeping.

Identifying climate-related risks and opportunities

Identifying climate-related risks and opportunities included an initial scan of the vulnerabilities of key assets, systems and consumer markets, focusing on organisational structure, processes, previously identified risks, and government policy and legislation.

Identifying historical climate risks and hazards builds on the initial context scan by developing a deeper understanding of the historical relationships between short-term weather events such as heatwaves, bushfires and extreme rainfall and longer-term climate trends, and their impacts on generation or retail performance. This included events that occurred over the past few years, as well as ongoing impacts and hazards that are well known and documented.

In addition, emerging and future risks from external research and benchmarking were presented to the CAG for consideration. This process involved workshops, individual consultations and surveys to enable the CAG, as risk owners, to identify, recognise, and describe risks or opportunities that could prevent or help achieve Snowy Hydro's objectives.

Climate-related risks are typically made up of two primary types across our value chain: physical and transitional.

Physical risks are associated with the direct impacts of climate change, and they can be characterised as:

- Acute: risks from changes in the frequency and severity of extreme events, such as increased incidence of heat stress during heatwaves.
- Chronic: risks from longer-term, more gradual changes in climate, such as changes in average rainfall contributing to water scarcity.

Transitional risks arise from extensive policy, legal, technology and market changes aimed at addressing the mitigation and adaptation requirements related to climate change and the transition to a low-carbon economy in Australia. The primary outcome is a 'long list' of physical and transitional climate-related risks and opportunities, to be taken to the next step.

Assessing climate risks and opportunities

The following steps included screening, classifying and assessing previously identified climate-related risks and opportunities using a common methodology. Each risk was assessed using the risk rating criteria for consequences and likelihood outlined in the RMF to ensure a consistent evaluation. This enabled risks to be compared across areas, facilitated risk aggregation and built a common understanding of the meaning of Low, Medium, High, and Extreme risks and opportunities across the organisation. This approach is detailed further in the 'Strategy' section, under 'Assessment of climate resilience and vulnerability'.

Specifically, each CAG member received a survey and was asked to assess each risk or opportunity based on their expertise. Each CAG expert provided their qualitative feedback on a range of criteria, including value chain stage, consequences and likelihood as per the RMF and time horizons.

Climate-related scenario analysis

Once climate-related risks and opportunities were assessed, they were prioritised in consultation with the CAG and presented to the ELT for endorsement before proceeding to scenario analysis. Climate scenario analysis was used to evaluate Snowy Hydro's vulnerabilities and opportunities across a range of plausible climate futures, enabling us to estimate anticipated financial impacts. Further details are provided in the Strategy section of this Sustainability Report.

The impact of climate-related risks and opportunities has been considered across short, medium and long-term time horizons. The table below shows these time horizons and their relationship to the strategic planning process.

Table 1: Time horizons for climate-related risks and opportunities

Time horizon	Period	Rationale
Short-term	Up to 2030	Aligns with our Corporate Plan.
Medium-term	Up to 2035 for transitional	For transitional risks and opportunities, this aligns with state and federal government interim emissions targets, aligned with our Corporate Plan. It also includes our near-term greenhouse gas emissions target to be achieved by FY33.
	Up to 2050 for physical	The timeframe considered for physical risks is through to 2050, due to our generation assets' useful life.
Long-term	Up to 2050 for transitional	For transitional risks and opportunities, this aligns with the Australian Government's commitment to achieve Net Zero Emissions by 2050. It also includes our long-term greenhouse gas emissions ambition to be achieved by FY50.
	Up to 2100 for physical	The length of time considered for physical risks is through to 2100 as the 'long-term' time horizon, due to our generation assets' useful life.

Frequency of assessment and monitoring

Climate-related risks and opportunities were identified and assessed in accordance with the AASB S2 requirements for this Sustainability Report in FY26. They were presented to the ELT in September 2025, and once incorporated into the Sustainability Report, to the BSOERC and to the BACC. Climate-related risks and opportunities will be formally reviewed annually and included in the Sustainability Report, presented to the ELT and Board.

Beyond this annual cycle, out-of-cycle reviews may be prompted by material changes to Snowy Hydro's business model or strategy, shifts in regulatory policy, or advancements in climate science and technology that alter our understanding of physical or transition risks. These out-of-cycle reviews have not occurred in FY26.

Climate risk management is also embedded within many of our routine business activities. Ongoing management and monitoring of climate-related risks and opportunities takes place across various business groups and specialised teams as part of their operational responsibilities.

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Integration with enterprise risk management approach

Snowy Hydro's enterprise RMF recommends that risk management practices be tailored to the requirements and level of risk being managed, with materially significant risks (such as climate-related risks) warranting more rigorous risk management practices. Snowy Hydro management has developed a CRMP in FY26 that sits under the RMF and supports business and risk management practices tailored to AASB S2 requirements.

The CRMP requires assessment, monitoring, review and assurance activities to align with the specific needs of the risks involved. It also caters for the cadence of specific governance review and assurance requirements to ensure the Board, the BSOERC and the BACC are kept informed of the status of all principal risks, including climate-related risks.

Snowy Hydro's risk hierarchy, described in the enterprise RMF, enables consistent and comprehensive identification of risk across the organisation, risk aggregation and disaggregation, and streamlines risk reporting. This creates a parent and child relationship where higher-level enterprise or strategic risks are cascaded into lower-level operational risks, and vice versa. Broadly, it reflects the organisational structure.

Figure 1: Snowy Hydro Risk Hierarchy

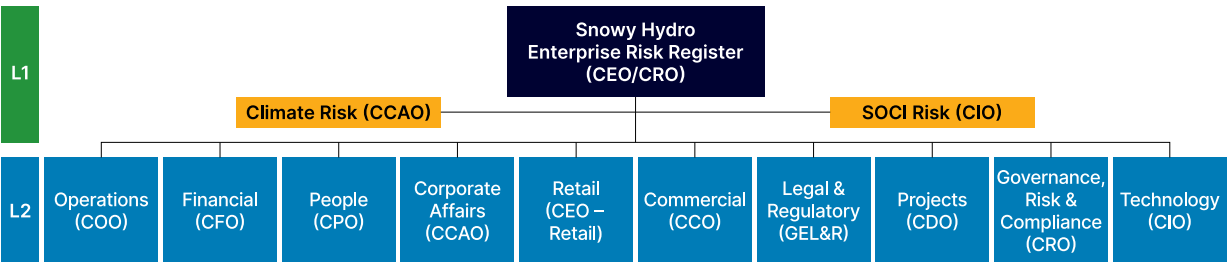


Figure 2: Snowy Hydro Risk Management Framework



Strategy

'The objective of climate-related financial disclosures on strategy is to enable users of general-purpose financial reports to understand an entity's strategy for managing climate-related risks and opportunities.'

Climate scenario analysis process

Our climate scenario analysis for FY26 uses a structured two-phase process to assess resilience and strategic climate impacts. In Phase 1, as outlined in the Risk Assessment section, we identified and prioritised risks in accordance with our RMF. This involved Australian standards, peer benchmarking, and stakeholder input and surveys through a cross-functional working group to generate a first-pass screening of potential climate-related risks and opportunities (CRROs).

These CRROs were subjected to a materiality assessment in which information was considered material if omitting, misstating, or obscuring it could reasonably be expected to influence decisions that primary users of general-purpose financial reports make on the basis of those reports. This assessment identified CRROs for detailed analysis in Phase 2. In FY26, nine CRROs were endorsed by the ELT for the next phase.

In Phase 2, we applied quantitative modelling to prioritise material risks across mandatory temperature pathways: a low-warming transition-focused scenario and a high-warming physical-stress scenario, as further described below. We aligned with AEMO ISP frameworks for transition risks and with IPCC datasets for physical hazards, identifying key climate variables such as fire index days and extreme precipitation and linking them to financial indicators. The calculated financial impacts of the CRROs were then assessed against our RMF to determine the risk rating that would apply. In communicating the financial impact in this report, we have used the 'Consequences' financial range for that risk rating (recurring and or one-off project if required) to align the financial risk with our RMF. This process quantified potential impacts on our business model and value chain across short, medium, and long-term horizons.

Our value chain boundary for our FY26 scenario analysis included:

- Upstream: resource inputs including water availability for the Snowy Scheme, gas fuels and renewable Power Purchase Agreements (PPAs).
- Operations: direct generation, trading and retail activities, alongside employee health and safety across all physical asset locations.
- Downstream: distribution networks, critical transmission infrastructure and the Residential and C&I customer base.

This defined boundary ensured that all reasonable and supportable information was used to identify concentrated climate-related risks in our analysis. As we continue to evolve our processes, we will further deepen our analysis of our supply chain.

The outcomes of Phase 2 were reviewed by the Climate Working Group and the responsible executive. As part of our governance process, the ELT and Board have endorsed these outcomes.

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Overview of climate scenarios

To comply with the requirements for a climate resilience assessment, we assessed our climate impacts using the required two climate-related scenarios with temperature ranges as specified in the *Climate Change Act 2022*.

- The 'Low-warming' scenario aligns with a 1.5°C increase in global average temperature above pre-industrial levels and focuses on rapid near-term decarbonisation.
- The 'High-warming' scenario refers to an increase in global average temperatures well above 2°C above pre-industrial levels, specifically 2.5°C or higher, which is intended to reflect more pronounced climate impacts over the medium to long term.

Together, these scenarios provide the necessary insight into our climate resilience and material financial risks and opportunities under both high-end transition risk and high-end physical risk.

Table 2: Our climate scenarios

Our Climate Scenarios	Low-warming scenario Global temperature increases are limited to 1.5 degrees by 2100	High-warming scenario Global temperature increases reach 2.6 degrees by 2100
Reference scenarios for transitional risks	AEMO ISP 2024 Green Energy Exports scenario	AEMO ISP 2024 Progressive Change scenario
Reference data for physical risks	IPCC SSP1-1.9 and 1.5°C world scenario ¹	IPCC SSP2-4.5 and SSP5-8.5 ²

Material climate-related risk and opportunities

The table below describes the CRROs that could reasonably be expected to affect our financial position. We have identified these effects across short, medium, and long-term time horizons, which align with the strategic planning horizons used for our internal decision-making, as described in the Risk Management section. These risks (categorised as physical or transitional) and opportunities were identified using all reasonable and supportable information available without undue cost or effort at the reporting date.

In addition, we have applied climate scenario analysis to these CRROs to better quantify the possible or likely financial impact on the organisation, as outlined on the following pages. This assessment informs our understanding of the current and anticipated effects on our business model and value chain, as well as on our broader strategy. These disclosures constitute forward-looking climate information. While they are based on reasonable grounds and reflect our assessment as of FY26, the inherent measurement uncertainty in future climate pathways means actual results may differ from these projections.

Climate considerations are central to many areas of Snowy Hydro's operations and strategy. In FY26, our climate scenario analysis matured to align with AASB S2, as a targeted workstream using a dedicated cross-functional team. This analysis was not fully integrated into all areas of strategy development in FY26. Our focus for FY27 will be to further integrate climate scenario analysis into strategic planning.

1 Due to limited availability of regional climate data at the time of this assessment, SSP1-1.9 (1.5°C) was assessed qualitatively; a '1.5°C World Scenario' was established for quantitative analysis, based on data from SSP1-2.6 scenario in 2030 (where temperatures do not exceed 1.5°C), representing a pathway that supports the goal of limiting warming to 1.5°C by 2100.

2 Although the focus of the analysis for the high-warming scenario was to limit global temperatures to 2.6°C by 2100, SSP5-8.5 was used to stress test increases beyond that, up to 4.0°C for physical risks. Overall rating for each CRRO is a combination of 'consequences' and 'likelihood' as detailed in the "Assessment of climate resilience and vulnerability" section.

Table 3: Material climate-related risk and opportunities

Type of CRRO ³	Description	Rating over time horizons		
		Short-Term	Medium-Term	Long-Term
Transitional risk	Delayed transmission infrastructure and grid congestion: possible delays in the delivery of transmission infrastructure projects needed to support the transition to a lower carbon economy, combined with increased grid congestion in key Renewable Energy Zones (REZs) will limit Snowy 2.0 output and curtail PPA generation, potentially reducing revenue.	 HIGH up to 2030	 HIGH up to 2035	 NOT RATED up to 2050
	Regulatory and policy changes related to a lower carbon economy: proposed state-based emission requirements could create compliance risks and require investments in emissions reduction measures. In addition, market investment policies could suppress wholesale energy prices by enabling rapid competitor entry into firming markets, potentially negatively impacting revenue and/or profits, depending on the climate scenario.	 MEDIUM up to 2030	 MEDIUM up to 2035	 MEDIUM up to 2050
	Evolving customer behaviour and market signals: rapid uptake of consumer energy resources (CER) and energy efficiency among commercial, industrial and residential customers may affect traditional grid-supplied electricity and gas demand, reducing revenue if business models remain unchanged.	 HIGH up to 2030	 HIGH up to 2035	 NOT RATED up to 2050
Opportunity	Enhanced competitive advantage through firming: the rapid increase in variable renewable energy (VRE) generation and the progressive retirement of coal-fired baseload generation create a sustained opportunity to enhance revenue from our dispatchable and storage portfolio by providing firming services and expanding firming and capacity contracts.	 HIGH up to 2030	 HIGH up to 2035	 HIGH up to 2050
	Expansion into emerging markets: growth in consumer energy resources (CER), large-scale renewable generation, and virtual power plants (VPPs) presents material opportunities to expand into new markets and grow revenue through customer orchestration and VPP services.	 HIGH up to 2030	 HIGH up to 2035	 HIGH up to 2050
Physical risk	Hydrology and water stress: changes in precipitation patterns and warming temperatures driven by climate change may materially reduce inflows to Snowy Hydro's catchments, leading to lower water storage levels and reduced hydroelectricity generation over time.	 HIGH up to 2030	 HIGH up to 2050	 HIGH up to 2100
	Flooding and extreme precipitation: increase in the intensity of short-duration, high-impact rainfall events with potential to cause structural damage to assets and increase dam safety compliance concerns. Generation loss due to high tailwater and turbidity-driven maintenance may occur, and safety risks may be present to personnel operating in high-exposure environments.	 MEDIUM up to 2030	 MEDIUM up to 2050	 MEDIUM up to 2100
	Extreme heat and heatwaves: extreme heatwaves driven by an increase in ambient air temperature and increased frequency of days above critical thresholds, impacting the derating of thermal assets, transmission line capacity, degradation of thermal plant and equipment and impacting the safety and productivity of our people.	 HIGH up to 2030	 HIGH up to 2050	 HIGH up to 2100
	Bushfires: bushfires can cause loss of electricity generation, transmission outages and direct damage to generation assets and surrounding townships. Secondary impacts include reservoir contamination with increased sediments and debris, and higher insurance and remediation costs.	 MEDIUM up to 2030	 MEDIUM up to 2050	 HIGH up to 2100

³ All risks assessed should be considered residual risks, except 'Hydrology and water stress' where inherent risk is presented. Overall rating for each CRRO is a combination of 'consequences' and 'likelihood' as detailed in the 'Assessment of climate resilience and vulnerability' section.

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Assessment of climate resilience and vulnerability

Snowy Hydro's assessment of its climate resilience and vulnerability as of the reporting date is detailed throughout the Strategy and Risk Management sections of this report. This assessment integrates the results of our quantitative modelling and qualitative assessments to evaluate how our business model and strategy withstand plausible climate futures:

- **Implications for strategy and business model:** Our assessment indicates that while our core role as a firming provider is reinforced in most transition scenarios, we would benefit from the decentralisation of our assets. Key strategic responses include delivering Snowy 2.0 to provide deep storage, ongoing investment in renewable Power Purchase Agreements (PPAs) across various areas and implementing a new core Retail platform to support 'prosumers' and other orchestration.
- **Significant areas of uncertainty:** The primary uncertainties considered include the actual pace of the National Electricity Market (NEM) decarbonisation, the timing of coal-fired generation retirement, and the inherent measurement uncertainty in long-term future climate pathways such as AEMO's and the IPCC's assessments.
- **Capacity to adjust or adapt:** our capacity to adapt is supported by our focus on enhancing financial resilience to sustain growth and our prudent management of assets. We are undertaking a significant capital program to maintain, upgrade and refurbish aging gas and hydroelectric assets, extending their operational lives to meet changing market demands.

Our assessment of vulnerability identifies the assets and business activities most susceptible to financial and operational impact from CRROs. This assessment is based on our current analysis of exposure (where physical hazards or transition drivers occur) and resilience (our capacity to adapt to avoid a financial impact), using reasonable and supportable information available as of the reporting date.

For each material climate-related risk, we disclose the total amount (expressed as a range in AUD \$ millions) and the percentage of our total assets or business activities considered vulnerable to or aligned with climate-related drivers:

- **Climate-related transition risks:** vulnerability is expressed as the total monetary amount (\$ millions) and percentage (%) of our current asset base, revenue, or contracted capacity directly susceptible to transition drivers.
- **Climate-related physical risks:** vulnerability is determined by the total monetary amount (\$ millions) and percentage (%) of our assets exposed to physical hazards (acute and chronic) where localised resilience measures may not fully absorb financial impacts.
- **Climate-related opportunities:** alignment is expressed as the total monetary amount (\$ millions) and percentage (%) of our own business activities or assets aligned with these opportunities, as compared to market share.

For each CRRO, the specific time horizons, methodologies, underlying assumptions, and metric definitions used to quantify these potential impacts are detailed in the sections that follow (see 'Methods and assumptions', 'Scenario analysis', 'Current impacts' and 'Anticipated impacts').

Current and anticipated impacts from CRROs have been estimated and disclosed as impact ranges to financial position, financial performance and cash flows using the Group's RMF consequence ratings as reference.

Table 4: Consequence ratings

Impact range based on RMF consequences ratings	Recurring annual impact
Minor (risks and opportunities)	< \$1million
Moderate (risks and opportunities)	\$1 million to \$5 million
Major (risks and opportunities)	\$5 million to \$20 million
Severe (risks), Substantial (opportunities)	\$20 million to \$100 million
Catastrophic (risks), Critical (opportunities)	> \$100 million

In addition, the Group has estimated the likelihood of CRROs becoming material across specific time horizons (short, medium and long-term) using the Group's RMF 'likelihood ratings' as reference.

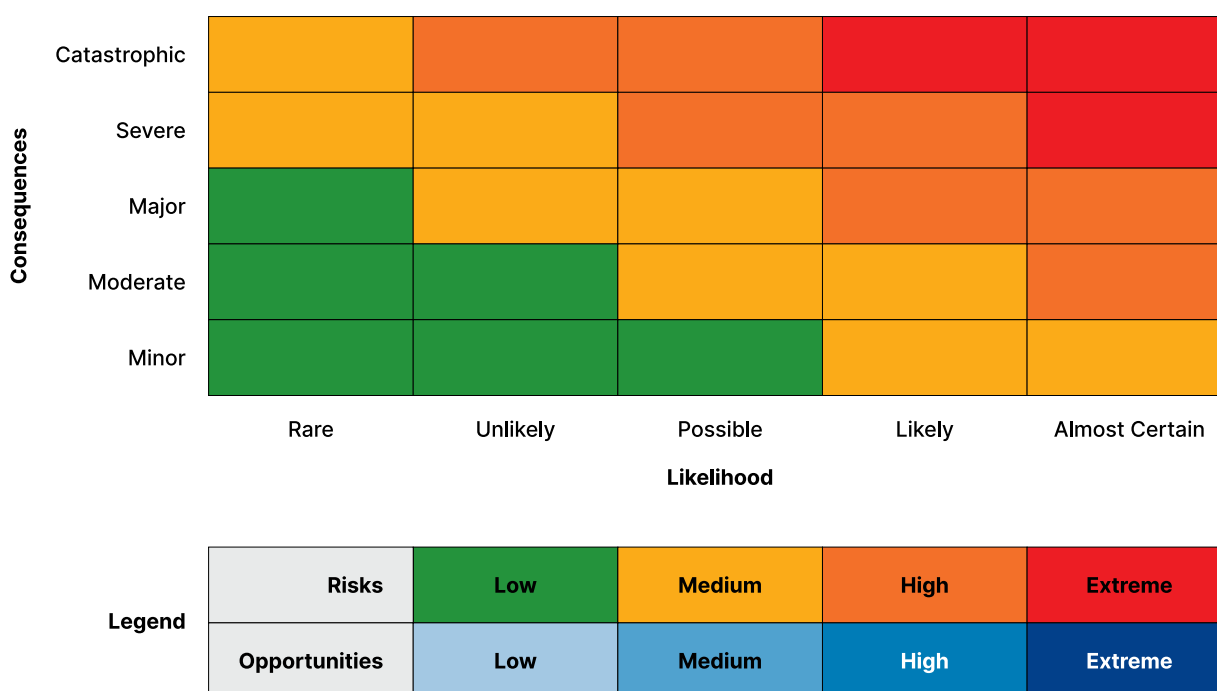
Table 5: Likelihood ratings

Likelihood	Rare	Unlikely	Possible	Likely	Almost Certain
Probability	0% – 10%	10% – 30%	30% – 60%	60% – 80%	80% – 100%
Frequency	Every 10+ years	Every 5–10 years	Every 2–5 years	Every 1–2 years	Multiple times per year

The combination of 'consequence' and 'likelihood' determines the overall risk or opportunity rating of **Low**, **Medium**, **High** or **Extreme**, as per the Group's RMF. For the purposes of the CRROs, the overall 'not rated' is determined when either the 'consequence' or 'likelihood' cannot be estimated for a particular risk or opportunity.

For instance, if the CRRO consequence rating is assessed as 'Major' and the likelihood rating is assessed as 'Likely' within the 'short-term' time horizon, the combined overall rating is determined to be 'High' for that time period. This approach is applied to both risks and opportunities and is based on internationally recognised principles, in accordance with AS ISO 31000:2018 Risk management – Guidelines, as previously described in the 'Risk Management' section and illustrated by the heat map below.

Figure 3: Rating heat map and legend⁴



⁴ The overall risk ranking for both risks and opportunities shares the same Low to Extreme rating scale (Likelihood × Consequence). Risks follow the heat map colours in Figure 3, while opportunities use blue shading for visual separation, with both maintaining the same rating scale.

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Climate-related transition risks

Delayed transmission infrastructure and grid congestion

Possible delays in the delivery of transmission infrastructure projects needed to support the transition to a low carbon economy, combined with increased grid congestion in key Renewable Energy Zones (REZs) will limit Snowy 2.0 output and curtail PPA generation, potentially reducing revenue.

Methods and assumptions Snowy 2.0 Potential transmission delays were stress tested using predicted net annual revenue to estimate financial exposure. The calculation method assumes a revenue dependency on transmission availability for both Humelink and VNI West. Power Purchase Agreements (PPAs) Incremental risk of curtailment beyond baseline levels accounted for in the Corporate Plan, comparing a low-warming climate scenario and a high-warming climate scenario across each time horizon, using: • a calculation of a network stress index to identify higher risk zones of curtailment; and • AEMO's transmission congestion and economic spill curtailment percentage, to define maximum curtailment levels. The financial impact was calculated based on potential volume loss (MWh) against the spread between wholesale market prices and PPA strike prices across different time horizons.	Current impacts No material financial impacts in FY26. Scenario analysis Snowy 2.0 relies on access to transmission capacity to realise its full value. It was estimated that delayed access to such infrastructure would have a significant financial impact, considering either climate scenario. In addition, our PPA portfolio may face a structural gap if projected generation exceeds transmission capacity, due to delays in transmission infrastructure. Under the low-warming scenario (Green Energy Export scenario), approximately 4% to 7% of contracted capacity may be affected. This is likely to materialise by 2030, given the pace of the transition, as planned transmission capacity is built out by 2035 to support the additional renewables on the grid. Under the high-warming scenario (Progressive change scenario), transmission congestion risks are reduced by the buffer created by the slower uptake of renewable electricity. In this scenario, bottlenecks may re-emerge in the medium-to-long term, estimated at a 3% increase in volume-at-risk projected from 2035. The Group is currently unable to quantify the financial impacts beyond 2035, as the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful. It is likely that any risks caused by delayed transmission projects will have been minimised by then as transmission projects achieve completion over the next decade.
Anticipated impacts An aggregate of potential transmission infrastructure delays impacting Snowy 2.0, alongside broader infrastructure delays that increase network congestion at REZs, potentially affecting financial position, financial performance and cash flows. Financial impact range The Group estimates the impact on annual revenue and operating cash flow to be Severe over the short- and medium-term, with potential impacts at the higher end of the range under the low-warming scenario where renewables enter the grid more quickly and exacerbate transmission congestion. Potential impacts on financial assets and financial liabilities have not been separately quantified due to uncertainty in the duration of transmission constraints, curtailment levels and market price outcomes. The Group is currently unable to reliably estimate financial impact consequences over the long-term to 2050 as the level of measurement uncertainty involved in estimating those effects is so high due to the rapidly changing dynamics of energy markets, that the resulting quantitative information would not be useful. However, qualitative impact trends are discussed in the 'Scenario Analysis' section. Likelihood and time horizons Time horizon over which the risk becomes material: Possible over the short- and medium-term; Unlikely over the long-term. Short-term (up to 2030): HIGH RISK Medium-term (up to 2035): HIGH RISK Long-term (up to 2050): NOT RATED	Management response • Closely monitor the construction progress of Humelink and VNI West to ensure any delays are communicated early to support Snowy 2.0 operational planning. The Group will also monitor the progress of Sydney Ring South (SRS), a major proposed transmission project designed to strengthen electricity supply to Sydney, Newcastle, and Wollongong. AEMO is currently consulting on the project's path forward, with submissions closing in August 2026. SRS was not modelled under ISP 2024, but it is likely to be included in ISP 2026. • Factor network constraints and REZ transmission capacity into new PPA investment decisions, alongside price, counterparty financial standing, and construction capability.

Climate-related transition risks

Regulatory and policy changes related to a lower carbon economy

Proposed state-based emission requirements could create compliance risks and require investments in emissions reduction measures. In addition, market investment policies could suppress wholesale energy prices by enabling rapid competitor entry into firming markets, potentially negatively impacting revenue and/or profits, depending on the climate scenario.

Methods and assumptions

Potential increase in licensing costs

NSW EPA licensee requirements may change for those facilities that breach 25,000 tonnes of CO₂-e per year (scope 1 and scope 2 emissions). Updated requirements may include mitigation plans, a per-facility emissions limit, and emissions reduction targets.

For assets exceeding this threshold, an emission gap was calculated and multiplied by a representative ACCU price for Scope 1 and LGC/REGO price for Scope 2, to derive an indicated annual compliance cost proxy.

Possible increase in competition

The Capacity Investment Scheme (CIS) and the Electricity Services Entry Mechanism (ESEM) support greater market penetration of dispatchable electricity.

This metric provides an indicative market position for dispatchable electricity and how it may evolve over time in each of the two climate scenarios.

Anticipated impacts

An aggregate of increased licensing and compliance costs, combined with higher capital expenditure for emission-reducing asset upgrades, potentially impacting financial position, financial performance and cash flows.

Financial impact range

The Group estimates the impact on annual expenses and cash flow to be **Major** over the short-, medium-, and long-term, with potential impacts at the lower end of the range under the low-warming scenario where coal exits faster and grid emissions intensity reduces more quickly. Potential impacts on net asset values have not been separately quantified due to the high level of measurement uncertainty in timing, scope and future regulatory requirements.

Likelihood and time horizons

Time horizon over which the risk becomes material: **Possible** over the short-, medium-, and long-term.

Short-term (up to 2030): MEDIUM RISK

Medium-term (up to 2035): MEDIUM RISK

Long-term (up to 2050): MEDIUM RISK

Current impacts

No material financial impacts in FY26.

Scenario analysis

Snowy Hydro facilities that fall within the NSW EPA Proposed *Climate Change Licensee Requirements (July 2025 Consultation Paper)* licensing threshold include: the Snowy Scheme (scope 2), Colongra Power Station (scope 1 and 2), Kurri Kurri Power Station (scope 1 and 2) and Snowy 2.0 (scope 2). This accounts for 52% of total generation assets. Since these requirements are still under consultation and specific emission limits have not been defined, the anticipated impact is estimated to possibly materialise over the medium to long-term. The proposed requirements would increase the cost of compliance and operating these facilities in either climate scenario.

In a low-warming climate scenario (*Green Energy Exports*), a rapid expansion of utility energy storage and coordinated CER storage is likely to materially increase competition in dispatchable electricity. While not impacting revenue, this could result in a decline in Snowy Hydro's dispatchable market share in the medium to long term and a reduction in gas-fired firming by 2050, with utility-scale batteries replacing it in this scenario.

In a high-warming climate scenario (*Progressive change*), delayed coal-fired power plant retirements and slower storage uptake support a different ongoing role for Snowy Hydro, with dispatchable market share rising by 2050 and hydro and gas together contributing approximately half of dispatchable generation, indicating stronger long-term firming demand due to the slower deployment of utility-scale batteries in this scenario.

Under both scenarios, competition for firming increases, however our assets are likely to be fully utilised to meet market needs.

Management response

- Maintain strong relationships and regular communication with regulators, providing feedback and input as required.
- Continue to advocate with government and regulators on the criticality of transmission delivery and reliability.
- Maintaining our current proportional market share in firming.

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Climate-related transition risks

Evolving customer behaviour and market signals

Rapid uptake of consumer energy resources (CER) and energy efficiency among commercial, industrial and residential customers may affect traditional grid-supplied electricity and gas demand, reducing revenue if business models remain unchanged.

Methods and assumptions

Potential C&I eroded sales

Electricity only

- Qualitative assessment of any C&I grid demand erosion under each of the two warming scenarios.
- Review of case study on coordinated battery storage and revenue impact from not offering orchestration capability.

Potential eroded sales from mass-market (residential):

Electricity

CER impact based on Snowy Hydro's Corporate Plan customer, volume and margin forecasts.

Gas

Market loss (\$): revenue loss from declining residential gas demand due to electrification and energy efficiency, based on lost Petajoules and forecast gas prices under two warming scenarios.

Current impacts

No material financial impacts in FY26.

Scenario analysis

In both low and high-warming climate scenarios, CER adoption, electrification, and energy efficiency are likely to reduce grid-supplied electricity and gas demand across the C&I and mass-market (residential) sectors, potentially progressively weakening the traditional retail revenue model.

Grid demand erosion is projected to increase between 2030 and 2050 across both climate scenarios for the C&I sector. While total energy demand is likely to continue growing due to electrification, a larger share of consumption shifts behind the meter, reducing the addressable retail volume. Internal analysis indicates that failure to develop orchestration capability could result in losses of tender margins.

Under the low-warming scenario, grid demand declines substantially by 2050, with the majority of residential demand eroded by CER and energy efficiency. By 2035, a significant share of customers will likely become prosumers, putting substantial retail revenue at risk (approximately 8% to 11%). Under the high-warming scenario, the financial impact may be lower than under the low-warming scenario but will still be material by 2050.

Residential gas demand reduces sharply under both climate scenarios, with demand declining in the long-term under the low-warming scenario and the high-warming scenario.

Anticipated impacts

An aggregate of declining traditional retail electricity and gas revenue, and rising costs to manage demand variability and customer acquisition, potentially impacting financial position, financial performance and cash flows.

Financial impact range

The Group estimates the impact on annual revenue, expenses and operating cash flow to be **Severe** over the short- to medium- term, with impacts at the higher end of the range under the low-warming scenario where renewables grow faster and traditional retail electricity and gas revenue change less quickly. Potential impacts on market receivables and intangible assets have not been separately quantified due to the level of uncertainty in timing, scope and future customer behaviour.

The Group is currently unable to reliably estimate financial impacts over the long-term to 2050 as they extend beyond our ten-year corporate planning horizon, though qualitative impact trends are discussed in the 'Anticipated impacts' section.

Likelihood and time horizons

Time horizon over which the risk becomes material: **Possible** over the short-, medium- and long-term.

Short-term (up to 2030): **HIGH RISK**

Medium-term (up to 2035): **HIGH RISK**

Long-term (up to 2050): **NOT RATED**

Management response

- Continue to support zero-emission products such as GreenPower and TrueGreen, and other emissions-reducing products such as NetZeroMatch and PowerUp Green.
- Develop new service offerings to support the C&I and prosumer market, such as coordinated battery storage services / virtual power plants.
- We are implementing a new Core Retail Platform to deliver new mass-market services and developing a platform to manage Coordinated Battery System assets.
- This risk presents a related opportunity described on the following pages as 'Expansion into emerging markets'.

Climate-related opportunities

Enhanced competitive advantage through firming

The rapid increase in variable renewable energy (VRE) generation and the progressive retirement of coal-fired baseload generation create a sustained opportunity to enhance revenue from our dispatchable and storage portfolio by providing firming services and expanding firming and capacity contracts.

Methods and assumptions

This opportunity was assessed using a scenario-based qualitative market assessment, including the following assumptions:

- Generation mix evolution was assessed using AEMOs ISP-aligned projections under both *Green Energy Exports* and *Progressive change* scenarios.
- Changes in:
 - renewable % of total generation in the NEM
 - coal exit trajectories, and
 - growth in utility storage, pumped hydro energy storage (PHES), and coordinated CER storage was used as an indicator of future price volatility and firming demand

Internal market strategy assumptions were applied:

- Higher VRE penetration increases spot price volatility and contract premium pricing
- Declining coal capacity structurally increases dispatchable capacity value.

Anticipated impacts

An aggregate of increased revenue from generation, price volatility arbitrage and firming contract income as coal-fired generation exits the NEM, potentially impacting financial position, financial performance and cash flows.

Financial impact range

The Group estimates the impact on annual revenue, expenses and operating cash flow to be **Substantial** over the short-, medium- and long-term, with greater upside under the low-warming scenario where coal exits faster and price volatility is higher. Potential impacts on financial assets and financial liabilities have not been separately quantified due to the high uncertainty in timing, scale and market outcomes. Investments in generation and storage assets that support reliability of electricity supply are described in the 'Expected changes to financial position' and 'Capital Deployment' sections.

Likelihood and time horizons

Time horizon over which the risk becomes material:
Likely over the short-, medium- and long-term.

•• Short-term (up to 2030): HIGH OPPORTUNITY

•• Medium-term (up to 2035): HIGH OPPORTUNITY

•• Long-term (up to 2050): HIGH OPPORTUNITY

Current impacts

No material financial impacts in FY26.

Scenario analysis

Under a low-warming scenario (Green Energy Exports), the market share of dispatchable supply from non-hydro and non-gas sources may raise to as much as 77% by 2050, compared to 41% under the high-warming scenario (Progressive change), demonstrating that energy storage is very likely to progressively become the dominant firming mechanism in both low and high-warming scenarios, although at different rates.

As coal exits the energy market and the renewable share exceeds 80% of total generation across both transition scenarios, prices would likely increase due to shifts in demand profiles, possibly elevating the commercial value of Snowy Hydro assets for peak dispatch and contract premium capture. This reinforces Snowy Hydro's strategic position in the NEM as a long-duration and system reliable firming provider, while also increasing the commercial importance of the orchestration of flexible assets and firming-linked contract products.

Under a low-warming scenario, the generation mix is likely to shift rapidly toward renewable energy and storage, materially increasing reliance on firming services. The market share of renewable energy is projected to increase from 41% in 2025 to 85% in 2050. Over the same period, utility storage is modelled to expand substantially, and coordinated CER storage increases nearly 90-fold, fundamentally reshaping how peak supply is met.

Under a high-warming scenario, the transition is more gradual, with near-term volatility but still likely to increase firming demand over time. Renewable energy's market share is predicted to increase from 40% to 81% by 2050, while coal retires at a slower pace, providing partial stability through the medium-term; storage remains a major contributor to future firming even under conservative transition scenarios.

Management response

- Delivery of Snowy 2.0 as deep storage capacity to support growing firming needs.
- Explore investment in new grid-scale storage capacities and durations, shallow (less than four hours), medium (four to 12 hours) and deep (more than 12 hours), to meet growing firming needs and competition.

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Climate-related opportunities

Expansion into emerging markets

Growth in consumer energy resources (CER), large-scale renewable generation, and virtual power plants (VPPs) presents material opportunities to expand into new markets and grow revenue through customer orchestration and VPP services.

Methods and assumptions This opportunity was assessed using a scenario-based qualitative market assessment, including the following assumptions: • AEMO ISP 2025 CER capacity projections for rooftop PV, embedded storage and vehicle-to-grid under Green Energy Exports and Progressive change scenario. • Internal Coordinated Battery System (CBS) business case modelling, based on existing contracted C&I portfolio. • Corporate Plan, retail customer growth and margin assumptions for residential prosumers. • AEMO Virtual Power Plant capacity projections under both transition scenarios. • AEMO renewable capacity and asset cost trajectories to assess long-term PPA and firming market expansion.	Current impacts No material financial impacts in FY26.
Anticipated impacts An aggregate increase in revenue from prosumer services, PPA margins above the spot price, and renewable certificate income, together with related platform investment, customer acquisition and integration costs, could potentially impact financial position, financial performance and cash flows. Financial impact range The Group estimates the impact on annual revenue, expenses, and operating cash flow to be Substantial over the short- to medium-term and Major over the long-term, with greater upside under the low-warming scenario given faster CER market growth. Future investment requirements to fully support these emerging customer offerings have not been separately quantified. These have not been quantified because the level of measurement uncertainty is so great that it would not yield useful information due to uncertainty in market growth and the operating model required to deliver them. However, current investments in generation and storage assets that potentially support emerging markets are described in the 'Expected changes to financial position' and 'Capital Deployment' sections. Likelihood and time horizons Time horizon over which the risk becomes material: Likely over the short-, medium- and long-term. Short-term (up to 2030): HIGH OPPORTUNITY Medium-term (up to 2035): HIGH OPPORTUNITY Long-term (up to 2050): HIGH OPPORTUNITY	Scenario analysis Under a low-warming scenario (Green Energy Exports), total CER market capacity is likely to increase from approximately 45 GW in 2030 to 155 GW by 2050, driven by rapid growth in rooftop PV and energy storage, materially expanding the pool of customer orchestration services. VPP-enabled market capacity is also likely to substantially increase by 2050, representing an approximate 10x expansion over that period. It is projected that more C&I customers will adopt on-site generation and storage, creating an opportunity to manage Coordinated Battery System assets. Residential retail prosumer market share participation may also increase materially by 8% to 11% under the low-warming scenario by 2035. Under a high-warming scenario (Progressive change), CER market capacity may increase from about 38GW in 2030 to approximately 70GW by 2050, while VPP capacity is likely to increase by one-tenth of the capacity when compared to the low-warming scenario. This is likely to result in lower short-term revenue from customer orchestration services relative to the Green Energy Exports scenario. Similarly, the renewable energy build-out may be slower under a high-warming scenario. Management response Explore developing new offerings and services to support the prosumer market and C&I CBS opportunities.

Climate-related physical risks

Hydrology and water stress

Changes in precipitation patterns and warming temperatures driven by climate change may materially reduce inflows to Snowy Hydro's catchments, leading to lower water storage levels and reduced hydroelectricity generation over time.

Methods and assumptions

Background

In the Snowy Scheme, water releases and electricity generation are inseparably linked. While we have a significant responsibility in managing large volumes of water, we do not own the water in the Snowy Scheme. Snowy Hydro has the right to capture, store, divert and release water while generating electricity. While water is essential for our generation of electricity, all water in the Snowy Scheme is owned by those who have an entitlement downstream, such as for irrigation, town water supply or environmental flows.

Precipitation estimates

Precipitation changes modelled for short, medium and long-term across low-warming and high-warming climate scenarios.

Precipitation to inflow conversion

Precipitation changes were converted to Snowy Scheme inflows using runoff amplification (elasticity) factors, reflecting uncertainty in catchment response under hotter and drier conditions.

Inflow to generation

Changes in inflows (GL) were converted to generation (GWh) using Snowy Hydro's water utilisation factor, derived from the long-term average of generation and annual GL releases.

Generation to revenue

Generation changes were tested using electricity price ranges reflecting long-term wholesale price uncertainty. Snowy Hydro's internal CLIF model provides seasonal inflow forecasts that directly inform water release and generation scheduling decisions to optimise revenue under variable inflow conditions. Future climate scenario modelling informs Snowy Hydro's strategic planning and future water resource assessments.

Current impacts

Inflows for FY26 were 2,303 GL, which was 11% lower than the inflows forecast. This represents a negative variance from generation revenue classified as Severe, based on the FY26 Utilised Price (\$/MWh). The Directors' Report provides more details on the overall generation performance.

Scenario analysis

Inflows into Snowy Hydro's catchments and revenue from hydroelectricity are highly sensitive to climate and rainfall variability, and significant year-to-year variability is expected to continue under all climate scenarios. However, cool-season rainfall in the Snowy Mountains has declined over the last 50 years, and climate projections indicate this trend will continue.

Annual average rainfall is projected to decrease significantly in Snowy Hydro's catchments under a high-warming scenario, resulting in declines in average inflows across the short, medium and long term. Under low-warming scenarios, rainfall is expected to decrease by a smaller margin. In this case, inflows decline in the short to medium-term before generally stabilising. The proportion of Snowy Hydro assets classified as exposed is likely to increase materially across the short (64%), medium (87%) and long-term (83%) under the high-warming scenario. Under low-warming scenarios by mid-century, there is likely to be a significant increase (36%), followed by a drop in asset exposure (down to 30%).

Droughts are also expected to intensify, especially in high-warming futures, as a hotter, generally drier climate exacerbates evapotranspiration and water stress. While there is also a projected increase in the intensity of short-duration, high-impact rainfall events (See Flooding and extreme precipitation), overall reductions in average rainfall and runoff are expected in the longer-term across all time horizons.

Anticipated impacts

Change in annual hydro generation (GWh) due to lower inflows, potentially impacting financial position, financial performance and cash flows.

Financial impact range

The Group estimates the impact on annual revenue and cash flow to be **Catastrophic** over the short-, medium- and long-term, with impacts worsening for the high-warming scenario by mid-century. Potential impacts on hydro asset utilisation and property, plant and equipment have not been separately quantified due to high measurement uncertainty in the duration, severity and location of future inflow changes. However, qualitative impact trends are discussed in the 'Scenario Analysis' section.

Likelihood and time horizons

Time horizon over which the risk becomes material: **Possible** over the short-, medium- and long-term.

... Short-term (up to 2030): HIGH RISK

... Medium-term (up to 2050): HIGH RISK

... Long-term (up to 2100): HIGH RISK

Management response

Snowy Hydro's strategic measures reduce our exposure to shifting rainfall patterns associated with climate change.

- Continuing to invest in portfolio diversification, PPA investment, Snowy 2.0 delivery and market firming capability to mitigate future hydrological downside risk.
- Continuing to conduct short-term (<7 days) seasonal hydrological forecasts to support strategy and planning and incorporating long-term climate scenario modelling into hydrology studies.
- Delivering dam safety measures and upgrades to withstand extended drought periods, while also coping with high-intensity storm events.

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Climate-related physical risks

Flooding and extreme precipitation

Increase in the intensity of short-duration, high-impact rainfall events with potential to cause structural damage to assets and increase dam safety compliance concerns. Generation loss due to high tailwater and turbidity-driven maintenance may occur and safety risks may be present to personnel operating in high-exposure environments.

Methods and assumptions

Climate exposure

Climate exposure analysis was conducted using climate projections of extreme daily precipitation (99th percentile) under low and high-warming scenarios.

Snowy Hydro sites were considered materially exposed to flooding and extreme precipitation if they were classified as 'High' or 'Extreme', depending on the potential percentage increase in exposure at each site.

Other considerations

We also considered dam safety assurance requirements, depth-damage curves for flooding, high-tailwater conditions, and health and safety impacts in our assessments.

Current impacts

No material financial impacts in FY26.

Scenario analysis

Across all climate scenarios, there is an increased risk of short-duration extreme rainfall events and flooding, despite a decline in average rainfall overall. Exposure analysis of the asset portfolio, excluding PPAs, indicates that there are no material changes in our exposure in the short-term compared to baseline; however, significant changes emerge mid-century. The share of highly exposed assets reaches 3% by 2050 and remains stable through 2100 under both climate scenarios.

Despite these relatively low portfolio-wide percentages, specific sites like Blowering, Talbingo, Jounama and Tumut 3 are identified as exposed to extreme precipitation and a greater likelihood of Probable Maximum Flood exceedance.

These extreme events may also create 'high tailwater' conditions that reduce the effective head of dams, lowering generation output or forcing turbine shutdowns to prevent damage. In addition, flooding mobilises sediment and debris, increasing water turbidity and introducing abrasive particles that accelerate asset wear and maintenance requirements. Intense rainfall also poses safety risks, as landslides in mountainous terrain can create safety hazards and restrict access to remote areas, disrupting operations.

Anticipated impacts

An aggregate of reduced generation, asset repair costs and dam safety capital expenditure required to strengthen assets against flooding and extreme precipitation, potentially impacting financial position, financial performance and cash flows.

Financial impact range

The Group estimates the impact on annual revenue, expenses, cash flow and property, plant and equipment to be **Severe** over the short-, medium- and long-term, with impacts at the higher end of the range for the high-warming scenario. Potential impacts for asset carrying values, useful lives and generation availability have not been separately quantified, due to the high measurement uncertainty in the severity, location and duration of future flood events. However, qualitative impact trends are discussed in the 'Scenario Analysis' section.

Likelihood and time horizons

Time horizon over which the risk becomes material:
Unlikely over the short-, medium- and long-term.

•• Short-term (up to 2030): MEDIUM RISK

•• Medium-term (up to 2050): MEDIUM RISK

•• Long-term (up to 2100): MEDIUM RISK

Management response

- Conduct dam flood risk analysis to ensure dam safety integrity is maintained.
- Invest in dam infrastructure upgrades (increase spillway capacity, structural strengthening, additional instrumentation and monitoring systems).
- Implement safety access limitation plans during heavy rain to prevent access to remote areas subject to landslides.

Climate-related physical risks

Extreme heat and heatwaves

Extreme heatwaves driven by an increase in ambient air temperature and increased frequency of days above critical thresholds, impacting the derating of thermal assets, transmission line capacity, degradation of thermal plant and equipment and impacting the safety and productivity of our people.

Methods and assumptions

Climate exposure analysis was completed using projections of 'annual number of days above 35 degrees' and 'the annual mean daily maximum temperature', under low and high-warming scenarios.

Snowy Hydro sites were considered materially exposed to extreme heat if they were classified as 'High' or 'Extreme', depending on the potential increase in exposure at each site.

Thermal asset derating

Daily costs were estimated using thermal derating, assuming a specified number of consecutive heat hours and spot prices above a defined threshold.

Transmission line derating

Reduced capacity under elevated ambient temperature was estimated using the Electricity Sector Climate Information network temperature response for portfolio-wide generation curtailment, calculated based on average wholesale price.

Current impacts

No material financial impacts in FY26.

Scenario analysis

Across both climate scenarios, Snowy Hydro experiences increased extreme heat exposure, as measured by the rising number of days above 35 degrees Celsius and progressively higher maximum daily temperatures. Under a low-warming scenario, the frequency of hot days >35C increases materially by 2030 (13% of our generation portfolio assets are exposed) and then stabilises in the middle and long-term, indicating persistent baseline risk.

Under the high-warming scenario the frequency of hot days could increase several-fold, with maximum daily temperature rising by an average of 5 degrees Celsius across the portfolio by 2100. This creates a permanent shift in operating conditions, with nearly one-third of the portfolio (30% exposure) at risk of extreme heat, resulting in more frequent system-wide stress on generation, dispatch and workforce safety.

Anticipated impacts

An aggregate opportunity cost from heat-induced derating of thermal assets and electricity transmission networks, as well as increased compliance and maintenance costs and capital expenditure, potentially impacting financial position, financial performance and cash flows.

Financial impact range

The Group estimates the impact on annual revenue, expenses, cash flows and property, plant and equipment to be **Severe** over the short-, medium-, and long-term, with impacts at the higher end of the range for the high-warming scenario. Quantified potential impacts include heat-related derating of thermal generation assets, however, other potential impacts on asset performance have not been separately quantified due to the high measurement uncertainty in future extreme conditions. However, qualitative impact trends are discussed in the 'Scenario Analysis' section.

Likelihood and time horizons

Time horizon over which the risk becomes material:
Likely over the short-, medium- and long-term.

... Short-term (up to 2030): HIGH RISK

... Medium-term (up to 2050): HIGH RISK

... Long-term (up to 2100): HIGH RISK

Management response

- Implement strategic dispatch planning to mitigate the impact of demand profile changes and price volatility during high-heat conditions.
- Identify vulnerabilities in cooling water availability and discharge limits during extreme heat events.
- Continue operating control rooms and assets in air-conditioned facilities to maintain the health and safety of our workforce.

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Climate-related physical risks

Bushfire

Bushfires can cause loss of electricity generation, transmission outages and direct damage to generation assets and surrounding townships. Secondary impacts include reservoir contamination with increased sediments and debris, and higher insurance and remediation costs.

Methods and assumptions

Bushfire exposure was assessed at a site level using projections of the Forest Fire Danger Index (FFDI) as an indicator of potential fire danger.

Each site was assigned one of four categories: Low, Medium, High and Extreme bushfire exposure based on the FFDI. Portfolio exposure was summarised as the percentage of sites classified as 'High' or 'Extreme' under each climate scenario and time horizon.

Direct bushfire damage to physical assets

Bushfire probability and damage curves were applied to Snowy Hydro's insured asset values (reinstatement costs) for each scenario and time horizon.

Post-bushfire clean-up and reservoir remediation

Historical remediation costs from FY20 were used as a proxy for future event-level cleanup costs and treated as a qualitative cost range for each major bushfire event, linked to increasing fire frequency and severity across scenarios and time horizons.

Transmission disconnection and loss of generation

A liquidity review model was used as an upper bound for revenue at risk from a catastrophic event in which generation is unavailable and prices are extreme, directly relevant to large bushfires that cause extended loss of hydro dispatch and/or transmission constraints.

Anticipated impacts

An aggregate of asset repair costs, reduced generation, and revenue loss due to constrained access to transmission lines, potentially impacting financial position, financial performance and cash flows.

Financial impact range

The Group estimates the impact on annual revenue, expenses, and operating cash flow to be **Severe** over the short-, medium- and long-term, with impacts at the higher end of the range for the high-warming scenario. A major bushfire event could also result in a potential one-off impact on net assets in the range of \$20m to \$100m depending on damages incurred to assets. Any impact on asset carrying values would depend on the nature, severity and location of the event and has not been separately quantified due to the high level of measurement uncertainty. However, qualitative impact trends are discussed in the 'Scenario Analysis' section.

Likelihood and time horizons

Time horizon over which the risk becomes material:
Unlikely over the short- and medium-term.
Possible over the long-term.

•• Short-term (up to 2030): MEDIUM RISK

•• Medium-term (up to 2050): MEDIUM RISK

••• Long-term (up to 2100): HIGH RISK

Current impacts

No material financial impacts in FY26.

Scenario analysis

Under a low-warming scenario, exposure remains at 40% of all assets across the three time periods, indicating a persistence of current bushfire risk to Snowy Hydro's assets and access to transmission.

Under the high-warming scenario, the average number of days with a 'High' FFDI is projected to rise substantially. By 2030, 43% of all assets are highly exposed, and by the late century, almost the entire asset base (96%) is classified as highly exposed to bushfire, significantly increasing the risk of Snowy's generating assets being separated from the grid.

Management response

- Bushfire management through a dedicated role to manage disaster events and plan mitigation measures, especially for bushfires.
- Undertake vegetation maintenance in designated asset protection zones around key Snowy Hydro infrastructure.
- Continue to review and refine additional safety protocols and measures to ensure employee safety and minimise asset damage.

Anticipated financial effects

Snowy Hydro has assessed the anticipated effects of climate-related risks and opportunities on its **financial position, performance, and cash flows** over the short-, medium- and long-term across the required climate scenarios, as described in the previous sections of this report.

Our assessment indicates that our current Corporate Plan remains resilient and is not significantly adversely impacted by these climate findings in FY26. The core of our financial planning is inherently aligned with Australia's energy transition, making climate-related risks and opportunities management essential to our financial projections and strategic objectives

Expected changes to financial position

Considering the climate-related risks and opportunities identified in FY26 and our strategic focus on the energy transition, we do not anticipate changes to our financial position outside of our existing long-range estimates. However, we will continue to actively manage our financial position including the useful lives of our assets and plan maintenance and refurbishment in accordance with our Corporate Plan.

Our investment position is primarily guided by a large-scale capital program designed to support energy reliability and the transition to renewables. This includes:

- Snowy 2.0: a major pumped-hydro expansion providing 2,200 MW of capacity and 350 GWh of long-duration storage.
- Kurri Kurri Power Station: finalising the commissioning of a 660 MW on-demand gas-fired generator to back up variable renewable energy.
- Asset maintenance: significant refurbishment of existing assets, such as the Valley Power gas station and major overhauls at Laverton and Colongra, to mitigate fatigue from more frequent cycling required by a volatile energy market.
- Asset upgrades to our existing hydroelectric infrastructure to reduce safety risk to 'so far as is reasonably practicable', therefore increasing the resilience of our dam infrastructure.
- Energy storage: two recent investments into Battery Energy Storage Systems (BESS) in Victoria, a 15-year agreement for 105 MW from the Golden Plains Battery (TagEnergy) and another 15-year agreement for 220 MW from the Elaine Battery (Akaysha Energy).
- Investment in renewables: over 1,980 MW of wind and solar capacity under long-term Power Purchase Agreements (PPAs).
- Core Retail Platform: investing in a new core retail platform to enhance our capability in partnering with the emerging 'prosumers' and C&I customers, who seek to manage their own renewable energy resources, such as rooftop solar, batteries and electric vehicles, and increasingly outsource their management.

We currently have no assets or investments that we are divesting due to climate-related risks.

- Planned sources of funding: we intend to fund these essential investments through a combination of operational cash flows and prudent debt management, ensuring financial resilience to sustain our position in a changing market. Our financial planning assumes the maintenance of our BBB+ credit rating.

Expected changes to financial performance

Snowy Hydro's financial performance is expected to evolve in line with the NEM transition. While we anticipate increased competition for firming services, our unique asset mix of on-demand hydro and gas positions us to provide vital grid firming, supporting revenue and cash flows through peak dispatch and contract premiums.

We anticipate material revenue growth opportunities by entering emerging markets, as described in the Opportunities section of this report, including VPPs and customer orchestration services, as the market shifts toward a decentralised, customer-led system.

The Group reviews and updates these risks annually to account for changes in the external environment and our internal operations. They have been prepared for FY26 on the assumption that our Statement of Expectations remains unchanged and the target BBB+ credit rating is maintained.

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Capital Deployment

During FY26, Snowy Hydro deployed \$3,764.8 million in capital to support its strategic objectives in generation (as part of additions in Note 9 Property, plant and equipment in the Notes to the Consolidated Financial Statements).

Snowy 2.0 construction accounted for \$3,302.0 million of this capital. The remainder included a further \$240.4 million for the completion of the Kurri Kurri Power Station and \$222.4 million for sustaining capital across our existing asset fleet. Our sustaining capital includes major overhaul activities at Laverton and Murray 2 Power Stations, as well as accommodation construction works to support the delivery of future capital works to ensure Snowy Hydro continues to play a significant and valuable role in Australia's renewable energy transition.

In addition, the Group invested over \$1.4 million in its new core retail platform, which will support the retail business unit's capabilities to partner with the emerging 'prosumers' and C&I customers to deliver new services and products (as part of additions in Note 10 Goodwill and other intangibles in the Notes to the Consolidated Financial Statements).

These investments are essential components of our Corporate Plan, which is updated annually to reflect the evolving operating environment.



Metrics and targets

'The objective of climate-related financial disclosures on metrics and targets is to enable users of general-purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.'

Our emissions accounting process

Snowy Hydro has reported greenhouse gas (GHG) emissions data under the National Greenhouse and Energy Reporting (NGER) Scheme since its inception. The NGER Scheme is the single national framework for reporting company information about greenhouse gas emissions, energy production and energy consumption.

The measurement hierarchy for GHG emissions in AASB S2 requires an entity to apply the GHG Protocol: A Corporate Accounting and Reporting Standard (2004) to measure GHG emissions unless an entity is required to apply a different method by a jurisdictional authority or legislation. Since Snowy Hydro is required by Australian legislation to comply with the NGER Scheme for GHG measurement and reporting, Snowy Hydro has not departed from the requirements in AASB S2 by using the methodologies in the NGER Scheme for scope 1 and 2 emissions and applying NGER-prescribed global warming potential values from IPCC AR5 to ensure consistency with statutory reporting.

We have applied the operational control consolidation approach outlined in the requirements for the NGER Scheme to our organisational boundary for GHG emissions reporting. This boundary encompasses all operations owned or controlled by Snowy Hydro and all its subsidiaries. Our emissions boundaries align with our consolidated accounting approach. None of Snowy Hydro's subsidiaries are excluded from the calculations.

GHG Emissions Scopes 1 and 2

Corporations can choose to report market-based scope 2 emissions in addition to mandatory location-based scope 2 emissions when reporting through the NGER Scheme.⁵ Snowy Hydro reports using both methodologies annually. Greenhouse gas emissions generated in the FY26 reporting period are:

Table 4: GHG emissions generated in FY26

GHG Emissions	FY26 tonnes CO ₂ -e	Notes
Scope 1	100,550	NGER Scheme mandatory
Scope 2 (Location-based)	449,424	NGER Scheme mandatory
Total Scope 1 and 2 (location-based)	549,974	NGER Scheme mandatory
Scope 2 (Market-based)	470,176	NGER Scheme voluntary
Scope 2 (Market-based)	462,612	GHG Protocol voluntary

Emissions targets

Target: a planned outcome where the path to success is predictable and largely within our means to influence or control.

Ambition: a goal where the pathway involves greater uncertainty or depends on factors outside our direct influence.

Snowy Hydro has set a near-term target and long-term ambition for its greenhouse gas emissions pathway from FY23 to FY50. Our target and ambition take into account our Corporate Plan and our expansion of the Snowy Scheme with Snowy 2.0. The impact of the decarbonisation of the NEM, as per Australia's Net Zero Plan by the Australian Government and AEMO 2024 Integrated System Plan Step Change Scenario (at the time of writing, the AEMO 2026 ISP had not been finalised) has been applied to the emissions factors for our scope 2 emissions.

Our current and projected emissions profile is dominated by scope 2 emissions from the electricity we use from the grid for the water-pumping component of our hydroelectric operations (over 94% of our emissions). Snowy Hydro is required to move water up and around the Snowy Mountains to manage our water licensing and power generation requirements throughout the Scheme.

⁵ Snowy Hydro does not manufacture semiconductors, liquid crystal display panels, or solar panels where NF3 is typically used; we have therefore determined that our NF3 emissions are zero and immaterial, which is consistent with the AASB Basis for Conclusions documentation.

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Snowy Hydro's emissions pathway and target and ambition can be described as follows:

- **Near-term emissions:** These emissions increase in absolute terms with the commissioning and operation of Snowy 2.0 and its electricity use to pump water (scope 2) and with increased use in gas-fired generation for firming, including the commencement of operations of Kurri Kurri Power Station (scope 1). This is an expected and necessary result of building the large-scale energy firming and storage the NEM requires to integrate vast new amounts of intermittent wind and solar generation, and to enable the resulting net decarbonisation benefit associated with this renewable generation essentially phasing out coal-fired generation. While this will also increase our emissions intensity for generation, with an increased volume of generation coming from pumped hydro and as a result of decarbonisation of the NEM, our generation emissions intensity in the near-term is projected to return back to our FY23 levels. Our near-term target is to maintain our FY23 baseline scope 1 and 2 emissions intensity at 137 grams CO₂-e per kWh generated by FY33.
- **Long-term emissions:** Our long-term emissions trajectory is aligned with the NEM's decarbonisation. As the grid's overall emissions intensity decreases due to the increase in new renewable electricity sources, our calculated scope 2 emissions will decline. Our long-term ambition is to be net zero in FY50 from our FY23 baseline for scope 1 and 2 emissions.

Given the significant change to Snowy Hydro's generation operations that the start of operations of Snowy 2.0 will represent, an initial near-term target based on emissions intensity is seen as the most transparent approach. When we have more information about how the NEM will require Snowy 2.0 to operate, we will likely be in a position to rebaseline our emissions and consider a revised near-term target based on absolute emissions.

Table 5: GHG emissions target and ambition, including interventions and grid decarbonisation as per AEMO ISP 2024 Step Change trajectory

Metric	FY23 baseline	FY33 near-term target	FY50 long-term ambition
Emission intensity (scope 1 and 2 emissions)	Base year (baseline): 137 grams CO ₂ -e per kWh of Net Electricity Sent Out ⁶ (NESO)	Maintain 137 grams CO ₂ -e per kWh of NESO	Net zero
Methodology	[NGER for scope 1 emissions and GHG Protocol market-based accounting for scope 2]/NESO	[Projected Residual Mix Factor for scope 2 (electricity) + projected scope 1 (gas and diesel)]/NESO	Residual grid intensity for scope 2 (electricity) - REGOs + projected scope 1 (gas and diesel) - ACCUs
Alignment	Internal assessment	AEMO ISP 2024 Step Change	AEMO ISP 2024 Step Change

The above figures represent greenhouse gas emissions intensity targets for scope 1 and 2 emissions expressed as grams of carbon dioxide equivalent per kilowatt-hour (gCO₂-e/kWh) of 'Net Electricity Sent Out'. These targets include 100% of the assets and business units under Snowy Hydro's operational control. This boundary encompasses all operations owned or controlled by Snowy Hydro and all its subsidiaries as per our NGER reporting. Our emissions boundaries are aligned with our consolidated accounting approach. None of Snowy Hydro's subsidiaries are left out of the calculations.

Our emissions intensity (scope 1 and 2) for FY26 was 150 gCO₂-e/kWh.

Business-as-Usual (BAU) scenario

Snowy Hydro estimated the scope 1 and 2 emissions intensity profile for our entire operations to FY50. The BAU scenario assumes that the NEM does not further decarbonise and new assets come online as planned. According to this scenario, Snowy Hydro's emissions intensity is expected to increase significantly from 2028 to 2030 and to fluctuate steadily between 2035 and 2050.

⁶ Net Electricity Sent Out (NESO) refers to the total electricity generated by a power station minus the electricity used by the power station itself (auxiliary load or parasitic load)



Emissions reduction interventions

- **Grid decarbonisation:** The ongoing shift in the NEM was modelled by applying the AEMO 2024 Integrated System Plan (ISP) Step Change Scenario decarbonisation pathway. This pathway aligns with Australia's Nationally Determined Contributions (NDCs) under the Paris Agreement. Our primary objective is to enable reliable, secure, affordable, renewable, and firming energy in Australia, and one way we achieve this is through the support of our gas-powered generation. While our target and ambition are informed by sectoral pathways, we cannot strictly follow this guidance, as our quick-start gas-powered generation facilities are necessary to support the stability of the NEM. Our near-term target is expressed as a specific emissions intensity metric (gCO₂-e/kWh). This metric allows us to align our performance monitoring with our operational realities while remaining informed by industry-specific decarbonisation trajectories.

This system-level change is projected to reduce scope 2 emissions intensity associated with grid-supplied electricity by 99.07% by 2050. This calculation assumes that national energy policies and technology deployment continue to align with the AEMO ISP 2024 Step Change trajectory.

Sensitivity to uncertainty: It is noted that the AEMO ISP 2024 Step Change scenario may not be realised. Snowy Hydro will review targets at the relevant review cycles to ensure market trends and projections are accurately reflected.

- **Other interventions:** Snowy Hydro uses renewable electricity in all of its operations except for water pumping needs. Our renewable electricity is provided as follows:
 - Our corporate offices were powered by Snowy Energy's NetZeroMatch product during FY26.
 - Our Australian based retail operations were entirely powered by accredited GreenPower during FY26. In addition, our retail operations address all non-electricity emissions through the Australian Government's Climate Active program and purchased nature-based Australian carbon credit units⁷ for this purpose.

For FY26, 180 tonnes CO₂-e will be offset using Australian carbon credits, which accounted for about 0.18% of Snowy Hydro's total scope 1 emissions impact. The Climate Active certification details for FY26 will be made publicly available once completed.

Various technologies were evaluated for potential implementation to reduce the emissions from our gas-powered generation facilities. None were deemed viable at this point in time, although we will continue to monitor the future potential for fuel switching to biogas/hydrogen and carbon capture and storage technologies.

Snowy Hydro's greenhouse gas emissions targets and the underlying decarbonisation roadmap were developed in-house, guided by the SBTi framework, but have not been formally externally validated by an independent third party.

The long-term net zero ambition will be achieved primarily through NEM decarbonisation, reducing scope 2 emissions from electricity use (primarily Snowy 2.0). Scope 1 emissions will be addressed through tangible decarbonisation actions within our organisation as part of maintaining and improving our assets and operations, and we will continue to monitor emerging technologies and alternative fuels for generation. Australian carbon offsets and other appropriate instruments will be used to remove residual scope 1 and 2 emissions to achieve our FY50 ambition.

Governance and review process

Snowy Hydro has established the following review cycles to ensure our emissions targets remain relevant:

- **Annual performance monitoring:** variance analysis of actual versus projected grid intensity factors and total gross emissions variance.
- **Strategic alignment:** every two years, following the release of the AEMO Integrated System Plan (ISP), we will conduct a formal review of our emissions modelling.
- **Trigger-based reviews:** a review process is triggered if there is a structural change to our business or a material change in the NGER measurement methodologies.

⁷ Further details about the ACCUs used as part of our retail business unit's Climate Active certification can be found on page 12 of the public disclosure statement https://www.climateactive.org.au/sites/default/files/2025-11/Red_Energy_PDS_Parent_Org_%28v9%29_signed%20%281%29.pdf

Reporting suite	Message from Chair and CEO	About Snowy Hydro	Sustainability performance	Directors' Report	Remuneration Report	Corporate Governance	Sustainability Report	Financial Report	Regulatory Report
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Directors' declaration

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

The Company has taken reasonable steps to ensure that the substantive provisions of this Sustainability Report are in accordance with the *Corporations Act 2001* (Cth), including:

- section 296C (compliance with Australian Sustainability Reporting Standard AASB S2 Climate related Disclosures); and
- section 296D (climate statement disclosures).

This declaration is made in accordance with a resolution of the Directors.

Signed in accordance with a resolution of the Directors.



James Cain
Chair
28 September 2026



Dennis Barnes
Managing Director
28 September 2026



INDEPENDENT AUDITOR'S REVIEW REPORT ON SPECIFIED SUSTAINABILITY DISCLOSURES

To the members of Snowy Hydro Limited

Review Conclusion

I have conducted a review of the following specified sustainability disclosures included in the Sustainability Report of Snowy Hydro Limited (the Company) and its controlled entities (the Group) for the year ended 30 June 2026 (the sustainability information) as required by the Australian Standard on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Review of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

I have not become aware of any matter in the course of my review that makes me believe that the following sustainability information does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*, and the Australian Sustainability Reporting Standard AASB S2 *Climate-related disclosures* (AASB S2):

Specified Sustainability Disclosures	Reporting requirement of Australian Sustainability Reporting Standard AASB S2 <i>Climate-related Disclosures</i> (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	The governance Section on pages 85 to 87
Strategy (risks and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Table 3: Material climate-related risk and opportunities on page 93
Scope 1 and 2 (location-based) emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Table 4: GHG emissions generated in FY26 on page 107

Basis for Conclusion

I conducted my review in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Standard on Sustainability Assurance (ASSA) 5000 *General Requirements for Sustainability Assurance Engagements*, issued by the Australian Auditing and Assurance Standards Board. My review includes obtaining limited assurance about whether the sustainability information is free from material misstatement.

In applying the relevant criteria, I note that subsection 296C(1) of the *Corporations Act 2001* includes a requirement to comply with AASB S2.

My conclusion is based on the procedures I have performed and the evidence I have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of work performed* section of my report. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the sustainability information* section of my report.

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I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the relevant ethical requirements for reviews of sustainability information 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) that are relevant to my review of the sustainability information, 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 and the Australian National Audit Office Auditing Standards.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this assurance report.

The Australian National Audit Office applies the Australian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports, or Other Assurance or Related Services Engagements*, which requires the office to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Other information

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 30 June 2026 but does not include the sustainability information and my assurance report thereon.

My review does not extend to the other information, and I do not express any form of assurance conclusion thereon. I have issued a separate opinion on the Financial Report included in the Annual Report.

In connection with my review of the sustainability information, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the sustainability information, my knowledge obtained during the review, or otherwise appears to be materially misstated.

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.

Directors' responsibility for the sustainability information

The directors of the Company are responsible for the preparation of the sustainability information in accordance with the *Corporations Act 2001*, the *Corporations Regulations 2001*, and the Australian Sustainability Reporting Standard and for designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of the sustainability information, in accordance with the *Corporations Act 2001*, *Corporations Regulations 2001*, and the Australian Sustainability Reporting Standard, that is free from material misstatement, whether due to fraud or error.

Inherent limitations in preparing the sustainability information

The sustainability information includes estimates developed using the methods identified in the reporting policies in the sustainability information Presentation and Methodology for which the Australian Sustainability Reporting Standard allows a choice of different methods in its development. The selection of acceptable different methods may result in different quantifications between different entities.

As discussed in the Basis of Preparation to the sustainability information, the sustainability information includes information based on climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts.

Forward-looking information, by its nature, is subject to significant uncertainty. This includes forecasts, projections, and future plans disclosed by the entity. These disclosures become increasingly speculative as the period covered extends further into the future, with uncertainty increasing accordingly. As a result:

- Actual outcomes may differ materially from the forecasted sustainability information due to the inherent unpredictability of future events, which may not occur as anticipated.
- For forecasts presented as a range, actual results may fall outside the stated range, and the variation could be material.
- Forward-looking sustainability information, such as projections or transition plans, is prepared for the specific purpose of compliance with AASB S2 requirements. These are based on assumptions, including hypothetical assumptions about future events and management's intended actions, which may not reflect actual future conditions or outcomes. Users are cautioned not to rely on such information for purposes other than those described.

There is inherent limitation in accessing information from the upstream and /or downstream value chain, which has led to the use of sector-average data, despite reasonable efforts to obtain the relevant information.

Emission quantification is subject to inherent uncertainty because incomplete scientific knowledge has been used to determine emission factors and the values needed to combine emissions due to different gases.

Additionally non-financial data may be subject to more inherent limitations than financial data given both its nature and the methods used for determining calculating and sampling or estimating such data.

Auditor's responsibilities for the audit of the sustainability information

My objectives are to plan and perform the review to obtain limited assurance about whether the sustainability information is free from material misstatement, whether due to fraud or error, and to issue a review report that includes my conclusion. Limited assurance is not a guarantee that a review 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 decisions of users taken on the basis of the sustainability information.

As part of a review in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the engagement. I also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosures level. 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.

I communicate with the directors regarding, among other matters, the planned scope and timing of the review and significant findings, including any significant deficiencies in internal control that I identify during my engagement.

Summary of work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the sustainability information. The nature, timing, and extent of the procedures selected depend on professional judgment, including the assessed risks of material misstatement at the disclosures level, whether due to fraud or error.

My review consisted of making inquiries, primarily with persons responsible for preparing the sustainability information, and applying analytical and other appropriate procedures. The procedures I performed included, but were not limited to, the following:

- Evaluated the suitability of the framework and the entity-developed criteria used to supplement it as the basis for preparing the sustainability information, ensuring that the reporting policies selected by the Company align with both the framework and industry standards.
- Through enquiries, obtained an understanding of the Company's control environment, the results of the Company's risk assessment process, the results of the Company's process to monitor the system of internal control, and the Company's information system and communication relevant to the preparation of the

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sustainability information, including evaluating whether the Company's information system appropriately supports the preparation of the sustainability information in accordance with the applicable criteria. This did not include evaluation of the design of control activities, obtaining evidence about their implementation or testing their operating effectiveness.

- Evaluated whether the Company has appropriately applied the criteria with respect to estimates, including the Company's method for developing estimates is appropriate and have been consistently applied. My procedures did not include testing the data on which the estimates are based or separately developing my estimates against which to evaluate the Company estimates.
- Reconciled the assessment sustainability information with the underlying records and through enquiry of management obtained an understanding of material adjustments made during the course of preparing the sustainability information.
- For the Company's Group sustainability information, through enquiry of management obtained an understanding of how management has aggregated the information, determined that all entities have been included in the Group sustainability information as required by the applicable criteria, and considered whether management's judgement made in the aggregation process give rise to indicators of possible management bias.
- Considered whether the presentation and disclosure of the sustainability information is in accordance with the framework criteria.
- Conducted interviews with key personnel to understand the business, sustainability reporting processes, and methodologies applied during the reporting period.
- Gained an understanding of the approach for collecting, collating, and reporting sustainability information, including boundaries, data sources, and criteria applied.
- Assessed whether the calculation methodologies were correctly applied in accordance with the defined criteria.
- Performed analytical procedures to assess the reasonableness of Scope 1 and Scope 2 emissions data to identify potential anomalies.
- Tested, on a sample basis, Scope 1 and 2 emissions data to underlying source information, to assess the accuracy and completeness of the data. Procedures included assessing emission factors and management's estimation methods against the relevant requirements of AASB S2.
- Inspected key documents, systems, and processes for aggregating and reporting sustainability information.
- Assessed key assumptions used in calculations and assessed the accuracy of transcribed data from corporate systems or supporting evidence.
- Assessed whether in-scope disclosures are appropriately presented and adequately supported by evidence.
- Reviewed data for consistency with the relevant reporting criteria and principles.
- Evaluated the approach for defining reporting boundaries and identifying relevant emission sources.
- Compared overall data sets for the sustainability information to the final reported data, for alignment with the sustainability report or other relevant disclosures.
- Evaluated the disclosure and overall presentation of the specified Sustainability Disclosures against the relevant requirements of AASB S2.

Australian National Audit Office

Lesla Craswell
Group Executive Director

Delegate of the Auditor-General

Canberra
28 September 2026



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Financial Report

For the Year ended 30 June 2026



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Financial Report

For the year ended 30 June 2026

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Consolidated Financial Report

Consolidated Statement of Profit or Loss

For the year ended 30 June 2026

\$million	Note	2026	2025
Revenue	2	4,207.3	4,719.2
Other income		12.1	11.6
Direct costs of revenue		(2,794.9)	(3,344.0)
Consumables and supplies		(137.5)	(107.0)
Employee benefits expense		(366.8)	(344.4)
Depreciation and amortisation expense		(162.2)	(151.4)
Impairment loss recognised on trade receivables	2, 6	(54.1)	(32.3)
Other expenses		(176.6)	(189.9)
Changes in fair value of financial instruments	16	(2.4)	605.1
Profit before net finance income and income tax		524.9	1,166.9
Interest income	3	21.4	18.8
Finance costs	3	(10.4)	(12.9)
Profit before income tax		535.9	1,172.8
Income tax expense	4	(161.2)	(350.2)
Profit for the year attributable to the owners of Snowy Hydro Limited		374.7	822.6

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 year ended 30 June 2026

\$million	Note	2026	2025
Profit for the year		374.7	822.6
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligations	24	0.4	0.1
Income tax relating to items that will not be reclassified subsequently to profit or loss		(0.1)	-
		0.3	0.1
Items that may be reclassified subsequently to profit or loss			
Changes in fair value of cash flow hedges and foreign exchange contracts	16	21.8	(101.7)
Income tax relating to items that may be reclassified subsequently to profit or loss		(6.6)	30.5
		15.2	(71.2)
Total other comprehensive income, net of income tax		15.5	(71.1)
Total comprehensive income for the year attributable to the owners of Snowy Hydro Limited		390.2	751.5

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

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Consolidated Statement of Financial Position

As at 30 June 2026

\$million	Note	2026	2025
Current assets			
Cash and cash equivalents		347.7	406.2
Trade and other receivables	6	750.4	974.9
Inventories		38.5	35.8
Income tax receivable		-	23.0
Other financial assets	7	1,155.0	1,252.8
Other assets	8	398.2	324.8
Total current assets		2,689.8	3,017.5
Non-current assets			
Property, plant and equipment	9	17,397.2	13,202.5
Goodwill and other intangible assets	10	532.6	514.1
Other financial assets	7	100.7	84.6
Other assets	8	305.9	58.7
Total non-current assets		18,336.4	13,859.9
Total assets		21,026.2	16,877.4

Consolidated Statement of Financial Position

As at 30 June 2026

\$million	Note	2026	2025
Current liabilities			
Trade and other payables	12	627.5	911.5
Provisions	13	160.8	176.8
Interest bearing liabilities	14	2,337.1	1,118.4
Other financial liabilities	15	278.7	430.5
Income tax payable		9.0	-
Total current liabilities		3,413.1	2,637.2
Non-current liabilities			
Deferred tax liabilities	11	417.7	299.7
Other payables	12	17.6	17.0
Provisions	13	643.2	170.9
Interest bearing liabilities	14	6,921.5	5,385.7
Other financial liabilities	15	3.1	0.8
Total non-current liabilities		8,003.1	5,874.1
Total liabilities		11,416.2	8,511.3
Net assets		9,610.0	8,366.1
Equity			
Issued capital	17	5,396.1	4,421.1
Preference shares	18	1,400.0	1,400.0
Reserves	19	96.4	81.2
Retained earnings		2,717.5	2,463.8
Total equity attributable to the owners of Snowy Hydro Limited		9,610.0	8,366.1

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

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Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

\$million	Issued capital	Preference shares	Reserves	Retained earnings	Total attributable to the owners of Snowy Hydro Limited
Balance as at 1 July 2024	2,796.1	1,400.0	152.4	1,974.6	6,323.1
Profit for the year	-	-	-	822.6	822.6
Other comprehensive loss for the year, 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
Profit for the year	-	-	-	374.7	374.7
Other comprehensive income for the year, net of tax	-	-	15.2	0.3	15.5
Equity subscription	975.0	-	-	-	975.0
Dividends paid	-	-	-	(121.3)	(121.3)
Balance as at 30 June 2026	5,396.1	1,400.0	96.4	2,717.5	9,610.0

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 year ended 30 June 2026

\$million	Note	2026	2025
Cash flows from operating activities			
Receipts from customers		4,285.1	4,311.5
Payments to suppliers and employees		(3,765.1)	(3,622.8)
Cash generated from operations	5	520.0	688.7
Interest received		21.8	18.6
Interest and other costs of finance paid		(312.6)	(225.4)
Income tax paid, net of refunds received		(18.0)	(216.3)
Net cash generated from operating activities		211.2	265.6
Cash flows from investing activities			
Payments for property, plant and equipment		(3,640.9)	(3,000.7)
Proceeds from sale of property, plant and equipment		1.3	0.8
Payments for intangible assets		(67.4)	(54.7)
Payments for other investing activities		(77.2)	(68.3)
Net cash used in investing activities		(3,784.2)	(3,122.9)
Cash flows from financing activities			
Proceeds from equity subscription		975.0	1,625.0
Proceeds from borrowings		3,216.0	2,557.0
Repayment of borrowings		(525.0)	(828.0)
Payment of lease liabilities		(20.2)	(22.9)
Transaction costs related to loans and borrowings		(10.0)	(12.3)
Dividends paid	20	(121.3)	(333.5)
Net cash generated from financing activities		3,514.5	2,985.3
Net (decrease)/increase in cash		(58.5)	128.0
Cash at beginning of the year		406.2	278.2
Cash at end of the year		347.7	406.2

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

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Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

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 company under the *Corporations Act 2001* (Cth) 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 2001* (Cth), applicable Accounting Standards and Interpretations, and comply with other requirements of the law.

The consolidated financial statements also comply with IFRS Accounting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Directors on 28 September 2026.

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 2026/183.

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 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 Standards 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.

1. Basis of preparation (continued)

Deficiency in net current assets

As at 30 June 2026, the Group's current liabilities exceeded its current assets by \$723.3 million, largely due to the current bank loans of \$2,325 million maturing within 12 months. Despite this net current assets deficit, the financial report has been prepared on a going concern basis as the Directors are satisfied that the Group will be able to meet its obligations as and when they fall due. The Group has adequate credit facilities to draw on to meet the obligations with the Group holding \$675 million in undrawn bank debt facilities and \$2,900 million in an undrawn shareholder construction loan facility (refer to Interest bearing liabilities and credit facilities note). Snowy Hydro has commenced the refinancing of near term debt maturities and has secured commitments from its banking group for the new financing to support liquidity requirements through to December 2027, while implementing a restructure of the debt portfolio to reshape the medium term maturity profile.

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 refers to the period from 1 July 2025 to 30 June 2026. Snowy Hydro's 2025 Annual Report represented the reporting period 1 July 2024 to 30 June 2025.

Critical accounting judgements and key sources of estimation uncertainty

Critical judgements 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	Expected credit loss allowance
8 & 13	Environmental certificates
10	Impairment testing and probability of expected cash flows
13	Site rehabilitation
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.

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Financial Performance Overview

2. Revenue and expenses

\$million	Note	2026	2025
Revenue			
Wholesale		518.4	1,433.5
Retail		3,526.5	3,328.2
Total revenue from contracts with customers		4,044.9	4,761.7
Other net revenue/(loss) activities		162.4	(42.5)
Total revenue		4,207.3	4,719.2
Expenses			
Impairment loss recognised on trade receivables	6	(54.1)	(32.3)
Operating lease expenses		(1.9)	(2.1)

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 revenue/(loss) activities** are 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 on an accruals basis in line with the underlying electricity consumption that the relevant certificates pertain to, where relevant, or otherwise at a point-in-time upon transfer of certificates when they are sold unconnected to underlying electricity volumes.

Critical accounting estimate – Unbilled revenue

- At the end of each reporting period, the volume of electricity and gas supplied since a customer's last bill is estimated in determining unbilled revenue. This estimation requires judgement and is based on a combination of actual unbilled meter reads, AEMO's estimates and historical consumption patterns. Related to this are changes to unbilled electricity and gas network expenses which are estimated based on a combination of actual unbilled meter reads, AEMO's estimates and historical consumption patterns. Trade and other receivables note discloses the unbilled revenue balance for the reporting period.

3. Net finance income

\$million	2026	2025
Interest income	21.4	18.8
Interest expense and funding cost	(394.2)	(316.6)
Interest rate hedge income	54.6	70.0
Interest expense from leasing arrangements	(6.9)	(5.8)
Finance costs capitalised	336.1	239.5
Finance costs	(10.4)	(12.9)
Net finance income	11.0	5.9

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. It also includes the unwinding of discount on site rehabilitation provisions. 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 4.3% (2025: 4.5%).
- **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.

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4. Income tax expense

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

\$million	Note	2026	2025
Profit from operations		535.9	1,172.8
Tax expense calculated at 30%		(160.8)	(351.8)
Prior year adjustments		0.2	2.3
Non-deductible expenses		(0.8)	(0.8)
Research and development offset		0.2	0.1
Total income tax expense on profit		(161.2)	(350.2)
Comprising of:			
Current tax expense		(49.9)	(73.9)
Deferred tax expense	11	(111.3)	(276.3)
Total income tax expense on profit		(161.2)	(350.2)

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 the Subsidiaries note.

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 2026 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 recognised in 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	2026	2025
Profit before income tax	535.9	1,172.8
Adjustments for:		
Profit on sale of non-current assets	(0.9)	(0.6)
Depreciation and amortisation	162.2	151.4
Impairment loss recognised on trade receivables	54.1	32.3
Write-down of inventories	0.1	0.4
Changes in fair value of financial instruments	2.4	(605.1)
Interest income	(21.4)	(18.8)
Finance costs	10.4	12.9
	742.8	745.3
Changes in assets and liabilities:		
Decrease/(increase) in trade and other receivables	187.5	(275.2)
Increase in inventories	(2.7)	(3.1)
Decrease/(increase) in other financial assets	3.2	(49.6)
(Increase)/decrease in other assets	(20.4)	56.5
(Decrease)/increase in trade and other payables	(342.6)	210.5
(Decrease)/increase in provisions	(18.1)	4.1
(Decrease)/increase in other financial liabilities	(29.7)	0.2
Net cash generated from operations	520.0	688.7

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Financial Position Overview

6. Trade and other receivables

\$million	2026	2025
Trade receivables	798.6	1,048.4
Expected credit loss allowance	(110.4)	(83.8)
Goods and services tax receivable	62.2	10.3
Total trade and other receivables	750.4	974.9

Expected credit loss on trade receivables

\$million	
Balance as at 1 July 2025	83.8
Additional expected credit loss recognised	54.1
Amounts written off, previously provided for	(27.5)
Balance as at 30 June 2026	110.4

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

	2026			2025		
\$million	Total \$million	Lifetime ECL Rate	Allowance \$million	Total \$million	Lifetime ECL Rate	Allowance \$million
Unbilled revenue	419.4	1.8%	7.6	424.9	2.0%	8.3
Not past due	224.4	2.7%	6.1	471.6	1.2%	5.6
Past due 0-30 days	41.0	17.3%	7.1	65.5	7.8%	5.1
Past due 31-60 days	15.8	39.9%	6.3	13.8	31.9%	4.4
Past due 61-90 days	10.4	51.0%	5.3	7.9	39.2%	3.1
Greater than 90 days	87.6	89.0%	78.0	64.7	88.6%	57.3
	798.6		110.4	1,048.4		83.8

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	Note	2026	2025
Current			
Financial assets carried at fair value			
Energy derivatives – economic hedge	16	1,012.2	1,136.5
Foreign exchange contracts, commodity swaps and interest rate swaps – cash flow hedge	16	63.6	33.7
Loans and receivables			
Deposits with brokers		79.2	82.6
Total current other financial assets		1,155.0	1,252.8
Non-current			
Financial assets carried at fair value			
Interest rate swaps – cash flow hedge	16	100.7	84.6
Total non-current other financial assets		100.7	84.6

8. Other assets

\$million	2026	2025
Current		
Deposits	209.2	131.9
Prepayments	25.2	51.4
Environmental certificates	163.8	141.5
Total current other assets	398.2	324.8
Non-current		
Prepayments	305.9	58.7
Total non-current other assets	305.9	58.7

Recognition and measurement

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

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9. Property, plant and equipment

\$million	Land and buildings	Leasehold improvements	Plant and equipment	Construction in progress	Total
Gross carrying amount					
Balance as at 1 July 2024	250.0	28.2	3,060.4	8,164.0	11,502.6
Additions	2.5	-	-	3,271.9	3,274.4
Capitalised to asset class	68.0	-	73.9	(141.9)	-
Change in rehabilitation/ restoration estimate	-	-	-	19.5	19.5
Disposals	(0.1)	-	(2.0)	-	(2.1)
Balance as at 30 June 2025	320.4	28.2	3,132.3	11,313.5	14,794.4
Additions	84.0	-	-	3,762.5	3,846.5
Capitalised to asset class	0.4	0.5	27.2	(28.1)	-
Change in rehabilitation/ restoration estimate	-	(0.3)	0.4	468.7	468.8
Disposals	(15.3)	(0.6)	(6.1)	-	(22.0)
Balance as at 30 June 2026	389.5	27.8	3,153.8	15,516.6	19,087.7
Accumulated depreciation					
Balance as at 1 July 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)
Balance as at 30 June 2025	(95.7)	(23.7)	(1,472.5)	-	(1,591.9)
Disposals	15.3	0.5	5.8	-	21.6
Depreciation	(20.4)	(2.4)	(97.4)	-	(120.2)
Balance as at 30 June 2026	(100.8)	(25.6)	(1,564.1)	-	(1,690.5)
Net book value					
2025	224.7	4.5	1,659.8	11,313.5	13,202.5
2026	288.7	2.2	1,589.7	15,516.6	17,397.2

9. Property, plant and equipment (continued)

Recognition and measurement

- **Property, plant and equipment** are recorded at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to acquiring or constructing the asset, including initial estimates of decommissioning, restoration and site rehabilitation obligations. 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. Costs of routine 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 \$0.9 million (2025: profit of \$0.6 million) was recognised on the disposal of property, plant and equipment.
- **Right-of-use assets** are measured at cost, comprising the initial measurement of the lease liability, initial direct costs incurred, lease payments made prior to commencement date (net of any incentives received), and an initial estimate of site restoration obligations. 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 or lease term. Upon lease expiry or termination, right-of-use assets are derecognised, with the corresponding gross carrying amount and accumulated depreciation presented within disposals. The Group also assesses right-of-use assets for impairment when such indicators exist.

Included within property, plant and equipment are right-of-use assets with a carrying value at 30 June 2026 of \$140.9 million (2025: \$72.3 million) in the land and buildings class, and \$17.4 million (2025: \$23.8 million) in the plant and equipment class. Depreciation charged on these assets for the period was \$15.4 million (2025: \$16.0 million) in the land and buildings class, and \$6.3 million (2025: \$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 amortised 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 \$6.9 million (2025: \$7.9 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.

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10. Goodwill and other intangible assets

\$million	Goodwill	Customer acquisition costs	Computer software	Total
Cost				
Balance as at 1 July 2024	383.2	450.4	219.1	1,052.7
Additions	-	33.1	21.6	54.7
Balance as at 30 June 2025	383.2	483.5	240.7	1,107.4
Additions	-	39.9	27.5	67.4
Balance as at 30 June 2026	383.2	523.4	268.2	1,174.8
Amortisation				
Balance as at 1 July 2024	-	(393.7)	(159.4)	(553.1)
Amortisation	-	(20.9)	(19.3)	(40.2)
Balance as at 30 June 2025	-	(414.6)	(178.7)	(593.3)
Amortisation	-	(25.5)	(23.4)	(48.9)
Balance as at 30 June 2026	-	(440.1)	(202.1)	(642.2)
Net book value				
2025	383.2	68.9	62.0	514.1
2026	383.2	83.3	66.1	532.6

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.



10. Goodwill and other intangible assets (continued)

Impairment assessment

In accordance with AASB 136 *Impairment of Assets*, Snowy Hydro reviews the carrying amounts of its assets (including goodwill) at least annually to ensure that they are not carried above their recoverable amounts. An assessment of indicators of impairment for each Cash Generating Unit (CGU) is undertaken at each reporting period end, and if indicators exist, an estimate of its recoverable amount is performed. If the recoverable amount of a CGU is estimated to be less than the carrying amount, the carrying amount of the CGU is reduced to its recoverable amount with any impairment recognised immediately in the statement of profit or loss.

Impairment methodology

For the purposes of impairment testing, Snowy Hydro has two CGUs - Generation (operating the diverse portfolio of hydro and thermal generating assets) and Retail (retailing electricity and gas products to mass-market and commercial and industrial customers). In operating its business, both substantively operate in unison and form one vertically-integrated operating segment for Snowy Hydro.

The recoverable amounts are estimated using the Fair Value Less Costs Of Disposal (FVLCD) method and using the discounted cash flow projections valuation technique. The valuation model is based on a 10-year projection of revenue, operating and capital expenditure and taxation that reflects the perpetual nature of the Snowy Hydro assets and also provides for a realistic pattern of replacement capital expenditure over the projection term.

The projected cash flows are discounted at a Weighted Average Cost of Capital (WACC) ranging between 6.1% to 7.6% (2025: 7.4%) to reflect the different risk profiles in distinct periods. Both CGUs (excluding the Snowy 2.0 asset) included a terminal value calculated by assuming the cash flow of the final year is maintained in perpetuity at a growth rate of 2.5% (and discounted to the valuation date using the same WACC noted above). The Snowy 2.0 asset valuation uses a longer-term modelling horizon of 50 years which negated the need for a terminal value calculation.

The projected cash flows are underpinned by assumptions over a diverse range of external and internal factors. External factors considered include, but are not limited to, economic environment, energy market prices, regulatory landscape, competitor behaviour, consumer preferences, timing of coal plant retirements and speed of development of solar and wind plants and short duration batteries. There are also internal factors such as water inflows, technological advancements, construction challenges and maintenance of the economic performance of the hydro and thermal generating assets. The values assigned to the above key assumptions are based on past experience, best estimates of management based on knowledge of the industry and referencing external sources of information.

The above factors and assumptions have a range of potential outcomes that drive variability of future projected cash flows. For the Generation CGU, to assess the wide range of potential outcomes within an evolving energy market, Snowy Hydro applies a scenario analysis approach to estimate the recoverable amounts of its assets within the CGU. The scenarios modelled represent a range of potential outcomes influenced by different energy market supply constraints, forecasted Snowy 2.0 costs and timing to complete (based on cost estimates provided by the Principal Contractor and other indirect costs), wholesale and retail prices and operating costs. Each of the scenarios are assigned a probability weighting (based on management judgement) to estimate the recoverable amounts of the CGU.

Generation CGU

At 30 June 2026, an impairment test was undertaken for the Generation CGU (including goodwill of \$92.7 million allocated to the CGU) based on the methodology and approach outlined above.

The following key assumptions were considered in determining the recoverable amount:

- Management assessments of external factors such as the economic environment (including inflationary pressures and interest rates), regulatory changes, timing of coal plant retirements and speed of development of solar and wind plants and short duration batteries
- Spot, contract and capacity revenue projections based on forward market curves for the observable trade period and internal modelling based on management assessment of longer term pricing
- Water inflow projections informed by seasonal hydrological forecasts and climate scenario modelling and considering storage levels, contracted energy positions and water release requirements under our water license
- Capital expenditure projections derived from the Snowy Hydro long term capital asset planning model (existing generating assets) and the forecasted cost to complete for the Snowy 2.0 infrastructure asset (based on cost estimates provided by the Principal Contractor)

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10. Goodwill and other intangible assets (continued)

Based on the assessment performed (including the probability-weighted scenario analysis over a range of potential outcomes), there is no impairment to the carrying amount of the Generation CGU at 30 June 2026.

Sensitivity analysis

Adverse changes in one or more key assumptions, when considered in isolation and holding other assumptions constant, may result in the recoverable amount of the Generation CGU falling below its carrying amount and therefore giving rise to impairment. In practice, changes in variables are rarely mutually exclusive and the interconnected relationships and interactions between these variables are highly complex.

These are considered in the probability-weighted scenario analysis and include, but are not limited to, the economic environment (including inflationary pressures on labour and materials), substantial additions to generation capacity within the industry and material shifts in the timing of expected closures of coal-fired power stations. Any and all of these variables have the potential to lead to changes in future forward market price curves and generation volumes which may impact the valuation of the Generation CGU.

Based on sensitivity analysis of the variable assumptions, the recoverable amount is most sensitive to changes in the discount rate applied in the valuation (holding all other assumptions constant). A reasonable possible change of 0.7% to the WACC would result in the recoverable amount falling below the carrying amount.

Retail CGU

At 30 June 2026, an impairment test was undertaken for the Retail CGU (including goodwill and intangible assets of \$439.9 million allocated to the CGU).

The following key assumptions were considered in determining the recoverable amount:

- Management assessments of external factors such as the economic environment (including inflationary pressures and interest rates) and regulatory changes
- Gross margin projections based on regulatory pricing outcomes (AER Default Market Offer and ESC Victorian Default Offer) enacted or substantively enacted by the reporting date and management estimates of future regulated pricing
- Projections of customer numbers (including churn) and consumption volumes based on historical experience, growth strategies and assumptions of competitor behaviour

Based on the assessment performed, there is no impairment to the carrying amount of the Retail CGU at 30 June 2026.

Sensitivity analysis

Sensitivity analysis on the variable assumptions was also undertaken and there were no reasonable possible changes to one or any key assumptions that would result in the recoverable amount falling below the carrying amount.



11. Net deferred tax liabilities

\$million	Balance as at 1 July	Charged to profit or loss	Charged to OCI	Balance as at 30 June
2026				
Deferred tax assets				
Provisions	95.0	150.1	(0.1)	245.0
Non-derivative financial instruments	5.8	(0.4)	-	5.4
Total deferred tax assets	100.8	149.7	(0.1)	250.4
Deferred tax liabilities				
Property, plant and equipment	115.5	255.5	-	371.0
Derivative financial instruments	264.7	5.8	6.6	277.1
Other	20.3	(0.3)	-	20.0
Total deferred tax liabilities	400.5	261.0	6.6	668.1
Net deferred tax liabilities	(299.7)	(111.3)	(6.7)	(417.7)

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)

Recognition and measurement

- **Current tax:** The income tax payable/receivable in the consolidated 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.

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12. Trade and other payables

\$million	2026	2025
Current		
Trade payables	529.1	835.5
Other payables	98.4	76.0
Total current trade and other payables	627.5	911.5
Non-current		
Other payables	17.6	17.0
Total non-current other payables	17.6	17.0

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 scheme liabilities	Site rehabilitation	Other provisions	Total
Current					
Balance as at 1 July 2025	62.6	114.0	-	0.2	176.8
Recognised/remeasured	74.0	54.0	-	3.2	131.2
Settled/transferred	(69.6)	(77.3)	-	(0.3)	(147.2)
Balance as at 30 June 2026	67.0	90.7	-	3.1	160.8
Non-current					
Balance as at 1 July 2025	37.0	-	133.9	-	170.9
Recognised/remeasured	(1.8)	-	474.1	-	472.3
Balance as at 30 June 2026	35.2	-	608.0	-	643.2

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 liabilities** are recognised when electricity and gas is purchased from the NEM and simultaneously supplied to customers. Regulatory bodies and individual contractual terms dictate 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** provisions are 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 finance costs in each period.

14. Interest bearing liabilities and credit facilities

(i) Interest bearing liabilities – unsecured

\$million	2026	2025
Current		
Bank loans*	2,325.0	1,105.0
Borrowing costs	(8.6)	(8.6)
Lease liabilities	20.7	22.0
Total current interest bearing liabilities	2,337.1	1,118.4
Non-current		
Bank loans	5,175.0	5,154.0
Shareholder loan	1,600.0	150.0
Borrowing costs	(13.7)	(13.3)
Lease liabilities	160.2	95.0
Total non-current interest bearing liabilities	6,921.5	5,385.7

*Current bank loans comprise \$1,425 million drawn from facilities maturing in 2027 and \$900 million drawn from multi-year facilities maturing in 2028 and beyond, repayable within 12 months.

ii) Credit facilities – unsecured

\$million	2026	2025
Financing facilities		
Amounts used	9,100.0	6,409.0
Amounts unused*	675.0	1,266.0
Total financing facilities	9,775.0	7,675.0

*The unused financing facilities above exclude the remaining \$2,900 million (2025: \$4,350 million) shareholder construction loan.

These credit facilities comprise bank debt and shareholder loans with fixed maturity dates as follows: \$1,675 million in 2027, \$1,887 million in 2028, \$1,900 million in 2029, \$1,363 million in 2030, \$2,225 million in 2031 and \$725 million in 2032.

In March 2025, the Company finalised a \$4,500 million shareholder construction loan. During 2026, an amendment to the loan agreement was executed, revising the expected drawdown profile. The remaining undrawn balance of \$2,900 million is now expected to be fully drawn during 2027, previously 2028.

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14. Interest bearing liabilities and credit facilities (continued)

(ii) Credit facilities – unsecured (continued)

\$million	2026	2025
Uncommitted short-term money market facilities		
Amounts used	-	-
Amounts unused	15.0	15.0
Total short-term money market facilities	15.0	15.0

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	Note	2026	2025
Current			
Financial liabilities carried at fair value			
Energy derivatives – economic hedge	16	275.1	410.3
Foreign exchange contracts – cash flow hedge		2.5	2.1
Commodity swaps – cash flow hedge		1.1	1.7
Other			
Unearned income		-	16.4
Total current other financial liabilities		278.7	430.5
Non-current			
Financial liabilities carried at fair value			
Interest rate swaps – cash flow hedge		2.6	-
Commodity swaps – cash flow hedge		0.5	0.8
Total non-current other financial liabilities		3.1	0.8

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 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.

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16. Financial instruments (continued)

2. Financial Risk Management

\$million	2026	2025
Financial assets		
Amortised cost		
Cash and cash equivalents	347.7	406.2
Trade receivables and deposits with brokers	767.4	1,047.2
Fair value through profit or loss		
Energy derivatives	1,012.2	1,136.5
Derivatives designated and effective as hedging instruments		
Interest, foreign exchange and commodity derivatives	164.3	118.3
Financial liabilities		
Amortised cost		
Interest bearing liabilities	9,258.6	6,504.1
Trade payables	529.1	835.5
Fair value through profit or loss		
Energy derivatives	275.1	410.3
Derivatives designated and effective as hedging instruments		
Interest, foreign exchange and commodity derivatives	6.7	4.6

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

\$million	2026	2025
Gain recognised on energy derivatives (standard swaps, options and bespoke contracts)	10.8	621.7
Loss due to interest rate hedge ineffectiveness	-	(0.4)
Movement of cap premium received not yet amortised	(13.2)	(16.2)
Changes in fair value of financial instruments recognised through profit or loss	(2.4)	605.1

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

\$million	2026	2025
Gains/(losses) recognised on:		
Foreign exchange contracts	(26.0)	49.6
Commodity swaps	2.3	(2.6)
Interest rate swaps	45.5	(148.7)
Changes in fair value of financial instruments recognised through hedging reserves	21.8	(101.7)

16. Financial instruments (continued)

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 Portfolio Risk Committee. 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 2025.

(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 activities.

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, the Group has a portfolio of Power Purchase Agreements (PPAs), sourcing from renewable energy fuel including solar and wind to back our supply to Retail customers, and Virtual Battery Energy Storage System (VBESS) contracts. 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.

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16. Financial instruments (continued)

Electricity and commodity price risk (continued)

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

\$million	2026	2025
Energy derivatives asset – current	1,012.2	1,136.5
Energy derivatives liability – current	(275.1)	(410.3)
Total energy derivatives	737.1	726.2

The Group has entered into commodity derivatives totalling a fair value of \$(0.9) million at June 2026 (2025: \$(2.5) million). 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, \$68.5 million (2025: \$110.3 million) of the asset and \$149.2 million (2025: \$126.4 million) of the liability is expected to mature within 12 months, and \$943.7 million (2025: \$1,026.2 million) of the asset and \$125.9 million (2025: \$283.9 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 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 price changes occur). A 20% (2025: 30%) price change has been applied to flat, peak and off-peak electricity swaps, a 35% (2025: 45%) 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 Increase/(decrease) in fair value		Other comprehensive income Increase/(decrease) in fair value	
	2026	2025	2026	2025
Electricity swap – price increase	113.4	160.0	-	-
Electricity swap – price decrease	(113.7)	(160.4)	-	-
Electricity options – price increase	(24.7)	(206.5)	-	-
Electricity options – price decrease	24.2	206.2	-	-



16. Financial instruments (continued)

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 €11.2 million outstanding at 30 June 2026 on the Snowy 2.0 project. The purpose of these contracts is to fix the Australian dollar cost of equipment purchases, with all foreign exchange contracts having matured by July 2026.

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.

2026	Less than 1 year	1–3 years	More than 3 years	Total
Forward exchange contracts				
Net exposure (in millions of EUR)	13.5	-	-	13.5
Average EUR:AUD forward contract rate	0.54	-	-	0.54
Net exposure (in millions of USD)	-	-	-	-
Average USD:AUD forward contract rate	-	-	-	-
2025	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

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16. Financial instruments (continued)

Foreign exchange risk (continued)

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

Capital expenditure \$million	2026	2025
Change in value used for calculating hedge effectiveness	23.0	(2.9)
Cash flow hedge reserve	23.0	(2.9)
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 \$million	2026	2025
Assets (carrying amount)		
Other current financial assets	-	2.9
Liabilities (carrying amount)		
Other current financial liabilities	(2.5)	(2.1)
(Loss)/gain on foreign cash balance designated as a hedging instrument	(20.5)	2.1
Change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness	(23.0)	2.9
Changes in the value of the hedging instrument recognised in other comprehensive income	23.0	(2.9)
Hedge ineffectiveness recognised in profit or loss	-	-
Amount from hedging reserve transferred to property, plant and equipment and goodwill and other intangible assets	4.2	3.2

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	
	2026	2025	2026	2025
EUR +6.93% (2025: +6.93%)	-	-	1.5	8.9
EUR -6.93% (2025: -6.93%)	-	-	(1.5)	(8.9)
USD +n/a% (2025: +9.23%)	-	-	-	(0.8)
USD -n/a% (2025: -9.23%)	-	-	-	1.0

16. Financial instruments (continued)

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 2026:

\$million	2026	2025
Floating rate instruments		
<i>Financial assets</i>		
Cash and cash equivalents	347.7	406.2
	347.7	406.2
<i>Financial liabilities</i>		
Bank loans	7,500.0	6,259.0
Shareholder loan	1,600.0	150.0
Interest rate swap notional principal	(4,976.8)	(3,176.8)
	4,123.2	3,232.2

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	
	% 2026	% 2025	\$million 2026	\$million 2025
Less than 1 year	3.11	2.07	5,376.6	3,176.8
1 to 2 years	3.03	2.06	4,226.4	2,876.8
2 to 3 years	4.47	2.04	700.0	2,426.4
3 to 4 years	-	-	-	-
4 to 5 years	-	-	-	-
Average	3.07	2.06	4,801.5	2,826.6

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16. Financial instruments (continued)

Interest rate risk (continued)

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

Floating interest payments \$million	2026	2025
Change in value used for calculating hedge effectiveness	(161.1)	(115.4)
Cash flow hedge reserve	(161.1)	(115.4)
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	2026	2025
Assets (carrying amount)		
Other current financial assets	63.0	30.8
Other non-current financial assets	100.7	84.6
Liabilities (carrying amount)		
Other non-current financial liabilities	(2.6)	-
Change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness	161.1	115.4
Changes in the value of the hedging instrument recognised in other comprehensive income	(161.1)	(115.4)
Hedge ineffectiveness recognised in the profit or loss	-	-
Amount reclassified from hedging reserve to profit or loss	54.6	70.0

Interest rate sensitivity analysis

The table below sets out the impact on profit or loss and equity, if interest rates had been 100 (2025: 100) basis points higher or 100 (2025: 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	
	2026	2025	2026	2025
Interest rate +100 (2025: +100) basis points*				
Interest on cash and bank loans	(71.5)	(60.0)	-	-
Interest on shareholder loan	(16.0)	-	-	-
Interest on interest rate swap	49.8	31.8	-	-
Fair valuation of interest rate swap	-	-	116.6	93.3
Interest rate -100 (2025: -100) basis points*				
Interest on cash and bank loans	71.5	60.0	-	-
Interest on shareholder loan	16.0	-	-	-
Interest on interest rate swap	(49.8)	(31.8)	-	-
Fair valuation of interest rate swap	-	-	(119.7)	(96.6)

*2025 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 2026.

16. Financial instruments (continued)

Interest rate risk (continued)

Cash flow hedge reconciliation

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

\$million	2026	2025
Balance as at 1 July	81.2	152.4
Cash flow hedges		
<i>Changes in fair value:</i>		
Foreign currency risk	(30.2)	46.4
Interest rate risk	100.1	(78.7)
Commodity risk	2.6	(2.7)
<i>Amount reclassified to profit or loss:</i>		
Interest rate risk	(54.6)	(70.0)
Commodity risk	(0.3)	0.1
<i>Amount included in the cost of non-financial items:</i>		
Foreign currency risk	4.2	3.2
<i>Tax on movements on reserves during the year</i>	(6.6)	30.5
Balance as at 30 June	96.4	81.2

(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.

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 \$675.0 million (2025: \$1,266.0 million), as detailed in Interest bearing liabilities and credit facilities note.

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 remains 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.

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.

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16. Financial instruments (continued)

(ii) Liquidity risk (continued)

2026 \$million	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Financial liabilities					
<i>Non derivative instruments</i>					
Trade payables	529.1	-	-	-	529.1
Bank loan facilities*	1,675.0	1,887.0	3,888.0	725.0	8,175.0
Shareholder loan	-	-	1,600.0	-	1,600.0
Lease liabilities	29.6	30.0	59.7	139.7	259.0
	2,233.7	1,917.0	5,547.7	864.7	10,563.1
<i>Derivative instruments</i>					
Energy derivatives	151.2	67.6	(0.5)	146.9	365.2
Commodity swaps	-	1.6	-	-	1.6
Interest rate swaps	-	0.8	1.8	-	2.6
Foreign exchange contracts	2.5	-	-	-	2.5
	153.7	70.0	1.3	146.9	371.9
2025 \$million	Less than 1 year	1 to 2 years	2 to 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
<i>Derivative instruments</i>					
Energy derivatives	127.8	104.0	100.2	197.3	529.3
Commodity swaps	-	2.5	-	-	2.5
Foreign exchange contracts	2.1	-	-	-	2.1
	129.9	106.5	100.2	197.3	533.9

*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 assume 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.

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

Trade and other receivables consist of more than 1.6 million residential, small and large commercial and industrial customer accounts, in New South Wales, Australian Capital Territory, Victoria, South Australia and Queensland. Refer to Trade and other receivables note for further information.

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16. Financial instruments (continued)

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 year.

2026 \$million	Level 1	Level 2	Level 3	Total fair value
Financial assets				
<i>Derivative financial instruments</i>				
Energy derivatives	26.4	1.5	984.3	1,012.2
Interest rate swaps	-	163.6	-	163.6
Commodity swaps	-	0.7	-	0.7
Total financial assets	26.4	165.8	984.3	1,176.5
Financial liabilities				
<i>Derivative financial instruments</i>				
Energy derivatives	78.2	33.0	163.9	275.1
Foreign exchange contracts	-	2.5	-	2.5
Interest rate swaps	-	2.6	-	2.6
Commodity swaps	-	1.6	-	1.6
Total financial liabilities	78.2	39.7	163.9	281.8
Net financial assets/(liabilities)	(51.8)	126.1	820.4	894.7
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

16. Financial instruments (continued)

3. Fair Value of Financial Assets and Financial Liabilities (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.

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, or third-party curve in the case of PPAs, 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.
Virtual Battery Energy Storage System (VBESS) contracts	Level 3	Present value of estimated future net cash flows based on simulated spot price half-hourly profiles, incorporating optimal charge/discharge dispatch strategies, adjusting for degradation, round-trip efficiency, maintenance allowance, and marginal loss factors, transitioning from observable forward market curves to long-term simulated price forecasts.
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.

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16. Financial instruments (continued)

4. Level 3 fair value measurement instruments

The following table presents the changes in level 3 instruments for the year ended 30 June 2026:

\$million	2026	2025
Balance as at 1 July	740.2	117.1
Option premium received in cash during the year	(96.4)	(148.6)
<i>Total gains and losses in profit or loss:</i>		
Settlements during the period	118.2	160.8
Changes in fair value of financial instruments	58.4	610.9
Balance as at 30 June	820.4	740.2

Gains and losses in profit or loss due to changes in fair value are included within changes in fair value of financial instruments. The changes in fair value of financial instruments figure includes a change in estimation method, which is the use of third-party modelled pricing data in the estimate of long-term simulated energy prices. This is a change from the previous reporting period where internally-modelled pricing data was used instead. The change in fair value figure includes \$55.4 million attributable to the change in valuation technique, and \$3.0 million attributable to other factors. 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 35% (2025: 45%) movement in the price curve for cap instruments and 20% (2025: 30%) movement in the price curve for flat swap capped and load following swap instruments would have the following effects:

2026 \$million	Fair value	Profit/(loss) before tax	
		Increase movement	Decrease movement
Energy derivative assets	984.3	674.1	(674.6)
Energy derivative liabilities	(163.9)	231.2	(231.4)

2025 \$million	Fair value	Profit/(loss) before tax	
		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

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

Fully paid ordinary shares	Number of shares (million)	\$million
Balance as at 1 July 2024	2,180.0	2,796.1
Issued during the year	1,625.0	1,625.0
Balance as at 30 June 2025	3,805.0	4,421.1
Issued during the year	975.0	975.0
Balance as at 30 June 2026	4,780.0	5,396.1

18. Preference shares

\$million	2026	2025
1,400,000,000 (2025: 1,400,000,000) fully paid preference shares	1,400.0	1,400.0

Preference shares are classified as equity instruments. Holders are entitled to a discretionary, non-cumulative fixed dividend of 7% per annum and will be paid in priority to any dividend in respect of other classes of shares. Any preference shares not redeemed prior to the maturity date will convert to ordinary shares. No preference shares were issued, redeemed or converted during the current or prior financial year.

19. Reserves

\$million	Note	2026	2025
Hedging reserves			
Balance as at 1 July		81.2	152.4
<i>Gains/(losses) recognised on:</i>			
Foreign exchange contracts	16	(26.0)	49.6
Interest rate swaps	16	45.5	(148.7)
Commodity swaps	16	2.3	(2.6)
Deferred tax arising on hedges		(6.6)	30.5
Balance as at 30 June		96.4	81.2

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. For details on underlying derivative financial instruments, refer to the Financial instruments note.

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20. Dividends

\$million	2026	2025
Recognised amounts		
Preference share dividend		
The preference share dividend of 3.337 and 3.682 cents per share, fully franked at the corporate tax rate of 30%, paid on 24 October 2025 and 24 April 2026, respectively (2025: Preference share dividend of 3.347 and 3.625 cents per share, fully franked at the corporate tax rate of 30% and paid on 25 October 2024 and 24 April 2025, respectively)	98.3	97.6
Final dividend		
Final dividend for 2025 of 0.604 cents per share, fully franked at the corporate tax rate of 30% and paid on 24 October 2025 (2025: 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)	23.0	165.5
Interim dividend		
No interim dividend paid for 2026 (2025: 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)	-	70.4
Total recognised amounts	121.3	333.5
Unrecognised amounts		
Preference share dividend		
The preference share dividend for 2026 of 3.356 cents per share, fully franked at the corporate tax rate of 30%, payable on 23 October 2026 (2025: Preference share dividend of 3.337 cents per share, fully franked at the corporate tax rate of 30% and paid on 24 October 2025)	47.0	46.7
Final dividend		
Final dividend for 2026 of 0.631 cents per share, fully franked at the corporate tax rate of 30%, payable on 23 October 2026 (2025: 0.604 cents per share, fully franked at the corporate tax rate of 30% and paid on 24 October 2025)	30.2	23.0
Total unrecognised amounts	77.2	69.7
Dividend franking account balance	287.8	321.7



Group Structure

21. Subsidiaries

Name of Entity	Country of Incorporation	% Ownership	
		2026	2025
Parent Entity			
Snowy Hydro Limited (b)	Australia	-	-
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)	Australia	100	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.

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	2026	2025
Revenue	4,205.3	4,680.7
Interest income	21.4	18.8
Other income	17.4	18.4
Direct costs of revenue	(2,792.2)	(3,337.1)
Consumables and supplies	(137.5)	(107.0)
Employee benefits expense	(366.8)	(344.4)
Depreciation and amortisation expense	(152.5)	(141.6)
Finance costs	(10.4)	(12.9)
Impairment loss recognised on trade receivables	(54.1)	(32.3)
Other expenses	(176.6)	(189.9)
Changes in fair value of financial instruments	(2.4)	605.1
Profit before income tax	551.6	1,157.8
Income tax expense	(166.0)	(345.7)
Profit for the year attributable to the owners of the closed group	385.6	812.1

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21. Subsidiaries (continued)

Statement of financial position

\$million	2026	2025
Current assets		
Cash and cash equivalents	347.7	406.2
Trade and other receivables	750.4	974.9
Inventories	38.5	35.8
Income tax receivable	-	23.0
Other financial assets	1,155.0	1,252.8
Other assets	398.2	324.8
Total current assets	2,689.8	3,017.5
Non-current assets		
Goodwill and other intangible assets	532.6	514.1
Property, plant and equipment	17,375.2	13,171.8
Other financial assets	100.7	84.6
Investments in subsidiaries	95.1	95.1
Other assets	403.0	152.1
Total non-current assets	18,506.6	14,017.7
Total assets	21,196.4	17,035.2
Current liabilities		
Trade and other payables	627.5	911.5
Interest bearing liabilities	2,337.1	1,118.4
Provisions	160.8	176.8
Other financial liabilities	278.7	430.5
Income tax payable	9.0	-
Total current liabilities	3,413.1	2,637.2
Non-current liabilities		
Other payables	17.6	17.0
Interest bearing liabilities	6,921.5	5,385.7
Deferred tax liabilities	431.2	311.7
Provisions	643.2	170.9
Other financial liabilities	3.1	0.8
Total non-current liabilities	8,016.6	5,886.1
Total liabilities	11,429.7	8,523.3
Net assets	9,766.7	8,511.9
Equity		
Issued capital	5,396.1	4,421.1
Preference shares	1,400.0	1,400.0
Reserves	96.4	81.2
Retained earnings	2,874.2	2,609.6
Total equity	9,766.7	8,511.9

As at 30 June 2026, the closed group's current liabilities exceeded its current assets by \$723.3 million. Refer to Basis of preparation note for management's assessment of liquidity and the going concern assumption.

21. Subsidiaries (continued)

Statement of changes in equity

\$million	Issued capital	Preference shares	Reserves	Retained earnings	Total equity
Balance as at 1 July 2024	2,796.1	1,400.0	152.4	2,130.9	6,479.4
Profit for the year	-	-	-	812.1	812.1
Other comprehensive loss for the year, 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	2,609.6	8,511.9
Profit for the period	-	-	-	385.6	385.6
Other comprehensive income for the year, net of tax	-	-	15.2	0.3	15.5
Equity subscription	975.0	-	-	-	975.0
Dividends paid	-	-	-	(121.3)	(121.3)
Balance as at 30 June 2026	5,396.1	1,400.0	96.4	2,874.2	9,766.7

22. Parent entity disclosures

a. Summary financial information (Parent entity)

\$million	2026	2025
Assets		
Current assets	5,323.3	4,920.8
Total assets	23,604.3	18,821.8
Liabilities		
Current liabilities	6,399.7	4,959.3
Total liabilities	14,465.0	10,875.8
Equity		
Issued capital	5,396.1	4,421.1
Preference shares	1,400.0	1,400.0
Reserve	96.4	81.2
Retained earnings	2,246.8	2,043.7
Profit for the year	324.1	858.0
Total comprehensive income for the year	339.6	786.9

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

\$million	2026	2025
Guarantees provided under the deed of cross guarantee as referred to in Note 21	262.7	226.0

c. Contingent liabilities of the parent entity

Contingent liabilities detailed in the Contingent liabilities note relate to the parent entity.

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22. Parent entity disclosures (continued)

d. Capital commitments

\$million	2026	2025
Not longer than 1 year	3,960.7	3,454.5
Later than 1 year but not later than 5 years	5,585.9	81.4
Later than 5 years	22.9	-
Total capital commitments	9,569.5	3,535.9

Our contractor, Future Generation Joint Venture's (FGJV) forecast cost to complete results in a target project cost to complete of \$22.2 billion, noting a cost scenario of \$25 billion referred to in the Directors' Report. The above commitments include the expenditure still to be incurred on Snowy 2.0, based on FGJV's forecast cost to complete (Note 27).

e. Lease commitments

\$million	2026	2025
Not longer than 1 year	0.5	1.0
Later than 1 year but not later than 5 years	-	10.2
Later than 5 years	-	17.3
Total lease commitments	0.5	28.5

Prior year commitments included a lease contract committed before 30 June 2025 that had not yet commenced. Following its commencement in November 2025, a right-of-use asset and lease liability were recognised on the statement of financial position.

23. Related party disclosures

a. Equity interests in related parties

Detail of the percentage of ordinary shares held in controlled entities is disclosed in the Subsidiaries note.

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:

All figures in \$	2026	2025
Short-term employee benefits	7,714,546	7,892,643
Post-employment benefits	250,202	354,451
Other long-term employee benefits	115,617	136,040
Total remuneration	8,080,365	8,383,134

23. Related party disclosures (continued)

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 2026 was \$510.6 million (2025: \$634.6 million owed by the parent entity).

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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 provisions 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
2025	19.3	(18.5)	0.8	-	0.8
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	-	0.5	0.5	-	0.5
Actuarial gain from changes in demographic and financial assumptions	(0.4)	-	(0.4)	-	(0.4)
Actuarial gain from liability experience	(1.6)	-	(1.6)	-	(1.6)
Change in asset ceiling, excluding amounts included in interest expense	-	-	-	1.1	1.1
Total amount recognised in other comprehensive income	(2.0)	0.5	(1.5)	1.1	(0.4)
<i>Contributions:</i>					
Employers	-	(0.2)	(0.2)	-	(0.2)
Plan participants	-	(0.1)	(0.1)	-	(0.1)
<i>Payments from plan:</i>					
Benefit payments	(1.8)	1.8	-	-	-
2026	16.5	(17.4)	(0.9)	1.1	0.2

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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 2026	Cbus Super	SSS/SANCS
Australian equities	16%	12%
International equities	23%	43%
Property	10%	7%
Infrastructure	14%	-
Global credit	8%	-
Alternatives	11%	27%
Global fixed interest	-	1%
Fixed interest	11%	2%
Short-term securities	-	8%
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.

Significant actuarial assumptions at the reporting date

As at 30 June 2026	Cbus Super	SSS/SANCS
Discount rate	5.77% pa	5.9% pa
Salary increase rate (excluding promotional increases)	3.5% pa	3.76% for 26/27; 3.58% for 27/28; 3.50% pa thereafter
Rate of CPI increase	4.75% for 26/27; 2.50% pa thereafter	3.75% for 26/27; 2.50% pa thereafter
Pensioner mortality	Mercer standard pensioner mortality tables have been used. These rates 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.	The pensioner mortality assumptions are as per the 2024 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.

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 0.5% higher/(lower), the defined benefit obligation would decrease by \$0.4 million (increase by \$0.5 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 is 0.5% higher/(lower), the defined benefit obligation would increase by \$0.7 million (decrease by \$0.7 million).



24. Defined benefit superannuation plan (continued)

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 2025. 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 2027 are \$0.04 million for Cbus Super and \$0.2 million for SANCS/SSS. In the prior reporting period, expected contributions for the year ending 30 June 2026 were \$0.06 million and \$0.2 million, respectively.

Maturity profile of defined benefit obligation

The weighted average duration of Snowy Hydro's defined benefit obligation is 8 years and 11.5 years for Cbus Super and SANCS/SSS respectively.

25. Commitments

\$million	2026	2025
Capital expenditure commitments – property, plant and equipment		
Not longer than 1 year	3,960.7	3,454.5
Later than 1 year but not later than 5 years	5,585.9	81.4
Later than 5 years	22.9	-
Total capital expenditure commitments – property, plant and equipment	9,569.5	3,535.9

Our contractor, Future Generation Joint Venture's (FGJV) forecast cost to complete results in a target project cost to complete of \$22.2 billion, noting a cost scenario of \$25 billion referred to in the Directors' Report. The above commitments include the expenditure still to be incurred on Snowy 2.0, based on FGJV's forecast cost to complete (Note 27).

\$million	2026	2025
Lease commitments		
Not longer than 1 year	0.6	1.0
Later than 1 year but not later than 5 years	0.5	10.2
Later than 5 years	-	17.3
Total lease commitments	1.1	28.5

Lease commitments comprise short-term, low-value and contracted leases commencing in future periods. Prior year commitments included a lease contract committed before 30 June 2025 that had not yet commenced. Following its commencement in November 2025, a right-of-use asset and lease liability were recognised on the statement of financial position.

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26. Contingent liabilities

Snowy Hydro is involved in various legal, commercial and regulatory matters arising out of the normal course of business. Where appropriate, provisions have been raised to reflect the expected costs for the resolution and finalisation of open matters. The Directors believe that the outcome of these matters will not have a material impact on Snowy Hydro's financial position or results of operations. Other than as disclosed below, there are no material contingent liabilities as at 30 June 2026.

Ongoing contingent liabilities represented by Snowy Hydro having 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 \$287.3 million (2025: \$282.1 million).

27. Subsequent events

Following repeated requests, in late 2025 we formally instructed our contractor Future Generation Joint Venture (FGJV) to carry out a line by line reforecast of the project's construction program and costings. This work has now been completed. FGJV's forecast cost to complete results in a target project cost to complete of \$22.2 billion. The cost reassessment also resulted in an updated view of the project's schedule with commissioning complete in late 2029. While our contract with FGJV contains obligations that ensure the contractor is motivated to reduce cost and schedule, as well as penalties for under performance, given the unique nature of the project, the level of risk and technical complexity, and FGJV's cost estimation challenges, we are allowing for a cost scenario of \$25 billion. Snowy Hydro will continue to hold FGJV to account for its performance and its obligation to deliver the project safely, with completion achieved at the earliest time and for the lowest possible cost.

We are working closely with our shareholder to develop an appropriate capital structure for Snowy Hydro to support the increase in costs and maintain Snowy Hydro's target credit rating of BBB+.

The provisions for the Snowy 2.0 site rehabilitation have also been updated with FGJV's forecast cost to complete (Note 13).

Except as otherwise disclosed in this report, no item, transaction or event of a material nature has arisen since 30 June 2026 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 2025, 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:

All figures in \$	2026	2025
Audit services		
Audit or review of the financial report	993,500	886,500
Sustainability assurance fee	172,000	-
Other audit services	40,000	32,000
Other non-audit services		
Technology services	19,440	52,775
Total remuneration of auditors	1,224,940	971,275

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

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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 2026 and of the performance for the year 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 September 2026



Dennis Barnes
Managing Director
28 September 2026



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

SNOWY HYDRO LIMITED

FINANCIAL REPORT AND SUSTAINABILITY REPORT 2025–26

AUDITOR'S INDEPENDENCE DECLARATION

In relation to my audit of the financial report and limited assurance engagement on the sustainability report of Snowy Hydro Limited (and its controlled entities) for the year ended 30 June 2026, 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

A handwritten signature in blue ink, appearing to read 'L Craswell'.

Lesa Craswell
Group Executive Director

Delegate of the Auditor-General

Canberra
28 September 2026

Reporting suite	Message from Chair and CEO	About Snowy Hydro	Sustainability performance	Directors' Report	Remuneration Report	Corporate Governance	Sustainability Report	Financial Report	Regulatory Report
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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 2026 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 2026 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 2026 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 Consolidated 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.

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.

Key audit matter

Recoverability of non-current assets

Refer to Note 9 'Property, plant and equipment' and Note 10 'Goodwill and other intangible assets'.

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. The costs are included as part of the Generation cash-generating unit (Generation CGU).

The Group undertakes annual impairment tests (or more frequently if impairment indicators exist) to assess the recoverable amount of property, plant and equipment and intangible assets, including goodwill.

The Group commenced a reassessment of the forecast cost to complete the Snowy 2.0 project and identified a material increase relative to the previously approved total project cost. This resulted in a recoverable amount assessment being performed for the Generation CGU as at 30 June 2026.

I consider this to be a key audit matter due to the materiality of Snowy 2.0 capitalised costs, the materiality of the Generation CGU, the increase in forecast costs to complete the project, and the significant judgement involved in estimating the recoverable amount.

The impairment test requires the exercise of significant judgement in respect of factors such as the forecast future energy prices, the estimated timing and cost to complete for the Snowy 2.0 project, impact of climate change and discount rates.

For the year ended 30 June 2026 the Group reported total construction in progress, which included Snowy 2.0, of \$15,516.6 million.

How the audit addressed the matter

In relation to the recoverability of non-current assets, I performed the following procedures:

- evaluated the design of the key controls associated with the impairment models prepared by management to estimate the recoverable amount;
- assessed the appropriateness of the Group's identified cash-generating units based on the nature of the business and the independent nature of cash flows;
- assessed the basis for the commercial operating assumptions and agreed to supporting documentation where relevant;
- assessed the accuracy and completeness of the carrying value of the Generation CGU, including testing, on a sample basis, capitalised costs associated with the Snowy 2.0 project to determine whether they were in accordance with AASB 116 *Property, Plant and Equipment*;
- made enquiries of the Group to understand the status of the Snowy 2.0 project, including performance against budget and construction progress as at 30 June 2026, and corroborated this information to project reporting prepared by construction delivery partners;
- evaluated management's methodology in accordance with the specific requirements of AASB 136 *Impairment of Assets* and their documented basis for key assumptions utilised in the Generation CGU fair value less cost of disposal model, including:
 - assessing the appropriateness of the impairment model methodology, including evaluating the reasonableness of the probability-weighted cash flow forecasts and the associated weightings applied to reflect a range of potential outcomes;
 - assessing key inputs and assumptions used in model including forecast future energy pricing, Australian energy market transition scenarios and discount rates;
 - agreeing forecast cash flows, including estimated capital expenditure on core generating assets, and generation volumes to latest forecasts; and
 - assessing the integrity and mathematical accuracy of the impairment models prepared by management.
- evaluated the appropriateness of management's sensitivity analysis and completeness of consideration of reasonable possible changes in key assumptions.

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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 financial instruments to manage the Group's exposure to the variability in electricity prices, foreign exchange and interest rate movements.

I consider the valuation of 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; and 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 2026, the Group reported total financial assets relating to energy derivatives of \$1,012.2 million and total financial liabilities relating to energy derivatives of \$275.1 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 valuation, existence and completeness of financial instruments recognised by the Group as at 30 June 2026. 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 *Financial Instruments* 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; and
- assessing 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.

Other information

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 2026 but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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.

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.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of:

- (a) 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 *Corporations Act 2001*; and
- (b) the consolidated entity disclosure statement that is true and correct and in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- (a) 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
- (b) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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.

Auditor's responsibilities for the audit of the financial report

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.

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

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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.

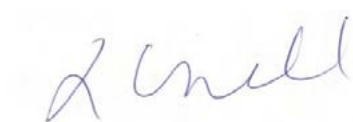
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial 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



Lesa Craswell
Group Executive Director

Delegate of the Auditor-General

Canberra
28 September 2026

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Corporate directory

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

James Cain (Chair) BDP, B. Bldg, MBA (Exec)

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

Karen Moses OAM, BEcon, Dip Ed, FAICD

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

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

Daniel Walton (appointed 11 November 2025)

David Fredericks BEc, LLB (Hons), GradDipLegPrac (appointed 11 November 2025)

Sussan Ley BEc, MTaxLaw, MAcc (appointed 26 September 2026)

Merryn York AM BE (Electrical), MEngSc, Hon FIE Aust, FTSC, GAICD (appointed 26 September 2026)

Sandra Dodds BCom, FCA, GAICD (retired on 31 March 2026)

Scott Mitchell GAICD (retired on 25 September 2026)

Principal registered office

Monaro Highway
Cooma NSW 2630
Australia

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

snowyhydro.com.au

ANAO reports

ANAO Snowy 2.0 performance audit

The Auditor-General is able to conduct a performance audit of an entity GBE or a company GBE, or any of its subsidiaries, in the circumstances outlined in the Auditor-General Act 1997. The ANAO has conducted a performance audit to assess the effectiveness of Snowy Hydro's management of the delivery of Snowy 2.0 in support of achieving value for money. On 18 June 2026, the ANAO released its report.

Snowy Hydro agreed with four of the ANAO's five recommendations, covering enhanced documentation, reporting traceability and performance measurement within the existing governance framework. Snowy Hydro partially agreed with the remaining recommendation relating to public reporting.

While the recommendations do not propose fundamental changes to Snowy 2.0's underlying delivery model, governance structure or management approach, we are committed to continually testing and improving our delivery oversight. The report acknowledges that improvements in these areas have already been completed or are underway. The ANAO's guidance informs many of these initiatives.

ANAO financial statement audits

The ANAO conducted financial statement audits of Snowy Hydro as part of its regular audits of the financial statements of Australian Government entities for the periods ended 30 June 2024 and 30 June 2025.

Although the ANAO identified audit findings during the 2023-24 and 2024-25 audits, additional audit procedures were undertaken to obtain sufficient and appropriate evidence on the financial statements. Snowy Hydro has advised the ANAO of the actions it is taking to remediate the audit findings identified.

Work Health and Safety Act 2011 (Cth)

Snowy Hydro safety performance

Regarding initiatives taken during the year to ensure the health, safety and welfare of workers who carry out work for Snowy Hydro, refer to the Sustainability performance – Health and safety section of this Annual Report.

Regarding health and safety outcomes (including the impact on injury rates of workers) achieved as a result of initiatives undertaken during the year or previous initiatives, refer to the People and Safety section of the Non-financial operational performance measures of this Annual Report.

A total of four regulatory notifiable incidents (excluding our major projects) were reported to Comcare, Snowy Hydro's safety regulator, in FY26. Where required, Snowy Hydro provided Comcare with requested information and undertook necessary actions for all closed incidents.

Across our major projects, a total of 40 notifiable incidents were reported to Comcare in FY26, 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.

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.

Comcare initiated one formal investigation in FY26 into the February 2025 failure of a ventilation fan at the Snowy 2.0 project. A s.155 notice was issued by Comcare to Snowy Hydro in July 2025.

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

For the period ended 30 June 2026

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

1. Decision making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations (the 'integration principle')

Snowy Hydro's decision making processes are guided by the Shareholder Ministers' Statement of Expectations, including that Snowy Hydro supports Australia's transition to a renewable energy system and, in particular, the expansion of pumped-hydro in the Snowy Scheme via the Snowy 2.0 project.

Driven by our purpose to power Australia's sustainable future, Snowy Hydro integrates long-term and short-term economic, environmental, social and equitable considerations into its strategic decisions.

2. If there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation (the 'precautionary principle')

Snowy Hydro recognises and manages the operational risks inherent to its activities. In accordance with our comprehensive risk management framework, controls are established to mitigate these risks. Further details on Snowy Hydro's risk management approach are available in our Corporate Governance Statement (see Principle 7: Recognise and manage risk) in this Annual Report. We apply an adaptive framework to risk management, identifying and responding to risks as they arise. These controls are subject to periodic internal and external assurance processes.

Reporting suite	Message from Chair and CEO	About Snowy Hydro	Sustainability performance	Directors' Report	Remuneration Report	Corporate Governance	Sustainability Report	Financial Report	Regulatory Report
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3. The principle of inter-generational equity - that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations (the 'intergenerational principle')

Snowy Hydro has demonstrated ongoing commitment to environmental stewardship and ecologically sustainable development for over 75 years. Major projects such as Snowy 2.0 and Kurri Kurri Power Station underscore our commitment to decarbonising the NEM and investing in Australia's long-term sustainable future. These projects significantly expand our capacity to provide and facilitate clean, reliable energy across the NEM for generations to come.

4. The conservation of biological diversity and ecological integrity should be a fundamental consideration in decision-making (the 'biodiversity principle')

Environmental impacts are managed through Snowy Hydro's ISO 14001-accredited Environmental Management System (EMS), strict adherence to the requirements of the Snowy Water Licence, and compliance with site-specific regulatory management plans and environmental licences.

The water managed within our reservoirs is critical not only for electricity generation, but also for delivering downstream economic, environmental, cultural and recreational benefits through scheduled water releases. For transparency, an Annual Water Operating Plan is published on our website detailing our water releases and resource management strategies.

As key operations are located within the sensitive Kosciuszko National Park, we strictly comply with all legal obligations to protect this listed conservation area, alongside our various licence requirements across other operational zones. We monitor emissions closely to protect nearby sensitive receivers, collaborate with local communities to support conservation and land rehabilitation initiatives, and continuously refine our systems and on-ground practices to uphold our environmental commitments.

5. Improved valuation, pricing and incentive mechanisms should be promoted (the 'valuation principle')

Snowy Hydro aligns with the valuation principle of ecologically sustainable development by actively driving Australia's transition to a renewable energy system and implementing internal operational changes to reduce our corporate carbon footprint. Our alignment with this principle is detailed further in the Sustainability performance (Energy transition & climate change) section of this Annual Report.

Environmental performance

1. The impact of activities on the environment

Snowy Hydro recognises the potential impact of operational activities on the environment. We strive for excellent environmental performance and land stewardship across all of our locations and activities.

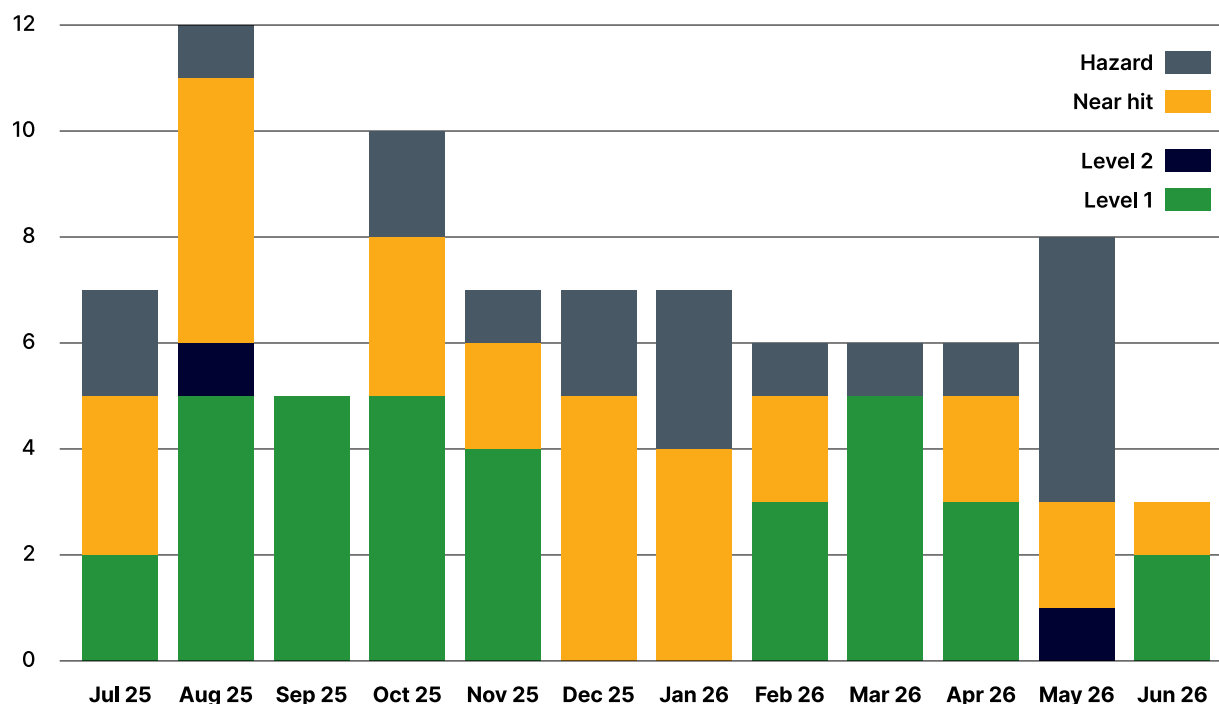
Environmental Events

The primary measure of Snowy's environmental impact is environmental event data. Snowy Hydro's event classification framework considers environmental events at the following levels:

- **Level 1:** Short term impact (<6 months to recover). Confined to the work area. Impacts to an area or a value of low environmental significance.
- **Level 2:** Medium term impact (<2 years to recover). Impacts may occur outside the project / property boundary. Impacts to an area or a value with some environmental significance (e.g. native flora or fauna or recorded heritage item).
- **Level 3:** Long term impact (>2 years to recover). Extent is widespread and significant effort to remediate. Impacts to an area or a value of high environmental significance (e.g. individuals of threatened species or recorded heritage item).
- **Level 4:** Some irreversible impact. Unconfined impacts. Material impact to a threatened or endangered species, or a listed heritage item. Not possible to fully remediate.
- **Near Hit:** An event with potential environmental impacts but did not result in actual environmental harm.
- **Hazard:** A source, situation, or act with potential to cause injury, ill-health or damage to the environment or property.

Environmental events in FY26 are shown in Figure 1. The events in this figure do not include project-related events (Snowy 2.0 and Kurri Kurri Power Station).

Figure 1: FY26 Environmental Events



FY26 saw the commencement of commissioning activities at the KKPS, led by project's principal contractor. For details on environmental impact during project activities such as KKPS commissioning and impacts associated with Snowy 2.0, refer to the Directors' Report section of this Annual Report.

Emissions

Snowy Hydro's operations result in scope 1, scope 2, and scope 3 greenhouse gas emissions. Under the Australian Public Service Net Zero Emissions Reporting Framework, Snowy Hydro provides scope 1, 2, and selected scope 3 emissions data to the Commonwealth Department of Finance's Climate Action in Government Operations (CAiGO), who calculate the associated carbon emissions.

- **Scope 1 emissions** are direct emissions released from sources owned or controlled by Snowy Hydro.
- **Scope 2 emissions** are indirect emissions associated with the generation of electricity purchased and consumed by our operations.
- **Scope 3 emissions** are indirect emissions generated within our broader value chain from activities or assets not under our direct control, such as business travel and waste disposal.

Emissions Statement (RMG 137)

Snowy Hydro formally reports its scope 1 and 2 emissions data as part of the National Greenhouse and Energy Reporting (NGER) Scheme. This data undergoes external assurance audit. Emissions data, as provided and calculated by CAiGO for Resource Management Guide (RMG) 137 (Annual Reports for Commonwealth Companies) is below. The reporting scope utilised by CAiGO is not designed to align with other statutory reporting frameworks (such as NGER), and data variances may occur.

Reporting suite	Message from Chair and CEO	About Snowy Hydro	Sustainability performance	Directors' Report	Remuneration Report	Corporate Governance	Sustainability Report	Financial Report	Regulatory Report
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Table 1: 2025–2026 Greenhouse gas emissions inventory – location-based method

Emissions 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	449,424.00	21,519.84	470,943.84
Natural Gas	84,246.14	N/A	18,725.75	102,971.89
Solid Waste	0	N/A	12,243.89	12,243.89
Refrigerants	275.76	N/A	N/A	275.76
Fleet and Other Vehicles	1,367.01	N/A	338.57	1,705.58
Domestic Commercial Flights	N/A	N/A	301.29	301.29
Domestic Hire Car	N/A	N/A	0.07	0.07
Domestic Travel Accommodation	N/A	N/A	302.78	302.78
Other Energy	14,661.09	N/A	3,639.05	18,300.14
Total t CO₂-e	100,550.00	449,424.00	57,071.24	607,045.24

NOTE:

- Scope 1, scope 2, scope 3 and total emissions are presented as tonnes of carbon dioxide equivalent (tCO₂-e).
- Electricity emissions are calculated using the location-based method.
- Refrigerants are being phased and are an optional source in FY26 emissions reporting.
- Emissions from domestic commercial flights and hire cars for FY26 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.

Emissions Source	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	Electricity kWh
Electricity – location based	449,424.00	21,519.84	470,943.84	702,985,792.35
Electricity – market based	470,176.00	63,851.07	534,027.07	580,464,186.42
Total renewable electricity¹	N/A	N/A	N/A	122,521,605.94
Renewable Power Percentage ²	N/A	N/A	N/A	121,546,243.50
Jurisdictional Renewable Power Percentage ³	N/A	N/A	N/A	0
GreenPower	N/A	N/A	N/A	975,362.44
Large-scale generation certificates	N/A	N/A	N/A	0

Note: The table above represents emissions related to electricity usage using both the location-based and the market-based accounting methods. Scope 2, scope 3 and total emissions are presented as tonnes of carbon dioxide equivalent (t CO₂-e). Electricity data is reported in kilowatt hours (kWh).

- Total renewable electricity excludes behind-the-meter solar other than generation used to create large-scale generation certificates (LGCs).
- The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET).
- Jurisdictional Renewable Power refers to the Jurisdictional Renewable Power Percentage (JRPP). Currently, the Australian Capital Territory is the only jurisdiction with a JRPP.

2. Measures taken to minimise impact on the environment

Snowy Hydro utilises governance mechanisms to minimise environmental impacts and ensure residual risks are managed appropriately. These include:

- Environmental Management System (EMS) certified to the ISO 14001:2015 standard. The EMS defines the core processes for identifying and managing environmental risks, evaluating control effectiveness, and capturing opportunities for continuous improvement.
- Our Environmental Policy which establishes environmental performance expectations and standards for our people and contractors.
- Our Environmental Strategy (2024–2026) which promotes a proactive culture of environmental care and delivers practical management tools designed to prevent environmental harm and mitigate regulatory risk. This strategy focuses on protecting the environment, providing user-friendly risk and compliance processes and maturing our environmental sustainability capabilities.
- Implementation of approved environmental management plans for both business as usual operations and projects, ensuring potential impacts are identified and mitigated. All activities within Kosciuszko National Park are managed via a package of Environmental Management Plans regulated by the New South Wales National Parks and Wildlife Service.

- Implementation of environmental flows to downstream catchments:
 - We provide water releases from Jindabyne Dam into the Snowy River (Snowy River Increased Flows) and facilitate additional natural flows to nominated rivers below selected Snowy Hydro Dams (Snowy Montane Rivers Increased Flows) for environmental purposes under the Snowy Water Licence. These programs provided environmental flows in FY26 to nine waterways below six dams in the Snowy, Murray and Murrumbidgee catchments.
 - Environmental releases to the Snowy River at Jindabyne Dam and the Murrumbidgee River at Tantangara Dam are made directly from dam outlets. These releases aim to provide aspects of a natural flow regime, including base and flushing flows to these downstream catchments.
 - Environmental releases from aqueduct weirs (all other locations) ensure continuous flows into these systems and in general restore the natural flow of these tributaries and increase flows to the main stem river they connect with.
 - Releases are subject to daily, monthly and annual release targets set by the NSW Department of Climate Change, Energy, Environment and Water.
- Operational controls are deployed to identify, manage and respond to new or shifting risk profiles. Key improvement initiatives implemented during FY26 included:
 - Updating and delivering targeted environmental training modules, focusing on high-priority risk areas for operational and functional teams;
 - Developing new activity-specific environmental procedures tailored to core work tasks and risk areas, and updating resources associated with existing procedures such as updated aerial imagery and mapping;
 - Enhancing data analysis and visualisation to improve management and extraction of insights and learnings from environmental events; and
 - Improving realtime environmental data trending and compliance information.

3. Methods for reviewing and increasing effectiveness of measures to minimise impact on the environment

Snowy Hydro primarily gauges its environmental performance by analysing audit findings, event data, and compliance metrics. Our annual schedule of environmental inspections and assurance audits focuses on contractor activities, critical control processes, high-risk operational tasks, and overall compliance with the EMS and associated environmental management plans.

The outcomes of this year's assurance program identified opportunities for continuous improvement across the business. Inspection and audit numbers for FY26 are shown in Table 2. Our assurance framework divides assurance activities into three levels:

- **Level 1:** Assurance carried out by operational leaders and site supervisors to confirm that site based processes and controls are effective.
- **Level 2:** Environment assurance, to verify that Snowy's functional systems, processes and controls are effectively mitigating the major risks.
- **Level 3:** Independent, third party audits undertaken to assure that Snowy's overarching systems and processes are effectively mitigating risks.

Table 2: FY26 Environmental Assurance Program

Audit type	Number of audits completed ¹
Level 2 Environmental Compliance Inspections	14
Level 2 Environmental Site Inspections	68
Level 2 Environmental Management Plan and Critical Process Review	17
Level 2 EPA Licence Compliance Audits	5
Level 2 Integrated Clean, Green and Safe (CGS) Assurance Audits	5
Level 2 Land and Property Assurance	10
Level 3 External Assurance Audits	10
Total	129

1. Table 2 includes operational assurance activities only. Assurance activities at project sites (Kurri Kurri and Snowy 2.0) are not included

Reporting suite	Message from Chair and CEO	About Snowy Hydro	Sustainability performance	Directors' Report	Remuneration Report	Corporate Governance	Sustainability Report	Financial Report	Regulatory Report
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Regulatory Reporting Requirements Index

For the period ended 30 June 2026

Section	Description	Location	Pages
Corporations Act 2001 (Cth)			
s.295	Financial statements	Financial Report	120-125
	Notes to financial statements	Financial Report	126-168
	Consolidated entity disclosure statement	Financial Report	169
	Directors' declaration	Financial Report	170
s.296A-s.296D	Sustainability report	Sustainability Report	83-114
s.298-s.300	Directors' report	Directors' Report	43-59
s.301 and s.308	Auditor's report	Independent Auditor's Report	172-176
Public Governance, Performance and Accountability Act 2013			
s.97 Annual reports for Commonwealth companies			
	Financial report	Financial Report	117-176
	Directors' report	Directors' Report	43-59
	Auditor's report	Independent Auditor's Report	172-176
Public Governance, Performance and Accountability Rule 2014			
28E Contents of annual report			
28E(a)	The purposes of the company as included in the company's corporate plan for the reporting period	About Snowy Hydro – Statement of Expectations and Our business	11, 18
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	45-49
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	About Snowy Hydro – Statement of Expectations	11
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	Not applicable	-
28E(d)	Any government policy order that applied in relation to the company during the reporting period under section 93 of the Act	Not applicable	-
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	-
28E(f)	Information on each director of the company during the reporting period	Directors' Report	51-55

Section	Description	Location	Pages
28E(g)	An outline of the organisational structure of the company (including any subsidiaries of the company)	Note 21 to the Consolidated Financial Statements	159-161
		Consolidated Entity Disclosure Statement	169
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	Sustainability performance – Employee engagement and Diversity and inclusion	36-40
28E(h)	An outline of the location (whether or not in Australia) of major activities or facilities of the company	Chair and CEO Message	6-7
		Directors' Report	44
28E(i)	Information in relation to the main corporate governance practices used by the company during the reporting period	Corporate Governance Statement	71-82
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 – Operations and Significant changes in the state of affairs	44, 58
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	59
28E(n)	Particulars of any reports on the company given by: (a) the Auditor-General, 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	172-176
		Regulatory Report	178
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	-
28E(oa)	Information about executive remuneration	Remuneration Report	61-70

Reporting suite	Message from Chair and CEO	About Snowy Hydro	Sustainability performance	Directors' Report	Remuneration Report	Corporate Governance	Sustainability Report	Financial Report	Regulatory Report
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Section	Description	Location	Pages
28E(ob)	The following information about the audit committee for the company:	(a) Corporate Governance Statement	79
	(a) a direct electronic address of the charter determining the functions of the audit committee;	(b)–(d) Directors' Report, Corporate Governance Statement	51-55, 75
	(b) the name of each member of the audit committee;		
	(c) the qualifications, knowledge, skills or experience of each member of the audit committee;	(e) Remuneration Report	69-70
	(d) information about each member's attendance at meetings of the audit committee;		
	(e) the remuneration of each member of the audit committee		
28E(p)	The list of requirements as set out in Schedule 2B that references where those requirements are to be found in the annual report	Regulatory Report	184-186
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	46
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	Not applicable	-
28F(1)(b)	Information on dividends paid or recommended	Directors' Report	46
		Note 20 to the Consolidated Financial Statements	158
28F(1)(c)	Details of any community service obligations the government business enterprise has including:	Not applicable	-
	(a) an outline of actions taken to fulfil those obligations; and		
	(b) an assessment of the cost of fulfilling those obligations		
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	48

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