



Annual Report 2026

Proudly powering our regional communities for 20 years

*Owned by the
people of WA*

HORIZON
POWER

20
YEARS



We stand with communities across regional and remote Western Australia to deliver energy that is progressively cleaner, more sustainable and affordable.



Acknowledgement of Country

We acknowledge and pay our respect to Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia.

We are privileged to share their lands, throughout 2.3 million square kilometres of regional and remote Western Australia (WA) and Perth, where our corporate office is based, and we honour and pay our respect to the past, present and emerging Traditional Owners and Custodians of these lands.

We acknowledge Aboriginal and Torres Strait Islander peoples' continued cultural and spiritual connection to the seas and the lands on which we operate.

We acknowledge their ancestors who have walked this land and travelled the seas and their unique place in our nation's historical, cultural and linguistic history.

Terminology

Horizon Power uses the term Aboriginal and Torres Strait Islander (and Aboriginal on future references) instead of Indigenous. Therefore, within all Horizon Power documents the term Aboriginal is inclusive of Torres Strait Islanders who live in WA.

Aboriginal and Torres Strait Islander peoples of Australia are advised that this report may contain images or names of deceased people.

Statement of Compliance

For the year ended 30 June 2026

To the Minister for Energy and Decarbonisation; Manufacturing; Skills and TAFE; Pilbara; Assisting the Minister for Defence Industries, Hon Amber-Jade Sanderson BA MLA.

In accordance with the *Government Trading Enterprises Act 2023* (WA) (the GTE Act), I am pleased to submit for your information and presentation to Parliament, the 2025/26 Annual Report of the Regional Power Corporation, trading as Horizon Power.

The Annual Report has been prepared in accordance with provisions of the GTE Act.

Yours sincerely



Samantha Tough
Chair

8 September 2026

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01 Introduction

About Us

Horizon Power is Western Australia's regional and remote energy provider, powered by an engaged local workforce committed to delivering safe and reliable power to its customers. Our purpose is to deliver clean energy solutions for regional growth and vibrant communities.

We are playing a pivotal role in the energy industry as we explore new and innovative ways to develop our renewable energy capability. We are applying the knowledge gained through our groundbreaking trials, supported by significant investment, to develop innovative energy solutions. As a result, we are providing customers with more sustainable, affordable and reliable power, along with tailored solutions for their energy future.

In serving our customers and communities, we focus on supporting local economies, fostering a culture that inspires and unites people, and maintaining our commitment to Aboriginal peoples.

We operate across the full energy supply chain with generation, transmission, distribution and retail services, delivering power to approximately 47,000 customer accounts.

Our service area is the largest geographical catchment of any Australian power provider, spanning 2.3 million square kilometres.

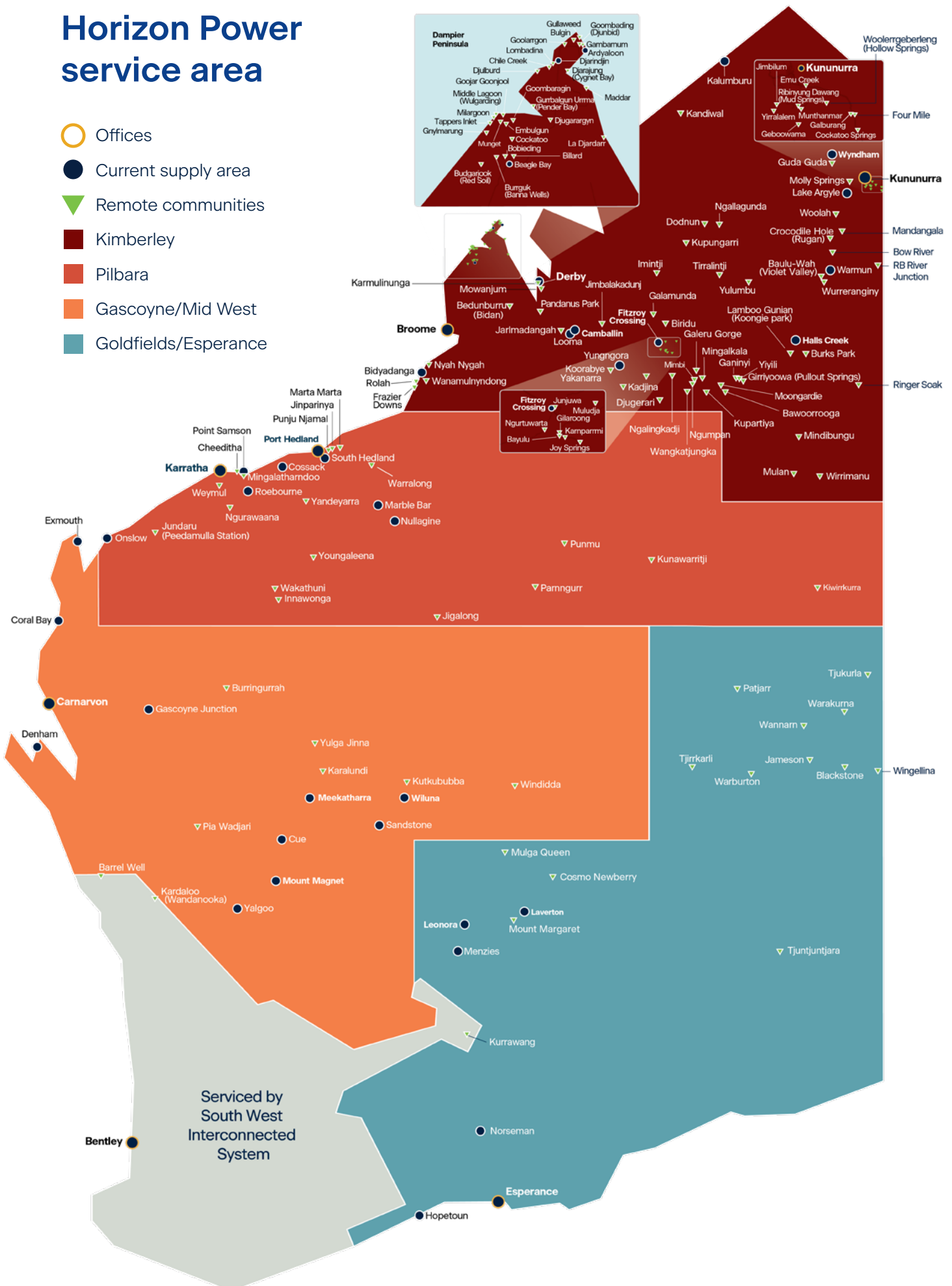
We manage six depots across regional WA, with a corporate head office in Perth.

We operate multiple power systems tailored to meet the unique needs of some of the most isolated and remote communities in the world. This includes the North West Interconnected System (NWIS) in the Pilbara; a connected network covering three interconnected systems in Kununurra, Wyndham and Lake Argyle; more than 30 microgrids; and standalone power systems that sustainably service end-of-grid customers.

Horizon Power is also responsible for the delivery of power to 170 remote or town-based communities. As a State-owned Government Trading Enterprise, Horizon Power operates under the *Government Trading Enterprises Act 2023* (WA) and is governed by a Board of Directors and the Minister for Energy and Decarbonisation.

Horizon Power service area

- Offices
- Current supply area
- ▼ Remote communities
- Kimberley
- Pilbara
- Gascoyne/Mid West
- Goldfields/Esperance



A message from the Chair

This year marks an important milestone as we reflect on 20 years of service to regional and remote Western Australia and plan for the next 20 years.

Collaboration and continued engagement across government, industry partners and communities have been defining features this year as we navigated significant weather events including Severe Tropical Cyclone Narelle and international disruptions to fuel supply chains that impacted our operational environment and customers.

Severe Tropical Cyclone Narelle impacted power supply for most of Exmouth at a peak time for tourism, just prior to Easter. Our people worked extremely hard to safely restore the power supply in a timely manner to our Exmouth customers. This was achieved in collaboration with Western Power, HV WA, GenusPlus Group, Department of Fire and Emergency Services and the Shires of Exmouth and Carnarvon.

Our commitment to partnering and collaboration was demonstrated again during the geopolitical instability resulting from the conflict in Iran. With 149 of our energy systems reliant on diesel for power supply, our team worked effectively across contracted suppliers, government and community groups to maintain certainty of fuel supply and assurance of ongoing energy reliability. We continue to monitor this situation closely.

Our continued focus on running a resilient and efficient business remains strong with Horizon Power finishing the year with a net profit after tax of \$16.9 million, an increase of 11 per cent on the previous year, driven by higher electricity sales, lower cost of sales and one-off gains from asset disposals. High customer satisfaction levels were consistently observed together with a continued focus on delivering energy transition outcomes including 29 renewable projects delivered alongside the WA Government's Residential Battery Scheme.

We continued our commitment to improving power infrastructure in remote Aboriginal communities with delivery of renewable energy solutions, advanced metering and network upgrade programs occurring in a culturally led way that reinforces our Stretch Reconciliation Action Plan objectives.

A key milestone during the year was the permanent appointment of Krystal Skinner as Chief Executive Officer. During her time as Acting CEO, Ms Skinner provided steady leadership during a period of significant change, bringing together and providing confidence for our people, partners and stakeholders. The Board and wider business community are delighted with her appointment.

“Whilst this year reflected significant changes in our external operating environment, the unwavering focus and commitment to our core purpose has remained resolute: maintaining safe and reliable power supply, affordability for customers, and progressing the transition to lower emissions in a practical and considered way.”



The Board also transitioned during the year, welcoming three new Directors in Anna Dartnell, Robert Radley and Travis Robinson who bring a combination of strategic, financial and regional operating experience to the Board. I welcome our new Directors while also acknowledging the significant contribution of our outgoing directors in Sandra Di Bartolomeo and Rohan Williams.

In the year ahead, we expect the Pilbara to be an area of renewed focus, with demand for energy continuing to grow in step with the region's economic expansion and decarbonisation ambitions. We are supporting delivery of common-use infrastructure to progress the Pilbara Energy Transition Plan and Strategic Industrial Areas, critical to the growth of new industries and green exports in Western Australia.

We have commenced a program known as **PowerForward**, defining business improvement and enhancement in our operating model, with safety and culture as core enablers. These foundations are designed to improve coordination and efficiency, enabling more effective decision-making and project delivery.

This has been a year of challenge and transition. It is especially important to acknowledge and appreciate the significant support and leadership of our Minister, the Honourable Amber-Jade Sanderson, Minister for Energy and Decarbonisation and the Pilbara, and our owner, the WA State Government.

Finally, on behalf of the Board, I thank the commitment of our people. Your outstanding efforts support the essential service we provide to regional and remote communities across Western Australia and help make Horizon Power the special place it is.

A handwritten signature in black ink that reads "Samantha Tough".

Samantha Tough
Chair

A message from the CEO

Horizon Power enters its next phase with a clear focus: delivering reliable and affordable energy in the present while building the systems, capability and partnerships needed for the future.

This financial year, we experienced challenges shaped by rising fuel costs, global market pressures and increasing complexity across supply chains. These conditions have contributed to an increase in the cost of delivering energy, felt acutely across regional and remote systems.

These pressures are also being felt by our customers. In some remote and self-managed communities, where residents have historically paid for their own diesel, energy costs are more directly influenced by fuel supply and pricing. In response, we are helping reduce diesel reliance through fit-for-purpose energy solutions, while also improving customer visibility and control through advanced metering and targeted education to support more informed energy use.

Over the past year, we have continued to make tangible progress across our operations through our coordinated ReGen program, which is regularising power services across remote communities and replacing ageing infrastructure. ReGen is installing and upgrading standalone power systems and larger hybrid renewable systems, alongside continued investment in programs that support more affordable energy and increased customer choice.

Upgrades are already improving reliability, safety and long-term sustainability in Gnylmarung, Kandiwal, Four Mile, Weymul, Marta Marta, Embalgun, La Djarrdar Bay and Budgarjook.

Initiatives such as Community Wave and Sunshine Saver are helping customers proactively manage their energy use, while tailored renewable energy solutions are enabling customer participation in ways that reflect local conditions and system requirements.

Our response to Severe Tropical Cyclone Narelle was a clear demonstration of our ability to collaborate effectively with partners, including government agencies and contractors, to restore power safely in challenging conditions.

The scale and pace of the recovery effort reflected the strength of our operational capability, and dedication of our people to support affected communities.

“We are progressing important work to reshape how energy is sourced and delivered over the longer term. Improvements in the cost of supply are expected to be driven by the transition to new generation arrangements, including the replacement of existing power purchase agreements and the introduction of new, flexible supply solutions.”



Our approach to the energy transition is grounded in practical delivery outcomes. Across the business, we are implementing solutions that are fit-for-purpose for regional communities. This includes delivering a new renewable power system for Exmouth, with new power systems in Leonora, Laverton and Menzies on their way.

Work is underway across key regions, including the Pilbara, where we are exploring options for generation replacement, and in the West Kimberley, where five systems will be renewed. Thermal and renewable solutions are being actively assessed to support the energy transition.

While these changes will take time to be fully realised, they represent an important step in moving our power systems towards cleaner, more resilient energy supply.

We continued to strengthen our leadership capability and organisational structure to support our strategic priorities. This includes new executive leadership appointments and reinforcing our focus on service delivery and customer outcomes.

Our role in the Pilbara energy market continues to grow as we deliver solutions across the energy supply chain to support regional growth and the transition to a lower emissions future.

This year has been defined by disciplined delivery and a focus on how to continually work better as a business. Through *PowerForward* we are embedding improvements in productivity, coordination and decision making – building on our capability to deliver in an increasingly complex operating environment. These outcomes are driven by our people, whose collective commitment continues to translate strategy into impact.

During the year, we also reinforced our commitment to reconciliation through the launch of our Stretch Reconciliation Action Plan, affirming our dedication to creating opportunities and lasting impact for Aboriginal employees, customers and communities.

Looking forward, we will continue to focus on practical outcomes, supporting our customers, progressing key projects and a more resilient energy future for regional Western Australia.

Krystal Skinner

Krystal Skinner
Chief Executive Officer

02 Overview

Year at a glance



29.7 GWh

Renewable energy
purchased from
customers



>\$1.1m

Invested in
Community
Partnership
Program



18.3 MW

Rooftop solar
enabled with Smart
Connect Solar



Stretch

Reconciliation
Action Plan
launched



Award winning
Health and
Wellbeing Program



Award winning
Corporate
Volunteering Program



2,226

Employee
community
volunteering hours



5

Tropical
cyclones



33%

Employees
working and living
in regional WA



95

Aboriginal
suppliers in our
supply chain



10

Standalone
power systems
delivered



\$212,000

Customer savings
with Kimberley
Communities
Solar Saver



Operational performance report

47,816

Total customer accounts

37,216

Residential accounts

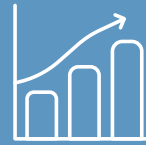
9,183

Business accounts



81%

Customer satisfaction rating



34

Performing systems (up from 32 in previous year)



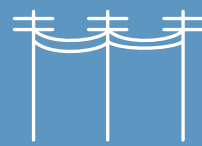
1,507

Prepayment accounts



56,796

Distribution poles



677

Transmission poles



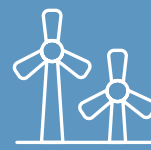
851

Transmission towers



49,548

Premises connected



1,169

GWh electricity produced

Notes to the performance overview table

→ 01. Notifiable Incidents

There were 10 notifiable incidents reported to Building and Energy in FY26:

- One minor electric shock
- One minor fire/building structure
- One network fire (not pole)
- Three failures of plant in a way that could pose a risk of injury
- One substandard third party plant contact
- Two workplace practice incidents
- One consumer fault (insulation related).

→ 02. Unassisted pole failure rate

The unassisted pole failure rate decreased from 0.53 to 0.47. There was one new unassisted pole failure for the year in Wiluna. Two poles were removed from the three-year rolling average.

→ 03. Net profit after tax (NPAT)

NPAT of \$16.9 million exceeded the target of \$3.2 million, driven by one-off gains from asset disposals, increased electricity sales and lower cost of sales.

→ 04. Unit cost to supply

The unit cost to supply was marginally lower than target reflecting effective cost management and operational efficiencies despite ongoing inflationary pressures.

→ 05. Return on assets

Return on assets exceeded budget, primarily driven by higher earnings before interest and tax (EBIT), supported by increased electricity sales and gains on the disposal of assets.

→ 06. Customer satisfaction rating

Continuous improvement year-on-year, and above our target of 70 per cent overall performance.

→ 07. Reliability

The number of performing systems increased from 32 to 34.

→ 08. SAIDI/SAIFI

SAIDI and SAIFI increased from the past financial year.

Table 1: Performance overview/critical business outcomes FY 2024/25 and FY 2025/26

Critical business outcomes	Target performance 2025/26	Actual performance 2025/26	Target achieved	Actual performance 2024/25	Notes to the table	For more information see page
Safety – minimise the risk of harm						
Public safety Total number of notifiable public safety incidents	N/A	10	N/A	10	1	N/A
Unassisted pole failure rate Number of unassisted pole failures divided by 10,000 over a 36-month rolling average	1.00	0.47	✓	0.53	2	21
Value – maximising long-term value						
Net profit after tax (\$m)¹ Profit for the year after income tax	3.2	16.9	✓	15.2	3	103
Cost management (cents/kWh)¹ Unit cost to supply (estimated total cost for financial year excluding interest, depreciation and tax)	41.9	41.7	✓	39.2	4	N/A
Return on assets (%)² Earnings before interest and tax (EBIT) on total assets	3.2	3.7	✓	3.8	5	N/A
Community – serving our customers						
Customer satisfaction (%) Survey rating	70	81	✓	76	6	N/A
System reliability and electricity delivery*						
Reliability Number of systems that meet reliability performance standards	33	34	✓	32	7	18
System Average Interruption Duration Index (SAIDI) Average total length of outages in minutes over 12 months	290	168	✓	117	8	18
System Average Interruption Frequency Index (SAIFI) Average total number of outages per customer over 12 months	6.6	2.0	✓	1.8	8	18

¹ Target represents latest State Budget estimated actual as approved by State Government (Expenditure Review Committee [ERC]).

² Total assets exclude deferred tax liabilities which are offset against deferred tax assets in the financial statements.

* Excludes Remote Communities transferred on 1 July 2023.

Providing a safe and reliable supply of electricity

Our performance (Table 1, page 17) is measured against key financial and non-financial performance indicators and targets.

Providing safe and reliable electricity across regional and remote Western Australia presents unique operational challenges. The scale and remoteness of our service area can extend response times when system faults or infrastructure issues occur, particularly in locations a significant distance from operational resources.

Across our service area, our customers on average experienced 2.0³ power interruptions for the year (an increase from 1.8 in the previous year). This is well within our performance target of 6.6 interruptions (System Average Interruption Frequency Index – SAIFI). The average length of interruptions increased to 168 minutes from 117³ minutes in the previous year. This remains well below our target of 290 minutes (System Average Interruption Duration Index – SAIDI).

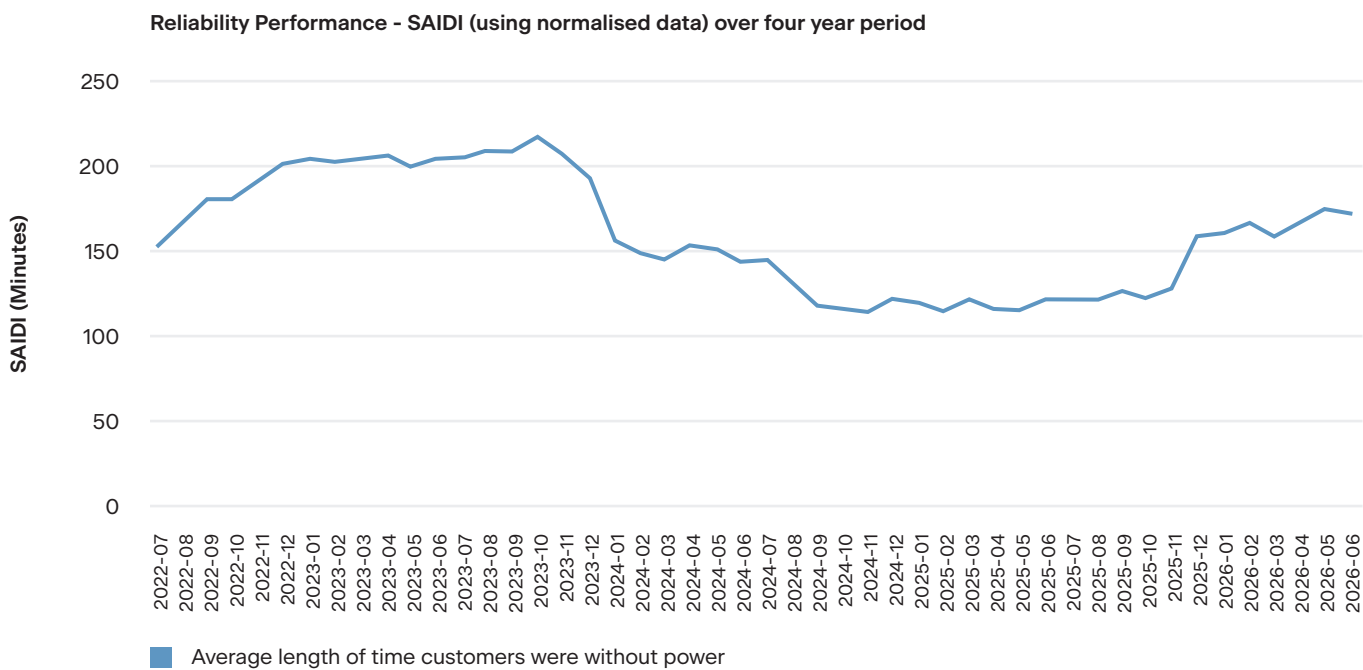
Throughout the year, the number of performing systems increased from 32 to 34 out of 38 systems. This is a key internal measure of our performance which considers both the duration and frequency of interruptions experienced by our customers in each of our service areas. Generation outages and network issues including lightning, storm activity, wildlife interactions and equipment failure have all impacted reliability in our non-performing systems at Hopetoun, Hopetoun Rural, Looma and Bidyadanga. Tropical Cyclone (TC) Fina,

Luana and Severe Tropical Cyclone (STC) Hayley crossed the WA coast between November 2025 and January 2026 near Horizon Power's network. Direct impact to our systems was limited. STC Mitchell followed in February 2026 and affected Exmouth and Carnarvon. The most significant impact occurred in March 2026 when STC Narelle directly impacted Exmouth and Carnarvon, causing the greatest operational disruption of the cyclone events. The Bureau of Meteorology (BOM) and Emergency WA issued multiple warnings and advisories across the Gascoyne, Pilbara and Kimberley regions, including warnings for gale-force winds, heavy rainfall and flooding.

We continued to see strong compliance with our Electricity Network Safety Management System (ENSMS) which provides a structured mechanism and targeted focus to enable safe assets and safe work practices for our people and communities through continuous improvement.

³ SAIDI and SAIFI is based on the normalised dataset which excludes outages with duration of one minute or less, outages that affects one customer or less and outages caused by customer installation, planned outages, vandalism, vehicle, machine, tool and major event days.

Figure 1: System Average Interruption Duration Index (SAIDI) FY 2022/23 to FY 2025/26



Network assets

- There was a slight increase in conductor length from the previous financial year.
- The transformer capacity overall increased by 13.7 MVA with a net increase of seven transformers.
- The number of distribution poles decreased by 98 poles.

Table 2: Transmission and distribution network powerlines through our service area

Network type	Carrier (Network power lines)	Length (Kilometres)
Transmission	220 kV overhead	202.4
	220 kV underground	0.4
	132 kV overhead	71.7
	132 kV underground	3.6
	66 kV overhead	156.7
	66 kV underground	4.4
Distribution	High voltage 3-phase overhead	2,076.50
	High voltage 3-phase underground	1,012.50
	High voltage single phase overhead	2,707.50
	High voltage single phase underground	7.8
	Low voltage overhead	560.0
	Low voltage underground	1,613.1
Total		8,416.40

Table 3: Other transmission and distribution assets

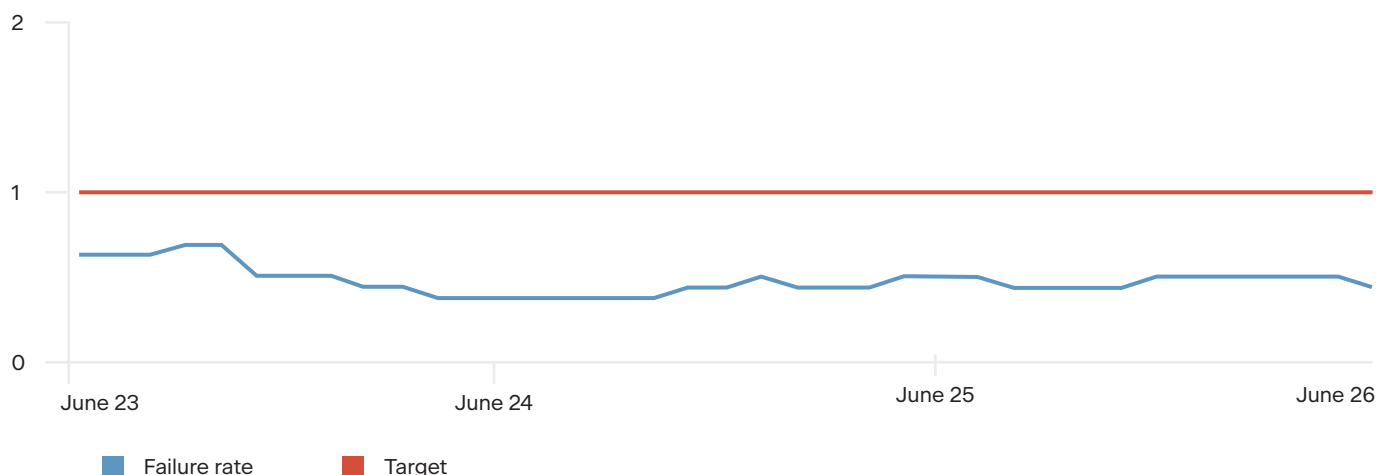
Asset	Amount
Total transformer capacity	882 MVA
Number of transformers	4,414
Number of distribution poles	56,796
• distribution wood poles	12,863
• distribution steel poles	43,607
• distribution concrete poles	325
• distribution fibreglass poles	1
Number of transmission steel poles	677
Number of transmission towers	851

Pole management strategy

We inspected 10,101 network poles and 840 consumer poles during the year, representing around 18 per cent of our pole asset base. Any poles that did not meet our serviceability requirements were prioritised for replacement.

One unassisted pole failure was recorded during the year, involving a wood pole in Wiluna. Horizon Power's unassisted pole failure rate improved from 0.53 to 0.47 per 10,000 poles, remaining well below the industry target of 1.0.

Figure 2: Unassisted pole failure rate FY 2023/24 to FY 2025/6



Our pole population comprises 44,409 distribution network poles and 12,387 streetlight poles. The low failure rate reflects ongoing monitoring, inspection and replacement activities across the network.

As part of our updated approach to overhead assets, Horizon Power also routinely inspects the first consumer pole on a customer's property. Where defects are identified, customers are advised to arrange replacement.

Following Tropical Cyclone Narelle, poles damaged in Exmouth were assessed as assisted failures, as wind gusts exceeded the design standards in place when the poles were installed. Subsequent inspections identified additional poles requiring replacement due to local conditions.

Overhead conductor management

Routine inspections help us identify conductor and hardware defects so they can be prioritised for repair or replacement before they affect network performance.

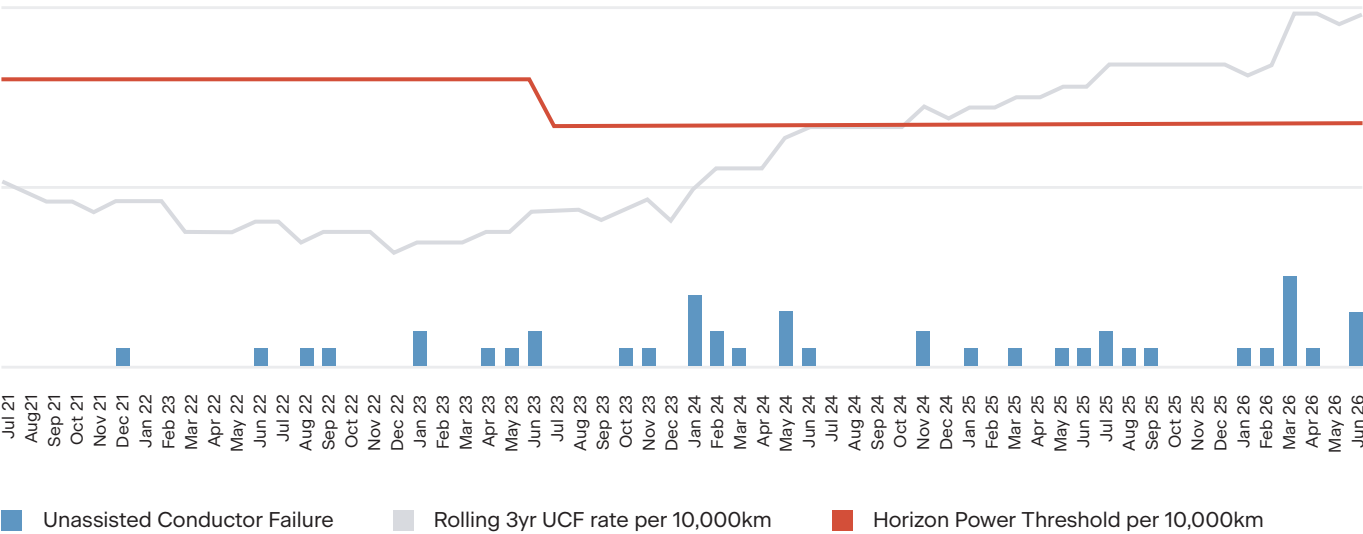
During FY26, 15 unassisted conductor failures were recorded across the network, including six in Carnarvon, seven in Esperance and two in Karratha. As a result, the three-year rolling unassisted conductor failure rate increased above target, driven largely by conductor failures in Esperance.

To address this trend, Horizon Power is delivering significant conductor replacement programs in Esperance and the Gascoyne/Midwest region. In Esperance, more than 60km of overhead conductor is targeted for replacement each year, with 60.6km replaced in FY25, 78.2km in FY26 and 125.7km forecast for FY27. The program focuses on conductors most at risk of failure and is complemented by the decommissioning of overhead network where Standalone Power Systems (SPS) are installed.

In response to the increase in conductor failures, we continue to:

- inspect conductors and associated hardware to identify assets requiring replacement
- target investment towards areas with the greatest risk of failure
- assess how local conditions, including wind, corrosion, conductor age and bushfire risk, influence asset performance
- improve inspection processes and condition assessment guides to support earlier identification and repair of defects.

Figure 3: Horizon Power unassisted conductor failure (UCF)



Our strategic vision

Our Corporate Strategy 2025–2030 continues to guide our direction through three strategic themes: customer-led decarbonisation, affordable energy and regional catalyst.

Over the past year, we have prioritised projects and initiatives to deliver the greatest value for our customers, communities and the regions we serve.

We continued to progress lower-emissions energy solutions, expand customer choice and affordability, and improve essential infrastructure and services across regional and remote Western Australia. This reflects a practical approach to the energy transition, shaped by local needs, system conditions and long-term value.

Our priorities include progressing renewable energy and storage, improving system efficiency, supporting greater customer participation in the energy transition, improving electricity services in 117 remote Aboriginal communities, and supporting growth in the Pilbara through common-use energy infrastructure and services.

This next phase is supported by *PowerForward*, a strategic enabler designed to make our workforce more efficient and productive to drive growth and business performance.

Our foundations

- Safe Putting safety first for our people, customers and communities in everything we do
- Reliable Providing dependable energy services that regional communities and industry can count on
- Engaged Working alongside our customers, communities and partners to deliver lasting regional outcomes

Key outcomes – 2025/2026



Customer-led decarbonisation

→ 1 renewable project

Exmouth renewable energy project in partnership with Pacific Energy nearing completion.

→ 5 power stations

Acquired ownership of five new power stations to support our future energy transition.

→ 3 power purchase agreements

Leonora broke ground in April 2026, with new agreements for Laverton and Menzies.

→ 10 new community batteries

In final delivery stages to Esperance, Carnarvon and Exmouth.



Affordable energy

→ 6 KCSS communities

Shared solar expanded to a sixth community. \$212k bill credits delivered through across 435 households to date.

→ SmartWorks rollout complete

Connecting all regions through a single work and asset management platform to standardise how field work and asset activities are planned, delivered and recorded.



Regional catalyst

→ 11 new AMI connected communities

Advanced Metering Infrastructure expanded to eleven new remote communities including Kiwirrkurra, a first for the Pilbara.

→ 45 critical assets upgraded

Remote community asset remediation to support safe and reliable energy supply.

→ Pilbara Energy Transition

Early design works and corridor activation services in progress to support the Pilbara Energy transition.

→ 10 New standalone power systems

Operating in Esperance.



03 Our customers

2026 Energy Charter Disclosure Report

Horizon Power is the only Western Australian based signatory to The Energy Charter, reinforcing our commitment to delivering better outcomes for customers and communities.

We continue to support this commitment through active leadership, including our CEO, Krystal Skinner, being appointed to The Energy Charter CEO Executive Council Board in May 2026 and Marketing and Insights Senior Manager Louisa Frome, appointed as Deputy Chair of the Industry Working Group for 2026/27.

Our customer maturity assessment

We used the Energy Charter Customer Maturity Framework to self-assess how deeply customer needs are embedded across our business against each of the Energy Charter's five principles. The framework progresses from elementary, where formal customer focused practices are limited, through emerging and evolved as approaches become established and consistent.

At empowered, customer needs inform decisions and delivery across the business, while exceeding reflects advanced capability and optimal customer outcomes. Members of our Customer Council independently reviewed our self-assessed maturity ratings as part of an accountability review. The framework supports future ambition and continuous improvement.



Energy Charter's five customer-centred principles:

Energy Charter principle	2026 maturity assessment	What our customers told us	What we delivered in FY26
→ 01 We will put customers and communities at the centre of our business and the energy system	Empowered	Customers want trusted information, practical tools and accessible advice to make informed solar and battery choices, as well as simpler interactions with us.	We expanded support through Community Wave, online solar and battery information resources, the solar and battery calculator and town activation pilot. In Broome, the pilot connected ~270 customers with trusted installers and information and achieved 86 per cent event satisfaction. We also planned a new retail and metering system with customer needs considered from the outset.
→ 02 We will improve energy affordability and value for customers and communities	Empowered	Customers want practical ways to reduce energy costs, especially renters and lower-income households without access to rooftop solar. Upfront costs, and confidence in making energy choices remain barriers.	We expanded Sunshine Saver to 16 towns, giving more than 1,600 customers access to savings without upfront investment. Kimberley Communities Solar Saver provided \$212,000 in energy credits and rooftop solar to 435 households across five communities, saving each household about \$450 a year on average. Rollout in a sixth community is underway.
→ 03 We will provide energy safely, sustainably and reliably	Evolving	Remote and regional communities need safe, reliable and sustainable energy, supported by engagement that reflects local needs.	Across our remote communities program, we progressed advanced meter rollouts, completed face-to-face engagement across 99 per cent of our communities and developed culturally appropriate education materials. We also progressed renewable and hybrid solutions through the regeneration program, Blackstone renewable system and Exmouth cleaner energy project.
→ 04 We will improve the customer and community experience	Evolving	Customers need clearer, more accessible information, bills and digital services, and a voice in designing future energy systems.	We progressed plain English customer communications, accessibility training and digital channel updates. Engagement through Kimberley Future Energy Systems across five towns helped local priorities shape future planning. Customer service on the move continued to provide face-to-face support by meeting customers where they live and work.
→ 05 We will support customers and communities facing vulnerable circumstances	Empowered	Customers experiencing vulnerability need tailored, consistent and compassionate support during cost-of-living pressure, outages and financial difficulty.	We introduced the Vulnerability Framework, rolled out PowerAlert across all regions, improved outage communication and enhanced outage communications for life support customers. Energy Ahead supported 204 customers with in-home energy efficiency advice and minor upgrades, reducing electricity costs by about 17 per cent and saving an average of \$150 a year per customer.

Future priorities aligned to The Energy Charter

#BetterTogether initiatives

We are co-leading the #BetterTogether Battery Safety initiative, alongside Endeavour Energy and Intium.

2026/27 key initiatives

We will continue to support customers experiencing cost-of-living pressures, focusing on strengthening reliability, affordability and equitable access, to ensure all customers and communities can access, benefit from and participate in the energy transition.



The following future key initiatives outline our priority actions for 2026/27 and how they align with the Energy Charter Principles.

2026/27 key initiatives	Focus	Priority				
		P1	P2	P3	P4	P5
Retail system replacement	Deliver the replacement and enable future customer service improvements.	●			●	
Support uptake of customer energy resources	Improve access to solar and batteries through information and engagement.	●	●		●	
Access to renewable energy	Expand Kimberley Communities Solar Saver and trial new initiatives that improve access to affordable, renewable energy.	●	●			
Remote communities services	Continue advanced metering, infrastructure and renewable energy improvements in remote communities.	●		●		
Clean energy solutions, new technologies and partnerships	Progress clean generation, storage, cleaner fuels and low-carbon technologies.			●		
Kimberley Future Energy Systems	Work with communities to shape long-term energy solutions for the Kimberley.	●		●	●	
Accessible customer communications	Make bills, digital services and customer communications clearer and more inclusive.				●	
Culturally appropriate resources	Improve onboarding, concessions and payment support for Aboriginal and remote customers.				●	
Energy Ahead	Expand support to help households improve energy efficiency and manage costs.					●
Vulnerability Framework	Embed consistent support for customers experiencing vulnerability.				●	●



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our full Energy
Charter Disclosure
Report here

Supporting customers through cyclone recovery

Severe weather events during the year tested the resilience of regional and remote communities and reinforced the importance of reliable, responsive customer support. Five tropical cyclones (TC) impacted our regions throughout the season, beginning with TC Fina, TC Luana and STC Hayley between November and January. STC Mitchell followed in February, and STC Narelle in March.

While impacts varied across these events, STC Narelle had the most significant effect on customers, particularly in Exmouth.

Narelle impacted the Pilbara and Gascoyne coast on 27 March 2026, following a long-lived system that tracked across northern Australia before reintensifying off the Western Australian coast. Communities including Karratha, Carnarvon, Coral Bay and Exmouth experienced significant disruption and outages.

For the North West Cape peninsula in the Gascoyne, impacts included destructive wind gusts, heavy rainfall, large waves and coastal flooding, resulting in widespread damage to homes, electrical assets and essential infrastructure.

Exmouth was the most affected community, where the scale of damage, combined with flooding and access constraints, made restoration complex and staged over multiple weeks.

Response

We mobilised teams and resources from across our regions, supported by contractors and partner organisations, to assess damage and restore supply as safely and efficiently as possible.

Throughout the recovery, our focus remained on customers. We prioritised restoration to life support customers and critical community infrastructure, while providing regular updates across multiple channels so customers understood what was happening and what to expect next.

As restoration progressed into more labour-intensive, site-specific works, targeted communications supported customers experiencing extended outages.

Our response also demonstrated the importance of collaboration. We worked closely with DFES and Western Power, alongside WA-based contractors HV WA, GenusPlus Group and other agencies.

This coordinated effort helped maintain community safety and support recovery.

Support extended beyond restoration. Eligible Exmouth residential and small business customers received:

- Targeted bill relief
- Doubled extended outage payments
- Waived connection and reconnection fees
- Temporary power support during rebuilding.

Outcomes

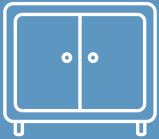
Restoration progressed rapidly in the days following the event. By 1 April 2026, power had been restored to 1,120 customers in Exmouth, with around 650 customers remaining without supply as crews transitioned to more complex, localised works.

The remaining outages reflected the severity of the physical damage and the substantial construction work required to restore power to affected communities.

By mid-April, restoration had transitioned into final reconnection activities, with all customers restored from a network perspective and only a small number requiring follow-up works due to damage to private electrical installations.

The response reinforced the value of preparedness, strong local relationships and clear, timely communication in helping customers navigate disruption and recover with confidence.

Severe Tropical Cyclone Narelle: Exmouth recovery works



3

Low-voltage cabinets repaired or replaced



100+

Spans of overhead network repaired



8

Overhead low-voltage spans upgraded with insulated cable. Average span length ~50m



150+

Customer fault reports



80+

Home service lines repaired or replaced



14

Power poles replaced

Learmonth line

200+

Conductor spans reattached. Average span length ~180m



100+

Overhead low-voltage spans upgraded to insulated cable

Outage management for life support customers

Our Life Support and Outage Management (LSOM) system has transformed Horizon Power's approach to outage management for customers who rely on life support equipment and other critical loads.

LSOM was recently recognised with the 2026 ISG Paragon Award for Community and Social Excellence and was previously awarded Energy Innovation of the Year at the 2025 WA Energy Awards.

A key outcome of the project is PowerAlert, our automated notification system that delivers timely SMS and email alerts to registered customers whenever planned or unplanned outages are scheduled.

Outage planning is managed through PowerOn Advantage, our advanced network management system, with PowerAlert automatically notifying affected customers once an outage is submitted.

The system provides our customer teams with a central dashboard to monitor acknowledgements and follow up with registered life support customers as needed, supporting regulatory compliance and customer safety.

By integrating the low-voltage network into PowerOn Advantage, it enables near real-time visibility of impacted customers, reduces manual processes, and improves both operational efficiency and the customer experience.

Customers are also encouraged to create a power outage plan, with advanced notice supporting their preparedness and wellbeing.



Hardship support

We continued to support customers experiencing financial pressure through a mix of direct hardship assistance and longer-term affordability initiatives.

This included helping eligible customers access the WA Government's Hardship Utilities Grant Scheme (HUGS), alongside tailored support through payment plans, concessions and referrals.

We also supported delivery of WA Government initiatives aimed at improving energy affordability, including the Social Housing Energy Performance Initiative (SHEPI), which helps improve the energy performance of social housing properties, and Energy Ahead.

Energy Ahead is a WA Government program that helps eligible households improve energy efficiency, reduce electricity bills and address energy-related financial hardship. In the West Kimberley, the program was delivered in partnership with Nirrumbuk Environmental Health and Services (NEHS), whose locally led engagement model provided eligible customers with home visits, energy audits, practical energy-saving items and personalised advice.

Together, these measures supported more equitable access to essential energy services across regional and remote Western Australia.

Energy Ahead: By the numbers April 2024 - June 2026



204

Energy checks completed



223

Energy-efficient items delivered



7

Participating communities

Case study 01

Community Wave

As solar and battery uptake grows across regional communities, coordination becomes essential. Community Wave provides the system that enables consumer energy resources (CER) to deliver broader benefits, not just individual outcomes.

Challenge

Regional customers are increasingly investing in solar and batteries, and these technologies need to be integrated into the grid in ways that deliver value for customers and support local energy systems. Horizon Power required a solution to enable CER while maintaining network reliability.

Solution

Community Wave works to coordinate CER into grouped, intelligently managed local virtual power plants. This allows increased levels of customer-owned energy assets while supporting balanced, reliable energy supply.

Key outcomes

- More value for customers
- More reliable local energy systems
- Supports behind-the-meter renewable uptake and a cleaner, more affordable energy future for regional WA

Regional and remote power systems are evolving as households and businesses take a more active role in how energy is generated, stored and used. This creates an opportunity to improve affordability, strengthen resilience and support the transition to cleaner energy, while maintaining reliable supply across small, isolated networks.

Community Wave was developed to help deliver these outcomes. It is Horizon Power's virtual power plant solution, grouping consumer energy resources as part of a local energy system.

Horizon Power's Distributed Energy Resource Management System (DERMS) underpins the solution by monitoring power system conditions and connected energy resources, forecasting demand and generation, and directing participating solar and batteries in response to system needs. This allows customer and utility assets to work together to balance energy flows and manage demand peaks.

This coordination is especially important in regional microgrids, where infrastructure constraints and variable demand can limit how much renewable energy can be safely connected. Community Wave helps integrate more customer-generated energy while maintaining system stability through active coordination of local energy resources.

Community Wave supports a diverse customer base. For households, it helps customers get more value from rooftop solar and batteries that store excess energy for later use, increasing self-consumption and reducing reliance on grid-supplied energy. For businesses, it supports the integration of on-site renewable generation and storage to reduce costs and contribute to local resilience.

Customers retain ownership of their energy assets while the virtual power plant coordinates them to deliver shared benefits. Eligible customers can also access Horizon Power's Renewable Rewards, including support

through the WA Residential Battery Scheme, Buyback Bonus and eligible no-interest finance. These benefits can help reduce upfront costs and improve the value of solar and battery systems over time.

We estimate that households with a 10 kW solar system and 8 kWh battery may save around \$2,000 a year on average in energy costs. More personalised estimates are available through MyAccount, our online customer portal, based on individual usage and system size.

As Community Wave evolves, it has the potential to support the coordination of additional energy assets, such as electric vehicles, community batteries and smart appliances, to help improve power system performance, reliability and long-term affordability.

By coordinating consumer energy resources with Horizon Power assets, Community Wave helps regional and remote communities participate in Western Australia's clean energy transition while supporting more reliable and affordable local energy systems.



A town activation event held in March 2026 in Broome helped build customer awareness of the clean energy transition, bringing trusted local installers and residential and business customers together to better understand how solar and batteries can improve affordability and reliability in regional energy systems.

Renewable Rewards: Community Wave gives eligible customers access to rebates and energy buybacks to reduce upfront costs and the ongoing cost of energy.



WA Residential Battery Scheme

Support available for eligible customers⁴



Up to \$10,000

Eligible no-interest finance



~ \$2,000

Average annual energy cost saving⁵

⁴ Rebate amounts and eligibility are subject to scheme settings at the time of application.

⁵ Average household estimate based on a 10 kW solar system and 8 kWh battery.



04 Our people

Award winning programs

We received external recognition for two employee-led programs at the 2025 Australian Institute of Management (AIM) WA Pinnacle Awards, winning both the Hawaiian Corporate Social Impact Excellence Award and the Lifeline WA Workplace Wellbeing Excellence Award.

Our health and wellbeing 'Illuminate' program and broader approach to mental health and psychosocial safety were recognised through the workplace wellbeing award, while our corporate volunteering and community partnership efforts were recognised through the social impact award.

Together, these programs reflect the strength of our culture, the care our people show for each other and our communities, and the practical ways we support wellbeing and positive regional impact.

As part of the AIM WA Pinnacle Awards, each category winner receives \$20,000 in leadership development training to allocate to a charity of their choice, extending the impact of the award. We directed our training benefits to the Royal Flying Doctor Service WA and Shooting Stars, supporting organisations that deliver important health, wellbeing and community programs in regional and remote Western Australia.





86%

Eligible employees participated in engagement survey



67%

Overall engagement score



+2 points

Above average for ANZ utilities

A strong culture shaped by feedback

Employee feedback continued to shape how we strengthen our culture and ways of working.

In 2025, 86 per cent of eligible employees participated in our engagement survey, returning an overall engagement score of 67 per cent.

Diversity and inclusion, wellbeing, and collaboration were among our strongest results.

The results maintain our strong position at two points above the average for Australian and New Zealand utilities.

Electrical Inspectorate

Horizon Power's Electrical Inspectorate continued to play a critical role in maintaining high standards of electrical compliance across residential, commercial, and industrial customer solar and battery installations.

During FY26, the Inspectorate completed 3,095 inspections and undertook 513 investigations, maintaining a strong focus on inspection timeliness, technical assurance and regulatory compliance.

Performance remained aligned with the Department of Local Government, Industry Regulation and Safety's Building and Energy Inspection System Guideline and Horizon Power's approved Inspection System Plan.

The Inspectorate continued to prioritise safety outcomes in regional and remote communities, supported by a targeted program of inspections for new low-voltage connections and major standalone power and generator installations.

The team also maintained a strong focus on incident investigations, particularly those relating to electric shock, fire, and compliance breaches.

In response to the rapid uptake of residential solar and battery systems, we have increased inspectorate resourcing to support inspection and compliance activities associated with home battery installations. This has been enabled through grant funding provided by the Department of Energy and Economic Diversification (DEED), supporting delivery of the WA Residential Battery Scheme and Cheaper Home Batteries Program.



Building capability for the future

We continued to strengthen our workforce pipeline through apprenticeships and technical training that support long-term capability across the business. During the year, three first-time apprentices completed their initial energy sector qualifications and transitioned into permanent regional roles.

This was supported by a broader apprentice pipeline across regional sites, alongside continued investment in up-skilling frontline employees to help address national and regional skills shortages and build capability across overhead and underground networks.

Our graduate and internship pathways also continued to support the future supply of electrical engineering capability. Seven graduates completed the Engineers Australia graduate program during the year, with six securing permanent roles with Horizon Power.

This work was further strengthened through partnerships with government, training providers and industry, including hosting the annual Australian Power Institute Summer Placement Event.

We welcomed electrical engineering interns and CareerTrackers participants through placements across multiple teams. CareerTrackers is a paid internship program that supports Aboriginal university students and helps create pathways into professional employment.

We were successful in receiving more than \$145,000 in incentives through the Australian Government's Key Apprenticeship Program.

Looking ahead, we are progressing a technical training initiative in partnership with North Metropolitan TAFE and Central TAFE to support future workforce pathways in remote communities.

The program is currently in development phase and is intended to build practical skills, training and employment opportunities for local Aboriginal workers, helping create a stronger pipeline of community-based capability to support the operation and maintenance of new energy infrastructure.

Leadership training

Leadership capability is developed through an enterprise-wide framework aligned to business priorities and future capability needs. The framework defines a consistent set of competencies across four areas, leading self, others, leaders and the organisation, providing a clear pathway for leadership development at all levels.

This approach supports consistent expectations, development pathways and talent decisions across the organisation. Targeted initiatives, including the Leading Together program for emerging leaders, the Leadership Excellence Series for experienced leaders, and a corporate Mentoring Program, provide structured opportunities to build capability.

Early outcomes include improved alignment between leadership development and organisational priorities, greater consistency in expectations, and broader access to development opportunities across the workforce.



Case study 02

Leading the way in workplace wellbeing

Horizon Power's evidence-based approach to workplace mental health was recognised with the 2025 AIM WA Pinnacle Award for Workplace Wellbeing Excellence.

Challenge

Supporting the mental health and wellbeing of a dispersed workforce required moving beyond compliance and one-off initiatives.

Solution

We embedded wellbeing into daily work through the Illuminate Program, leadership training and the Good Work Guide, with progress measured by independent audits and employee feedback.

Key outcomes

- Achievement score for mental health and wellbeing increased from 35% to 71% (2021–2025)
- Psychosocial risk management embedded into leadership practice
- Audited Employee Assistance Program (EAP) usage above industry standard





Illuminate is our comprehensive health and wellbeing program, built around three pillars: Energise (physical health), Enlighten (mental health) and Enjoy (general wellbeing and positive workplace culture). The program delivers targeted initiatives including leadership training on psychosocial risk, the Good Work Guide for positive workplace behaviours, and practical resources for daily work and life.

A key component of this approach is the guide, which clearly defines what good work looks like across four psychosocial risk themes:

- Work design
- Leadership
- Hours of work, fatigue and lone work
- Violence and aggression in the workplace.

Leaders regularly complete 'good work' checklists with their teams to assess how closely current practices align with these principles and to identify actions where gaps exist.

“The AIM WA Pinnacle Award reflects the dedication of our people and our ongoing focus to embed wellbeing into everything we do.”

— Executive General Manager, People, Safety and Governance, Horizon Power

This has embedded psychosocial risk management into everyday leadership practice rather than treating it as a standalone compliance activity.

Our progress is independently audited by the Black Dog Institute, and the findings inform ongoing improvement. In 2025, the audit recognised progress that helped refine the audit framework itself, reflecting the business's maturity in embedding mentally healthy work practices.

Illuminate goes beyond awareness campaigns by embedding wellbeing into leadership accountability, work design and organisational systems. This makes support practical, measurable and sustained, with progress monitored through employee feedback alongside the independent audit.

As part of this approach, the Employee Assistance Program is actively promoted, with audited usage rates above industry standard. We also continue to reduce stigma around mental health and encourage early access to support.

By embedding wellbeing into leadership, systems and culture, and holding ourselves to external audit, we demonstrate a commitment to transparency and continuous improvement in supporting the mental health of our people.

35% → 71%

Audited achievement score for mental health and wellbeing

2025 report audited by Black Dog Institute.

Case study 03

Stretch Reconciliation Action Plan – advancing our reconciliation journey

In October 2025, Horizon Power launched our fourth Reconciliation Action Plan, affirming its commitment to challenge the status quo and lead the energy industry with reconciliation actions that are informed by our Aboriginal employees and those living in the communities we serve.

Challenge

To meet the requirements of a Stretch Reconciliation Action Plan and demonstrate leadership and innovation in our industry.

Solution

Develop and implement initiatives that position Horizon Power as a reconciliation leader among stakeholders and in the energy industry.

Key outcomes

→ Horizon Power meets or exceeds national benchmarks in focus areas for reconciliation



Horizon Power is advancing its commitment to reconciliation through our first Stretch Reconciliation Action Plan (RAP) 2025–2028.

Through our earlier Reflect RAP and two Innovate RAPs, we have built strong foundations, employee engagement and initiatives to empower Aboriginal peoples. In 2025 we were invited by Reconciliation Australia to create a Stretch RAP and embark on the next stage of our reconciliation journey.

Launched on Nyul Nyul Country in the Aboriginal community of Beagle Bay in October 2025, our Stretch RAP reaffirms our commitment to Aboriginal people, acknowledging their deep and unwavering connection to Country, culture and community across WA.

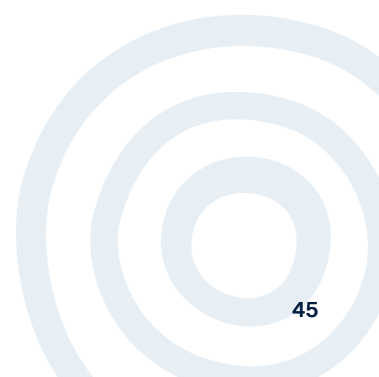
It documents our intention to work closely with Traditional Owners and Aboriginal communities to deliver meaningful energy solutions and better long-term outcomes, addressing the socio-economic disparity between Aboriginal peoples and non-Indigenous Australians.

As a Stretch RAP organisation, we are carving out a unique reconciliation leadership role in our sphere of influence through active relationship building, employment and procurement strategies.

In developing the Stretch RAP, it was crucial we listened to and included the voices of internal and external Aboriginal stakeholders, partnering with Aboriginal consultants Langton & Partners to meet with stakeholders. Our RAP actions came out of the opportunities and challenges identified through these consultations.

“We want to lead our industry with reconciliation actions that are informed by our Aboriginal employees and the broader Aboriginal communities on the lands we operate in.”

— CEO, Horizon Power



Key Stretch RAP actions and deliverables

Action	Deliverable
→ Employment	Maintain seven per cent and/or 40 Aboriginal employees.
→ Supplier diversity	Maintain commercial relationships with 10 Aboriginal businesses. Annual procurement from Aboriginal businesses is 10 contracts awarded and/or \$30 million spend per annum.
→ Relationships	Establish and maintain 20 formal two-way partnerships with Aboriginal communities or organisations.

“We are a business that embeds the principles of partnership and equity into our operations, so our work contributes to Aboriginal self-determination, economic empowerment, and an equitable transition to clean energy.”

— Senior Manager, Traditional Owner
Relationships and Reconciliation, Horizon Power



Going into the Stretch RAP, we exceeded the national benchmark for employment of Aboriginal people. The 2024 Reconciliation Australia RAP Impact Report shows that, on average, Aboriginal people make up 1.05 per cent of the workforce of organisations with a RAP. At the same time, 7.1 per cent of Horizon Power's employees identified as Aboriginal, seven times the national average.

We have 95 Aboriginal suppliers in our supply chain, and partner with three Regional Service Providers with Aboriginal ownership.

Our Traditional Owner Relationships and Reconciliation team, made up exclusively of Aboriginal employees, builds and maintains meaningful relationships with Traditional Owners to deliver mutually beneficial outcomes. Working alongside residents through a community-led approach, our Remote Communities team partners with local people to ensure their priorities help shape decisions and initiatives.

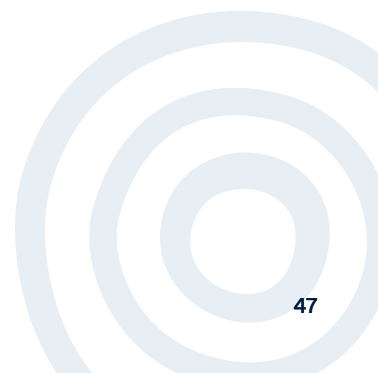
“The Stretch RAP is a significant step forward in strengthening relationships, deepening respect, and creating meaningful opportunities for Aboriginal and Torres Strait Islander peoples across communities.

Your leadership and commitment to reconciliation are deeply appreciated.”

— Nyul Nyul Chairman



Scan to read
our Stretch
RAP here



Customer-led decarbonisation

A cleaner energy future is being supported through systems, storage and planning that enable greater customer participation.

Western Australia's energy future

Horizon Power is helping shape Western Australia's energy future by progressing cleaner energy solutions across regional and remote communities. Our work spans the full project lifecycle, from energy planning, land acquisition and environmental and heritage approvals through to technical design, commercial arrangements, construction and asset handover.

This coordinated approach helps prepare fit-for-purpose projects for investment and implementation, while supporting affordability, reliability and greater customer participation in the energy transition.

Building the foundations for the regional energy transition*

18

Sites acquired
across 408 hectares

23

Sites surveyed for
Aboriginal heritage

16

Sites in offset
assessment/end-
stage negotiation

31

Environmental
surveys completed

* Completed by June 2026

Goldfields/Esperance power projects

Leonora

In 2025/26, we progressed the Leonora Power Project with the award of a 20-year power purchase agreement with Pacific Energy for a new hybrid power system. Expected to supply up to 60 per cent renewable energy to the town, the project includes a 2.4 MW solar farm, a 1.4 MW/9.9 MWh battery energy storage system and 3.9 MW of diesel backup. Earthworks commenced in April 2026, with completion due in 2027.

Laverton and Menzies

In February 2026, we signed a 20-year power purchase agreement with Pacific Energy covering Laverton and Menzies. In Laverton, we will deliver a modernised thermal solution to replace ageing infrastructure. This will safeguard the continued supply of reliable power, meet growing electricity demand and allow for CER uptake.

In Menzies, we will deliver a new hybrid renewable solution including solar and battery energy storage, achieving up to 80 per cent renewable penetration with diesel back up generation only when needed. Additional renewable energy will be sourced from customer rooftop solar. This new power system will improve resilience of electricity supply, reduce emissions and support the town's long-term energy needs.



A long-term energy pathway for the Kimberley

During the year, we advanced our long-term energy pathway for the Kimberley. Future energy planning across Broome, Derby, Fitzroy Crossing, Halls Creek and Looma identified opportunities to support demand, with these towns forecast to require a combined 219.5 GWh of electricity annually by 2030. The work explored options to increase renewable energy integration, support customer energy resources such as rooftop solar, and maintain reliable and affordable power supplies as the region's energy needs evolve.

For Broome and Derby, we will test options through a Request for Tender to better understand the best long-term mix to achieve affordability, reliability and increased renewable energy.

For Halls Creek and Looma, work will continue to explore renewable solutions suited to local needs, while Fitzroy Crossing will follow a different pathway that responds to land constraints and focuses on consumer energy resources and community-based solar opportunities.

Together, these next steps are intended to support a cleaner and more resilient energy future for the Kimberley. We are focused on increasing renewable energy across the region's power systems, reducing reliance on higher-emissions generation and progressing fit-for-purpose solutions for each town.

This milestone reflects several years of detailed and challenging work and provides a strong foundation for what comes next. It also highlights the scale of coordination required to deliver future energy systems across multiple Kimberley towns in a way that is practical, reliable and aligned to community needs.





Community Batteries 2.0

During 2025/26, we progressed the deployment of community batteries across regional Western Australia.

In this round, the program will deliver 10 community batteries across Esperance (4), Carnarvon (3) and Exmouth (3). Each battery will have 100 kW / 250 kWh of storage capacity.

The batteries are installed in network-constrained locations and integrated with our Distributed Energy Resource Management System. This integration will enable advanced capabilities such as optimised dispatch scheduling, voltage and frequency regulation, and energy shifting.

The batteries will provide solar smoothing services for larger renewable installations, enhancing grid stability and reliability.

Following factory acceptance testing in March 2026, deployment progressed across Esperance, Carnarvon and Exmouth.

Our Community Batteries 2.0 program is supported with funding from the WA Government's Sectoral Emissions Reduction Strategy (SERS), and the Australian Renewable Energy Agency (ARENA).

Long duration energy trials

We progressed a series of long duration energy storage trials in remote microgrids during the year, testing alternative battery technologies to support reliability and integrate higher levels of renewable energy.

A 250 kW / 1,450 kWh sodium–sulphur (NaS) battery was delivered to Western Australia and underwent factory acceptance testing in Perth prior to deployment to Carnarvon’s Mungullah Power Station for installation and commissioning.

This trial represents the first time a NaS battery has been integrated into both a regulated network and an advanced Distributed Energy Resource Management System in Australia. It is designed to assess how longer-duration storage can support grid stability, enable extended energy shifting, and improve the use of rooftop and large-scale solar in remote systems.

A second long duration energy storage trial progressed during the year using a nickel–hydrogen battery, which was delivered to Western Australia and underwent testing ahead of its planned deployment to Nullagine Power Station.

These trials are supported by funding from ARENA in partnership with the WA Government, reflecting a shared commitment to advancing energy storage innovation and improving system reliability in regional and remote communities.

The trials form part of a broader program to evaluate non-lithium, longer-duration battery technologies suited to Western Australian conditions, including high temperatures and isolated grid environments.

The insights from these trials will inform future approaches to energy storage and system reliability across Horizon Power’s microgrids.



HORIZON
POWER



3292



Case study 04

Exmouth Power Project

Informed by consultation with Exmouth residents and stakeholders, construction of a large-scale renewable energy project is nearing completion through Horizon Power's partnership with Pacific Energy.

Challenge

Providing reliable and affordable power in a remote coastal town increasingly exposed to fuel supply risks and extreme weather events.

Solution

Transition Exmouth to a high-penetration renewable energy system that reduces reliance on trucked gas, supports long-term affordability and reflects strong community buy-in.

Key outcomes

- Up to 80% of Exmouth's power supplied from renewable energy (including CER)
- Reduced reliance on trucked gas, improving system resilience
- Infrastructure designed for regional and cyclonic conditions



Community engagement for the Exmouth Power Project began in 2020 and played a central role in shaping the transition to a large-scale renewable energy system. Early consultation highlighted strong community support for renewable energy and a clear preference to move away from trucked gas, with residents also wanting the ability to install more rooftop solar.

To progress the project, suitable land was secured and planning and tenure arrangements were finalised, enabling construction alongside the existing power station. The selected site can support solar and battery infrastructure while protecting environmental and cultural values of the surrounding area.

The project is underpinned by a long-term power purchase agreement between Horizon Power and Pacific Energy, formalised in 2024 to replace Exmouth's legacy dependence on gas-only power supply.

Local industry participation was supported through Pacific Energy's Western Australian operations, with the battery energy storage systems and power conversion unit enclosures engineered and manufactured in the company's WA workshops.

This partnership has enabled investment in a high-penetration renewable energy system tailored to local conditions and community expectations.

At the centre of the project is the Jirndal Solar Farm, comprising 16,700 advanced bi-facial solar panels supported by two battery energy storage systems with a combined capacity of 10 MW / 49.6 MWh. This configuration allows solar energy generated during the day to directly supply the town, with excess energy stored for use after sunset, supporting reliability while reducing reliance on gas-fired generation, used only when needed.

During the construction phase, community members toured the solar farm. This provided a rare behind-the-scenes look at the infrastructure which helped to build an understanding of how the new system will work alongside consumer energy resources such as rooftop solar.

Despite Exmouth experiencing Severe Tropical Cyclone Narelle in March, there was very limited impact to the new renewable assets, highlighting system resilience in extreme weather conditions.

The project represents a major milestone in the WA Government's commitment to responsible decarbonisation, supporting emissions reduction, regional economic development and the transition to more resilient renewable energy systems.

~14,000*

Tonnes (tCO₂-e) p.a.
emissions reduction

Up to 80%*

Renewable energy
supply (including CER)

~535 → ~120*

Fuel trucks
reduced annually

* Modelling supplied by Pacific Energy

Kimberley Communities Solar Saver

The Kimberley Communities Solar Saver (KCSS) program continued to expand during 2025/26, delivering cleaner, more affordable power to some of Western Australia's most remote communities.

The program uses a distributed solar farm concept to install rooftop solar systems on suitable buildings in each community, with the renewable generation aggregated and bill credits shared across all community households.

A key milestone during the year was the program's expansion into a sixth community, Mowanjum, marking the next phase of delivery and demonstrating the scalability of the shared solar model.

By 30 June 2026, the program had surpassed \$200,000 in energy bill savings for 431 households across Warmun, Bidyadanga, Ardyaloon, Beagle Bay and Yungngora.

This model continues to provide reliable, ongoing bill savings averaging around \$450 per household per annum while enabling customers who may not otherwise have access to rooftop solar the opportunity to participate in the energy transition.

KCSS has contributed to reduced reliance on diesel generation and increased renewable energy penetration across participating communities, supporting a more sustainable and affordable energy future for remote Western Australian communities.



6

Communities
(Mowanjum
rollout underway)



\$212k

Total savings
delivered
to date



~435

Households
receiving
solar credits



1.6 MW

Rooftop
solar
installed



~\$450/yr

Average
household
savings



SmartWorks

The SmartWorks program reached a major milestone in 2025/26 with rollout completed across all regions, bringing Horizon Power's generation and network operations onto a single integrated work management system.

SmartWorks standardises how field work and asset management activities are planned, scheduled, executed and recorded. Replacing multiple legacy systems and manual processes with a unified platform is improving the coordination of work, strengthening the quality of asset information, and providing greater visibility of activities across the organisation.

With all regions now connected through a common system, Horizon Power is better positioned to plan and deliver work consistently across geographically dispersed operations. The platform provides enhanced visibility of work activities, supports more effective scheduling of resources, and delivers improved data to inform asset lifecycle decision-making.

The achievement represents the culmination of more than three years of transformation and a significant step towards a consistent enterprise-wide way of working. SmartWorks provides a strong foundation for continued improvements in service delivery, operational efficiency, and asset performance across Horizon Power.

“SmartWorks represents a major step forward in how operational assets are managed across the business. With the Pilbara now live, Horizon Power has integrated a way of working that supports the planning, scheduling, dispatch and execution of work across Operations. This is a significant achievement.”

— Executive General Manager, Technology and Digital Transformation, Horizon Power

Kununurra Cotton Gin

In Kununurra, we delivered electricity infrastructure to support the proposed Kununurra Cotton Gin, an important milestone for the East Kimberley.

The project supports the development of a sustainable cotton industry by enabling locally grown cotton to be processed in the region for the first time. Previously, cotton had to be transported more than 3,500 kilometres for processing, adding cost and complexity to the supply chain.

A connection has now been established from the cotton gin site to the electrical network supplied by renewable hydro generation from the Ord River Hydro Plant.

The site includes intelligent equipment to give the Horizon Power Control Centre visibility of the cotton gin's load and power quality while it is operating.

The project demonstrates how targeted energy infrastructure can help unlock new industry opportunities in regional Western Australia.



Case study 05

Sunshine Saver evolution

For many regional customers, rooftop solar isn't an option. Sunshine Saver was created to help narrow this gap and has since scaled from a small pilot into a significantly expanded offering across regional and remote Western Australia.

Challenge

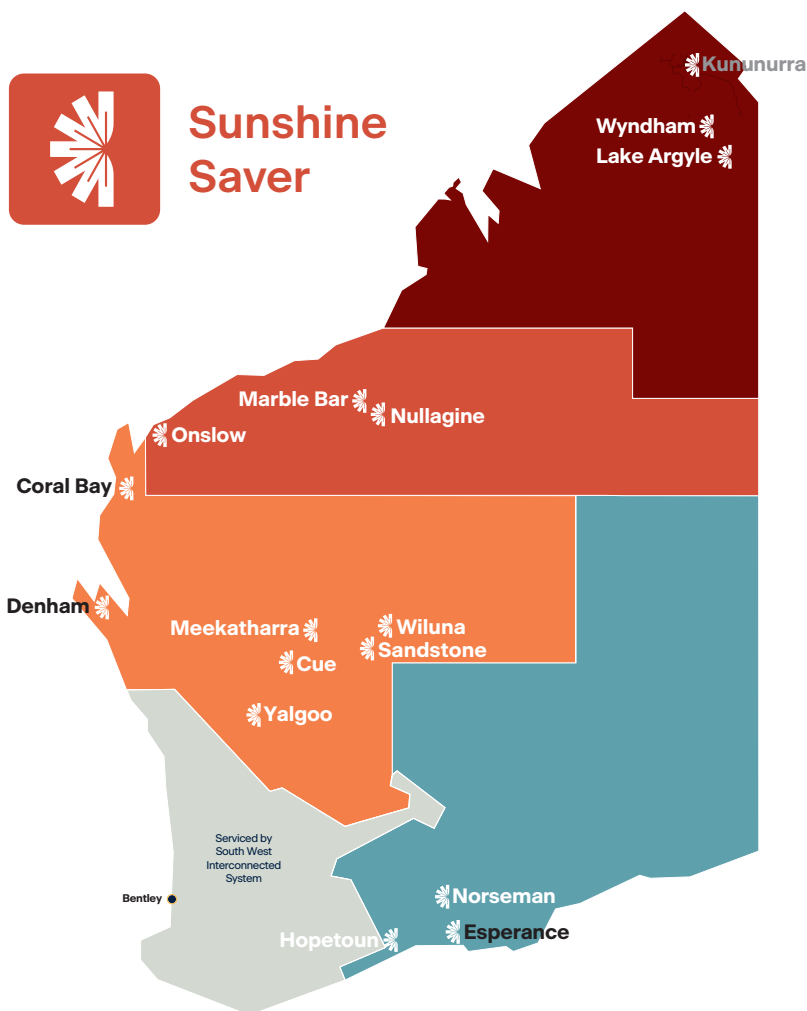
Many regional customers can't access rooftop solar due to renting, housing constraints or financial barriers, limiting their ability to reduce energy costs through behind-the-meter renewables.

Solution

We launched Sunshine Saver to help close this equity gap, then evolved the product to remove financial barriers, simplify savings and extend access to more regional communities.

Key outcomes

- Expanded from a single-town pilot to a growing multi-town product
- Removed financial barriers with no subscription fees and higher daytime discounts
- All existing customers transitioned to the improved structure



7 → 16

Towns (mid-2024 to December 2025)

\$118 per year

Minimum guaranteed bill credits per household

Plus 25%

Discount on energy used between 9am and 3pm

240 → 1,845

Total Sunshine Saver accounts (end 2024 to mid-2026)

When Sunshine Saver first opened for expressions of interest in August 2023, the response from the Esperance community highlighted a strong desire for affordable, accessible energy solutions for customers without rooftop solar.

Launched a few months later, Sunshine Saver was designed to share the benefits of our investment in renewable generation with households who might otherwise miss out, particularly renters, concession card holders and customers experiencing hardship.

The initiative was supported through funding from the Australian Government and the Western Australian Government, helping make the benefits of renewable energy more accessible to regional customers.

Sunshine Saver is a virtual energy product that allows eligible customers without rooftop solar to share in the financial benefits of Horizon Power's investment in centralised renewable generation. Customers remain connected to their town's power system and receive a 25 per cent discount on electricity used between 9am and 3pm, when solar generation is generally most abundant, as well as minimum guaranteed annual bill savings. This encourages customers to shift more of their energy use to the middle of the day while reducing their energy costs.

By mid-2024, Sunshine Saver expanded beyond Esperance into six additional Mid West towns, with availability continuing to grow across our service area. As the product rolled out and we learned more from customers, it became clear that simplicity mattered.

Feedback showed subscription fees and complex bill credit arrangements could limit understanding and uptake. In response, we deliberately evolved Sunshine Saver to make participation clearer, fairer and more attractive. The updated structure removed the daily subscription fee and increased the daytime energy discount, encouraging customers to shift usage to when solar generation is highest.

Existing Sunshine Saver customers were migrated to the new simplified structure, enabling them to benefit from the improved product design without needing to reapply or take additional steps.

By December 2025, Sunshine Saver was available to eligible customers across Hopetoun, Denham, Coral Bay, Nullagine, Onslow, Kununurra, Wyndham, Marble Bar, Lake Argyle, Esperance, Norseman, Wiluna, Yalgoo, Meekatharra, Cue and Sandstone.

Horizon Power is playing an active role in shaping the economic and social future of regional Western Australia through coordinated infrastructure, new energy solutions and direct support for remote communities.

Supporting the Pilbara's energy future

The Pilbara is central to Western Australia's economic future, with strong projected growth in industrial demand and a significant role to play in the State's lower-emissions future. Horizon Power is contributing through a coordinated regional strategy that supports infrastructure planning, generation pathways and local participation needed to enable long-term growth, reliability and decarbonisation.

This includes government-led early activation works across priority transmission corridors identified in the WA Government's Pilbara Energy Transition Plan.

In parallel, we are progressing work to support future supply and common-use solutions across the region, helping prepare the Pilbara for renewable energy connections, industrial growth and an orderly energy transition.

We are advancing the Pilbara Generation Project through a staged approach, with the first stage focused on securing thermal generation capacity to help maintain reliable electricity supply beyond 2030. We will continue to progress renewable energy opportunities as part of our broader approach to supporting a reliable, affordable and increasingly sustainable energy future for the Pilbara.



Remote communities

Our Remote Communities program is upgrading energy services across 117 remote communities, tailoring solutions to each community's unique infrastructure needs and operating conditions.

We have continued a program of asset maintenance, infrastructure upgrades, advanced metering rollout and customer education to improve energy equity. Following the wet season, we will engage with the remaining community when it is more accessible.

Advanced metering infrastructure

A significant milestone in FY26 was the continued rollout of advanced metering infrastructure (AMI) across remote communities in the Kimberley and Pilbara. In the reporting period, AMI was installed in 11 communities — Kupungarri, Gnylmarung, Jarlmadangah, Four Mile, Budgarjook, Ngurtuwarta, Jimbulum, Yirrallelm, Kiwirrkurra, Goombaragin and Maddarr.

Kiwirrkurra marked an important milestone in this program as the first Pilbara remote community to receive AMI, and one of the most remote installations in the

State. The rollout connected 57 households and key community facilities to our network, with prepayment services going live in mid-June. Metering assets at critical facilities, including the medical clinic and school, were upgraded and commissioned, and a new prepayment outlet at the community store gives residents local access to purchase power.

The works also included electrical safety upgrades and behind-the-meter improvements, verified by our inspectorate. Together, these changes improve safety, reliability and energy equity for residents, while supporting access to consumer protections, energy concessions and tools to better manage energy use.

A key benefit is the ability to purchase pre-paid power via phone, online or through the MyAccount app, removing the need to travel long distances to access a power card. For communities in some of the most isolated parts of WA, this is a meaningful improvement to everyday life.

The AMI rollout also delivers significant safety improvements. Advanced meters enhance our ability to detect faults and power quality issues in real time, reducing the risk of exposure to electrical hazards in communities where on-the-ground support can take time to reach.

The AMI rollout was delivered through regional partnerships, with Kimberley Regional Service Provider supporting the Kimberley communities and Pilbara Meta Maya Services supporting delivery in Kiwirrkurra.

These meters enable two-way communication between us and customers, providing real-time energy usage data and giving residents greater visibility and control over their energy use.

We engaged with each community throughout the transition, providing face-to-face training, education sessions and culturally appropriate materials to help residents understand and make the most of the new metering system.

92%

Remote communities AMI metered customers topping up pre-paid power digitally

242

Advanced meters installed in FY2026

16

Communities with AMI infrastructure (5 in FY2025 and 11 in FY2026)

“Advanced metering empowers our remote customers, giving them a choice on how they pay for their electricity while providing access to the same vital concessions afforded to existing customers across the network.”

— A/Executive General Manager,
Remote Communities, Horizon Power

Critical infrastructure upgrades

Alongside community engagement and metering upgrades, we continued targeted infrastructure works to support safe and reliable power supply in remote communities. This included replacements of fuel and waste oil tanks, engines, switchboards and communications equipment in the Kimberley, Pilbara, Mid West and Goldfields/Esperance regions.

Regional Service Providers

We partner with three Aboriginal Regional Service Providers (RSPs) to deliver services across our remote communities footprint in three specific service regions:

- Kimberley Regional Service Provider (KRSP) in the Kimberley
- Meta Maya Services in the Pilbara and Mid West
- Ngaanyatjarra Services in the Goldfields/Esperance





Remote Communities infrastructure upgrades: FY26

The WA Government committed \$10 million to our Critical Distribution Network Program to remediate high-risk electricity distribution assets across remote Aboriginal communities.

The program addresses critical safety, reliability and compliance issues through targeted network upgrades and infrastructure remediation works, supporting the delivery of safer and more reliable services.

Asset category	Locations delivered
→ 02 Fuel tank replacements	Pilbara: Wakathuni Goldfields/Esperance: Patjaar
→ 19 Waste Oil tank replacements	Kimberley: Koorabye, Ngalingkadji, Kadjina, Yakanarra, Muludja, Ngurtuwarda, Moongardie, Yiyili, Wangkatjungka, Djugerari Pilbara and Mid West: Burringurrah, Ngurawaana, Yulga Jinna Goldfields Esperance: Tjirrkarli, Tjukurla, Tjuntjuntjara, Warakurna, Warburton, Wingellina
→ 20 Engine replacements	Kimberley: Ngumpun, Ngallagunda, Ngalingkadji, Gambarnum, Yiyili (2), Jarlmadangah, Kupartiya, Tirralintji, Woolergerberleng (Hollow Springs), Yakanarra, Bawoorrooga Pilbara and Mid West: Kunawarritji, Jigalong, Kiwirrkurra, Yulga Jinna, Jundaru Goldfields/Esperance: Mulga Queen, Warakurna, Patjarr
→ 4 Switchboard replacements	Kimberley: Gullaweed, Gambarnum, Djarajung (Cygnet Bay), Bulgin

Case study 06

Pilbara energy transition

Supporting the Pilbara Energy Transition through early works for common-use infrastructure and new renewable options to support the decarbonisation of the sector.

Challenge

- Meeting future energy demand across the Pilbara
- Unlocking the region's renewable energy resources
- Supporting industrial growth and decarbonisation
- Respecting cultural, environmental and community values

Solution

Progress early government-led activation works for common-use infrastructure and future energy supply solutions.

Key outcomes

- Support common-use infrastructure that can enable renewable energy connections, industrial growth and coordinated regional development
- Progress future generation replacement to maintain reliable supply beyond 2030 as existing arrangements expire
- Explore opportunities for Aboriginal and local businesses through staged procurement and project delivery, where appropriate



Image credit: Pilbara Ports

The Pilbara Energy Transition brings together government and industry to transform the region's energy system by delivering the infrastructure needed for renewable energy, decarbonisation and the long-term growth of critical industries.

We are delivering early activation works to the private sector to support the development of identified priority corridors under the Pilbara Energy Transition Plan. This includes environmental, heritage, and land access activities, together with early engineering planning and design for future transmission infrastructure.

This work includes key initiatives such as the Pilbara Green Link project which sits within the Great Sandy Desert Corridor. It is a proposed high-voltage common-use transmission line that would connect renewable energy from the Australian Renewable Energy Hub into the North West Interconnected System.

We are delivering activation works in the Chichester Range Corridor. This work includes environmental, heritage and land access activities, as well as preliminary engineering to prepare a route for future transmission infrastructure which would connect the Maitland Strategic Industrial area to the high-quality wind zone south of the Chichester Range.

We are also supporting the WA Government with the development of common-use substations within the Maitland and Boodarie Strategic Industrial Areas. These will be designed to provide shared connection points for multiple transmission and generation projects.

Together, these works support a coordinated approach to infrastructure delivery, reducing the need for discrete systems while supporting future industrial and renewable development.

Pilbara Generation Project

We have advanced the Pilbara Generation Project to support a reliable and more sustainable energy solution for the region, when the existing power purchase agreement will expire. The first stage of the project will focus on securing thermal generation capacity to help maintain reliable electricity supply beyond 2030.

Expressions of interest have been sought from a broad range of industry participants, including those offering innovative renewable energy solutions and partnerships with Traditional Owner groups. This approach may help broaden participation and identify future opportunities for Aboriginal and local businesses to contribute to the Pilbara's energy future.

Procurement is being progressed in line with the Western Australian Industry Participation Strategy and Ministerial Direction. This supports regional jobs, including opportunities on Country, skills development and local supplier participation.

Lumsden Point, Port Hedland

During the reporting period, we continued to support regional growth by delivering infrastructure for new and expanding developments. This includes the Lumsden Point development in Port Hedland, where connection works are progressing on behalf of the Pilbara Ports Authority, with completion scheduled for early 2027.

These works support power supply to a key export and industrial hub, delivered through approximately 15 kilometres of 22 kV distribution network with backup capability. The project provides an initial capacity of 16 MVA for the port facility and adjacent industrial and commercial hub.

Case study 07

ReGen program delivers to Four Mile

Four Mile is the third community to receive a new standalone power system through the ReGen program, replacing ageing diesel generation with a safer, more reliable and renewable-ready solution.

Challenge

Four Mile relied on ageing diesel generation that was no longer suited to the community's long-term energy needs.

Solution

A new standalone power system with solar, battery and diesel back-up was commissioned to replace the ageing generator.

Key outcomes

- Reduced cost to supply
- Access to a standard tariff that reduced customer energy costs
- Improved safety and reduced diesel reliance
- A more reliable power supply for the community



Four Mile is a small Aboriginal community located about 20 kilometres south-west of Kununurra in the Kimberley region of Western Australia. For many years, residents relied on an ageing diesel generator that was costly to maintain and no longer suited the community's long-term energy needs.

In early May 2026, Four Mile became the third community to receive a new standalone power system through the Remote Communities Critical Generation Replacement Program (ReGen). The system combines solar and battery technology with a diesel back-up generator, delivering safer, more reliable power and reducing reliance on older diesel generation.

Community engagement was central to preparing for the installation, with residents involved throughout the transition.

Residents were provided with information and ongoing support to help them adapt to the new system, including guidance on using digital tools to manage and top up their power, building confidence in the technology and how it operates.

Before the upgrade, residents relied on diesel they sourced and paid for themselves.

Advanced metering infrastructure was installed, giving residents better visibility of their household energy use and making it easier to manage consumption. It enables families to remotely top up prepaid accounts, making it easier to support ageing relatives and other household members.

The upgrade has also removed the need for families to refill an ageing generator with diesel from a jerry can, improving safety and reducing a day-to-day burden. Together, these changes support a more efficient service.

Feedback from the Four Mile community has been positive, with residents noting the benefits of reduced reliance on diesel, improved visibility of household energy use and greater confidence in day-to-day supply. These outcomes provide a useful point of comparison as newer systems are commissioned across other communities.

Delivered in alignment with the WA Government's Made in WA Plan, the ReGen program uses local contractors and supports regional capability, while improving long-term energy outcomes for the community.

Four Mile demonstrates how local partnerships and community involvement can deliver safer and more reliable renewable energy for remote communities while supporting practical improvements to everyday life.

08 Environment

We remain focused on protecting the environment and cultural heritage through responsible management, effective governance and respectful engagement with the communities we serve, while also supporting the State's continued commitment to improving environmental, social and governance (ESG) outcomes.

Our approach to climate-related reporting

Horizon Power continued to be actively engaged as a member of the Pilot Program for Climate Risk Reporting. Led by the Department of Treasury and Finance and the Department of Water and Environmental Regulation, the program supported the development of the Climate Risk Framework (CRF).

The aim of the CRF is to outline the WA public sector approach, establish guidelines and requirements to perform climate risk assessments, and manage agency priority climate risks and climate-risk related reporting. It is intended to establish a consistent and streamlined approach for managing and reporting climate risks within the public sector. Once completed, it will enable whole-of-government monitoring and climate disclosures, and provide the ability to consider the varying materiality of risk exposure of government agencies.

Horizon Power, along with a select group of WA Government entities, via participation in the pilot program, are assisting in the production of appropriate climate risk tools and guidance material for use by public sector entities.

Our retailed emissions

Horizon Power's retailed emissions includes reported Scope 1 and 2 emissions and non-reported Scope 3 emissions associated with our independent power producers (IPPs) generation contracts (see Table 4).

The reported emissions component of the retailed emissions figure includes Horizon Power's greenhouse gas (GHG) emissions reported annually to the Clean Energy Regulator in accordance with requirements of the National Greenhouse and Energy Reporting (NGER) Scheme. Our non-reported GHG emissions included in the retailed emissions figure are those which relate to the purchase of wholesale electricity supplied by IPPs for re-sale by Horizon Power to our customers.

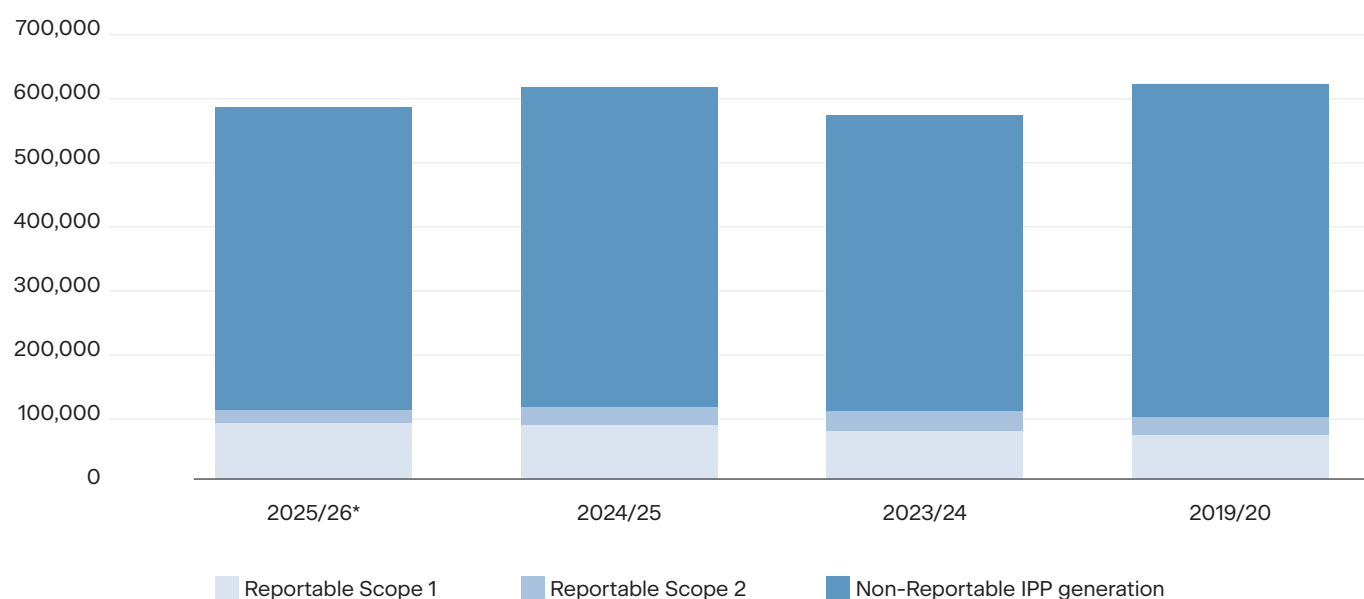
The emissions attributed to independent power producer (IPP) power generation are categorised as upstream Scope 3 (indirect).

The non-reported Scope 3 emissions have been calculated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Retailed emissions attributed to Horizon Power decreased marginally in FY26. This was driven by slightly lower electricity demand across our networks and reliance on cleaner generation in the NWIS.

An estimate is made for our reported Scope 1 and 2 emissions based on available information as at 16 July 2026. The Clean Energy Regulator (CER) will make our FY26 CO₂-e emissions publicly available in February 2027. Subsequent annual reports will contain updated emission totals aligned with the CER published data.

Figure 4: Reportable and non-reportable GHG emissions (tCO₂-e)



* Based on available data as at 16 July 2026.

Table 4: Retailed GHG emissions (tCO₂-e)

FY	Reportable emissions ⁷			Non-reportable	Retailed
	Scope 1	Scope 2	Total reported	IPP generation ⁸	Total
2025/26 ⁶	90,395	20,191	110,586	470,210	580,796
2024/25 ¹⁰	83,276	27,043	110,319	470,987	608,891
2023/24	79,183	28,436	107,619	458,880	566,499
2019/20 ⁹	45,093	22,731	67,824	518,348	613,785 ⁹

⁶ Provisional estimates based on available data as at 16 July 2026 and subject to revision post NGER report submission.

⁷ Reportable emissions include Scope 1 and Scope 2 reported annually in accordance with the requirements of the National Greenhouse and Energy (NGER) Scheme.

⁸ Non-reportable emissions estimated are limited to upstream indirect Scope 3 emissions attributed to the purchase and resale of IPP generated electricity only.

⁹ FY20 Retailed figures adjusted to include 27,613 tCO₂-e from an additional 117 remote communities sites, emissions data from FY24 was added to the FY20 figure, whilst the facilities were operational in FY20 there was no emissions reporting undertaken.

¹⁰ Data updated based on finalised FY25 data and FY25 NGER reported actuals.

GHG and carbon intensity

Carbon intensity is a key measure of the greenhouse gas emissions performance relevant to electricity production, which is why it's an important indicator of how we are managing and mitigating our business's impacts on the environment.

The carbon intensity of our retailed energy is measured as kilograms of CO₂-e per kWh of electricity sent out to our networks, including Horizon Power and IPP generation as well as the contributions from our renewable energy customer buybacks (REBS).

During the FY26 reporting period, carbon intensity remained materially consistent with our previous performance and is estimated as 0.49 kgCO₂-e/kWh sent out, as shown in Table 5.

Table 5: Carbon intensity of sent out electricity (kgCO₂-e/kWh)

Financial Year	Carbon Intensity (kgCO ₂ -e/kWh sent out)
2025/26 ¹¹	0.49
2024/25	0.51
2023/24	0.51
2019/20	0.54

¹¹ Provisional estimates based on available data as at 16 July 2026 and subject to revision post NGER report submission.

Contributing to the WATC Sustainable Bond Program

Horizon Power was pleased to support and collaborate with the Western Australian Treasury Corporation (WATC) on the Sustainable Bond Program Allocation and Impact Report May 2026. The report provides an update on the allocation of green bond proceeds raised up to the end of March 2026 and highlights the environmental impacts across Western Australia generated by funded projects.

The success of the Sustainable Bond Program is a clear indicator of the State's continued commitment to improving ESG outcomes and contributing to the Australian sustainable bond market's continued growth.

Governance

- Completed a review of our Environmental Policy and updated it against our Corporate Strategy.
- Updated and published the Aboriginal Heritage Management Policy.
- Conducted a review of environmental audit requirements, including the addition of generation sites into audit programs.
- Updated environmental and heritage training packages.

Regulatory instruments

Horizon Power has surrendered the operating licence for the Karratha temporary generation project and the asset has been demobilised from site.

Mungullah Power Station remains a registered premises with no associated reporting requirements.

Horizon Power held 35 active native vegetation clearing permits (NVCPs) issued by the Department of Water and Environmental Regulation, with a further five under assessment by the regulator. Two NVCPs were utilised in the reporting period, resulting in a total clearing of 2.34 ha under the relevant permits.

One referral was made to the Environmental Protection Authority and Department of Climate Change, Energy, the Environment and Water (DCCEEW). One approval is held for transmission infrastructure and two projects are currently under assessment for future energy systems in the Kimberley.

Removing or disturbing threatened flora species in WA requires approval from the Minister for the Environment. Horizon Power takes a conservative approach when ground-disturbing work is planned to occur within 50 meters of declared rare flora species and applies for an 'authorisation to take' permit in the unlikely event that inadvertent impact from vehicles or machinery occurs. This year, we held and complied with four 'authorisation to take' permits in Esperance, Hopetoun and Kununurra.

Horizon Power has not undertaken any works in this financial year that require notification to the Ministers for Energy or Planning, pursuant to section 60 of the *Electricity Corporations Act 2005*.



Air emissions

We reported annual air emissions for the FY 2025/26 period to the National Pollutant Inventory (NPI) for sites exceeding the NPI reporting thresholds.

These reports and information on reporting requirements are publicly available on the NPI website. An estimate of combined air emission data from all our reporting facilities is provided in Table 6.

The step change increase in air emissions totals in FY2023/24 was driven by increased fossil fuel consumption due to the inclusion of remote communities within our generating fleet. During the FY2025/26 period, diesel consumption increased marginally across a small number of our generation facilities leading to the increase in particulate emissions.

Final data supplied to the NPI may differ slightly from the estimated emissions and includes additional statutory reporting parameters not included in Table 6.

Table 6: Summary of air emissions

Air emission ¹³	2025/26 ¹² Total (t)	2024/25 ¹⁴ Total (t)	2023/24 ¹⁴ Total (t)	2019/20 Total (t)
Sulphur Dioxide	0.4	0.4	0.3	0.2
Oxides of Nitrogen	797	809	668	451
PM10	39	34	24	16
PM2.5	38	34	24	15

¹² Provisional estimates based on available data as at 16 July 2026 and subject to revision post NPI report submission.

¹³ Horizon Power facilities, including Remote Communities facilities where thresholds have been exceeded, have been reported in accordance with the requirements of the National Environment Protection (National Pollutant Inventory) Measures (NEPM-NPI) implemented through the Environmental Protection (NEPM-NPI) Regulations 1998 under the *Environmental Protection Act 1986*.

¹⁴ Facilities, including Remote Communities facilities where thresholds have been exceeded, have been reported in accordance with the requirements of the National Environment Protection (National Pollutant Inventory) Measures (NPI NEPM) implemented through the Environmental Protection (NEPM-NPI) Regulations 1998 under the *Environmental Protection Act 1986*.



Environmental incidents

There were nine reportable environmental incidents during the reporting year. These consisted of:

- Four hydrocarbon spills at remote communities associated with generation equipment malfunction.
- One discharge of potentially contaminated water that required testing and disposal.
- Three transformer hydrocarbon leaks.
- One truck crash causing loss of hydrocarbons.

All incidents were reported as required to the Department of Water and Environmental Regulation. Investigations into root causes have been undertaken and appropriate controls to prevent reoccurrence have been implemented.

Environmental noise and dust

No noise and dust complaints were received during the year.

Management of contaminated sites

The management and remediation of contamination arising from Horizon Power's operational activities at power station sites continues to be a focus. This year, we reclassified one site's end use status, with a further two sites expected to be reclassified in the upcoming financial year following final investigations. Horizon Power takes a proactive approach to managing contamination risks associated with assets across the communities in which we operate.



Heritage and Native Title compliance

Efforts this year focused on the delivery of the recommendations from our FY25 internal compliance audit. The outcome of the audit had been positive overall, resulting in only five low risk findings and eleven recommendations. The findings were in relation to the following areas:

- Traditional Owner (TO) engagement
- Heritage Protection Agreements
- Aboriginal Heritage reporting and incident management
- Document management of Native Title and Aboriginal Heritage Management Framework and related procedures
- Aboriginal Heritage training and awareness

Out of the eleven recommendations, nine have been delivered.

- Completed actions have embedded consideration of TO benefits more consistently across planning and decision-making processes.
- Heritage governance has been improved through documentation of reporting, trend analysis and incident management requirements, with clearer expectations for Sustainability and Traditional Owner Relationships and Reconciliation involvement.
- Key policy, framework and supporting document updates have now been finalised to align with current legislative requirements and improved document control applied.
- Improvements made to training programs and the compliance maturity has been further reinforced across Horizon Power's overall heritage management framework.

Overall, Horizon Power's Aboriginal Heritage and Native Title management systems and processes have been found to be robust and mature, providing excellent risk mitigation for the business. In particular, the auditors commented that Horizon Power has made significant progress in strengthening its Native Title and Aboriginal Heritage management practices since the previous internal audit in 2019, despite significant complexity relating to the changing legislative landscape.

Heritage and Native Title engagement

Aboriginal people are an integral part of our customer base and an important stakeholder in project development and delivery. Throughout the year, we worked with several Traditional Owner groups across the State, entering into project-specific Heritage Protection Agreements to facilitate focused heritage surveys, as well as providing a culturally safe approach to project delivery.

In FY26 we executed project-specific Heritage Protection Agreements with:

- Wagyl Kaip Aboriginal Corporation
- Walalakoo Aboriginal Corporation
- Boorroola Moorool Moorool
- Madanaa Nada Aboriginal Corporation

Additionally, we undertook heritage surveys with the following groups:

- Wagyl Kaip Aboriginal Corporation
- Yinggarda Aboriginal Corporation
- Wanparta Aboriginal Corporation
- Nyamba Buru Yawuru
- Boorroola Moorool Moorool
- Madanaa Nada Aboriginal Corporation
- Ngarrawanji Aboriginal Corporation
- Lunga Kitja Aboriginal Corporation

We also engaged heritage monitors to assist in protecting cultural values during ground-disturbing works for operational and project related activities, including:

- Murujuga Aboriginal Corporation
- Esperance Tjaltjraak Native Title Aboriginal Corporation
- Kariyarra Aboriginal Corporation
- Nyamba Buru Yawuru
- Lunga Kitja Aboriginal Corporation

Across our service area, we operate according to our heritage management processes, and as a result, no breaches of the *Aboriginal Heritage Act 1972* were recorded during this financial year. We continue regular process reviews and improvements to enable a continued best practice approach and effective risk mitigation.



09 Social

Horizon Power's social contribution extends across our workforce and the customers and communities we serve.

Our workplace

Building a diverse, inclusive and accessible workplace across our regions.

661

Employees

642.8

Full-time equivalent

36%

Female

7.1%

Aboriginal

3.8%

With a disability

33%

Regionally based

28%

From diverse cultural & linguistic backgrounds

2%

Youth
(under 25 years old)

Embracing diversity across our business

We know a diverse and inclusive workforce strengthens our relationships, decisions and connection to the regional and remote communities we serve.

Our approach to diversity, equity and inclusion focuses on building a workplace where people feel they belong, have equitable access to opportunity and are supported to contribute to Horizon Power's purpose.

In FY26, we continued to strengthen inclusion through our policies, learning opportunities, accessibility initiatives, employee working groups and community-focused programs. We encourage our people to share their voice and take part in initiatives that help create a more inclusive workplace for everyone.

Female representation

Level	Number	%
Board	3/6	50%
Executive	4/9	44%
Senior management	11/27	41%
Total	241/661	36%

Regional employees by depot or office

Depot/Office	Number of regional employees
Broome (community)	2
Broome (Nila Janyba)	7
Broome Depot	35
Carnarvon Depot	28
Denham	2
Esperance Depot	41
Karratha Depot	35
Kununurra Depot	24
Marble Bar	1
Mungullah Power Station	13
Onslow Depot	1
Port Hedland Depot	27
Total	216



Our communities

Supporting local industry participation

Horizon Power remains committed to supporting the WA Government's WA Industry Participation Strategy (WAIPS). Through our operations, procurement and project activities, we contribute to WAIPS objectives and will report on relevant performance measures and outcomes in the 2026/27 financial year in accordance with applicable government reporting requirements.

Working with Aboriginal businesses

We continue to create meaningful economic opportunities for Aboriginal businesses and communities across regional and remote Western Australia. Through our Stretch Reconciliation Action Plan 2025–2028, we are strengthening Aboriginal business participation across our supply chain, with targets to award 10 new contracts and/or achieve \$30 million in annual spend with Aboriginal and Torres Strait Islander businesses.

In FY26, Horizon Power awarded seven contracts to Aboriginal businesses. While below the stretch target of 10 new contracts, this reflects continued progress in expanding participation and reinforcing supplier relationships across our service area. We remain focused on identifying new opportunities, increasing supplier diversity and building long-term partnerships that deliver sustainable economic and community outcomes.

Horizon Power substantially exceeded its Aboriginal procurement spend target, investing more than \$53 million with Aboriginal businesses and suppliers above the \$30 million target. This demonstrates the significant economic contribution delivered through our procurement activities and the impact of our Aboriginal supplier relationships.

We also maintain strong partnerships with Aboriginal-owned Regional Service Providers, which play a critical role in delivering essential services to remote communities across Western Australia. These partnerships support local employment, build Aboriginal business capability and deliver long-term benefits for the communities in which we operate.

Table 7: FY 2026 spend with Aboriginal businesses

Region	Value of spend (\$)	%
Kimberley	\$23,020,397.27	43.2%
Goldfields/Esperance	\$44,890.80	0.1%
Gascoyne/Mid West	\$118,702.60	0.2%
Perth Metro	\$12,745,239.77	23.9%
Pilbara	\$17,256,799.16	32.4%
South West	\$56,232.24	0.1%
Interstate	\$46,282.75	0.1%
Total	\$53,288,544.59	100%

Table 8: Contracts <\$50,000 to Aboriginal businesses

Region	Value of purchase orders (\$)¹⁵	Value of contracts (\$)	Total¹⁶	%
Kimberley	\$685,894.02	\$5,766,117.72	\$6,452,011.74	65.4%
Goldfields/Esperance	\$6,790.80		\$6,790.80	0.1%
Gascoyne/Mid West	\$124,235.50		\$124,235.50	1.3%
Perth Metro	\$439,384.37	\$2,251,470.19	\$2,690,854.56	27.2%
Pilbara	\$466,226.16		\$466,226.16	4.7%
South West		\$90,000.00	\$90,000.00	0.9%
Interstate	\$40,564.55		\$40,564.55	0.4%
Total	\$1,763,095.40	\$8,107,587.91	\$9,870,683.31	100%

¹⁵ Value of purchase orders represents purchase orders raised without an associated contract in FY2025/26.

¹⁶ The contract award estimates are based on the contract term and not the financial year. Spends on these contracts will only be reached over the life of each contract. Contracts are not reflective of purchase order commitments.

\$77m

Commitments to
Aboriginal businesses
FY26

\$74.7m

Commitments
>\$50,000 to Aboriginal
businesses FY26

\$53m

Spend with
Aboriginal
businesses FY26

95

Aboriginal
suppliers in our
supply chain

6%

Aboriginal
businesses in our
supplier database

\$9.8m

Contracts
>\$50,000 to Aboriginal
businesses FY26

Community Partnerships Program

Our Community Partnerships Program continued to support initiatives that help regional and remote communities thrive. In FY26, we invested in local projects across community wellbeing, youth development, education, arts and culture, environmental outcomes and economic participation.

Demand for the program remained strong, reflecting the value communities place on long-term, locally led support. This year also saw increased partnerships with Aboriginal Community Controlled Organisations and Prescribed Body Corporates, supporting stronger outcomes for Aboriginal communities and our ongoing commitment to reconciliation.

As we work alongside communities through the energy transition, the program remains an important way we support regional connection and growth.

>\$1.1m

Funding provided in FY26

140

Initiatives supported

\$6.7m

Funding delivered since 2020



Creating impact through volunteering

Horizon Power's corporate volunteering program continues to connect our people with causes that matter. Through individual and team activities, employees supported local not-for-profit organisations and contributed meaningful value to the communities where we live and work.

This year's activities reflected a strong focus on inclusion and community wellbeing, with employees supporting people with disability, people experiencing homelessness, Aboriginal communities, LGBTQIA+ organisations and vulnerable women. We continued our Lifblood team donations, with 135 donations helping save an estimated 405 lives.

Horizon Power's commitment to corporate volunteering was recognised with the AIM WA Pinnacle Award for Corporate Social Impact Excellence, reflecting the program's growing contribution to employee engagement, inclusion and positive community outcomes.



2,226

Volunteering
hours

\$106,871

Value contributed to
local communities

209

Individual
volunteers

Social Impact

Our response to modern slavery

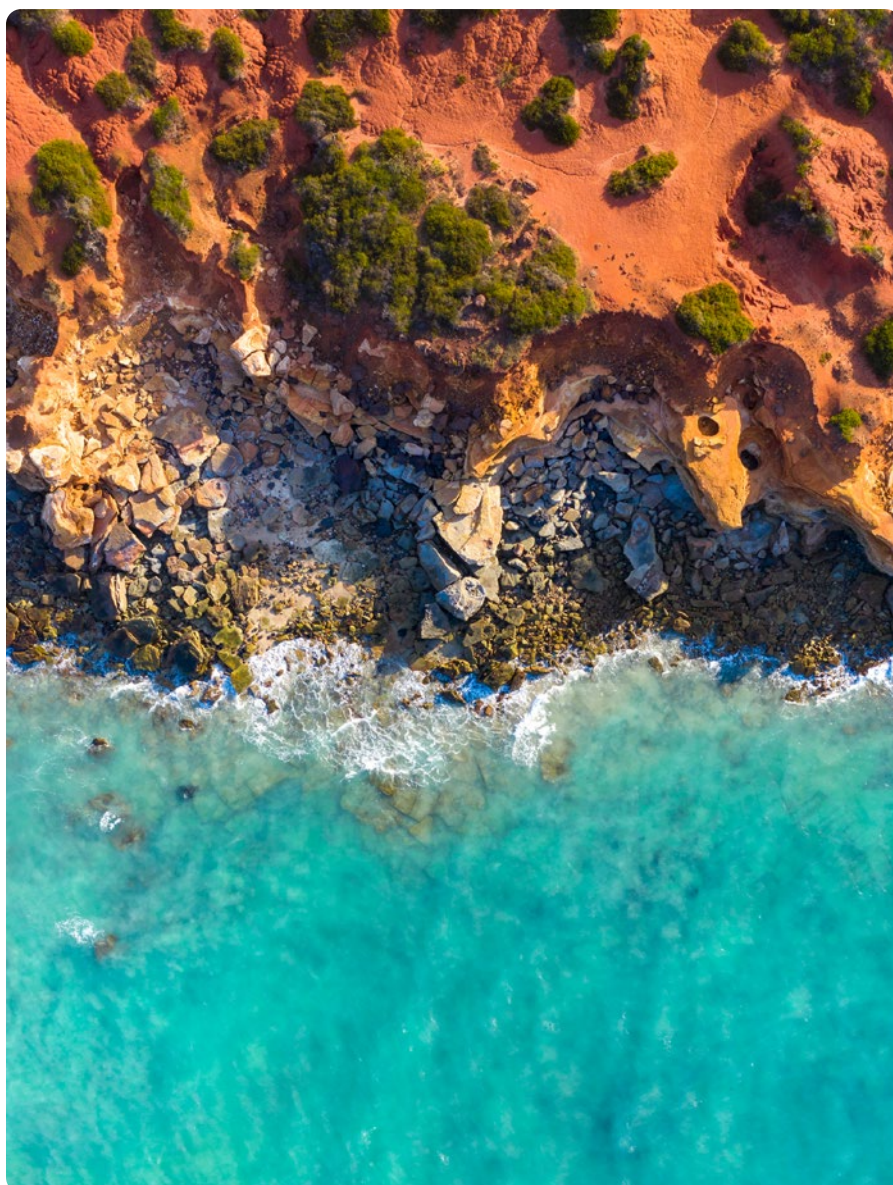
Our Modern Slavery Statement outlines how we identify and address modern slavery risks across our operations and supply chain, where our greatest potential exposure remains. Our 2025 Modern Slavery Statement highlights the proactive approach taken by our cross-functional Modern Slavery Working Group.

We continued supplier due diligence, updated our supplier questionnaire and provided targeted awareness training.

We aim to continually improve our risk management, supplier engagement and monitoring practices to support responsible procurement across our supply chain.



Scan to read our
Modern Slavery
Statement



Social Impact Report

Our Social Impact Report tracks progress against six social impact outcome areas aligned with our purpose of delivering clean energy solutions for regional growth and vibrant communities.

Regional growth

- Regional employment Horizon Power employed 10 additional people in the regions, of which three identified as Aboriginal.
- Regional economic activity Contracts awarded directly to regional suppliers increased by 26 per cent, reaching \$57.9 million. The Pilbara had the highest regional spend (54 per cent), followed by the Kimberley (34 per cent).

Vibrant communities

- Lower carbon Total installed rooftop solar increased by 10 per cent to 52.1 MW, demonstrating continued uptake of customer renewable energy systems.
- Affordable and sustainable Renewable energy purchased from customers increased by 11 per cent to 29.7 GWh, while average A2 customer energy bills decreased by 3.3 per cent. Customer disconnections due to non payment increased by two per cent. We continue to support savings initiatives and hardship support for our customers.
- Thriving businesses The number of L2 and L4 tariff business customer accounts increased by two per cent.
- Community health and wellbeing Regional average employee volunteering hours increased by 3.9 per cent.

10 Governance

Directors' report

Corporate governance

Corporate governance is the system by which we are directed and managed. It influences how:

- business objectives are set and achieved
- risk is assessed and managed
- corporate fairness, transparency and accountability are promoted
- performance of the business is optimised.

To best reflect the expectations of our people, stakeholders and customers, we seek to use recognised best practice for corporate governance by implementing a corporate governance framework.

In practical terms, the framework:

- Provides structure and consistency to the way we do business with our customers and stakeholders
- Allows employees to respond to situations as they arise with confidence, understanding the requirements of the business
- Promotes our performance drivers and corporate governance principles, including the roles, responsibilities and authorities of the Board and Executive
- Is aligned with our strategic and business plans
- Provides accountability and control systems commensurate with the risks involved
- Is an essential component of our overall success.



Managing business risk

Our Risk Management Framework is designed to encourage and support the development of an appropriately risk-aware culture within the organisation and assists us in realising the benefits that accrue from a conscious, structured and dynamic approach to managing risk. This means our people can perform their activities in a responsible, thoughtful, knowledgeable and consistently professional manner, contributing to our overall success.

Our Risk Management Framework is aligned with the ISO 31000:2018 standard and includes processes to identify, assess, monitor, report and escalate risk exposure to management.

The framework:

- Applies to everyone including the Board of directors, the Executive team and all other employees and contractors
- Is applied at all levels of the business
- Is applied to all operational risk management processes and practices
- Is integrated with other corporate frameworks, in particular the strategic business planning and corporate budgeting processes. This assists with prioritising important projects and promotes a risk-based approach to investment decisions.

Our corporate risk profile includes risks identified annually by various teams and divisions within the business, before it is reviewed by the Executive and then reported to the Audit and Risk Management Committee.

In accordance with the *Government Trading Enterprises Act 2023* (WA) (the GTE Act), we must be governed by a Board of between five and nine Directors to be appointed by the Minister for Energy and Decarbonisation (the Minister), as per the provisions of the GTE Act.

The Board is responsible to the Minister for the performance of the business.

The primary role of the Board is to set Horizon Power's strategic direction, approve major expenditure and provide advice to the Minister on regional power issues.

The Board formally delegates the day-to-day management of Horizon Power to the Chief Executive Officer and Executive team.

During the year, our Board comprised the following people:

- **Ms Samantha Tough** – Chair
- **Mr Mark Puzey** – Deputy Chair
- **Ms Ivy Chen** – Director
- **Ms Sandra Di Bartolomeo** – Director
- **Mr Rohan Williams** – Director
- **Ms Anna Dartnell** – Director
- **Mr Robert Radley** – Director
- **Mr Travis Robinson** – Director

Our Board

Ms Samantha Tough

Chair



Appointed 26 Nov. 2019
Current term expires 25 Nov. 2028

Samantha has a distinguished executive and non-executive career with significant experience in energy, resources and engineering. She is currently Pro Vice Chancellor of Industry and Commercial at UWA and has a board portfolio that includes Aurizon Holdings Ltd, Clean Energy Finance Corporation, Rumin8 Pty Ltd and the WA Investment Attraction Fund.

Samantha has experience in regional WA and has served on the boards of several businesses and non-government organisations. She holds a Bachelor of Laws and Bachelor of Jurisprudence from UWA and is a Fellow of the Australian Institute of Company Directors.

Mr Mark Puzey

FAICD, FCA, Deputy Chair



Appointed 21 Dec. 2021
Current term expires 28 Dec. 2027

Mark has focused on being an independent non-executive director for over 10 years, and has been a Chartered Accountant for 40 years in finance, internal/external audit, risk management, governance and digital strategy.

He is currently Chair of three Audit and Risk Committees, and an independent non-executive Director, including with DUG Technology Ltd (ASX:DUG) and Edith Cowan University. He is Horizon Power's Deputy Chairperson and Chairperson of the Audit and Risk Management Committee.

Mark is a Fellow of both the Australian Institute of Company Directors (FAICD since 2012, graduating in 2003) and Chartered Accountants ANZ (FCA since 2009), and is certified in the Governance of Enterprise IT (CGEIT). He also holds a Bachelor of Commerce and is a major supporter of the arts.

Mark brings deep expertise in IT governance, cyber security, data analytics/monetisation, business transformation and fundraising due diligence.

Ms Ivy Chen

Director



Appointed 22 Aug. 2020
Current term expires 25 Nov. 2027

Ivy is a corporate governance specialist who has led mining geology and resource estimations teams in China and Australia. She previously served as a national advisor for geology and mining for the Australian Securities and Investment Commission (ASIC). Ivy is the founder and principal of GeoReg Mining and Compliance, a minerals industry consulting practice, and an associate of MinVal Pty Ltd, mineral asset evaluation specialists.

Ivy is the Deputy Chair of Football West, a Director of the Football Futures Foundation (the charity arm of Football West), a member of the WA Government's Mining and Petroleum Advisory Committee (MAPAC), and the Investment Attraction Fund Governance board. Ivy holds a Bachelor of Applied Science, a Post Graduate Diploma in Natural Resources, and is a graduate of the Australian Institute of Company Directors.

Ms Anna Dartnell

Director



Appointed 11 Aug. 2025
Current term expires 10 Aug. 2028

Anna brings more than two decades of senior leadership experience across global resources, manufacturing, mining, infrastructure and transport, with a strong track record in operational excellence and large-scale business improvement. She is currently the Chief Executive Officer at Tellus Holdings Ltd, and previously served as Group Executive Bulk at Aurizon, Australia's largest rail-based freight operator, where she led one of the country's most complex supply chain businesses. Anna has a Bachelor of Arts from UWA.

Anna is a graduate of the Australian Institute of Company Directors and the Advanced Management Program at Harvard Business School.

Our Board

Mr Robert Radley

Director



Appointed 11 Aug. 2025
Current term expires 10 Aug. 2028

Robert has more than 39 years of experience including 30 years in professional services and 18 years as a board director.

He has worked with clients across multiple sectors including utilities, mining, steel, engineering and construction, and has held senior partner roles at Oliver Wyman, Bain & Company and PwC. He is Deputy Chancellor at Edith Cowan University and Chair of ECU Holdings, Deputy Chair of AbilityWA, the CSIRO representative Director on the Board of Airthena Technology Development Company, and a Non-Executive Director of Adcorp Group Limited.

Robert holds a Masters in Electrical Engineering and a Master of Business Administration from the University of Witwatersrand and is a graduate member of the Australian Institute of Company Directors.

Mr Travis Robinson

Director



Appointed 11 Aug. 2025
Current term expires 10 Aug. 2028

Travis is the Chief Operating Officer at Australian Capital Equity, where he has responsibility for strategic and operational leadership across a diverse portfolio of people, assets and commercial interests. He has extensive experience across government and the private sector, with expertise in people and asset management, organisational change, culture, productivity and profitability.

Travis holds a Master of Human Resource Management from Curtin University and a Graduate Certificate in Migration Law from Murdoch University. He is Chair of the Perth Zoo Board and is a 2026 Eisenhower Fellow.

Ms Sandra Di Bartolomeo

Director



Appointed 20 Nov. 2018
Term concluded 09 Aug. 2025

Sandra is an experienced banking and finance lawyer, specialising in corporate, construction, resources, energy and property financing. She was formerly a partner of a top-tier national law firm leading the Finance Division in Perth, and held various senior leadership positions with National Australia Bank.

Sandra previously served on the Art Gallery of Western Australia Foundation Council, the Italian Chamber of Commerce and Industry Committee, the Law Society of Western Australia Commercial Law Committee and the Liquor Commission. She holds a Bachelor of Laws from UWA and postgraduate qualifications from the Securities Institute of Australia and the Australian Institute of Management, and is a graduate of the Australian Institute of Company Directors.

Mr Rohan Williams

Director



Appointed 08 Mar. 2023
Term concluded 16 Jul. 2025

Rohan has more than 20 years of experience leading mining and resource companies, after starting his career as a geologist. Previous roles include CEO and Managing Director of Avoca Resources Ltd, Chief Strategic Officer and Executive Director of Alacer Gold Corporation, and Executive Chairman and CEO of Dacian Gold Ltd. He also served on the board of the Telethon Kids Institute for nine years.

Rohan is currently Director of Neap Consulting, assisting resource companies and not-for-profit organisations with all facets of company management including administrative, corporate and operational leadership as well as strategic activities and objectives.

Rohan holds a Bachelor of Science with first class honours from La Trobe University.

Attendance at Board meetings

The Board met for six scheduled meetings throughout the year and considered eleven circular resolutions, the latter of which are recognised as duly constituted Board meetings.

Table 9:
Board of Directors' scheduled meeting attendance FY26

Director	Meetings eligible to attend*	Meetings attended
Samantha Tough	6	6
Mark Puzey	6	6
Ivy Chen	6	6
Anna Dartnell	6	6
Robert Radley	6	6
Travis Robinson	6	5
Sandra Di Bartolomeo	0	0
Rohan Williams	0	0

* during the time the Director held office during the year

Table 10:
Director appointment terms

Director	Appointed	Expires/Expired
Samantha Tough	26 November 2019	25 November 2028
Mark Puzey	21 December 2021	28 December 2027
Ivy Chen	23 August 2020	25 November 2027
Anna Dartnell	11 August 2025	10 August 2028
Robert Radley	11 August 2025	10 August 2028
Travis Robinson	11 August 2025	10 August 2028
Sandra Di Bartolomeo	20 November 2018	9 August 2025
Rohan Williams	8 March 2023	16 July 2025



Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) is a sub-committee of our Board of Directors. The ARMC helps the Board discharge its responsibility to provide oversight of, and corporate governance for, the business. The ARMC is accountable to, and reports to, the Board.

Internal control and risk management

The ARMC provides oversight of the identification of risks and threats to Horizon Power, as well as the processes by which those risks and threats are managed. The ARMC also assesses and provides oversight of internal controls and the internal audit function.

Financial reporting

The ARMC provides oversight in relation to financial reporting by considering:

- whether Horizon Power's accounting policies and principles are appropriate
- significant estimates and judgements in the financial reports

- management's process for enabling compliance with laws, regulations and other requirements relating to Horizon Power's external reporting obligations
- information from internal and external auditors regarding the quality of financial reports.

External auditors

In accordance with the GTE Act, the financial report is audited by the Office of the Auditor General for Western Australia (OAG). There was no indemnity given or insurance premium paid for the OAG for the year ended 30 June 2026. Refer page 148 for total auditor remuneration.

Composition of the ARMC

The ARMC comprises:

- **Mr Mark Puzey** – Chair
- **Mr Robert Radley** – Director (membership commenced 9 September 2025)
- **Ms Ivy Chen** – Director
- **Ms Sandra Di Bartolomeo** – Director (membership concluded 9 August 2025)

Table 11:
ARMC meetings and attendance FY26

Director	Meetings attended	Meetings eligible to attend*
Mark Puzey	5	5
Ivy Chen	5	5
Robert Radley	3	3
Sandra Di Bartolomeo	1	1

* during the time the Director held office during the year

Sustainability and People Committee

The Sustainability and People Committee (SPC) is a sub-committee of our Board of Directors. The committee was established in June 2020 to help the Board discharge its responsibility to provide oversight of, and corporate governance for, the business. The SPC is accountable to, and reports to, the Board.

The SPC's role is to consider and make recommendations to the Board on matters relating to corporate governance, the environment, safety and people, and to assist the Board with its oversight of Horizon Power's strategy, policies, practices and controls in relation to these areas.

The SPC assists the Board to discharge its responsibility to exercise due care, diligence and skill in relation to Horizon Power, by providing oversight of the following areas:

- Matters in relation to Board composition including:
 - independence of Directors
 - composition of the Board, including assessing and recommending the appropriate mix of skills, knowledge, experience, succession, independence and diversity to enable the Board to discharge its responsibilities effectively
- recommendations to the Board in relation to the appointment and retirement of Directors
- The processes in place to review the performance of the Board and the Chief Executive Officer
- Matters in relation to people and performance including:
 - the remuneration framework for senior management
 - Horizon Power's remuneration and employment policies, procedures and programs
- Diversity within Horizon Power
- Safety, health and wellbeing including matters relating to:
 - occupational health and safety performance, policies and systems
 - health and wellbeing policies, practices and programs
- Environment and sustainability
- Corporate social responsibility and customer commitment
- Aboriginal and Torres Strait Islander commitment
- Corporate governance.

Composition of the SPC

The SPC comprises:

- **Mr Travis Robinson** – Chair (membership commenced 9 September 2025)
- **Mr Rohan Williams** – Chair (membership concluded 16 July 2025)
- **Ms Ivy Chen** – Director
- **Ms Anna Dartnell** – Director (membership commenced 9 September 2025)
- **Ms Sandra Di Bartolomeo** – Director (membership concluded 9 August 2025)

Table 12:
SPC meetings and attendance FY26

Director	Meetings attended	Meetings eligible to attend*
Sandra Di Bartolomeo	0	0
Ivy Chen	3	3
Rohan Williams	0	0
Travis Robinson	3	3
Anna Dartnell	3	3

* during the time the Director held office during the year

Governance and corporate compliance disclosures

In compliance with the accountability provisions of the GTE Act, we provided the Minister with an Interim Report for the period July to December 2025 and this Annual Report for the entire financial year.

The Interim Report included an overview of achievements against operational and financial key performance indicators. This Annual Report is provided to the Minister within the time specified by the GTE Act and includes consolidated financial statements and other statutory information required under the GTE Act.

In addition to interim and annual reports, the *Government Trading Enterprises Act 2023* (WA) and the *Electricity Corporations Act 2005* (WA) require the Minister to be provided with:

- a Statement of Expectations
- Annual Performance Statement
- a separate report on employee compliance with any issued codes of conduct
- any specific information in our possession requested by the Minister.

Changes in written law

Regulated Pilbara network business:

Since 1 July 2021, Horizon Power's NWIS network assets in the Pilbara have been open to access by third parties ('coverage regime') under the Pilbara Networks Access Code (PNAC). This enables other parties to compete with Horizon Power's retail business to provide electricity services to new and existing customers whose annual consumption exceeds 1,200 MWh. Additionally, it facilitates access to the network by new developments in the Pilbara.

Following a public consultation process, Horizon Power's Pilbara network business refreshed policies and procedures, including a published price list, for the second three-year pricing period (July 2025 to June 2027) to enable access to the NWIS.

Pilbara ACCC authorisation:

The Australian Competition and Consumer Commission (ACCC) has granted an authorisation that allows Pilbara ISOC Co Ltd and other key participants in the NWIS to work together under specific conditions. This authorisation is to ensure that the NWIS remains safe, secure and reliable. This collaboration involves sharing important system information, coordinating outages and setting technical standards to keep the system running smoothly.

Likely developments in operations in future years

- We plan to deploy our Distributed Energy Resource Management System to extend orchestration capabilities to battery energy storage systems, power stations, electric vehicle supply equipment and home energy management systems.
- We plan to extend energy storage through delivery and/or facilitation of behind-the-meter, community and long duration energy storage batteries.
- We will work towards delivering asset upgrades and remediation work in our remote communities program, to uplift power services to meet regulatory compliance by 2031.
- We will deliver advanced metering infrastructure across our remote communities between 2027 and 2031 to improve electrical safety, regulatory compliance and service equity.
- The Blackstone Power Station rebuild will pilot a scalable modular power solution and inform the future roll out of high-penetration renewable energy to other remote Aboriginal communities.
- We will explore opportunities for community-level participation in the energy transition through our community participation model.
- We will continue the delivery of standalone power systems (SPS) under the WA Government's SPS program.
- We will support the WA Government to deliver strategic regional initiatives, such as the Pilbara Energy Transition Plan, as advised by Government.
- We plan to deliver new energy solutions for Laverton, Menzies and Leonora, driven by PPA expiry and asset end-of-life.
- We will progress the replacement of our retail system to support reliable and efficient customer service delivery across regional and remote Western Australia.
- We will remediate Stovehill Road in Karratha to support safe and reliable access to our Karratha Depot and adjacent critical utility infrastructure.

Shares in statutory authorities

Not applicable

Significant changes in state of affairs and business operations

During the year, we restructured our organisation to align with our revised Corporate Strategy. One new division - Pilbara Network and Projects - was created, taking our total divisions from seven in FY25 to eight in FY26.



Declarations of interest

Our Code of Conduct and Conflicts of Interest Policy are endorsed by the Board and Executive and provide all employees with information as to what constitutes a conflict of interest and how one should be managed.

A conflict of interest may arise in a number of situations involving the interests of Horizon Power and the interests of the relevant individual.

Members of the Board are required to declare any conflicts of interest at all Board and committee meetings.

Indemnification of Directors

The Directors' and Officers' Liability Insurance Policy insures (among others) Horizon Power's Directors and officers, shadow Directors and employees, and covers any loss resulting from a claim made against an insured person during the policy period, subject to any exclusions set out in the Policy. The premium paid for this Policy this year is \$98,673.45 (including statutory charges but excluding GST). At the date of this report, no claims have been made against the Directors' and Officers' component of the policy.

Horizon Power has also entered into deeds of indemnity, insurance and access with its Directors. Under these deeds, Horizon Power agrees to indemnify its Directors in respect of all liabilities of a civil nature incurred while acting as a Director of Horizon Power.

The indemnity includes liabilities of a civil nature owed to persons (other than Horizon Power) incurred by the Director unless the liability arises out of conduct involving a lack of good faith.

It also includes covering the reasonable costs incurred defending civil proceedings where the Director is given judgement in their favour, defending criminal proceedings where the Director is acquitted, or obtaining relief under

clauses 9 and 10 of Schedule 2 of the *Electricity Corporations Act 2005* (WA). The indemnity remains in full force and effect for seven years after the Director ceases to hold office.

Since last year, Horizon Power has entered into a deed of indemnity, insurance and access with Anna Dartnell, Robert Radley and Travis Robinson.

Remuneration paid to Directors and the Executive

Board members are appointed by the WA Government under the GTE Act following WA Government approval processes that also outline the remuneration payable for their services. The remuneration of the Directors is determined by the Minister within a range determined by the Salaries and Allowances Tribunal.

The Chief Executive Officer's remuneration is set by the Board within the range determined by the Salaries and Allowances Tribunal following an annual performance assessment against key performance indicators.

Executive salaries were reviewed in 2025, considering both Government requirements and prevailing market trends.

Principles used to determine the nature and amount of remuneration

Remuneration approval protocols are as follows:

- Provide market competitive remuneration to employees, having regard to both the level of work assigned and the effectiveness of performance
- Allocate remuneration to employees on the basis of merit and performance
- Adopt performance measures that align the interests of employees with the interests of key stakeholders.

Non-executive directors

Payment to non-executive Directors consists of base remuneration, allowances and superannuation.

Chief Executive Officer and Executives

The Chief Executive Officer and Executives' compensation framework is based on a total package that includes total fixed remuneration structures with:

- Cash
- Selection of prescribed non-financial benefits
- Superannuation
- Cost of fringe benefits tax.

Total fixed remuneration

The compensation framework is market competitive and performance based, with flexibility for the package to be structured at the Executive's discretion with a combination of cash, a selection of prescribed non-financial benefits, superannuation and the cost of fringe benefits tax.

External remuneration consultants provide analysis and advice to set remuneration to reflect the market for a comparable role. Remuneration for Executives is reviewed annually so the level is market-competitive. There are no guaranteed remuneration increases included in any Executive contracts.

Non-financial benefits

Novated lease for vehicles is an available option for all employees.

Superannuation

Paid in accordance with the amount required under the *Superannuation Guarantee (Administration) Act 1992* (Cth) on the Executive's behalf to a superannuation fund that is a complying superannuation fund within the meaning of the Act.

Table 13:
Board of Directors' remuneration for FY26 ¹⁷

Total remuneration band (\$)	Number of Directors		Short term \$'000				Post employment \$'000				Total \$'000	
	2025	2026	Salary and fees 2025	Salary and fees 2026	Other 2025	Other 2026	Super 2025	Super 2026	Termination 2025	Termination 2026	Total 2025	Total 2026
0-24,999	0	2	0	6	0	0	0	0.7	0	0	0	6.7
25,000-49,999	0	3	0	42	0	0	0	5	0	0	0	47
50,000-74,999	3	1	48.8	52.6	0	0	5.6	6.3	0	0	54.4	58.9
75,000-99,999	1	1	70	71.7	0	0	8	8.6	0	0	78	80.3
100,000-124,999	1	1	97.8	101	0	0	11.2	12	0	0	109	113
125,000-150,000	0	0	0	0	0	0	0	0	0	0	0	0

¹⁷ Where there is more than one Director in the remuneration band, the average remuneration is shown.
Government employed non-executive Directors are not remunerated by Horizon Power.

Table 14:
Executive officer remuneration for FY26 ¹⁸

Total remuneration band (\$)	Number of employees		Short term \$'000				Post employment \$'000				Total \$'000	
	2025	2026	Salary and fees 2025	Salary and fees 2026	Other 2025	Other 2026	Super 2025	Super 2026	Termination 2025	Termination 2026	Total 2025	Total 2026
0-249,999	0	1	0	122	0	0	0	3	0	0	0	125
250,000-349,999	1	1	315	308	0	0	24	38	0	0	339	346
350,000-424,999	2	3	347	345	0	0	32	36	0	0	379	381
425,000-499,999	7	4	409	431	0	0	33	35.5	0	0	442	466.5
500,000-574,999	0	0	0	0	0	0	0	0	0	0	0	0
575,000-625,000	1	2	593	581	0	0	30	21	0	0	623	602

¹⁸ Where there is more than one Executive officer in the remuneration band, the average remuneration is shown.

Table 15:
Persons titled executive officers during FY26

Director	Position(s) held*
Ms Krystal Skinner*	Chief Executive Officer
Mr Mike Houlahan*	Chief Financial Officer
Mr Mick Veverka*	Executive General Manager Pilbara Network & Projects
Ms Vi Garrood	Executive General Manager Future Energy
Ms Jennie Milne*	Executive General Manager People, Safety & Governance
Mr Ray Achemedei	Executive General Manager Technology and Digital Transformation
Mr Darren Hill*	Former Executive General Manager Customer & Community
Mr David Frankel	Acting Executive General Manager Customer & Community
Mr Phil Western	Acting Executive General Manager Operations
Mr Frank van der Kooy	General Counsel & Company Secretary
Ms Melanie Graetz	Acting Executive General Manager Remote Communities

* Denotes the five executive officers with the highest remuneration to 30 June 2026.



Legislation

The Electricity Corporations Act 2005 (WA) establishes Horizon Power as a corporation with responsibility for the provision of electricity outside the South West Interconnected System (SWIS).

Horizon Power is also bound by the GTE Act and its regulations which standardise governance requirements for Government Trading Enterprises.

Electricity licences

The Electricity Industry Act 2004 (WA) requires participants who generate, transmit, distribute or retail electricity in WA to obtain a licence to operate. Licences are issued by the Economic Regulation Authority (ERA or the Authority). We were issued with an Integrated Regional Licence on 30 March 2006.

The Integrated Regional Licence requires us to comply with a number of codes, including:

- *Code of Conduct for the Supply of Electricity to Small Use Customers 2022*
- *Electricity Industry (Networks Quality and Reliability of Supply) Code 2005*
- *Electricity Industry (Metering) Code 2012*

Compliance with other legislation

We have a number of controls and systems in place that support the business to comply with all legislation and regulations affecting our activities. This includes a compliance obligation register.

During the year, our Compliance Specialist continued to support the business.

Restriction on the area within which we may operate

Within Western Australia, the performance of our functions is generally limited to those parts that are not serviced by the SWIS.

Observance of the Code of Conduct

Section 33 of the *Electricity Corporations Act 2005* (WA) requires the Board of Horizon Power to provide to the Minister, at the same time as delivering our Annual Report, a separate report on the observance of its Code of Conduct by employees.

The Board confirms that Horizon Power's Code of Conduct was updated and adopted by the Board at its meeting in December 2023.

Employees, Directors and certain contractors are required to observe the required standards of conduct and integrity as set out in the Code of Conduct.

During the year, there was one minor misconduct matter that was reported to the Public Sector Commission (PSC). This matter was investigated and closed during the year.

Shared responsibility with other agencies

We did not share any responsibilities with other agencies during FY26.

State Records Act 2020

We maintain and support high-quality record-keeping practices in our day-to-day business activities. The function of managing records resides within individual business divisions.

All records are managed according to the requirements of the *State Records Act 2020* (WA) and our approved record keeping plan.

Our record keeping plan is reviewed every five years for currency and updates are submitted to the Minister and State Records Office for approval.

Regular reviews of record-keeping systems and practices are conducted as required to enable efficiency and effectiveness. Training programs for core systems, supplemented by the provision of relevant information on our intranet, are provided and reviewed to reflect new business requirements.

Our online employee induction includes the business's Code of Conduct, which explains an employee's responsibilities with respect to information and knowledge management. We regularly review our induction process so it includes all relevant information for employees.

Western Australian Electoral Act 1907

In accordance with the requirements of Section 175ZE of the *Western Australian Electoral Act 1907*, the following information is presented in respect of all expenditure (excluding GST) incurred during the financial period ending 30 June 2026.

Table 16:
WA Electoral Act 1907 expenditure FY26

Agency type	Agency/organisation name	Amount
Advertising agencies	Function Creative Impact Digi Nani Creative Rare Creative Thinking VML Wildlings	\$1,155,763.47
Market research	CoreData	\$283,825
Polling	N/A	N/A
Direct mail	Vision6	\$29,207.17
Media advertising organisations	Match & Wood	\$477,632.70
Total		\$1,946,428.34

Environmental regulations

The primary environmental legislation in WA is the *Environmental Protection Act 1986*, which gives rise to many regulations. The main regulations relevant to us include, but are not limited to:

- *Environmental Protection Regulations 1987* – provides generally for the prevention and control of pollution and enables appropriate processes to be established to manage pollution, noise and other environmental impacts generated by construction and operations
- *Environmental Protection (Controlled Waste) Regulations 2004* – provides for the licensing of carriers, drivers and vehicles involved in the transportation of controlled waste on public roads
- *Environmental Protection (Native Vegetation Clearing) Regulations 2004* – protects all native vegetation in WA. Clearing native vegetation is prohibited unless a clearing permit is granted by the Department of Water and Environmental Regulation or the clearing is for an exempt purpose
- *Environmental Protection (Unauthorised Discharges) Regulations 2004* – provides for the prevention of unauthorised discharge of potentially environmentally harmful materials
- *Environmental Protection (Noise) Regulations 1997* – provides for noise emitted on a premises or public place and received on another premises.

We operate in accordance with other relevant environmental obligations, which include, but are not limited to:

- *Environmental Protection and Biodiversity Conservation Act 1999 (Cth)*
- *Environment Protection Reform Act 2025 (Cth)*
- *Contaminated Sites Act 2003*
- *Dangerous Goods Safety Act 2004*
- *National Greenhouse and Energy Reporting Act 2007*
- *National Environment Protection (National Pollutant Inventory) Measure 1998*
- *Biodiversity Conservation Act 2016.*

Refer to the environment section commencing page 70 for performance in relation to environmental obligations.

Operations and principal activities during the 2025/26 financial year

Principal activities include the generation, procurement, distribution and sale of electricity to residents and businesses in remote and regional Western Australia.

No changes to the nature of principal activities occurred during the reporting period. To avoid duplication of content, refer to the general report content for details on principal activities and to the

operational performance report commencing page 15 for a review and results of operations. Refer page 97 for changes in state of affairs and business operations.

Dividends

During the year we paid dividends of \$14.4 million to the WA Government, representing the final dividend of \$5.6 million on profits for FY 2024/25 and an interim dividend of \$8.8 million for FY 2025/26.

Financial performance

Net profit after tax (NPAT) increased to \$16.9 million in FY 2025/26, compared to \$15.2 million in the previous financial year. The improved result was from higher revenue across the business, partially offset by increased operating costs.

Total income rose by 5.1 per cent to \$753.4 million (FY 2024/25: \$716.2 million) supported by gains on the sale of assets and joint venture interests, increased contract work revenue and stronger electricity sales to residential and large enterprise customers. These increases contributed to a stronger overall financial result for the year.

Total expenses increased by 5.4 per cent to \$729.8 million (FY 2024/25: \$692.1 million), reflecting ongoing inflationary pressures, additional operating projects, and increased depreciation. Depreciation expense increased by \$10.2

million, largely reflecting continued investment in generation and network infrastructure assets.

Net assets increased by \$17.3 million to \$703.4 million at 30 June 2026, reflecting the year's positive financial performance. Total assets were \$2.14 billion, with property, plant and equipment remaining in the largest asset class at \$1.34 billion.

Capital expenditure

During FY 2025/26, Horizon Power invested \$127.7 million in its asset portfolio, reflecting its ongoing commitment to maintaining and enhancing essential electricity infrastructure. This investment contributes to the long-term value, reliability and performance of the organisation's \$2.1 billion asset base.

Major expenditures for the year included:

- \$71.0 million Asset Management Plan, including \$13.6 million for remote communities
- \$8.9 million on Blackstone Hybrid Energy Solution
- \$8.6 million on remote communities Critical Generation Replacement Program
- \$5.5 million on Standalone power systems rollout – Round 5.

Directors' report – confirmation

This Directors' report is authorised for issue in accordance with a resolution of the Directors on 8 September 2026.

Signed on: 8 September 2026



Samantha Tough
Chair



Mark Puzey
Deputy Chair

11 Financial Report

Regional Power Corporation trading as Horizon Power Financial Statements

For the year ended 30 June 2026

ABN: 57 955 011 697

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Statement of comprehensive income

for the year ended 30 June 2026

	Notes	30 June 2026 \$'000	30 June 2025 \$'000
Revenue	4(b)	498,907	485,057
Other income	5(b)	254,447	231,185
Total income		753,354	716,242
Expenses			
Electricity and fuel purchases	6(b)	(279,767)	(282,686)
Employee benefits expense	6(b)	(105,578)	(97,843)
Materials and services	6(b)	(112,848)	(91,800)
Depreciation and amortisation expense	6(b)	(131,448)	(121,238)
Other expenses	6(b)	(43,169)	(42,311)
Finance costs	6(b)	(56,992)	(56,188)
Profit before income tax equivalent expense		23,552	24,176
Income tax equivalent expense	7(b)	(6,660)	(8,982)
Profit for the year		16,892	15,194
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Effective portion of changes in fair value of cash flow hedge		444	-
Tax equivalent on cash flow hedges	16(c)	(133)	-
		311	-
<i>Items not to be reclassified subsequently to profit or loss</i>			
Re-measurement of defined benefits plan		11	4
Tax equivalent on re-measurement of defined benefits plan	7(d)	(3)	(1)
		8	3
Other comprehensive income for the year, net of tax equivalent		319	3
Total comprehensive income for the year		17,211	15,197

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

as at 30 June 2026

ASSETS

Current assets

Cash and cash equivalents
Receivables
Inventories
Intangible assets
Derivative assets
Other current assets

Total current assets

Non-current assets

Property, plant and equipment
Right of use assets
Work in progress
Intangible assets
Investment in joint venture
Other non-current assets
Deferred tax equivalent assets

Total non-current assets

Total assets

LIABILITIES

Current liabilities

Payables
Provisions
Current tax equivalent payable
Interest bearing liabilities

Total current liabilities

Non-current liabilities

Payables
Provisions
Retirement benefit obligations
Interest bearing liabilities

Total non-current liabilities

Total liabilities

Net assets

EQUITY

Contributed equity
Cash flow hedge reserve
Retained earnings

Total Equity

Notes	30 June 2026 \$'000	30 June 2025 \$'000
9	190,119	161,879
10	62,172	65,823
11	21,553	19,114
12	860	590
16	444	51
	7,518	6,039
	282,666	253,496
13	1,343,252	1,382,067
14	231,163	192,812
15	214,399	146,259
12	36,230	44,596
23	3,158	3,479
	1,916	2,553
8	31,379	30,937
	1,861,497	1,802,703
	2,144,163	2,056,199
17	117,061	124,065
18	23,578	21,528
8	2,864	4,173
19	193,170	190,414
	336,673	340,180
17	59,877	62,249
18	25,697	20,244
	954	1,124
19	1,017,533	946,224
	1,104,061	1,029,841
	1,440,734	1,370,021
	703,429	686,178
21	458,968	444,522
	311	-
	244,150	241,656
	703,429	686,178

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

for the year ended 30 June 2026

	Notes	Contributed equity \$'000	Cash flow hedge reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2024		425,972		234,015	659,987
Profit for the year		-		15,194	15,194
Other comprehensive income, net of tax equivalent		-		3	3
Total comprehensive income for the year		-		15,197	15,197
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax equivalent	21	18,550	-	-	18,550
Dividends paid			-	(7,556)	(7,556)
Balance at 30 June 2025		444,522	-	241,656	686,178
Balance at 1 July 2025		444,522	-	241,656	686,178
Profit for the year		-		16,892	16,892
Other comprehensive income, net of tax equivalent	16	-	311	8	319
Total comprehensive income for the year		-	311	16,900	17,211
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax equivalent	21	14,446	-	-	14,446
Dividends paid	22	-	-	(14,406)	(14,406)
Balance at 30 June 2026		458,968	311	244,150	703,429

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

for the year ended 30 June 2026

	Notes	30 June 2026 \$'000	30 June 2025 \$'000
Cash flows from operating activities			
Receipts from customers (including GST)		531,299	514,233
Developer and customer contributions		19,174	15,406
Receipts of Tariff Equalisation Contribution (TEC)		242,000	230,000
Net GST and fuel tax credits received		23,482	18,515
Interest received		2,456	2,146
Payments to suppliers and employees (including GST)		(682,802)	(626,140)
Finance costs paid		(30,857)	(29,110)
(Payments)/Receipts for financial assets at fair value through profit or loss		3,950	(1,170)
Income taxes equivalent paid		(8,547)	(2,880)
Net cash inflow from operating activities	9(c)	100,155	121,000
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		28,703	1,273
Payments for property, plant and equipment		(135,270)	(113,215)
Payments for intangibles		(10,138)	(32,296)
Investment in joint venture		1,927	885
Net cash outflow used in investing activities		(114,778)	(143,353)
Cash flows from financing activities			
Proceeds from borrowings		225,000	231,000
Repayment of borrowings		(182,136)	(235,339)
Proceeds from contributed equity	21	14,446	18,550
Dividends paid		(14,406)	(7,556)
Customer Extension Scheme - refunds		(41)	(27)
Net cash inflow from financing activities		42,863	6,628
Net increase/(decrease) in cash and cash equivalents		28,240	(15,725)
Cash and cash equivalents at the beginning of the financial year		161,879	177,604
Cash and cash equivalents at end of year	9(b)	190,119	161,879

The above statement of cash flows should be read in conjunction with the accompanying notes.

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Notes to the financial statements

1. General information

(a) Corporation information

The financial statements of Regional Power Corporation, trading as Horizon Power (“Horizon Power” or the “Corporation”) for the year ended 30 June 2026, were authorised for issue in accordance with a resolution of the Directors on 8 September 2026. The Directors have the power to amend and reissue the financial report.

Horizon Power is a not-for-profit public sector entity incorporated under the *Electricity Corporations Act 2005* and domiciled in Australia. Its registered office is at 1 Stovehill Road, Karratha.

The Corporation’s principal activities include the generation, procurement, distribution and sale of electricity to residents and businesses in remote and regional Western Australia.

(b) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and the disclosure requirements of the *Government Trading Enterprises Act 2023*.

The financial statements are presented in Australian dollars, and all values are rounded to the nearest thousand dollars (\$’000) unless otherwise stated.

These financial statements have been prepared on the historical cost convention except for derivative financial instruments that are measured at their fair value as at the reporting date. The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods.

(c) Statement of compliance

The financial statements comply with Australian Accounting Standards, as applicable to public sector entities as well as the *Government Trading Enterprises Act 2023* and the *Government Trading Enterprises Regulations 2023*.

(d) Comparative amounts

Comparative amounts are for the period 1 July 2024 to 30 June 2025. Where appropriate, comparative information is represented or reclassified to align to the current year presentation and ensure comparability. There has been no restatement to comparative amounts.

Going concern

The financial statements are prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, as at 30 June 2026, the Corporation had net current liabilities of \$54,007,000 (2025: \$86,684,000).

The Directors believe that it is reasonably foreseeable that the Corporation will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report, with consideration of the following factors:

- The net cash inflow from operations amounting to \$100,155 (refer to Note 9(c)) indicates that the Corporation's ongoing operations generate sufficient cash flow to cover its usual operations, to pay interest on its debts and to pay income taxes;
- Under a Master Lending Agreement (MLA) with the Western Australian Treasury Corporation (WATC), the Corporation's borrowing facilities for financial year ending 30 June 2027 is up to \$1,046,236,000, which includes a working capital facility of \$30,000,000;
- WATC has advised the Corporation that in accordance with the MLA, WATC has no intention of cancelling any Facility within an 18-month period from 30 June 2026; and
- Under the *Electricity Industry Act 2004* the Corporation receives subsidies to ensure it has the cash required for its operating activities. The subsidies include the Tariff Equalisation Contribution (TEC), which covers the difference between the revenue from uniform tariffs and the efficient cost of supply of electricity to people in areas outside of the South West Interconnected System. TEC is legislated and has been published in the Government gazette at \$290,000,000 for the financial year ending 30 June 2027.

Economic dependency

A significant portion of Horizon Power's revenue is derived from the Tariff Equalisation Fund (TEF), which is provided in accordance with the *Electricity Industry Act 2004*. Electricity Networks Corporation trading as Western Power pays money into the TEF in amounts determined by the Treasurer. This money is released to Horizon Power as determined by the Treasurer. Horizon Power has a significant dependency on the sufficient and timely flow of these funds to effectively remain a going concern entity to continue carrying out its objectives, obligations and commitments in the foreseeable future. Horizon Power began receiving revenue from the TEF in October 2006.

Foreign currency translation

The functional and presentation currency of Horizon Power is Australian dollars (AUD).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates prevailing at the date of the transaction. Monetary assets and monetary liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All monetary assets and monetary liabilities currency translation differences are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate prevailing at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item. All other gains or losses arising on the translation of non-monetary items are recognised in profit or loss.

2. Significant accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on various other factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The area where estimates and assumptions are significant to the financial statements as a higher degree of judgement or complexity is involved, are listed below and described in more detail in the related notes.

- impairment of intangible assets (Note 12 (a) (iii)).
- provision for restoration and decommissioning costs (Note 18 (a) (ii)).
- lease liabilities incremental borrowing rate (Note 19 (a) (ii)).
- lease liabilities lease term (Note 19 (a) (iii)).
- commitments (Note 28).

3. New and amended accounting standards and interpretations

New and amended accounting standards adopted

Horizon Power has not adopted any new accounting standards, amendments to accounting standards or interpretations for the first time in the reporting year commencing 1 July 2025, that have had a material impact on the financial statements.

New accounting standards and interpretations not yet adopted

There are no new accounting standards, amendments to accounting standards or interpretations effective after the 30 June 2026 reporting year, that will potentially have a material impact on Horizon Power in the reporting year of initial application.

Standard	When Effective
AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	1 January 2026
AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11	1 January 2026
AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity	1 January 2026
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2028
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (as amended)	1 January 2028

Profit for the reporting year

4. Revenue

(a) Accounting policy

(i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Horizon Power and the revenue can be reliably measured. It is valued at the fair value of the consideration received, or to be received, net of the amount of Goods and Services Tax (GST). The following specific recognition criteria must also be met before revenue is recognised:

(ii) Sale of electricity

Sale of electricity comprises revenue earned from the provision of electricity and is recognised once the performance obligations have been met during the period, which is at the point in time electricity is delivered to the customers, less rebates/concessions allowed to entitled customers. As at each reporting date, sales and receivables incorporate amounts attributable to 'unbilled sales', which relate to electricity delivered to customers that has not been billed at the reporting date.

(iii) Community service obligations

Community service obligations (CSOs) are obligations to perform functions, on behalf of the WA Government (State Government), that are not in the commercial interests of Horizon Power. Where the Government agrees to reimburse Horizon Power for the cost of CSOs, the entitlement to reimbursement is recognised in the statement of comprehensive income on a basis consistent with the associated CSO expenses within the financial year. Horizon Power recognises revenue in respect of the reimbursement of CSOs including:

- Air Conditioning Rebate;
- Power for Remote Water and Waste Water Service;
- Energy Assistance Payments;
- Dependent Child Rebates;
- Tariff Adjustment Payments;
- Cost of living support payments;
- Esperance electrification transition payments; and
- Remote Essential Services Program

(iv) Developer and customer contributions

Horizon Power receives developer and customer contributions toward the extension of electricity infrastructure to facilitate network connection. Contributions can be in the form of either cash or assets and consist of:

- work performed for developers - developers make cash contributions to Horizon Power for the construction of electricity infrastructure within a subdivision;
- upgrade and new connections - customers (including generators) make cash contributions for the upgrade or extension of electricity infrastructure to existing lots or for the construction of electricity infrastructure to new lots in existing areas; and
- handover works - developers have the option to independently construct electricity infrastructure within a subdivision. Upon approval by Horizon Power of the completed work, these network assets are vested in Horizon Power.

4. Revenue (continued)

(iv) Developer and customer contributions (continued)

Cash contributions and network assets are recognised as revenue at the point in time when the customers/ developers are connected to the network in accordance with the terms of the contributions. Vested assets are recognised as revenue at the point of handover and are measured at their fair value. The network assets resulting from contributions received are recognised as property, plant and equipment and depreciated over their useful life.

(v) Network revenue

Network revenue is recognised when the service is provided to the customer, which is at the point in time the network is used. The consideration invoiced for network services consists mainly of a fixed access charge.

(vi) Revenue from contract works

Revenue from contract works is recognised at the point in time the products or services have been delivered to the customer. Contract works include installation of renewable energy equipment, vegetation clearing, design works and high load escorts.

(vii) Revenue from grants

To determine if a grant contract should be accounted for under AASB 1058 *Income of Not-for-Profit Entities* or AASB 15 *Revenue from Contracts with Customers*, the Corporation determines if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing whether the performance obligations are 'sufficiently specific', the Corporation applies judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation (e.g. activity work plans) and holding discussions with relevant parties.

Income recognition from grants received by the Corporation has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

(b) Amounts recognised in statement of comprehensive income

Revenue consists of the following items:

	30 June 2026 \$'000	30 June 2025 \$'000
Sale of electricity	391,559	386,228
Community service obligations revenue	56,036	53,634
Network revenue	17,327	16,818
Developer and customer contributions	11,197	10,438
Revenue from contract works	10,874	5,050
Grants	2,125	1,412
Revenue from joint controlled operations	2,078	4,959
Others	7,711	6,518
	498,907	485,057

Timing of Revenue Recognition:

Services transferred at a point in time	496,782	483,645
Services transferred over time	2,125	1,412
	498,907	485,057

5. Other Income

(a) Accounting policy

(i) Tariff Equalisation Contribution

A significant portion of Horizon Power's income comes from the TEC, which is derived from the TEF. Electricity Networks Corporation, trading as Western Power, pays money into the TEF in amounts determined by the Treasurer. This money is released to Horizon Power as determined by the Treasurer and is recognised on a cash receipt basis.

(b) Amounts recognised in statement of comprehensive income

Revenue consists of the following items:

Tariff Equalisation Contribution

Gain on disposal of property, plant and equipment

30 June 2026 \$'000	30 June 2025 \$'000
242,000	230,000
12,447	1,185
254,447	231,185

6. Expenses

(a) Accounting policy

(i) Electricity and fuel purchases

Electricity and fuel purchases are those costs attributable to the integrated manufacturing process involved in the generation and transformation of electricity into a saleable commodity. It includes costs associated with purchasing fuel and electricity.

Electricity purchased from independent generators is recognised at the contracted price on an accrual basis.

Liquid fuel costs are assigned on the basis of weighted average cost. Gas costs comprise payments made under sale and purchase agreements.

Costs to operate and maintain the electricity transmission and distribution systems are recognised on an accrual basis.

(ii) Finance costs

- amortisation of ancillary costs incurred in connection with the arrangement of borrowings;
- amortisation of discounts or premiums relating to borrowings;
- discount rate adjustment for the movement in present value over time in connection with the contributory extension scheme payables and decommissioning costs;
- finance charges in respect of leases recognised;
- interest on bank overdrafts, short-term and long-term borrowings; and
- guarantee fees on borrowings from the WATC.

6. Expenses (continued)

(b) Amounts recognised in statement of comprehensive income

Electricity and fuel purchases

Electricity purchases

Fuel purchases

Water purchases

Total electricity and fuel purchases

Employee benefits expense

Salaries, wages and allowances

Superannuation

Annual leave

Long service leave

Payroll tax

Other related expenses

Total employee benefits expenses

Materials and services

Contracted services

Materials

Consultant services

IT services

Customer services

Other services

Total materials and services

Depreciation

Network

Right-of-use assets

Generation

Plant & equipment

Buildings

Total depreciation

Amortisation

Computer software

Total amortisation

Total depreciation and amortisation

	30 June 2026 \$'000	30 June 2025 \$'000
	182,075	189,335
	97,258	92,861
	434	490
	279,767	282,686
	71,402	66,684
	12,858	10,825
	7,571	6,773
	2,362	3,370
	6,291	5,941
	5,094	4,250
	105,578	97,843
	69,454	59,186
	15,994	5,572
	9,278	8,541
	8,796	9,636
	4,146	4,060
	5,180	4,805
	112,848	91,800
	47,786	48,873
	35,825	31,500
	21,062	18,717
	9,019	7,603
	5,090	3,368
	118,782	110,061
	12,666	11,177
	12,666	11,177
	131,448	121,238

	30 June 2026 \$'000	30 June 2025 \$'000
Other expenses		
Permits and licenses	11,889	11,536
Property expenses	6,908	6,184
Insurance	4,328	4,157
Travel expenses	4,164	4,298
Allowance for expected credit losses	3,524	2,878
Other staff-related expenses	3,513	3,286
Advertising expenses	2,156	2,322
Subscriptions	1,350	1,288
Sponsorship expenses	1,294	940
Telecommunication	1,241	1,238
Fleet-related expenses	1,217	1,057
Other	1,585	3,127
Total other expenses	43,169	42,311
Finance costs		
Interest on debts	30,856	29,110
Lease liability interest	21,593	22,461
Unwinding of discount on decommissioning provision	735	678
Interest other	3,808	3,939
Total finance costs	56,992	56,188

7. Income tax equivalent expense

(a) Accounting policy

(i) National Taxation Equivalent Regime (NTER) and other taxes

The calculation of the liability in respect of Horizon Power's taxes is governed by the Income Tax Administration Acts and the NTER guidelines as agreed by the Western Australian State Government.

Income tax equivalent expense on the statement of comprehensive income for the reporting period comprises current and deferred equivalent tax. Income tax equivalent expense is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in other comprehensive income.

Current tax equivalent liability is the expected tax equivalent payable on the taxable equivalent income for the reporting period using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

7. Income tax equivalent expense (continued)

(b) Amounts recognised in statement of comprehensive income

Income tax equivalent expense

	30 June 2026 \$'000	30 June 2025 \$'000
Current tax	8,312	9,604
Deferred tax	(1,248)	(2,304)
Adjustments for net deferred tax assets and liabilities of prior period	670	4,313
Adjustments for current tax of prior periods	(1,074)	(2,631)
	6,660	8,982
Deferred income tax equivalent expense/(benefit) included in income tax expense comprises:		
(Increase) / decrease in deferred tax equivalent assets (note 8(a)(i))	(12,894)	3,446
Increase / (decrease) in deferred tax liabilities (note 8(a)(ii))	12,316	(5,750)
Closing amount	(578)	(2,304)

(c) Numerical reconciliation of income tax equivalent expense to prima facie tax equivalent payable

	30 June 2026 \$'000	30 June 2025 \$'000
Profit before income tax equivalent expense	23,552	24,176
Tax at the Australian tax equivalent rate of 30.0% (2025 - 30.0%)	7,066	7,253
Non-temporary tax adjustments:		
Non-deductible and other	(1)	47
Adjustments for net deferred tax assets and liabilities of prior period	(405)	1,682
Total income tax equivalent expense	6,660	8,982

(d) Amounts recognised directly in other comprehensive income

	30 June 2026 \$'000	30 June 2025 \$'000
Deferred tax arising in the reporting period and not recognised in net profit but directly credited to other comprehensive income in relation to:		
Cash flow hedges	133	-
Re-measurement on defined benefit plans	3	1
Total	136	1

Operational assets and liabilities

8. Tax equivalent assets and liabilities

(a) Amounts recognised in statement of financial position

(i) Deferred tax assets

The balance comprises temporary differences attributable to:

Lease liabilities

Provisions

Community service obligation

Other

Accruals

Other

Sub-total other

Total deferred tax assets

Set-off of deferred tax liabilities pursuant to set-off provisions (note 8(a)(ii))

Net deferred tax assets

Movements

Opening balance

Credited/(charged) to the statement of comprehensive income (note 7(b))

Reclassification to deferred tax liability

Adjustments for deferred tax equivalent assets of prior periods

Total

30 June 2026 \$'000	30 June 2025 \$'000
86,852	77,490
17,086	14,447
3,471	2,763
107,409	94,700
543	345
7	20
550	365
107,959	95,065
(76,580)	(64,128)
31,379	30,937
95,065	104,642
12,894	(3,446)
-	(3,902)
-	(2,229)
107,959	95,065

(ii) Deferred tax equivalent liabilities

The balance comprises temporary differences attributable to:

Right-of-use assets

Property, plant and equipment

Other

Total deferred tax equivalent liabilities

Set-off of deferred tax equivalent assets pursuant to set-off provisions (note 8(a)(i))

Net deferred tax equivalent liabilities

30 June 2026 \$'000	30 June 2025 \$'000
69,349	57,844
2,800	3,475
4,431	2,809
76,580	64,128
(76,580)	(64,128)
-	-

Movements

Opening balance as at 1 July

Credited/(expensed) to profit or loss (note 7(b))

Adjustments for deferred tax liabilities of prior periods

Charged to retained earnings/equity

Reclassification from deferred tax asset

Total

64,128	71,695
11,646	(5,750)
670	2,085
136	-
-	(3,902)
76,580	64,128

8. Tax equivalent assets and liabilities (continued)

(iii) Current tax equivalent payable

Income tax equivalent liability

Total

30 June 2026 \$'000	30 June 2025 \$'000
2,864	4,173
2,864	4,173

9. Cash and cash equivalents

(a) Accounting policy

Cash and cash equivalents comprise cash at bank, deposits held at call with financial institutions and other short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash.

(b) Amounts recognised in statement of financial position

Cash in operational accounts

Short-term investment deposits

Total

30 June 2026 \$'000	30 June 2025 \$'000
115,119	103,779
75,000	58,100
190,119	161,879

Management assessed that the fair value of cash at bank and short-term investment deposits approximate their carrying amounts.

(c) Reconciliation of profit after income tax equivalent expense to net cash flows from operating activities

Profit for the year

Depreciation and amortisation

Gifted assets

Share of profit from joint ventures

Net gain on sale of non-current assets

Allowance for expenses credit losses

30 June 2026 \$'000	30 June 2025 \$'000
16,892	15,194
131,448	121,238
(1,099)	(1,697)
(419)	(1,131)
(12,447)	(1,065)
3,705	2,878

Changes in operating assets and liabilities:

Receivables

Inventories

Other current assets

Payables

Other current liabilities

Derivatives

Tax equivalent assets and liabilities

Employee provisions

Other provisions

Net cash inflow from operating activities

893	(1,084)
(2,440)	2,887
3,631	10,388
(49,895)	(40,869)
8,906	3,551
(82)	(292)
(1,751)	6,102
2,056	5,765
757	(865)
100,155	121,000

(d) Non-cash investing and financing activities

	30 June 2026 \$'000	30 June 2025 \$'000
Gifted assets (note 13 (b))	1,099	1,697
Additions to right-of-use assets (note 14(b))	4,340	16,915
Total	5,439	18,612

10. Receivables

(a) Accounting policy

Receivables, which generally have 12-day terms for tariff customers, 7 to 14 day terms for contract customers and 30 to 90 days for non-energy customers, are recognised and carried at the original invoice amount less an allowance for any expected credit loss. No interest is charged on current receivables.

Horizon Power applies the AASB 9 *Financial Instruments* general approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables, including unbilled amounts. To measure the expected credit losses, energy trade receivables and unbilled amounts have been grouped based on their credit risk characteristics, linked to actions taken by the credit team since the customer's invoices became overdue. Unbilled amounts from customers have substantially the same risk characteristics as the receivables for the same types of contracts. The expected loss rates for receivables are a reasonable approximation of the loss rates for unbilled amounts.

The expected loss rates are based on the historical recovery rates achieved by the credit team on debtors in the relevant categories. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Non-energy receivables relate mainly to discrete transactions with customers, the expected credit loss rates are based on a review of individual debts outstanding, the risk profile of the customer and the nature of transactions.

The allowance for expected credit loss of receivables is based on assumptions about the risk of default and expected loss rates. Horizon Power uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculation, based on past history, existing market conditions as well as forward-looking estimates at the end of each reporting date.

Other receivables are not considered at risk and therefore no expected loss allowance has been provided.

The amount of the expected credit loss is recognised in the statement of comprehensive income within other expenses. When a receivable for which an expected credit loss had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in the statement of comprehensive income against expected credit loss allowance expense.

10. Receivables (continued)

(b) Amounts recognised in Statement of Financial Position

Receivables

Receivables - energy - billed

Receivables - energy - unbilled (i)

Total receivables - energy

Allowance for expected credit loss – energy

Receivables non-energy

Allowance for expected credit loss – non energy

Other receivables (note 10(d))

Total receivables

30 June 2026 \$'000	30 June 2025 \$'000
24,692	30,470
28,606	24,319
53,298	54,789
(7,618)	(5,531)
45,680	49,258
9,924	13,578
(1,209)	(1,316)
8,715	12,262
7,777	4,303
62,172	65,823

(i) Receivables – Energy Unbilled:

Following the roll-out of the advanced metering infrastructure, management has developed reporting tools that track ongoing consumption for customers with advanced meters resulting in a high level of accuracy in the evaluation of the unbilled electricity consumption.

(c) Impaired trade receivables

(i) Movements in the allowance for expected credit loss of receivables are as follows:

At 1 July

Allowance for expected credit loss recognised during the year

Receivables written off during the year as uncollectable

At 30 June

30 June 2026 \$'000	30 June 2025 \$'000
6,847	5,946
3,633	2,878
(1,653)	(1,977)
8,827	6,847

Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. All expected credit losses relate to amounts due from contracts with customers.

10. Receivables (continued)

30 June 2026 - Energy Status

	Total Energy Receivables \$'000	Expected Loss Rate	Loss Allowance \$'000
Not overdue	18,453	0.3%	52
Overdue			
Pre-disconnection	17,284	1.7%	288
Post-disconnection	7,367	33.3%	2,456
Special dispensation	6,916	28.6%	1,981
With collection agents	1,306	80.3%	1,049
Not recoverable	1,972	90.9%	1,792
Total	53,298	14.3%	7,618

30 June 2026 - Non-energy Status

	Total Energy Receivables \$'000	Expected Loss Rate	Loss Allowance \$'000
Not overdue	8,002	0.3%	22
Overdue			
Low to moderate risk	860	25.0%	215
High risk	273	90.9%	248
Not recoverable	789	91.8%	724
Total	9,924	12.2%	1,209

30 June 2025 - Energy Status

	Total Energy Receivables \$'000	Expected Loss Rate	Loss Allowance \$'000
Not overdue	22,620	0.3%	59
Overdue			
Pre-disconnection	16,443	1.3%	213
Post-disconnection	6,234	23.0%	1,432
Special dispensation	6,668	20.7%	1,383
With collection agents	1,175	80.4%	945
Not recoverable	1,649	90.9%	1,499
Total	54,789	10.1%	5,531

10. Receivables (continued)

30 June 2026 - Non-energy Status

	Total Energy Receivables \$'000	Expected Loss Rate	Loss Allowance \$'000
Not overdue	11,278	0.2%	19
Overdue			
Low to moderate risk	1,058	20.7%	219
High risk	867	81.1%	703
Not recoverable	375	100.0%	375
Total	13,578	9.7%	1,316

(d) Other receivables

These amounts generally arise from transactions outside the usual operating activities of Horizon Power. No significant risk is believed to be attached to other receivables.

(e) Fair value

Due to the short-term nature of receivables, their carrying amount is approximate to their fair value.

11. Inventories

(a) Amounts recognised in statement of financial position

	30 June 2026 \$'000	30 June 2025 \$'000
Materials	14,260	13,754
Fuel	7,293	5,360
Total inventories	21,553	19,114

12. Intangible assets

(a) Accounting policy

Intangible assets acquired separately are capitalised at cost at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible asset.

(i) Renewable energy certificates

Under the *Renewable Energy (Electricity) Act 2000*, parties on grids of more than 100 MW making wholesale acquisitions of electricity (relevant acquisitions) are required to demonstrate that they are supporting the generation of renewable electricity by purchasing increasing amounts of renewable energy certificates (RECs). The Act imposes an annual liability, on a calendar year basis, by applying the specified Renewable Power Percentage and Small-Scale Technology Percentage to the relevant volume of electricity acquired.

These parties demonstrate compliance by surrendering RECs to the Clean Energy Regulator (CER). Large-Scale Generation Certificates are surrendered annually between 1 January and 14 February for the previous calendar year (compliance year). Small-Scale Technology Certificates are surrendered on a quarterly basis.

The REC's liability is extinguished by surrendering an equivalent number of RECs, with a penalty applying for any shortfall. Horizon Power acquires RECs on the spot market and under agreement with suppliers. Horizon Power's liability is measured at the estimated cost to settle its obligation to the CER, being the number of RECs required to settle the obligation, less the number of any internally generated RECs on hand at year end. Any shortfall in the number of RECs is measured at market value (unless there are unfulfilled contracts to purchase RECs at a fixed or agreed price).

(ii) Amortisation and estimated useful life

The useful lives of intangible assets are assessed to be either finite or infinite. For intangible assets with finite useful lives, an amortisation expense is recognised in profit or loss over the useful lives of the assets.

The useful lives and amortisation of Horizon Power's major intangible asset classes are as follows:

Intangible Asset	Finite/infinite useful life	Amortisation method	Useful life
Computer software	Finite	Straight-line method	3-5 years
Renewable Energy Certificates	Infinite	Not amortised	-

Amortisation rates are reviewed annually, and if necessary adjusted to reflect the most recent assessment of the useful lives of the assets.

(iii) Impairment of assets

Intangible assets are tested for impairment annually to determine if there is any indication of impairment. If any indication exists, Horizon Power estimates the asset's recoverable value. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

There were no indicators of impairment to intangible assets at 30 June 2026 (2025: nil).

(b) Amounts recognised in statement of financial position

(i) Current assets

Renewable energy certificates

	30 June 2026 \$'000	30 June 2025 \$'000
Opening balance	590	3,721
Additions	5,378	6,006
Surrendered	(5,108)	(9,137)
Closing balance	860	590

(ii) Non-current assets

Computer software

	30 June 2026 \$'000	30 June 2025 \$'000
Opening carrying amount	44,596	28,848
Transfers from work in progress (note 15)	4,300	26,925
Amortisation charge	(12,666)	(11,177)
Closing carrying amount	36,230	44,596
Cost	158,553	154,253
Accumulated amortisation	(122,323)	(109,657)
Carrying amount	36,230	44,596

13. Property, plant and equipment

(a) Accounting policy

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. A gifted asset is recognised at fair value at its initial recognition (at the point of handover to Horizon Power) and depreciated over its useful life.

(i) Acquisition of assets

The cost method of accounting is used for all acquisitions of assets. Cost is determined as the fair value attributed to the asset at the date of acquisition plus costs incidental to the acquisition. Direct costs and associated indirect costs in respect of assets being constructed are capitalised.

Costs are only capitalised when it is probable that future economic benefits will flow from the establishment of the asset and the cost of the asset can be reliably measured.

(ii) Decommissioning costs

Upon recognition of an item of property, plant and equipment, the cost of the item includes the anticipated costs of dismantling and removing the asset, and restoring the site on which it is located, discounted to their present value as at the relevant date of acquisition.

(iii) Capitalisation of borrowing costs

Horizon Power, as a not-for-profit public sector entity, has elected to expense borrowing costs in the period incurred under AASB 123 *Borrowing Costs*.

(iv) Depreciation

Discrete assets that are not subject to continual extension and modification are depreciated using the straight-line method. Such assets include power stations, transmission network assets and buildings.

Other assets, primarily the electricity distribution network that is continually extended and modified, are depreciated using the reducing balance method. Land is not depreciated.

The useful lives of Horizon Power's major property, plant and equipment classes are as follows:

- Buildings 8-40 years
- Generation 3-50 years
- Network 3-50 years
- Other 3-40 years

Depreciation rates are reviewed annually and, if necessary, adjusted to reflect the most recent assessment of the useful lives of the assets.

(v) Estimation of useful lives of assets

The estimation of the useful lives of assets is based on historical experience. Leased equipment is depreciated over the useful life of the asset, however if there is no reasonable certainty that Horizon Power will obtain ownership by the end of the lease term, the leased equipment is depreciated over the shorter of the estimated useful life of the asset and the lease term. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Depreciation charges are included in note 6(b).

(vi) Impairment of assets

At each reporting date Horizon Power assesses whether there is any indication that an asset may be impaired, that is, where events or changes in circumstances indicate the carrying value exceeds the recoverable amount. The assessment includes an evaluation of conditions specific to Horizon Power and to the particular asset that may lead to impairment and includes product and manufacturing performance, technology, economic and political environments and future product expectation. Where an indicator of impairment exists, Horizon Power makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in profit or loss.

Natural disasters

- Horizon Power owns assets that can be impacted by acute and extreme weather conditions, such as cyclones or bushfires. However, these are uncertain future events.
- Under Australian Accounting Standards no provisions are allowed against future losses resulting from uncertain future events.
- Based on the above, there were no indicators of impairment to property, plant and equipment at 30 June 2026 (2025: nil).

13. Property, plant and equipment (continued)

(b) Amounts recognised in statement of financial position

	Freehold land \$'000	Buildings \$'000	Generation \$'000	Network \$'000	Plant & equipment \$'000	Total \$'000
Year ended 30 June 2026						
Opening carrying amount	13,683	68,487	242,942	1,025,300	31,655	1,382,067
Additions	-	-	-	6,221	-	6,221
Transfers from work in progress (note 15)	447	7,788	19,795	19,189	8,044	55,263
Disposals	-	-	(17,271)	(71)	-	(17,342)
Depreciation charge (note 6(b))	-	(5,090)	(21,062)	(47,786)	(9,019)	(82,957)
Closing carrying amount	14,130	71,185	224,404	1,002,853	30,680	1,343,252
At 30 June 2026						
Cost	14,130	112,555	375,927	1,605,746	124,826	2,233,184
Accumulated depreciation	-	(41,370)	(151,523)	(602,893)	(94,146)	(889,932)
Carrying value	14,130	71,185	224,404	1,002,853	30,680	1,343,252
Year ended 30 June 2025						
Opening carrying amount	11,722	60,400	223,847	1,019,452	25,521	1,340,942
Additions	-	-	-	3,250	-	3,250
Transfers from work in progress (note 15)	1,995	11,530	37,830	51,482	13,807	116,644
Disposals	(34)	(75)	(18)	(11)	(70)	(208)
Depreciation charge (note 6(b))	-	(3,368)	(18,717)	(48,873)	(7,603)	(78,561)
Closing carrying amount	13,683	68,487	242,942	1,025,300	31,655	1,382,067
At 30 June 2025						
Cost	13,683	104,769	389,177	1,587,343	117,292	2,212,264
Accumulated depreciation	-	(36,282)	(146,235)	(562,043)	(85,637)	(830,197)
Carrying value	13,683	68,487	242,942	1,025,300	31,655	1,382,067

Horizon Power receives non-cash capital contributions in the form of gifted assets. The fair value of the non-cash capital contributions included in the additions to plant and equipment in 2026 was \$1,098,690 (2025: \$1,697,191).

In 2026 plant and equipment include capitalised decommissioning costs of \$4,523,581 (2025: \$1,551,680).

14. Right-of-use assets

(a) Accounting policy

Horizon Power has lease contracts for power purchase agreements and office and residential properties. Horizon Power also has leases of equipment with terms of less than 12 months or with low value, to which Horizon Power applies the short-term and lease of low-value recognition exemptions.

(i) Depreciation

ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Power purchase agreements - based on the term of the contract (2 to 30 years)
- Office and residential properties (2 to 13 years)

(b) Amounts recognised in statement of financial position

	Power purchase agreements \$'000	Office and residential properties \$'000	Total \$'000
Year ended 30 June 2026			
Opening carrying amount	182,227	10,585	192,812
Additions	3,311	1,029	4,340
Lease adjustments	68,857	979	69,836
Depreciation charge (note 6(b))	(32,562)	(3,263)	(35,825)
Closing carrying amount	221,833	9,330	231,163
At 30 June 2026			
Cost	688,196	25,833	714,029
Accumulated depreciation	(466,363)	(16,503)	(482,866)
Closing carrying amount	221,833	9,330	231,163
	Power purchase agreements \$'000	Office and residential properties \$'000	Total \$'000
Year ended 30 June 2025			
Opening carrying amount	193,941	11,981	205,922
Additions	15,660	1,255	16,915
Lease adjustments	944	531	1,475
Depreciation charge (note 6(b))	(28,318)	(3,182)	(31,500)
Closing carrying amount	182,227	10,585	192,812
At 30 June 2025			
Cost	616,031	23,825	639,856
Accumulated depreciation	(433,804)	(13,240)	(447,044)
Closing carrying amount	182,227	10,585	192,812

15. Work in progress

(a) Accounting policy

Work in progress represents expenditure incurred on uncompleted capital projects. Upon completion of a project, expenditure is capitalised and transferred to either intangible assets (note 12) or property plant and equipment (note 13) to start its amortisation or depreciation in line with the assets' useful life.

Non-Current Assets

	30 June 2026 \$'000	30 June 2025 \$'000
Opening balance	146,259	148,368
Additions	127,703	141,460
Transfers to intangible (note 12 (b) (ii))	(4,300)	(26,925)
Transfers to property plant and equipment (note 13 (b))	(55,263)	(116,644)
Closing balance	214,399	146,259

16. Derivative financial instruments

(a) Accounting policy

(i) Commodity Swaps

Horizon Power is exposed to movements in gasoil prices through the purchase of fuel for its diesel power stations and fuel consumed by its power producers. Horizon Power enters into AUD-denominated gasoil commodity swaps to manage its exposure to movements in forecast diesel purchase costs.

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. The fair value of commodity swaps is determined by reference to observable market inputs, including forward gasoil prices, interest rate curves and relevant foreign exchange rates.

(ii) Derivatives that do not qualify for hedge accounting

Diesel commodity swaps that are not designated in a hedge accounting relationship are measured at fair value through profit or loss. Changes in fair value are recognised immediately in profit or loss within electricity and fuel purchases.

(iii) Hedge accounting

Horizon Power designates certain diesel commodity swaps as hedging instruments in respect of commodity price risk in cash flow hedges.

At the inception of the hedge relationship, Horizon Power documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and strategy for undertaking the hedges. Furthermore, at the inception of the hedge and on an ongoing basis, Horizon Power documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

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

(iv) Cash flow hedge

The effective portion of changes in fair value is recognised in other comprehensive income and accumulated in the cash flow hedge reserve within equity. Any ineffective portion of changes in fair value is recognised immediately in profit or loss.

Amounts accumulated in the cash flow hedge reserve are reclassified to profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss. Where the hedged forecast transaction results in the recognition of a non-financial asset or liability, the amount accumulated in equity is included in the initial carrying amount of that asset or liability, where applicable.

Horizon Power discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria. This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss in cash flow hedge reserve is reclassified immediately to profit or loss.

(b) Derivatives - amounts recognised in statement of financial position

	30 June 2026 \$'000	30 June 2025 \$'000
Current assets		
Commodity swaps – held at fair value through profit or loss	-	51
Commodity swaps - cash flow hedge	444	-
Total current financial instrument assets	444	51

The commodity swaps are measured at fair value based on Level 2 inputs, which are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Horizon Power uses gasoil commodity swaps to hedge its diesel exposure. Gasoil commodity swaps allow Horizon Power to exchange a floating rate commitment for a fixed rate commitment, or vice versa. On maturity, there is a cash settlement based on the difference between the swap price and the average floating price over the swap contract's calculation period.

Horizon Power's commodity swaps are based on Singapore gasoil 10 parts per million (ppm) sulphur and are valued in accordance with standard market practice. Valuation is based on discounting future swap cash flows with current market gasoil futures pricing, interest rate curves and related exchange rates to determine their present value.

During the year, fair value movements on diesel commodity swaps not designated in a hedge accounting relationship were recognised in profit or loss within electricity and fuel purchases.

16. Derivative financial instruments (continued)

(c) Derivatives that are designated in cash flow hedge relationships

In March 2026, Horizon Power entered into diesel commodity swaps (which converts USD denominated gasoil prices to fixed AUD prices) to hedge the USD denominated gasoil commodity price risk component of the highly probable forecast diesel purchases for the period from 1 July 2026 to 30 June 2027. The derivatives have been designated at inception as a cash flow hedge under AASB 9 *Financial Instruments*.

As the critical terms (i.e. the quantity, timing and underlying commodity index) of the hedging instrument and the corresponding hedged items match, Horizon Power performed a qualitative assessment of effectiveness and the hedge relationship is expected to be highly effective. Hedge ineffectiveness primarily arises from counterparty and Horizon Power's own credit risk, as this affects the hedging instrument valuations but not the hedged items. However, this is considered immaterial.

The following table details the hedging instruments, hedged items and the effectiveness of the hedge relationships.

	30 June 2026 \$'000	30 June 2025 \$'000
Cash flow hedges		
Carrying amount of the hedging instruments	444	-
Hedging instruments – change in fair value for recognising hedge ineffectiveness	444	-
Hedged items – change in value used for calculating hedge ineffectiveness	444	-
Hedge ineffectiveness recognised in profit or loss	-	-
Balance in cash flow hedge reserve for continuing hedges	444	-

The following table provides a reconciliation of cash flow hedge reserve movements.

As the hedging period is from 1 July 2026 to 30 June 2027, the forecast diesel purchases are expected to occur in the financial year ending 30 June 2027. The effective portion of fair value movements recognised up to 30 June 2026 has been recognised in other comprehensive income and accumulated in the cash flow hedge reserve. No amounts were reclassified from the cash flow hedge reserve to profit or loss during the year ended 30 June 2026, as the hedged diesel purchases had not yet occurred.

	30 June 2026 \$'000	30 June 2025 \$'000
Cash flow hedge reserve (after tax)		
Opening balance	-	-
Gain/(loss) arising on changes in fair value of hedging instruments during the period	444	-
Tax effect	(133)	-
Gain/(loss) reclassified to profit or loss – hedged item has affected profit or loss during the period	-	-
Tax effect	-	-
Closing balance	311	-

17. Payables

(a) Accounting policy

These amounts represent liabilities for goods and services provided to Horizon Power prior to the end of the reporting period that are unpaid. The amounts are unsecured and are settled within prescribed periods.

Payables are non-interest bearing and are generally settled on 30-day terms.

CES (Contributory Extension Scheme) payables represent amounts received from customers to extend specific electricity supplies. These deposits are progressively refunded as other customers are connected to existing supply extension schemes. The carrying value of CES payables approximates their fair value.

Other payables are mainly non-interest bearing and are generally settled between 14 and 30 days. This category also includes interest bearing security deposits with maturities exceeding 30 days. Due to the short-term nature of other payables, their carrying value approximates their fair value.

(b) Amounts recognised in statement of financial position

(i) Current liabilities

	30 June 2026 \$'000	30 June 2025 \$'000
Payables	72,627	88,223
CES payables	609	651
Other payables	10,987	11,168
Contract liabilities	32,838	24,023
Total	117,061	124,065

(ii) Non-current liabilities

	30 June 2026 \$'000	30 June 2025 \$'000
Contract liabilities	59,877	62,249
Total	59,877	62,249

Contract liabilities under non-current liabilities refer to upfront payments for the use of Horizon Power's network assets and are amortised over the term of the agreements.

Movements in Contract Liabilities

	30 June 2026 \$'000	30 June 2025 \$'000
Carrying amount at the start of the year	86,272	84,857
Additions	26,675	13,749
Revenue recognised in the reporting period	(20,232)	(12,334)
Closing balance	92,715	86,272
Comprised of		
Current	32,838	24,023
Non-current	59,877	62,249
Total	92,715	86,272

18. Provisions

(a) Accounting policy

(i) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include annual leave and long service leave.

Liabilities arising in respect of any employee benefits expected to be settled within 12 months from the reporting date are measured at their nominal amount based on remuneration rates that are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. The present value of future cash outflows is determined using the projected unit credit method.

A provision for the on-costs attributable to annual leave and unconditional long-service leave benefits is recognised in other provisions, not as employee benefits.

(ii) Restoration and decommissioning

Provision is made for the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of decommissioning activities includes the removal of generating facilities and restoration of affected areas, including the treatment of contaminated sites.

Typically, the obligation arises when the asset is installed at the location. When the provision is initially recognised, the estimated cost is capitalised by increasing the carrying amount of the related generating facility.

Over time, the provision is increased for the change in the present value based on a risk-adjusted pre-tax discount rate appropriate to the risks inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in generating assets is depreciated over the useful life of the related assets.

Costs incurred that relate to an existing condition caused by past operations are expensed.

Estimates and assumptions

A provision has been made for the present value of anticipated costs of future restoration and decommissioning of generating plants and distribution lines to be removed. The provision includes future cost estimates associated with dismantling closure, decontamination and permanent storage of historical residues. The calculation of this provision requires assumptions such as the application of environmental legislation, plant closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditures differing from the amounts currently provided. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised by adjusting both the expense or asset (if applicable) and provision. The related carrying amounts are disclosed within the property, plant and equipment in note 13.

(b) Amounts recognised in statement of financial position

Current liabilities

	30 June 2026 \$'000	30 June 2025 \$'000
Long service leave	9,706	10,329
Annual leave	7,097	6,454
Decommissioning and rehabilitation	1,930	500
Employee benefits accruals and on-costs	4,845	4,245
Total	23,578	21,528

Non-current liabilities

	30 June 2026 \$'000	30 June 2025 \$'000
Long service leave	3,965	2,099
Decommissioning and rehabilitation	20,935	17,286
Employee benefits accruals and on-costs	797	859
Total	25,697	20,244

Movements in provisions - decommissioning and rehabilitation

	30 June 2026 \$'000	30 June 2025 \$'000
Carrying amount at the start of the year	17,786	15,964
Payments/other sacrifices of economic benefits	(76)	(408)
Changes in assumptions	4,420	1,552
Unwinding of discount	735	678
Carrying amount at end of year	22,865	17,786

Comprised of:

Current	1,930	500
Non-current	20,935	17,286
Total	22,865	17,786

Movements in provisions - Employee benefits accruals and on-costs

	30 June 2026 \$'000	30 June 2025 \$'000
Carrying amount at the start of the year	5,104	3,840
Additional provisions recognised	2,764	3,434
Payments/other sacrifices of economic benefits	(2,226)	(2,170)
Carrying amount at end of year	5,642	5,104

Comprised of:

Current	4,845	4,245
Non-current	797	859
Total	5,642	5,104

The annual leave benefits are reported as current because Horizon Power does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Long service leave liabilities are unconditional long service leave provisions classified as current liabilities as Horizon Power does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because Horizon Power has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

19. Interest-bearing liabilities

(a) Accounting policy

(i) Loans

All loans are initially recognised at fair value net of transaction costs incurred. Subsequent to initial recognition loans are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Any difference between the cost and the redemption amount is recognised in the statement of comprehensive income over the period of the loan using the effective interest method.

(ii) Leases - initial recognition and measurement

At the commencement date of the lease, Horizon Power recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, Horizon Power uses the incremental borrowing rate provided by the Western Australian Treasury Corporation (WATC).

(iii) Leases - estimation of lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to Horizon Power's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; the existence of significant leasehold improvements; and the costs and disruption to replace the asset. Horizon Power reassesses whether it is reasonably certain to exercise an extension option or not exercise a termination option if there is a significant event or significant change in circumstances.

(b) Amounts recognised in statement of financial position

Current liabilities

	30 June 2026 \$'000	30 June 2025 \$'000
WATC loans (i)	150,000	150,000
Lease liabilities (note 28 (b))	43,170	40,414
Total	193,170	190,414

Non-current liabilities

	30 June 2026 \$'000	30 June 2025 \$'000
WATC loans (ii)	771,196	728,333
Lease liabilities (note 28 (b))	246,337	217,891
Total	1,017,533	946,224

(i) The market value* of the current loans owing to WATC is \$150,017,151 (2025: \$150,224,109).

(ii) The market value* of the non-current loans owing to WATC is \$748,706,510 (2025: \$712,509,698).

* Market value includes the debt outstanding plus accrued interests

Classification of borrowings

As at 30 June 2026, the non-current WATC loans of \$771,196,348 (2025: \$728,333,000) included an amount of \$110,565,208 (2025: \$96,710,736) with an original contractual maturity in the 2026-27 year. It is Horizon Power's expectation that this amount will be refinanced under the MLA rather than repaid and therefore has been classified as non-current. The loans have been classified as non-current as a result of the following:

- The MLA with the WATC, an entity owned by the Western Australian State Government, allows Horizon Power the unequivocal right to refinance all or any part of maturing debt at regular intervals; and
- Horizon Power's approved forecast borrowing requirements for the next four years include no repayment of amounts classified above as non-current and contained within the 2025-26 State Budget.

Horizon Power's borrowing limit as at 30 June 2026 was \$988,151,000 (2025: \$968,198,000).

20. Financial risk management

Horizon Power's principal financial instruments comprise cash and cash equivalents, receivables, derivatives financial instruments, payables and interest-bearing borrowings.

Horizon Power holds the following financial instruments:

	30 June 2026 \$'000	30 June 2025 \$'000
Financial assets		
Cash and cash equivalents	190,119	161,879
Financial assets at amortised cost	57,227	60,228
Financial assets at fair value through other comprehensive income	444	-
Financial assets at fair value through profit or loss	-	51
Total	247,790	222,158
Financial liabilities		
Financial liabilities at amortised cost	73,398	91,420
Lease liabilities	289,507	258,305
WATC Loans	921,196	878,333
Total	1,284,101	1,228,058

Horizon Power has developed a Financial Risk Management policy to provide a framework through which Horizon Power maintains the appropriate level of control over financial and associated risks. The Treasury Management Committee oversees treasury functions on behalf of the Board to enable significant financial and associated risks to be managed through the use of various financial instruments.

The main risks arising from Horizon Power's financial instruments are summarised below.

Risk	Exposure arising from	Measurement	Management
Market risk- foreign exchange	Future commercial transactions Fluctuations in the gasoil price	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk- commodity price	Fluctuations in the gasoil price	Sensitivity analysis	AUD-denominated gasoil commodity swaps
Market risk- interest rate	Long-term floating (variable) WATC loans	Sensitivity analysis	Debt guidelines
Liquidity risk	WATC loans	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Credit risk	Cash and cash equivalents and receivables	Aging analysis Credit ratings	Credit management Approved counterparties exposure Monitor of ratings from rating agency

(a) Market risk

(i) Foreign exchange risk

Exposure

Other than the foreign exchange risk associated with the USD denominated commodity price risk (see commodity price risk below), Horizon Power does not have any other foreign currency risk exposure.

(ii) Commodity price risk and foreign exchange risk

Exposure

Horizon Power is exposed to fluctuations in the gasoil price through the purchase of fuel for its diesel power stations as well as fuel consumed by its power producers.

Instruments used

Horizon Power may enter into a 12-month hedging program for the full financial year, based on a minimum of 80% of the monthly forecasted volumes. Horizon Power uses commodity derivative contracts to manage its commodity price exposure and foreign currency exposure. The commodity derivative contracts convert the USD denominated gas oil price exposures to fixed AUD prices. At 30 June 2026 Horizon Power hedged 146,801 barrels at an average price of AUD \$145.94 per barrel for the period from 1 July 2026 to 30 June 2027.

(iii) Interest rate risk

Exposure

Horizon Power's exposure to floating interest rates relate primarily to its floating long-term debt obligations.

Horizon Power's borrowings obtained through the WATC include loans at fixed and floating rates with varying maturities. Borrowings with floating debts, including working capital facilities, have variable interest rates linked to movements in Reserve Bank of Australia rates. The ratio of floating debt shall be a maximum of 30% of total core debt portfolio.

The debt portfolio is expected to be maintained with the following minimum and maximum debt maturity guidelines with the Financial Risk Management policy.

	Terms				
	< 1 Year	> 1 Year	> 3 Years	> 5 Years	> 10 Years
Maximum Policy Limit	30%	100%	100%	100%	10%
Minimum Policy Limit	0%	70%	40%	30%	0%

20. Financial risk management (continued)

The exposure of Horizon Power's WATC loans to interest rate changes and the contractual re-pricing dates at the end of the year are as follows:

	30 June 2026 \$'000	% of total loans	30 June 2025 \$'000	% of total loans
Floating rate borrowings	210,102	23%	140,830	16%
Fixed-rate borrowings- repricing or maturity dates:				
• Less than 1 month	150,000	16%	150,000	17%
• Less than 1 year	68,545	7%	68,545	8%
• Between 1 and 5 years	274,179	30%	274,179	31%
• Over 5 years	218,370	24%	244,779	28%
Total	921,196	100%	878,333	100%

An analysis by maturity is provided in note 20(b) below. The percentage of total WATC loans shows the proportion of loans that are currently at floating rates concerning the total amount of borrowings.

Instruments used

There are no financial instruments used to manage the exposure.

Sensitivity

Profit or loss is sensitive to higher/lower interest expenses from WATC loans due to changes in interest rates of floating WATC loans.

At 30 June 2026, if interest rates had decreased/increased by 200 basis points from the year-end rates with all other variables held constant, the impact on Horizon Power's post-tax profit for the year would have been no more than \$3 million (2025: less than \$2.3 million).

(b) Liquidity risk

Horizon Power's objective is to enable sufficient funding to be available at all times, to meet the financial commitments of Horizon Power, as they arise in a cost-effective manner.

Horizon Power has appropriate procedures to manage cash flows including preparation of cash flows forecast and making decisions using the facilities in place as well as monitoring to enable sufficient funds to be available to meet its commitments.

At the reporting date, Horizon Power held short-term investment deposits of \$75,000,000 (2025: \$58,100,000) that are expected to readily generate cash inflows for managing liquidity risk.

Financial arrangements

Horizon Power's borrowing limits are based on Horizon Power's forecast cash flow estimates submitted for the Annual State Budget. WATC will manage Horizon Power's requests for borrowings within the confines of these approved limits unless, and until, it receives authority from the Treasurer for any approved amendment.

The borrowing limit at the reporting date was \$988,151,000 (2025: \$968,198,000).

The amounts disclosed in the following tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

2026	Weighted average effective interest rate %	Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000	Nominal amount	Less than 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	More than 5 years \$'000
Financial assets										
Cash and cash equivalents	3.97	190,119	-	190,119	-	190,119	190,119	-	-	-
Trade Receivables (a)		49,451	-	-	49,451	57,476	57,476	-	-	-
Other Receivables		7,777	-	-	7,777	7,777	7,777	-	-	-
Financial assets at fair value through other comprehensive income		444	-	-	444	444	111	333	-	-
Total		247,791	-	190,119	57,672	255,816	255,483	333	-	-
Financial liabilities										
Payables (a)		73,398	-	-	73,398	73,398	73,398	-	-	-
Lease liabilities (b)	8.14	289,507	289,507	-	-	434,565	15,916	46,793	192,021	179,835
WATC Loans and Borrowings	4.37	921,196	711,094	210,102	-	970,316	179,402	85,973	483,194	221,747
Total		1,284,101	1,000,601	210,102	73,398	1,478,279	268,716	132,766	675,215	401,582

(a) The amounts of trade receivables and payables exclude GST.

(b) The amount of lease liabilities includes \$278,013,000 from power purchase agreements and \$11,494,000 from leased buildings.

2025	Weighted average effective interest rate %	Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000	Nominal amount	Less than 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	More than 5 years \$'000
Financial assets										
Cash and cash equivalents	3.41	161,879	-	161,879	-	161,879	161,879	-	-	-
Trade Receivables (a)		55,926	-	-	55,926	62,151	62,151	-	-	-
Other Receivables		4,301	-	-	4,301	4,301	4,301	-	-	-
Financial assets at fair value through profit or loss		51	-	-	51	51	51	-	-	-
Total		222,157	-	161,879	60,278	228,382	228,382	-	-	-
Financial liabilities										
Payables (a)		91,420	-	-	91,420	91,420	91,420	-	-	-
Lease liabilities (b)	9.98	258,305	258,305	-	-	410,745	15,186	44,580	159,089	191,890
WATC Loans and Borrowings	5.10	878,333	737,503	140,830	-	1,001,184	168,920	53,111	457,109	322,044
Total		1,228,058	995,808	140,830	91,420	1,503,349	275,526	97,691	616,198	513,934

(a) The amounts of trade receivables and payables exclude GST.

(b) The amount of lease liabilities includes \$245,585,000 from power purchase agreements and \$12,720,000 from leased buildings.

20. Financial risk management (continued)

(c) Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to energy and non-energy (such as customer-funded works) customers, including outstanding receivables.

Risk management – counterparty risk

Horizon Power minimises its credit risk by transacting only with quality credit counterparties with a S&P Global Ratings (S&P) rating of A or better. Where the counterparty is not specifically rated by S&P the equivalent Moody's rating may be used.

Horizon Power manages credit risk by setting, monitoring and updating credit limits for its financial counterparties. No derivative transaction is to be undertaken with any counterparty unless an International Swaps and Derivatives Association ("ISDA") Agreement is executed.

Risk management – energy and non-energy customers

Energy customer credit risk is managed under the established policies, procedures and control relating to customer credit risk management.

Risk management – non-energy (customers funded works)

Horizon Power has policies under which the creditworthiness of non-energy customers is assessed before credit is offered. Horizon Power has undertaken credit vetting which includes external ratings, where available and agreed to install payment options where required.

Horizon Power follows stringent credit control and management procedures in reviewing and monitoring debtor accounts.

Credit risk in respect of energy and non-energy receivables is detailed in note 10(c).

21. Contributed equity

(a) Accounting policy

AASB Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities* requires transfers, other than as a result of a restructure of administrative arrangements, in the nature of equity contributions to be designated by the State Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions have been credited directly to contributed equity.

Transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, is designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(b) Amounts recognised in statement of financial position

	30 June 2026 \$'000	30 June 2025 \$'000
Opening Balance	444,522	425,972
Equity contribution during the financial year	14,446	18,550
Total contributed equity at the end of the financial year	458,968	444,522

(i) The increase in contributed equity was in respect of the following:

	30 June 2026 \$'000	30 June 2025 \$'000
Transfer of Remote Essential Services Program	14,446	17,496
Kununurra Cotton Gin Infrastructure	-	1,054
Total increase in contributed equity	14,446	18,550

22. Dividends

Horizon Power's dividend policy is to pay 75% of the net profit after tax plus any special dividend, if required by the shareholder. Dividends are subject to a solvency test and declared in consultation with the Minister for Energy.

In December 2025, the WA Government requested to pay the final dividends for the year ended 30 June 2025. Subsequently, in June 2026, the WA Government requested payment of the interim dividend for the current financial year. Dividends of \$7,556,357 were paid during the 12-month period ended 30 June 2025.

	30 June 2026 \$'000	30 June 2025 \$'000
Final dividend for the previous financial year	5,597	1,757
Interim dividend for the current financial year	8,809	5,799
Dividends paid	14,406	7,556

23. Interests in joint operations and joint venture

(a) Accounting policy

(i) Interest in joint arrangements

Joint arrangements are contractual arrangements in which Horizon Power and other parties undertake an economic activity subject to joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

To the extent the joint arrangement provides Horizon Power with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation, and as such Horizon Power recognises its share of the operations assets, liabilities, revenue and expenses, including those incurred jointly. To the extent the joint arrangement provides Horizon Power with rights to the net assets of the arrangement, the investment is classified as a joint venture and accounted for using the equity method.

(ii) Interests in joint venture

Name of entity	Principal activity	% of ownership interest
WAAE Pty Ltd	Designs and builds rooftop and ground-mounted solar PV and battery storage systems	50% (2025: 50%)

WAAE Pty Ltd, was established in March 2023 as a 50:50 Incorporated Joint Venture with Green to Go Ltd.

The movement in the net carrying value of investment in WAAE Pty Ltd is shown below:

	30 June 2026 \$'000	30 June 2025 \$'000
Opening balance	2,775	2,256
Receipt of interest on shareholder loan	(36)	(35)
Share of profit/(loss) for the year	419	554
Closing balance	3,158	2,775

(iii) Derecognition of jointly controlled operations

Jointly controlled operations	Principal activity	% of ownership interest
Mid-West Pipeline Joint Venture	Gas Transportation in the Mid-West and Hill 60 Pipelines	0% (2025: 50%)

On 8 December 2025, the Company disposed of its 50% interest in the Mid-West Pipeline Joint Venture. The disposal resulted in the derecognition of the Company's share of assets and liabilities associated with the joint operation.

(iii) Derecognition of interests in joint venture

Name of entity	Principal activity	% of ownership interest
Boundary Power Pty Ltd	Manufacture and sale of standalone power systems	0% (2025: 50%)

On 31 July 2025, the Company disposed of its 50% interest in Boundary Power Pty Ltd. The disposal resulted in the derecognition of the investment previously accounted for using the equity method.

The movement in the net carrying value of investment in Boundary Power Pty Ltd is shown below:

	30 June 2025 \$'000
Opening balance	977
Share of profit for the year	577
Dividends	(850)
Closing balance	704

(iv) Total interest in joint ventures

	30 June 2026 \$'000	30 June 2025 \$'000
Boundary Power Pty Ltd	-	704
WAAE Pty Ltd	3,158	2,775
Closing balance	3,158	3,479

The total gain recognised on the disposal of joint arrangements during the financial year amounted to \$12.9 million.

24. Key management personnel remuneration

Horizon Power's key management personnel have been determined to be the State Cabinet Ministers, Directors and Senior Officers of Horizon Power. However, Horizon Power is not obligated to compensate State Cabinet Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report of State Finances.

The total compensation paid to key management personnel for the reporting period is presented below.

	30 June 2026 \$'000	30 June 2025 \$'000
Total interests in Joint ventures		
Short-term employee benefits	4,892	4,782
Post-employment benefits	408	386
Termination benefits	198	-
Total compensation of key management personnel	5,498	5,168

Further details of key management personnel remuneration are disclosed in the Directors' report section of the annual report.

25. Related party transactions

Related parties of Horizon Power include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all key management personnel and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including their related bodies, included in the whole of Government consolidated financial statements;
- associates and joint ventures of an entity included in the whole of Government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

Transactions with State Government related entities include sale of electricity, purchases of inventories and service transactions in the ordinary course of business on normal commercial terms. Other significant transactions include:

- WATC: Borrowings under a Master Lending Agreement whereby Horizon Power has drawn down \$225,000,000 (2025: \$231,000,000) and repaid \$182,136,000 (2025: \$235,339,000) during the year ended 30 June 2026. Interest paid under the Master Lending Agreement was \$30,310,000 (2025: \$29,054,000) during the year ended 30 June 2026.
- Department of Treasury and Finance:
 - \$5,830,000 (2025: \$27,714,000) received for the WA Electricity Credit, allocated to customer accounts
 - \$242,000,000 (2025: \$230,000,000) received in relation to the Tariff Equalisation Fund
 - \$14,919,000 (2025: \$9,659,000) for the reimbursement of the cost of CSOs included in electricity and other services
 - \$10,968,000 (2025: \$10,819,000) received as funding for the Remote Essential Services Program
 - \$14,446,000 (2025: \$17,496,000) received as equity injection for the Remote Essential Services Program, refer to note 21
 - \$0 (2025: \$8,000,000) received as funding for Pilbara Green Link and Burrup Transmission project
 - \$0 (2025: \$1,054,000) received as equity injection for Kununurra Cotton Gin
 - \$178,000 (2025: \$213,102) received as interest on public bank accounts
 - \$0 (2025: \$13,718,000) received as funding for the Municipal Services Subsidy and Leonora Power Project two-year extension
 - \$2,578,000 (2025: \$0) received as funding for the Community Solar Banks Program.
- Department of Primary Industries and Regional Development: \$31,024,000 (2025: \$31,182,000) received in relation to the Remote Essential Services Program.
- Electricity Networks Corporation: Transactions disclosed below are in relation to inventory purchases and network access and metering services.
- Electricity Generation and Retail Corporation: Transactions disclosed below are in relation to electricity sales, purchases, and services.

Transactions with joint ventures and operations and associates, disclosed below, include transactions in relation to the manufacturing and sale of Standalone Power Systems with Boundary Power Pty Ltd and the design and build of battery storage systems with WAAE Pty Ltd.

Horizon Power is not aware of any material transactions with the key management personnel or their close family members or controlled entities outside the ordinary course of business and normal commercial terms.

Remuneration and benefits received by directors and key management personnel are disclosed in the Directors' report and in note 24.

Horizon Power is not aware of any material transactions with the Premier of Western Australia or any of the Cabinet Ministers during the year ended 30 June 2026.

	Receipts \$'000	Payments \$'000	Liabilities \$'000	Receivables \$'000	Commitments \$'000
30 June 2026					
Joint Ventures	6	(7,792)	-	-	(301)
Electricity Networks Corporation	476	(9,543)	(70)	-	(242)
Electricity Generation and Retail Corporation	-	(38,642)	-	-	(24,319)
30 June 2025					
Joint Ventures	-	(4,381)	(45)	-	(5,972)
Electricity Networks Corporation	524	(4,992)	(189)	49	(2,089)
Electricity Generation and Retail Corporation	597	(33,916)	(279)	-	-

*The comparative balances for receipts, payments and liabilities for Electricity Networks Corporation and Electricity Generation and Retail Corporation have been restated.

26. Contingencies

(i) Contingent liabilities

Essential Services Transfer Deed

The Corporation entered into the Essential Services Transfer Deed (the Deed) effective 1 July 2023, to reallocate responsibility and funding from the Department of Communities for the delivery of power services in 117 Remote Aboriginal Communities.

The Corporation may be required at a point in the future to decommission some existing infrastructure within these Remote Aboriginal Communities.

The Corporation anticipates receiving government funding to meet the costs of any such activities

(ii) Contingent assets

Horizon Power did not have any contingent assets as at 30 June 2026 (30 June 2025: nil).

26. Contingencies (continued)

(iii) Contaminated sites

Under the *Contaminated Sites Act 2003*, the Corporation is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated and remediation required or possibly contaminated and investigation required, Horizon Power may have a liability in respect of investigation or remediation expenses. All known contaminated sites are provided for as per note 18.

(iv) Asbestos management

Several properties, including power stations and residential accommodations, owned by Horizon Power, have asbestos containing materials. Horizon Power has a robust management and monitoring process in place for the ongoing identification and risk assessment of asbestos hazards and implements safe systems of works during any repair, maintenance and demolition works at these sites. Horizon Power complies with the relevant regulations, including the Code of Practice for the Management and Control of Asbestos in Workplaces and commissions compliance surveys on a regular basis. Our long-term objective is the removal of asbestos materials from all our sites.

27. Remuneration of auditors

There is currently no claim against Horizon Power from current or past employees and contractors for illnesses arising from exposure to asbestos that is not covered by RiskCover. Should any claim arise in the future, Horizon Power is likely to be appropriately covered by its workers' compensation and public liability insurance, or RiskCover.

	30 June 2026 \$'000	30 June 2025 \$'000
Audit of financial statements	319	308
Total	319	308

(i) Audit services

Under the Act, the Auditor General of Western Australia has been appointed as Horizon Power's independent auditor. During the year, the above fees were paid, or are due and payable, for audit services provided by the Office of the Auditor General of Western Australia.

(ii) Non-audit services

Neither the Office of the Auditor General of Western Australia nor their agents provided non-audit services during the year ended 30 June 2026 (2025: Nil).

28. Commitments

(a) Capital commitments

	30 June 2026 \$'000	30 June 2025 \$'000
Within one year	46,697	47,388
Total	46,697	47,388

At 30 June 2026, capital expenditure commitments principally related to the Operating and Maintenance Project (\$11,335,285), the Blackstone Renewable Energy Solution (\$3,786,461), the Standalone Power System (\$4,157,143), the Heavy Vehicle Replacement Program (\$2,472,282) and the Replacement of a Murdoch Drive transformer (MDRTX2) (\$2,239,850). As at 30 June 2025 significant commitments also included Standalone Power System (\$11,137,706), the Blackstone Renewable Energy Solution (\$7,054,000) and Community Battery 2.0 (\$3,813,000). Remaining commitments in both years related principally to smaller projects and purchase orders supporting ongoing operational and capital programs.

(b) Energy Procurement and Property Lease Commitments

(i) Lease commitments

Leases relate to the right of control over the use of an identified asset for a period of time in exchange for consideration in accordance with the AASB 16 Leases.

	30 June 2026 \$'000	30 June 2025 \$'000
Commitments in relation to leases are payable as follows:		
Within one year	62,710	59,766
Later than one year but not later than five years	192,021	159,089
Later than five years	179,835	191,889
Minimum lease payments	434,566	410,744
Future finance charges	(145,059)	(152,439)
Recognised as a liability	289,507	258,305
Representing lease liabilities:		
Current (note 19 (b))	43,170	40,414
Non-current (note 19 (b))	246,337	217,891
Total	289,507	258,305

Forecast energy procurement requirements are not included in the above commitments.

28. Commitments (continued)

(ii) Non-lease commitments – Energy Procurement

These commitments consist of contractual obligations in respect of fixed charges relating to the purchase of electricity, gas and renewable energy certificates, which are not defined as leases.

	30 June 2026 \$'000	30 June 2025 \$'000
Within one year	186,592	178,560
Later than one year but not later than five years	682,495	729,205
Later than five years	1,358,558	1,498,440
Total	2,227,645	2,406,205

Judgements

Horizon Power has entered into power purchase agreements relating to specific generating facilities and property lease agreements. Horizon Power has assessed whether the agreement is, or contains, a lease.

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception, including whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset. Under certain lease arrangements, Horizon Power has the option to purchase the underlying assets.

(c) Non-lease commitments – Property, Plant and Equipment

Horizon Power has commitments to leases of short term or low-value IT equipment, and property leases, at 30 June 2026, that do not qualify as a right-of-use asset under AASB 16 Leases. Property lease rentals are subject to half yearly and yearly reviews.

	30 June 2026 \$'000	30 June 2025 \$'000
Commitments for other lease payables are as follows:		
Within one year	338	456
Later than one year but not later than five years	16	84
Later than five years	-	-
Total	354	540

29. Subsequent events

No other matter or circumstance has arisen that will likely, in the opinion of the Horizon Power Board, significantly affect the operations of Horizon Power, the results of those operations, or the state of affairs of Horizon Power in subsequent reporting periods.

Directors' declaration

In accordance with a resolution of the Directors of the Regional Power Corporation, trading as Horizon Power (the Corporation), we state that:

In the opinion of the Directors:

(a) the financial statements and notes are prepared in accordance with the *Government Trading Enterprises Act 2023* and the *Government Trading Enterprises Regulations 2023*, and

(i) gives a true and fair view of the financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and

(ii) in accordance with Australian Accounting Standards.

(b) there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable.

The directors have been given the declaration by the Chief Executive Officer and Chief Financial Officer for the reporting year ended 30 June 2026.

Signed in accordance with a resolution of the Directors:



Samantha Tough
Chairperson



Mark Puzey
Deputy Chairperson

8 September 2026



Auditor General

INDEPENDENT AUDITOR'S REPORT

2026

Regional Power Corporation (trading as Horizon Power)

To the Parliament of Western Australia

Opinion

I have audited the financial report of the Regional Power Corporation (trading as Horizon Power) (the Corporation) which comprises:

- the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- notes comprising a summary of material accounting policies
- the directors' declaration.

In my opinion, the financial report of the Corporation is prepared in accordance with the *Government Trading Enterprises Act 2023* and the Government Trading Enterprises Regulations 2023, and:

- gives a true and fair view of the financial position as at 30 June 2026 and of its performance for the year then ended
- is in accordance with Australian Accounting Standards.

Basis for opinion

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

Other information

The directors are responsible for the other information. The other information is the information in the Corporation's annual report for the year ended 30 June 2026, but not the financial report and my auditor's report.

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 did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the directors for the financial report

The directors of the Corporation are responsible for:

- keeping proper records
- preparation of the financial report in accordance with the *Government Trading Enterprises Act 2023* and the *Government Trading Enterprises Regulations 2023* that gives a true and fair view in accordance with Australian Accounting Standards
- such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for:

- assessing the Corporation's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Corporation.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. 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.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with *ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Corporation for the year ended 30 June 2026 included in the annual report on the Corporation's website. The Corporation's management is responsible for the integrity of the Corporation's website. This audit does not provide assurance on the integrity of the Corporation's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on the website, they are advised to contact the Corporation to confirm the information contained in the website version.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
9 September 2026

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Glossary

A

Aboriginal Community Controlled Organisation (ACCO)	An organisation governed by Aboriginal people and accountable to the Aboriginal communities it serves, delivering services that are community-led and culturally informed.
Advanced Metering Infrastructure (AMI)	An advanced meter is a device that measures the amount of electricity used in real time and sends information back to the energy retailer. It can be read remotely and allow electricity to be remotely switched on/off.
Australian Competition and Consumer Commission (ACCC)	An independent Commonwealth statutory authority that promotes competition, fair trading and consumer protection in Australia.
Australian Institute of Management (AIM)	A WA provider of leadership, management and professional development programs for individuals and organisations.
Australian Renewable Energy Agency (ARENA)	Established by the Australian Government in July 2012, ARENA supports the global transition to net zero emissions by accelerating the pace of pre-commercial innovation, to the benefit of Australian consumers, businesses and workers.

B

#BetterTogether initiatives	Collaborative initiatives between energy businesses, customers and communities that deliver tangible customer and community outcomes, with a focus on energy transition and energy equity.
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C

Carbon dioxide equivalent emissions (CO₂-e)	Greenhouse gas emissions are expressed in terms of carbon dioxide equivalents (CO ₂ -e), the amount of a greenhouse gas measured as an equivalent amount relative to carbon dioxide's global warming potential. Reported in either kilogram of carbon dioxide equivalent (kgCO ₂ -e) or tonnes (metric) of carbon dioxide equivalent (tCO ₂ -e).
Clean Energy Regulator	An independent statutory authority responsible for administering Australian Government schemes to reduce greenhouse gas emissions and increase the use of renewable energy.
Consumer Energy Resources (CER)	Distributed energy assets like solar panels, batteries, and smart appliances that consumers use to generate or manage energy.

D

Decarbonisation	The process of reducing and ultimately eliminating greenhouse gas emissions from energy systems, industries, transport, buildings and other economic activities by replacing high-emission fuels and practices with low- or zero-emission alternatives.
Department of Climate Change, Energy, the Environment and Water (DCCEEW)	An Australian Government department that leads Australia's response to climate change and sustainable energy use, and protects the environment, heritage and water resources.
Department of Energy and Economic Diversification (DEED)	A WA Government department that leads the State's energy transition and long-term economic development, including trade and investment, industry development, innovation, science and economic diversification.
Disability Access and Inclusion Plan (DAIP)	A strategic plan that sets out Horizon Power's objectives and actions to create a more accessible and inclusive environment for employees, customers and communities.
Distributed Energy Resources (DER)	Dispersed power generation, energy storage and demand management located at customer premises or connected directly to the distribution network. While DER is often used to refer to renewable generation sources, it also includes dispersed non-renewable generation sources.
Distributed Energy Resource Management System (DERMS)	A system designed to manage and optimise the technical operation of thousands of grid-connected DER to dynamically balance supply and demand, maintain system stability and optimise long-run economic efficiency.

E

Economic Regulation Authority (ERA)	Western Australia's independent economic regulator, responsible for promoting strong economic outcomes through effective regulation and decision making.
Electric vehicle (EV)	Refers to cars or other vehicles with motors that are powered by electricity, rather than liquid fuels.
Environmental, Social and Governance (ESG)	ESG refers to environmental impacts, social outcomes and governance practices that demonstrate the management of sustainability risks and opportunities, supports community wellbeing, protects the environment, and maintains effective, transparent and accountable decision making.

Energy Ahead	A WA Government program that helps eligible households improve energy efficiency, reduce electricity bills and address energy-related financial hardship through practical energy-saving advice, support and appliance upgrades.
Energy Charter	A national CEO-led collaboration that supports a customer-centric future through #BetterTogether initiatives focused on delivering better customer outcomes for all Australians. Horizon Power was the first full WA-based signatory when it joined the Energy Charter in 2019.
Energy Policy WA (EPWA)	EPWA provides policy advice to the WA Government to facilitate the delivery of secure, reliable, sustainable and affordable energy services to Western Australians.
Energy Storage	A means of storing energy within an electricity system, either directly or indirectly. Storage may be either centralized or distributed throughout a network. Examples include batteries, power capacitors, flywheels and pumped hydro systems.
Energy Transition	A pathway toward transformation of the global energy sector from fossil-based to zero-carbon. At its heart is the need to reduce energy-related CO ₂ emissions to limit dangerous climate change impacts.

G

Government Trading Enterprise (GTE)	A government body that derives its prime source of revenue from the sale of goods and services in a commercial environment.
Government Trading Enterprises Act 2023 (WA)	The GTE Act took effect 1 July 2023 and was introduced to consolidate governance requirements of GTEs which were contained in multiple instruments, while maintaining flexibility for practices to adapt to industry, market and Government policy changes over time. The GTE Act provides GTEs with greater clarity on their relationship with Government, and consolidates and updates governance, strategic planning, and financial management provisions without mandating how GTEs undertake their day-to-day business activities.
Greenhouse Gas (GHG)	Includes all greenhouse gases as defined by Australia's Clean Energy Regulator, including carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), sulphur hexafluoride (SF ₆) and specified hydro fluorocarbons and perfluorocarbons.

H

Hardship Utilities Grant Scheme (HUGS)	A WA Government scheme that provides financial assistance to eligible customers experiencing payment difficulties and at risk of disconnection.
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I

Independent Power Producer (IPP)	IPPs are usually engaged via a power purchase agreement (PPA) to build, own, operate and maintain a power generation facility.
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L

Life Support and Outage Management (LSOM)	A platform that automates outage notifications, supports outage management and compliance, and enhances safety and service for life support and vulnerable customers.
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M

Made in WA plan	A WA Government plan to diversify the State's economy, build local manufacturing capability, support clean energy and major industrial projects, and create local jobs.
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N

National Greenhouse and Energy Reporting Scheme (NGER)	A national framework requiring eligible companies to report information about greenhouse gas emissions, energy production and energy consumption.
National Pollutant Inventory (NPI)	Provides the government, industry and communities with free information about substance emissions in Australia. Includes a publicly accessible database providing information on the emissions of 93 selected substances and the source and location of these emissions.
Net Profit After Tax (NPAT)	Net profit is synonymous with net income and reflects a company's total earnings after subtracting all expenses. Subtracted expenses include the costs of normal business operation as well as depreciation and taxes. Net profit after tax is often referred to as a company's 'bottom line' and is a true indicator of an organisation's profitability.
North West Interconnected System (NWIS)	One of three major electricity networks in Western Australia, the NWIS comprises interconnected electricity generation, transmission and distribution assets in the Pilbara region.

Glossary

O

Oxides of Nitrogen (NO_x)

A mixture of gases composed of nitrogen and oxygen, including nitric oxide and nitrogen dioxide. Oxides of nitrogen can be produced by combustion sources, including electricity generation and fuel-burning activities.

P

Particulate matter (PM)

Extremely small solid particles and liquid droplets suspended in air. PM₁₀ particles are those with a diameter of 10 micrometres or less, while PM_{2.5} are those with a diameter of 2.5 micrometres or less.

Pilbara Networks Access Code (PNAC)

The PNAC governs access to lightly-regulated networks in the Pilbara region.

R

Reconciliation Action Plan (RAP)

A strategic document that supports an organisation's business plan, including practical applications that will drive a business's contribution to reconciliation, both internally and in the communities in which it operates.

Remote Communities Critical Generation Replacement Program (ReGen)

A program to replace or enhance ageing or end-of-life generation infrastructure in remote communities with hybrid and standalone power systems.

Renewable energy

Forms of energy that can be used to provide electricity, heating or fuel for transportation. Unlike oil, gas and coal, renewable energy sources are not finite. Key sources include wind, solar and geothermal.

Retailed emissions

Horizon Power uses the term 'retailed emissions' to include emissions associated with our own generation and supporting activities, as well as those which relate to the purchase of wholesale electricity supplied by independent power producers (IPPs) for re-sale by us to our customers.

Return on assets

Return to investors for every dollar of assets under the company's control.

S

Sectoral Emissions Reduction Strategy (SERS)

A WA Government strategy outlining actions to reduce emissions across key sectors of the State's economy.

Scope 1 emissions

Greenhouse gas emissions released to the atmosphere as a direct result of an activity under operational control of an entity, such as burning fossil fuels to produce electricity, sometimes referred to as direct emissions.

Scope 2 emissions

Greenhouse gas emissions released to the atmosphere from the indirect consumption of an energy commodity, such as using energy produced by another entity, sometimes referred to as indirect emissions.

Scope 3 emissions

Greenhouse gas emissions released to the atmosphere that occur in the value chain of the reporting company, including both upstream and downstream emissions which are not included in scope 2.

Social Housing Energy Performance Initiative (SHEPI)

A jointly funded Australian and WA Government program providing energy-efficiency upgrades to social housing properties in remote and regional areas, helping reduce energy bills and improve comfort for tenants.

Standalone Power System (SPS)

An off-grid power system that provides electricity to one or more customers through a combination of energy storage and both renewable and fossil-fuel generation.

Sulphur dioxide (SO₂)

A gaseous air pollutant composed of sulphur and oxygen which forms when sulphur-containing fuel such as diesel is burned.

South West Interconnected System (SWIS)

One of the three major electricity networks in Western Australia, the SWIS serves the Perth metro area and stretches from Geraldton to Albany, with a feeder to Kalgoorlie-Boulder. This network is managed by Western Power.

System Average Interruption Duration Index (SAIDI)

Average total length of interruptions/outages in minutes per customer over a 12-month period.

System Average Interruption Frequency Index (SAIFI)

Average number of interruptions/outages per customer over a 12-month period.

U

Unassisted pole failure	As defined by Regulation 28 of the Electricity (Network Safety) Regulations 2015: 1) is not caused by customer installation, lightning, vehicle, water ingress or vandalism 2) occurs when the pole failed under forces that were less than its design specification.
Unassisted conductor failure	As defined by Regulation 28 of the Electricity (Network Safety) Regulations 2015: 1) is not caused by lightning, fire, flood, vandalism, third-party excavation or another event beyond the network operator's control; and 2) occurs when the conductor fails under forces that were less than its design specification or design wind load.

V

Virtual Power Plant (VPP)	A network of decentralised energy resources that are digitally connected and coordinated to operate like a single power plant.
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W

WA Industry Participation Strategy (WAIPS)	A WA Government strategy developed under the Western Australian Jobs Act 2017 to give local industry, particularly small and medium businesses, greater opportunities to access and compete for State Government contracts.
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Units of measurement

Gigawatt hour (GWh)	One GWh equals 1,000 megawatt hours or one million kilowatt hours.
Kilogram (kg)	One kg equals 1,000 grams.
Kilovolt (kV)	One kV equals 1,000 volts.
Kilowatt (kW)	One kW equals 1,000 watts.
Kilowatts per hour (kWh)	Standard 'unit' of electricity which represents the consumption of electrical energy at the rate of one kW over a period of one hour.
Megawatt (MW)	One MW equals 1,000 kilowatts.
Megawatts per hour (MWh)	One MWh equals 1,000 kilowatt hours.



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