



SEC Annual Report 2025





SEC employees were fortunate to be welcomed onto Country by Wurundjeri Custodian Dr Mandy Nicholson, and her nephew Jack George, who led us through a Smoking Ceremony and Welcome to Country during NAIDOC Week. The ceremony took place in front of the memorial statues of Pastor Sir Douglas and Lady Gladys Nicholls.

Acknowledgement of Country

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and their deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

We are committed to genuinely partner, and meaningfully engage, with Victoria's Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the twenty-first century and beyond.

Our partnership with First Peoples

We are committed to Aboriginal self-determination and have worked with Traditional Owner Corporations to develop a set of principles to guide our operations and relationship with Victoria's First Peoples.

The five guiding principles are:

- recognising, prioritising and embedding the unique knowledge and wisdom of Traditional Owners, which includes caring for and speaking for Country
- establishing a renewed relationship with First Peoples in Victoria to ensure that First Peoples can share in the benefits of Victoria's renewable energy transformation
- empowering Traditional Owners and Victorian Aboriginal communities to identify their evolving aspirations and determine their relationship with SEC
- embedding governance principles, policies and processes to ensure the collective support and decision-making of First Peoples
- ensuring Victoria's energy transition preserves, restores and strengthens the rights of Traditional Owners and does not diminish the rights that have been secured to date.

We have also developed a First Peoples benefit sharing framework with input from the First Peoples' Assembly of Victoria, the First Nations Clean Energy Network and Traditional Owner Corporations. This ensures that our projects and activities deliver self-determined financial, employment, training, social, cultural and environmental benefits – alongside program resourcing and in-kind contributions to drive change.

Our company constitution embeds our commitment to ensuring that First Peoples share in the benefits of Victoria's renewable energy transition. We also have developed an engagement guide to support all parts of our business in their engagement with First Peoples to ensure we work in an appropriate, culturally safe way.

Cover Image: The Melbourne Renewable Energy Hub (MREH) was SEC's first investment. When it comes online in late 2025, MREH will provide 600 megawatts of capacity and 1.6 gigawatt hours of storage – enough to power 200,000 homes during the evening peak period.

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2025 highlights*

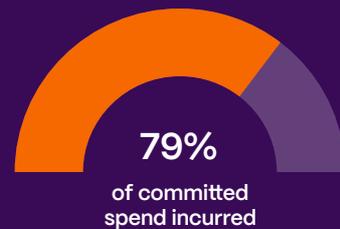


Renewable generation and storage

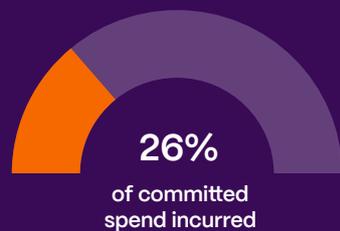
819 MW renewables and storage projects committed



\$245 million investment in the Melbourne Renewable Energy Hub with 600 MW storage capacity, due for commercial operation December 2025



\$370 million investment in the SEC Renewable Energy Park – Horsham with 119 MW solar generation capacity and a 100 MW 2-hour Battery Energy Storage System, due for commercial operation in late 2027



* As at 30 June 2025



Household electrification



4 pilots across
6 local
government
areas



14,000+ households
visit our electric
home planner to see
how making electric
upgrades can help them
save money



3,710+ households
generating home
electrification
assessments



Workforce



1,345 job opportunities
created on projects



76 apprentices,
trainees and cadets
involved on projects



3,800+ students
engaged in career
development
activities



Retailing renewable electricity



Around 5% of State's
electricity demand
served by SEC*



4,000+ government
sites powered
by SEC with
100% renewable
electricity*



6 Victorian
Renewable
Energy Target
auction contracts
successfully
transferred to SEC
ahead of the 1 July
2025 retail launch

*From 1 July 2025

SEC milestones



FY24
Setting the foundations



FY25
Building capability



FY26
Delivering financial returns



NOVEMBER 2023
First project announced, with \$245 million committed towards Melbourne Renewable Energy Hub (MREH)

SEPTEMBER 2024
Battery units begin arriving at MREH

NOVEMBER 2024
Second major project announced, the \$370 million SEC Renewable Energy Park – Horsham

JANUARY 2025
Transformers arrive at MREH

AUGUST 2025
Energisation of MREH began

DECEMBER 2025
MREH operational (increasing supply of renewable energy to the grid and putting downward pressure on energy prices)



NOVEMBER 2023
Process to obtain retail license began

DECEMBER 2024
Retail license obtained

MAY 2025
Retail contracts signed

MAY 2025
Victorian Renewable Energy Target auction contracts transferred to SEC

JUNE 2025
Launch of market trading and customer billing platforms

JULY 2025
SEC begins retailing 100% renewable electricity to 4,000+ government sites

AUGUST 2025
SEC completes first billing cycle



JUNE 2024
SEC put out a call for volunteers to test a new digital home planner to help households go electric and save

AUGUST 2024
Electric home planner pilot launched

OCTOBER 2024
Electric home planner pilot expanded to Ballarat

NOVEMBER 2024
Heat pump pilot launched in Ballan

APRIL 2025
Heat pump pilot expanded to Maroondah and Yarra Ranges

MAY 2025
Installer EOI launched

SEPTEMBER 2025
Heat pump pilot expands to the Latrobe Valley

OCTOBER 2025
SEC's Morwell Hub opens in Gippsland

EARLY 2026
Consumer one-stop shop launches



6
EFFICIENCY RATING

Coefficient of Performance	Capacity (kW)
4.80	0.86

25 degrees ambient, 50 degrees target water temperature

**NOT
WATER OUTLET**

H₂O IN/OUT

In Victoria, water heating accounts for around 20% of household energy use. Households can save up to \$330 a year on energy bills by upgrading to a heat pump hot water system.

Message from the Board Chair



The past year marked significant growth and progress for SEC as we built on the strong foundation set since establishment in 2023. In October 2024, we were enshrined in Victoria's Constitution, ensuring we will remain publicly owned, and enabling us to make strategic, long-term investment decisions in the best interests of Victorians.

Against the backdrop of a rapidly transforming power system, we have set a clear mandate to work in collaboration with the private sector to accelerate the transition to deliver renewable, affordable and reliable energy for all Victorians.

As coal-fired electricity generators continue to retire – the next scheduled retirement is Yallourn in 2028 – Victoria must continue increasing its renewable energy generation and storage capacity to maintain affordability and reliability for households and businesses.

Governments around Australia have set meaningful renewable energy targets for 2030 and beyond. Here in Victoria, the target is 95% renewable electricity generation by 2035. This presents a great opportunity for us as we help drive the transition and reduce Victoria's reliance on fossil fuels.

It will require a coordinated response – between government, the private sector, communities and households – and we see our role as one that complements the work of others.

We have made substantial progress against our objectives – investing in large-scale assets, setting up a market trading and operations function to deliver retail products for commercial and industrial customers who need help with understanding and navigating the complexity around renewable energy solutions and managing market risks. We've also engaged closely with Victorian residents to understand the barriers to electrification, including through a range of pilots.

"It will require a coordinated response – between government, the private sector, communities and households – and we see our role as one that complements the work of others."

Our intention is to complement the private sector across these areas of focus, filling critical market gaps.

We will support the transition in three main ways:

- investing to deliver 4.5 gigawatts (GW) of renewable energy and storage
- providing Victorian Government, businesses and industry with retail and wholesale electricity solutions to help them decarbonise
- supporting households to go all-electric to reduce their energy bills and emissions.

Underpinning all of this is our work to attract and build the renewable energy workforce the transition requires.

In November, the Board approved a \$370 million investment to build Victoria's first 100% publicly owned utility-scale renewable energy projects in decades – a new solar and renewable energy storage facility near Horsham.

SEC Renewable Energy Park – Horsham will be built in two stages, starting with a solar facility comprising more than 212,000 photovoltaic (PV) solar panels with a total capacity of 119 megawatts (MW). The facility will be capable of generating around 242,000 megawatt hours (MWh) of renewable energy a year and produce enough renewable energy to power around 51,000 homes.

The project's second phase delivers a 100 MW two-hour battery energy storage system to firm up the energy the solar farm generates and store it to be used at times of peak demand.

Along with our investment in the Melbourne Renewable Energy Hub, the project will materially support the Victorian Government's target of at least 2.6 GW of energy storage capacity by 2030, and at least 6.3 GW by 2035.

Together these projects will also play an important role in bolstering our retail and wholesale portfolio in addition to the six Victorian Renewable Energy Target auction contracts successfully novated to SEC ahead of the 1 July 2025 retail launch.

We have also bolstered our governance during the last financial year, making significant appointments with Sharan Burrow AC and Cameron Garnsworthy joining the Board. Together these directors bring a wealth of experience in renewable energy development, climate action and advocacy, investment, financing and workforce development, all critical skills as the Board continues to guide us into our next phase of operation.

The Board also formally announced the appointment of Chris Miller as Chief Executive Officer to continue the work he began, leading the organisation's re-establishment as interim CEO. Chris brings a wealth of public and private sector leadership experience, including a strong background in energy. He has built an exceptional team and continues to make great progress in delivering our strategic plan.

We have taken great strides in the past year – securing the necessary licences to retail renewable electricity to government and commercial and industrial customers, trade on the energy market, and investing to research Victorian consumer energy needs. But there is much to be done. We are only at the beginning of our journey.

I look forward to continuing to work with my fellow Board members, Chris and his team during this next exciting phase of accelerating Victoria's energy transition.



Simon Corbell
Board Chair, SEC

Message from the CEO



It's been another big year for SEC as we continue to accelerate Victoria's energy transition and deliver the benefits of public ownership to Victorians. Since our inception in October 2023, we've moved at pace to build our organisation.

We've made strong progress against our goals: investing in renewable energy generation and storage, becoming a retailer powering Victorian Government operations and preparing to retail to Victorian businesses, supporting households to switch to electric and save money on their bills, and building the renewable energy workforce we need to accelerate Victoria's energy transition.

These efforts will accelerate as we continue to work towards our ambitious projects and organisational priorities for 2025–26.

It has been a year of significant investment. We have continued to build our organisational capability from a standing start, developed a pipeline and closed a strategic asset deal to support Victoria's power system, set up a market trading and operations function, and provided a 100% renewable electricity retail offering to government.

We have now secured 819 MW of new generation and storage capacity – nearly 20% of our 4.5 GW target in just the first 18 months of operation. Our asset portfolio is advancing well, with the Melbourne Renewable Energy Hub (MREH) on track to be operational by the end of 2025. As one of the world's biggest batteries, MREH will play a key role in strengthening Victoria's power system.

Our second project is SEC Renewable Energy Park – Horsham, which is due to be commercially operational in 2027. These projects are great examples of how our projects are helping to bring forward critical infrastructure and deliver additional capacity to the grid, as well as jobs. Together the projects have already created 1,345 job opportunities – including for 76 apprentices, trainees and cadets – with many more jobs to be created through SEC's future projects.

"This year, we also laid the foundation for our retail and wholesale energy offerings. From 1 July 2025 we have begun retailing 100% renewable electricity to Victorian Government customers".

This year, we laid the foundation for our retail and wholesale energy offerings. From 1 July 2025, we began retailing 100% renewable electricity to Victorian Government customers – an important milestone and significant achievement that means we are now the retailer for around 5% of Victoria's electricity market. We're preparing to expand our retail offering to commercial and industrial customers by the end of the 2025 calendar year.

Supporting households to switch to electric remains a key focus because we know the savings it can bring to consumers. We've run a series of pilots to better understand the barriers to electrification and test practical tools to help Victorians make the switch. These included launching an electric home planner and a network of SEC-endorsed installers in select local government areas. We are drawing on the insights from these pilots to build and scale a 'one-stop shop' – a simple, trusted service to help households cut emissions and energy bills, due to be delivered in early 2026.

We are also helping to build the renewable energy workforce of the future. Over the past year, we have engaged with more than 3,800 students and developed a comprehensive student education program to empower students to take part in the energy transition and inspire the next generation of renewable energy workers.

We're proud of our work with Traditional Owner Corporations to develop principles that guide our operations and relationships with Victoria's First Peoples, as part of our commitment to self-determination.

SEC is owned by Victorians, which puts public purpose at the heart of everything we do. We're building a commercial business to deliver sustainable returns, while also enabling the market and delivering real benefits to the community.

I'm incredibly proud of what we've achieved so far. Our progress to date is a credit to a talented and committed team, and to the strong partnerships we're building across government, industry and the community. Together, we're making a real difference – and we're just getting started.

I look forward to continuing to work closely with the Board, the Minister for the State Electricity Commission, and our Shareholding Ministers to truly make a difference and secure Victoria's energy future.



Chris Miller
CEO, SEC

Report of operations

Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present SEC Victoria Pty Ltd's Annual Report for the year to 30 June 2025.

A handwritten signature in black ink, appearing to read 'Simon Corbell', is positioned above the printed name and title.

Simon Corbell
Board Chair

SEC Victoria Pty Ltd

6 October 2025

About us

SEC is a government-owned renewable energy company. We are accelerating Victoria's renewable energy transition by working to deliver renewable, affordable, reliable energy for all Victorians.

We're doing this in three main ways:

- investing an initial \$1 billion to deliver 4.5 gigawatts of renewable energy and storage
- providing Victorian businesses and industry with retail and wholesale electricity solutions to help them decarbonise

- supporting households to go all-electric to reduce their energy bills and emissions.

Underpinning all of this is our work to attract and build the renewable energy workforce our energy transition requires.

Our guiding principles

Our activities are underpinned by three guiding principles:

Public purpose

Provide broader benefits to the Victorian community and consumers, including:



- improving energy affordability and reliability
- reestablishing public ownership and control of a portfolio of strategic energy assets, with returns reinvested into renewable energy projects for public benefit
- creating local jobs and maximising local capability
- supporting underserved and vulnerable customer cohorts
- building relationships with Victoria's First Peoples, ensuring we recognise the rights and authority of Traditional Owners.

Market enablement

Operate in a way that accelerates the energy transition, by:



- bringing capital to the transition task, additional to that which would otherwise be delivered
- maintaining private investor confidence in the Victorian energy market
- catalysing private sector investment
- creating and growing new markets, both for SEC and private investors
- supporting the development of a workforce equipped with the required skills
- sharing lessons learned where appropriate.

Sustainable financial returns

Earn a financial return across the portfolio that:



- enables us to generate cash flow to cover our operating costs within an acceptable timeframe
- meets risk-adjusted target rates of return, enabling us to reinvest returns in more renewables and storage on behalf of the Victorian people
- meets the requirements of public non-financial corporation status.

Our strategy at a glance

OUR PURPOSE

Working together for renewable, affordable, reliable energy for all Victorians.

OUR VISION

Accelerate Victoria's transition to an affordable, reliable, equitable and zero-emissions electricity system that enables decarbonisation across the economy, in partnership with Traditional Owners, the private sector and in coordination with government initiatives.

OUR STRATEGIC PILLARS



Invest an initial \$1 billion to deliver 4.5 gigawatts of renewable energy and storage.



Support households to go all-electric to reduce their energy bills and emissions.



Provide Victorian businesses and industry with retail and wholesale electricity solutions to help them decarbonise.



Work to attract and build the renewable energy workforce our energy transition requires.

OUR VALUES

Uniting

We'll accelerate an orderly energy transition, bringing together Traditional Owners, investors, public and private sectors, and all Victorians.

Nimble

We'll be open-minded, pragmatic and value agility in our partnerships, investments and operations.

Fair

We'll share openly and honestly, earning the trust and support of our partners and the community, and ensuring equity and integrity in what and how we deliver for Victorians.

Our governance

SEC is a state-owned renewable energy company registered as SEC Victoria Pty Ltd. SEC is led by an executive team with an independent Board of Directors.

The company was incorporated under the *Corporations Act 2001* (Cth) on 25 October 2023 and declared a state-owned company under the *State Owned Enterprises Act 1992* (Vic) on 14 November 2023.

It was enshrined in the Victorian Constitution following passage of *The Constitution Amendment (SEC) Bill 2023* on 15 October 2024.

As a state-owned company, SEC is subject to the *Financial Management Act 1994* (FMA) and the *Public Administration Act 2004*. It is also required to comply with the legislative framework that governs state-owned companies in Victoria.

The Premier and Treasurer of Victoria are SEC's shareholders on behalf of the State of Victoria. The Minister for the State Electricity Commission has portfolio responsibility for SEC.

A Board of Directors oversees the company's ongoing operations and the delivery of its strategic plan, while day-to-day management is the responsibility of its CEO, executives and management.

The company constitution governs the relationship between SEC's Board, the shareholding ministers, and the Minister for the State Electricity Commission.

Board committees

Audit and Risk Committee

Key responsibilities of the Audit and Risk Committee include reviewing of the annual report and financial information, assisting in reviewing the effectiveness of internal control environment and overseeing the effective operation of the risk management framework.

All Board members are also independent members of the Audit and Risk Committee. Joycelyn Morton is the Chair.

Investment and Assets Committee

SEC's Investment and Assets Committee assists the Board to fulfil its responsibilities in decision-making and oversight of the renewable energy investment, asset development and asset delivery activities of SEC.

The committee provides an additional level of assurance through detailed and robust evaluation of proposed investments, ongoing review of energy infrastructure projects, and consideration of significant investment transactions.

All Board members are also independent members of the Investment and Assets Committee. Simon Corbell is the Chair.

Our Board

SEC's Board brings a wealth of experience in energy, resources, finance, asset management and investment to the company. As at 30 June 2025, our Board members are:



Simon Corbell
Non-Executive Director
and Board Chair



Joycelyn Morton
Non-Executive Director



Damien Barnes
Non-Executive Director



Jo Benvenuti
Non-Executive Director



Sharan Burrow
Non-Executive Director



Cameron Garnsworthy
Non-Executive Director



Anna Skarbek
Non-Executive Director

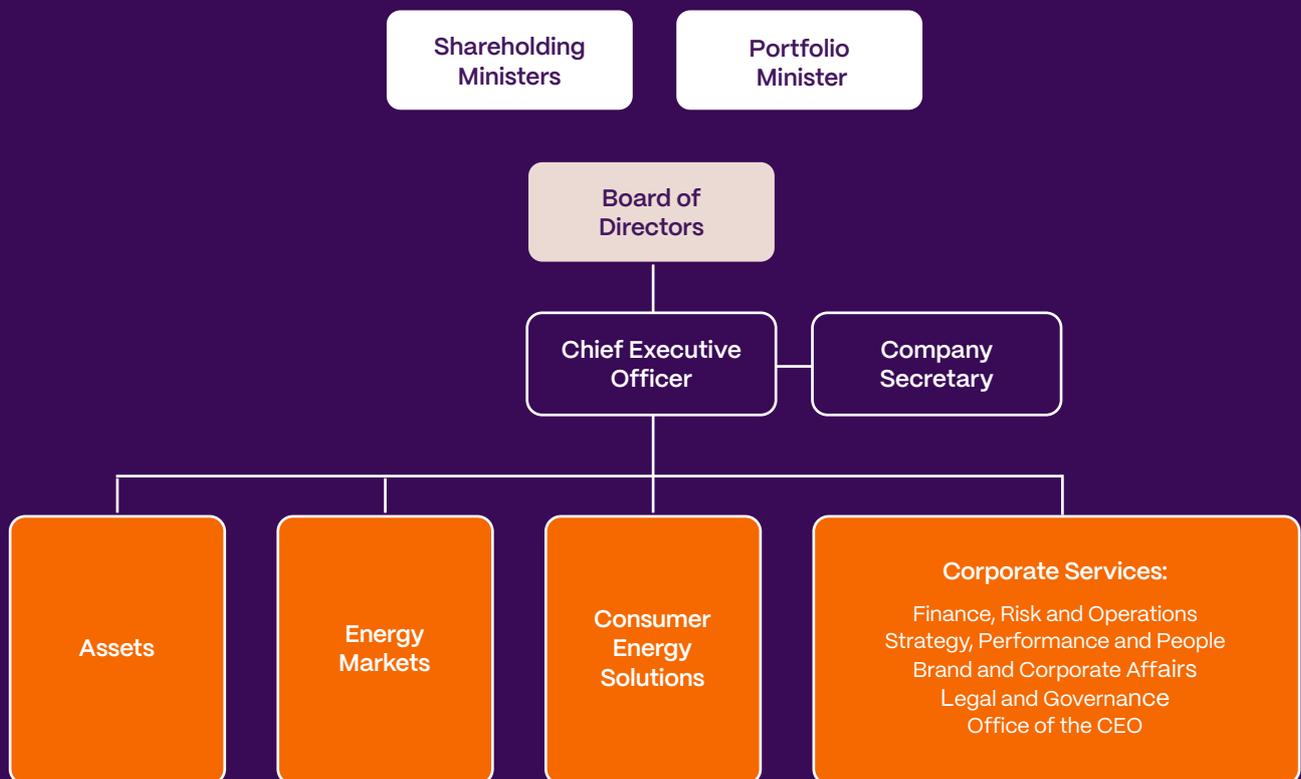
More information and Board member biographies can be found at:
www.secvictoria.com.au/about/governance.

We have worked with the Victorian First Peoples' Assembly of Victoria to agree a process for the nomination of a First Nations' person for appointment to a reserved seat on SEC's Board.

Our operations

Since SEC was established in October 2023, we have focused on building the capabilities, policies, processes, and systems to operate as a self-sufficient company that delivers on our strategic plan.

This includes hiring the right talent, acquiring licences to operate in the energy market, implementing specialised energy and corporate systems, and driving the organisation's performance and culture.





SEC Renewable Energy Park – Horsham is well underway. It will comprise more than 212,000 PV solar panels.

Assets

Building Victoria's renewable energy future

SEC has been established to deliver 4.5 gigawatts (GW) of new generation and storage by 2035, almost 20% of the 25 GW the Australian Energy Market Operator's 2024 Integrated System Plan (ISP) estimates that Victoria will need. Since this estimate was reported, our first two projects will deliver 819 MW of this, or almost 20% of our 2035 target.

A render depicting what SEC Renewable Energy Park – Horsham will look like when it is operational in 2027.



As an active participant in the energy market, SEC experiences a broad range of factors that affect its operating environment and investment decisions. These include strategic, policy, regulatory and economic settings, changing market needs and changing technology, community sentiment, supply chain availability, and financial markets. These can affect market and investor confidence, our portfolio mix, and revenue streams, and the speed, cost, and financial performance of our projects.

Current energy market dynamics and the broader economic outlook indicate a clear need for new investment over the next decade to meet transition goals and ensure long-term security and reliability.

We are well placed to support projects where investment is delayed or not reaching private investment hurdles. For example, we can leverage our growing customer book and our longer-term view of market needs, by investing in and underwriting offtake from renewable energy generation projects to build our portfolio.

Our focus is on building a pipeline of assets to support and accelerate the transition. We work closely with the private sector and partner with those that share our commitments to investing in Victoria, decarbonising our electricity system, and creating jobs for Victorians.

We balance a range of criteria when assessing potential projects. This includes its capacity to deliver against our purpose, the value it brings to advancing the renewables market and its capacity to deliver sustainable returns.

Progress across the year:

We are partnering with industry to transform the energy sector, drive further innovation and accelerate investment in renewables.

We choose our projects based on clear criteria:

- public purpose, including local content, community, system and grid benefits
- market enablement, including that our investment leverages private capital and unlocks investment opportunities for others
- ability to deliver sustainable, risk-adjusted returns, including additionality.

We now have two significant projects and have updated our pipeline of strategic opportunities with a view to expanding our portfolio.

In November 2024, we announced a \$370 million investment in SEC Renewable Energy Park – Horsham, a hybrid solar and battery facility and one of Australia's first 100% publicly owned utility-scale energy projects.

Once operational in 2027, the 119 megawatt (MW) solar farm will be capable of generating around 242,000 megawatt hours of renewable energy a year – enough to power about 51,000 homes.

In line with our criteria, our investment added a new dimension – a 100 MW two-hour battery energy storage system, along with a community benefit fund and increased local procurement commitments.

This followed our \$245 million investment during 2023 in one of the world's biggest batteries, the Melbourne Renewable Energy Hub (MREH) in Plumpton.

The construction of this project is well progressed. Once complete, it will provide three batteries totalling 600 MW with potential to expand. MREH will have an energy storage capacity of 1.6 gigawatt hours, enough to power around 200,000 homes during peak evening consumption.

In the case of MREH, our investment brought forward the delivery of the project and increased one of its batteries in size from two to four hours – beyond what the market would have otherwise delivered.

Both projects are funded from our initial \$1 billion allocation and constitute key progress towards building a target 4.5 GW portfolio of new renewable generation and storage capacity by 2035.

In addition to investing in large-scale assets, we are focused on commercialising new technologies to support Victoria's long-duration energy storage requirements.

Our energy markets team supports our project activities by providing market intelligence and insights to ensure we develop our assets in a way that meets longer-term market and customer needs.

These examples all highlight how our public ownership means we work and invest differently from many private entities.

CASE STUDY: Melbourne Renewable Energy Hub

SEC has committed to invest \$245 million in one of the world's biggest batteries, the Melbourne Renewable Energy Hub (MREH) in Plumpton, our first project funded from an initial \$1 billion to build 4.5 gigawatts (GW) of new renewable energy and storage projects.

Developed in partnership with renewable energy investor Equis Australia, the project is under construction and due to come online in late 2025.

Melbourne Renewable Energy Hub will deliver three battery components totalling 600 megawatts (MW) with potential to expand. It will have an energy storage capacity of 1.6 gigawatt hours, enough to power around 200,000 homes during peak evening consumption.

It is also expected to create more than 155 full-time jobs, including up to 14 apprentice and training roles. The region also benefits from local employment and supplier opportunities, a community benefit sharing fund and best practice engagement with First Peoples.

More than a dozen Melbourne-based companies have provided services and supplies to the project such as electrical works, civil construction, traffic management, landscaping and construction materials.

Our investment is pivotal to the delivery of the project, enabling construction to begin and increasing one of its batteries in size from two to four hours – beyond what the market would have otherwise delivered.

More than 1,230 people have worked across all aspects of the project, including 71 apprentices, trainees and cadets.

In the past year, workers have completed earthworks and other critical infrastructure to prepare the site for installation of the 444 Tesla Megapacks, which will form three giant battery components to strengthen Victoria's electricity network.

A specialised crew worked for three days to complete a precise 'jack and skate' process, lifting three transformers and gliding them on to their foundations. Weighing a massive 335 tonnes each, the transformers travelled to the site in the early hours of the morning to avoid traffic disruption.

Workers have also extracted more than 15,000 tonnes of rock, which is being reused to build a barrier around the site, landscaped with native vegetation.

When it comes online, MREH will add critical storage to Victoria's electricity grid and contribute to the government's target of at least 2.6 GW of energy storage capacity by 2030 and at least 6.3 GW by 2035.

It is uniquely positioned at the confluence of several of Victoria's critical transmission routes to the Melbourne metropolitan load and is the only battery energy storage system in Victoria capable of supporting numerous Victorian Renewable Energy Zones, including Western, North West, Central North, Central Highlands and South West. It will firm up energy generated by wind and solar projects, including the Victorian Renewable Energy Target auction projects, commonly known as VRET 1 and 2, and the Bulgana Green Power Hub.

An aerial view of the Melbourne Renewable Energy Hub in Plumpton, showing rows of Tesla Megapacks.



CASE STUDY: SEC Renewable Energy Park – Horsham

SEC is investing \$370 million in SEC Renewable Energy Park – Horsham, a new solar and renewable energy storage facility near Horsham.

Our investment delivers one of Australia's first 100% publicly owned utility-scale energy projects – supplying affordable, renewable, and reliable energy and putting power back into the hands of Victorians.

In the past year, we have begun work with developer OX2 to build the facility, which will create around 246 full-time Victorian jobs during construction, including 20 roles for apprentices, trainees, and cadets, and four and a half full-time equivalent jobs in operations and maintenance, including an apprentice. Already, the project has created 115 job opportunities (including 75 positions for local people) as well as five apprentices.

Once operational, the energy park will be capable of generating around 242,000 megawatt hours of renewable energy a year – enough to power about 51,000 homes.

The energy park will be built in two stages, starting with a solar facility comprising more than 212,000 PV solar panels with a total capacity of 119 megawatts (MW).

Our investment allowed work on the solar farm to start immediately and supports the addition of a 100 MW two-hour battery storage system to the project – making it one of Australia's first integrated solar and battery energy storage system (BESS) projects with a single connection point.

The storage system will firm up the energy the solar farm generates and store renewable energy to be used at times of peak demand.

The region will benefit from local employment and supplier opportunities, a community benefit sharing fund and best practice engagement with First Peoples.

We have developed a benefit sharing engagement plan and activity schedule, sent our first project update to 6,000 residents across the region and have begun hosting community drop-in sessions.

The first solar panels installed at SEC Renewable Energy Park – Horsham. When complete, the 119-megawatt solar farm will host 212,000 panels.



Energy Markets

Retailing renewable electricity to government and businesses

SEC is helping to accelerate Victoria's renewable energy transition by investing in wind, solar and storage, and making it easier for businesses to switch to renewable electricity and decarbonise.

On 1 July 2025, for the first time in over thirty years, SEC began powering Victoria again, as the government's retailer. We achieved this by servicing the needs of the Victorian Government, which accounts for around 5% of Victoria's total electricity use.

We are now retailing renewable electricity to Victorian public schools, hospitals and other government operations, supporting the Victorian Government's commitment to sourcing 100% renewable electricity in its operations by 2025.

Melbourne Park is one of SEC's first customers to purchase 100% renewable electricity to power its extensive operations.



This is just the beginning. Soon we will expand our offering to help Victorian commercial and industrial businesses achieve their electricity and decarbonisation goals as part of a comprehensive market strategy.

Our vision is to be an engaged energy partner to Victorian businesses, empowering and enabling them to achieve their net zero objectives faster. We will do this by providing end-to-end energy-as-a-service solutions in partnership with the private sector and by making renewable energy accessible and affordable.

We will help our customers to optimise their energy use and access solar and battery solutions through behind-the-meter power purchase agreements.

We will sell renewable energy and distributed energy solutions to commercial and industrial businesses that use more than 40 megawatt hours of energy per year – the equivalent of around \$10,000 a year.

We will match our customers' electricity usage with large scale generation certificates generated by Victorian renewable energy sources, including our own renewable energy projects, and solar farms and wind farms across the state. These include projects supported through the Victorian Renewable Energy Target (VRET) auctions – Berrybank Wind Farm, Dundonnell Wind Farm, Winton Solar Farm, Glenrowan Solar Farm, Cohuna Solar Farm – collectively the VRET projects – and the Bulgana Green Power Hub.

Melbourne's trams are now powered by SEC.



Progress across the year:

In the past 12 months, we have developed and delivered a comprehensive market readiness program, establishing the teams, systems, processes and capabilities required for market trading and operations.

We secured the relevant regulatory approvals and licences, including a retail licence from Victoria's Essential Services Commission. The Australian Energy Market Operator has registered SEC as a market participant, which allows us to buy and sell electricity in the National Electricity Market.

We negotiated and signed three-year contracts to retail electricity to Victorian Government customers.

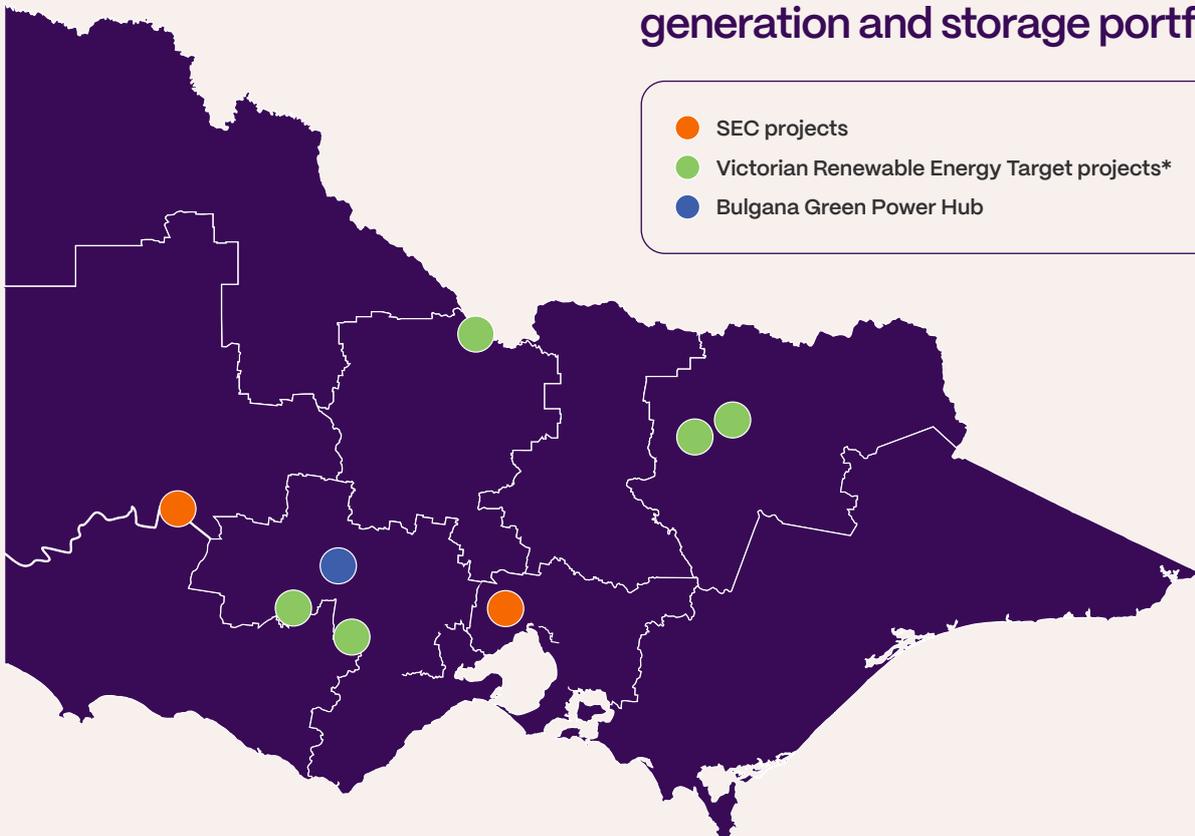
On 1 July 2025, we started retailing electricity to sites covered by the State Purchase Contract Large Electricity Contract (managed by the Department of Government Services) and the HSV Large Electricity Contract (managed by HealthShare Victoria). This includes government departments and offices, and services such as Victoria Police, schools, transport, water corporations, and public hospitals. Well known sites include the Royal Botanic Gardens, Melbourne and Werribee zoos, Royal Exhibition Building and the Arts Centre Melbourne. We also power facilities in regional Victoria including the Morwell train station, Traralgon police station and the Wimmera Base Hospital.

We have also worked closely with the Department of Energy, Environment and Climate Action (DEECA) to progress and finalise the transfer of VRET and Bulgana contracts to us.

From 1 July 2025, Bulgana Green Power Hub as well as VRET projects, which include Berrybank Wind Farm, Cohuna Solar Farm, Dundonnell Wind Farm, Winton Solar Farm, Glenrowan Solar Farm, will supply us with renewable energy.

We have also established internal capability to manage the VRET and Bulgana power purchase agreements, employing skilled people across wholesale trading, market risk, finance and appropriate systems.

Our renewable energy generation and storage portfolio



Victorian Renewable Energy Target projects, as well as the Bulgana Green Power Hub, provide SEC with renewable electricity and large-scale generation certificates (LGCs). This, together with electricity and LGCs generated from our own projects, will enable us to supply 100% renewable electricity to our government and business customers.

CASE STUDY: Preparing to enter the market

SEC undertook a power of work to enter the Victorian market as a renewable electricity retailer to government and commercial and industrial customers.

Importantly, we secured all regulatory approvals to allow us to commence retail operations, including a retail licence from the Essential Services Commission and registration from the Australian Energy Market Operator.

We also secured regulatory approvals to manage financial risks associated with our market trading and settlement activities, including an Australian Financial Services Licence from the Australian Securities and Investments Commission and Austraclear Participant status from the Australian Stock Exchange.

To support these applications, we developed and produced policies, procedures, proofs and documentation, such as signed contracts and audited financial statements. These cover all parts of the business, including governance, finance, energy markets, risk, human resources and legal.

We also developed and delivered the processes and technology required to support our retail operations, including recruiting and training a high-performance customer team and partnering with our utility technology partner, Tally Group.

We developed a comprehensive customer operations manual, including governance and reporting processes, to define how the team will work to provide accurate and timely billing and an exceptional customer experience.

We also developed the processes to ensure Victorian Government customers' safe and effective onboarding.

Onboarding activities began in April 2025 and included uploading customer account data, setting up accounts in our Tally system and starting to raise transactions in the market.

In May 2025, we hit our final market readiness targets, ensuring we could operate as an electricity retailer on 1 July 2025, when our retail contracts began, and we started to bill our customers.

SEC CEO, Chris Miller, launched SEC's retail operations at the Docklands Studios Melbourne. Pictured in the background is the iconic Flinders Street Station, just one of the Victorian Government buildings now powered by SEC.



Consumer Energy Solutions

Helping households to go all-electric

SEC is focusing on having a meaningful impact on Victorians – providing households with trusted, simple information, products and services to help them go electric.

Electric homes are cheaper to run, healthier to live in and better for the planet. Switching heating, hot water and other appliances from gas to electric will help reduce energy bills and emissions. In fact, modelling shows that whole home electrification can lower the average detached houses' energy bills significantly (around 40%, or \$1,700 a year, by switching to all-electric, or around 66% – more than \$2,700 a year – by also adding solar).¹

Minister for the State Electricity Commission Lily D'Ambrosio (left) and Member for Eureka Michaela Settle (right) and Ballan resident Renee Robinson (centre) use SEC's online electric home planner.

¹ Victoria's Gas Substitution Roadmap



We are ensuring more Victorians benefit from the renewable energy transition by supporting households to go electric. We're helping Victorian households to reduce their energy bills and emissions by offering simple and practical solutions to help them switch to electric and improve their understanding of the support available to make the switch.

We're creating simple and affordable products and services that unlock financial and environmental benefits, developing products and services that accelerate the switch to all-electric homes and fill market gaps.

We are working to address challenges such as:

- availability of information – there is a genuine lack of awareness and understanding of the benefits of electrification
- complexity – consumers want simple solutions
- trust – how to find reputable, trusted installers
- affordability – upfront costs of installing new appliances.

We can't solve this alone, and we are working with partners, including financiers, consumer advocacy groups and all levels of government, to overcome these challenges.

Progress across the year:

SEC is developing a one-stop shop to help Victorians navigate the process of going electric to cut their energy bills and emissions.

In August 2024, we launched the first of a series of pilots for our electric home planner, which takes the guesswork out of going electric. The online tool walks users through a short survey about their home and energy use and then tailors a plan to cut their energy bills by electrifying their homes and switching to energy efficient electric appliances.

We showcased the planner at the Home Show in Melbourne, speaking to 1,500 people over three days. Around 250 people developed a plan to electrify their homes using our tool at SEC's stand.

Our planner, which has since received more than 14,000 visits, calculates all the upfront costs, annual bill savings, return on investment, and applies government discounts and rebates. In select local government areas it connects users to SEC-endorsed suppliers and installers.

Households only pay installers if they wish to proceed with upgrades, when the time is right for them.

Since August 2024, we have run pilots in several regional and metropolitan local government areas, testing different elements of our offering. The pilots were a key step as we work to develop a full-service SEC one-stop shop to help Victorians cut their energy bills and emissions.

The service will ensure Victorian families have all the information they need to make their homes more energy efficient – whether that's for an appliance that has already broken down or planning for the future.

One-stop shop

From 2026, through the one-stop shop, Victorian households will have access to:

- consumer portal: tailored guidance on the benefits of going all-electric
- household electrification recommendations: expert advice from multiple channels
- installer marketplace: connection to local and trusted SEC-endorsed installers in select local government areas for obligation-free, tailored quotes
- product marketplace: comparisons between endorsed products across various capabilities and price points
- market information and platforms: streamlined access to government rebates and low-interest financing.



Tailored guidance



Household electrification recommendations



Installer marketplace



Product marketplace



Market information and platforms

CASE STUDY: Our pilots in action

When Veronique and her partner moved into their double-storey Brunswick townhouse in late 2024, they were keen to go electric as soon as possible.

Their motivation for switching to electric was two-fold.

"One big motivator was that we're worried about the environment, and we want to reduce our carbon footprint," Veronique said. "Our second motivator was with the increasing cost of living and energy bills going up, we want to take that into our own control."

Veronique used SEC's electric home planner to tailor a plan to go electric at a pace that suits her budget.

Over 14,000 visits have been made to the home planner, which uses simple information about your home to create a personalised plan, including indicative appliance costs, government rebates, potential return on investment and emissions reduction. In select local government areas, the planner connects users with SEC-endorsed installers who can provide a detailed in-home assessment and no-obligation quote.

"SEC's home planner was really helpful to go through our options and work out the best approach for us," Veronique said.

Below and right: Brunswick resident, Veronique, used SEC's electric home planner to go electric. This included installing a heat pump hot water system.

"It was good to have a trusted list of suppliers recommended by SEC. The planner connected us to Specialized Solar who walked us through the process and tailored options to our own circumstances. We started with a quote for having everything upgraded at once. Then we rolled it backwards to what we felt comfortable spending."

The first step for Veronique's home was to install a heat pump hot water system to replace the gas unit. In Victoria, water heating accounts for around 20% of household energy use. Households can save up to \$330 a year on energy bills by upgrading to a heat pump hot water system*.

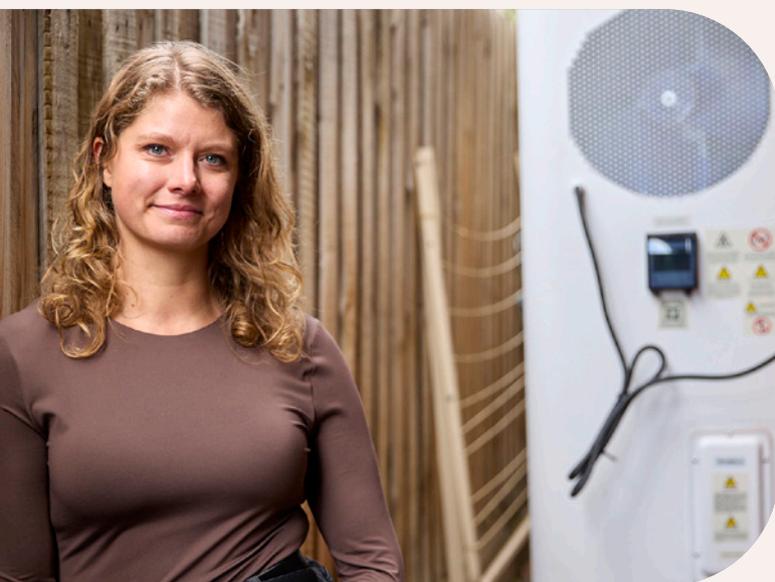
Next Veronique installed a solar system and battery, which will reduce her bills even more.

With the house heated by split systems, the only remaining gas appliance was the stove top. Upgrading to induction is planned down the track when budget allows, so as an interim solution, Veronique is running two portable induction cooktops.

The house has been disconnected from gas and already there are savings by removing the annual daily supply charge. The annual daily supply charge typically ranges from 65 cents to \$1.40 per day, depending on the retailer and plan.

"We don't need to pay that daily fee for gas. And with a heat pump, we're now able to harness our solar power during sunshine hours, and we can basically produce free hot water."

**Savings vary based on individual circumstances.*





Strategy, Performance and People

Building the workforce of the future

Achieving the Victorian Government's renewable energy and storage targets by 2035 requires a massive increase in renewable energy and storage capacity and the skilled workforce to support it.

SEC is already contributing. Our investments in solar, storage and other projects have created rewarding jobs and training opportunities, including direct and indirect employment. So far, 1,345 job opportunities have been created across our projects.

We are partnering with industry to work with schools, TAFEs, universities, government and Traditional Owners to identify opportunities and address challenges – so we can build the workforce we need.

We will support the attraction, training, and retention of a skilled renewable energy workforce.

An SEC employee speaks to high school students about career options in the renewable energy sector at a jobs fair in Melbourne.



Victoria's renewable energy transition will create thousands of jobs. This includes apprenticeships, traineeships and graduate programs as well as a wide range of trades, specialist and generalist roles. From electricians, construction, engineering, project managers and machine operators, through to community liaison, operations and administration – as our projects scale up, so will the jobs.

As a government-owned company with a strong public purpose, we work to ensure that Victorians benefit from the jobs and opportunities the energy transition brings. We're setting high benchmarks as an employer of choice, role-modelling diversity, inclusion and flexible work practices. Our focus is on bringing more women into historically male-dominated roles and setting up programs for underrepresented groups.

We're working with First Peoples to create programs and opportunities that support self determination.

We're working with government, industry and training providers to support quality, industry-aligned training and develop the pipeline of skilled workers our energy transition needs while working with students to attract them to renewable energy careers.

Our comprehensive student education program includes practical examples of jobs and career pathways in renewable energy. We host site visits to our projects so students can experience firsthand the renewable energy industry and the jobs it creates, and we deliver hands-on workshops in schools to inspire students in science and technology.

We speak with thousands of students at careers events, raising awareness and interest in renewable energy jobs.

Progress across the year:

Our renewable generation and storage projects are creating local jobs and content opportunities.

Our activities to date have created 500 full-time equivalent jobs, and provided opportunities for more than 1,230 workers (including 71 apprentices) at the Melbourne Renewable Energy Hub (MREH) at Plumpton.

Construction is also underway at SEC Renewable Energy Park – Horsham, which will create 246 construction jobs, including 20 for apprentices, trainees and cadets. Already 115 opportunities have been created on site (including 75 positions for local people) and 5 apprentices.

We are working to build awareness, interest, and pathways in renewable energy jobs for Victorians of all ages.

SEC also speaks with thousands of students at school career nights and events, raising awareness and interest in renewable energy jobs.

In the past year, we have engaged with more than 3,800 students to raise awareness of renewable energy career opportunities and are ramping up engagement this year.

For example, we have attended events including the Victorian Careers Show at Melbourne Showgrounds, Gippy Youth Summit, Casey Tech School's 2025 STEM Futures, Monash Tech School Industry Immersion, VCE and Careers Expo, Department of Education Tech and Trades Fit Expo and Emerging Industries Career Expo in Bairnsdale. These events have a combined audience reach of tens of thousands of students.

We hear repeatedly from students, teachers and industry that "you can't be what you can't see" so we have developed an excursion program where students can get a hands-on feel for our projects and the impact they are having in the community. We hosted our first student site visit at MREH in late 2024, discussing the energy transition and showcasing the range of careers in the renewable industry.

We have scaled this up in 2025 to run site visits twice in a school term.

As we build out our assets portfolio, we will also host visits at our new sites, so students can experience firsthand the renewable energy industry and the jobs it creates throughout the state.

We have also laid the groundwork for an in-school incursion program, which will reach over 20 schools in its first year. We will use engaging play-based and curriculum-aligned activities to immerse students in the science behind renewable energy. This provides a platform to deeply engage students, educate them about the transition and the types of jobs available in their local region. It will indirectly reach parents and families to share with them the opportunities and benefits of renewable energy.

We are also building deep relationships with tech schools, which provide high-tech, hands-on science, technology, engineering and maths (STEM) programs to secondary school students in their local areas.

We have developed a Memorandum of Understanding with Monash Tech School to co-design a program that will showcase our renewable energy assets in an immersive learning environment. The program can reach hundreds of students and can be scaled to other tech schools to reach an even broader audience.

We used interactive activities to bring science to life and build awareness and enthusiasm for STEM and vocational pathways, with a particular emphasis on increasing participation by women and girls.

We are working with education providers, including Victorian Tech Schools, to amplify messages on the importance of renewable energy and promote VET and regional pathways.

CASE STUDY: Site visits inspire students to work in renewables

Student ambassadors from Engineers Australia were given a behind-the-scenes tour of one of the world's biggest batteries to see what a career in the renewables sector can offer.

The students from universities across Melbourne visited SEC's Melbourne Renewable Energy Hub (MREH), in Plumpton, in March 2025.

The students were able to see the project's 444 Tesla Megapacks units and massive 335-tonne transformers up close. They had an opportunity to hear the onsite engineers speak about how they got into the industry and ask questions about working on one of the world's biggest batteries.

University of Melbourne engineering student Selini Samaranayake said the visit had opened her eyes to the possibility of a career in renewable energy.

"It helped me to decide that energy is the way to go," Selini said. "A lot of young students, particularly female, are not exposed to experiences like this when they start out. It opens doors and opportunities."

The visit was one of several to MREH as we ramp up our engagement with students to show them the career opportunities available in renewable energy.

In November 2024, year 10 students from nearby Melton Specialist School also toured MREH to learn about vibrant career paths and opportunities available in the sector.

Below and right: Student ambassadors from Engineers Australia were given a behind-the-scenes tour of the Melbourne Renewable Energy Hub.





Our people

To achieve the progress made across the past financial year, our workforce has increased. We are committed to applying merit and equity principles when appointing staff. The selection processes ensure applicants are assessed and evaluated fairly and equitably based on the key selection criteria and other accountabilities without discrimination.

Employees have been correctly classified in workforce data collections. All jobs advertised have the option of being based in Melbourne or Morwell.

The following table discloses the head count of all active employees in the last full pay period in June 2025:

By level	2025		2024	
	Headcount	FTE	Headcount	FTE
Executive*	9	8.6	8	7.9
Non-executive	116	114.8	37	36.8
	125	123.4	45	44.7
By work location				
Melbourne	119		44	
Morwell	5		1	
Horsham	1		-	
By gender				
Female	61		30	
Male	64		15	
Undisclosed	-		-	

* For the purposes of this disclosure, "Executive" includes the CEO and their direct reports, excluding the executive assistant.

Occupational health and safety

At SEC, we are committed to providing a safe and healthy workplace in accordance with occupational health and safety laws. The wellbeing of our employees, contractors, agents and other authorised individuals required to conduct work at our premises will be proactively monitored and considered during all work performed on our behalf to minimise the risk of harm.

Our approach to health, safety and wellbeing of our people is underpinned by the following principles.

We will all strive to achieve a safe and healthy workplace by:

- understanding individual accountabilities and contributions
- demonstrating visible and meaningful safety leadership through actions and behaviours
- driving a culture of safety excellence with our people and business partners
- developing our people and being actively involved in group objectives and targets aimed at continuous improvement and the elimination of work-related injury and illness
- taking a proactive approach to the identification of workplace risks
- timely reporting of hazards and incidents
- ensuring that workstations and work areas are safe (including when working from home).

SEC will meet our safety responsibilities by:

- actively involving our people in decisions that keep them safe
- continually reviewing our performance and implementing improvements based on this knowledge
- knowing our obligations and ensuring we are appropriately resourced to meet and surpass them
- supporting our people with injuries or illness in achieving their full potential within the workplace.

We will all prevent harm by:

- the systematic identification and management of risk
- promptly responding when health and safety concerns are raised
- continually ensuring that health, safety and wellbeing risks are adequately controlled
- empowering our people to speak up and make safe choices to prevent harm
- ensuring our people's wellbeing is always considered
- complying with our legislative obligations and the values outlined in our Code of Conduct.

Key safety performance indicators are presented below for SEC's corporate locations and SEC Renewable Energy Park – Horsham construction site:

Key safety performance indicators	2025	2024
Number of reported hazards for the year per 100 FTE	18.62	31.15
Number of recordable injuries for the year per 100 FTE	7.86	-
Number of 'lost time' standard claims for the year per 100 FTE	-	-
Average cost per claim for the year	-	-

Financial management compliance attestation statement

I, Christopher Francis Miller, on behalf of SEC Victoria Pty Ltd, certify that SEC Victoria Pty Ltd has no Material Compliance Deficiency with respect to the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions.



Chris Miller
CEO, SEC

Directors' report

The directors present their report on the consolidated entity consisting of SEC Victoria Pty Ltd (the Company) and its controlled entities, including SEC Energy and SEC Infrastructure (collectively, SEC or the Group) for the year ended 30 June 2025.

Directors

The directors of the Company in office during the financial year and up to the date of this report are set out below. Directors were in office for this entire period unless otherwise stated:

Simon Corbell, Non-executive Chair

Joycelyn Morton, Non-executive director

Damien Barnes, Non-executive director

Joanne Benvenuti, Non-executive director

Anna Skarbek, Non-executive director

Sharan Burrow, Non-executive director (appointed 1 October 2024)

Cameron Garnsworthy, Non-executive director (appointed 1 October 2024)

Company secretary

The Company Secretary for the Company at any time during the reporting period was Mr Sam Gifford (current).

Directors' meetings

Name	Board		Audit and Risk Committee*		Investment and Assets Committee*	
	Meetings held: 10		Meetings held: 4		Meetings held: 4	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
Simon Corbell (Board Chair)	10	10	4	4	4	4
Joycelyn Morton	10	10	4	4	4	4
Damien Barnes	8	10	3	4	4	4
Joanne Benvenuti	9	10	4	4	4	4
Sharan Burrow	7	7	3	1	1	-
Cameron Garnsworthy	7	7	3	1	1	-
Anna Skarbek	10	10	4	4	3	4

* Joycelyn Morton is the Chair of the Audit and Risk Committee. Simon Corbell is the Chair of the Investments and Assets Committee.

In some instances directors attended committee meetings as an observer, rather than a specific committee member. This has been reflected in the table above. In addition to the above, three Board meetings were convened solely for the purpose of passing a resolution. No other business was conducted at these meetings. In addition to attending formal board and committee meetings, directors also participated in briefings with management to discuss and consider strategic issues.

Principal activities

The principal activities of the Group during the year were:

- the establishment of energy market operations ready to commence retailing to Victorian government and accept novation of the VRET and Bulgana contracts from 1 July 2025
- the investment in renewable energy generation and storage projects
- continued research and development of a one-stop shop to help Victorian households go all-electric.

Financial and operational performance

SEC has been set up to operate together for a single, integrated purpose but with each state-owned company having a specific purpose aligned with the Group's core operating segments – Assets, Energy Markets and Consumer Energy Solutions – supported by our corporate services team, as set out in the table below:

Entity	Segment	Details
SEC Victoria Pty Ltd	Consumer Energy Solutions & Corporate Services	SEC Victoria Pty Ltd is the parent entity that receives debt and equity funding from the government, employs staff and incurs all other costs on behalf of SEC Group related to corporate services, such as insurance, accommodation and technology support. Consumer Energy Solutions business activities are also incurred by SEC Victoria.
SEC Infrastructure Pty Ltd	Assets	SEC Infrastructure Pty Ltd is the entity through which the Group invests in renewable electricity generation and storage infrastructure projects. The revenue earned by these projects once they are operational may be via offtake agreement with SEC Energy or sale of output (e.g. electricity generation) to the market.
SEC Energy Pty Ltd	Energy Markets	SEC Energy Pty Ltd holds the electricity retail licence and Australian Financial Services License and is responsible for participating in wholesale electricity markets and retailing electricity to commercial and industrial customers. SEC Energy enters into offtake agreements with projects invested in by SEC Infrastructure and manages the Group's overall retail and wholesale energy market position through the purchase and sale of energy market derivatives.

To facilitate the clear and efficient reporting of financial information by SEC Victoria and its related entities, this single, consolidated report has been prepared to meet the requirements for each entity.

The next section presents summary financial information for each of these segments reconciled to the Group consolidated financial statements included in this Annual Report.

Financial position and capital management

	30 June 2025	30 June 2024	Change
	\$000's	\$000's	\$000's
Borrowings	-	-	-
Lease liabilities	9,219	-	9,219
Total debt	9,219	-	9,219
Cash and cash equivalents	356,300	264,215	92,085
Net debt / (net cash)	(347,081)	(264,215)	(82,866)
Equity	675,730	339,055	336,675

Approved funding contributions of \$344 million for the reporting period were received from the state government (2024: \$336 million), allowing SEC to commit to its second major project, SEC Renewable Energy Park – Horsham (Horsham).

The capital estimate for Horsham is \$370 million which will be funded through a combination of equity and debt. A multi option loan facility was entered into during the year between SEC and Treasury Corporation of Victoria with an approved limit of \$233.8 million. No amounts have been drawn on this loan facility at 30 June 2025. Refer to Note 10 in the accompanying financial statements for further information.

Liquidity

At 30 June 2025, the Group had \$356.3 million of liquidity available in the form of cash on hand. Total debt was \$9.2 million and solely comprised lease liabilities.

	Year ended 30 June 2025	25 October 2023 to 30 June 2024	Change
	\$000's	\$000's	\$000's
Net cash from/(used in) operating activities	(64,747)	1,310	(66,057)
Net cash used in investing activities			
– payments for investment in MREH	(119,600)	(73,095)	(46,505)
– capital expenditure on Horsham	(67,568)	-	(67,568)
Net cash used in investing activities	(187,168)	(73,095)	(114,073)
Net cash from financing activities	344,000	336,000	8,000
Net increase in cash	92,085	264,215	(172,130)

Cash used in operating activities of \$64.7 million was higher than the prior period for the following reasons:

- the prior period does not reflect a full year and covers the early period of establishing SEC
- in addition to payment to suppliers and employees, cash used in operating activities in the current year includes the cost of purchasing financial products to manage the Group's energy markets risk exposure from 1 July 2025.

Cash used in investing activities of \$187.2 million is higher than the prior period as the Group continued to build out its portfolio of renewable energy generation and storage assets as noted below:

- construction continued at MREH, with \$119.6 million (2024: \$73.1 million) invested into the project during the year, taking project to date payments to \$193 million against the SEC's total commitment of \$245 million. The Group's investment in MREH is accounted for as a joint venture using the equity accounting method which means the carrying amount of the investment in the statement of financial position is comprised of the capital contributions made towards the investment, adjusted for the Group's share of MREH profit or loss after tax.
- in November 2024, we announced our second investment, the 100% owned SEC Renewable Energy Park – Horsham. The total construction capital estimate for Horsham is \$370 million and will be funded through a combination of equity and debt. Capital expenditure payments of \$67.6 million were made in the current year for acquisition and construction of this project.

Financial performance

Statutory loss after tax attributable to shareholders was \$6.8 million, a decrease of \$12.6 million compared to statutory profit of \$5.8 million in the prior period.

SEC believes that underlying profit/(loss) after tax can provide a clearer understanding of the Group's financial performance than statutory profit/(loss) after tax and allows for more relevant comparison of financial performance between financial periods.

Underlying profit/(loss) is a non-International Financial Reporting Standard (IFRS) measure reflecting statutory profit/(loss) after tax adjusted for:

- changes in the fair value of financial instruments recognised in the consolidated statement of profit or loss (to remove the volatility caused by timing mismatches in valuing financial instruments and the underlying transactions they related to)
- significant items (which are material items of revenue or expense that are unrelated to the underlying performance of the business).

The following table reconciles statutory profit/(loss) after tax to underlying profit/(loss) after tax, and then to underlying earnings before interest, tax, depreciation and amortisation (EBITDA).

Reconciliation of statutory (loss)/profit to underlying EBITDA

	Year ended 30 June 2025	25 October 2023 to 30 June 2024	Change
	\$000's	\$000's	\$000's
Statutory (loss)/profit after tax	(6,819)	5,828	(12,647)
Items excluded from Underlying Profit (post-tax)			
Changes in fair value of financial instruments	(40,821)	(13,830)	(26,991)
Significant items	-	-	-
Underlying (loss)/profit after tax	(47,640)	(8,002)	(39,368)
Items excluded from Underlying EBITDA			
Depreciation and amortisation	164	-	164
Net finance income	(19,291)	(2,032)	(17,259)
Income tax expense	5,239	-	5,239
Underlying EBITDA	(61,528)	(10,034)	(51,494)
By segment:			
Assets	(13,078)	(5,880)	(7,198)
Energy markets	(4,079)	(337)	(3,742)
Consumer energy solutions	(5,231)	(294)	(4,937)
Corporate services	(39,140)	(3,523)	(35,617)
Underlying EBITDA	(61,528)	(10,034)	(51,494)

Expenditure increased across all segments as activities ramped up to deliver on SEC's strategic pillars as follows:

- **Assets:** this segment includes the Group's equity accounted share of MREH loss of \$7.8 million for the current year (2024: \$5.4 million) as construction activities continued, ready for the commencement of operations in FY26. Other costs relate to the ongoing assessment, due diligence and negotiation of potential investment opportunities in renewable energy generation and storage projects, including the decision to acquire 100% of Horsham in the current year
- **Energy Markets:** this segment includes the Customer, Trading and Analytics teams responsible for the operation and management of SEC's energy markets activities. During the current year, this team delivered the retail contracts with the Victorian Government, onboarded over 4,000 government sites ready for 1 July 2025, analysed expected generation supply and retail demand to inform market risk metrics and executed over-the-counter and ASX electricity derivative trades to hedge the Group's net exposure to market risks over the next 3 years
- **Consumer energy solutions:** this segment includes the cost of completing a series of pilots and other market data gathering activities designed to inform the development of our electric home planner. Towards the end of the current financial year, we launched an EOI for installers
- **Corporate services:** this segment includes the core supporting functions underlying business operations and as such, will have no significant future sources of revenue. Current year result reflects the cost of implementing robust systems and processes across customer billing, finance, procurement, payroll, trading and risk management, as well as obtaining all necessary licenses needed to become a retail and wholesale energy market participant from 1 July 2025.

We will commence earning revenue from our operating segments in the next financial year – from Assets as the MREH batteries are commissioned and start operating, from Energy Markets as a retailer to government and other commercial and industrial customers, and from Consumer Energy Solutions as the one-stop shop is launched.

As the Group was only formed in October 2023, the prior period does not represent a full year of activity. This year was characterised by a period of rapid growth in people and operations in preparation for market entry and continued investment in renewable energy projects.

Changes in fair value of financial instruments

Changes in the fair value of financial instruments recognised in profit or loss (excluded from Underlying (loss)/profit) was an unrealised gain of \$40.8 million, up from an unrealised gain of \$13.8 million in the prior period. The net gain reflects a positive fair value movement in level 3 electricity derivatives due to upward movements in medium to long term energy revenue expectations (a key input into valuation) since last year end.

Depreciation, interest and tax

Key non-operating matters forming part of the financial result include:

- depreciation expense of \$164,000 recognised for the first time in the current period in relation to right-of-use assets
- net finance income of \$19.3 million reflecting interest earned on cash at bank partially offset by interest expense recognised on lease liabilities
- income tax expense of \$5.2 million has been recognised for the first time in the current period following the Group's entry into the National Tax Equivalent Regime. Income tax expense is made up entirely of deferred tax expense, reflecting the temporary differences between the accounting carrying amount of an asset or liability in the statement of financial position and its tax base. No current tax is payable.

FY26 Outlook

Given SEC was being established during the current and prior reporting periods, these results are not indicative of the future performance of the business.

From 1 July 2025, SEC commenced retailing 100% renewable electricity to its Victorian government customers, supported by the synthetic generation offtake from the Victorian Renewable Energy Target and Bulgana contracts.

In early 2026 we will launch our 'one-stop shop' electric home planner and commence earning revenues from this segment.

Climate-related risk disclosure statement

Management considers that climate change and the associated energy transition has both risks and opportunities for SEC. In preparing for the forthcoming mandatory climate-related financial disclosures, required under the *Corporations Act 2001* and Australian Sustainability Reporting Standards, appropriate governance arrangements, capability and data requirements are being considered with a view to having a more progressed assessment available for reporting next year. Based on forecast financial information, management expects the mandatory climate-related sustainability reporting requirements to apply to SEC for the first time in the year ending 30 June 2027.

Events occurring after the Balance Sheet date

Retail operations commenced

From 1 July 2025, SEC commenced retailing operations to government commercial and industrial sites, servicing around 5% of Victoria's total energy load. Effective from the same date, Victorian Renewable Energy Target (VRET) and Bulgana power purchase contracts were novated from the Department of Energy, Environment and Climate Action (DEECA) to SEC Energy to act as a synthetic hedge against the cost of energy for this load, as described below.

VRET novation

To support the VRET, DEECA (formerly the Department of Environment, Land, Water and Planning) entered contracts to support the construction of renewable energy projects in Victoria. These contracts were entered into between 2017 and 2024 and are contracts for difference for purchase of electricity and large-scale generation certificates (LGCs) from/to private sector parties. Effective from 1 July 2025, to align with the commencement of retailing operations, the rights and obligations under 6 VRET and Bulgana contracts transfer from DEECA to SEC Energy Pty Ltd. The \$381.1 million fair value of the contracts transferred at 1 July 2025 will be initially recognised as a capital contribution from DEECA and a corresponding other financial asset, in the statement of financial position. Subsequent changes in fair value, using SEC's valuation techniques, inputs and assumptions, will be recognised through profit or loss.

Other

On 4 August 2025, a floating rate \$150 million working capital facility was executed with Treasury Corporation of Victoria. This facility provides ready access to short term funds to support operational activity, specifically AEMO prudential support or ASX margin calls, if required, and is repayable by 30 June each year. No amounts have been drawn on this facility in the period to the date of this report.

There is no other circumstance that has arisen since 30 June 2025 that has significantly affected or may significantly affect in future years:

- a) the Group's operations
- b) the results of those operations
- c) the state of affairs of the Group.

Dividends

The *Constitution Amendment (SEC) Act 2024* prohibits SEC from paying any dividend or making any other distribution of profits to its shareholders or the State.

Accordingly, the Board of Directors have neither declared nor recommended a dividend, and no dividend has been paid for the reporting period ended 30 June 2025.

Impact of legislation and other external requirements

In addition to the Corporations Act 2001, the Group is required to comply with additional legislation, detailed from page 88 (corporate compliance section). This legislative framework reflects SEC's status as a state-owned entity of Victoria.

Directors' interests

No Director holds an interest in any shares in SEC Victoria. The beneficial shareholders are the Premier and Treasurer of the State of Victoria.

Indemnification and insurance of officers and auditors

The Company has not, during or since the reporting period, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of SEC Victoria against a liability incurred.

Non-audit services

The Victorian Auditor-General's Office has not performed any services for the Company other than the audit of the annual financial report.

Proceedings on behalf of the Company

No person has applied to the Court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration

The auditor's independence declaration is set out in page 47 of this report and forms part of the financial report for the reporting period.

Rounding of amounts

In accordance with Financial Reporting Direction 30, relating to the 'rounding off' of amounts in the financial statements. Amounts in the Directors' report and financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This Directors' report is made in accordance with a resolution of the directors.



Simon Corbell
Board Chair, SEC

6 October 2025

Auditors independence declaration



Auditor-General's Independence Declaration

To the Directors, SEC Victoria Pty Ltd

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for SEC Victoria Pty Ltd for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
14 October 2025

A handwritten signature in black ink, appearing to read "Paul Martin", is positioned above the printed name.

Paul Martin
as delegate for the Auditor-General of Victoria

Audit report

OFFICIAL



Independent Auditor's Report

To the Directors of SEC Victoria Pty Ltd

Opinion	<p>I have audited the consolidated financial report of SEC Victoria Pty Ltd (the company) and its controlled entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none">• consolidated statement of financial position as at 30 June 2025• consolidated statement of profit or loss and comprehensive income for the year then ended• consolidated statement of changes in equity for the year then ended• consolidated statement of cash flows for the year then ended• notes to the consolidated financial statements, including material accounting policy information• declaration by Board Chair, Chief Executive Officer and Chief Financial Officer. <p>In my opinion, the consolidated financial report is in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and the <i>Corporations Act 2001</i> including:</p> <ul style="list-style-type: none">• giving a true and fair view of the financial position of the company and the consolidated entity as at 30 June 2025 and of their financial performance and cash flows for the year then ended• complying with Australian Accounting Standards and the <i>Corporations Regulations 2001</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Consolidated Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company and the consolidated entity in accordance with the auditor independence requirements of the <i>Corporations Act 2001</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other Information	<p>The Directors are responsible for the "other information" included in the company's Annual Report for the year ended 30 June 2025. The other information in the Annual Report does not include the consolidated financial report and my auditor's report thereon. My opinion on the consolidated financial report does not cover the other information included in the Annual Report. Accordingly, I do not express any form of assurance conclusion thereon.</p> <p>In connection with my audit of the consolidated financial report, my responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our 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 materially misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.</p>
Directors' responsibilities for the consolidated financial report	<p>The Directors of the company are responsible for the preparation of a consolidated financial report that gives a true and fair view in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Corporations Act 2001</i>, and for such internal control as the Directors determine is necessary to enable the preparation of a consolidated financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the company's and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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Auditor's responsibilities for the audit of the consolidated financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the consolidated financial report based on the audit. My objectives for the 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated financial report.

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

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

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

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
14 October 2025



Paul Martin
as delegate for the Auditor-General of Victoria

Financial Statements

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

		Year ended 30 June 2025	25 October 2023 to 30 June 2024
	Note	\$000's	\$000's
Other operating income		1,680	1,500
Operating expenses	3	(14,608)	7,705
Results of equity accounted investees	18	(7,779)	(5,409)
Operating (loss)/profit before depreciation and amortisation and net financing costs		(20,707)	3,796
Depreciation and amortisation		(164)	-
(Loss)/profit before net financing costs		(20,871)	3,796
Interest expense	4	(350)	-
Interest income	4	19,641	2,032
(Loss)/profit before income tax		(1,580)	5,828
Income tax benefit/(expense)	14	(5,239)	-
(Loss)/profit for the period		(6,819)	5,828
Other comprehensive income			
Items that may be reclassified to profit or loss, net of tax			
Gain/(loss) in fair value of cash flow hedges		(526)	-
Share of other comprehensive income/(loss) of equity accounted investees	18	20	(2,773)
Total other comprehensive loss, net of tax		(506)	(2,773)
Total comprehensive (loss)/income for the year		(7,325)	3,055

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2025

		2025	2024
	Note	\$'000's	\$'000's
Assets			
Current Assets			
Cash and cash equivalents	5	356,300	264,215
Receivables		3,200	126
Other financial assets	9	38,034	-
Other assets		425	-
Total current assets		397,959	264,341
Non-current assets			
Property, plant and equipment	6	105,781	-
Other financial assets	9	46,400	13,830
Investments accounted for using the equity method	18	176,756	64,913
Total non-current assets		328,937	78,743
Total assets		726,896	343,084
Liabilities			
Current liabilities			
Payables	7	24,235	3,164
Provisions	8	7,964	759
Other financial liabilities	9	752	-
Interest bearing liabilities	10	917	-
Total current liabilities		33,868	3,923
Non-current liabilities			
Provisions	8	3,983	106
Interest bearing liabilities	10	8,302	-
Deferred tax liabilities	14	5,013	-
Total non-current liabilities		17,298	106
Total liabilities		51,166	4,029
Net assets		675,730	339,055
Equity			
Contributed capital	11	680,000	336,000
Reserves		(3,279)	(2,773)
(Accumulated losses)/Retained earnings		(991)	5,828
Total Equity		675,730	339,055

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

Consolidated statement of changes in equity

For the year ended 30 June 2025

	Contributed capital	Reserves	Retained earnings/ (accumulated losses)	Total
	\$000's	\$000's	\$000's	\$000's
Balance at 25 October 2023	-	-	-	-
Profit for the period	-	-	5,828	5,828
Other comprehensive loss for the year, net of income tax	-	(2,773)	-	(2,773)
Total comprehensive income	-	(2,773)	5,828	3,055
Transactions with owners:				
Contributed capital	336,000	-	-	336,000
Balance at 30 June 2024	336,000	(2,773)	5,828	339,055
Balance at 1 July 2024	336,000	(2,773)	5,828	339,055
Loss for the year	-	-	(6,819)	(6,819)
Other comprehensive loss for the year, net of income tax	-	(506)	-	(506)
Total comprehensive loss	-	(506)	(6,819)	(7,325)
Transactions with owners:				
Contributed capital	344,000	-	-	344,000
Balance at 30 June 2025	680,000	(3,279)	(991)	675,730

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

Consolidated statement of cash flows

For the year ended 30 June 2025

		Year ended 30 June 2025	25 October 2023 to 30 June 2024
	Note	\$000's	\$000's
Cash flows from operating activities			
Grants received		1,500	1,500
Payments to suppliers and employees		(85,604)	(2,222)
Interest received		19,641	2,032
Interest paid		(284)	-
Net cash flows (used in)/from operating activities	5ii	(64,747)	1,310
Cash flows from investing activities			
Payments for property, plant and equipment		(67,568)	-
Payments for investments in equity accounted investees		(119,600)	(73,095)
Net cash flows used in investing activities		(187,168)	(73,095)
Cash flows from financing activities			
Owner contributions by State Government		344,000	336,000
Net cash flows from financing activities		344,000	336,000
Net increase in cash and cash equivalents for the period		92,085	264,215
Cash and cash equivalents at the beginning of the period		264,215	-
Cash and cash equivalents at 30 June 2025	5i	356,300	264,215

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

Notes to the consolidated financial statements

1. General information

SEC Victoria Pty Ltd (the Company) is a for-profit proprietary company domiciled in Australia. These financial statements comprise the Company and its controlled entities (the Group).

The principal activities of the Group during the year were:

- the establishment of energy market operations ready to commence retailing to Victorian government and accept novation of the VRET and Bulgana contracts from 1 July 2025
- the investment in renewable energy generation and storage projects, and
- continued research and development of a one stop shop to help Victorian households go all-electric

Pursuant to section 3, of the *Financial Management Act 1994* (FMA), the Treasurer of Victoria declared that SEC Victoria is a body to which Part 7 of the FMA applies, with effect from 21 December 2023.

The Company and the Group was established on 25 October 2023 under the provisions of the *Corporations Act 2001* and were each declared a state-owned Company under Part 5 of the *State Owned Enterprises Act 1992* on 14 November 2023.

The registered office and principal place of business is Level 26, 2 Lonsdale St, Melbourne, Victoria 3000.

The financial report was authorised for issue by the Board of Directors on 6 October 2025.

i. Basis of preparation

The functional and presentation currency of the Company and Group is the Australian dollar. Amounts are rounded and expressed to the nearest thousand dollars in accordance with Ministerial Directions under the FMA, unless otherwise stated.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost basis, except for certain assets and liabilities, including:

- derivatives and other financial assets and financial liabilities, that are measured at fair value
- non-financial physical asset measured at fair value
- employee benefits liabilities which are measured at present value.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Comparative information has been reclassified where required for consistency with the current year presentation.

ii. Use of judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimate'. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

iii. Statement of compliance

The financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001*, FMA and applicable AAS, which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

2. New accounting standards and interpretations

i. New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2024 and have been adopted by the Group:

- AASB 2020-1 Amendments to AASs – Classification of Liabilities as Current or Non-current

ii. New accounting standards and interpretations not yet adopted

Certain new and revised accounting standards have been issued but are not mandatory for the current reporting period. Those that are applicable to the Group, and which may have an effect on the Group's accounting policies, financial position or performance are disclosed below. These standards and interpretations have not been early adopted:

Accounting Standard	Description of change	Application date
AASB 18 <i>Presentation and Disclosure of Financial Statements</i>	<p>AASB 18 replaces AASB 101 <i>Presentation of Financial Statements</i> to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss.</p> <p>The key presentation and disclosure requirements established by AASB 18 is the presentation of newly defined subtotals in the statement of profit or loss. AASB 18 requires the Group to:</p> <ul style="list-style-type: none">• classify income and expenses into operating, investing, financing, income taxes and discontinued operations categories in the statement of profit or loss; and• present two newly defined subtotals – operating profit and profit before financing and income taxes.	<p>Standard: 1 January 2027</p> <p>Group: 1 July 2027</p>

Accounting Standard	Description of change	Application date
<p>AASB 2025-1 <i>Amendments to AASs – Contracts Referencing Nature-dependent Electricity</i></p>	<p>Nature-dependent electricity contracts help entities to secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions. This Standard amends AASB 7 and AASB 9 to allow entities to better reflect these contracts in the financial statements. The amendments:</p> <ul style="list-style-type: none"> • clarify the application of the “own-use” criteria to nature-dependent electricity contracts • permit hedge accounting if these contracts are used as hedging instruments • add new disclosure requirements to enable users of financial statements to better understand the effect of these contracts on an entity’s financial performance and cash flows. <p>When applying the “own-use” criteria, the sale of unused nature-dependent electricity will be in accordance with an entity’s expected purchase or usage requirements provided that specified criteria are met. In particular, an entity will be a net purchaser of electricity if it buys sufficient electricity to offset any sales of unused electricity – in the same market in which that electricity was sold. This would allow the contracts to remain outside the scope IFRS 9.</p> <p>The Amendments also allow an entity to designate a variable nominal volume of forecast electricity transactions as a hedged item, if specified criteria are met.</p> <p>Earlier application is permitted.</p>	<p>Standard: 1 January 2026</p> <p>Group: 1 July 2026</p>
<p>AASB 2024-2 <i>Amendments to AASs – Classification and Measurement of Financial Instruments</i></p>	<p>These amendments to AASB 7 and AASB 9 <i>Financial Instruments</i>:</p> <ul style="list-style-type: none"> • clarify that a financial liability is derecognised on the ‘settlement date’, i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. • introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before the settlement date if certain conditions are met • clarify how to assess contractual cash flow characteristics that include environmental, social and governance (ESG)-linked features and other similar contingent features when classifying financial assets • clarify how non-recourse features and contractually linked instruments are assessed for the purpose of applying the SPPI test when determining the measurement basis of financial assets. • require additional disclosures in AASB 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income. <p>The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.</p>	<p>Standard: 1 January 2026</p> <p>Group: 1 July 2026</p>

3. Operating expenses

	Year ended 30 June 2025	25 October 2023 to 30 June 2024
	\$000's	\$000's
Employee benefits expenses	23,247	3,404
Administration expenses	28,417	2,721
Fair value gain on derivatives	(40,821)	(13,830)
Other	3,765	-
Total	14,608	(7,705)

i. Accounting policy

The fair value methodology for derivatives are set out in Note 9 and 13.

4. Net financing income

	Year ended 30 June 2025	25 October 2023 to 30 June 2024
	\$000's	\$000's
Interest income	19,641	2,032
Interest on lease liabilities	(350)	-
Net financing income	19,291	2,032

i. Accounting policy

Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Finance costs directly attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets.

All other finance costs are recognised in profit or loss in the period in which they are incurred. Finance costs comprise interest expense on borrowings calculated using the effective interest method, unwinding of the discount on provisions and deferred consideration, and gains and losses on certain hedging instruments that are recognised in profit or loss.

5. Cash and cash equivalents

	2025	2024
	\$000's	\$000's
Cash on hand or on deposit	356,300	264,215
Cash and cash equivalents	356,300	264,215

i. Accounting policy

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash. The carrying amount represents fair value.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

ii. Reconciliation of net result for the period to cash flow from operating activities

	Year ended 30 June 2025	25 October 2023 to 30 June 2024
	\$000's	\$000's
Net result for the period	(6,819)	5,828
Non-cash movements:		
Net gain on financial instruments at fair value	(40,821)	(13,830)
Share of net loss of joint ventures accounted for using the equity method	7,779	5,409
Depreciation	164	-
Movements in assets and liabilities:		
Decrease/(Increase) in receivables	(3,074)	(126)
Decrease/(Increase) in other assets	(425)	-
Decrease/(Increase) in financial assets	(29,784)	-
Increase/(Decrease) in payables	1,824	3,164
Increase/(Decrease) in financial liabilities	-	-
Increase/(Decrease) in employee related liabilities	1,170	865
Increase/(Decrease) in deferred tax liabilities	5,239	-
Net cash flows (used in)/from operating activities	(64,747)	1,310

iii. Reconciliation of change in liabilities from financing activities

2025	Balance at beginning of financial year	Net proceeds/ (repayments)	Non-cash movements	Balance at end of financial year
	\$000's	\$000's	\$000's	\$000's
Lease liabilities	-	(284)	9,503	9,219
Total	-	(284)	9,503	9,219

No comparative has been prepared as there were no liabilities from financial activities noted in the prior year.

6. Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025	2024	2025	2024	2025	2024
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
At cost						
Assets under construction	96,420	-	-	-	96,420	-
At fair value						
Leasehold improvements	372	-	(2)	-	370	-
Right-of-use land	6,391	-	(120)	-	6,271	-
Right-of-use buildings	2,762	-	(42)	-	2,720	-
Total	105,945	-	(164)	-	105,781	-

i. Reconciliation of movements in carrying values of property, plant and equipment

	Note	Assets under construction	Leasehold improvements	Right-of-use land	Right-of-use buildings	Total
		\$000's	\$000's	\$000's	\$000's	\$000's
Balance at 1 July 2024		-	-	-	-	-
Acquisition of SEC Renewable Energy Park – Horsham	17	13,749	-	-	-	13,749
Additions		83,043	-	6,391	2,762	92,196
Transfers		(372)	372	-	-	-
Depreciation		-	(2)	(120)	(42)	(164)
Carrying amount at 30 June 2025		96,420	370	6,271	2,720	105,781

ii. Accounting policy

Property, plant and equipment

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment, except assets under construction which continue to be measured at cost less any accumulated impairment. Valuations are performed with sufficient frequency to ensure that the carrying amount of the revalued asset does not materially differ from its fair value.

The cost of assets under construction includes the cost of all materials used in construction, direct labour, financing costs (if qualifying) and an appropriate proportion of any variable and fixed overheads.

The carrying amounts of assets under construction are reviewed to determine if there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and if required, an impairment is recognised in the income statement. All other property, plant and equipment asset classes are stated at fair value in accordance with FRD 103 Non-financial physical assets.

Depreciation is calculated on a straight-line basis so as to write off the cost of each asset over its expected useful life.

Right of use (ROU) property, plant and equipment

The Group's leased assets include commercial offices and land. The Group recognises a ROU asset and a lease liability at the commencement date of the lease, being the date the underlying asset is available for use.

ROU assets are initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received
- any initial direct costs incurred
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

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

- Land ROU assets: lesser of lease period or up to 40 years
- Buildings ROU assets: lesser of lease period or up to 5 years

Revaluations

A revaluation surplus is recorded in other comprehensive income (OCI) and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

iii. Determination of fair values for non-financial physical assets

This section sets out information on how the Group determined fair value of non-financial physical assets for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following non-financial physical assets are carried at fair value:

- property, plant and equipment, excluding assets under construction
- right-of-use assets.

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. Classifications are in accordance with the fair value hierarchy, refer to Note 9ii. Fair value measurements.

\$000's					
2025	Carrying amount	Level 1	Level 2	Level 3	Total
Leasehold improvements	370	-	-	370	370
Right-of-use land	6,271	-	-	6,271	6,271
Right-of-use buildings	2,720	-	-	2,720	2,720
Total	9,361	-	-	9,361	9,361

Leasehold improvements are valued using the current replacement cost method. This cost represents the replacement cost of the asset after applying depreciation rates on a useful life basis. Replacement costs represents the cost to replace the current service capacity of the asset. As depreciation adjustments are considered significant, unobservable inputs in nature, leasehold improvements are classified as Level 3.

ROU are valued using the market approach assessing against rental market indicators, including comparable leases. As the fair value is subsequently depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term over the lesser, this is considered a significant, unobservable input, and classified as Level 3.

iv. Reconciliation of Level 3 fair value movements

2025	Leasehold improvements	Right-of-use land	Right-of-use buildings	Total
	\$000's	\$000's	\$000's	\$000's
Opening balance	-	-	-	-
Purchases	372	6,391	2,762	9,525
Transfers in/(out) of level 3	-	-	-	-
Depreciation	(2)	(120)	(42)	(164)
Closing balance	370	6,271	2,720	9,361

Description of significant unobservable inputs to Level 3 valuations:

Asset class	Valuation technique	Significant unobservable input	Range	Impact on fair value
Leasehold improvements	Current replacement cost	Useful life	3-5 years	An increase in useful life would result in a higher valuation
Right-of-use: land	Market approach	Useful life	40 years	An increase in useful life would result in a higher valuation
Right-of-use: buildings	Market approach	Useful life	3-5 years	An increase in useful life would result in a higher valuation

7. Payables

	2025	2024
	\$000's	\$000's
Trade creditors	20,327	3,164
Accruals	3,794	-
Other taxes payable	114	-
Total	24,235	3,164

i. Accounting policy

Contractual payables are classified as financial instruments and measured at amortised cost. Payables represent liabilities for goods/services provided to the Group prior to the end of the financial year that are unpaid.

Statutory payables are recognised and measured similarly to contractual payables but not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days.

8. Provisions

	2025	2024
	\$000's	\$000's
Employee benefits	1,964	759
Other provisions	6,000	-
Total current provisions	7,964	759
Employee benefits	71	106
Other provisions	3,912	-
Total non-current provisions	3,983	106

Movements in other provisions	Deferred consideration	Other	Total
2025	\$000's	\$000's	\$000's
Balance at the beginning of the reporting period	-	-	-
Additional provisions recognised	8,000	1,912	9,912
Balance at 30 June	8,000	1,912	9,912

Other provisions include deferred consideration payable for the acquisition of SEC Renewable Energy Park – Horsham. Payment is dependent on achievement of future project milestones (refer Note 17. Acquisition of SEC Renewable Energy Park – Horsham for further details).

i. Accounting policy

Employee benefits

Leave and other employee obligations when it is probable that settlement will be required and they are capable of being reliably measured. Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the current remuneration rate. Material employee provisions expected to be settled after 12 months are measured at their projected remuneration rate, discounted to their present values.

Other provisions

Provisions are recognised when SEC has a present obligation (legal or constructive) as a result of a past event, it is probable that SEC will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the present value of the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The unwinding of the discount is recognised in profit or loss as part of finance costs.

9. Other financial assets and liabilities

	2025	2024
	\$000's	\$000's
Other financial assets		
Current		
<i>Derivative financial instruments at fair value</i>		
Energy derivatives – economic hedges	21,729	–
Energy derivatives – other ¹	4,095	–
Futures deposits and margin calls	12,210	–
Total	38,034	–
Non-current		
<i>Derivative financial instruments at fair value</i>		
Energy derivatives – economic hedges	5,980	–
Energy derivatives – other ¹	40,420	13,830
Total	46,400	13,830
Other financial liabilities		
Current		
<i>Derivative financial instruments at fair value</i>		
Forward foreign exchange contracts – cash flow hedge	752	–
Total	752	–

¹'Energy derivatives – other' is a revenue support agreement executed as part of the investment into MREH joint venture and is linked to wholesale energy prices.

i. Accounting policy

Derivative financial instruments are initially recognised when the Group becomes party to the contractual provisions of the agreement i.e. on commitment date. Derivatives are recognised at fair value, with changes in fair value recognised in the statement of profit or loss.

ii. Significant judgement

Management uses their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices and rates. Refer to Note 13. Fair value of other financial assets and liabilities for more information.

10. Interest bearing liabilities

	2025	2024
	\$000's	\$000's
Multi option loan facility ¹ – unsecured	-	-
Lease liabilities	917	-
Total current interest bearing liabilities	917	-
Multi option loan facility ¹ – unsecured	-	-
Lease liabilities	8,302	-
Total non-current interest bearing liabilities	8,302	-
Total interest bearing liabilities	9,219	-

¹ On 7 February 2025, SEC Victoria entered into a Multi option loan facility with Treasury Corporation of Victoria to finance the construction of SEC Renewable Energy Park – Horsham. Key terms of the loan facility are set out below. No amounts have been drawn on the loan at 30 June 2025.

Facility Limit	Date of Maturity	Floating interest Rate	Repayment Terms
\$233.8 million	Up to 25 years from the date of first draw down	Cash rate plus administration and execution fees, set at first draw down	Monthly post Commercial Operations Date of the plant being constructed.

The contractual maturity of lease liabilities is disclosed within the liquidity table in Note 12. Financial Risk Management. Estimated future cash outflows relating to leases that have not yet commenced are disclosed in Note 19. Commitments.

i. Accounting policy

Borrowings

Borrowings are initially recorded at the amount of proceeds received (fair value) less transaction costs. After that date, the liability is amortised to face value at maturity using an effective interest rate method.

Lease liabilities – SEC as lessee

A lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- payments arising from purchase and termination options reasonably certain to be exercised.

After initial measurement, the liability will be reduced for payments made and increased for interest.

It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments. On remeasurement of lease liabilities, a corresponding adjustment is made to the ROU asset, or profit and loss if the ROU asset is already reduced to zero.

Short term and low value leases

SEC has elected to apply the practical expedients available for short term leases (i.e. 1–3 years) and low value assets leases. As a result, the measurement requirements above do not apply and the expense for these leases is recognised on a straight-line basis.

11. Contribution by owners

i. Accounting policy

Consistent with the requirements of AASB 1004 *Contributions* and FRD 119 *Transfers through Contributed Capital*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Company.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Refer to equity contributions disclosed at Note 22. Related parties.

12. Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management policy and framework. The Board has established the Audit and Risk Committee (ARC), which is responsible for approving the Group's risk management framework for identifying, assessing and managing risk. The ARC is also responsible for reviewing and updating the Group's risk profile, monitoring the effectiveness of the risk management framework and reviewing, at least annually, the implementation of the risk management framework.

The Group has adopted or is in the process of developing policies covering specific areas, such as interest rate risk, foreign currency risk, energy price risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments as required for its operations. Compliance with policies and exposure limits is reviewed on a continuous basis.

i. Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an appropriate capital structure of debt and equity.

The capital structure of SEC consists of cash and cash equivalents and total equity (comprising issued and contributed capital provided by the State and retained earnings). SEC monitors capital based on the funds received from the State along with anticipated cash outflows.

ii. Energy price risk management

The Group is exposed to energy price risk associated with derivatives contracted to hedge electricity price as an economic hedge and an energy price linked contract with a joint venture counterparty. The Group manages its energy price risk through an established risk management framework consisting of policies to place appropriate risk limits on overall energy market exposures and transaction limits for approved energy commodities, requirements for delegations of authority on trading, reporting of exposures and segregation of duties.

Energy price sensitivity

A sensitivity to a 10% increase or decrease in the energy market-related prices has been prepared in the table below. This sensitivity has been used as this movement is considered to be reasonably possible.

	2025			2024		
	Carrying amount	Impact on net result		Carrying amount	Impact on net result	
		-10%	+10%		-10%	+10%
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Energy derivatives – economic hedges	27,709	(10,312)	9,957	-	-	-
Energy derivatives – other	44,515	(4,732)	4,802	13,830	(21,881)	11,655
	72,224	(15,044)	14,759	13,830	(21,881)	11,655

iii. Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the statement of financial position. The Group manages its liquidity risk through monitoring future cash flows, maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations and planning of its financial obligations based on forecasts of future cash flows.

Cash for unexpected events is generally sourced from cash and cash equivalents.

The table below sets out the timing of the Group's payment obligations, as compared to the receipts expected from the Group's financial assets, and available undrawn facilities. Amounts are presented on an undiscounted basis and include cash flows not recorded on the statement of financial position, such as interest payments for borrowings.

2025	Maturity dates				
	Carrying Amount	Nominal Amount	Less than 1 year	1 – 5 years	5 years +
	\$000's	\$000's	\$000's	\$000's	\$000's
Trade and other payables	(24,235)	(24,235)	(24,235)	-	-
Lease liabilities	(9,219)	(24,958)	(952)	(3,810)	(20,196)
Other provisions	(9,912)	(9,912)	(6,000)	(3,912)	-
	(43,366)	(59,105)	(31,187)	(7,722)	(20,196)
Derivative assets	72,224	71,815	17,911	19,993	33,911
Derivative liabilities	(752)	(752)	(752)	-	-
	71,472	71,063	17,159	19,993	33,911
Net liquidity exposure	28,106	11,958	(14,028)	12,271	13,715

The Group had \$356.3 million of cash and \$233.8 million in committed undrawn floating rate borrowing facilities expiring beyond one year at 30 June 2025.

2024	Maturity dates				
	Carrying Amount	Nominal Amount	Less than 1 year	1 – 5 years	5 years +
	\$000's	\$000's	\$000's	\$000's	\$000's
Trade and other payables	(3,164)	(3,164)	(3,164)	-	-
Derivative assets	13,830	29,561	-	6,569	22,991
Net liquidity exposure	10,666	26,397	(3,164)	6,569	22,991

The Group had \$264.2 million of cash at 30 June 2024.

iv. Credit risk management

Credit risk refers to the possibility that a customer or borrower will default on their financial obligations as and when they fall due. The Group's exposure to credit risk arises from the potential default of a counterparty on their contractual obligations resulting in financial loss to the Group.

For the current and prior periods, the Group's exposure to credit risk is not material.

v. Foreign currency risk

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period.

SEC's treasury management policy requires the hedging of foreign currency risk using forward foreign exchange contracts for foreign currency exposures of anticipated cash flows in excess of \$500,000 and to not enter into forward foreign exchange contracts until a firm commitment is in place.

The forward foreign exchange contracts are designated as cash flow hedges. During the year, no hedges were de-designated and all underlying forecast transactions remain highly probable as per original forecast.

The Group is exposed to foreign currency risk mainly through its payables relating to purchases of supplies and consumables from overseas. Exposures are against the US dollar (USD) and are managed through hedging instruments that allow the Group to fix its foreign currency transactions at acceptable rates.

For the current and prior periods, the Group's exposure to foreign currency risk is not material.

vi. Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has exposure to cash flow interest rate risks through cash and cash equivalents that are at floating rate.

For the current and prior periods, the Group's exposure to interest rate risk is not material.

13. Fair value of other financial assets and liabilities

i. Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics
 - amortised cost
 - fair value through profit or loss ('FVTPL')
 - fair value through other comprehensive income ('FVOCI')
- the carrying amounts of financial instruments
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value).

Carrying value				
\$000's				
2025	FVTPL	FVOCI	Amortised cost	Total
Financial assets				
Cash and cash equivalents	-	-	356,300	356,300
Receivables	-	-	3,200	3,200
Derivative financial instruments	72,224	-	-	72,224
Futures deposits and margin calls	-	-	12,210	12,210
Total	72,224	-	371,710	443,934
Financial liabilities				
Payables	-	-	24,235	24,235
Derivative financial instruments	-	752	-	752
Lease liabilities	-	-	9,219	9,219
Total	-	752	33,454	34,206

Carrying value				
\$000's				
2024	FVTPL	FVOCI	Amortised cost	Total
Financial assets				
Cash and cash equivalents	-	-	264,215	264,215
Receivables	-	-	126	126
Derivative financial instruments	13,830	-	-	13,830
Total	13,830	-	264,341	278,171
Financial liabilities				
Payables	-	-	3,164	3,164
Total	-	-	3,164	3,164

ii. Fair value measurements

The following table provides an analysis of financial instruments that are measured after initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

\$000's					
2025	Carrying amount	Level 1	Level 2	Level 3	Total
<i>Derivative financial instruments</i>					
Assets					
Energy derivatives – economic hedges	27,709	5,575	22,134	–	27,709
Energy derivatives – other	44,515	–	–	44,515	44,515
Total financial assets	72,224	5,575	22,134	44,515	72,224
Liabilities					
Forward foreign exchange contracts – cash flow hedges	752	–	752	–	752
Total financial liabilities	752	–	752	–	752

\$000's					
2024	Carrying amount	Level 1	Level 2	Level 3	Total
<i>Derivative financial instruments</i>					
Assets					
Energy derivatives – other	13,830	–	–	13,830	13,830
Total financial assets	13,830	–	–	13,830	13,830

There have been no transfers between levels during the period. Management has assessed that the carrying value of financial assets and financial liabilities to be comparable to fair value.

iii. Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments:

- receivables/payables with a remaining life of less than twelve months, the notional amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine the fair value if the effect of discounting is material
- the fair value of forward foreign exchange contracts is calculated as the present value of expected future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates that reflect the credit risk of various counterparties.
- the fair value of energy derivatives is determined as the present value of future contracted cash flows and credit adjustments. Cash flows are discounted using standard valuation techniques at applicable market yield having regard to timing of cash flows.
- the fair value of lease liabilities is estimated as the present value of future cash flows discounted where the effect of discounting is material.

The following table provides a reconciliation of fair value movements in Level 3 financial instruments:

	2025	2024
	\$000's	\$000's
Opening balance	13,830	-
<i>Total gains or losses recognised in profit or loss:</i>		
- Settlements during the period	-	-
- Changes in fair value	30,685	13,830
Closing balance	44,515	13,830

iv. Valuation inputs and relationships to fair values

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurement of the energy derivative (see iii. above for the valuation technique adopted):

2025	Range of inputs	Sensitivity	Impact on fair value \$000's	
Energy derivatives – other:				
Quarterly BESS* revenue (\$/MW)	18,443 – 52,876	+/-10%	4,801	(4,731)
Discount rate – risk free rates of zero-coupon government bond yield (2-10 year bond)	3.41 – 4.35%	+/-0.5%	(125)	126
Credit value adjustment – probability of default	2%	+/-0.5%	(135)	(117)
2024	Range of inputs	Sensitivity	Impact on fair value \$000's	
Energy derivatives – other:				
Quarterly BESS revenue (\$/MW)	11,380 – 86,679	+/-10%	11,655	(21,881)
Discount rate – risk free rates of zero-coupon government bond yield (2-10 year bond)	3.9 – 4.1%	+/-0.5%	1,109	(1,154)
Credit value adjustment – non-financial corporate BBB-rated bond yield (3-10 year)	5.4 – 6.1%	+/-0.5%	1,657	1,733

* Battery Energy Storage System

14. Income tax

On 17 December 2024, the Group entered into the National Tax Equivalent Regime (NTER), pursuant to section 88(1) of the *State Owned Enterprises Act 1992*, which is administered by the Australian Taxation Office (ATO). The difference between the NTER and the Commonwealth legislation is that the tax liability is paid to the Victorian State Government rather than the Commonwealth Government.

The regime is applied to all open income tax periods and consequently, an income tax return was prepared and lodged for the period from incorporation to 30 June 2024.

i. Accounting policy

Income tax on the consolidated statement of profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of profit or loss except to the extent that it relates to items recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the year, based on the notional corporate income tax rate of 30%, adjusted by changes in deferred tax assets and liabilities and any adjustment to tax payable in respect of previous years.

Deferred tax is providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes at balance date. Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered or liabilities are settled based on those tax rates which are enacted or substantially enacted at balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax liabilities are reported net of any deferred tax assets.

The Group has formed an income tax consolidated group consisting of SEC Victoria and its controlled entities. SEC Victoria is the head entity of the tax consolidated group. The head entity and the controlled entities in the tax consolidated group each account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone tax payer in its own right. In addition to its own current and deferred tax amounts the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets it has assumed from unused tax losses from controlled entities in the tax consolidated group.

ii. Components of income tax expense

	Year ended 30 June 2025	25 October 2023 to 30 June 2024
	\$000's	\$000's
Current tax	-	-
Deferred tax	1,869	-
Over/(under) provision in respect of prior years	3,370	-
Total income tax expense reported in the statement of profit or loss	5,239	-
<i>Deferred tax expense related to items recognised in OCI during the year</i>		
Net loss in fair value of cash flow hedges	(226)	-
Deferred tax benefit charged to OCI	(226)	-

iii. Numerical reconciliation of income tax expense to prima facie tax payable

	Year ended 30 June 2025	25 October 2023 to 30 June 2024
	\$000's	\$000's
Profit/(loss) from continuing operations before income tax expense	(1,580)	5,828
Tax at the Australian tax rate of 30% (2024: not applicable)	(474)	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share of loss of equity accounted investee not recognised	2,334	-
Acquisition of SEC Renewable Energy Park - Horsham	9	-
Under/(over) from prior years	3,370	-
Total income tax expense	5,239	-

iv. Deferred tax balances

	2025	2024
	\$000's	\$000's
Deferred tax assets		
Accruals	99	-
Employee provisions	610	-
Lease liabilities	2,766	-
Other financial liabilities	226	-
Tax losses	15,746	-
Other	23	-
Total	19,470	-
Deferred tax liabilities		
Trade payables	(110)	-
Other financial assets	(21,667)	-
Property, plant and equipment	(2,706)	-
Total	(24,483)	-
Set off of deferred tax assets	19,470	-
Net deferred tax liabilities	(5,013)	-
Movement in deferred taxes		
Opening net deferred tax assets/(liabilities)	-	-
Charged to the statement of profit or loss	(5,239)	-
Charged to equity	226	-
Closing net deferred tax liabilities	(5,013)	-

v. Significant judgements

The Group recognises a deferred tax asset relating to tax losses. The recoverability of this deferred tax asset is dependent on the generation of sufficient taxable income to utilise those tax losses. Management judgements and estimates are required in the assessment of this recoverability, including forecasting sufficient future taxable income.

The accounting carrying value of the Group's investment in MREH is significantly lower than the tax cost base, primarily as a result of the equity accounted share of accumulated losses to date. The resulting temporary difference for which a deferred tax asset has not been recognised totals \$4,782,000 (2024: nil). Management judgment is that it is not yet probable that the temporary difference will reverse in the foreseeable future.

15. Controlled entities

The consolidated financial statements of the Group include:

Name of entity	Principal activities	Country of incorporation*	Ownership interest	
			2025	2024
SEC Energy Pty Ltd	Electricity retailing to Commercial and Industrial (C&I) customers	Australia	100%	100%
SEC Infrastructure Pty Ltd	Investment in renewable energy projects in Victoria	Australia	100%	100%
Horsham Solar Farm 7 Hold Co Pty Ltd	Holding company	Australia	100%	-
ESCO Solar Farm 7 Pty Ltd	Trustee for the ESCO Solar Farm 7 trust	Australia	100%	-
ESCO Solar Farm 7 Trust	Construction and operation of SEC Renewable Energy Park – Horsham	Australia	100%	-

* The country of incorporation is also the principal place of business.

i. Principles of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

16. Parent entity information

	2025	2024
	\$000's	\$000's
Financial position		
Current assets	336,827	264,291
Non-current assets	332,087	73,145
Total assets	668,914	337,436
Current liabilities	12,806	3,863
Non-current liabilities	2,140	106
Total liabilities	14,946	3,969
Net assets	653,968	333,467
Issued shares	-	-
Contributed capital	680,000	336,000
Retained earnings	(26,032)	(2,533)
Total equity	653,968	333,467

	Year ended 30 June 2025	25 October 2023 to 30 June 2024
	\$000's	\$000's
Financial performance		
Loss for the period	(23,499)	(2,533)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the period	(23,499)	(2,533)

i. Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The Parent Entity has not guaranteed any debts of its subsidiaries (2024: Nil)

ii. Contingent liabilities

There are no contingent liabilities of the Parent Entity at 30 June 2025 (2024: Nil).

iii. Capital expenditure commitments

As at 30 June 2025, the Parent Entity had no commitments for the acquisition of property, plant and equipment (2024: Nil).

17. Acquisition of SEC Renewable Energy Park – Horsham

On 5 September 2024, the Group acquired 100% of the issued shares Horsham Solar Farm 7 HoldCo Pty Ltd and its controlled entities (Horsham) from OX2 Holding Overseas AB (OX2) for cash consideration. This transaction resulted in SEC acquiring development rights to construct and operate a solar farm and associated battery energy storage system to be known as SEC Renewable Energy Park – Horsham.

The acquisition of Horsham was not accounted for as a business combination because the set of activities acquired did not meet the definition of a business. Where an acquisition does not meet the definition of a business, the transaction is accounted for as an asset acquisition. Identifiable assets acquired and any liabilities assumed in the acquisition are measured at their relative fair values on acquisition. Costs directly attributable to the acquisition are capitalised.

Details of the purchase consideration and purchase price allocation to identifiable assets acquired are as follows:

		2025
	Note	\$'000's
Cash consideration to acquire Horsham		5,000
Deferred consideration	8	8,000
Directly attributable transaction costs capitalised		749
Total		13,749
Recognised as assets under construction	6	13,749
Total assets acquired		13,749

Deferred consideration is payable on key project milestones achieved including solar energisation, BESS (battery energy storage system) energisation and commercial operations date.

18. Interests in equity accounted investees

Set out below are the associates and joint ventures which are material to the Group at 30 June 2025.

All entities are incorporated and operate in Australia. Ownership interest remains unchanged from 30 June 2024.

Name of entity	Ownership interest	Voting rights	Nature of relationship	Method	Carrying Amount	
					2025	2024
					\$'000's	\$'000's
Equis Energy (Australia) Projects (MREH A1 HoldCo) Pty Ltd	30	30	Joint venture	Equity	71,066	29,659
Equis Energy (Australia) Projects (MREH A2 HoldCo) Pty Ltd	30	30	Joint venture	Equity	67,112	24,857
Equis Energy (Australia) Projects (MREH A3 HoldCo) Pty Ltd	47	49	Joint venture	Equity	38,578	10,398
Total equity-accounted investments					176,756	64,913

In November 2023, the Group committed to invest \$245 million in the Melbourne Renewable Energy Hub (MREH) project being developed in Plumpton, Victoria by Equis Australia. Its value in the financial report is represented by the cash calls injected into the project to support construction, offset by any gain or loss incurred by the investee.

i. Principles of equity accounting

Joint arrangements

Under AASB 11 *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has interests in joint ventures, which are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Prior impairment charges are reviewed for possible reversal of the impairment at the end of each reporting period.

ii. Significant judgement

The investment agreements in relation to MREH require unanimous consent from both parties for relevant activities that impact returns such as decisions on entering funding arrangements, material acquisition or disposal of assets, approving any transactions outside approved business plan and approving the business plan. Based on these factors, joint control has been assessed, and the arrangements are accounted for as a joint venture, even though the Group holds less than 50% ownership interest.

A Revenue Support Agreement (RSA) was executed between SEC Energy and Equis to support the Melbourne Renewable Energy Hub (MREH) A1 and A2 batteries. While both counterparties recognise the RSA as a derivative, there is a difference in the valuation methodology used by each party. SEC has adjusted the accounting valuation of the RSA in the summary financial information of A1 and A2 to align to SEC's valuation before recognising its equity accounted share of profit or loss in accordance with equity accounting principles.

iii. Commitments and contingent liabilities in respect of joint ventures

The full capital commitments of the joint ventures are listed below. SEC's contribution to these commitments are covered by its committed cash calls, as disclosed at Note 19. Commitments:

	MREH A1		MREH A2		MREH A3	
	2025	2024	2025	2024	2025	2024
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Commitment for construction of battery energy storage system (BESS) infrastructure	38,731	130,411	41,351	183,833	78,267	295,710

MREH A3 is the counterparty to the lease disclosed in Note 19. Commitments and will be derecognising the associated fixed asset on its balance sheet on commencement of the lease.

The joint ventures had no other capital commitments or contingent liabilities at 30 June 2025 (30 June 2024: Nil).

iv. Summary of financial information of joint ventures

Summarised financial information of the joint ventures, based on its financial statements are set out below:

	2025			2024		
	\$000's			\$000's		
	MREH A1	MREH A2	MREH A3	MREH A1	MREH A2	MREH A3
Cash and cash equivalents	19,213	8,976	9,995	23,556	11,057	1,050
Other current assets	12,414	1,037	799	13,512	4,007	3,550
Total current assets	31,627	10,013	10,794	37,068	15,065	4,600
Total non-current assets	258,146	254,229	370,038	149,458	95,499	127,900
Financial liabilities excluding trade payables	-	-	-	17	17	478
Other current liabilities	15,450	5,603	5,443	67,071	7,438	5,890
Total current liabilities	15,450	5,603	5,443	67,088	7,455	6,368
Non-current financial liabilities excluding trade payables	31,485	31,486	17,790	-	-	-
Other non-current liabilities	5,951	3,445	298,575	20,573	20,251	106,923
Total non-current liabilities	37,436	34,931	316,365	20,573	20,251	106,923
Net assets	236,887	223,708	59,024	98,864	82,857	19,209
Group's ownership interest (%)	30%	30%	47%	30%	30%	47%
Goodwill	-	-	11,058	-	-	-
Group's carrying amount	71,066	67,112	38,578	29,659	24,857	10,398

	Year ended 30 June 2025			25 October 2023 to 30 June 2024		
	\$000's			\$000's		
	MREH A1	MREH A2	MREH A3	MREH A1	MREH A2	MREH A3
Total revenue and other income	20,101	-	-	10,147	8	16
Operating expenses	(21,913)	(1,716)	(1,697)	(10,849)	(703)	(1,420)
Share of gain/(loss) on associate	(299)	(299)	(299)	(236)	(236)	(236)
Gain/(loss) on fair value of financial instruments	(15,342)	(15,342)	-	(6,915)	(6,915)	-
Depreciation and amortisation	(500)	(500)	(500)	(160)	(160)	(160)
Interest income	1,004	905	676	394	395	290
Interest expense	(408)	(408)	(408)	(131)	(131)	(131)
Income tax (expense)/benefit	2,632	4,806	221	(192)	127	129
Total profit/(loss)	(14,725)	(12,554)	(2,007)	(7,942)	(7,615)	(1,511)
Other comprehensive income	-	-	(7,761)	-	-	(5,659)
Total comprehensive income/(loss)	(14,725)	(12,554)	(9,768)	(7,942)	(7,615)	(7,171)

19. Commitments

	2025	2024
	\$000's	\$000's
Capital commitments ¹	212,159	-
Joint venture commitments ²	52,309	171,905
Total commitments	264,468	171,905

¹Capital commitments relate to the construction of SEC Renewable Energy Park – Horsham. Estimated payments for construction are \$124,688,000 within one year and \$87,471,000 within two to five years.

²In November 2023, SEC Victoria's subsidiary SEC Infrastructure entered into contracts to invest \$245 million in the 600-megawatt Melbourne Renewable Energy Hub (MREH) in partnership with Equis Development Pty Ltd. As at 30 June 2025, there is \$52.3 million (30 June 2024: \$171.5 million) remaining on this commitment and includes amounts to cover SEC's share of capital commitments made jointly with other investors described in Note 18iii. Commitments and contingent liabilities in respect of joint ventures.

As part of the MREH transaction, a lease was contracted by the Group for the rights to operate the A3 battery. The total anticipated lease liability to be recognised once the plant is available for the Group's use is \$478 million. The estimated future lease payments for this lease contract are \$28 million within one year, \$196 million within two to five years and \$927 million thereafter.

20. Subsequent events

Other than the matters described below, no item, transaction or event of a material nature has arisen since 30 June 2025 that would significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial periods.

Retail operations commenced

From 1 July 2025, SEC commenced retailing operations to government commercial and industrial sites, servicing around 5% of Victoria's total energy load. Effective from the same date, Victorian Renewable Energy Target (VRET) and Bulgana power purchase contracts were novated from the Department of Energy, Environment and Climate Action (DEECA) to SEC Energy to act as a synthetic hedge against the cost of energy for this load, as described below.

VRET novation

To support the VRET, DEECA (formerly the Department of Environment, Land, Water and Planning) entered contracts to support the construction of renewable energy projects in Victoria. These contracts were entered into between 2017 and 2024 and are contracts for difference for purchase of electricity and large-scale generation certificates (LGCs) from/to private sector parties.

Effective from 1 July 2025, to align with the commencement of retailing operations, the rights and obligations under 6 VRET and Bulgana contracts transfer from DEECA to SEC Energy Pty Ltd.

The \$381.1 million fair value of the contracts transferred at 1 July 2025 will be initially recognised as a capital contribution from DEECA and a corresponding other financial asset in the statement of financial position.

Subsequent changes in fair value, using SEC's valuation techniques, inputs and assumptions, will be recognised through profit or loss.

Other

On 4 August 2025, a floating rate \$150 million working capital facility was executed with Treasury Corporation of Victoria. This facility provides ready access to short term funds to support operational activity, specifically AEMO prudential support or ASX margin calls, if required, and is repayable by 30 June each year. No amounts have been drawn on this facility in the period to the date of this report.

21. Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the FMA, the following disclosures are made about responsible persons for the reporting period.

The names of persons who were responsible persons at any time during the period are as follows:

Position	Responsible Person
Responsible Minister	The Hon. Lily D'Ambrosio MP, Minister for the State Electricity Commission
Accountable Officer	Christopher Francis Miller
Chairperson	Simon Corbell
Board Members	Joycelyn Morton
	Damien Barnes
	Joanne Benvenuti
	Sharan Burrow (appointed 1 October 2024)
	Cameron Garnsworthy (appointed 1 October 2024)
	Anna Skarbek

i. Remuneration of responsible persons

Remuneration received or receivable by each director of the Board in connection with the management of the Company during the reporting period is shown below in their relevant total income ranges.

	Year ended 30 June 2025	25 October 2023 to 30 June 2024
Directors		
\$10,000–19,999	–	4
\$30,000–39,999	–	1
\$60,000–69,999	2	–
\$80,000–89,999	3	–
\$90,000–99,999	1	–
\$200,000–209,999	1	–
Total directors	7	5
Total remuneration (\$000's)	680	91

ii. Remuneration of Accountable Officer

The Accountable Officer (CEO) was formally appointed by the Board on 12 August 2024. Prior to this date, remuneration was paid for by the Department of Energy, Environment and Climate Action (DEECA), as an interim Accountable Officer and as such the remuneration costs incurred up to this date are reflected in DEECA's annual report.

	Year ended 30 June 2025	25 October 2023 to 30 June 2024
Accountable Officer		
\$640,000 – 649,999	1	–

iii. Remuneration of responsible Minister

The Responsible Minister did not receive any remuneration from the Company. The Ministers' remuneration and allowances are set in accordance with the *Parliamentary Salaries and Superannuation Act 1968* and reported in the State's Annual Financial Report.

22. Related parties

The related parties of the Company include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

For information pertaining to related party transactions of ministers, the register of members' interests is publicly available from: <https://www.parliament.vic.gov.au> within the Tabled documents database.

i. Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. From 1 July 2024, the key management personnel of the Group include the responsible minister, members of the Company's Board of Directors, and the operational Executive team comprising:

- Chief Executive Officer
- Chief Financial Officer
- Executive General Manager – Energy Markets
- Executive General Manager – Assets
- Executive General Manager – Consumer Energy Solutions

For the prior period, the key management personnel of the Company included the responsible minister, members of the Company's Board of Directors and the Chief Executive Officer.

The compensation detailed below excludes the salaries and benefits of the responsible minister.

	Year ended 30 June 2025	25 October 2023 to 30 June 2024
	\$	\$
Short term employee benefits	2,901,993	81,965
Post employment benefits	214,576	9,016
Other long-term employee benefits	22,843	-
Termination benefits	-	-
Total key management personnel remuneration expense	3,139,412	90,981

The total number of key management personnel included in the above table are:

	Year ended 30 June 2025	25 October 2023 to 30 June 2024
	No.	No.
Non-executive directors	7	5
Executives	5	1
Total key management personnel	12	6

ii. Transactions and balances with other related parties

The Company's employment policies and procedures have been created to support the application of the Code of Conduct for Victorian Public Sector Employees, and employees are required to comply with the public sector values under the *Public Administration Act 2004 (Vic)*. Procurement processes are based on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Any transactions or issues that involve related parties are dealt with on normal commercial terms and conditions and without reference to the key management personnel concerned. All income and expense transactions exclude GST.

iii. Significant transactions with government-related entities

During the reporting period the Group had transactions with the following government related entities:

- Department of Energy, Environment and Climate Action (DEECA): provides government funding to the Group which is reported Contributed Capital shown as equity within the statement of financial position. Payments to DEECA during the current reporting period were for head office accommodation expense.
- Department of Treasury and Finance (DTF): receipts from DTF for the reimbursement of employee leave liabilities recognised for employees transferred from DTF.
- Department of Jobs, Skills, Industry and Regions (DJSIR): payments to DJSIR to support SEC's Centre of Training Excellence program

An implementation office was set up within DEECA to support the establishment and set-up of SEC's operations. During the 2024 financial year, \$23,745,000 of operational expenditure was incurred within the implementation office on behalf of SEC and recorded in DEECA's financial statements. This arrangement ceased on 30 June 2024 and from 1 July 2024 all SEC related costs have been reflected in the Group's annual report.

	Year ended 30 June 2025	25 October 2023 to 30 June 2024
	\$000's	\$000's
Receipts		
Department of Energy, Environment and Climate Action	344,000	336,118
Department of Treasury and Finance	-	18
	344,000	336,136
Payments		
Department of Energy, Environment and Climate Action	897	-
Department of Government Services	9	-
Department of Jobs, Skills, Industry and Regions	2,750	-
Victorian Government Solicitor's Office	7	-
Victorian Managed Insurance Authority	180	-
	3,843	-
Payable at 30 June		
Department of Energy, Environment and Climate Action	-	453
Department of Jobs, Skills, Industry and Regions	-	1,375
	-	1,828

23. Auditors' remuneration

During the year, the following fees were paid or payable for services provided by the auditor of the parent entity:

	Year ended 30 June 2025	25 October 2023 to 30 June 2024
	\$	\$
Amounts received or due and receivable by the auditor of the Parent Company and any other entity in the Group for:		
Auditing the statutory financial report of the Parent Company covering the Group	190,000	60,000
Auditing the statutory financial reports of any controlled entities	64,000	60,000
Total	254,000	120,000

24. Ex-gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that are not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the Group.

	Year ended 30 June 2025	25 October 2023 to 30 June 2024
	\$000's	\$000's
Settlement payments	7	-
Total	7	-

Directors' declaration

In the directors' opinion:

1. The financial statements and notes of SEC Victoria Pty Ltd and its controlled entities are in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the year then ended

b. complying with the Australian Accounting Standards (including the Australian Standards of Interpretations), the *Corporations Regulations 2001* and other mandatory professional reporting requirements.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

3. At the time of signing, we are not aware of any circumstance which would make any particulars included in the annual financial report misleading or inaccurate.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.



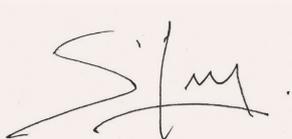
Simon Corbell
Board Chair, SEC

6 October 2025

Declaration by Board Chair, Chief Executive Officer and Chief Financial Officer

For SEC Victoria Pty Ltd and its controlled entities, we jointly certify that:

- the consolidated financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and
- the consolidated financial statements have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.



Simon Corbell
Board Chair, SEC



Christopher Miller
Chief Executive Officer



Elisha Civil
Chief Financial Officer

6 October 2025

Corporate compliance

Local Jobs First

The *Local Jobs First Act 2003* brings together the Victorian Industry Participation Policy (VIPPP) and Major Project Skills Guarantee (MPSG) policies.

It aims to support small and medium-sized enterprises, requires the inclusion of apprentices and trainees on large government construction projects, and ensures compliance and accountability from government agencies.

SEC will apply the Local Jobs First policy in all procurement projects valued at \$3 million or more in metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria. MPSG applies to all construction projects valued at \$20 million or more.

Projects commenced – Local Jobs First Standard

During 2024–25, SEC commenced 4 Local Jobs First standard projects valued at \$16.2 million to which a Local Industry Development Plan (LIDP) was required. Of those projects, all were in metropolitan Melbourne with an average local content commitment of 99%. The MPSG applied to none of these projects.

The specific project outcomes expected from the implementation of the Local Jobs First policy to the 4 projects are as follows:

- average local content commitment of 99%
- a total of 37 jobs annual employee equivalent (AEE), including the creation of 18 new jobs and the retention of 19 existing jobs (AEE).

Projects commenced – Local Jobs First Strategic Projects

During 2024–2025, SEC commenced 2 Local Jobs First Strategic Projects, valued at \$370 million to which an LIDP was required. The MPSG applied to these projects, requiring at least 10% of project labour hours to be undertaken by apprentices, trainees, and cadets.

Projects completed – Local Jobs First Standard or Strategic Projects

During 2024–2025, SEC did not complete any Local Jobs First Standard or Strategic Projects.

Social procurement

Victoria's Social Procurement Framework (SPF) establishes requirements that apply to Victorian Government departments and agencies when they procure goods, services and construction. Under the framework, SEC is committed to ensuring procurement decisions help generate social value.

SEC's Social Procurement Strategy focusses on the following objectives outlined in the SPF:

- sustainable Victorian social enterprise and first people's businesses
- opportunities for Victorian First Peoples
- women's equality and safety
- implementation of climate change policy objectives (stretch target).

The strategy outlines the ways SEC is progressing to meet its social procurement obligations, namely:

- purchasing from certified Victorian social enterprises (direct)
- purchasing from mainstream suppliers with Victorian social enterprises in their supply chain (indirect)
- purchasing directly from certified Victorian First Peoples businesses including alternative procurement pathways and payment terms for suppliers where there is a social benefit to their engagement with SEC. These suppliers include, but are not limited to, businesses owned by diverse groups including First Peoples, women, small businesses, and local businesses in the communities in which we operate.
 - engaged Outback Talent, a First Peoples recruitment agency
 - purchasing through PAWA Catering, a First Peoples catering business
 - engaged Jaramer Legal to run Indigenous Cultural Intellectual Property (ICIP) workshops
 - engaged Jobscan to provide social procurement project delivery support
- purchasing indirectly through our mainstream suppliers on SEC investment projects
 - engaged A2B Personnel – Traffic Management/ Cleaners
 - engaged Wamarra – Civil works labour/ landscaping
 - engaged Karnaji – Electrical Supplies
 - engaged Kulbardi – Cleaning Consumables
- incorporating requirements for social procurement outputs and business practices into SEC's requests for tender, request for proposal and quotation documents
- promoting social procurement considerations on SEC's Procurement Intranet with a dedicated Social Procurement page that promotes First Peoples businesses
- promotion of First Peoples businesses and social benefit suppliers through organisational wide information sessions in partnership with Social Traders and Kinaway.

In 2024–25, SEC spent a total of \$49,507 through direct engagement of 8 social benefit suppliers, including a total of \$14,806 with 4 certified Victorian First Peoples businesses. Through investment projects, SEC has also spent \$2.76 million through indirect engagements of 7 social benefit suppliers, including a total of \$2.74 million with 6 certified Victorian First Peoples businesses.

First Peoples Self-Determination

SEC is committed to self-determination, enabling First Peoples to shape the renewable energy transition on their own terms. We recognise the relationship of Traditional Owners to Country and their contribution to the management of both built and natural environments, including natural resources such as land and water. We are committed to transforming systems and service delivery so that Traditional Owners and First People Victorians control decision-making over the matters that affect their lives.

Key initiatives and actions delivered in 2024–25:

- First Peoples Assembly of Victoria signed a Memorandum of Understanding with SEC that outlines the process for nominating a First Nations person onto SEC's Board
- recruited a First Peoples Partnership Lead
- developed a First Peoples Benefit Sharing Framework and Traditional Owner Engagement Guide
- established relationships and cultural understanding with Traditional Owner Corporations of the lands on which we operate
- launched a Self Determination Working Group to support self-determination initiatives across the business
- delivered several cultural capability activities to build our understanding of Victorian First Peoples history, the challenges and why our collaboration with First Peoples communities is so important:
 - all staff attended cultural awareness training days at the Koori Heritage Trust
 - staff attended two on-Country cultural immersions days with Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) and Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation
 - running events for Reconciliation Week and National Aboriginal and Islanders Day Observance Committee (NAIDOC) Week
 - set up an internal staff allyship network.

Asset management accountability framework (AMAF)

The AMAF assists Victorian Public Sector agencies manage their asset portfolios and includes both mandatory asset management requirements as well as general guidance. Mandatory requirements include developing asset management strategies, governance frameworks, performance standards and processes to regularly monitor and improve asset management. The AMAF applies to non-current assets (physical and intangible) but not financial assets. For the period to 30 June 2025, the Group did not have any such assets (2024: nil).

Government advertising expenditure

SEC communicates widely, providing vital information and engaging with stakeholders to build our social licence and support our work in accelerating the transition.

Government advertising campaigns with total media spend of \$100,000 or greater, exclusive of GST during the reporting period are disclosed below:

Name of campaign	Start / end date	Advertising	Creative and campaign development	Research	Print and collateral	Total
Powering Victoria for Victorians	02/09/24 to 30/11/24	Approved: \$1,500,000	Planned: \$902,462	Planned: N/A	Planned: N/A	Planned: \$2,402,462
	and 02/03/25 to 24/06/25	Actual: \$1,500,000	Actual: \$1,086,058	Actual: N/A	Actual: N/A	Actual: \$2,586,058
Campaign summary	<p>In September 2024 SEC launched a state-wide campaign to help households switch to electric and save. The campaign highlights improvements available to households on all budgets. This includes small cost-effective steps households can take immediately, to larger investments they can make when they are ready.</p> <p>A key part of this was announcing and communicating the opportunity to participate in SEC's consumer pilots, including the electric home planner, a significant step in Victoria's energy transition journey.</p> <p>It also drove a significant increase in the number of people visiting SEC's household pages, supporting Victorians to electrify their homes. Of these, many were visits to the electric home planner, which allows people to generate estimates on the costs and savings associated with electrifying their homes.</p>					

Approved 'Advertising (media) expenditure' is the amount approved for each campaign by the Advertising Approval Group (AAG).

Planned campaign expenditure amounts are the amounts included in the Campaign Strategy form submitted to the AAG for review.

Consultancy expenditure

In the reporting period, there were five consultancies where the total fees paid or payable were \$10,000 or greater, excluding GST. Details of individual consultancies, excluding GST, are outlined below:

Consultant	Purpose	Approved project fee \$	Incurred in 2025 \$	Expected to be incurred \$
Korn Ferry	Develop and implement a performance and development framework	218,025	218,025	-
VPP Partners	Assist SEC Victoria in developing a business case for the provision of flexible demand solutions to the SECs Victorian Government customers and platform support	125,050	125,050	-
Optimum Media Direction	Strategy and support for Consumer Energy Solutions FY26-29 media submission	37,091	37,091	-
TSA Management Pty Ltd	General professional advice (investment projects)	30,990	30,990	-
Workforce Advantage	Consultancy services involving provision of strategic industrial relations advice	28,500	28,500	-

This disclosure reflects consultancy expenditure incurred by SEC during the reporting period only.

For the period, there were no consultancies where the total fees paid or payable were less than \$10,000, excluding GST.

Information and communication technology (ICT) expenditure

Business as usual expenditure relates to ongoing activities to operate and maintain current information and communication technology capacity. Non-business as usual expenditure relates to extending and enhancing the Company's current capability. It is the sum of operational expenditure and capital expenditure.

For the reporting period, SEC Victoria had a total information and communication technology spend of \$8,952,000, excluding GST. This disclosure reflects ICT expenditure incurred by SEC during the reporting period only.

	2025 \$000's
ICT business as usual expenditure	1,989
Non-business as usual	
Operational expenditure	6,963
Capital expenditure	-
Total ICT	8,952

Procurement complaints

There have been no complaints received in relation to the procurement of goods and services during the period (2024: nil).

Emergency procurement

There have been no instances of emergency procurement during the period (2024: nil).

Compliance with the National Competition Policy and the Competitive Neutrality Policy

SEC Victoria operates in accordance with the requirements of the National Competition Policy and the Victorian Government's Competitive Neutrality Policy .

Competitive neutrality generally requires that government owned businesses competing, or potentially competing, with the private sector, do not enjoy any net competitive advantage by virtue of their government ownership. In certain instances, Victoria's Competitive Neutrality Policy can require the application of measures to achieve competitive neutrality.

Freedom of Information

The *Freedom of Information Act 1982* is not applicable to SEC Victoria, and there are no reporting requirements associated with this Act.

Compliance with the *Public Interest Disclosure Act 2012*

SEC Victoria does not tolerate improper conduct by employees, nor taking of detrimental action against those who come forward to disclose such conduct.

SEC Victoria's Public Interest Disclosure Policy outlines our commitment to ensuring transparency and accountability in our administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to the public health and safety or the environment.

Reporting procedures

Disclosures of improper conduct or detrimental action by SEC Victoria or any of its employees and/or officers may be made directly to:

The Independent Broad-based Anti-corruption Commission
Phone: 1300 735 135
Email: info@ibac.vic.gov.au

Environmental Reporting

SEC Victoria's accommodation was subleased from DEECA which includes the provision of electricity, water and waste disposal. Relevant reporting on associated environmental impacts is captured in the DEECA annual report.

SEC Victoria is committed to proactively contributing to a sustainable environment and continues to minimise its office-based environmental impact through:

- separating office waste into organic, commingled recyclable and landfill streams
- reducing paper and printer toner use with the widespread adoption by staff of laptops, tablets, smartphones, and other digital devices.

Compliance with the *Building Act 1993*

SEC Victoria does not own or control any government buildings and is consequently exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

Modern Slavery

The *Modern Slavery Act 2018* (MS Act) addresses modern slavery risks within supply chains. The Group is not subject to the MS Act for this reporting period.

Disclosure index

The consolidated annual report of SEC Victoria Pty Ltd is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

Legislation	Requirement	Page ref
Standing Directions and Financial Reporting Directions		
Report of operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	16
FRD 22	Purpose, functions, powers and duties	14
FRD 22	Key initiatives and projects	20
FRD 22	Nature and range of services provided	40
Management and structure		
FRD 22	Organisational structure	18
Financial and other information		
FRD 10	Disclosure index	94
FRD 22	Employment and conduct principles	36
FRD 22	Occupational health and safety policy	37
FRD 22	Summary of the financial results for the year	40
FRD 22	Significant changes in financial position during the year	41
FRD 22	Major changes or factors affecting performance	42
FRD 22	Subsequent events	45
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	93
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	93
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FRD 22	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	93
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SEC Infrastructure Pty Ltd Financial Report for the year ended 30 June 2025

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Report of operations

Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present SEC Infrastructure Pty Ltd's Annual Report for the year to 30 June 2025:



Simon Corbell
Board Chair

SEC Infrastructure Pty Ltd

6 October 2025

Preparation

SEC Infrastructure Pty Ltd (the Company) is part of SEC group of companies that work together to meet the SEC's overall objectives. Its parent company, SEC Victoria Pty Ltd, prepares a consolidated annual report that includes the results and operations of the Company and other controlled entities. The Report of Operations has been prepared to cover the whole SEC group of companies from page 13, and as such has not been duplicated here.

Financial management compliance attestation statement

I, Christopher Francis Miller, on behalf of SEC Infrastructure Pty Ltd, certify that SEC Infrastructure Pty Ltd has no Material Compliance Deficiency with respect to the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions.



Chris Miller
CEO, SEC

Directors' report

The directors present their report on the consolidated entity consisting of SEC Infrastructure Pty Ltd (the Company) and its controlled entities (collectively SEC or the Group) for the year ended 30 June 2025.

Directors

The directors of the Company in office during the financial year and up to the date of this report are set out below. Directors were in office for this entire period unless otherwise stated:

Simon Corbell, Non-executive Chair

Joycelyn Morton, Non-executive director

Damien Barnes, Non-executive director

Joanne Benvenuti, Non-executive director

Anna Skarbek, Non-executive director

Sharan Burrow, Non-executive director (appointed 1 October 2024)

Cameron Garnsworthy, Non-executive director (appointed 1 October 2024)

Company secretary

The Company Secretary for the Company at any time during the reporting period was Mr Sam Gifford (current).

Directors' meetings

Name	Board		Audit and Risk Committee*	
	Meetings held: 10		Meetings held: 4	
	Attended	Eligible to attend	Attended	Eligible to attend
Simon Corbell (Board Chair)	10	10	4	4
Joycelyn Morton	10	10	4	4
Damien Barnes	8	10	3	4
Joanne Benvenuti	9	10	4	4
Sharan Burrow	7	7	3	1
Cameron Garnsworthy	7	7	3	1
Anna Skarbek	10	10	4	4

* Joycelyn Morton is the Chair of the Audit and Risk Committee. Simon Corbell is the Chair of the Investments and Assets Committee.

In some instances directors attended committee meetings as an observer, rather than a specific committee member. This has been reflected in the table above. In addition to the above, three Board meetings were convened solely for the purpose of passing a resolution. No other business was conducted at these meetings. In addition to attending formal board and committee meetings, directors also participated in briefings with management to discuss and consider strategic issues.

Principal activities

The principal activities of the Group during the year were the investment in the delivery and development of renewable energy generation and storage projects.

Financial and operational performance

Net loss after tax attributable to shareholders was \$7.9 million, an increase of \$2.5 million compared to net loss of \$5.4 million in the prior period.

The movement in net loss reflects the Group's share of the Melbourne Renewable Energy Hub (MREH) net loss for the year. As the MREH batteries remained under construction during the current year, and no revenue has been earned, a loss position is expected. The three batteries – A1, A2 and A3 – are being progressively commissioned in the first half of FY26.

In November 2024, the Group committed to its second major project, SEC Renewable Energy Park – Horsham (Horsham). The capital estimate for Horsham is \$370 million which will be funded through a combination of equity and debt. Capital expenditure of \$96 million has been incurred to date for construction of this project.

The Group relies on its ultimate parent, SEC Victoria Pty Ltd, to provide funding as and when required for operational and capital commitments, and liquidity is managed at a consolidated SEC Victoria Pty Ltd level.

As the Group was only formed in October 2023, the prior period does not represent a full year of activity.

Climate-related risk disclosure statement

Management considers that climate change and the associated energy transition has both risks and opportunities for SEC. In preparing for the forthcoming mandatory climate-related financial disclosures, required under the *Corporations Act 2001* and Australian Sustainability Reporting Standards, appropriate governance arrangements, capability and data requirements are being considered with a view to having a more progressed assessment available for reporting next year. Based on forecast financial information, management expects the mandatory climate-related sustainability reporting requirements to apply to SEC Infrastructure for the first time in the year ending 30 June 2028.

Events occurring after the Balance Sheet date

There is no circumstance that has arisen since 30 June 2025 that has significantly affected or may significantly affect in future years:

- a) the Group's operations
- b) the results of those operations, or
- c) the state of affairs of the Group.

Dividends

The directors have neither declared nor recommended a dividend, and no dividend has been paid for the reporting period ended 30 June 2025.

Impact of legislation and other external requirements

In addition to the Corporations Act 2001, the Group is required to comply with additional legislation, detailed from page 134 (corporate compliance section). This legislative framework reflects SEC's status as a state-owned entity of Victoria.

Directors' interests

No director holds an interest in any shares in SEC Infrastructure Pty Ltd. The Company's sole shareholder is SEC Victoria Pty Ltd whose beneficial shareholders are the Premier and Treasurer of the State of Victoria.

Indemnification and insurance of officers and auditors

The Company has not, during or since the reporting period, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of SEC Victoria against a liability incurred.

Non-audit services

The Victorian Auditor-General's Office has not performed any services for the Company other than the audit of the annual financial report.

Proceedings on behalf of the Company

No person has applied to the Court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration

The auditor's independence declaration is set out in page 102 of this report and forms part of the financial report for the reporting period.

Rounding of amounts

In accordance with Financial Reporting Direction 30, relating to the 'rounding off' of amounts in the financial statements. Amounts in the Directors' report and financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This Directors' report is made in accordance with a resolution of the directors.



Simon Corbell
Board Chair

6 October 2025

Auditors' independence declaration



Auditor-General's Independence Declaration

To the Directors, SEC Infrastructure Pty Ltd

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for SEC Infrastructure Pty Ltd for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
14 October 2025

A handwritten signature in black ink, appearing to read "Paul Martin", is positioned above the printed name.

Paul Martin
as delegate for the Auditor-General of Victoria

Audit report



Independent Auditor's Report

To the Directors of SEC Infrastructure Pty Ltd

Opinion	<p>I have audited the consolidated financial report of SEC Infrastructure Pty Ltd (the company) and its controlled entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none">• consolidated statement of financial position as at 30 June 2025• consolidated statement of profit or loss and comprehensive income for the year then ended• consolidated statement of changes in equity for the year then ended• consolidated statement of cash flows for the year then ended• notes to the consolidated financial statements, including material accounting policy information• declaration by Board Chair, Chief Executive Officer and Chief Financial Officer. <p>In my opinion, the consolidated financial report is in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and the <i>Corporations Act 2001</i> including:</p> <ul style="list-style-type: none">• giving a true and fair view of the financial position of the company and the consolidated entity as at 30 June 2025 and of their financial performance and cash flows for the year then ended• complying with Australian Accounting Standards and the <i>Corporations Regulations 2001</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company and the consolidated entity in accordance with the auditor independence requirements of the <i>Corporations Act 2001</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other Information	<p>The Directors are responsible for the "other information" included in the company's Annual Report for the year ended 30 June 2025. The other information in the Annual Report does not include the consolidated financial report and my auditor's report thereon. My opinion on the consolidated financial report does not cover the other information included in the Annual Report. Accordingly, I do not express any form of assurance conclusion thereon.</p> <p>In connection with my audit of the consolidated financial report, my responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our 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 materially misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.</p>
Directors' responsibilities for the consolidated financial report	<p>The Directors of the company are responsible for the preparation of a consolidated financial report that gives a true and fair view in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Corporations Act 2001</i>, and for such internal control as the Directors determines is necessary to enable the preparation of a consolidated financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the company's and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Audit report

Auditor's responsibilities for the audit of the consolidated financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the consolidated financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the consolidated financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
14 October 2025



Paul Martin
as delegate for the Auditor-General of Victoria

Financial statements

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

		Year ended 30 June 2025	26 October 2023 to 30 June 2024
	Note	\$000's	\$000's
Operating expenses		(66)	(30)
Unrealised foreign currency gain		367	-
Results of equity accounted investees	14	(7,779)	(5,409)
Operating loss before depreciation and amortisation and net financing costs		(7,478)	(5,439)
Depreciation and amortisation		(120)	-
Loss before net financing costs		(7,598)	(5,439)
Interest expense		(316)	-
Loss before income tax		(7,914)	(5,439)
Income tax benefit	10	41	-
Loss for the period		(7,873)	(5,439)
Other comprehensive income			
Items that may be reclassified to profit or loss, net of tax			
Loss in fair value of cash flow hedges		(526)	-
Share of other comprehensive income/(loss) of equity accounted investees	14	20	(2,773)
Total other comprehensive loss, net of tax		(506)	(2,773)
Total comprehensive loss for the year		(8,379)	(8,212)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2025

		2025	2024
	Note	\$000's	\$000's
Assets			
Current Assets			
Cash and cash equivalents	3	8	-
Receivables		2,739	-
Total current assets		2,747	-
Non-current assets			
Property, plant and equipment	4	102,501	-
Investments accounted for using the equity method	14	176,756	64,913
Deferred tax assets	10	217	-
Total non-current assets		279,474	64,913
Total assets		282,221	64,913
Liabilities			
Current liabilities			
Payables	5	19,195	73,125
Provisions	6	6,000	-
Other financial liabilities		752	-
Interest bearing liabilities	7	313	-
Total current liabilities		26,260	73,125
Non-current liabilities			
Payables	5	262,407	-
Provisions	6	3,912	-
Interest bearing liabilities	7	6,233	-
Total non-current liabilities		275,552	-
Total liabilities		298,812	73,125
Net liabilities		(16,591)	(8,212)
Equity			
Reserves		(3,279)	(2,773)
Retained earnings		(13,312)	(5,439)
Total Equity		(16,591)	(8,212)

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

Consolidated statement of changes in equity

For the year ended 30 June 2025

	Reserves	Accumulated losses	Total
	\$000's	\$000's	\$000's
Balance at 26 October 2023	-	-	-
Loss for the period	-	(5,439)	(5,439)
Other comprehensive loss for the period, net of income tax	(2,773)	-	(2,773)
Total comprehensive loss	(2,773)	(5,439)	(8,212)
Balance at 30 June 2024	(2,773)	(5,439)	(8,212)
Balance at 1 July 2024	(2,773)	(5,439)	(8,212)
Loss for the year	-	(7,873)	(7,873)
Other comprehensive loss for the year, net of income tax	(506)	-	(506)
Total comprehensive loss	(506)	(7,873)	(8,379)
Balance at 30 June 2025	(3,279)	(13,312)	(16,591)

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

Consolidated statement of cash flows

For the year ended 30 June 2025

		Year ended 30 June 2025	26 October 2023 to 30 June 2024
	Note	\$000's	\$000's
Cash flows from operating activities			
Payments to suppliers and employees		(2,388)	-
Interest paid		(161)	-
Net cash flows used in operating activities	3ii	(2,549)	-
Cash flows from investing activities			
Payments for property, plant and equipment		(67,155)	-
Payments for investments in equity accounted investees		(119,600)	(73,095)
Net cash used in investing activities		(186,755)	(73,095)
Cash flows from financing activities			
Funds advanced from ultimate parent company		189,312	73,095
Net cash flows from financing activities		189,312	73,095
Net increase in cash and cash equivalents for the period		8	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at 30 June 2025	3i	8	-

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

Notes to the consolidated financial statements

1. General information

SEC Infrastructure Pty Ltd (the Company) is a for-profit proprietary company domiciled in Australia. These financial statements comprise the Company and its controlled entities (the Group).

The parent and ultimate parent of the Company is SEC Victoria Pty Ltd.

The principal activity of the Group during the year was the investment in renewable energy generation and storage projects.

Pursuant to section 3, of the *Financial Management Act 1994* (FMA), the Treasurer of Victoria declared that SEC Infrastructure Pty Ltd is a body to which Part 7 of the FMA applies, with effect from 21 December 2023.

The Company and the Group was established on 26 October 2023 under the provisions of the *Corporations Act 2001* and were each declared a state-owned Company under Part 5 of the *State Owned Enterprises Act 1992* on 14 November 2023.

The registered office and principal place of business is Level 26, 2 Lonsdale St, Melbourne, Victoria 3000.

The financial report was authorised for issue by the Board of Directors on 6 October 2025.

i. Basis of preparation

The functional and presentation currency of the Company and Group is the Australian dollar. Amounts are rounded and expressed to the nearest thousand dollars in accordance with Ministerial Directions under the FMA, unless otherwise stated.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost basis, except for certain assets and liabilities, including:

- investments accounted for using the equity method, which are initially recognised at cost and then adjusted for the Company's share of net assets, and
- non-financial physical asset measured at fair value.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Comparative information has been reclassified where required for consistency with the current year presentation.

ii. Use of judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. Judgements and assumptions made by management in applying Australian Accounting Standards that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimate'. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

iii. Statement of compliance

The financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001*, *Financial Management Act 1994* and applicable Australian Accounting Standards (AAS), which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

2. New accounting standards and interpretations

i. New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2024 and have been adopted by the Group:

- AASB 2020-1 Amendments to AASs – Classification of Liabilities as Current or Non-current

ii. New accounting standards and interpretations not yet adopted

Certain new and revised accounting standards have been issued but are not mandatory for the current reporting period. Those that are applicable to the Group, and which may have an effect on the Group's accounting policies, financial position or performance are disclosed below. These standards and interpretations have not been early adopted:

Accounting Standard	Description of change	Application date
AASB 18 <i>Presentation and Disclosure of Financial Statements</i>	<p>AASB 18 replaces AASB 101 <i>Presentation of Financial Statements</i> to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss.</p> <p>The key presentation and disclosure requirements established by AASB 18 is the presentation of newly defined subtotals in the statement of profit or loss. AASB 18 requires the Group to:</p> <ul style="list-style-type: none"> • classify income and expenses into operating, investing, financing, income taxes and discontinued operations categories in the statement of profit or loss; and • present two newly defined subtotals – operating profit and profit before financing and income taxes. 	<p>Standard: 1 January 2027</p> <p>Group: 1 July 2027</p>

Accounting Standard	Description of change	Application date
<p>AASB 2024-2 Amendments to AASs – Classification and Measurement of Financial Instruments</p>	<p>These amendments to AASB 7 and AASB 9 <i>Financial Instruments</i>:</p> <ul style="list-style-type: none"> • clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. • introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before the settlement date if certain conditions are met • clarify how to assess contractual cash flow characteristics that include environmental, social and governance (ESG)-linked features and other similar contingent features when classifying financial assets • clarify how non-recourse features and contractually linked instruments are assessed for the purpose of applying the SPPI test when determining the measurement basis of financial assets. • require additional disclosures in AASB 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income. <p>The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.</p>	<p>Standard: 1 January 2026</p> <p>Group: 1 July 2026</p>

3. Cash and cash equivalents

	2025	2024
	\$000's	\$000's
Cash on hand or on deposit	8	-
Cash and cash equivalents disclosed in the balance sheet	8	-

i. Accounting policy

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash. The carrying amount represents fair value.

For the purposes of the Consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

ii. Reconciliation of net result for the period to cash flow from operating activities

	Year ended 30 June 2025	26 October 2023 to 30 June 2024
	\$000's	\$000's
Net result for the period	(7,873)	(5,439)
Non-cash movements:		
Share of net loss of joint ventures accounted for using the equity method	7,779	5,409
Depreciation	120	-
Movements in assets and liabilities:		
Decrease/(Increase) in receivables	(2,739)	-
Decrease/(Increase) in deferred tax assets	9	-
Increase/(Decrease) in payables	155	30
Net cash flows used in operating activities	(2,549)	-

iii. Reconciliation of change in liabilities from financing activities

2025	Balance at beginning of financial year	Net proceeds/ (repayments)	Non-cash movements	Balance at end of financial year
	\$000's	\$000's	\$000's	\$000's
Lease liabilities	-	(161)	6,707	6,546
Total	-	(161)	6,707	6,546

No comparative has been prepared as there were no liabilities from financial activities noted in the prior year.

4. Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025	2024	2025	2024	2025	2024
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
At cost						
Assets under construction	96,230	-	-	-	96,230	-
At fair value						
Right-of-use land	6,391	-	(120)	-	6,271	-
Total	102,621	-	(120)	-	102,501	-

i. Reconciliation of movements in carrying values of property, plant and equipment

	Note	Assets under construction	Right-of-use land	Total
		\$000's	\$000's	\$000's
Balance at 1 July 2024		-	-	-
Acquisition of SEC Renewable Energy Park – Horsham	13	13,749	-	13,749
Additions		82,481	6,391	88,872
Depreciation		-	(120)	(120)
Carrying amount at 30 June 2025		96,230	6,271	102,501

ii. Accounting policy

Property, plant and equipment

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment, except assets under construction which continue to be measured at cost less any accumulated impairment. Valuations are performed with sufficient frequency to ensure that the carrying amount of the revalued asset does not materially differ from its fair value.

The cost of assets under construction includes the cost of all materials used in construction, direct labour, financing costs (if qualifying) and an appropriate proportion of any variable and fixed overheads.

The carrying amounts of assets under construction are reviewed to determine if there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and if required, an impairment is recognised in the income statement. All other property, plant and equipment asset classes are stated at fair value in accordance with FRD 103 *Non-financial physical assets*.

Depreciation is calculated on a straight-line basis so as to write off the cost of each asset over its expected useful life.

Right of use (ROU) property, plant and equipment

The Group's leased assets include land. The Group recognises a ROU asset and a lease liability at the commencement date of the lease, being the date the underlying asset is available for use.

ROU assets are initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received
- any initial direct costs incurred
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

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

- land ROU assets: lesser of lease period or up to 40 years.

Revaluations

A revaluation surplus is recorded in other comprehensive income (OCI) and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

iii. Determination of fair values for non-financial physical assets

This section sets out information on how the Group determined fair value of non-financial physical assets for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following non-financial physical assets are carried at fair value:

- property, plant and equipment, excluding assets under construction
- right-of-use assets.

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. Classifications are in accordance with the fair value hierarchy, refer to Note 9ii. fair value measurements.

2025	\$000's				
	Carrying amount	Level 1	Level 2	Level 3	Total
Right-of-use land	6,271	-	-	6,271	6,271
Total	6,271	-	-	6,271	6,271

ROU are valued using the market approach assessing against rental market indicators, including comparable leases. As the fair value is subsequently depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term over the lesser, this is considered a significant, unobservable input, and classified as Level 3.

iv. Reconciliation of Level 3 fair value movements

2025	Right-of-use land	Total
	\$000's	\$000's
Opening balance	-	-
Purchases	6,391	6,391
Transfers in/(out) of level 3	-	-
Depreciation	(120)	(120)
Closing balance	6,271	6,271

Description of significant unobservable inputs to Level 3 valuations:

Asset class	Valuation technique	Significant unobservable input	Range	Impact on fair value
Right-of-use: land	Market approach	Useful life	40 years	An increase in useful life would result in a higher valuation

5. Payables

	2025	2024
	\$000's	\$000's
Current		
Trade creditors	19,163	-
Accruals	32	30
Payables to SEC Victoria Pty Ltd (parent entity of the Company)	-	73,095
Total	19,195	73,125
Non-current		
Payables to SEC Victoria Pty Ltd (parent entity of the Company)	262,407	-
Total	262,407	-

i. Accounting policy

Contractual payables are classified as financial instruments and measured at amortised cost. Payables represent liabilities for goods/services provided to the Group prior to the end of the financial year that are unpaid.

Statutory payables are recognised and measured similarly to contractual payables but not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days.

Amounts advanced by the Group's ultimate parent entity, SEC Victoria Pty Ltd, are interest free and have no fixed repayment term. For the portion classified as non-current, the Group has received confirmation from its parent that payment of amounts owed will not be required within 12 months of balance date.

6. Provisions

	2025	2024
	\$000's	\$000's
Other provisions	6,000	-
Total current provisions	6,000	-
Other provisions	3,912	-
Total non-current provisions	3,912	-

Movements in other provisions	Deferred consideration	Other	Total
2025	\$000's	\$000's	\$000's
Balance at the beginning of the reporting period	-	-	-
Additional provisions recognised	8,000	1,912	9,912
Balance at 30 June	8,000	1,912	9,912

Other provisions include deferred consideration payable for the acquisition of SEC Renewable Energy Park – Horsham. Payment is dependent on achievement of future project milestones (refer note 13 for further details).

i. Accounting policy

Other provisions

Provisions are recognised when SEC has a present obligation (legal or constructive) as a result of a past event, it is probable that SEC will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the present value of the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The unwinding of the discount is recognised in profit or loss as part of finance costs.

7. Interest bearing liabilities

	2025	2024
	\$000's	\$000's
Lease liabilities	313	-
Total current interest bearing liabilities	313	-
Lease liabilities	6,233	-
Total non-current interest bearing liabilities	6,233	-
Total interest bearing liabilities	6,546	-

i. Accounting policy

Borrowings

Borrowings are initially recorded at the amount of proceeds received (fair value) less transaction costs. After that date, the liability is amortised to face value at maturity using an effective interest rate method.

Lease liabilities – SEC as lessee

A lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- payments arising from purchase and termination options reasonably certain to be exercised.

After initial measurement, the liability will be reduced for payments made and increased for interest.

It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments. On remeasurement of lease liabilities, a corresponding adjustment is made to the ROU asset, or profit and loss if the ROU asset is already reduced to zero.

8. Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management policy and framework. The Board has established the Audit and Risk Committee (ARC), which is responsible for approving the Group's risk management framework for identifying, assessing and managing risk. The ARC is also responsible for reviewing and updating the Group's risk profile, monitoring the effectiveness of the risk management framework and reviewing, at least annually, the implementation of the risk management framework.

The Group has adopted or is in the process of developing policies covering specific areas, such as interest rate risk, foreign currency risk, credit risk, and liquidity risk. Compliance with policies and exposure limits is reviewed on a continuous basis.

i. Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an appropriate capital structure of debt and equity. The Group relies on its ultimate parent, SEC Victoria Pty Ltd, to provide funding as and when required for operations.

The capital structure of SEC consists of cash and cash equivalents and total equity (comprising issued and contributed capital provided by the State and retained earnings). SEC monitors capital based on the funds received from the State along with anticipated cash outflows.

ii. Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the statement of financial position. The Group relies on its ultimate parent, SEC Victoria Pty Ltd, to provide funding as and when required for operations and liquidity is managed at a consolidated SEC Victoria Pty Ltd level. SEC Victoria Group manages its liquidity risk through monitoring future cash flows, maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations and planning of its financial obligations based on forecasts of future cash flows.

The Company's exposure to liquidity risk is insignificant based on a current assessment of risk and the level of cash available from its ultimate parent, SEC Victoria Pty Ltd.

The table below sets out the timing of the Group's payment obligations, as compared to the receipts expected from the Group's financial assets. Amounts are presented on an undiscounted basis and include cash flows not recorded on the statement of financial position, such as interest payments for borrowings.

2025	Maturity dates				
	Carrying Amount	Nominal Amount	Less than 1 year	1 – 5 years	5 years +
	\$000's	\$000's	\$000's	\$000's	\$000's
Trade and other payables	(281,602)	(281,602)	(19,195)	(262,407)	-
Lease liabilities	(6,546)	(6,546)	(313)	(1,131)	(5,102)
Provisions	(9,912)	(9,912)	(6,000)	(3,912)	-
Total non-derivative financial liabilities	(298,060)	(298,060)	(25,508)	(267,450)	(5,102)
Derivative liabilities	(752)	(752)	(752)	-	-
Net liquidity exposure	(298,812)	(298,812)	(26,260)	(267,450)	(5,102)

2024	Maturity dates				
	Carrying Amount	Nominal Amount	Less than 1 year	1 – 5 years	5 years +
	\$000's	\$000's	\$000's	\$000's	\$000's
Trade and other payables	(73,125)	(73,125)	(73,125)	-	-
Total non-derivative financial liabilities	(73,125)	(73,125)	(73,125)	-	-
Derivative liabilities	-	-	-	-	-
Net liquidity exposure	(73,125)	(73,125)	(73,125)	-	-

iii. Credit risk management

Credit risk refers to the possibility that a customer or borrower will default on their financial obligations as and when they fall due. The Group's exposure to credit risk arises from the potential default of a counterparty on their contractual obligations resulting in financial loss to the Group. For the period, the Group's exposure to credit risk is not material.

iv. Foreign currency risk

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period.

The Group's treasury management policy requires the hedging of foreign currency risk using forward foreign exchange contracts for foreign currency exposures of anticipated cash flows in excess of \$500,000 and to not enter into forward foreign exchange contracts until a firm commitment is in place.

The forward foreign exchange contracts are designated as cash flow hedges. During the year, no hedges were de-designated and all underlying forecast transactions remain highly probable as per original forecast.

The Group is exposed to foreign currency risk mainly through its payables relating to purchases of supplies and consumables from overseas. Exposures are against the US dollar (USD) and are managed through hedging instruments that allow the Group to fix its foreign currency transactions at acceptable rates. For the period, the Group's exposure to foreign currency risk is not material.

v. Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has exposure to cash flow interest rate risks through cash and cash equivalents that are at floating rate.

For the period, the Group's exposure to interest rate risk is not material.

9. Fair value of other financial assets and liabilities

i. Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics
 - amortised cost
 - fair value through profit or loss ('FVTPL')
 - fair value through other comprehensive income ('FVOCI')
- the carrying amounts of financial instruments
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value).

		Carrying value		
		\$000's		
2025		FVOCI	Amortised cost	Total
Financial assets				
	Cash and cash equivalents	-	8	8
	Receivables	-	2,739	2,739
	Total	-	2,747	2,747
Financial liabilities				
	Payables	-	281,602	281,602
	Derivative financial instruments	752	-	752
	Lease liabilities	-	6,546	6,546
	Total	752	288,148	288,900

		Carrying value		
		\$000's		
2024		FVOCI	Amortised cost	Total
Financial assets				
	Cash and cash equivalents	-	-	-
	Receivables	-	-	-
	Total	-	-	-
Financial liabilities				
	Payables	-	73,125	73,125
	Total	-	73,125	73,125

ii. Fair value measurements

The following table provides an analysis of financial instruments that are measured after initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		\$000's			
2025	Carrying amount	Level 1	Level 2	Level 3	Total
<i>Derivative financial instruments</i>					
Liabilities					
Forward foreign exchange contracts – cash flow hedges	752	–	752	–	752
Total financial liabilities	752	–	752	–	752

		\$000's			
2024	Carrying amount	Level 1	Level 2	Level 3	Total
<i>Derivative financial instruments</i>					
Liabilities					
Forward foreign exchange contracts – cash flow hedges	–	–	–	–	–
Total financial liabilities	–	–	–	–	–

10. Income tax

On 17 December 2024, the Group entered into the National Tax Equivalent Regime (NTER), pursuant to section 88(1) of the *State Owned Enterprises Act 1992*, which is administered by the Australian Taxation Office (ATO). The difference between the NTER and the Commonwealth legislation is that the tax liability is paid to the Victorian State Government rather than the Commonwealth Government.

The regime is applied to all open income tax periods and consequently, an income tax return was prepared and lodged for the period from incorporation to 30 June 2024.

i. Accounting policy

Income tax on the consolidated statement of profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of profit or loss except to the extent that it relates to items recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the year, based on the notional corporate income tax rate of 30%, adjusted by changes in deferred tax assets and liabilities and any adjustment to tax payable in respect of previous years.

Deferred tax is providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes at balance date. Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered or liabilities are settled based on those tax rates which are enacted or substantially enacted at balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax liabilities are reported net of any deferred tax assets.

The company and its subsidiaries became a party to an income tax consolidated group consisting of SEC Victoria (the company's parent) and its controlled entities. SEC Victoria is the head entity of the tax consolidated group. As a part of the tax consolidated group, each entity accounts for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone tax payer in its own right. In addition to its own current and deferred tax amounts the head entity (SEC Victoria, also recognises the current tax liabilities (or assets) and the deferred tax assets it has assumed from unused tax losses from controlled entities in the tax consolidated group.

ii. Components of income tax expense

	Year ended 30 June 2025	26 October 2023 to 30 June 2024
	\$000's	\$000's
Current tax	-	-
Deferred tax	(41)	-
Total income tax gain reported in the profit or loss	(41)	-
<i>Deferred tax expense related to items recognised in OCI during the year</i>		
Net loss in fair value of cash flow hedges	(226)	-
Deferred tax benefit charged to OCI	(226)	-

iii. Numerical reconciliation of income tax expense to prima facie tax payable

	Year ended 30 June 2025	26 October 2023 to 30 June 2024
	\$000's	\$000's
Loss from continuing operations before income tax expense	(7,914)	(5,439)
Tax at the Australian tax rate of 30% (2024: not applicable)	(2,375)	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share of loss of equity accounted investee not recognised	2,334	-
Acquisition of SEC Renewable Energy Park – Horsham	9	-
Under/(over) from prior years	(9)	-
Total income tax benefit	(41)	-

iv. Deferred tax balances

	2025	2024
	\$000's	\$000's
Deferred tax assets		
Lease liabilities	1,964	-
Other financial liabilities	226	-
Accruals	29	-
Property, plant and equipment	34	-
Total	2,253	-
Deferred tax liabilities		
Trade payables	(110)	-
Equity accounted investment	(1,917)	-
Property, plant and equipment	(9)	-
Total	(2,036)	-
Set off of deferred tax assets	2,253	-
Net deferred tax assets	217	-
Movement in deferred taxes		
Opening net deferred tax assets/(liabilities)	-	-
Charged to the statement of profit or loss	41	-
Transferred to head of tax consolidated group	(50)	-
Charged to equity	226	-
Closing net deferred tax assets	217	-

v. Significant judgements

The accounting carrying value of the Group's investment in MREH is significantly lower than the tax cost base, primarily as a result of the equity accounted share of accumulated losses to date. The resulting temporary difference for which a deferred tax asset has not been recognised totals \$4,782,000 (2024: nil). Management judgment is that it is not yet probable that the temporary difference will reverse in the foreseeable future.

11. Controlled entities

The consolidated financial statements of the Group include:

Name of entity	Principal activities	Country of incorporation*	Ownership interest	
			2025	2024
Horsham Solar Farm 7 Hold Co Pty Ltd	Holding company	Australia	100%	-
ESCO Solar Farm 7 Pty Ltd	Trustee for the ESCO Solar Farm 7 trust	Australia	100%	-
ESCO Solar Farm 7 Trust	Construction and operation of SEC Renewable Energy Park – Horsham	Australia	100%	-

* The country of incorporation is also the principal place of business.

i. Principles of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

12. Parent entity information

	2025	2024
	\$000's	\$000's
Financial position		
Current assets	9	-
Non-current assets	190,515	64,913
Total assets	190,524	64,913
Current liabilities	6,033	73,125
Non-current liabilities	200,475	-
Total liabilities	206,508	73,125
Net liabilities	(15,984)	(8,212)
Reserves	(2,753)	(2,773)
Accumulated losses	(13,231)	(5,439)
Total equity	(15,984)	(8,212)

	Year ended 30 June 2025	26 October 2023 to 30 June 2024
	\$000's	\$000's
Financial performance		
Loss for the period	(7,792)	(5,439)
Other comprehensive income/(loss)	20	(2,773)
Total comprehensive loss for the period	(7,772)	(8,212)

i. Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The Parent Entity has not guaranteed any debts of its subsidiaries (2024: Nil)

ii. Contingent liabilities

There are no contingent liabilities of the Parent Entity at 30 June 2025 (2024: Nil).

iii. Capital expenditure commitments

The Parent Entity had the below commitments for the acquisition of property, plant and equipment:

	2025	2024
	\$000's	\$000's
Joint venture commitments ¹	52,309	171,905
Total commitments	52,309	171,905

¹In November 2023, SEC Victoria's subsidiary SEC Infrastructure entered into contracts to invest \$245 million in the 600-megawatt Melbourne Renewable Energy Hub (MREH) in partnership with Equis Development Pty Ltd. As at 30 June 2025, there is \$52.3 million (30 June 2024: \$171.5 million) remaining on this commitment and includes amounts to cover SEC's share of capital commitments made jointly with other investors described in Note 14 iii.

13. Acquisition of SEC Renewable Energy Park – Horsham

On 5 September 2024, the Group acquired 100% of the issued shares Horsham Solar Farm 7 HoldCo Pty Ltd and its controlled entities (Horsham) from OX2 Holding Overseas AB (OX2) for cash consideration. This transaction resulted in SEC acquiring development rights to construct and operate a solar farm and associated battery energy storage system to be known as SEC Renewable Energy Park – Horsham.

The acquisition of Horsham was not accounted for as a business combination because the set of activities acquired did not meet the definition of a business. Where an acquisition does not meet the definition of a business, the transaction is accounted for as an asset acquisition. Identifiable assets acquired and any liabilities assumed in the acquisition are measured at their relative fair values on acquisition. Costs directly attributable to the acquisition are capitalised.

Details of the purchase consideration and purchase price allocation to identifiable assets acquired are as follows:

		2025
	Note	\$000's
Cash consideration to acquire Horsham		5,000
Deferred consideration	6	8,000
Directly attributable transaction costs capitalised		749
Total		13,749
Recognised as assets under construction	4	13,749
Total assets acquired		13,749

Deferred consideration is payable on key project milestones achieved including solar energisation, battery energy storage system (BESS) energisation and commercial operations date.

14. Interests in equity accounted investees

Set out below are the associates and joint ventures which are material to the Group at 30 June 2025.

All entities are incorporated and operate in Australia. Ownership interest remains unchanged from 30 June 2024.

Name of entity	Ownership interest	Voting rights	Nature of relationship	Method	Carrying Amount	
					2025	2024
					\$000's	\$000's
Equis Energy (Australia) Projects (MREH A1 HoldCo) Pty Ltd	30	30	Joint venture	Equity	71,066	29,659
Equis Energy (Australia) Projects (MREH A2 HoldCo) Pty Ltd	30	30	Joint venture	Equity	67,112	24,857
Equis Energy (Australia) Projects (MREH A3 HoldCo) Pty Ltd	47	49	Joint venture	Equity	38,578	10,398
Total equity-accounted investments					176,756	64,913

In November 2023, the Group committed to invest \$245 million in the Melbourne Renewable Energy Hub (MREH) project being developed near Melton, Victoria by Equis Australia. Its value in the financial report is represented by the cash calls injected into the project to support construction, offset by any gain or loss incurred by the investee.

i. Principles of equity accounting

Joint arrangements

Under AASB 11 *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has interests in joint ventures, which are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Prior impairment charges are reviewed for possible reversal of the impairment at the end of each reporting period.

ii. Significant judgement

The investment agreements in relation to MREH require unanimous consent from both parties for relevant activities that impact returns such as decisions on entering funding arrangements, material acquisition or disposal of assets, approving any transactions outside approved business plan and approving the business plan. Based on these factors, joint control has been assessed, and the arrangements are accounted for as a joint venture, even though the Group holds less than 50% ownership interest.

A Revenue Support Agreement (RSA) was executed between SEC Energy and Equis to support the MREH A1 and A2 batteries. While both counterparties recognise the RSA as a derivative, there is a difference in the valuation methodology used by each party. SEC has adjusted the accounting valuation of the RSA in the summary financial information of A1 and A2 to align to SEC's valuation before recognising its equity accounted share of profit or loss in accordance with equity accounting principles.

iii. Commitments and contingent liabilities in respect of joint ventures

	MREH A1		MREH A2		MREH A3	
	2025	2024	2025	2024	2025	2024
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Commitment for construction of battery energy storage system (BESS) infrastructure	38,731	130,411	41,351	183,833	78,267	295,710

MREH A3 is the counterparty to a lease with a related party SEC Energy Pty Ltd will be derecognising the associated fixed asset on its balance sheet on commencement of the lease.

The joint ventures had no other had no other capital commitments or contingent liabilities at 30 June 2025 (30 June 2024: Nil).

iv. Summary of financial information of joint ventures

Summarised financial information of the joint ventures, based on its financial statements are set out below:

	2025			2024		
	\$000's			\$000's		
	MREH A1	MREH A2	MREH A3	MREH A1	MREH A2	MREH A3
Cash and cash equivalents	19,213	8,976	9,995	23,556	11,057	1,050
Other current assets	12,414	1,037	799	13,512	4,007	3,550
Total current assets	31,627	10,013	10,794	37,068	15,065	4,600
Total non-current assets	258,146	254,229	370,038	149,458	95,499	127,900
Financial liabilities excluding trade payables	-	-	-	17	17	478
Other current liabilities	15,450	5,603	5,443	67,071	7,438	5,890
Total current liabilities	15,450	5,603	5,443	67,088	7,455	6,368
Non-current financial liabilities excluding trade payables	31,485	31,486	17,790	-	-	-
Other non-current liabilities	5,951	3,445	298,575	20,573	20,251	106,923
Total non-current liabilities	37,436	34,931	316,365	20,573	20,251	106,923
Net assets	236,887	223,708	59,024	98,864	82,857	19,209
Group's ownership interest (%)	30%	30%	47%	30%	30%	47%
Goodwill	-	-	11,058	-	-	-
Group's carrying amount	71,066	67,112	38,578	29,659	24,857	10,398

	Year ended 30 June 2025			26 October 2023 to 30 June 2024		
	\$000's			\$000's		
	MREH A1	MREH A2	MREH A3	MREH A1	MREH A2	MREH A3
Total revenue and other income	20,101	-	-	10,147	8	16
Operating expenses	(21,913)	(1,716)	(1,697)	(10,849)	(703)	(1,420)
Share of gain/(loss) on associate	(299)	(299)	(299)	(236)	(236)	(236)
Gain/(loss) on fair value of financial instruments	(15,342)	(15,342)	-	(6,915)	(6,915)	-
Depreciation and amortisation	(500)	(500)	(500)	(160)	(160)	(160)
Interest income	1,004	905	676	394	395	290
Interest expense	(408)	(408)	(408)	(131)	(131)	(131)
Income tax (expense)/benefit	2,632	4,806	221	(192)	127	129
Total profit/(loss)	(14,725)	(12,554)	(2,007)	(7,942)	(7,615)	(1,511)
Other comprehensive income	-	-	(7,761)	-	-	(5,659)
Total comprehensive income/(loss)	(14,725)	(12,554)	(9,768)	(7,942)	(7,615)	(7,171)

15. Commitments for expenditure

Detailed below are the Group's contractual commitments that are not recognised as liabilities as there is no present obligation.

	2025	2024
	\$000's	\$000's
Capital commitments ¹	212,159	-
Joint venture commitments ²	52,309	171,905
Total commitments	264,468	171,905

¹Capital commitments relate to the construction of SEC Renewable Energy Park – Horsham. Estimated payments for construction are \$124,688,000 within one year and \$87,471,000 within two to five years.

²In November 2023, SEC Victoria's subsidiary SEC Infrastructure entered into contracts to invest \$245 million in the 600-megawatt Melbourne Renewable Energy Hub (MREH) in partnership with Equis Development Pty Ltd. As at 30 June 2025, there is \$52.3 million (30 June 2024: \$171.5 million) remaining on this commitment and includes amounts to cover SEC's share of capital commitments made jointly with other investors described in Note 14 iii.

16. Subsequent events

No item, transaction or event of a material nature has arisen since 30 June 2025 that would significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial periods.

17. Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the FMA, the following disclosures are made about responsible persons for the reporting period.

The names of persons who were responsible persons at any time during the period are as follows:

Position	Responsible Person
Responsible Minister	The Hon. Lily D'Ambrosio MP, Minister for the State Electricity Commission
Accountable Officer	Christopher Francis Miller
Chairperson	Simon Corbell
Board Members	Joycelyn Morton
	Damien Barnes
	Joanne Benvenuti
	Sharan Burrow (appointed 1 October 2024)
	Cameron Garnsworthy (appointed 1 October 2024)
	Anna Skarbek

i. Remuneration of responsible persons

Remuneration received or receivable by each director of the Board in connection with the management of the Company during the reporting period is paid for and recorded in the statement of profit or loss of the Group's ultimate parent, SEC Victoria Pty Ltd.

ii. Remuneration of Accountable Officer

The Accountable Officer (CEO) was formally appointed by the Board on 12 August 2024. Prior to this date, remuneration was paid for by the Department of Energy, Environment and Climate Action (DEECA), as an interim Accountable Officer and as such the remuneration costs incurred up to this date are reflected in DEECA's annual report. The remuneration from 12 August 2024 onwards for the Accountable Officer was paid for and recorded in the statement of profit or loss of the Group's parent, SEC Victoria Pty Ltd.

iii. Remuneration of responsible Minister

The Responsible Minister did not receive any remuneration from the Group. The Ministers' remuneration and allowances are set in accordance with the *Parliamentary Salaries and Superannuation Act 1968* and reported in the State's Annual Financial Report.

18. Related parties

The related parties of the Group include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

For information pertaining to related party transactions of ministers, the register of members' interests is publicly available from: <https://www.parliament.vic.gov.au> within the Tabled documents database.

i. Key management personnel remuneration

Key management personnel are those people who have authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The remuneration, including the superannuation guarantee contribution, received or receivable by key management personnel of the Company was paid for and recorded in the statement of profit or loss of the Company's parent, SEC Victoria Pty Ltd.

ii. Transactions and balances with other related parties

The Company's employment policies and procedures have been created to support the application of the Code of Conduct Victorian Public Sector Employees, and employees are required to comply with the public sector values under *Public Administration Act 2004 (Vic)*. Procurement processes are based on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Any transactions or issues that involve related parties are dealt with on normal commercial terms and conditions and without reference to the key management personnel concerned. All income and expense transactions exclude GST.

iii. Transactions with companies in the SEC Victoria Group

The Group's ultimate parent, SEC Victoria Pty Ltd, paid for the following transactions on behalf of the Group during the year. Total amounts payable to SEC Victoria Pty Ltd at 30 June 2025 are disclosed in note 5. Payables.

	Year ended 30 June 2025	26 October 2023 to 30 June 2024
	\$000's	\$000's
Investment in the joint venture	119,600	73,095
Construction of Renewable Energy Park – Horsham	63,932	–
Acquisition of Renewable Energy Park – Horsham	5,749	–
Operating expenditure	31	–
Total	189,312	73,095

19. Auditors' remuneration

During the year, the following fees were paid or payable for services provided by the auditor of the parent entity:

	Year ended 30 June 2025	26 October 2023 to 30 June 2024
	\$	\$
Auditing the statutory financial report of the Group	32,000	30,000
Total	32,000	30,000

Directors' declaration

In the Directors' opinion:

1. The financial statements and notes of SEC Infrastructure Pty Ltd and its controlled entities are in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the year then ended

b. complying with the Australian Accounting Standards (including the Australian Standards of Interpretations), the *Corporations Regulations 2001* and other mandatory professional reporting requirements.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. At the time of signing, we are not aware of any circumstance which would make any particulars included in the annual financial report misleading or inaccurate.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'Simon Corbell', is written over a light grey rectangular background.

Simon Corbell
Chair, SEC

6 October 2025

Declaration by Board Chair, Chief Executive Officer and Chief Financial Officer

For SEC Infrastructure Pty Ltd and its controlled entities, we jointly certify that:

- the consolidated financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and
- the consolidated financial statements have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.



Simon Corbell
Board Chair, SEC



Christopher Miller
Chief Executive Officer



Elisha Civil
Chief Financial Officer

6 October 2025

Corporate compliance

Local Jobs First

The Local Jobs First Act 2003 brings together the Victorian Industry Participation Policy (VIPPP) and Major Project Skills Guarantee (MPSG) policies.

It aims to support small and medium-sized enterprises, requires the inclusion of apprentices and trainees on large government construction projects, and ensure compliance and accountability from government agencies. Please refer to page 88 of SEC Victoria's corporate compliance section for details on local jobs first activity during the year.

Social procurement

Victoria's Social Procurement Framework (SPF) establishes requirements that apply to Victorian Government departments and agencies when they procure goods, services and construction. Under the framework, SEC is committed to ensuring procurement decisions help generate social value and this is performed at a consolidated level being led by the Company's Parent, SEC Victoria Pty Ltd. Please refer to page 89 of SEC Victoria's corporate compliance section for further detail.

Asset management accountability framework (AMAF)

The AMAF assists Victorian Public Sector agencies manage their asset portfolios and includes both mandatory asset management requirements as well as general guidance. Mandatory requirements include developing asset management strategies, governance frameworks, performance standards and processes to regularly monitor and improve asset management. The AMAF applies to non-current assets (physical and intangible) but not financial assets. For the period to 30 June 2025, the Company did not have any such assets (2024: nil).

Government advertising expenditure

The Company did not undertake any government advertising campaigns with total media spend of \$100,000 or greater, exclusive of GST during the reporting period.

Consultancy expenditure

In the reporting period, the Company had no consultancy arrangements where the total fees paid or payable were \$10,000 or greater, excluding GST.

Information and communication technology (ICT) expenditure

Business as usual expenditure relates to ongoing activities to operate and maintain current information and communication technology capacity. Non-business as usual expenditure relates to extending and enhancing the Company's current capability. It is the sum of operational expenditure and capital expenditure.

For the reporting period, the Company had a total information and communication technology spend of \$nil (2024: nil).

Procurement complaints

There have been no complaints received in relation to the procurement of goods and services during the period (2024: nil).

Emergency procurement

There have been no instances of emergency procurement during the period (2024: nil).

Compliance with the National Competition Policy and the Competitive Neutrality Policy

SEC Infrastructure operates in accordance with the requirements of the National Competition Policy and the Competitive Neutrality Policy Victoria. Competitive neutrality generally requires that government owned businesses competing, or potentially competing, with the private sector, do not enjoy any net competitive advantage by virtue of their government ownership. In certain instances, Victoria's Competitive Neutrality Policy can require the application of measures to achieve competitive neutrality.

Freedom of Information

The *Freedom of Information Act 1982* is not applicable to SEC Infrastructure Pty Ltd, and there are no reporting requirements associated with this Act.

Compliance with the *Public Interest Disclosure Act 2012*

SEC Infrastructure does not tolerate improper conduct by employees, nor taking of detrimental action against those who come forward to disclose such conduct.

SEC Infrastructure's Public Interest Disclosure Policy outlines our commitment to ensuring transparency and accountability in our administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to the public health and safety or the environment.

Reporting procedures

Disclosures of improper conduct or detrimental action by SEC Infrastructure or any of its employees and/or officers may be made directly to:

The Independent Broad-based Anti-corruption Commission
Phone: 1300 735 135
Email: info@ibac.vic.gov.au

Environmental Reporting

Accommodation is paid for by the company's parent, SEC Victoria. Please refer to relevant section in the corporate compliance note of SEC Victoria for further detail.

SEC Infrastructure is committed to proactively contributing to a sustainable environment and continues to minimise its office-based environmental impact through:

- separating office waste into organic, commingled recyclable and landfill streams
- reducing paper and printer toner use with the widespread adoption by staff of laptops, tablets, smartphones, and other digital devices.

Compliance with the *Building Act 1993*

SEC Infrastructure does not own or control any government buildings and is consequently exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

Modern slavery

The *Modern Slavery Act 2018* (MS Act) addresses modern slavery risks within supply chains. The Company is not subject to the MS Act for this reporting period.

Disclosure index

The consolidated annual report of SEC Infrastructure Pty Ltd is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

SEC Infrastructure Pty Ltd is part of SEC's group of companies that work together to meet the SEC's overall objectives. Its parent company, SEC Victoria Pty Ltd, prepares a consolidated annual report that includes the results and operations of the Company and other controlled entities. The Report of Operations has been prepared to cover the whole SEC group of companies from page 13 and as such some sections have not been duplicated but referenced in the disclosure index below.

Legislation	Requirement	Page ref
Standing Directions and Financial Reporting Directions		
Report of operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	16
FRD 22	Purpose, functions, powers and duties	14
FRD 22	Key initiatives and projects	20
FRD 22	Nature and range of services provided	40
Management and structure		
FRD 22	Organisational structure	18
Financial and other information		
FRD 10	Disclosure index	136
FRD 22	Employment and conduct principles	36
FRD 22	Occupational health and safety policy	37
FRD 22	Summary of the financial results for the year	100
FRD 22	Significant changes in financial position during the year	100
FRD 22	Major changes or factors affecting performance	100
FRD 22	Subsequent events	100
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	135
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	135
FRD 22	Statement on National Competition Policy	135
FRD 22	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	135
FRD 22	Details of consultancies over \$10,000	134
FRD 22	Details of consultancies under \$10,000	134
FRD 22	Disclosure of government advertising expenditure	134
FRD 22	Disclosure of ICT expenditure	134
FRD 22	Disclosure of emergency procurement	134
FRD 22	Disclosure of procurement complaints	134

Legislation	Requirement	Page ref
FRD 24	Environmental reporting	135
FRD 25	Local Jobs First	134
Compliance attestation and declaration		
SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	98
SD 5.2.3	Declaration in report of operations	98
Financial statements		
Declaration		
SD 5.2.2	Declaration in financial statements	133
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	133
SD 5.2.1(a)	Compliance with Standing Directions	133
Other disclosures as required by FRDs in notes to the financial statements (a)		
FRD 21	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	130
FRD 110	Cash flow statements	109
FRD 114	Financial instruments	120
(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs are not applicable.		
Legislation		
<i>Freedom of Information Act 1982</i>		
<i>Building Act 1993</i>		
<i>Corporations Act 2001</i>		
<i>Public Interest Disclosures Act 2012</i>		
<i>Local Jobs Act 2003</i>		
<i>Financial Management Act 1994</i>		

SEC Energy Pty Ltd
Financial Report for the
year ended 30 June 2025

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Report of operations

Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present SEC Energy Pty Ltd's Annual Report for the year to 30 June 2025:



Simon Corbell
Board Chair

SEC Energy Pty Ltd

6 October 2025

Preparation

SEC Energy Pty Ltd (the Company) is part of the SEC group of companies that work together to meet the SEC's overall objectives. Its parent company, SEC Victoria Pty Ltd, prepares a consolidated annual report that includes the results and operations of the Company and other controlled entities (collectively, SEC or the Group). The Report of Operations has been prepared to cover the whole SEC group of companies from page 13 and as such has not been duplicated here.

Financial management compliance attestation statement

I, Christopher Francis Miller, on behalf of SEC Energy Pty Ltd, certify that SEC Energy Pty Ltd has no Material Compliance Deficiency with respect to the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions.



Chris Miller
CEO, SEC

Directors' report

The directors present their report on SEC Energy Pty Ltd (the Company) for the year ended 30 June 2025. Throughout the report, the entity is referred to as SEC Energy or the Company.

Directors

The directors of the Company in office during the financial year and up to the date of this report are set out below. Directors were in office for this entire period unless otherwise stated:

Simon Corbell, Non-executive Board Chair

Joycelyn Morton, Non-executive director

Damien Barnes, Non-executive director

Joanne Benvenuti, Non-executive director

Anna Skarbek, Non-executive director

Sharan Burrow, Non-executive director (appointed 1 October 2024)

Cameron Garnsworthy, Non-executive director (appointed 1 October 2024)

Company secretary

The Company Secretary for the Company at any time during the reporting period was Mr Sam Gifford (current).

Directors' meetings

Name	Board		Audit and Risk Committee*	
	Meetings held: 10		Meetings held: 4	
	Attended	Eligible to attend	Attended	Eligible to attend
Simon Corbell (Board Chair)	10	10	4	4
Joycelyn Morton	10	10	4	4
Damien Barnes	8	10	3	4
Joanne Benvenuti	9	10	4	4
Sharan Burrow	7	7	3	1
Cameron Garnsworthy	7	7	3	1
Anna Skarbek	10	10	4	4

* Joycelyn Morton is the Chair of the Audit and Risk Committee.

In some instances, directors attended committee meetings as an observer, rather than a specific committee member. This has been reflected in the table above. In addition to the above, three Board meetings were convened solely for the purpose of passing a resolution. No other business was conducted at these meetings. In addition to attending formal board and committee meetings, directors also participated in briefings with management to discuss and consider strategic issues.

Principal activities

The principal activities of the Company during the year were the establishment of energy market operations ready to commence retailing to Victorian government and accept novation of the VRET and Bulgana contracts from 1 July 2025.

Financial and operational performance

SEC Energy Pty Ltd has been set up to operate the Energy Markets business for SEC Group. SEC Energy holds the electricity retail license and Australian Financial Services License and is responsible for participating in wholesale electricity markets and retailing electricity to commercial and industrial customers. SEC Energy enters into offtake agreements with projects invested in by SEC Infrastructure and manages the Group's overall retail and wholesale energy market position through the purchase and sale of energy market derivatives.

Financial performance

Net profit after tax attributable to shareholders was \$24.6 million, an increase of \$10.8 million compared to net profit of \$13.8 million in the prior period.

The movement in net profit reflects changes in the fair value of financial instruments recognised in profit or loss was a gain of \$40.8 million, up from a gain of \$13.8 million in the prior period. These financial instruments include new electricity derivatives entered into during the current year to manage the Company's market risk exposures arising on 1 July 2025, as well as the existing revenue support agreement executed as part of the SEC Group's investment in the Melbourne Renewable Energy Hub. The net gain reflects a positive fair value movement in level 3 electricity derivatives due to upward movements in medium to long term energy revenue expectations (a key valuation input) since last year end.

From 1 July 2025, SEC Energy commenced its retailing operations, earning revenue from these activities from the 2026 financial year. As the Company was only formed in October 2023, the prior period does not represent a full year of activity.

Financial position and capital management

SEC Energy received \$49.9 million of capital contributions from SEC Victoria Pty Ltd, its ultimate parent, to fund operations in preparation for entering the energy market, including energy derivative trading.

Climate-related risk disclosure statement

Management considers that climate change and the associated energy transition has both risks and opportunities for SEC Energy. In preparing for the forthcoming mandatory climate-related financial disclosures required under the *Corporations Act 2001* and Australian Sustainability Reporting Standards, appropriate governance arrangements, capability and data requirements are being considered with a view to having a more progressed assessment available for reporting next year. Based on forecast financial information, management expects the mandatory climate-related sustainability reporting requirements to apply to SEC Energy for the first time in the year ending 30 June 2028.

Events occurring after the Balance Sheet date

Retail operations commenced

From 1 July 2025, SEC commenced retailing operations to government commercial and industrial sites, servicing around 5% of Victoria's total energy load. Effective from the same date, Victorian Renewable Energy Target (VRET) and Bulgana power purchase contracts were novated from the Department of Energy, Environment and Climate Action (DEECA) to SEC Energy to act as a synthetic hedge against the cost of energy for this load, as described below.

VRET novation

To support the VRET, DEECA entered contracts to support the construction of renewable energy projects in Victoria. These contracts were entered into between 2017 and 2024 and are contracts for difference for purchase of electricity and LGCs from/to private sector parties.

Effective from 1 July 2025, the rights and obligations under 6 VRET and Bulgana contracts transfer from DEECA to SEC Energy.

The \$381.1 million fair value of the contracts transferred at 1 July 2025 will be initially recognised as a capital contribution from DEECA and a corresponding other financial asset in the statement of financial position.

Subsequent changes in fair value, using SEC's valuation techniques, inputs and assumptions, will be recognised through profit and loss.

There is no other circumstance that has arisen since 30 June 2025 that has significantly affected or may significantly affect in future years:

- a) the Company's operations
- b) the results of those operations, or
- c) the state of affairs of the Company.

Dividends

The directors have neither declared nor recommended a dividend, and no dividend has been paid for the reporting period ended 30 June 2025.

Impact of legislation and other external requirements

In addition to the Corporations Act 2001, the Company is required to comply with additional legislation, detailed from page 171 (corporate compliance section). This legislative framework reflects SEC Energy's status as a state-owned entity of Victoria.

Directors' interests

No director holds an interest in any shares in SEC Energy Pty Ltd. The Company's sole shareholder is SEC Victoria Pty Ltd whose beneficial shareholders are the Premier and Treasurer of the State of Victoria.

Indemnification and insurance of officers and auditors

The Company has not, during or since the reporting period, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of SEC Energy against a liability incurred.

Non-audit services

The Victorian Auditor-General's Office has not performed any services for the Company other than the audit of the annual financial report.

Proceedings on behalf of the Company

No person has applied to the Court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration

The auditor's independence declaration is set out in page 144 of this report and forms part of the financial report for the reporting period.

Rounding of amounts

In accordance with Financial Reporting Direction 30, relating to the 'rounding off' of amounts in the financial statements. Amounts in the directors' report and financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This Directors' Report is made in accordance with a resolution of the directors.



Simon Corbell
Board Chair, SEC

6 October 2025

Auditors' independence declaration



Auditor-General's Independence Declaration

To the Directors, SEC Energy Pty Ltd

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for SEC Energy Pty Ltd for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
14 October 2025

A handwritten signature in black ink, appearing to read "Paul Martin", is positioned above the printed name.

Paul Martin
as delegate for the Auditor-General of Victoria

Audit report

Independent Auditor's Report



To the Directors of the SEC Energy Pty Ltd

Opinion	<p>I have audited the financial report of the SEC Energy Pty Ltd (the company) which comprises the:</p> <ul style="list-style-type: none">• statement of financial position as at 30 June 2025• statement of profit or loss and comprehensive income for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• notes to the financial statements, including material accounting policy information• declaration by Board Chair, Chief Executive Officer and Chief Financial Officer. <p>In my opinion, the financial report is in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and the <i>Corporations Act 2001</i> including:</p> <ul style="list-style-type: none">• giving a true and fair view of the financial position of the company as at 30 June 2025 and its financial performance and cash flows for the year then ended• complying with Australian Accounting Standards and the <i>Corporations Regulations 2001</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company in accordance with the auditor independence requirements of the <i>Corporations Act 2001</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other Information	<p>The Directors are responsible for the "other information" included in the company's Annual Report for the year ended 30 June 2025. The other information in the Annual Report does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information included in the Annual Report. Accordingly, I do not express any form of assurance conclusion thereon.</p> <p>In connection with my audit of the financial report, my responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our 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 materially misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.</p>
Directors' responsibilities for the financial report	<p>The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Corporations Act 2001</i>, and for such internal control as the Directors determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Audit report

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
14 October 2025



Paul Martin
as delegate for the Auditor-General of Victoria

Financial Statements

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

		Year ended 30 June 2025	26 October 2023 to 30 June 24
	Note	\$000's	\$000's
Other operating expenses		(100)	(30)
Net gain on financial instruments at fair value		40,821	13,830
Operating profit before net financing costs		40,721	13,800
Interest expense		(22)	-
Interest income		333	-
Profit before income tax		41,032	13,800
Income tax expense	9	(16,449)	-
Profit for the period		24,583	13,800
Other comprehensive income		-	-
Total other comprehensive income		-	-
Total comprehensive income for the year		24,583	13,800

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2025

		2025	2024
	Note	\$000's	\$000's
Assets			
Current Assets			
Cash and cash equivalents	3	20,399	50
Receivables	5	5,213	-
Other financial assets	4	38,034	-
Total current assets		63,646	50
Non-current assets			
Other financial assets	4	46,400	13,830
Total non-current assets		46,400	13,830
Total assets		110,046	13,880
Liabilities			
Current liabilities			
Payables	5	105	30
Total current liabilities		105	30
Non-current liabilities			
Deferred tax liabilities	9	21,658	-
Total non-current liabilities		21,658	-
Total liabilities		21,763	30
Net assets		88,283	13,850
Equity			
Contributed capital		49,900	50
Retained earnings		38,383	13,800
Total Equity		88,283	13,850

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 2025

	Contributed capital	Reserves	Retained earnings	Total
	\$000's	\$000's	\$000's	\$000's
Balance at 26 October 2023	-	-	-	-
Profit for the period	-	-	13,800	13,800
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income	-	-	13,800	13,800
Transactions with owners:				
Contributed capital	50	-	-	50
Balance at 30 June 2024	50	-	13,800	13,850
Balance at 1 July 2024	50	-	13,800	13,850
Profit for the year	-	-	24,583	24,583
Other comprehensive income, net of income tax	-	-	-	-
Total comprehensive income	-	-	24,583	24,583
Transactions with owners:				
Contributed capital	49,850	-	-	49,850
Balance at 30 June 2025	49,900	-	38,383	88,283

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 2025

		Year ended 30 June 2025	26 October 2023 to 30 June 2024
	Note	\$000's	\$000's
Cash flows from operating activities			
Payments to suppliers and employees		(29,812)	-
Interest received		333	-
Interest paid		(22)	-
Net cash flows used in operating activities	3ii	(29,501)	-
Cash flows from financing activities			
Equity contributions from ultimate parent		49,850	50
Net cash flows from financing activities		49,850	50
Net increase in cash and cash equivalents for the period		20,349	50
Cash and cash equivalents at the beginning of the period		50	-
Cash and cash equivalents at 30 June 2025	3i	20,399	50

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

Notes to the financial statements

1. General information

SEC Energy Pty Ltd is a for-profit proprietary company domiciled in Australia.

The principal activity of the Company during the year was the establishment of energy market operations ready to commence retailing to Victorian government and accept novation of the VRET and Bulgana contracts from 1 July 2025.

Pursuant to section 3, of the *Financial Management Act 1994* (FMA), the Treasurer of Victoria declared that SEC Energy is a body to which Part 7 of the FMA applies, with effect from 21 December 2023.

The Company was established on 26 October 2023 under the provisions of the *Corporations Act 2001* and declared a state-owned Company under Part 5 of the *State Owned Enterprises Act 1992* on 15 November 2023.

The registered office and principal place of business is Level 26, 2 Lonsdale St, Melbourne, Victoria 3000.

The parent and ultimate parent of the Company is SEC Victoria Pty Ltd.

The financial report was authorised for issue by the Board of Directors on 6 October 2025.

i. Basis of preparation

The functional and presentation currency of the Company is the Australian dollar. Amounts are rounded and expressed to the nearest thousand dollars in accordance with Ministerial Directions under the FMA, unless otherwise stated.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost basis, except for certain assets and liabilities, including derivatives and other financial assets and financial liabilities, that are measured at fair value.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

Comparative information has been reclassified where required for consistency with the current year presentation.

ii. Use of judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. Judgements and assumptions made by management in applying Australian Accounting Standards that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimate'. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

iii. Statement of compliance

The financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001*, *Financial Management Act 1994* and applicable Australian Accounting Standards (AAS), which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

2. New accounting standards and interpretations

i. New and amended standards adopted by the Company

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2024 and have been adopted by the Company:

- AASB 2020-1 Amendments to AASs – Classification of Liabilities as Current or Non-current

ii. New accounting standards and interpretations not yet adopted

Certain new and revised accounting standards have been issued but are not mandatory for the current reporting period. Those that are applicable to the Company, and which may have an effect on the Company's accounting policies, financial position or performance are disclosed below. These standards and interpretations have not been early adopted:

Accounting Standard	Description of change	Application date
AASB 18 <i>Presentation and Disclosure of Financial Statements</i>	<p>AASB 18 replaces AASB 101 <i>Presentation of Financial Statements</i> to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss.</p> <p>The key presentation and disclosure requirements established by AASB 18 is the presentation of newly defined subtotals in the statement of profit or loss. AASB 18 requires the Company to:</p> <ul style="list-style-type: none"> • classify income and expenses into operating, investing, financing, income taxes and discontinued operations categories in the statement of profit or loss; and • present two newly defined subtotals – operating profit and profit before financing and income taxes. 	<p>Standard: 1 January 2027</p> <p>Company: 1 July 2027</p>

Accounting Standard	Description of change	Application date
<p>AASB 2025-1 <i>Amendments to AASs – Contracts Referencing Nature-dependent Electricity</i></p>	<p>Nature-dependent electricity contracts help entities to secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions. This Standard amends AASB 7 and AASB 9 to allow entities to better reflect these contracts in the financial statements. The amendments:</p> <ul style="list-style-type: none"> • clarify the application of the “own-use” criteria to nature-dependent electricity contracts. • permit hedge accounting if these contracts are used as hedging instruments. • add new disclosure requirements to enable users of financial statements to better understand the effect of these contracts on an entity’s financial performance and cash flows. <p>When applying the “own-use” criteria, the sale of unused nature-dependent electricity will be in accordance with an entity’s expected purchase or usage requirements provided that specified criteria are met. In particular, an entity will be a net purchaser of electricity if it buys sufficient electricity to offset any sales of unused electricity – in the same market in which that electricity was sold. This would allow the contracts to remain outside the scope IFRS 9.</p> <p>The Amendments also allow an entity to designate a variable nominal volume of forecast electricity transactions as a hedged item, if specified criteria are met.</p> <p>Earlier application is permitted.</p>	<p>Standard: 1 January 2026</p> <p>Company: 1 July 2026</p>
<p>AASB 2024-2 <i>Amendments to AASs – Classification and Measurement of Financial Instruments</i></p>	<p>These amendments to AASB 7 and AASB 9 <i>Financial Instruments</i>:</p> <ul style="list-style-type: none"> • clarify that a financial liability is derecognised on the ‘settlement date’, i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. • introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before the settlement date if certain conditions are met • clarify how to assess contractual cash flow characteristics that include environmental, social and governance (ESG)-linked features and other similar contingent features when classifying financial assets • clarify how non-recourse features and contractually linked instruments are assessed for the purpose of applying the SPPI test when determining the measurement basis of financial assets. • require additional disclosures in AASB 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income. <p>The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.</p>	<p>Standard: 1 January 2026</p> <p>Company: 1 July 2026</p>

3. Cash and cash equivalents

	2025	2024
	\$000's	\$000's
Cash on hand or on deposit	20,399	50
Cash and cash equivalents disclosed in the balance sheet	20,399	50

i. Accounting policy

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash. The carrying amount represents fair value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

ii. Reconciliation of net result for the period to cash flow from operating activities

	Year ended 30 June 2025	26 October 2023 to 30 June 2024
	\$000's	\$000's
Net result for the period	24,583	13,800
Non-cash movements:		
Net gain on financial instruments at fair value	(40,821)	(13,830)
Movements in assets and liabilities:		
Decrease/(Increase) in receivables	(5,213)	-
Decrease/(Increase) in financial assets	(29,783)	-
Increase/(Decrease) in payables	75	30
Increase/(Decrease) in deferred tax liabilities	21,658	-
Net cash flows used in operating activities	(29,501)	-

4. Other financial assets and liabilities

	2025	2024
	\$000's	\$000's
Other financial assets		
Current		
<i>Derivative financial instruments at fair value</i>		
Energy derivatives – economic hedges	21,729	–
Energy derivatives – other ¹	4,095	–
Futures deposits and margin calls	12,210	–
Total	38,034	–
Non-current		
<i>Derivative financial instruments at fair value</i>		
Energy derivatives – economic hedges	5,980	–
Energy derivatives – other ¹	40,420	13,830
Total	46,400	13,830

¹ 'Energy derivatives – other' is a revenue support agreement executed as part of the investment into the MREH joint venture and is linked to wholesale energy prices.

i. Accounting policy

Derivative financial instruments are initially recognised when the Company becomes party to the contractual provisions of the agreement i.e. on commitment date. Derivatives are recognised at fair value, with changes in fair value recognised in the statement of profit or loss.

ii. Significant judgement

Management uses their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices and rates. Refer to Note 8. Fair value of other financial assets and liabilities for more information.

5. Other receivables and Payables

	2025	2024
	\$000's	\$000's
Receivables from SEC Victoria Pty Ltd (parent entity of the Company)	5,209	-
Other	4	-
Total other receivables	5,213	-

	2025	2024
	\$000's	\$000's
Trade creditors	1	-
Accruals	32	30
Payables to SEC Victoria Pty Ltd (parent entity of the Company)	72	-
Total payables	105	30

i. Accounting policy

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the group and are measured at amortised cost. Receivables relate to transfer of tax losses to the parent entity and are expected to be settled within twelve months from reporting date.

Payables

Payables are classified as financial instruments and measured at amortised cost. Payables represent liabilities for goods/services provided to the Company prior to the end of the financial year that are unpaid.

Payables for supplies and services have an average credit period of 30 days.

6. Contribution by owners

i. Accounting policy

Consistent with the requirements of AASB 1004 *Contributions* and FRD 119 *Transfers through Contributed Capital*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Company.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Refer to equity contributions disclosed at Note 13. Related parties.

7. Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management policy and framework. The Board has established the Audit and Risk Committee (ARC), which is responsible for approving the Company's risk management framework for identifying, assessing and managing risk. The ARC is also responsible for reviewing and updating the Company's risk profile, monitoring the effectiveness of the risk management framework and reviewing, at least annually, the implementation of the risk management framework.

The Company has adopted or is in the process of developing policies covering specific areas, such as interest rate risk, foreign currency risk, energy price risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments as required for its operations. Compliance with policies and exposure limits is reviewed on a continuous basis.

i. Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an appropriate capital structure of debt and equity. The Company relies on its parent, SEC Victoria Pty Ltd, to unconditionally provide funding as and when required for operations and this has been formalised through a letter of financial support.

The capital structure of the Company consists of cash and cash equivalents and total equity (comprising issued and contributed capital provided its parent and retained earnings). The Company monitors capital based on the funds received along with anticipated cash outflows.

ii. Energy price risk management

The Company is exposed to energy price risk associated with derivative contracts held – to hedge electricity price as an economic hedge and an energy price linked contract with a related party. The Company manages its energy price risk through an established risk management framework consisting of policies to place appropriate risk limits on overall energy market exposures and transaction limits for approved energy commodities, requirements for delegations of authority on trading, reporting of exposures and segregation of duties.

Energy price sensitivity

A sensitivity to a 10% increase or decrease in the energy market-related prices has been prepared in the table below. This sensitivity has been used as this movement is considered to be reasonably possible.

	2025			2024		
	Carrying amount	Impact on net result		Carrying amount	Impact on net result	
		-10%	+10%		-10%	+10%
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Energy derivatives – economic hedges	27,709	(10,312)	9,957	-	-	-
Energy derivatives – other	44,515	(4,732)	4,802	13,830	(21,881)	11,655
	72,224	(15,044)	14,759	13,830	(21,881)	11,655

iii. Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the statement of financial position. The Company manages its liquidity risk through monitoring future cash flows and planning of its financial obligations based on forecasts of future cash flows.

Cash for unexpected events is generally sourced from cash and cash equivalents, or funding provided by its Parent SEC Victoria as and when required for operations.

The table below sets out the timing of the Company's payment obligations, as compared to the receipts expected from the Company's financial assets. Amounts are presented on an undiscounted basis.

2025	Maturity dates				
	Carrying Amount	Nominal Amount	Less than 1 year	1 – 5 years	5 years +
	\$000's	\$000's	\$000's	\$000's	\$000's
Trade and other payables	(105)	(105)	(105)	–	–
Derivative assets	72,224	71,814	17,911	19,993	33,910
Net liquidity exposure	72,119	71,709	17,806	19,993	33,910

The Company had \$20 million of cash available at 30 June 2025.

2024	Maturity dates				
	Carrying Amount	Nominal Amount	Less than 1 year	1 – 5 years	5 years +
	\$000's	\$000's	\$000's	\$000's	\$000's
Trade and other payables	(30)	(30)	(30)	–	–
Derivative assets	13,830	29,560	–	6,569	22,991
Net liquidity exposure	13,800	29,530	(30)	6,569	22,991

The Company had \$50,000 of cash available at 30 June 2024.

iv. Credit risk management

Credit risk refers to the possibility that a customer or borrower will default on their financial obligations as and when they fall due. The Company's exposure to credit risk arises from the potential default of a counterparty on their contractual obligations resulting in financial loss to the Company.

For the current and prior periods, the Company exposure to credit risk is not material.

v. Foreign currency risk

The Company is exposed to foreign currency risk mainly through its payables relating to purchases of supplies and consumables from overseas. Exposures are against the US dollar (USD) and are managed through hedging instruments that allow the Company to fix its foreign currency transactions at acceptable rates.

For the current and prior periods, the Company exposure to foreign currency risk is not material.

vi. Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has exposure to cash flow interest rate risks through cash and cash equivalents that are at floating rate.

For the current and prior periods, the Company exposure to interest rate risk is not material.

8. Fair value of other financial assets and liabilities

i. Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics
 - amortised cost
 - fair value through profit or loss ('FVTPL')
 - fair value through other comprehensive income ('FVOCI')
- the carrying amounts of financial instruments
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value).

Carrying value				
\$000's				
2025	FVTPL	FVOCI	Amortised cost	Total
Financial assets				
Cash and cash equivalents	-	-	20,399	20,399
Receivables	-	-	5,213	5,213
Derivative financial instruments	72,224	-	-	72,224
Futures deposits and margin calls	-	-	12,210	12,210
Total	72,224	-	37,822	110,046
Financial liabilities				
Payables	-	-	105	105
Total	-	-	105	105

Carrying value				
\$000's				
2024	FVTPL	FVOCI	Amortised cost	Total
Financial assets				
Cash and cash equivalents	-	-	50	50
Derivative financial instruments	13,830	-	-	13,830
Total	13,830	-	50	13,880
Financial liabilities				
Payables	-	-	30	30
Total	-	-	30	30

ii. Fair value measurements

The following table provides an analysis of financial instruments that are measured after initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

\$000's					
2025	Carrying amount	Level 1	Level 2	Level 3	Total
<i>Derivative financial instruments</i>					
Assets					
Energy derivatives – economic hedges	27,709	5,575	22,134	–	27,709
Energy derivatives – other	44,515	–	–	44,515	44,515
Total financial assets	72,224	5,575	22,134	44,515	72,224

\$000's					
2024	Carrying amount	Level 1	Level 2	Level 3	Total
<i>Derivative financial instruments</i>					
Assets					
Energy derivatives – other	13,830	–	–	13,830	13,830
Total financial assets	13,830	–	–	13,830	13,830

There have been no transfers between levels during the period. Management has assessed that the carrying value of financial assets and financial liabilities to be comparable to fair value.

iii. Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments:

- receivables/payables with a remaining life of less than twelve months, the notional amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine the fair value if the effect of discounting is material
- the fair value of forward foreign exchange contracts is calculated as the present value of expected future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates that reflect the credit risk of various counterparties.
- the fair value of energy derivatives is determined as the present value of future contracted cash flows and credit adjustments. Cash flows are discounted using standard valuation techniques at applicable market yield having regard to timing of cash flows.
- the fair value of lease liabilities is estimated as the present value of future cash flows discounted where the effect of discounting is material.

The following table provides a reconciliation of fair value movements in Level 3 financial instruments:

	2025	2024
	\$000's	\$000's
Opening balance	13,830	-
<i>Total gains or losses recognised in profit or loss:</i>		
- Settlements during the period	-	-
- Changes in fair value	30,685	13,830
Closing balance	44,515	13,830

iv. Valuation inputs and relationships to fair values

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurement of the energy derivative (see iii. above for the valuation technique adopted):

2025	Range of inputs	Sensitivity	Impact on fair value \$000's	
Energy derivatives – other:				
Quarterly BESS* revenue (\$/MW)	18,443 – 52,876	+/-10%	4,801	(4,731)
Discount rate – risk free rates of zero-coupon government bond yield (2-10 year bond)	3.41 – 4.35%	+/-0.5%	(125)	126
Credit value adjustment – probability of default	2%	+/-0.5%	(135)	(117)

2024	Range of inputs	Sensitivity	Impact on fair value \$000's	
Energy derivatives – other:				
Quarterly BESS* revenue (\$/MW)	11,380 – 86,679	+/-10%	11,655	(21,881)
Discount rate – risk free rates of zero-coupon government bond yield (2-10 year bond)	3.9 – 4.1%	+/-0.5%	1,109	(1,154)
Credit value adjustment – non-financial corporate BBB-rated bond yield (3-10 year)	5.4 – 6.1%	+/-0.5%	1,657	1,733

* Battery Energy Storage System

9. Income tax

On 17 December 2024, the Company entered into the National Tax Equivalent Regime (NTER), pursuant to section 88(1) of the *State Owned Enterprises Act 1992*, which is administered by the Australian Taxation Office (ATO). The difference between the NTER and the Commonwealth legislation is that the tax liability is paid to the Victorian State Government rather than the Commonwealth Government.

The regime is applied to all open income tax periods and consequently, an income tax return was prepared and lodged for the period from incorporation to 30 June 2024.

i. Accounting policy

Income tax on the statement of profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the year, based on the notional corporate income tax rate of 30%, adjusted by changes in deferred tax assets and liabilities and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes at balance date. Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered or liabilities are settled based on those tax rates which are enacted or substantially enacted at balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax liabilities are reported net of any deferred tax assets.

The company became a party to an income tax consolidated group consisting of SEC Victoria (the company's parent) and its controlled entities. SEC Victoria is the head entity of the tax consolidated group. As a part of the tax consolidated group, each entity accounts for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone tax payer in its own right. In addition to its own current and deferred tax amounts the head entity (SEC Victoria) also recognises the current tax liabilities (or assets) and the deferred tax assets it has assumed from unused tax losses from controlled entities in the tax consolidated group.

ii. Components of income tax expense

	Year ended 30 June 2025	26 October 2023 to 30 June 2024
	\$000's	\$000's
Current tax	-	-
Deferred tax	12,309	-
Over/(under) provision in respect of prior years	4,140	-
Total income tax expense reported in profit or loss	16,449	-

iii. Numerical reconciliation of income tax expense to prima facie tax payable

	Year ended 30 June 2025	26 October 2023 to 30 June 2024
	\$000's	\$000's
Profit from continuing operations before income tax expense	41,032	13,800
Tax at the Australian tax rate of 30% (2024: not applicable)	12,309	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Under/(over) from prior years	4,140	-
Total income tax expense	16,449	-

iv. Deferred tax balances

	2025	2024
	\$000's	\$000's
Deferred tax assets		
Accruals	9	-
Total	9	-
Deferred tax liabilities		
Other financial assets	(21,667)	-
Total	(21,667)	-
Set off of deferred tax assets	9	-
Net deferred tax liabilities	(21,658)	-
Movement in deferred taxes		
Opening net deferred tax assets/(liabilities)	-	-
Charged to the statement of profit or loss	(16,449)	-
Transferred to head company of tax consolidated group	(5,209)	-
Closing net deferred tax liability	(21,658)	-

All deferred tax balances have been charged to profit or loss.

10. Commitments

As part of the Melbourne Renewable Energy Hub (MREH) transaction entered into by SEC Infrastructure Pty Ltd, a lease was contracted by the Company for the rights to operate the battery energy storage system (BESS). The total anticipated lease liability to be recognised once the plant is available for the Company's use is \$478 million. The estimated future lease payments for this lease contract are \$28 million within one year, \$196 million within two to five years and \$927 million thereafter.

11. Subsequent events

Other than the matters described below, no item, transaction or event of a material nature has arisen since 30 June 2025 that would significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial periods.

Retail operations commenced

From 1 July 2025, SEC commenced retailing operations to government commercial and industrial sites, servicing around 5% of Victoria's total energy load. Effective from the same date, Victorian Renewable Energy Target (VRET) and Bulgana power purchase contracts were novated from the Department of Energy, Environment and Climate Action (DEECA) to SEC Energy to act as a synthetic hedge against the cost of energy for this load, as described below.

VRET novation

To support the VRET, (DEECA) (formerly the Department of Environment, Land, Water and Planning) entered contracts to support the construction of renewable energy projects in Victoria. These contracts were entered into between 2017 and 2024 and are contracts for difference for purchase of electricity and large-scale generation certificates (LGCs) from/to private sector parties.

Effective from 1 July 2025, to align with the commencement of retailing operations, the rights and obligations under 6 VRET and Bulgana contracts transfer from DEECA to SEC Energy Pty Ltd.

The \$381.1 million fair value of the contracts transferred at 1 July 2025 will be recognised as a capital contribution from DEECA with corresponding other financial asset recognised in the statement of financial position.

Subsequent changes in fair value, using SEC's valuation techniques, inputs and assumptions, will be recognised through profit or loss.

12. Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the FMA, the following disclosures are made about responsible persons for the reporting period.

The names of persons who were responsible persons at any time during the period are as follows:

Position	Responsible Person
Responsible Minister	The Hon. Lily D'Ambrosio MP, Minister for the State Electricity Commission
Accountable Officer	Christopher Francis Miller
Chairperson	Simon Corbell
Board Members	Joycelyn Morton
	Damien Barnes
	Joanne Benvenuti
	Sharan Burrow (appointed 1 October 2024)
	Cameron Garnsworthy (appointed 1 October 2024)
	Anna Skarbek

i. Remuneration of responsible persons

Remuneration received or receivable by each director of the Board in connection with the management of the Company during the reporting period is paid for and recorded in the statement of profit or loss of the Group's ultimate parent, SEC Victoria Pty Ltd.

ii. Remuneration of Accountable Officer

The Accountable Officer (CEO) was formally appointed by the Board on 12 August 2024. Prior to this date, remuneration was paid for by the Department of Energy, Environment and Climate Action (DEECA), as an interim Accountable Officer and as such the remuneration costs incurred up to this date are reflected in DEECA's annual report.

The remuneration from 12 August 2024 onwards for the Accountable Officer was paid for recorded in the statement of profit or loss of the Company's parent, SEC Victoria Pty Ltd.

iii. Remuneration of responsible Minister

The Responsible Minister did not receive any remuneration from the Company. The Ministers' remuneration and allowances are set in accordance with the Parliamentary Salaries and Superannuation Act 1968 and reported in the State's Annual Financial Report.

13. Related parties

The related parties of the Company include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

For information pertaining to related party transactions of ministers, the register of members' interests is publicly available from: <https://www.parliament.vic.gov.au> within the Tabled documents database.

i. Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The remuneration, including the superannuation guarantee contribution, received or receivable by key management personnel of the Company was paid for and recorded in the statement of profit or loss of the Company's parent, SEC Victoria Pty Ltd.

ii. Transactions and balances with other related parties

The Company's employment policies and procedures have been created to support the application of the Code of Conduct Victorian Public Sector Employees, and employees are required to comply with the public sector values under Public Administration Act 2004 (Vic). Procurement processes are based on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Any transactions or issues that involve related parties are dealt with on normal commercial terms and conditions and without reference to the key management personnel concerned. All income and expense transactions exclude GST.

iii. Transactions with companies in the SEC Group

The following transactions were identified for the reporting period:

	Year ended 30 June 2025	26 October 2023 to 30 June 2024
	\$000's	\$000's
Contributed capital from SEC Victoria Pty Ltd (parent company)	49,850	50
Receivable from SEC Victoria Pty Ltd for transfer of tax losses	5,209	-
Operating expenditure paid for by SEC Victoria Pty Ltd ¹	72	-

¹ Remains as a payable to SEC Victoria Pty Ltd at 30 June 2025

14. Auditors' remuneration

During the year, the following fees were paid or payable for services provided by the auditor of the Company:

	Year ended 30 June 2025	26 October 2023 to 30 June 2024
	\$	\$
Amounts received or due and receivable by the auditor:		
Auditing the statutory financial report of the Company	32,000	30,000
Total	32,000	30,000

Directors' declaration

In the directors' opinion:

1. The financial statements and notes of SEC Energy Pty Ltd are in accordance with the Corporations Act 2001, including:

a. giving a true and fair view of the Company's financial position as at 30 June 2025 and of its performance for the year then ended

b. complying with the Australian Accounting Standards (including the Australian Standards of Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

3. At the time of signing, we are not aware of any circumstance which would make any particulars included in the annual financial report misleading or inaccurate.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.



Simon Corbell
Board Chair, SEC

6 October 2025

Declaration by Board Chair, Chief Executive Officer and Chief Financial Officer

For SEC Energy Pty Ltd, we jointly certify that:

- the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and
- the financial statements have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.



Simon Corbell
Board Chair, SEC



Christopher Miller
Chief Executive Officer



Elisha Civil
Chief Financial Officer

6 October 2025

Corporate compliance

Local Jobs First

The Local Jobs First Act 2003 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policies.

It aims to support small and medium-sized enterprises, requires the inclusion of apprentices and trainees on large government construction projects, and ensure compliance and accountability from government agencies. SEC Energy was not subject any Local Jobs First activities during the year.

Social procurement

Victoria's Social Procurement Framework (SPF) establishes requirements that apply to Victorian Government departments and agencies when they procure goods, services and construction. Under the framework, the SEC is committed to ensuring procurement decisions help generate social value and this is performed at a consolidated level being led by the Company's Parent, SEC Victoria Pty Ltd. Please refer to page 89 of SEC Victoria's corporate compliance section for further detail.

Asset management accountability framework (AMAF)

The AMAF assists Victorian Public Sector agencies manage their asset portfolios and includes both mandatory asset management requirements as well as general guidance. Mandatory requirements include developing asset management strategies, governance frameworks, performance standards and processes to regularly monitor and improve asset management. The AMAF applies to non-current assets (physical and intangible) but not financial assets. For the period to 30 June 2025, the Company did not have any such assets (2024: nil).

Government advertising expenditure

The Company did not undertake any government advertising campaigns with total media spend of \$100,000 or greater, exclusive of GST during the reporting period.

Consultancy expenditure

In the reporting period, the Company had no consultancy arrangements where the total fees paid or payable were \$10,000 or greater, excluding GST.

Information and communication technology (ICT) expenditure

Business as usual expenditure relates to ongoing activities to operate and maintain current information and communication technology capacity. Non-business as usual expenditure relates to extending and enhancing the Company's current capability. It is the sum of operational expenditure and capital expenditure.

For the reporting period, the Company had a total information and communication technology spend of \$13,829 of business as usual expenditure, excluding GST.

Procurement complaints

There have been no complaints received in relation to the procurement of goods and services during the period (2024: nil).

Emergency procurement

There have been no instances of emergency procurement during the period (2024: nil).

Compliance with the National Competition Policy and the Competitive Neutrality Policy

SEC Energy operates in accordance with the requirements of the National Competition Policy and the Competitive Neutrality Policy Victoria. Competitive neutrality generally requires that government owned businesses competing, or potentially competing, with the private sector, do not enjoy any net competitive advantage by virtue of their government ownership. In certain instances, Victoria's Competitive Neutrality Policy can require the application of measures to achieve competitive neutrality.

Freedom of Information

The *Freedom of Information Act 1982* is not applicable to SEC Energy Pty Ltd, and there are no reporting requirements associated with this Act.

Compliance with the *Public Interest Disclosure Act 2012*

SEC Energy does not tolerate improper conduct by employees, nor taking of detrimental action against those who come forward to disclose such conduct.

SEC Energy's Public Interest Disclosure Policy outlines our commitment to ensuring transparency and accountability in our administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to the public health and safety or the environment.

Reporting procedures

Disclosures of improper conduct or detrimental action by SEC Energy or any of its employees and/or officers may be made directly to:

The Independent Broad-based Anti-corruption Commission
Phone: 1300 735 135
Email: info@ibac.vic.gov.au

Environmental Reporting

Accommodation is paid for by the company's parent, SEC Victoria. Please refer to relevant section in the corporate compliance note of SEC Victoria for further detail.

SEC Energy is committed to proactively contributing to a sustainable environment and continues to minimise its office-based environmental impact through:

- separating office waste into organic, commingled recyclable and landfill streams
- reducing paper and printer toner use with the widespread adoption by staff of laptops, tablets, smartphones, and other digital devices.

Compliance with the *Building Act 1993*

SEC Energy does not own or control any government buildings and is consequently exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

Modern Slavery

The *Modern Slavery Act 2018* (MS Act) addresses modern slavery risks within supply chains. The Company is not subject to the MS Act for this reporting period.

Disclosure index

The annual report of SEC Energy Pty Ltd is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

SEC Energy Pty Ltd is part of the SEC group of companies that work together to meet the SEC's overall objectives. Its parent company, SEC Victoria Pty Ltd, prepares a consolidated annual report that includes the results and operations of the Company and other controlled entities. The Report of Operations has been prepared to cover the whole SEC group of companies from page 13 and as such some sections have not been duplicated but referenced in the disclosure index below.

Legislation	Requirement	Page ref
Standing Directions and Financial Reporting Directions		
Report of operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	16
FRD 22	Purpose, functions, powers and duties	14
FRD 22	Key initiatives and projects	20
FRD 22	Nature and range of services provided	40
Management and structure		
FRD 22	Organisational structure	18
Financial and other information		
FRD 10	Disclosure index	173
FRD 22	Employment and conduct principles	36
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FRD 22	Summary of the financial results for the year	142
FRD 22	Significant changes in financial position during the year	142
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FRD 22	Subsequent events	142
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	172
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	172
FRD 22	Statement on National Competition Policy	172
FRD 22	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	172
FRD 22	Details of consultancies over \$10,000	171
FRD 22	Details of consultancies under \$10,000	171
FRD 22	Disclosure of government advertising expenditure	171
FRD 22	Disclosure of ICT expenditure	171
FRD 22	Disclosure of emergency procurement	171

Legislation	Requirement	Page ref
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FRD 24	Environmental reporting	171
FRD 25	Local Jobs First	171
Compliance attestation and declaration		
SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	140
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Declaration		
SD 5.2.2	Declaration in financial statements	170
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	170
SD 5.2.1(a)	Compliance with Standing Directions	170
Other disclosures as required by FRDs in notes to the financial statements (a)		
FRD 21	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	166
FRD 110	Cash flow statements	151
FRD 114	Financial instruments	156
(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs are not applicable.		
Legislation		
<i>Freedom of Information Act 1982</i>		
<i>Building Act 1993</i>		
<i>Corporations Act 2001</i>		
<i>Public Interest Disclosures Act 2012</i>		
<i>Local Jobs Act 2003</i>		
<i>Financial Management Act 1994</i>		

