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TAUĀKĪ WHĀINGA MAHI

STATEMENT OF PERFORMANCE EXPECTATIONS

2025/26 - December 2025 Update

REANNZ

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FOREWORD FROM THE BOARD /

The Board of REANNZ is pleased to provide REANNZ's Statement of Performance Expectations for 2025/26, updated for the second half of the financial year.

This update is required due to the integration of the people, services and technologies of New Zealand eScience Infrastructure (NeSI) into REANNZ, which occurred on 1 July 2025. Due to timing, the original SPE for the year was only able to reflect key outcomes, performance indicators and financial statements for REANNZ as it was, before the integration.

Members of the Board are pleased to now be able to reflect their expectations for the expanded business with additional target initiatives and performance indicators that focus on the delivery of high-performance computing and data analytics platforms, and research-support services.

For the first few months of FY2025/26, REANNZ has focused on continuing to deliver for members and researchers while working to embed the integration which has included the establishment of new company values and ways of working.

It has also been engaging closely with sector representatives to develop a new strategy for the business. This strategy will come into effect on 1 July 2026 and will form the basis of a new Statement of Intent 2026-2029.

Through the delivery of its new strategy, REANNZ will become the preferred partner for eResearch infrastructure, leverage the collective strength of the sectors it serves, and provide a hub for infrastructure innovation. The business will move

quickly to achieve early wins including targeted innovation based on use cases agreed with the sector.

The integration of NeSI into REANNZ has also created the need for a new business operating model, to ensure REANNZ is set up to deliver on its new strategy. Over the coming six months the business will focus on preparing for the changes ahead. Work will include an identity refresh, the delivery of a technology roadmap and new strategies for community building, communications and engagement.

Alongside this, REANNZ continues to deliver year-four of its existing five-year strategy, building a flexible, responsive organisation that is strongly connected to the research, innovation and education sectors.

In the first half of this year, the business completed its refresh of the domestic network. This has delivered additional resilience, lower costs and lower power consumption for members.

Network resilience has been further boosted with the addition of a third core link across the Cook Strait. The link serves as a back-up and runs from Nelson to Levin, bypassing Wellington where the existing two links enter the North Island. In doing so, it provides an alternative path for REANNZ to maintain connectivity for members in the South Island, in the event of an emergency or major fault.

As the calendar year ends, work continues to maximise the opportunities presented by the integrated business. REANNZ will continue to

work closely with its members and users, to continuously improve products and services, and respond more effectively sector needs.

The Board is excited by the future ahead for the organisation and the sector. REANNZ aims to provide all researchers, innovators and educators with the eResearch infrastructure, support and training they need to progress at pace and scale.

As a crown-owned company, REANNZ will ensure a robust governance and management structure around the centralised delivery of services and its membership and pricing model, resulting in greater sector coordination, increased transparency and a better return on investment for government.

This is REANNZ's opportunity to advance the maturity and quality of eResearch, to engage more broadly and deliver more impact for New Zealand Inc. In turn, our research and education sectors will play an even greater role in delivering economic growth and supporting a more prosperous society.

We look forward to an exciting and dynamic period focusing on growth and contributing to New Zealand's science, innovation and education success.

Helen Robinson ONZM
Chair

10 December 2025

ABOUT REANNZ /

REANNZ is a Crown-owned company and membership organisation that delivers a centralised hub for eResearch infrastructure, connectivity and support.

REANNZ's high-performance computing (HPC) and data analytics platform is supported by a specialised digital network; each are engineered to meet the unique performance demands of the research, education and innovation sectors in New Zealand/Aotearoa.

The HPC and data analytics platforms enable researchers to analyse massive datasets, train complex models and accelerate science impact. Platforms deliver a mix of traditional HPC offerings alongside cloud environments, configurable infrastructure, and specialised data science capabilities.

In addition, REANNZ is responsible for the National Research and Education Network (NREN) in New Zealand/Aotearoa.

NRENs are advanced networks that connect globally with more than 120 others as part of the Global Research and Education Network (GREN). NRENs are designed to move and share data around the country, and across the world, at a scale that is not consistently possible using a standard network.

Capacity alone is not sufficient; other technical features and dedicated data transfer support make it possible for all researchers and educators to collaborate and contribute to global science initiatives and ground-breaking studies.

While serving as a hub for eResearch infrastructure, REANNZ supports the sector with the expertise and capability, products, tools and services they need to collaborate, educate and deliver excellent research. As a member of the GREN, REANNZ is uniquely placed to bring internationally developed and tested solutions, to the local market.

Members of REANNZ include museums, libraries, public and private research organisations, wānanga, universities, polytechnics, and government organisations. Through connection and collaboration, REANNZ enables its members and researchers to leverage the collective strength of the sector.

VISION /

A globally connected and thriving research and education sector.

MISSION /

Connecting researchers and educators so they can change the world.

OUR PURPOSE /

CONNECTING RESEARCHERS. EVERYWHERE.

We provide New Zealand's National Research and Education Network (NREN). It offers our members the technology and infrastructure to collaborate with and contribute to global science initiatives and ground-breaking studies.

New Zealand's NREN connects to over 120 others around the world, creating regional partnerships and international communities that promote collaboration.

STRATEGIC INTENT /

REANNZ connects researchers and educators so they can change the world.

The business provides infrastructure, connectivity and services to members and researchers so they can connect and collaborate within their own organisations and with the wider research and education sectors, nationally and globally.

REANNZ is currently delivering to year four of its existing five-year strategy, focused on the following four key areas.

We will connect New Zealand/Aotearoa.

Providing all researchers, educators and students with access to the infrastructure and connectivity they need to advance their work wherever they are. Providing all researchers, educators and students with access to the infrastructure and connectivity they need to advance their work wherever they are.

We are building our global connections.

Investing in and leveraging our global relationships, bringing GREN solutions to the New Zealand market to deliver cost savings and global connectivity.

We will make it easy.

Working in partnership with the research and education sector to improve inter-operability and consistency, co-designing products and services to respond to members' changing requirements.

Mātauranga Māori will be embedded in our strategy and practices.

Supporting the aspirations of the Māori research and education community is an integral part of REANNZ's work.

With the recent integration of NeSI into REANNZ, the business is focused on the delivery of a new strategy from 1 July 2026. For the second half of FY2025/26, REANNZ has introduced a new focus area:

We will look to the future.

Ensuring the expanded REANNZ is ready to deliver enhanced outcomes for members and researchers.

WHERE WE ARE HEADING /

The research, innovation and education sectors, and the technology that supports them, continues to evolve; with more focus on artificial intelligence and machine learning; remote and cloud-based computing, and increasing demand for seamless access to trusted research environments. In New Zealand/Aotearoa, data sovereignty, security and digital equity are increasing concerns.

To deliver greater impact, those within these sectors must collaborate and harness their collective strengths. This will be critical to attract and retain talent in New Zealand/Aotearoa; deliver research excellence; and support future economic growth.

As a central infrastructure provider, REANNZ is uniquely positioned to connect, empower, and advocate for its members and researchers. By leveraging its expertise and global partnerships, REANNZ will help navigate technological change and work with sector groups to plan and design the infrastructure needed for future success and economic impact.

The integration of the services and capabilities provided by NeSI, into REANNZ, is an exciting opportunity to strengthen eResearch infrastructure in New Zealand/Aotearoa and better support the research, innovation and education sector to deliver quality outcomes.

The integrated organisation now spans the eResearch ecosystem from research and education institutions to private sector providers and individual researchers and their projects. This will facilitate more comprehensive cross-sector engagement and position REANNZ to be a connector and advocate for many more members and researchers.

It will decrease fragmentation, create critical mass and scale efficiencies, and will increase the organisation's ability to respond to evolving technology and sector needs, particularly in critical areas like AI.

REANNZ's goal is to maximise the impact of current investment and achieve greater national reach so the business can:

> better support institutions to grow the sophistication and uptake of digital research,

> ensure equitable access to specialist capabilities,

> improve the quality of the sector's skills pipeline, training and capability development, and

> achieve greater gains through efficiencies of scale and enhanced co-ordination, collaboration and partnership.

REANNZ will play its part in achieving sector growth by delivering centralised infrastructure and greater access to cutting-edge technologies, training and support, from within the robust governance and management framework provided by a crown-owned company,

In turn, New Zealand/Aotearoa's researcher, innovators, learners and educators will play an even greater role in delivering economic growth and supporting a more prosperous society with innovation, technology and science delivering new ideas and knowledge and a better way of doing things.

PRIORITIES AND MAJOR INITIATIVES 2025/26 /

Our key initiatives and performance measures are designed to achieve REANNZ's vision of a globally connected and thriving research and education sector. We will deliver this by providing a hub for eResearch infrastructure and services so they can change the world.

Looking to the future

The integration of the people, technologies and services provided by NeSI, into REANNZ, has resulted in the need for a new strategy and approach to delivery. With an extended mandate, REANNZ has worked alongside sector groups to develop its new strategy, to be implemented from 1 July 2026.

In this second half of the financial year, REANNZ will focus on preparing the business the new financial year. This work will occur alongside the ongoing delivery of services expected from REANNZ.

Expected Outcomes

› REANNZ's eResearch Infrastructure Strategy and operating model delivers to business and sector needs.

› REANNZ technology roadmap delivers to business and sector needs.

› Membership and pricing model enables equitable access to specialist capabilities.

FY26 Initiatives

› **New REANNZ strategy co-designed with sector and in place for FY2026/27.**

› **New operating model designed and implemented for FY2026/27.**

› **New membership and pricing model in place for FY2026/27.**

Performance indicators

Performance Indicator	Target 2025/26
A future-focused strategy is co designed with the sector, in place for FY 2026/27	MBIE endorsement of sector strategy
An operating model for REANNZ is designed for FY2026/27, by the end of February 20206	MBIE endorsement of operating model
An operating model for REANNZ has been implemented prior to the start of FY2026/27	MBIE endorsement of implementation
A membership model and supporting pricing model are in place for FY2026/27	Finalised membership model provides appropriate sector funding support

Connecting New Zealand/Aotearoa

REANNZ provides researchers, innovators and educators with access to the infrastructure and connectivity they need need to advance their work wherever they are. We must constantly evolve to respond to changes in the sector and the technology that supports it.

To ensure we are flexible enough to respond to our members' changing needs, REANNZ has shifted from being a network provider to aggregating sector demand and partnering with the commercial sector to extend our network.

We have worked with mobile, satellite and wireless operators to provide connectivity wherever our members are in New Zealand and rolled out eduroam across New Zealand to provide a seamless way for researchers and educators to connect, and to support digital equity. We have built our membership in the government and education sectors.

This year, we will continue to work with our members and researchers so REANNZ can be wherever they need us, aggregating their technology requirements and working with the commercial sector and the GREN to deliver solutions.

We will extend the reach of core products and introduce new ones focused on providing ubiquitous access; and look at ways to connect the research and education sector to the broader innovation and commercial sector to boost pre-commercial, research-based collaboration.

Expected Outcomes

Year 4 (FY26)

› Broader REANNZ membership connects all areas of our research and education sectors.

› Uptake of Govroam has contributed to realising the Government's digitalisation ambitions.

› Expanded eduroam footprint that enables greater digital equity.

› Resilience is effectively managed with the network able to respond to risk.

Year 5 (FY27)

› Preferred provider of connectivity and managed services for the research and education sectors.

FY26 Initiatives

› **Extend the eduroam footprint to provide connectivity anywhere students gather to engage and learn.**

› **Pilot Govroam for the public sector, supporting public servant mobility and complementing government priorities around digitalising government.**

› **Continue to monitor the energy efficiency of the network, expanding scope to include additional technologies required to deliver the future strategy.**

› **Assess and enhance the resilience of the network and related services to serve the best interests of the community.**

Performance indicators

Performance Indicator	Target 2024/25	Actual 2024/25	Target 2025/26
Facilitate universal connectivity and digital equity	Roll out Govroam pilot.	Not achieved GovRoam – pilot placed on hold.	Govroam pilot live for one Government entity.
	Increase REANNZ membership by 10% (additional three members).	10% increase in membership achieved	Increase REANNZ membership by 10% (additional three members).
	Increase eduroam footprint by 20%.	Eduroam footprint grew to 422 against a target of 438	Increase eduroam sites by 10% through additional service provider site deployment.
Strengthen relationships with iwi and Māori research sector	Engage a further three Māori-led research and education programmes to support connectivity, mobility and identity management solutions.	Achieved	Meetings with a further three Māori-led research and education programmes to support connectivity, mobility and identity management solutions
Solutions launched to enable researchers to connect wherever they are	Enable eduroam over mobile data (4G/5G) with telco providers, and over the networks of Wireless ISPs (WISPs) to further support student and researcher mobility.	Achieved	Onboard two additional WISPs based on earlier successful deployment. Support deployment of Lower Earth Orbit Satellite (LEOSat) services e.g. Starlink, at two member organisations (via One or 2 Degrees)

Performance Indicator	Target 2024/25	Actual 2024/25	Target 2025/26
Future-proof the REANNZ network	National Network Strategic Review hardware implemented across the national network.	Achieved	National Network Strategic Review: Replacement of international back-up capacity implemented Member edge roll out complete
Network reliability to support real-time services **Note: SPE 24/25 had this incorrectly listed as 0.01%**	Packet delay variation: < 0.01% of hourly measurements across the core network have > 20ms of packet delay variation.	Not Achieved	Packet delay variation: < 0.1% of hourly measurements across the core network have > 20ms of packet delay variation.
Network reliability to support large data transfers	Packet loss: < 0.0001%	Achieved	Packet loss across the core network: < 0.0001%
Commitment to sustainability	Baseline energy efficiency of the national network.	Achieved	Continue to track and report on energy consumption across the national network.

People and culture

REANNZ is successfully building a culture that aligns to our strategy and serves the sector. We continue to invest in training and development and are building the cultural competency of our staff as a step towards increasing our impact for the Māori research and education sectors.

REANNZ has highly skilled, technical staff who are in short supply across New Zealand. We want to maintain our positive staff engagement scores and ensure that REANNZ is a preferred employer in the sector.

As REANNZ continues to implement its strategy, we will need to acquire new skills, diversify our talent base and continue to build our skills in te ao Māori to drive even more impact for the sector.

Expected Outcomes

Year 4 (FY26)

› All of our staff are well-supported in continuous improvement and career development.

› Strengthened cultural capability and understanding of te ao Māori across staff.

› New company strategy reflects the growth of REANNZ.

Year 5 (FY27)

› Innovative and member-focused culture.

› Diversity of thought and contributions from staff embedded at all levels.

› Track record of purposeful delivery.

› Continued high engagement and low levels of staff churn.

FY26 Initiatives

› **Continue to invest in and actively support professional development for leadership and all staff.**

› **Programme to encourage staff engagement and respond to the voice of staff.**

› **Continue to elevate and promote the voice of members within REANNZ.**

› **Expand the staff-led committee established to embed our shared understanding of te ao Māori across REANNZ.**

Performance indicators

Performance Indicator	Target 2024/25	Actual 2024/25	Target 2025/26
Professional development in te ao Māori	> 85% of staff attend at least one te ao Māori competency training workshop	Achieved	> 85% of staff attend at least one te ao Māori competency training workshop

Building our global connections

In an increasingly fractured world, the success of REANNZ's ability to leverage our global connections comes down to the strength of our relationships. We continue to increase our participation in the GREN and have taken a greater leadership role in the Asia-Pacific region. We have identified areas of best practice across the GREN and leveraged these for the benefit of REANNZ members as part of our product roadmap work and have found opportunities to share our skills and insights with the global community.

We will continue to invest in and leverage our global relationships to be a 'fast follower', bringing GREN solutions to the New Zealand market to deliver cost savings and global connectivity for New Zealand Inc. In August 2026 we will host the six-monthly Asia Pacific Advance Network Conference in Auckland.

Expected Outcomes

Year 4 (FY26)

› Enduring relationships with global NREN community enabling reciprocal sharing of knowledge.

› Global connections underpin respected REANNZ role in NZ research and education communities.

› New Zealand research and education sectors have access to GREN developments because of our 'fast follower' model.

Year 5 (FY27)

› Recognised as an influential NREN member in identity management and network monitoring and measurement.

FY26 Initiatives

› **Systematically identify, prioritise and leverage GREN best practice to meet the needs of our members.**

› **Leadership role in renegotiating EU funding and establishing a new NREN APAC cost sharing model across Asia Pacific.**

› **Finalise Cybersecurity Threat Intelligence MOU with AARNet and other Five Eyes NREN partners.**

› **Actively participate in global working groups in engineering, MANRS, and the Pacific Islands Research and Education Network.**

› **Work across the GREN to understand the role NRENs have in supporting indigenous data sovereignty.**

› **Work with the Asia Pacific Advanced Network committee in preparation for the hosting of APAN 62 in August 2026.**

Performance indicators

Performance Indicator	Target 2024/25	Actual 2024/25	Target 2025/26
Fast follower of global expertise	Product roadmap contains > 50% of new products already proven overseas	Achieved	Product roadmap contains >50% of products already proven overseas.
Enabler of cost efficiencies	Leverage NREN relationships to ensure REANNZ continues to access the following international network capability at no cost: › PoPs at Guam and Hawaii › Capacity on Guam-Hawaii link › Capacity on the Internet2 backbone to Europe › Transit to AWS compute in the US › Leverage APONET relationships for backup network paths	Achieved	Maintain NREN relationships to ensure REANNZ continues to access the following international network capability at no cost: › PoPs at Guam and Hawaii › Capacity on Guam-Hawaii link › Capacity on the Internet2 backbone to Europe › Transit to AWS compute in the US › Leverage APONET relationships for backup network paths › Backup network capacity via AARNET live.
Enhance NREN and sector relationships for the purpose of information and technical exchange	Six technical presentations at both regional and international conferences	Achieved	Six technical presentations at both regional and international conferences

Making it easy

REANNZ recognises and understands the critical role of data as we move forward into a new era of AI and enhanced digital innovation.

We are continually engaging with members and researchers to understand how REANNZ can best support data-intensive research and collaboration, and we are delivering against a co-developed, member-endorsed product and services roadmap.

The sector sees a critical role for REANNZ to support highly secure and controlled computing environments that allow researchers to access and collaborate on sensitive data in a single environment.

We will continue to aggregate common capability and scalable solutions on behalf of the sector, leveraging network and identity services, and international experience and products to support trusted research environments.

We will also continue to increase interoperability and security for our members by driving consistent adoption of key identity management products (Tuakiri and eduGAIN). We will develop our product and service offering in cyber security, identity and access management and management information reporting.

The delivery of training on the use of REANNZ's platforms, and the publication of case study examples, are important ways that REANNZ will support the maturity and uptake of eResearch capability across the sector.

Expected Outcomes

Year 4 (FY26)

› Evolve security services as required by members and changing global security landscape.

› Evolve sector interoperability as required by members and changing global security landscape.

› Deliver cost savings to the sector through the aggregation of common capabilities.

› Deliver training and knowledge sharing to support the maturity and uptake of eResearch capability across the sector.

Year 5 (FY27)

› REANNZ known as a technical centre of excellence for the research and education sectors.

› The REANNZ roadmap outlines how by building a federated ecosystem REANNZ can deliver to the diverse needs of the sector.

FY26 Initiatives

› **Evolve product roadmap to reflect members' changing needs.**

› **Engage with members to raise awareness and utilisation of REANNZ products and services.**

› **Improve sector security posture by applying network level mitigations.**

› **Work with Māori research sector to provide access to our network and services such as eduroam and Tuakiri.**

› **Following the delivery of a new strategy, implement a community aggregation model with the sector.**

› **Assess and procure additional DDoS capability to protect the network and members.**

› **Invest and partner to increase HPC capacity to the New Zealand research sector.**

› **Deliver training to support platform and sector capability development.**

› **Publish case studies to demonstrate platform contribution to impactful research.**

Performance indicators

Performance Indicator	Target 2024/25	Actual 2024/25	Target 2025/26
Valued by members as defined in the customer satisfaction survey	REANNZ network valuable and essential 80%	Achieved	REANNZ network deemed 'valuable and essential' by 80% of respondents
Responsiveness to members as defined in the customer satisfaction survey	Issue resolution in a timely manner: > 80%	Achieved	Issue resolution deemed to be 'in a timely manner' by > 80% of respondents
Member-led strategy	Develop community aggregation model to support the sector by consolidating member demand for data storage and security services.	Achieved	Terms of Reference signed with the community to coordinate procurement of common capability as determined by the sector.
Better connected members	> 25% uptake rate of non-network products by members in year 1. +25% increase their utilisation of eduroam.	Achieved	>25% uptake rate (average product penetration by segment) of non-network products[1] by members. Note: there are different product sets by segments +25% increase in authentication of unique *eduroam* devices (measures activity outside of home institution)

[1] Non-network products are defined as products not related to network connectivity. The list of products and product definitions are maintained in the REANNZ product roadmap.

Performance Indicator	Target 2024/25	Actual 2024/25	Target 2025/26
Cross-sector interoperability	Implement Tuakiri Managed idP service at four members.	Achieved	Increase active Tuakiri Service Provider footprint by 10% (four additional service providers)
	Develop two use cases for Tuakiri Identity Management services.	Achieved	
Continuity of service	Network availability over time: 99.95%	Achieved	National network availability over time: 99.95%
			International network availability 99.95%
			>98% of total HPC capacity available for usage over time
			>98% of total HPC services available for usage over time
Increase HPC capacity available for the New Zealand research sector			Cascade is available for REANNZ members by 30 June 2026.
			Build the business case to invest in Mahuika (subject to sector demand) by 30 June 2026.
Developing digital research capability			20 facilitated training programmes
Delivering research impacts			Five published case studies

PROSPECTIVE FINANCIAL STATEMENTS /

Research and Education Advanced Network New Zealand Limited

Prospective Statement of Comprehensive Revenue and Expense for the Year ending 30 June 2026

Actual 2025 $ 000		Budget 2026 $ 000
	Revenue	
6,750	Grant revenue	13,930
7,603	Network Membership revenue	7,419
2,544	Network Service revenue	2,940
-	High Performance Computing Platform Collaboration revenue	3,393
-	High Performance Computing Platform Subscription and Infrastructure revenue	1,000
339	Other Income	248
17,236	**Total Revenue**	**28,930**
	Direct Expenses	
	Network Expenses	
4,801	International Network	4,958
3,490	National Network	3,555
435	Depreciation and amortisation	541
2,773	Network Personnel	3,066
11,499	**Total Network Expenses**	**12,120**
	High Performance Computing Platform Expenses	
-	Operating	1,961
-	Depreciation and Amortisation	715
-	Employment	3,298
-	**Total High Performance Computing Platform Expenses**	**5,974**
11,499	**Total Direct Expenses**	**18,094**
5,737	**Gross Surplus**	**10,836**
	Indirect Expenses	
2,294	Employment	4,127
65	Depreciation and Amortisation	178
964	Transition and integration	1,476
2,703	Other Operating	4,671
6,026	**Total Indirect Expenses**	**10,452**
(289)	**Net Surplus before Currency Gains and Interest**	**384**
	Other Gains and Losses	
162	Foreign currency gain/(loss)	-
162	**Total Other Gains and Losses**	**-**
(127)	**Earnings Before Interest**	**384**
1,654	Interest revenue	1,085
1,527	**Net Surplus / (Deficit)**	**1,469**
1,527	**Total Comprehensive Revenue and Expense**	**1,469**

Research and Education Advanced Network New Zealand Limited

Prospective Statement of Financial Position
As at 30 June 2026

Actual 2025 $ 000		Budget 2026 $ 000
	Current Assets	
9,755	Cash and cash equivalents	3,033
24,048	Investments	31,118
2,221	Receivables	2,216
264	Prepayments	221
2,255	Prepaid Network and High Performance Computing Platform expenses	1,766
38,543	**Total Current Assets**	**38,354**
	Non-Current Assets	
15,442	Prepaid Network and High Performance Computing Platform expenses	15,490
3,109	Property, plant and equipment and intangibles	4,345
18,551	**Total Non-Current assets**	**19,835**
57,094	**Total Assets**	**58,189**
	Current Liabilities	
773	Accounts Payable and accrued expenses	800
172	GST payable	309
397	Employee entitlements	409
1,811	Revenue in Advance	1,438
32	Derivative financial instruments	-
3,185	**Total Current Liabilities**	**2,956**
	Non-Current Liabilities	
144	Derivative financial instruments	-
144	**Total Non Current Liabilties**	**-**
3,329	**Total Liabilities**	**2,956**
53,765	**NET ASSETS**	**55,233**
	Equity	
16,001	Share capital	16,001
4,600	Capital contribution	4,600
33,164	Accumulated Surplus	34,632
53,765	**TOTAL EQUITY**	**55,233**

Research and Education Advanced Network New Zealand Limited

Prospective Statement of Cash Flows
for the Year ending 30 June 2026

Actual 2025 $ 000		Budget 2026 $ 000
	Cash Flows from Operating Activities	
	Cash was provided from (applied to)	
6,750	Grant revenue	13,930
10,359	Network revenue	10,110
-	High Performance Computing Platform revenue	4,393
339	Other revenue	248
1,825	Interest received	1,004
(28)	Net GST	(141)
(12,091)	Payments to suppliers & employees	(23,839)
(5,276)	Prepayments for Network and High Performance Computing Platform expenses	(2,837)
505	Realised gain on foreign currency	-
2,383	**Net cash flow from operating activities**	**2,868**
	Cash flows from investing activities	
	Cash was provided from (applied to)	
-	Receipts from sale of Plant & Equipment	248
(1,441)	Purchase of plant & equipment	(2,838)
(761)	Purchase of intangible assets	-
3,000	Term deposit investments	(7,000)
798	**Net cash flow from investing activities**	**(9,590)**
	Cash Flows from Financing Activities	
-	Cash was provided from (applied to)	-
-	Capital Contribution	-
-	**Net Cash Flow from Financing Activities**	**-**
3,181	**Net Increase/(Decrease) in Cash Held**	**(6,722)**
6,574	**Cash at the beginning of the year**	**9,755**
9,755	**Cash at end of year**	**3,033**

Nature and purpose of prospective financial statements

The Prospective Financial Statements have been prepared to the best of our knowledge and belief as an indication of REANNZ's future financial performance. Actual financial results achieved for the period covered may vary from the information presented, and potentially in a material manner.

This amended Statement of Performance Expectations (SPE) incorporates the actual, audited financial results for FY2024/25 as these results are now available. The inclusion of actuals in place of prospective financial statements provides a more accurate reflection of REANNZ's financial performance for that period.

The purpose of the Prospective Financial Statements is to inform readers of this Statement of Performance Expectations of REANNZ's best estimate of its future financial performance at the date of publication, and to comply with the company's specific reporting and disclosure obligations. The statements may not be suitable for other purposes.

Notes to the Prospective Financial Statements

Significant Assumptions

The following assumptions have been made in the preparation of the prospective financial statements:

- Transactions paid for in United States dollars (USD) have been converted to New Zealand dollars (NZD) at a rate of 0.59 USD to 1 NZD.

- Transactions paid for in Australian dollars (AUD) have been converted to New Zealand dollars at a rate of 0.87 AUD to 1 NZD.

- The short-term deposit rate is 2.30% per annum.

Reporting Entity

The reporting entity is Research and Education Advanced Network New Zealand Limited ('REANNZ'), a Crown entity as defined by the Crown Entities Act 2004 and a New Zealand incorporated company. As a Crown entity, REANNZ's ultimate parent is the New Zealand Crown.

REANNZ aims to deliver a high-performance computing and data analytics platform, supported by a specialised, high-speed communications network. Both are engineered to meet the unique performance demands of New Zealand / Aotearoa's research, education and innovation sectors.

Accordingly, REANNZ has designated itself as a Public Benefit Entity ('PBE') for the purposes of PBE accounting standards with reduced disclosures.

Basis for preparation

Statement of compliance

The Prospective Financial Statements have been prepared in accordance with the Crown Entities Act 2004, and with generally accepted accounting practice in New Zealand (NZ GAAP).

These Prospective Financial Statements comply with PBE accounting standards, which include PBE FRS 42 Prospective Financial Statements.

These Prospective Financial Statements have been prepared in accordance with Tier 2 PBE accounting standards with reduced disclosures. REANNZ is eligible

to report as a Tier 2 reporting entity on the basis that it does not have public accountability and is not large.

Presentation currency and rounding

The Prospective Financial Statements are presented in New Zealand dollars, rounded to the nearest thousand ($000). The functional currency of REANNZ is New Zealand dollars.

Significant accounting policies

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability. REANNZ's accounting policies, therefore, are designed to report the substance of the underlying transactions undertaken by the entity.

The following significant accounting policies have been adopted in the preparation and presentation of the Prospective Financial Statements.

Goods and services tax (GST)

These Prospective Financial Statements are prepared on a GST-exclusive basis except for accounts receivable and accounts payable, which include GST.

The net GST paid to, or received from, Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Prospective Statement of Cash Flows.

Foreign currency transactions

Transactions in foreign currencies, including those for which forward foreign exchange contracts are held, are translated to New Zealand dollars (the functional currency) at the spot rate on the date of transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Prospective Statement of Comprehensive Revenue and Expense.

Income tax

As a public entity under Section CW 38(2) of the Income Tax Act 2007, the company is exempt from income tax. Accordingly, no provision has been made for income tax.

Statement of Cash Flows

The Prospective Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Comprehensive Revenue and Expense.

Definitions of the terms used in the Prospective Statement of Cash Flows are:

> *'Cash'* includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash used by REANNZ as part of its day-to-day cash management.

> *'Operating activities'* include all transactions and other events that are not investing or financing activities.

> *'Investing activities'* are those activities relating to the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

> *'Financing activities'* are those activities relating to changes in equity.

Revenue

The specific accounting policies for significant revenue items are explained below.

Grant revenue

REANNZ is funded in part by the Crown from the Strategic Science Investment Fund (SSIF). The SSIF operational grant is provided to partially fund the delivery of specialist services and activities, including support to meet the Government's goals for research, education and innovation. REANNZ delivers an agreed work plan and the grant is recognised as revenue when paid because there are no other conditions attached.

Additional SSIF funding has been provided following the integration of NeSI.

All other revenue

Revenue is measured at the fair value of the consideration received or receivable. All transactions are exchange transactions.

Receivables and debtors

Accounts receivable are recorded at the amount due less an allowance for credit losses. REANNZ applies the simplified credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, receivables have been assessed on an individual basis.

Receivables are expensed in the Prospective Statement of Comprehensive Revenue and Expense when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Investments

Term deposits

Investments in bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

Derivative financial instruments

REANNZ enters into derivative financial instruments, including forward foreign exchange contracts, as part of its normal operations to manage its exposure to foreign exchange rate risk. REANNZ does not hold or issue derivatives for trading purposes. REANNZ has not adopted hedge accounting.

Derivatives are initially recognised at the fair value on the date a derivative contract is entered into and are subsequently revalued to their fair value at each balance date, with the resulting gain or loss recognised in the Prospective Statement of Comprehensive Revenue and Expense.

A forward foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise the full fair value of forward foreign exchange derivatives are classified as non-current.

Derivative financial instruments are recognised at their fair value in the Prospective Statement of Financial Position.

Property, plant and equipment

Property, plant and equipment consist of eight classes, which are measured, at cost less accumulated depreciation and impairment losses:

- Leasehold improvements
- Information technology equipment
- Network services equipment
- Office equipment
- National Point of Presence (PoP) equipment
- International Point of Presence (PoP) equipment
- Fibre and fibre housing.
- High performance computing equipment

Additions

The cost of an item of property, plant and equipment, is only recognised as an asset when it is probable that future economic benefits or service potential associated with the item will flow to REANNZ and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is initially recognised at cost. Where an asset is acquired through a non-exchange transaction, the asset will be recorded at fair value at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to REANNZ and the cost of the item can be measured reliably.

Where assets are purchased outright they are recognised once control is obtained and available for use. Where assets are yet to be installed, relevant costs are initially captured in capital Equipment not in use and then transferred to fixed assets once the asset is available for use.

Disposals

Gains and losses on disposals are determined by comparing the proceeds of disposal with the carrying amount of the asset. Gains and losses on disposal are included in the Prospective Statement of Comprehensive Revenue and Expense.

Depreciation and amortisation

Depreciation on property, plant and equipment is calculated on a straight-line basis, from the time the asset is in the location and condition necessary for its intended use. This basis allocates the cost or value of the asset, less its residual value, over its estimated useful life.

The depreciation method, estimated useful lives and residual values of property, plant and equipment are reviewed annually to assess appropriateness.

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

Leasehold improvements	3-5 years
Information technology equipment	3 years
Network services equipment	3 years
Office equipment	5 years
National PoP equipment	3-8 years
International PoP equipment	5-7 years
Fibre and fibre housing	20 years
High performance computing equipment	3 years

Impairment of property, plant and equipment

Cash generating assets

REANNZ does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Non-cash generating assets

At each reporting date, assets are reviewed by the Directors to determine whether there are any events or changes in circumstances that indicate that carrying amounts may not be recoverable.

An impairment loss is recognised as the amount by which the asset's carrying amount exceeds its estimated recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on either depreciated replacement cost, restoration cost, or service units. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The impairment loss is then recognised as an expense in the Prospective Statement of Comprehensive Revenue and Expense.

Any reversal of an impairment loss is recognised in the Prospective Statement of Comprehensive Revenue and Expense. Impairment losses can only be reversed to the extent that the carrying amount of the asset matches the carrying amount as calculated under the cost less accumulated depreciation method.

To the extent that an impairment loss for a revalued asset was previously recognised in the Prospective Statement of Comprehensive Revenue and Expense, a reversal of impairment loss is also recognised in the Prospective Statement of Comprehensive Revenue and Expense.

For items of property, plant and equipment that are not carried at a revalued amount, the total impairment loss is recognised in the Prospective Statement of Comprehensive Revenue and Expense, a reversal of impairment loss is also recognised in the Prospective Statement of Comprehensive Revenue and Expense.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. When recognising and initially measuring these assets, REANNZ has established that they are identifiable, under its control, and likely to generate future economic benefits. These assets are initially recorded at cost.

REANNZ has intangible assets which have a finite useful life and intangible assets which have indefinite useful life. An indefinite intangible asset refers to a valuable non-physical asset that has no foreseeable limit to its useful life.

Amortisation

The carrying value of an intangible asset with a finite useful life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use.

The following estimated useful life are used in the calculation of amortisation:

Software Licenses	5 years

Intangible assets that have an indefinite useful life are not subject to amortisation.

Impairment of intangible assets

If there are any impairment indicators as detailed in the note on the Impairment of property, plant and equipment, then the impairment loss will be recognised in the Prospective Statement of Comprehensive Revenue and Expense.

For indefinite useful life intangible assets, an impairment test has to be done annually. At year end, the carrying value of an indefinite intangible asset will be assessed and any market adjustment will be recognised in the Prospective Statement of Comprehensive Revenue and Expense.

Payables

Short-term payables are recorded at the amount payable.

Employee entitlements

Employee benefits due to be settled within 12 months after the end of the year in which the employee provides the related service, are measured based on the accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned but not yet taken at balance date.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Commitments and contingencies

A schedule of commitments and contingencies is not separately disclosed in these Prospective Financial Statements.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Where the leased items are not in use, the operating lease payments will be treated as a prepayment in the Prospective Statement of Financial Position. Once the items begin to be used in deriving revenue, these prepayments are released to the Prospective Statement of Comprehensive Revenue and Expense on a straight-line basis over the period of the remaining operating lease term.

REANNZ