



Smart moves

ANNUAL REPORT 2025





Smart starts with people

In today's constantly changing energy landscape, Vector is focused on delivering what Kiwi homes and businesses rely on every day: safe, reliable, resilient and affordable energy infrastructure. We're using smart technology and innovation to do this for our customers.







Investing in a smarter system



We're investing in critical infrastructure, both physical and digital, and we're sharpening our focus on data and insights, to boost resilience in the face of climate change, empower our customers, and support economic growth.





Powering a smarter future

As we transition to an electrified future, we're making a series of smart moves to deliver affordability, accessibility and reliability, because this matters more than ever to our customers and the country.



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About this report

This report, dated 22 August 2025, is a review of Vector's financial and operational performance for the year ended 30 June 2025. The financial statements have been prepared in accordance with appropriate accounting standards and have been independently audited by KPMG.

The financial and operational information has been compiled in line with NZX Listing Rules and recommendations for investor reporting. The report has drawn from a wide range of information sources. This includes: our stakeholders, customers, communities, sustainability framework, value drivers, risk register, board reports, asset management plan, financial statements and our operational reports.

2025 REPORTING SUITE



This annual report is published as part of a reporting suite, which also includes our climate-related disclosures report and greenhouse gas emissions inventory report. All three reports are available at vector.co.nz.

Performance snapshot

Financial and operational dashboard

SHAREHOLDER:



INDICATOR	PERFORMANCE AND NOTES
Dividend	25 cents per share full-year dividend New dividend policy linked to cash flow and aligned with five-yearly regulatory cycle (available at vector.co.nz/investors/dividends)
Capital expenditure	\$470.1 million for continuing operations
Adjusted EBITDA¹	\$401.1 million for continuing operations, up 16%
Profit	\$154.7 million net profit after tax

CUSTOMER:



INDICATOR	PERFORMANCE AND NOTES
Electricity connections	632,106
Gas connections	120,621
Electricity resilience and reliability	>2,000 km of network inspected by drones 12 projects completed to boost resilience and future capacity in Auckland

DATA:



INDICATOR	PERFORMANCE AND NOTES
Smart meter data intervals	1.7 billion data intervals assessed on Diverge platform , applying market rules to ensure accuracy, processed significantly faster than previous systems
Customer engagement	10,577 completed surveys or interviews with customers, providing direct feedback on our services, complementing further insights from conversational analytics
Network inspections	More than 43,000 power poles inspected using 130,000 images, along with artificial intelligence to survey and assess condition

1. EBITDA from continuing operations adjusted for fair value changes, associates, third-party contributions, and significant one-off gains, losses, revenues and/or expenses. Refer to the Non-GAAP reconciliation on page 55. Adjusted EBITDA excludes the capital contributions customers pay for new connections on the network.

ESG dashboard

ENVIRONMENT:



INDICATOR	PERFORMANCE AND NOTES
2030 carbon emissions reduction target (scope 1 and 2, excluding electricity line losses)	Achieved target five years early (55% emissions reductions achieved in FY2025)
Scope 3 emissions	744,316 tCO₂e (55% reduction from FY2020 baseline)
Internal carbon price	\$140 per tCO ₂ e
Climate resilience investment	Around \$300 million in climate resilience projects in our 2025 electricity asset management plan, including more than 50 resilience projects or programmes of work
Electric vehicles	54,135 electric vehicles on our network, up 5,703 from FY2024

Governance – we disclose comprehensive governance information on page 26.

SOCIAL:



INDICATOR	PERFORMANCE AND NOTES
Talent pipeline	64 critical roles identified, as part of our talent pipeline development strategy Future talent strategic collaborations established with 3 organisations Development and succession planning underway
Leadership development	78% of people leaders attended at least one development activity
Community	Home energy saver programme completed on 724 households in collaboration with Auckland Council
Contractor safety	Quarterly workshops with contractors to support an open learning environment

Chair and group chief executive report

New Zealand's energy landscape has been extremely dynamic over the past year as a consequence of challenges such as severe weather events, affordability, and scrutiny on sector performance, and its importance to businesses and households. Alongside this, global trends for the energy sector continue to take shape and require agility, like technology and digital innovation, evolving customer demand patterns and behaviour. We're engaging consistently with the Government as they, and regulators, execute reviews into the structure, performance, and rules of the energy sector. It's critical that the right policy and settings are in place to enable the industry to manage the energy transition effectively, and it's clear that change from the status quo is needed.

Our Symphony strategy remains focused on putting the customer at the centre of our decisions. We're acutely aware of the importance of getting the balance right between affordability and prudent, efficient investment given the cost-of-living pressure many of our customers are facing.

Our focus remains on providing a reliable, resilient, secure energy supply and our long-term planning to do this is influenced by rapid technological change and shifting customer behaviour. We've responded by thinking beyond traditional solutions and grasping the opportunities that come with these developments. We continue to focus on innovation, embracing AI, harnessing data, and deepening our understanding of customer needs, now and into the future.

Our business portfolio has continued to evolve. The completion of the sales of Natural Gas Trading, Vector Ogas and our shareholding in Liquigas are examples of successful transactions that align with the risk and future operating environment of each business. The completed transactions enable us to concentrate on the core strengths and demands of our regulated electricity and gas networks and explore growth opportunities, such as through Vector Technology Solutions (VTS), or our investment in metering business Bluecurrent.

On 1 August, after balance date for these results, Vector announced via the New Zealand Stock Exchange (NZX) the sale of HRV.

In the reporting period, our new five-yearly default price quality path (DPP4) for the electricity network has taken effect, on 1 April 2025. We've valued the engagement we've had with the Commerce Commission as they worked through this important regulatory milestone, and we're pleased to see recognition of the importance of several of our long-standing focus areas, such as uplifts in provisions for cyber resilience and customer engagement, and an expanded innovation allowance scheme.

We're well placed to continue our investment approach under the new DPP, which is to avoid committing to high levels of capital investment in areas where there is significant uncertainty, or to cover short demand peaks when there are other, less capital-intensive ways to use available capacity and build network resilience. What this means is that we've prioritised how we invest capital to areas where we can have the most impact on customers. For example, in the past year we've inspected more than 2,000 km of network using drones, and completed 12 projects to boost resilience and future capacity in the CBD.

Our commitment to Auckland's growth and electrification remains strong, and the region continues to grow despite the broader economic slowdown. While we've seen a softening in the rate of new connections this year, and fewer private electric vehicles being sold, Auckland is experiencing rising demand for hyperscale data centre connections, each with significant energy requirements (see Data Centres on p10).

In 2020, we set a target to reduce direct emissions (scope 1 and 2, excluding electricity line losses) by 53.5% by 2030, aligned with the Science Based Targets initiative (SBTi) to limit warming to below 1.5°C. This year we recorded a reduction of 55%, which is calculated against the businesses we have now, meaning it reflects our actual emissions reductions, not those from businesses we've sold. This was driven by innovation in technology and processes, which were mapped on our publicly available carbon cost abatement curve, and which we've progressively actioned. While some efforts fell short, others are now embedded in our operations – such as our gas sniffer trucks which proactively locate leaks on our gas distribution network. We'll continue to focus on our emissions targets and we recognise there could be some volatility in maintaining and improving our overall emissions.

SYMPHONY STRATEGY

As we've noted in our previous annual reports, our Symphony strategy helps us navigate and shape the energy transition, aiming to deliver a more efficient network that is reliable, safe and ready for the future, recognising the challenge of affordability. There are five pillars to Symphony: leading the New Zealand energy transition; evolving our core infrastructure; embracing data and insights; putting our customers at the heart; and investing in our people. During the past year we've seen continued progress under each of these pillars.

1. During the financial year, we completed the sale of the businesses within our prior Gas Trading segment, including Natural Gas Trading (1 July 2024), Ongas (31 January 2025) and Liquigas (31 January 2025). These businesses have been classified as discontinued operations in these full-year results.
2. EBITDA from continuing operations adjusted for fair value changes, associates, third-party contributions, and significant one-off gains, losses, revenues and/or expenses. Refer to the Non-GAAP reconciliation on page 55.

Group financial performance¹

Earnings

FY2025 adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA²) for continuing operations were up \$55.8 million or 16% to \$401.1 million. Capital contributions from customers for new connections are excluded from our adjusted EBITDA figure. Our new five-year regulatory price period began on 1 April 2025, resulting in higher revenue in the final quarter to 30 June 2025, in line with the uplift provided by the Commerce Commission under the new DPP; this reflects the increase in interest rates and inflation experienced within the prior DPP3 period. We've also maintained prudent financial management across the group.

Profit

Group net profit after tax for continuing operations was \$154.7 million, inclusive of a \$37 million impairment of the gas distribution business. Underlying profit, excluding the impairment, was \$191.7 million. The impairment recognises our latest forecasts for gas network connections, where we see a decline in net connections from FY2026, as a result of significant market uncertainty, scarcity of gas and rising costs. Following the impairment, the carrying value of the gas distribution business is consistent with the estimated value of the regulated asset base.

DOUG MCKAY
CHAIR

SIMON MACKENZIE
GROUP CHIEF EXECUTIVE



These forecasts reflect the unprecedented uncertainty around the future of natural gas, driven in the near term by significant market uncertainty, scarcity of gas and rising costs, and in the long term by lack of clarity over how gas distribution businesses will be impacted by New Zealand's 2050 net-zero emissions targets. Current regulatory settings were designed in a more stable environment, where demand for gas was growing, and we are urging the Commerce Commission to update these to recognise this uncertainty and ensure any shift away from gas protects the interests of consumers and other stakeholders. A new draft gas DPP is expected to be announced by the Commission in November 2025 (with a final DPP announced in May 2026), and we are participating fully in the process so the Commission understands our perspective both for investors and customers.

Capital expenditure

Total capital expenditure for continuing operations was \$470.1 million, down \$29.1 million, reflecting a number of factors including the timing of large projects. Within this capital expenditure we recognised \$210.5 million of capital contributions from customers, which is up \$15.2 million on the year before.

Dividend

As we announced in our half-year results in February 2025, the board has approved revisions to the dividend policy, linking to cash flow. The intent is to align the policy with the Commerce Commission's five-year regulatory cycle, as this is a large part of what determines our revenue and earnings in each five-year period.

The board has determined an unimputed final dividend of 13 cents per share, taking the full year dividend to 25 cents per share. This represents an 85% payout of free cash flow, in the mid-point of the 70-100% range as stated in our policy. Shareholders should not interpret this year's payout as being an indication that future dividends will be in the midpoint of the range.

DATA CENTRES

Auckland is experiencing rising demand for hyperscale data centre connections, each with significant energy requirements. These complex projects offer major opportunities for the region, and for New Zealand more broadly. For example, hyperscale data centres typically request 20 Mega Volt-Amperes (MVA) in the first phase of multi-stage developments, which is roughly equivalent to 8,000 homes. However, they are accompanied by uncertainty about the rate at which electricity demand will grow to meet the capacity requested, since this depends on the adoption of data centre services by the data centre's clients. We know these hyperscale data centre requests will drive a need for us to invest in system growth, but we must ensure our investment is moving in step with demand. Because of the scale of some of these projects, their impacts may not be confined just to our distribution network, and may also affect electricity generation and transmission; so, careful and coordinated planning is critical.

STRATEGIC PARTNERSHIPS FOR INNOVATION

An example of embracing strategic partnerships to innovate for better customer outcomes is the expansion of GridAware, a new AI tool that is reinventing the way we inspect and maintain the electricity network. This project, developed as part of our partnership with X (Google's innovation lab) and Tapestry, X's energy moonshot, complements the Grid Planning Tool for Distribution, another AI tool from Tapestry that aims to transform our forward planning by enabling much faster scenario testing for future impacts such as EV uptake, rooftop solar and data centre growth. How GridAware helps boost efficiency in our network maintenance programme is set out on page 23. The Commerce Commission has acknowledged the customer benefit from this innovative project, awarding us an Innovation Project Allowance for the GridAware project within the regulatory year to 31 March 2025.

Business performance

With the successful completion of a number of transactions, we're now reporting financial results under a new segment structure: electricity performance is detailed on page 22 and gas distribution on page 24.

Our investment in Bluecurrent has performed in line with expectations, with distributions received from the investment recognised in our financial statements within cash flows.

We're continuing to improve our cyber security capabilities and make these available to others via our Equalise product offering, with further sign-ups in the New Zealand electricity distribution sector occurring during the past year.

Vector Fibre has performed to expectations and is the subject of a previously announced strategic review, with Barrenjoey Capital Partners assisting in the process.

Highlights from the year for VTS are set out on page 25.

Electricity network regulatory performance

Our regulatory performance year runs to 31 March and includes measures that track the reliability of service we provide to our customers. In the most recent regulatory period, the 12 months to 31 March 2025, our network performance was within the regulatory limits for reliability, for both planned service interruptions (for example, where we shut power off temporarily to do work on the network safely) and unplanned service interruptions (for example, where a car hits a power pole and disables power until we can repair it).

In the first three months of the current regulatory period, 1 April to 30 June 2025, the Auckland region once again experienced a significant weather event with Cyclone Tam, which delivered torrential rain and severe storms, followed by an intense and damaging lightning storm. These conditions caused widespread disruption, including power outages for our customers, and placed considerable pressure on our network operations. Unplanned service interruptions in this quarter were higher than for the previous period, largely because of the impact from this event.

Regulatory reform and market structure

Recent decisions by the Electricity Authority on connection processes mark a shift in how new electricity network connections will be managed. We support efforts to streamline and clarify these processes and remain committed to advocating for reforms that are fair, efficient and do not impose unexpected costs on existing customers.

We await with great interest the release of the Frontier report which the Government has commissioned to help with its review into the electricity market. Vector has taken an active interest in the process and will continue to provide input into important issues such as security of supply, and an efficient market for customers.

The DPP4 regulatory cycle for electricity distribution networks has seen electricity network assets being repriced by the Commerce Commission to reflect higher interest rates and COVID-19 inflation impacts. This has resulted in price increases, which we recognise is hard on all consumers, however in real terms our electricity lines charges remain very similar to what they were more than ten years ago.

Looking ahead

We are strongly committed to helping lead New Zealand's energy transformation, using data and AI to bring together commercial, customer and operational insights, and drive better outcomes.

This view is shaping how we plan, invest and serve our customers. We're building our own AI capability and attracting strong interest from applicants eager to join our team. Our people are becoming more sophisticated in using these tools, learning from global best practice and applying it to local challenges.

We're proud to partner with globally innovating organisations, such as X, the moonshot factory, giving our teams access to cutting-edge expertise and collaborative learning. These partnerships are helping us deepen our culture of innovation, which is grounded in curiosity, capability and customer focus. It's not just about technology; it's also about mindset, culture and the way we work together to enable a smarter, more resilient energy future.



Doug McKay
Chair



Simon Mackenzie
Group Chief Executive

CEO DEPARTURE

In February we announced that group chief executive Simon Mackenzie had decided to step down. Mr Mackenzie will depart his role at the end of 2025.

Mr Mackenzie has been Vector's group chief executive since 2008. In that time he has led the development and growth of competitive businesses such as Vector Metering (now Bluecurrent) and Ongas, delivering significant shareholder value; forged unique partnerships with AWS and Tapestry, the energy moonshot at X (Google's innovation lab) to harness the use of technology and data; overseen the investment in the electricity and gas networks to meet Auckland's growth and adapt to the impacts of climate change; driven a culture of innovation including participation in trials of early technologies such as solar and batteries; grew the Vector portfolio through acquisitions of competitive businesses and divested for value creation and strategic alignment; and set up VTS to pursue opportunities in New Zealand and globally.

In announcing his departure, Mr Mackenzie said, "The time is right for me to hand over – with Vector in a strong position financially, and a great culture, innovative mindset and talented leadership across the business."

The board thanks Mr Mackenzie for his years of service to Vector and its shareholders. Board chair Doug McKay said that Mr Mackenzie's contribution and achievements have been significant: "Simon is an outstanding chief executive and a highly respected Vector and industry leader. He has successfully led Vector's regulated and competitive businesses in a complex environment and has contributed to the wider energy industry through his leadership and extensive sector experience. The board wishes him well for the future and is grateful for his ongoing support while the recruitment process continues."

A recruitment process is currently underway and the market will be updated when an appointment is made.

Environmental, Social and Governance (ESG)





People, health and safety



Our Symphony strategy calls for innovation and new solutions to meet the challenges of an increasingly complex energy system, where demand for key skills such as engineering, digital and data is increasing significantly. This is happening not just across other energy companies within New Zealand but globally too. Traditional engineering is still vital to our industry, but we must add new capabilities to maximise the opportunities ahead. Recognising and staying ahead of this skill adaptation is the basis for our people strategy, and we've continued to make progress this year.

Symphony capabilities

In our 2024 annual report we noted the introduction of new behaviours that supported a need to evolve the way we work. This year, we've built on these behaviours by going further and identifying the specific capabilities needed to deliver our Symphony strategy, drawing on our behaviours, global skills trends and the critical skills needed for the energy transition.

This has created a strong framework for a structured approach to strategic workforce planning, where we've begun mapping the skills and competencies of our current workforce, identifying gaps at both individual and functional levels, and developing plans to address these gaps through strategic training, upskilling and recruitment as vacancies become available. We identified about 10% of roles across Vector as critical to our core operations, strategic goals, revenue, compliance, and operational continuity, and we're focused on ensuring there is a strong talent pipeline for these roles.

“The support from the team, the open communication, and the overall work environment have all contributed to a very positive experience. I feel valued and motivated, and I appreciate the opportunities to grow and contribute.”

Employee feedback from Vector's eNPS survey

Talent and leadership development

We've continued a strong focus on talent development this year, with a multi-layered leadership programme for new, seasoned and senior leaders supporting the development of leadership competencies and team member coaching capabilities. We had strong participation this year, with 78% of our people leaders taking part in development activities. We complement this by strategic collaborations with corporate learning providers to design programmes to our specific needs and run talks with global and local speakers to engage and upskill our people.

“The coaching is definitely pushing my thinking in both professional and personal development.”

A people leader's feedback about one of Vector's leadership development programmes

Strengthening our talent pipeline

We're proactively building a diverse and talented pipeline of people who want to come and work for us and are engaged and motivated when vacancies arise. We're doing this with a particular focus on specialist roles in engineering, digital and data that are critical to the energy transition. Our approach includes building relationships with universities in support of a dynamic graduate programme focused on strategic capability, as well as looking further back than recent graduates to target talent who may still be deciding which qualifications they want to acquire and which fields to enter. We've joined the Aruhiko Power Engineering Excellence Trust, which encourages students in the field of power systems engineering with scholarships, experiences in the field and connections with industry employers. We've also engaged in an internship programme with Stanford University, hosting two interns from the Stanford Doerr School of Sustainability. This programme was implemented with the support of the University of Auckland.

We recognise that the energy sector as a whole is going through a skills

transition, and so we also participate in industry collaborations, where relevant for Vector and where we're confident we can advance our specific needs.

Vector, along with 10 other companies, is on the steering committee for the electricity sector member association, the Electricity Engineering Association's (EEA) Re-Energise workforce initiative, which focuses on preparing the workforce for the energy transition. This project will provide strategic and actionable recommendations to ensure the industry is ready to meet future challenges and technologies.

Driving performance excellence

Our performance management framework is focused on clarity of direction, acknowledging our people's performance and reinforcing our culture. We run a 12-month performance management cycle with a mid-year check-in.

To support consistency of end-of-year reviews and ratings, we hold calibration sessions across the business. Employees and managers are evaluated not only on what they delivered but also on how they delivered it, informed by Vector's behaviours.

FROM STANFORD TO VECTOR

This winter, Vector welcomed two interns from Stanford University. The internship came about after Stanford's School of Sustainability, together with All Birds founder Tim Brown, went looking to connect students with purpose-driven companies around the world. Four organisations were chosen to host interns, including Vector. Hosting interns from top universities generates fresh ideas and perspectives and is a great way to showcase our culture and the opportunities on offer for career development. The interns' projects feed into Vector's strategic direction with a focus on electricity demand-response policies around the globe, and understanding to what extent time-of-use plans change Aucklanders' electricity consumption.



Engagement and wellbeing

In the past year our three regular surveys, which are employee engagement, employee Net Promoter Score (eNPS), and wellbeing, were all above benchmarks. Our engagement programme is informed by data and shaped by what our people are telling us, and so these results are a significant validation of our approach and its contribution towards our positive culture where our people are supported to do their best work. In our engagement survey this year, 87% of our people said they are proud to work for Vector.

Health safety and environmental (HSE)

Ensuring the health and safety of our staff, those delivering work on our behalf and the public is paramount at Vector. We're committed to continuous improvement of our health and safety culture and performance and we're proud of the progress we've made to support this in the past year. This includes: scheduled quarterly safety forums with our key contracting partners to promote an open learning environment focused on the most important preventative measures to minimise harm, enhancing in-field critical risk control verifications and embedding a new HSE Incident Management System to better track corrective actions, and improvements in shared learning from high potential events to ensure insights are identified and critical controls continue to be improved. We've also consulted with key internal stakeholders and contracting partners to inform the revision of our HSE system.

These initiatives have contributed to a reduction in both Lost Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR) compared to the year before, and to the introduction of measurable critical risk lead indicators for the coming year. For the past 12 months, the LTRIFR was 3.0 and the TRIFR 6.9 (these figures include HRV, which was sold after balance date).

A robust audit and assurance programme supports our approach which includes internal first – and second – line defence activity, third-party assessment and retaining our ISO accreditation in ISO45001 Health and Safety Management Systems, ISO14001 Environmental Management Systems and NZS7901 Public Safety.

ANNUAL EMPLOYEE SATISFACTION SURVEY RESULTS	BENCHMARK AMONG GLOBAL ENERGY COMPANIES	VECTOR RESULT
Employee engagement	70%	✓ Above benchmark
eNPS (Net Promoter Score)	15	✓ Above benchmark

“Vector has demonstrated a strategic and data-driven approach to employee wellbeing and psychosocial risk management. Through our long-standing partnership with them and annual wellbeing Pulse surveys (2022 to 2025), they’ve shown consistent improvements in resilience, organisational support, and key work factors. Since their 2022 psychosocial risk assessment, their practices have matured significantly, with ongoing refinement and iteration. Their commitment is evident in both leadership engagement and staff feedback, positioning them as a proactive leader in the wellbeing space. While challenges remain, their continuous efforts to improve are commendable and reflect a genuine investment in their people. It is a privilege to work with leaders who truly care about their people, are eager to learn how to support mental health, and are committed to helping others when they see someone struggling.”

Dr Dougal Sutherland, Principal Psychologist, Umbrella Wellbeing



CHALLENGE YOURSELF

Our series of Vector-wide “challenge yourself” events were designed to support upskilling in digital and data by getting people excited, inspired and curious about how they could make better use of it in their roles. With a strong focus on cross-functional collaboration, our first event saw teams come together to solve a series of data-driven clues by applying data insights in creative ways. For the second event (pictured), we hosted a series of rapid-fire conversations where data leads and people from around the business would talk through data challenges and solutions.



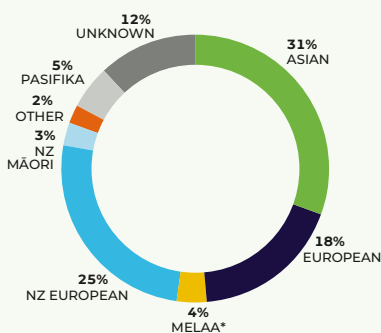
Engagement and advocacy

We've been active in raising awareness and advocating on health and safety matters this year, making a joint submission on the proposed Health and Safety at Work Act reform in conjunction with the Business Leaders' Health and Safety Forum, an organisation we're a founding member of.

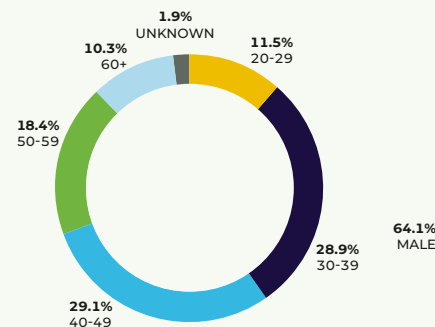
We've continued public engagement around key aspects of safety associated with our assets, business activities and worksites. Examples of these include our public awareness campaigns, together with targeted stakeholder engagement, around keeping safe when working near electricity or gas assets – for example when digging near electrical or gas assets, working at height near power lines and what to do if you encounter downed power lines.

We've also been advocating strongly to raise awareness of the minimum safe distances from overhead lines for new building activity, as set out in the New Zealand Electrical Code of Practice for Electrical Safe Distances (ECP34). The issue of lack of awareness is becoming increasingly concerning because we've observed a rise in non-compliance since recent intensification planning rule changes have enabled building closer to property boundaries. We're working constructively with the planning and building industries to raise awareness of the issue, but our view is that more needs to be done to address this safety issue. A common-sense approach would see the safe distances included in the Building Code, as today a building project can receive a valid building and resource consent but still be non-compliant with ECP34. We're advocating for this solution with the Government because of our serious concerns about safety.

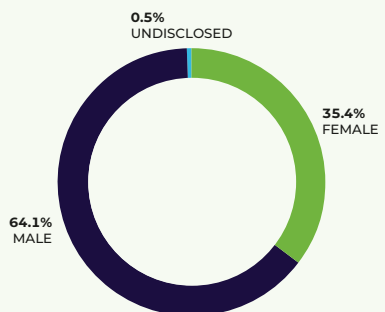
EMPLOYEES BY ETHNICITY



EMPLOYEES BY AGE



EMPLOYEES BY GENDER



There were no notable movements in the year, apart from a 3% increase in the proportion of female employees following the sale of Ogas.

* Middle East, Latin America and Africa.



Sustainability



Vector is a climate reporting entity under the Financial Markets Conduct Act 2013 and is required to produce climate statements that comply with the Aotearoa New Zealand Climate Standards (NZCS) 1, 2 and 3 issued by the External Reporting Board (XRB).

Our climate-related disclosures report considers our climate-related risks and opportunities, and, together with this annual report and our greenhouse gas emissions inventory report, comprises our annual reporting suite, available at vector.co.nz/investors/reports.

Resilience

As climate change drives more extreme and damaging weather, it's even more critical that our electricity infrastructure is resilient. Through the work we've done with external climate scientists to understand physical climate changes, together with our own expertise in assessing the impact on our assets, we can develop optional pathways for improved performance against climate impacts. But each of these optional pathways comes at additional cost. While our approach to resilience investment aims to remove the most risk with the lowest capital expenditure, we're thinking ahead about where and how more resilience could be built, and how the costs of doing so could be met.

In this context we were pleased this year to see the Government's decisions on the long-awaited reform of the tree trimming regulations. The changes will improve the ability of electricity distribution businesses to assess and manage hazardous trees around lines, and issue notices requiring that they be removed by their owner.

This will help us protect our lines from trees, and so protect our customers' electricity supply; however, the cost recovery challenges of tree trimming remain unaddressed following these changes.

Carbon emissions

2030 emissions reduction target

In FY2021 we set an absolute emissions reduction target, aligned with a methodology published by the Science Based Target initiative (SBTi) at the time, though not validated by the SBTi. That target is for Vector to reduce its scope 1 and 2 emissions (excluding electricity distribution losses) by 53.5% by FY2030 from an FY2020 baseline. The emissions reduction target does not rely on any offsets.

This year, we achieved a 55% emissions reduction, hitting our 2030 target five years early. While we're proud of this outcome, we're resetting our focus on maintaining these reductions and beginning to look beyond 2030 for further opportunities to reduce emissions in a cost-efficient way. Main contributors to our emissions reductions have been a decrease in methane leaks on our gas pipelines through proactive surveying, and a reduction in diesel generation in planned maintenance projects. For more information, please refer to our greenhouse gas emissions inventory report available at vector.co.nz/reports.

Emissions abatement for our scope 1 and 2 emissions target

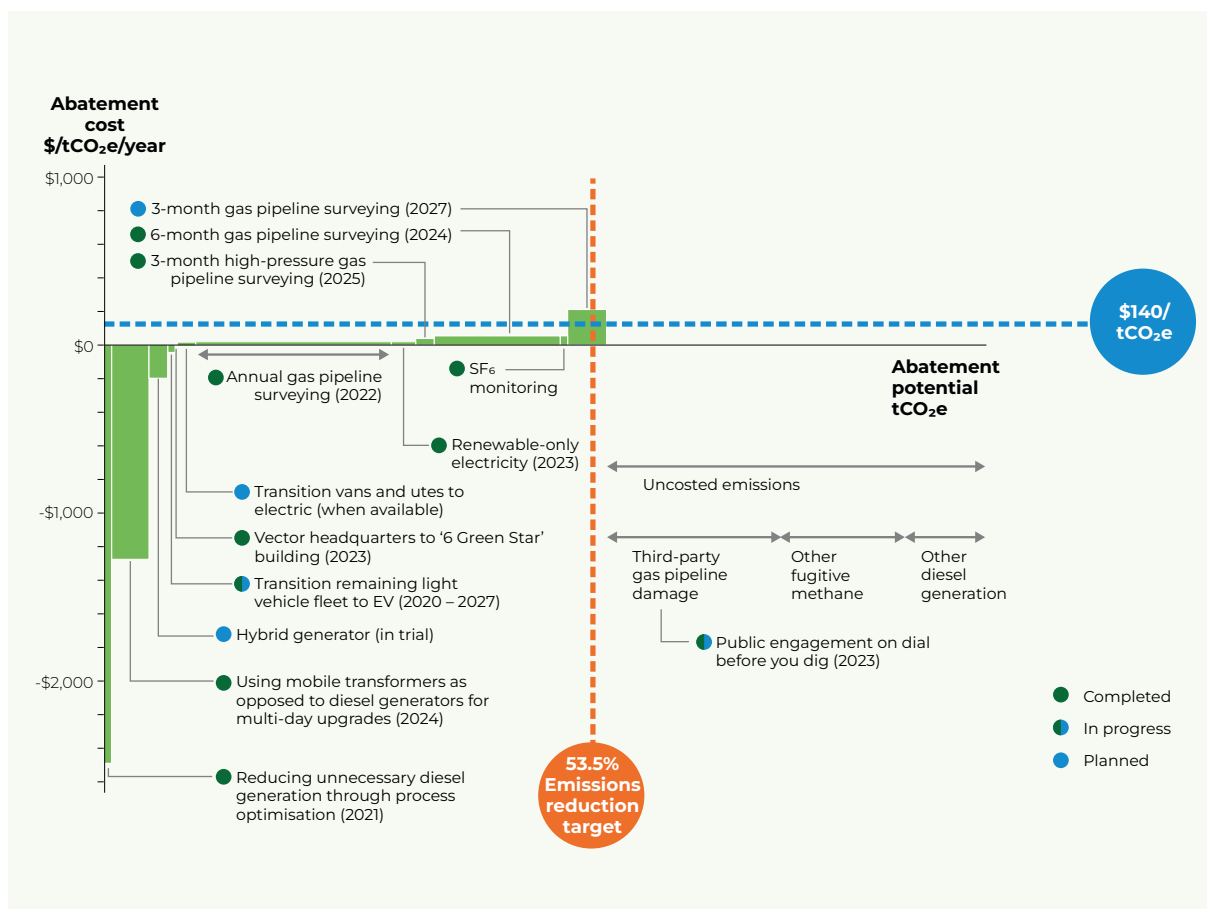
In FY2022 we developed a carbon abatement cost curve to help measure and understand our emissions reduction targets (scope 1 and 2 excluding electricity distribution losses) and actions available to Vector to contribute to reaching those targets. This work identifies the financial impact of potential carbon reduction activity across scope 1 and 2 emissions, using an internal carbon cost of \$140 per tonne of carbon dioxide equivalent (tCO₂e) as a comparative 'do nothing' cost. This cost curve was updated in the past year to reflect the progress we've made.

Emissions inventory

Vector's total emissions (including Scope 3 and including electricity distribution losses) have also decreased by 54% since our base year FY2020. This is mainly because of a wind-down of Vector's Natural Gas Trading contracts, and a reduction in natural gas consumption in the Auckland region.

EMISSIONS REDUCTIONS TABLE	FY2020 (BASE YEAR)	FY2025	CHANGE
Scope 1	22,933	10,449	-54%
Scope 2 ¹	33,087	39,476	19%
Scope 3	1,656,403	744,316	-55%
Total	1,712,423	794,241	-54%

Due to the completion of the sales of Vector Ogas, our shareholding in Liquigas, and some natural gas trading contracts, our historic emissions inventory has been recalculated to exclude these emissions. For more information on the methodology, results, and emissions recalculations over time, please see our greenhouse gas emissions inventory report, at vector.co.nz/reports.



1. Market-based method for electricity consumption. For further information on where market-based and location-based electricity emissions are included, see our greenhouse gas emissions inventory report, available at vector.co.nz/reports.

Business segment reports





⚡ Electricity



Adjusted EBITDA

Electricity adjusted EBITDA is up \$56.8 million or 19% to \$351.9 million. This result was driven by the higher revenue, owing to pricing adjustments and as a result of the new DPP period which began on 1 April 2025, as well as because of higher pass-through and recoverable costs. Total operating expenses, excluding pass-through charges, were flat. This reflects our ongoing commitment to efficient network management.

Connection growth

Network connection numbers have continued to grow, with total electricity connections up 1.2% to 632,106. The rate of growth has declined, with new connections 21.4% lower than for the previous year, given the broader economic slowdown.

Volumes

Electricity distributed volume was down 1.4% compared to FY2024. This largely correlates with warmer temperatures in FY2025, with fewer days when electricity was used for heating.

Capital investment

Gross capital investment was \$25 million lower than for the last 12 months, at \$432 million, reflecting a number of factors including the timing of large projects. Growth capital investment was up \$7.5 million or 3%, with the majority of growth capital investment funded by customers causing the need for investment, through \$195.9 million of capital contributions.

Smart maintenance

While overall capital expenditure was down marginally, we continued to invest in the maintenance of the network and enhancing the effectiveness of this maintenance by optimising our investments and leveraging technology.

This year we've leveraged technology and strategic partnerships to replace traditional ground-based field inspections with aerial surveying that captures much more detailed and useful information than has been possible before. Rather than walking the lines, network inspectors now conduct detailed assessments from their desks by analysing high-resolution images, Light Detection and Ranging (LiDAR) and thermal scans of network assets, captured by drones and helicopters. This rich asset information already means we're better able to validate asset condition and improve our decision-making on where to prioritise maintenance investment. This has been enabled through our strategic partnership with X and, with the use of advanced AI, has the potential to further increase efficiency significantly (see break-out box on page 23).

Delivering efficiently for our customers

We're keeping our focus on delivering safe and reliable electricity for customers as we see their expectations for service rise, driven by costs and changing behaviour such as working from home. Requirements around traffic management add significant cost and time to our projects, so we're involved in trialling a new, risk-based guideline for traffic management, where site managers will have more power to apply safety measures that are reasonable for a given situation. We're hopeful the new guidelines, due to come into force in 2026, will dramatically reduce costs for our customers without compromising safety. To avoid disruptions to our work programmes, we've also kept our attention on procurement processes that mitigate what can be long times for network equipment.

DRONES AND AI LEAD A REVOLUTION FROM POLES TO PIXELS

We're revolutionising how we maintain our electricity networks through a strategic partnership with X, (Google's innovation lab) and Tapestry, its energy moonshot. By combining aerial technology with AI, Tapestry's GridAware platform is transforming traditional network inspections from a manual ground-up process into an intelligent, automated system that can spot wear and tear before it becomes a problem. This improves network maintenance inspections so our customers can benefit from more reliability, and sets a new standard for how we inspect and prioritise maintenance on our network.

The aerial survey technology – from helicopters and drones – captures precision images of our equipment, as well as other data like thermal scans. With lots of high-quality data to hand, our network inspectors review this back at their desks using GridAware and mark up images when they spot something needs fixing. Two things happen next: we assess this rich information to improve our decision-making on where to focus maintenance investment, and we use it to train Tapestry's AI to automatically conduct condition assessments as more images are captured from elsewhere on the network. It's a powerful example of how technology, alongside Vector's experts, can solve real-world challenges, while making essential services more resilient and efficient for the people of Auckland.



Enabling network access and reinforcing capacity

While the broader economic slowdown has led to a softening in the rate of new connection growth, we're seeing strong and dynamic activity in the data centre market, with changing connection requirements driven by market dynamics, and AI advancements. We're enabling growth in this market by supporting customers' planning and development needs, and we're well-positioned to handle the complexity and demand from the sector by maintaining our proactive investment in core network capacity.

We work closely with all customers on their specific network connection requests. In April we introduced a new flexible commercial connection option which provides customers with an on-ramp towards electrification by time-shifting future capital improvements on the network. This provides a better understanding of the business case and path towards electrification for the customer, and a more efficient use of the existing and planned network.

Our position on who should pay for the growth of the network remains that those causing the growth should pay for it. This underpins our 100% recovery of connection costs from connecting customers. We believe this position is aligned with the Electricity Authority's

pricing principles, however the EA is consulting on the methodology for connection charges across New Zealand, as we note on page 11.

Improving customer experience through digital and data

This year, we've invested in building our data and digital capability, both in terms of bringing in specific skills around AI, data science and machine learning, as well as deploying a modern data platform to unlock advanced analytics and further innovation.

This investment is already delivering greater insights that improve our ability to deliver better customer experiences. One way it's doing this is through a new tool we've developed that combines datasets from various sources such as smart meters and Optical Network Terminals, to help us proactively identify individual power outages following widespread network damage caused by storms. We've begun trialling this tool to help us improve outcomes for customers.

Work has begun on the next stage of a significant digital project to introduce new capabilities into our advanced distribution management system. These new capabilities comprise: an automated outage management system, which will predict the most likely fault location and provide relevant information to control room operators, and switch order management, which reduces

reactive switching times through the use of scenario analysis tools and automatic safety checking. In addition to improving core network operations, these enhancements will improve the information we provide to our customers through our outage centre, especially during storms, by making it possible to supply updated data much faster.

Network resilience

We're investing in network resilience against the impacts of storms, such as Cyclone Tam which occurred in April this year. Our approach remains to do this smartly, prioritising cost-effective actions, such as infrastructure upgrading to improve flood resilience at key zone substations, and strengthening electrical conductors. We're acutely aware of the need to strike the right balance between investing for resilience and ensuring the cost burden for our customers remains appropriate.

Gas distribution

Adjusted EBITDA

Gas distribution adjusted EBITDA is up \$1.9 million or 4% to \$46.7 million, as a result of pricing adjustments. Operating expenses were relatively flat overall compared to the previous year. However, maintenance expenses were higher, which is in line with our strategy to optimise our asset management approach in response to our most recent demand forecasts (see the break out box below).

Capital investment

Capital investment was down \$3.2 million or 14% to \$19.0 million, with \$13.3 million of that expenditure funded by customers through capital contributions. The decrease was driven by lower levels of growth investment, reflected in capital investment net of capital

contributions being 50% lower than for the year before at \$5.7 million. This is in line with our strategy to optimise our asset management approach (see break-out box below).

Connections

There has been a 0.2% increase in connections on our gas distribution network over the year to 30 June 2025, bringing the total number of connections to 120,621. However, new gas connections were down 33% on the previous year Total connections.

Volumes

Gas distribution volume was down 8.5% at 11.9 PJ compared to the previous years because of lower demand from the residential, industrial and commercial sectors.

Network and public safety

We're proud that the past year has again been one without any major safety-related incident on our gas network. We are committed to delivering a safe, reliable and efficient service and we focus not just on our own asset management practices, but also on engaging with the public and customers to raise awareness of safe working practices near our network. Over recent years we've boosted our proactive leak detection programme using vehicle-mounted gas detection equipment. This programme helps us locate leaks faster, enabling us to fix them quickly before impacts are experienced by customers.

The programme has the added benefit of reducing carbon emissions from these leaks.

SAFETY, RELIABILITY AND SERVICE IN AN ENVIRONMENT OF DECLINING DEMAND

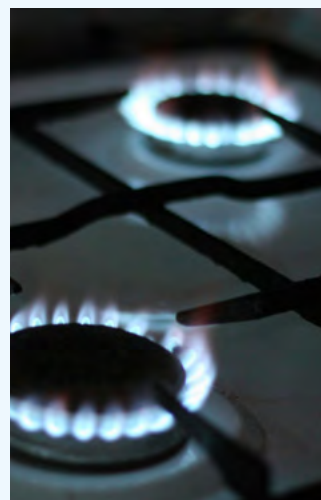
As we set out in our 2025 gas asset management plan (AMP)¹, there is unprecedented gas market uncertainty, scarcity of gas and rising costs. This results in our connections forecast seeing customers disconnect at a faster rate than new customers connect from FY2026, with new connections stopping in FY2029.

Despite this, we remain dedicated to maintaining the reliability and security of our gas distribution network, and our view remains that a long term solution needs to be reached between government and network operators, as we describe on page 10.

We've taken prudent steps to optimise our gas asset management strategies to maintain network safety and reliability, while reducing asset stranding risk.

One of the ways we're doing this is by reducing capital expenditure on asset replacements (which is recovered over the life of the asset) and replacing this with increased operational expenditure on maintenance (which is recovered during a single financial year). Over time, this approach will see a reduction in capital expenditure and a corresponding increase in operational expenditure.

We're also calling for more to be done to provide certainty to help customers and gas distribution businesses navigate the future.



1. Our gas asset management plan is available on our website: vector.co.nz/about-us/regulatory.

Vector Technology Solutions (VTS)

Over the past two years, VTS has been live with Diverge, its next-generation energy data platform. As utilities around the world evolve to meet the needs of the energy transition, Diverge provides visibility and insight at the edge of electricity networks, where this visibility had previously been limited.

Bluecurrent has served as the primary deployment for Diverge, where the platform has demonstrated its capacity to scale with the demands of the energy sector. Since the introduction of 5-minute electricity market settlement rules in Australia, Diverge has consistently processed six times the volume of smart meter data at ten times the speed of legacy systems. Diverge has also been delivering network operational data to electricity distribution businesses across New Zealand providing insights that improve operations and planning. In parallel, in the past year Vector's electricity business has used Diverge to operationalise

data science, transforming analytical models into practical tools that inform important decisions and strategic planning. This has included managing electric bus charging dynamically within available network capacity, proactively detecting network anomalies, such as incorrect phase mapping, and understanding electric vehicle charging using advanced algorithms.

These commercial deployments have validated Diverge's underlying architecture and have guided ongoing product refinement.

VTS is now leveraging its success with Bluecurrent and Vector to bring Diverge to global utilities facing similar challenges. VTS is partnering with Slalom, a leading technology consulting firm and a collaboration with EDMI, a leading global smart metering solutions provider. These partnerships aim to accelerate the roll-out of Diverge, combining expertise in data, devices and digital enablement.

Over the past 12 months, VTS has demonstrated its capability to solve problems on an international stage and this has been received positively. As a result, VTS has been invited to participate in multiple formal procurement processes, reflecting growing demand for solutions that can enable smarter, more responsive, and data-driven networks.

The challenges faced by overseas utilities are similar to those VTS has already helped us solve locally, but the scale is much larger. Through the engagements VTS has had this year, we're seeing strong signs it is well positioned to bridge the gap between Vector's internal digital transformation and an external product commercialisation capability that has the potential to help utilities globally.



Governance report

This section of the annual report is an overview of Vector’s corporate governance framework, approved by the board, for the financial year ended 30 June 2025.

Vector’s board is committed to maintaining high standards of corporate governance, ensuring transparency and fairness, and recognising the interests of our shareholders and other stakeholders.

The board has an established set of guiding principles that state that the company will:

- Be a leading commercial enterprise in New Zealand with a reputation for delivering results through sound strategy
- Have entrepreneurial agility, being the first to identify opportunities and bring them to market
- Be a great employer which values knowledge and talent
- Strive to ensure that everyone who does work for Vector goes home healthy and safe
- Deal fairly and honestly with its customers
- Be a good corporate citizen.

Vector’s governance practices are informed by the NZX Listing Rules (NZX Rules), the NZX Corporate Governance Code (31 January 2025) (NZX Code), the Financial Markets Conduct Act 2013 and the Companies Act 1993. Vector’s governance practices are consistent with the principles in the NZX Code, except that Vector has not adopted a formal protocol for responding to ‘control transactions’ takeovers (NZX Code Recommendation 3.6). Vector has not adopted a formal protocol because Entrust holds 75.1% of Vector’s shares; this means that:

- Any takeover offer would need to involve Entrust
- Any scheme of arrangement would require Entrust’s approval.

Vector’s key corporate governance documents, including board and committee charters and policies, can be found at vector.co.nz/investors/governance.

Roles and responsibilities of the board and management

The primary objective of the board is to protect and enhance the value of Vector in the interests of Vector and its shareholders.

The board has overall responsibility for all decision-making within Vector. Vector’s governance practices are designed to:

- Enable the board to provide strategic guidance for Vector and effective oversight of management
- Clarify the roles and responsibilities of Vector’s directors and senior executives to facilitate board and management accountability to both Vector and its shareholders
- Ensure a balance of authority so that no single individual has unfettered powers.

To ensure that Vector’s business objectives and strategies are achieved and to deliver value to the company and its shareholders, the board strives to understand, meet and appropriately balance the expectations of all its stakeholders, including its employees, customers and the wider community.

In carrying out its responsibilities and powers, the board recognises its overriding responsibility to always act honestly, fairly, diligently and in accordance with the law. The board works to promote and maintain an environment within Vector that establishes these principles as basic guidelines for all its employees and representatives.

Vector achieves board and management accountability principally through its board charter, which sets out matters reserved for the board and responsibilities delegated to the group chief executive, and a formal delegation of authority framework. The effect of this framework is that, while the board has statutory responsibility for the activities of the company, this is exercised through the delegation to the group chief executive, who is accountable for the day-to-day leadership and management of the company.



The main functions of the board include:

- Reviewing and approving the strategic, business and financial plans prepared by management
- Monitoring performance against the strategic, business and financial plans
- Appointing, delegating to and reviewing the performance of the group chief executive
- Approving major investments and divestments
- Ensuring ethical behaviour by the company, board, management and employees
- Assessing its own effectiveness in carrying out its functions.

The board charter sets out the expectation that all directors continuously educate themselves to ensure that they may perform their duties appropriately and effectively.

A committee or individual director may engage separate independent professional advice in certain situations, at the expense of the company, with the prior approval of the chair of the board. The board also has access to executives within the Vector group as a means of receiving expertise and assurance information.

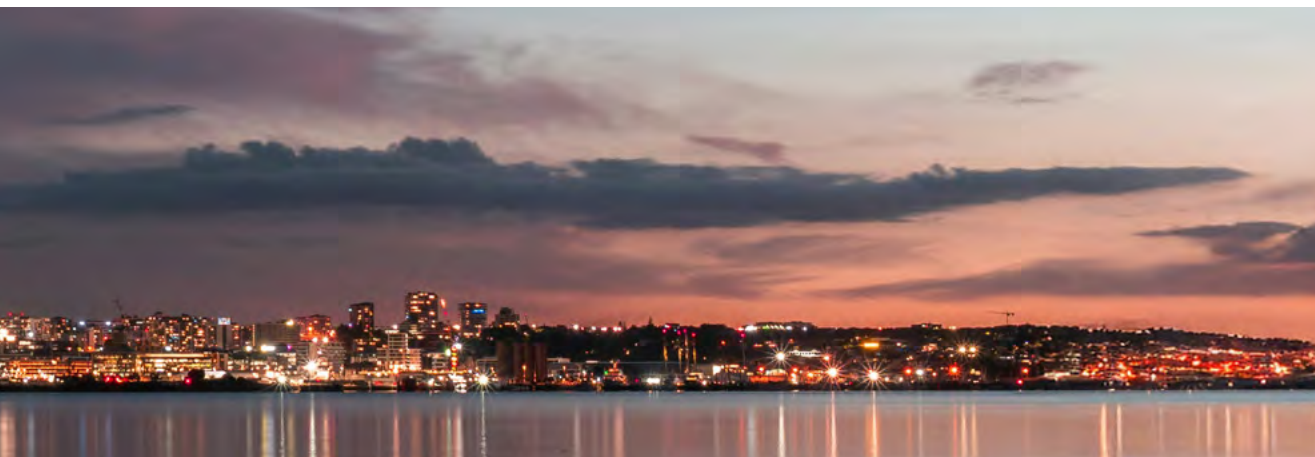
Each director has a duty to act in the best interests of the company and the directors are aware of their collective and individual responsibilities to stakeholders for the way Vector's affairs are managed, controlled and operated.

The board regularly assesses its effectiveness in carrying out its functions and responsibilities. The board chair and the committee chairs review and evaluate the board and committees against their respective charters. The board chair also engages with individual directors to evaluate and discuss performance and professional development. Externally facilitated reviews of the board's performance, including its committees, are carried out from time to time. The board last participated in an externally facilitated review in 2024.

The group chief executive is supported by the Vector executive team. Details of the members of the executive team are set out in the management team section on pages 48 and 49 of this annual report and in the About Us section of Vector's website (vector.co.nz/about-us/board-executive-team). Members of the Vector executive team have regular access to the board.

Board membership

Vector's board comprises experienced directors from diverse backgrounds who govern the company on behalf of its shareholders and other stakeholders. The directors are committed to maintaining high standards of corporate governance, ensuring transparency and fairness and recognising the interests of stakeholders. Vector's constitution and the NZX Rules set certain requirements in relation to the board structure. The board must have a minimum of three and a maximum of nine directors, with at least two being ordinarily resident in New Zealand (as explained in section 3.1.6 of the NZX's Governance Guidance Note (January 2025)) and at least two being 'Independent Directors' (as defined in the NZX Rules). The board currently comprises seven directors, all of whom are non-executive. Six of Vector's directors ordinarily reside in New Zealand and one director ordinarily resides in Australia. Biographies are set out on pages 46 and 47 of this report and include information on the year of appointment, independence, skills, experience and background of each director. The current directors possess an appropriate mix of skills, expertise and diversity to enable the board to discharge its responsibilities and deliver the company's strategic priorities, as illustrated in the skills and experience matrix on page 28. The board recognises that a regular refreshment programme leads to the introduction of new perspectives, skills, attributes and experience and the board also has regular regard for succession planning for its roles. As required, the board strengthens its oversight of issues in all disciplines by seeking expert advice.



Board skills and experience

STRATEGIC FOCUS	DESCRIPTION	NUMBER OF DIRECTORS
Leadership	Senior leadership experience, board director and executive	
Strategy	Strategy and commercial acumen	
Customer	Customers and community	
Energy	Energy industry experience	
ESG	Social and environmental, climate change, ESG, sustainability	
People	People and culture, workforce, remuneration and talent	
Governance	Governance, risk and compliance	
Regulatory	Regulatory and government policy	
Finance	Financial acumen	
Technology	Technology, cyber security, AI, data	
Digital innovation	Digital evolution, transformation and innovation	

● EXPERT
 ● ADVANCED
 ● CAPABLE
 ● LIMITED

Director independence

The nominations committee has responsibility on behalf of the board for making determinations as to the independence status of all directors on an ongoing basis. The committee's assessment of independence is guided by the NZX Rules and NZX Code Recommendation 2.4.

The board has reviewed the position and relationships of all directors in office and considers that five of the non-executive directors are independent directors for the purposes of the NZX Rules and NZX Code. Those directors are Doug McKay (who is Vector's chair), Vaughan Busby, Dame Paula Rebstock, Bruce Turner and Anne Urlwin. Dr Paul Hutchison and Alastair Bell represent Vector's majority shareholder Entrust and are therefore not independent directors because of that association. Directors are required to inform the board of all relevant information which may affect their independence.

Only independent, non-executive directors are eligible to be the board chair. The roles of board chair, audit committee chair, risk and assurance committee chair, people and remuneration committee chair and group chief executive are each held by different people.

Ownership of Vector securities by directors is not a requirement. Directors' ownership interests are listed on pages 114 and 116 of this annual report.

Director period of appointment

	0-3 YEARS	3-9 YEARS	9 YEARS +
Number of directors	2	5	0

Board committees

There are four standing board committees: an audit committee, a nominations committee, a people and remuneration committee and a risk and assurance committee. Members of each committee may be recommended by the nominations committee and are appointed by the board. Each committee has a written charter that is approved by the board and sets out its mandate. The charters are reviewed regularly (usually biennially), with any proposed changes recommended to the board for approval. All charters are available on Vector's website. The board may also form additional ad hoc committees as needed and committees relating to the electricity and gas asset management plans met during the reporting period. The company secretary has unfettered access to the chairs of the board and the committees.

The members and chairs of each committee as at 30 June 2025:

COMMITTEE	MEMBERS
Audit committee	Anne Urlwin (chair) Alastair Bell Paula Rebstock
Nominations committee	Doug McKay (chair) Paula Rebstock Paul Hutchison
People and remuneration committee	Paula Rebstock (chair) Alastair Bell Bruce Turner
Risk and assurance committee*	Bruce Turner (chair) Paul Hutchison Anne Urlwin

* Vaughan Busby was appointed to this committee after the reporting period, on 22 August 2025.

In addition to the committee members, the other directors have standing invitations to attend committee meetings. The group chief executive, management and other guests are regularly invited by the relevant chair to attend board and committee meetings also. Employees of Vector can only attend audit committee meetings by invitation.

Attendance at meetings

Attendance records of board and committee meetings are provided in the table below.

COMMITTEE	FULL BOARD	AUDIT COMMITTEE	RISK AND ASSURANCE COMMITTEE	PEOPLE AND REMUNERATION COMMITTEE	NOMINATIONS COMMITTEE	AGM
TOTAL MEETINGS	13	6	4	3	4	1
A Bell	13	6		3	2***	1
V Busby**	1					
B Hassall*	2	1				
P Hutchison	12	4***	4	1***	4	1
D McKay (chair)	13	6***	4†	3***	4	1
P Rebstock	13	5†	1***	3	4	1
B Turner	13	5***	4	3	2***	1
A Urlwin	13	6	3‡	1†	2***	1

* Retired 26 September 2024.

** Appointed 13 June 2025.

*** Director attending the committee meeting who is not a member of the committee.

† Director retired as a committee member, 24 October 2024.

‡ Director was appointed a committee member, 24 October 2024.

Note that full board meetings include ten board meetings and three 'deep dive' meetings.

Audit committee

The purpose of the audit committee is to assist the board in fulfilling its responsibilities for the quality and integrity of Vector's external financial and climate-related reporting, the independence and performance of the external auditors, and effectiveness of the internal control system for financial and climate-related reporting and accounting records.

The audit committee provides a formal forum for communication between the board and the external auditors, ensures the independence of the external auditors, has oversight of audit planning, reviews and recommends audit fees, considers audit opinions and evaluates the performance of the external auditors. Oversight of the company's external audit arrangements to safeguard the integrity of financial reporting is the responsibility of the audit committee. Included within the audit committee's responsibilities set out in its charter is the requirement to ensure that audit independence is maintained, both in fact and appearance.

The NZX Rules, NZX Code and the audit committee's charter require that the audit committee must comprise at least three members, all being non-executive directors of Vector, at least one of whom should be both independent and have an adequate accounting or financial background, and the majority of whom must be independent as determined by the board. The chair must be an independent director and cannot be the chair of the board.

Two members of Vector's audit committee have specialist financial skills and experience.

Risk and assurance committee

The purpose of the risk and assurance committee is to assist the board in fulfilling its responsibilities to ensure Vector manages its risks and compliance appropriately, including through overseeing Vector's risk management framework and policies. The risk and assurance committee charter requires this committee to comprise at least three members, being directors of Vector, at least two of whom must be independent.

People and remuneration committee

Vector has a people and remuneration committee as discussed in the remuneration report on page 37.

Nominations committee

The purpose of the nominations committee is to assist the board in fulfilling its responsibility to have an efficient mechanism for the director selection, appointment and retention practices of the company (including coordinating director appointments with Entrust, consistent with Entrust's rights under Vector's constitution) and for the appointment and succession of the group chief executive. All new directors enter into a written agreement with Vector, which sets out the terms of their appointment.

The NZX Code and the nominations committee's charter require that the nominations committee must comprise at least three members, being directors of Vector, the majority of whom should be independent directors.

External auditor

The role of the external auditor is to audit the financial statements of the company in accordance with applicable auditing standards in New Zealand and to report on its findings to the board and shareholders of the company. While a policy of periodic rotation of external audit firm is not mandated at Vector, the effectiveness, performance and independence of the external auditor is reviewed at least annually by the audit committee. The board, after considering the recommendations of the audit committee, considers and reviews the appointment of external auditors. The board requires the rotation of the key audit partner for the statutory audit after no more than five years. The company's external auditor is KPMG, who has been Vector's auditor since FY2003. Matt Diprose has been the audit partner since FY2025 and Laura Youdan has been the assurance partner since 2018. All services provided by KPMG are considered on a case-by-case basis by the audit committee to ensure there is no actual or perceived threat to independence in accordance with the external auditor independence policy. The audit partner and assurance partner have provided the audit committee with written confirmation that, in their view, they were able to operate independently during the year. KPMG has provided the board with the required independence declaration for the financial year ended 30 June 2025. The audit committee has determined that there are no matters that have affected the auditor's independence. The external auditor's independence policy also contains guidelines for what services (other than the statutory audit role) the external auditor can provide. It is the board's policy that all non-audit services proposed to be undertaken by the external auditor must be pre-approved by the audit committee. The audit committee considered and gave its approval for the auditor to undertake certain non-audit-related matters. Fees paid to KPMG are included in Note 8 of the notes to the financial statements contained on page 73 of this annual report. KPMG was paid \$1.5 million for services in the financial year to 30 June 2025. Of this sum, \$1.4 million was for audit-related services and \$0.1 million was for non-audit-related services. Non-audit-related work did not exceed 25% of the amount paid for audit work. The auditor is regularly invited to meet with the audit committee including without management present.

The auditor has been invited to attend the annual shareholders' meeting and will be available to answer questions about the audit process and the independence of the auditor.

Risk management

Vector recognises that rigorous risk management is essential for corporate stability, high performance and the success of its strategic objectives and vision. To drive sustainable growth and ensure operational resilience, it is important to anticipate risks to its business while capitalising on opportunities as they arise.

Vector's enterprise risk management (ERM) framework provides a purpose-built and flexible approach to the

application of risk management across Vector and is consistent with the international risk management standard ISO31000. Vector's risk management processes and tools are embedded within its business operations to drive consistent, effective and accountable decision-making.

Consistent with the 'three lines model', all Vector people are responsible for applying Vector's ERM framework within their individual roles to proactively identify, analyse, evaluate and treat risks. This risk mindset is promoted through:

- The group risk function partnering with business units to continue to enhance risk management at operational, executive team and board levels
- Embedding of risk assessments and discussions within key decision-making processes
- Continuous development through both internal and external reviews.

Vector continues to review and mature its ERM framework to reflect the evolving context within which we work. The company engages external advisors to assist in incorporating the latest developments in risk management and to reflect the current operating environment.

The board is responsible for ensuring that key strategic, operational and financial risks are identified, and that appropriate controls and procedures are in place to manage those risks effectively. The risk and assurance committee has overall responsibility for ensuring that the company's risk management framework and processes are fit for purpose and effective, such that risks are appropriately identified, considered and managed against Vector's objectives and strategic vision. Spanning across Vector's portfolio of businesses, Vector's group risk function is tasked with the ongoing development and implementation of the ERM framework and risk processes. In addition to monitoring the changing business landscape and macro-economic trends, this function works with Vector business units to facilitate smart risk-based decision-making as well as risk analysis and the evaluation of risk against Vector's risk appetite. These perspectives inform the development of the group key risk profile which provides both the board and executive team with a consolidated view of:

- 1) The strategically focused risks which could have a significant impact on the long-term value and sustainability of Vector's business
- 2) The operational and financial risks which are assessed and managed as part of meeting key business objectives and maintaining operational resilience.

Vector's group material risks are shown on page 32. Risks 1, 4, 5 and 6 include Vector's risks in relation to the impacts of climate change. Refer to Vector's climate-related disclosures report for information on its-related risks and opportunities.

Vector group's material risks

- 1** Failure of the electricity network to adapt and transition to changing demand in a way that achieves affordability and efficient capital spend
- 2** Adverse or unanticipated government responses to energy market failure and/or increased prices
- 3** Cyber security compromise
- 4** Adverse or unanticipated change to government policy affecting the electricity or gas business, or legislative/regulatory settings related to the Commerce Act 1986 (Part IV), Electricity Act 1992, Gas Act 1992, or Electricity Industry Act 2010
- 5** External shock event, including natural disaster, major weather events, pandemic and other external impacts
- 6** Adverse impacts, government responses and unrealised opportunities from climate change
- 7** The rapid change and opportunity created from utilising data and AI
- 8** Breach of SAIDI and SAIFI
- 9** Inability to develop, retain and recruit specialised talent
- 10** Serious harm or fatality event resulting from non-performance of internal processes
- 11** Major/repeated disruption of electricity, gas and fibre critical services through non-performance of internal processes
- 12** Adverse mental health impacts that arise from workplace factors
- 13** Failure to collect, protect or create value from information and intellectual property
- 14** Reputational damage/adverse impacts on stakeholder and customer confidence
- 15** Failure, poor performance and/or availability of critical third parties (including service providers, suppliers and partnerships)
- 16** Funding, liquidity, cash flow and credit risk because of uncertain economic conditions and market risks

direct link to

Climate-related risks

- Inability to efficiently manage peak electricity load to avoid network congestion
- Gas transition
- Increase in extreme weather events

Climate-related opportunities

- Energy platforms
- Distributed energy resources

Refer to Vector's climate-related disclosures report

Health and safety

Vector is committed to conducting its business activities in such a way as to protect the health and safety of all workers of Vector and its related companies, the public and visitors in its work environment. Vector is committed to continual and progressive improvement in its health and safety performance. Page 16 of this annual report contains Vector's approach to performance in these areas, including its proactive lead indicators and traditional lag indicators of the Lost Time Injury Frequency Rate (LTIFR) and the Total Recordable Injury Frequency Rate (TRIFR). The board has delegated day-to-day responsibility for the implementation of health and safety standards and practices to management.

The board is committed to providing effective resources and systems at all levels of the organisation to fulfil its commitment to employees, customers, shareholders and stakeholders.

Vector's commitments and requirements for health and safety are set out in the health and safety policy.

Internal audit

Vector's business performance and internal audit function is overseen by the risk and assurance committee, and the audit committee, providing independent and objective assurance on the effectiveness of governance, risk management and internal controls across business operations. The business performance and internal audit team has unrestricted access to Vector's businesses and staff. The team liaises closely with KPMG, as Vector's external auditor, to share the outcomes of the internal audit programme.

Ethical and responsible behaviour

Directors and employees are expected to act legally, ethically, responsibly and with integrity in a manner consistent with Vector's policies, procedures and values. The code of conduct and ethics covers a wide range of areas and provides guidance regarding personal integrity, business integrity, customers and society, people, and assets and information. It outlines the responsibilities of Vector's people and explains the standards of conduct and ethics. The code of conduct and ethics is highlighted to new staff being inducted at Vector and is promoted regularly within the company. The code of conduct and ethics is generally reviewed every two years.

The procedure for advising the company of a suspected breach is set out in the whistleblower policy. People at Vector have a range of options to speak up if they notice something that is not right, including raising a concern with a relevant manager. Reporting can be in person, by phone, email, post and online form and all options can be done anonymously.

A comprehensive set of policies has been put in place to assist directors, staff and contractors to act and make decisions in an ethical and responsible manner.

The board has implemented formal procedures to handle trading in Vector's securities by directors and employees of Vector in the securities trading policy, with approval from the company secretary (on behalf of the company) being required before trading can occur. The fundamental rule in the policy is that trading with insider information is prohibited at all times. The requirements of the policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand. The policy provides that shares may not be traded at any time by any individual holding "material information" (as defined in the NZX Rules). A blackout period prohibiting trading is imposed for all directors, senior officers and certain other people between the day before the half year and full year balance dates and the first trading day after the release to NZX of the financial results for that period.

Diversity and inclusion

The board's commitment to creating and maintaining both a diverse workforce and an inclusive workplace for all employees is reflected in its diversity and inclusion policy. A copy is available on Vector's website at vector.co.nz/investors/governance. A diversity, inclusion and wellbeing council, made up of senior management representatives, provides governance over the implementation of the policy. Vector has dedicated resources to drive the diversity, inclusion and wellbeing programme of work.

The board is satisfied with the initiatives being implemented by the Vector group and its performance with respect to the diversity and inclusion policy.

Vector is committed to equitable pay and this does not start and finish with gender; it also includes age and ethnicity in the scope of annual pay equity reviews. Remuneration at Vector is based on performance and within this framework Vector makes adjustments when appropriate to ensure equity across like-for-like roles. This has become part of business as usual at Vector and the company regularly monitors and adjusts salaries across all three categories (gender, age, ethnicity) if any gaps are identified. Vector reports its gender pay gap in the remuneration report on page 42. Its overall diversity and inclusion programme is focused on creating an inclusive culture that attracts and retains talented people from all parts of our communities. Vector has a continued focus on performance and merit-based recruitment and promotion.

Gender statistics

Vector's gender statistics are as follows:

POSITION	AS AT 30 JUNE 2025				AS AT 30 JUNE 2024		
	FEMALE	MALE	GENDER DIVERSE	NOT DISCLOSED	FEMALE	MALE	GENDER DIVERSE
Directors	2 (28.6%)	5 (71.4%)	–	–	2 (28.6%)	5 (71.4%)	–
Executive team	1 (14.3%)	6 (85.7%)	–	–	1 (14.3%)	6 (85.7%)	–
Direct reports to the executive team	8 (20.0%)	32 (80.0%)	–	–	9 (22.5%)	31 (77.5%)	–
Across the Vector group	283 (35.4%)	513 (64.1)	–	4 (0.50%)	318 (32.6%)	658 (67.4%)	–

Investor engagement

Vector recognises the rights of shareholders as the owners of the company and encourages their ongoing active interest in the company's affairs by:

- Communicating with them effectively
- Ensuring they have full access to information about the company, including through the Vector website
- Conducting shareholder meetings in locations and at times convenient to the majority of shareholders, where possible
- Providing shareholders with adequate opportunity to ask questions about, and comment upon, relevant matters, and to question directly the external auditors at shareholder meetings.

Vector's board is committed to maintaining open and transparent communications with investors and other stakeholders and it supports a programme for two-way engagement with shareholders, debt investors, the media and the broader investment community. Annual and interim reports, NZX releases, quarterly reports on operational performance, governance policies and charters and a wide variety of corporate information are posted on Vector's website. Vector conducts market briefings in conjunction with the release of the annual and interim financial results. Recordings of the briefings are available on the annual reports page of the Investor section of Vector's website. Every shareholder is entitled to receive a hard copy of each annual and interim report. The company has a shareholder meetings page in the Investors section of its website where documents relating to meetings are available. Vector's constitution includes provisions relating to Entrust, Vector's majority shareholder. In addition, Vector and Entrust are parties to a deed recording essential operating requirements, which includes certain policy, consultation, pricing reporting and the energy solutions programme obligations. A copy of this deed is available on Entrust's website.

The board is committed to reporting Vector's financial and non-financial information in an objective, balanced and clear manner. The board takes an active role in overseeing financial and non-financial reporting. The annual report is an important document for communicating financial reporting and also reports on strategic progress and operational performance. It contains the financial statements that are prepared to comply with generally accepted accounting practice. The board contributes to and reviews the annual report. Vector is committed to transparent reporting of non-financial objectives, such as environmental, social and governance factors.

The 2024 annual meeting was held as a hybrid meeting. All shareholders had the opportunity to attend, participate and vote either in person or online. Shareholders may raise relevant matters for discussion at the annual shareholders' meeting either in person or by emailing the company with a question to be asked. Shareholders can also contact the company to ask questions, or express views, about matters affecting Vector. A dedicated email address is available for shareholder/investor queries, which is: investor@vector.co.nz. Contact details for Vector's head office are available on the website and at page 118 of this annual report. Vector is committed to complying with its obligations under the NZX Rules and the Companies Act 1993, both of which contain specific requirements to obtain shareholder approval for certain significant matters affecting Vector. Where voting on a matter is required, the board encourages investors to attend the meeting or to send in a proxy vote. Notices of meeting are usually available at least 20 working days prior to the meeting on the shareholder meetings page in the Investors section of Vector's website. For the 2024 annual meeting, the notice of meeting was made available and published on the Vector website at least 20 working days before the meeting.

Continuous disclosure

The board is committed to:

- The provision of accurate, timely, orderly, consistent and credible disclosure
- Compliance with the continuous disclosure requirements of the Financial Markets Conduct Act 2013 and the NZX Rules.

The board supports the principle that high standards of reporting and disclosure are essential for proper accountability between the company and its investors, employees and stakeholders. Vector achieves these commitments, and the promotion of investor confidence, by ensuring that trading in its securities takes place in an efficient, competitive and informed market. Vector's continuous disclosure policy sets out protocols to facilitate effective and compliant disclosure. Vector has also established a management disclosure committee which meets regularly to discuss continuous disclosure matters.



Remuneration report



People and remuneration committee chair letter

Dear Shareholders

As chair of Vector's people and remuneration committee, I am pleased to present our remuneration report for the year ended 30 June 2025.

We continue to believe that Vector's remuneration framework supports the attraction, retention and motivation of high-performing talent, while aligning executive outcomes with company strategy and shareholder and customer interests. We have revised and introduced new internal role bands with corresponding salary ranges. All employees have visibility to their band level, and we have continued to communicate our banding methodology and embed these across the company; otherwise, we have not made any major changes over the past year.

A detailed overview of employee remuneration is set out in the Remuneration approach section.

We have adopted NZX's December 2023 remuneration reporting template recommendations to further enhance the transparency and quality of our remuneration disclosures. For 2025, we have considered how we might continue to improve our reporting and provided the additional information in a number of areas:

- Details on the corporate short-term incentive (STI) construct as part of the group chief executive disclosure
- Details on the group chief executive's remuneration for FY2025
- Information on Vector's gender pay gap and gender pay equity.

Beyond remuneration, we introduced a company-wide employee engagement survey in October 2024. While we were pleased with the overall results, we have used the commentary and feedback to determine focus areas along with comprehensive action plans, noting our commitment to continuous improvement. We have also focused on our talent pipeline, both internally and externally. We have been building on our strategic workforce planning to understand skills and capabilities required in our critical operational areas and align recruitment and development programmes. In addition, we have focused on critical roles and ensuring these positions have comprehensive succession plans. Externally, we are proactively building our talent pipeline and developing strategic talent-based collaborations.

In the year ahead and beyond, Vector will consider the extent to which we need to develop and build upon our remuneration framework to meet new work challenges, changing market and talent environments, and diverging business needs. We will continue our work to further simplify our STI schemes – both in terms of the number of constructs and number of key goals.

Dame Paula Rebstock
Chair, People and Remuneration Committee
22 August 2025

Remuneration governance

The people and remuneration committee assists the board in overseeing the performance and remuneration of the group chief executive and executive team. It also provides oversight of Vector's broader people strategy, culture and related policies.

The committee operates under a written charter, which is available at vector.co.nz/investors/governance.

The majority of members are independent directors. Other directors have a standing invitation to attend committee meetings and management attends committee meetings by invitation.

Attendance at committee meetings during the FY2025 period is shown on page 30.

NAME	DATE JOINED THE COMMITTEE	LENGTH OF MEMBERSHIP TO 30 JUNE 2025	DATE LEFT THE COMMITTEE
Paula Rebstock (chair)	2 Dec 2019	5 years, 7 months	N/A, current member
Alastair Bell	2 Dec 2019	5 years, 7 months	N/A, current member
Bruce Turner	1 Nov 2023	1 year, 8 months	N/A, current member
Anne Urlwin*	1 Nov 2023	1 year	24 Oct 2024

* Anne Urlwin remains a director on the Vector board.

Key: ● Current committee member ● Committee member in the FY2025 period

External and independent advice

During the year, Vector engaged Pricewaterhouse Coopers New Zealand (PwC NZ) to provide independent advice on potential incentive scheme designs and their implications. PwC also conducted market benchmarking for directors, the group chief executive and executive team remuneration. PwC did not provide any other material services that would impact their independence in relation to this advice.

Remuneration approach

Our remuneration framework is designed to attract and retain high-performing individuals, support the delivery of the company's strategy and reward employees appropriately. The framework is designed around four guiding principles:

- Ensure Vector is competitively positioned in the New Zealand employment market
- Reward high performance through pay, based on results achieved and demonstrated behaviours and competencies
- Reward achievement of strategic objectives and increasing shareholder returns
- Ensure fairness and equity is applied across remuneration decisions.

Our remuneration policy sets out our approach to remuneration for all employees (including the group chief executive and his direct reports). The remuneration policy is available to view at vector.co.nz/investors/governance.

There were no material changes to Vector's remuneration strategy or policy in FY2025, except to combine our employee and executive remuneration policies into one.

The group chief executive and executive team's remuneration consists of a base salary, standard employee benefits and a short-term incentive (STI). No long-term incentive (LTI) is currently offered.

Fixed remuneration

Fixed remuneration (not at risk) consists of base salary and other benefits including KiwiSaver. Base salary is reviewed each year in line with data from independent remuneration specialists. Employees' base salary is based on a matrix of their own performance including behaviours and their current position in their internal remuneration band when compared to the market.

Short-term incentives (STI)

Senior employees were invited to participate in the FY2025 STI scheme. The FY2025 STI is an at-risk cash incentive, calculated as a percentage of base salary (target percentages ranging from 20% to 65%) depending on the complexity and level of the role.

The purpose of the STI scheme is to reward behaviour and outcomes that are considered important for Vector's shareholders and customers, and is measured against five overarching goals: financial, customer, health and safety, people, and climate change. Company performance goals are set and reviewed annually by the board to align with business and financial objectives. Targets and measures may vary by business area; however, these are aligned where appropriate.

In the FY2025 period, Vector had four distinct business area STI constructs covering:

- Corporate
- Electricity and Gas
- HRV
- VTS.

The STI scheme is subject to financial (adjusted EBITDA) and health and safety (no fatalities because of Vector's policies or processes) gates, as well as an individual performance gate. All must be met before any payment occurs. STI payments are determined following a review of company performance and paid out at between 0% and 113% for all eligible employees. As an example of how the STI is calculated, an employee with a base salary of \$200,000 and an STI target of 20% may receive between \$0 and \$45,200 (0% to 113% of their STI) depending, at the board's discretion, on the level of business unit and company performance assuming the gates are met.

STI payments relating to the financial year ended 30 June 2025 are delivered as a taxable cash payment and are payable on completion of the annual audited financial statements. Payments relating to the 2025 financial year are therefore paid in the 2026 financial year. The outcomes of three of the four STI constructs are outlined below. No payment calculations were undertaken for HRV, as the financial gate was not achieved.

Corporate: FY2025 STI goals and results

CORPORATE		
GOALS	METRIC	% PAY-OUT
Financial	Adjusted EBITDA (group)	40.7%
Customer	Customer satisfaction target	32.5%
Health and safety	Aggregate of three lag indicators (LTIFR*, TRIFR** and Severity Rate)	7.5%
People	eNPS (shared services)	0%
Climate change	Decarbonisation milestone targets	10.5%
Total		91.2%

* Lost Time Injury Frequency Rate

** Total Recordable Injury Frequency Rate

Electricity and Gas: FY2025 STI goals and results

ELECTRICITY AND GAS		
GOALS	METRIC	% PAY-OUT
Financial	Adjusted EBITDA (business unit)	40.9%
Customer	Customer satisfaction target Unplanned gas, SAIDI and SAIFI targets	32.5%
Health and safety	Aggregate of three lag indicators (LTIFR*, TRIFR** and Severity Rate)	7.5%
People	eNPS (business unit)	0%
Climate change	Decarbonisation milestone targets	10.5%
Total		91.4%

* Lost Time Injury Frequency Rate

** Total Recordable Injury Frequency Rate

VTS: FY2025 STI goals and results

VTS		
GOALS	METRIC	% PAY-OUT
Financial	Key projects and cost management targets	*
Customer	Customer and service level agreement targets	*
People	eNPS (business unit)	*
Total		*

* Pending board determination

The group chief executive and four executives are measured on the corporate goals: the chief financial officer, the chief legal and assurance officer, the chief public policy and regulatory officer, and the chief people and communications officer. The chief operating officer (COO) of electricity, gas and fibre is measured in accordance with the electricity and gas business area goals and the COO of Vector Technology Solutions (VTS) in accordance with the VTS business area goals. There is no executive measured against the HRV business area goals.

Other remuneration

Vector has not provided a joining bonus to executives in the last financial year. Vector does not provide 'termination payments' to outgoing executives, nor does it provide retirement payments (if any at all) at greater rates for executives than other staff members (if applicable).

Group chief executive remuneration arrangements

Vector's group chief executive is covered by the remuneration policy that is available at vector.co.nz/investors/governance.

The group chief executive's total remuneration includes fixed remuneration, and an annual at-risk STI. The STI is based on the achievement of corporate key performance indicators (KPIs) and individual performance objectives, with a maximum opportunity of 78% of base salary. No long-term incentive (LTI) plan was in place for the group chief executive during FY2025.

The group chief executive's base salary is reviewed periodically by the board and by external remuneration

specialists using relevant market peer benchmarks, as is the case with the executive team and certain senior leadership roles.

Group chief executive remuneration outcomes

The table below shows the amounts assessed as earned in relation to a financial year but not paid in that same financial year (as the assessment of the STI performance is made after the balance date). For instance, the STI earned for FY2024 was paid in FY2025 (September 2024). The STI earned in relation to FY2025 is expected to be paid in FY2026 (September 2025).

EARNED IN RELATION	FIXED REMUNERATION			AT-RISK REMUNERATION	TOTAL REMUNERATION
	SALARY	BENEFITS	SUBTOTAL	STI	
FY2025	\$1,609,137	\$0	\$1,609,137	\$1,163,084	\$2,772,221
FY2024	\$1,554,722	\$0	\$1,554,722	\$1,187,419	\$2,742,141

A description of the group chief executive's at-risk remuneration for the performance period ending 30 June 2025 is set out below.

SCHEME	DESCRIPTION	PERFORMANCE MEASURES	PERCENTAGE OF TARGET AWARDED
STI	Cash STI is a discretionary scheme based on achievement of KPIs	Corporate shared KPIs: <ul style="list-style-type: none"> – 40% adjusted EBITDA – 30% customer satisfaction – 10% health and safety lag indicators – 10% eNPS – 10% carbon reduction and resilience goals The group chief executive's individual KPIs for the year ending 30 June 2025 included key strategic initiatives relating to Bluecurrent and succession planning.	59.28%

FY2026 group chief executive STI structure

The board has elected, in the interests of transparency, to disclose in advance the STI structure that applies for FY2026. Given the current group chief executive is leaving at the end of December 2025, there are no individual KPIs for the year ending 30 June 2026. In addition, the board retains its discretion to amend this STI structure in connection with the appointment of a new group chief executive.

SCHEME	DESCRIPTION	PERFORMANCE MEASURES
STI	Cash STI is a discretionary scheme based on achievement of KPIs	Corporate shared KPIs: <ul style="list-style-type: none"> – 30% adjusted EBITDA – 40% customer satisfaction, SAIDI and SAIFI targets – 15% health and safety lag and lead indicators – 15% employee engagement targets

This year, we have met our 2030 emissions reduction target. As a result, no specific climate change measure has been included in the FY2026 STI scheme. With the target achieved, our focus is now on maintaining these reductions while advancing our broader Symphony objectives to support the energy transition. Management will also review Vector's climate resilience initiatives and broader climate-related activities to ensure continued alignment with evolving best practices and stakeholder expectations.

1. Benefits include KiwiSaver, life and income protection insurance, carpark provision, and home phone rental, tolls and internet expenses.

Group employees who earn over \$100,000

The table below shows the number of employees and former employees who received remuneration and other benefits during FY2025 of at least \$100,000 for the year ended 30 June 2025. This includes 129 employees who are no longer employed as a result of business divestments and employee turnover.

The value of remuneration benefits analysed includes:

- Fixed remuneration including allowance/overtime payments

- Employer KiwiSaver/superannuation contributions
- Short-term cash incentives relating to FY2024
- Relocation and other payments made at the start of employment
- Redundancy and other payments made on termination of employment.

The figures do not include amounts paid after 30 June 2025 that relate to the year ended 30 June 2025.

Table of employees who earn over \$100,000

REMUNERATION BAND	GROUP	COMPANY
\$100,001 - \$110,000	65	50
\$110,001 - \$120,000	45	35
\$120,001 - \$130,000	46	35
\$130,001 - \$140,000	42	33
\$140,001 - \$150,000	49	43
\$150,001 - \$160,000	41	34
\$160,001 - \$170,000	37	32
\$170,001 - \$180,000	48	41
\$180,001 - \$190,000	26	21
\$190,001 - \$200,000	32	26
\$200,001 - \$210,000	16	12
\$210,001 - \$220,000	10	10
\$220,001 - \$230,000	15	15
\$230,001 - \$240,000	7	6
\$240,001 - \$250,000	15	14
\$250,001 - \$260,000	5	5
\$260,001 - \$270,000	1	1
\$270,001 - \$280,000	3	2
\$280,001 - \$290,000	3	3
\$290,001 - \$300,000	4	4
\$300,001 - \$310,000	1	1
\$310,001 - \$320,000	1	–
\$320,001 - \$330,000	2	2

REMUNERATION BAND	GROUP	COMPANY
\$330,001 - \$340,000	1	1
\$340,001 - \$350,000	4	4
\$350,001 - \$360,000	4	4
\$360,001 - \$370,000	4	4
\$370,001 - \$380,000	1	1
\$380,001 - \$390,000	1	1
\$400,001 - \$410,000	1	1
\$430,001 - \$440,000	1	1
\$450,001 - \$460,000	2	2
\$460,001 - \$470,000	1	1
\$470,001 - \$480,000	2	2
\$530,001 - \$540,000	1	–
\$570,001 - \$580,000	1	–
\$600,001 - \$610,000	1	1
\$680,001 - \$690,000	1	1
\$690,001 - \$700,000	1	1
\$740,001 - \$750,000	1	1
\$860,001 - \$870,000	1	1
\$870,001 - \$880,000	1	1
\$980,001 - \$990,000	1	1
\$1,170,001 - \$1,180,000	1	1
\$2,790,001 - \$2,800,000	1	1
	547	456

No employee of the group appointed as a director of a subsidiary or associate company receives or retains any remuneration or benefits as a director. The remuneration and benefits of such employees, received as employees, are included in the relevant bandings disclosed above.

Gender pay reporting

We are committed to fair and equitable pay practices, and to building a workforce that reflects and includes the diverse communities we serve across Aotearoa New Zealand.

Understanding pay reporting

Pay reporting is broadly defined as:

Gender pay gap – identifies any difference in the median (or average) hourly wages of men and women. This is calculated using the following formula: (male hourly rate – female hourly rate)/(male hourly rate)

Gender pay equity – equal pay for equal work – identifies any difference in the median (or average) pay men and women receive for the same or similar roles. This is calculated using the following formula: (male PIR – female PIR)/(male PIR), where PIR is base salary divided by the midpoint of the relevant internal salary range.

Vector’s pay reporting

We recognise and respect that gender is not binary. For this reporting, we have calculated our gender pay equity and pay gap only as the difference between those that identify as women and men.

As at May 2025, the median gender pay gap is 15.86%, meaning woman earn \$0.84 for every dollar earned

by men. At Vector, the context behind our gender pay gap figure is that more senior technical roles and managerial roles are currently held by men, which is common across the energy and utilities sectors. In addition, higher salaries are sometimes commanded for a specific skillset or talent shortages in some areas, many of which are male-dominated. The increase in the median pay gap since 2024 is primarily due to the sale of Ongas, which had a predominately male workforce in lower-paid roles.

Our median gender pay equity gap as at May 2025 is 1.04%. We assess all roles at Vector based on the skills and competencies required for the role and then use market data to apply an appropriate remuneration range for each position. Roles are grouped into salary bands, which cluster similar-sized roles together. The slight increase in our median pay equity gap is also primarily due to the sale of Ongas.

Each year, as part of our annual remuneration review, we analyse all our data to ensure that we are maintaining our commitment to gender pay equity, and make adjustments if required. The table below details Vector’s workforce demographic and gender pay gap and pay equity as at May 2025.

CAREER LEVEL	WORKFORCE DEMOGRAPHIC		GENDER PAY REPORTING	
	FEMALE POPULATION	MALE POPULATION	MEDIAN PAY GAP	MEDIAN PAY EQUITY
Management/executive	24.80%	75.20%	7.60%	-0.40%
Specialist	33.71%	66.29%	3.56%	2.38%
Support	68.04%	31.96%	5.10%	-1.32%

Directors' remuneration

When determining the fees for non-executive directors, the board considers the market, Vector's remuneration practices compared to similar companies, the competitiveness of the prevailing levels of remuneration and our ability to meet the primary remuneration policy objective of attracting and retaining high-quality directors, and any changes in directors' workloads.

A copy of Vector's director remuneration policy is available at vector.co.nz/investors/governance.

Director remuneration is reviewed by the board from time to time and normally biennially.

Fee structure

The total non-executive director remuneration pool available to directors (in their capacity as such) in the year ended 30 June 2025 was fixed at our 2022 annual shareholders' meeting at \$1,087,020.

The current fees by role are summarised in the following table. The board allocates the total annual fee pool on a consistent basis among the directors via a base fee plus specified fees for each of the committee chair and member roles held (excluding the board chair). Directors are entitled to be reimbursed for reasonable incidental costs associated with carrying out their duties and professional development costs may also be paid by Vector on a case-by-case basis. Non-executive directors do not participate in any incentive or performance-based remuneration schemes.

The board reserves the discretion to reallocate the total annual fee pool, by resolution of the board, should the board need to reconstitute the number of committees or number of members on each committee.

GOVERNANCE BODY	CHAIR PER ANNUM	MEMBER PER ANNUM
Board	\$214,000*	\$107,000
Audit committee	\$27,000	\$15,000
Risk and assurance committee	\$27,000	\$15,000
People and remuneration committee	\$20,000	\$10,000
Pool for additional attendances		\$17,020

* The board chair is not paid additional fees as chair or member of the audit committee, risk and assurance committee or people and remuneration committee.

Actual payments

Fees payable to Vector's directors for the 2025 financial year were as follows:

DIRECTORS	FEE (\$)
Doug McKay	\$214,000.00
Alastair Bell	\$132,000.00
Vaughan Busby*	\$0
Bruce Hassell**	\$34,250.00
Paul Hutchison	\$122,000.00
Paula Rebstock	\$137,000.00
Bruce Turner	\$144,000.00
Anne Urlwin***	\$147,333.33

* Appointed on 13 June 2025; no fees have been paid in the 2025 financial year.

** Resigned on 26 September 2024.

*** Stepped down from the people and remuneration committee on 24 October 2024.

Fee structure from 1 July 2025

At the date of this annual report, a market review of director fees has been carried out by PwC NZ for the board and an increase to the fee pool (last increased in 2022) will be sought at the forthcoming annual shareholders' meeting in September.

Who we are





Our board



Doug McKay

ONZM, BA, AMP (Harvard) CFIInstD

INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHAIR

Appointed on 29 September 2022

Doug McKay has over 35 years' commercial and operational experience and a deep understanding of New Zealand and Australian markets having held managing director and chief executive positions with Lion Nathan, Carter Holt Harvey, Goodman Fielder, Sealord, Independent Liquor and Procter & Gamble. He was the inaugural chief executive of the amalgamated Auckland Council from May 2010 to December 2013 and a former director of Bank of New Zealand (chair), Trustee (chair) of the Eden Park Trust Board, Fletcher Building Limited, Genesis Energy Limited, National Australia Bank Limited and Ryman Healthcare Limited. In 2015, Doug was made an Officer of the New Zealand Order of Merit for services to business and local government. He currently holds directorships with Delegat Group and IAG New Zealand.



Alastair Bell

BCom, CA, CMIInstD, PMP, JP

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed on 23 September 2019

Alastair Bell is a chartered accountant, chartered director and qualified member of the Project Management Institute. He has more than 30 years' experience in the corporate, public and not-for-profit sectors. Alastair balances his professional life between board roles and leading a consultancy specialising in business and investment projects. He is an elected Trustee of Entrust, chairing the Entrust board's Regulation and Policy Committee. Alastair chairs the Ōrākei Community Association. Formerly, he was deputy chair of Foundation North and a trustee of the Motutapu Restoration Trust.



Vaughan Busby

MBA, BPharm

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed on 13 June 2025

Vaughan Busby is an experienced energy and infrastructure leader, bringing over 20 years of expertise to the board. He currently serves as a non-executive director for Energy Queensland (the largest electricity distribution business in Australia) and Netlogix Australia and is the chair of Australian entity SFV (an energy infrastructure financing company). Previously, Vaughan was the chair of ASX-listed SciDev and has held directorships at EnergyCo NSW, ASX-listed Energy One, Ergon Energy, Morrison and Infratil Energy Australia.



Dr Paul Hutchison

MB, ChB, FRCOG, FACOG, Dip Com Health, Member of Institute of Directors

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed on 8 December 2021

Dr Paul Hutchison was elected to the AECT (now Entrust) in 2015. He is a clinician at Local Doctors (formerly East Tamaki Healthcare), a former member of the New Zealand Medical Council as well as director of a number of companies and a member of the Institute of Directors. Paul was the MP for Port Waikato, then Hūnua from 1999 to 2014. He chaired the Health Select Committee from 2008 to 2014 and was awarded the NZ Medical Association's award for outstanding contribution to health services in 2014. Paul was appointed as Honorary Consul Papua New Guinea in 2022. His other interests include science and innovation, sport, music and fishing and he enjoys spending time with his family.



Dame Paula Rebstock

BSc (Econ), Dip & MSc (Econ)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed on 16 April 2019

Dame Paula Rebstock is a leading Auckland-based economist and company director, who was made a Dame Companion of the New Zealand Order of Merit in 2015. She is chair of NZ Healthcare Investments (Awanui), National Hauora Coalition, and Deputy Chair of AIA and the NZX, and a director of Bluecurrent Group, SeaLink Group and Auckland One Rail, and she retired her directorship (chair) of Ngāti Whātua Ōrākei Whai Maia in July 2025. Dame Paula is the former chair of the New Zealand Commerce Commission.



Bruce Turner

BE (Hons), ME, BCom

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed on 16 April 2019

Bruce Turner is a highly experienced senior executive with deep experience across the dairy and energy sectors, both in New Zealand and internationally. Working in the energy industry for more than 30 years, he was extensively involved in the development of the energy industries in New Zealand, Singapore and Europe. Bruce was a member of the New Zealand Electricity Market (NZEM) despatch rules working group, the NZEM Rules Committee, the MARIA governance board and the Electricity Authority's Security and Reliability Council. This deep understanding of the sector is invaluable as Vector, and the energy industry, navigates the challenges of climate change and increasing demand for clean electricity supply. As well as the Vector board, his governance experience includes joint venture boards for both Mercury and Fonterra. Bruce is a director of GlobalDairyTrade Holdings Limited and an advisory board member at the University of Colorado's JP Morgan Center for Commodities.



Anne Urlwin

BCom, FCA, CFInstD, MAICD, ACIS, FNZIM, ONZM

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed on 1 September 2021

Anne Urlwin is a professional director with experience in a diverse range of sectors including construction, property development, health, infrastructure, telecommunications, renewable energy, regulation and financial services. Her current governance roles include chair of Precinct Properties New Zealand, and directorships of Infratil, Ventia Services Group and City Rail Link. Anne is a former director of Summerset Group Holding, Queenstown Airport Corporation, Tilt Renewables, Chorus, and Meridian Energy, and a former chair of national commercial construction group Naylor Love Enterprises and the New Zealand Blood Service. She is a chartered accountant with experience in senior finance management roles. Anne was made an Officer of the New Zealand Order of Merit in 2022 for services to business.

Our management team



Simon Mackenzie

Grad DipBS (Dist), DipFin, NZCE

GROUP CHIEF EXECUTIVE

Simon Mackenzie is passionate about the power of technology to transform the energy industry and consumers' lives. As group chief executive, he has expanded and driven Vector's portfolio of businesses to embrace innovative technologies and strategies to deliver efficient, sustainable energy solutions to consumers. Simon was appointed Vector's group chief executive in 2008. His tertiary qualifications include engineering, finance and business studies, and the Advanced Management Programme at the Wharton School, University of Pennsylvania.



Jason Hollingworth

MCom (Hons), FCA, CMIInstD

CHIEF FINANCIAL OFFICER

Jason Hollingworth joined Vector as chief financial officer in May 2019. He has over 30 years' experience in a range of senior corporate finance roles including being CFO of public listed pay television company Sky TV, CFO of telecommunications company TelstraClear, investment manager for the diversified investment company Ngāi Tahu Holdings, executive director at Asian private power development company AsiaPower and a director of corporate advisory firm Southpac Corporation. Jason has a Master of Commerce degree, is a Fellow of the Institute of Chartered Accountants ANZ and a member of the Institute of Directors.



Shailesh Manga

BTech, Optoelectronics (Hons)

CHIEF OPERATING OFFICER OF VECTOR TECHNOLOGY SOLUTIONS (VTS)

Shailesh Manga is responsible for leading the growth of the VTS business. Specifically, he is charged with building relationships with key global partners to co-develop digital platforms critical to a new energy future. Shailesh has a strong focus on local and global customer opportunities to increase revenue and deliver key aspects of our business strategy. His experience is unique and vast, having worked both locally and globally in the fields of physics, telecommunications, user experience and innovation. In his last role, Shailesh delivered innovative experiences for some of the world's largest brands including Google, Microsoft, Samsung, and LG.



John Rodger

LLB, BA

CHIEF LEGAL AND ASSURANCE OFFICER AND COMPANY SECRETARY

John Rodger is Vector's chief legal and assurance officer and company secretary. He is responsible for Vector's legal, corporate governance, health and safety, business performance, internal audit, risk, compliance, privacy, government relations, and property functions. John joined Vector in 2006 and has extensive experience of Vector's businesses and operations. He has worked across a range of sectors including energy, telecommunications and financial services and previously held legal roles in major corporates and professional services firms in London, the Cayman Islands and New Zealand.



Peter Ryan

BE

CHIEF OPERATING OFFICER ELECTRICITY, GAS AND FIBRE

Peter Ryan leads the strategic and digital operations of Vector's electricity, gas, and fibre network businesses, with a clear focus on delivering exceptional outcomes for customers. With two decades of international experience in the telecommunications and energy sectors, he has successfully led engineering, field, and customer operations teams to enhance service delivery and network reliability. Peter's leadership has consistently prioritised customer needs – ensuring the deployment, maintenance, and performance of critical infrastructure aligns with evolving expectations.

Before joining Vector, he served as Chief Network Officer at NBNetCo Australia, where he played a pivotal role in the successful roll-out and operation of the national broadband network, significantly improving broadband access for millions of Australians. He brings deep expertise in operations management and performance transformation, along with a proven ability to integrate technical, operational and commercial strategies to drive customer-centric innovation and business success.



Mark Toner

LLB (Hons), BCom

CHIEF PUBLIC POLICY AND REGULATORY OFFICER

With over 25 years' experience across a range of sectors including energy, telecommunications, aviation and technology, Mark Toner has consistently navigated market, regulatory and policy changes across industries in disruption. Responsible for leading the group's regulatory, public policy, decarbonisation and data insights and analytics functions, he combines strong stakeholder engagement and reputation management expertise with his commercial and legal background to drive Vector's vision of creating a new energy future. Mark is a past recipient of the New Zealand Prime Minister's Business Scholarship and in 2018 completed an Advanced Management Programme at MIT in Boston.



Sarah Williams

BA, Cert. Journalism

CHIEF PEOPLE AND COMMUNICATIONS OFFICER

Sarah Williams leads Vector Group's people, marketing and communications business units. Along with her teams, she is responsible for planning and delivering strategies across these three disciplines. Sarah is a senior leader with 30 years' experience, and has had a range of leadership roles at an executive and board level spanning public relations and human resources remits. She joined Vector from Porter Novelli, a public relations and marketing agency, where she held the position of Managing Director. Her experience encompasses crisis management, reputation and stakeholder engagement, workforce planning, wellbeing and people development. In 2019, Sarah was inducted into the College of Fellows of the Public Relations Institute of New Zealand in recognition of her significant contribution to the industry and high levels of competence.

Entrust, majority shareholder of Vector

Energy consumer trust Entrust was formed over 30 years ago to ensure that stewardship across Auckland's electricity network remains in the hands of Aucklanders. Entrust acts in the interests of its 368,000 (as at 2025 roll date) families and businesses in central, east and south Auckland. Entrust protects the \$2.8 billion investment in Vector through its role in the appointment of directors to Vector's board and requiring regular audit of the state of the network.

Here for the community

Entrust is proud of the work it has undertaken for its beneficiaries and all Aucklanders.

Passing on a share of Vector's profits to beneficiaries

Vector's growth and operating performance enables Entrust to distribute an annual dividend to beneficiaries through its 75.1% stake in Vector.

Advocacy on behalf of energy consumers

Entrust regularly advocates on behalf of energy consumers on important matters. Submissions are available on Entrust's website, entrustnz.co.nz.

Enabling projects with direct benefit

Entrust has an agreement with Vector that requires an average of \$12.5 million to be invested in projects in the Entrust district of central, east and south Auckland every year.

In the year to 30 June 2025, key undergrounding projects have been undertaken in St Heliers, Beachlands, Newell Street (Pt Chevalier) and Hauraki Road (Waiheke), with further resident-initiated projects undertaken in Lawrence Street (Herne Bay), Campbell Road (Maraetai) and Melford Street (St Mary's Bay).

More than 300 undergrounding projects have been completed since the programme began, in central, east and south Auckland.



Entrust Trustees are (left to right): Alastair Bell, Rachel Adams Langton, Denise Lee (Chair), Angus Ogilvie and Dr Paul Hutchison.

In September 2024, each of Entrust's 365,000 beneficiaries was eligible to receive a \$350 dividend – that's more than \$125 million going into the Auckland economy.

 **Entrust**
Majority shareholder of Vector

Other disclosures



Operating statistics

YEAR ENDED 30 JUNE	2025	2024
ELECTRICITY		
Customers ^{1,4}	632,106	624,330
New connections	12,548	15,959
Net movement in customers ²	7,776	11,421
Volume distributed (GWh)	8,634	8,754
SAIDI (minutes) ³		
Normal operations – unplanned	76.6	98.4
Normal operations – planned	49.2	55.8
Major network events	16.3	14.1
Total	142.1	168.3
GAS DISTRIBUTION		
Customers ^{1,4}	120,621	120,354
New connections	1,296	1,934
Net movement in customers ²	267	723
Volume distributed (PJ)	11.9	13.0

1 As at 30 June.

2 Net number of customers added during the period, includes disconnected, reconnected and decommissioned installation control points (ICPs).

3 SAIDI minutes for the regulatory year ended 31 March (audited).

4 Billable ICPs.

Five-year financial performance

YEAR ENDED 30 JUNE (\$ MILLION)	2025	2024	2023	2022	2021
PROFIT OR LOSS					
Total revenue – continuing operations ¹	1,104.0	1,013.0	963.9	902.9	844.6
Adjusted EBITDA – continuing operations ¹	401.1	345.3	311.0	316.8	316.8
Depreciation and amortisation – continuing operations ¹	(231.4)	(218.3)	(193.7)	(182.8)	(168.2)
Adjusted EBIT – continuing operations ¹	169.7	127.0	117.3	134.0	148.6
Net profit – continuing operations¹	154.7	75.6	101.5	137.3	131.5
Total revenue – discontinued operations	79.2	228.6	487.2	436.1	434.7
Adjusted EBITDA – discontinued operations	12.9	36.5	212.3	193.2	196.7
Depreciation and amortisation – discontinued operations	(1.6)	(12.5)	(64.4)	(107.0)	(101.9)
Adjusted EBIT – discontinued operations	11.3	23.9	147.9	86.2	94.8
Net profit – including discontinued operations²	167.7	91.0	1,715.8	160.9	194.6
BALANCE SHEET					
Total equity	3,600.9	3,776.7	3,958.0	2,430.1	2,335.4
Total assets	6,922.3	7,125.6	7,527.6	6,812.2	6,519.5
Economic net debt ³	2,148.3	2,128.6	1,933.1	3,296.8	3,110.6
CASH FLOW					
Operating cash flow	515.2	445.1	517.1	518.8	499.1
Capital expenditure	(474.9)	(488.7)	(639.0)	(558.8)	(516.2)
Dividends paid	(268.7)	(234.9)	(169.9)	(169.1)	(165.8)
KEY FINANCIAL MEASURES					
Adjusted EBITDA/total revenue ¹	36.3%	34.1%	32.3%	35.1%	37.5%
Adjusted EBIT/total revenue ¹	15.4%	12.5%	12.2%	14.8%	17.6%
Equity/total assets	52.0%	53.0%	52.6%	35.7%	35.8%
Return on assets (adjusted EBITDA/assets) ¹	5.8%	4.8%	4.1%	4.6%	4.9%
Gearing ⁴	37.3%	36.2%	33.1%	58.2%	56.8%
Net interest cover (adjusted EBIT/net interest costs) (times)	2.5	2.9	1.8	2.1	2.2
Earnings (NPAT) per share (cents)	16.7	8.9	171.5	15.9	19.3
Dividends declared, cents per share	25.00	24.00	22.25	16.75	16.75

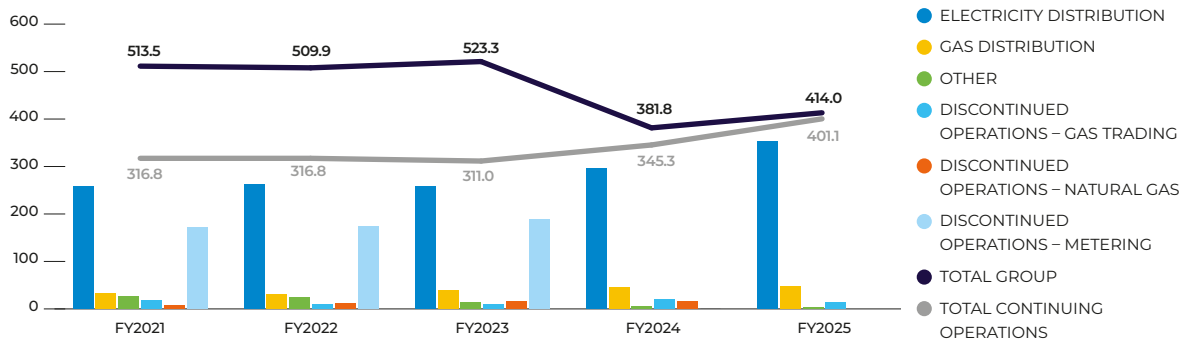
1. Excludes contribution from gas trading businesses (sold in year ended 30 June 2025) and the metering business (sold on 30 June 2023) for all periods presented.

2. One-off items included in total net profit: FY2025 includes a \$37 million non-cash impairment, FY2024 includes a \$60.6 million non-cash impairment. FY2023 includes a \$1,509.9 million gain on the 50% sale of the metering operations. FY2022 includes a \$40.2 million non-cash impairment.

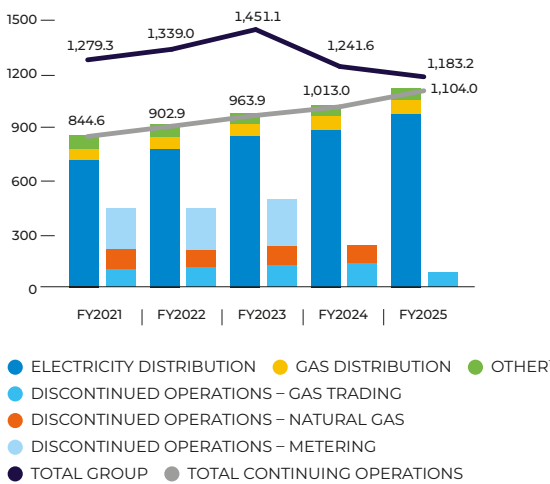
3. Economic net debt is borrowings and lease liabilities net of cash and cash equivalents and deposits.

4. Gearing is defined as economic net debt to economic net debt plus adjusted equity. Adjusted equity means total equity adjusted for hedge reserves.

ADJUSTED EBITDA
\$ MILLION

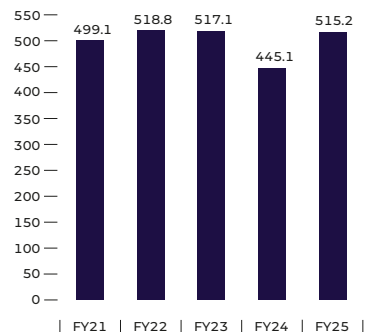


REVENUE
\$ MILLION

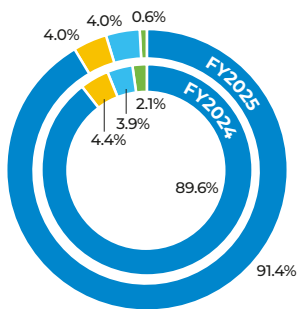


1. Includes eliminations of transactions between segments, and with discontinued operations.

OPERATING CASH FLOWS
\$ MILLION

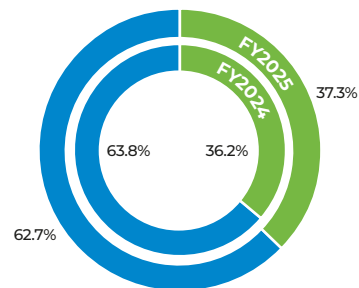


CAPITAL EXPENDITURE



- ELECTRICITY DISTRIBUTION
- GAS DISTRIBUTION
- OTHER
- DISCONTINUED OPERATIONS - GAS TRADING

SOURCE OF FUNDING - GEARING
AS AT 30 JUNE



- ECONOMIC NET DEBT
- ADJUSTED EQUITY

Non-GAAP financial information

Vector's standard profit measure prepared under New Zealand Generally Accepted Accounting Practice (GAAP) is net profit. Vector has used non-GAAP profit measures when discussing financial performance in this document. The directors and management believe that these measures provide useful information as they are used internally to evaluate the performance of business units, to establish operational goals and to allocate resources. For a more comprehensive discussion on the use of non-GAAP profit measures, please

refer to the policy 'Reporting non-GAAP profit measures' available on our website (vector.co.nz).

Non-GAAP profit measures are not prepared in accordance with New Zealand International Reporting Standards (NZ IFRS) and are not uniformly defined; therefore, the non-GAAP profit measures reported in this document may not be comparable with those that other companies report and should not be viewed in isolation from or considered as a substitute for measures reported by Vector in accordance with NZ IFRS.

Definitions:

EBITDA

Earnings before interest, taxation, depreciation, amortisation, impairment, associates and fair value changes.

Adjusted EBITDA

EBITDA adjusted for customer contributions, and significant one-off gains, losses, revenues and/or expenses.

GAAP to Non-GAAP reconciliation

YEAR ENDED 30 JUNE (\$ MILLION)		
Group EBITDA and adjusted EBITDA	2025	2024
Reported net profit for the period (GAAP) – continuing operations	154.7	75.6
Add back: net interest costs	72.4	52.1
Add back: tax (benefit)/expense	86.5	97.7
Add back: depreciation and amortisation	231.4	218.3
Add back: impairment	37.0	60.0
Add back: associates (share of net (profit)/loss)	21.1	24.9
Add back: fair value changes on financial instruments	8.5	12.0
EBITDA	611.6	540.6
<i>Adjusted for:</i>		
Capital contributions	(210.5)	(195.3)
Adjusted EBITDA – continuing operations	401.1	345.3
Adjusted EBITDA – discontinued operations	12.9	36.5
Total group adjusted EBITDA	414.0	381.8

YEAR ENDED 30 JUNE (\$ MILLION)	2025			2024		
	SEGMENT EBITDA	LESS CAPITAL CONTRIBUTIONS	SEGMENT ADJUSTED EBITDA	SEGMENT EBITDA	LESS CAPITAL CONTRIBUTIONS AND OTHER MOVEMENTS	SEGMENT ADJUSTED EBITDA
Electricity distribution	547.8	(195.9)	351.9	478.3	(183.2)	295.1
Gas distribution	60.0	(13.3)	46.7	55.5	(10.7)	44.8
Total reported segments	607.8	(209.2)	398.6	533.8	(193.9)	339.9
Other	3.8	(1.3)	2.5	6.8	(1.4)	5.4
Total – continuing operations	611.6	(210.5)	401.1	540.6	(195.3)	345.3
Discontinued operations – gas trading	12.9	–	12.9	19.9	–	19.9
Discontinued operations – natural gas	–	–	–	16.6	–	16.6
Total discontinued operations	12.9	–	12.9	36.5	–	36.5
Total group	624.5	(210.5)	414.0	577.1	(195.3)	381.8

Financials



Financial Statements

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2025 FINANCIAL STATEMENTS

These financial statements for the year ended 30 June 2025 are dated 22 August 2025, and signed for and on behalf of Vector Limited by:



Chair

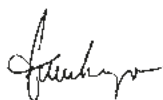
22 August 2025



Chair, audit committee

22 August 2025

And management of Vector Limited by:



Group Chief Executive

22 August 2025



Chief Financial Officer

22 August 2025

Profit or Loss

for the year ended 30 June

	NOTE	2025 \$M	2024 \$M
Continuing operations¹:			
Revenue	7	1,104.0	1,013.0
Operating expenses	8	(492.4)	(472.4)
Depreciation and amortisation		(231.4)	(218.3)
Interest income	9	25.6	51.7
Interest costs	10	(98.0)	(103.8)
Impairment of goodwill	14	(37.0)	(60.0)
Fair value change on financial instruments	24.2	(8.5)	(12.0)
Share of net profit/(loss) in joint ventures	17.1	(21.1)	(24.9)
Profit/(loss) before income tax		241.2	173.3
Income tax benefit/(expense)	18	(86.5)	(97.7)
Net profit/(loss) for the period from continuing operations		154.7	75.6
Net profit/(loss) for the period from discontinued operations	5,6	13.0	15.4
Net profit/(loss) for the period		167.7	91.0
Net profit/(loss) for the period attributable to			
Owners of the parent – continuing operations		154.7	75.6
Owners of the parent – discontinued operations		11.8	13.0
Non-controlling interests – discontinued operations		1.2	2.4
Basic and diluted earnings per share (cents)			
Continuing operations	27.3	15.5	7.6
Discontinued operations	27.3	1.2	1.3
Total		16.7	8.9

¹ The comparative information is restated due to discontinued operations. Refer to notes 5 and 6.

Other Comprehensive Income

for the year ended 30 June

	NOTE	2025 \$M	2024 \$M
Net profit/(loss) for the period		167.7	91.0
Other comprehensive income net of tax – continuing operations			
<i>Items that may be re-classified subsequently to profit or loss:</i>			
Net change in fair value of hedge reserves	24.3	(37.4)	(29.5)
Translation of foreign operations		(2.3)	(1.5)
<i>Items that will not be re-classified subsequently to profit or loss:</i>			
Share of other comprehensive income of joint ventures	17.1	(19.9)	1.9
Fair value change on financial asset		-	(8.3)
Other comprehensive income for the period net of tax – continuing operations		(59.6)	(37.4)
Total comprehensive income for the period net of tax		108.1	53.6
Total comprehensive income for the period attributable to			
Owners of the parent – continuing operations		95.1	38.2
Owners of the parent – discontinued operations		11.8	13.0
Non-controlling interests – discontinued operations		1.2	2.4

Balance Sheet

as at 30 June

	NOTE	2025 \$M	2024 \$M
CURRENT ASSETS			
Cash and cash equivalents	11	23.3	77.4
Short-term deposits	11	-	27.2
Trade and other receivables	13	100.9	100.0
Contract assets		92.5	97.7
Derivatives	24	2.5	3.2
Inventories		11.5	26.4
Contingent consideration	12	8.1	12.4
Intangible assets		-	7.6
Income tax	18	19.6	20.2
Disposal group held for sale	6	-	9.7
Total current assets		258.4	381.8
NON-CURRENT ASSETS			
Receivables	13	4.4	1.0
Derivatives	24	63.8	83.2
Contingent consideration	12	20.0	29.9
Investment in joint venture	17.1	605.5	684.2
Investment in private equity		-	0.5
Intangible assets	14	1,051.9	1,132.1
Property, plant and equipment (PPE)	15	4,807.9	4,667.2
Right of use assets (ROU)	16.1	41.3	58.3
Income tax	18	69.0	85.3
Deferred tax	19	0.1	2.1
Total non-current assets		6,663.9	6,743.8
Total assets		6,922.3	7,125.6
CURRENT LIABILITIES			
Trade and other payables	20	206.4	223.1
Provisions	21	0.9	2.3
Borrowings	23	-	249.5
Derivatives	24	0.3	0.5
Contract liabilities		52.6	73.9
Lease liabilities	16.2	6.0	7.1
Income tax	18	-	0.7
Total current liabilities		266.2	557.1
NON-CURRENT LIABILITIES			
Provisions	21	-	7.1
Borrowings	23	2,049.1	1,789.0
Derivatives	24	143.6	165.7
Contract liabilities		2.9	6.8
Lease liabilities	16.2	45.5	61.0
Deferred tax	19	814.1	762.2
Total non-current liabilities		3,055.2	2,791.8
Total liabilities		3,321.4	3,348.9
EQUITY			
Equity attributable to owners of the parent		3,600.9	3,761.5
Non-controlling interests in subsidiaries		-	15.2
Total equity		3,600.9	3,776.7
Total equity and liabilities		6,922.3	7,125.6
Net tangible assets per share (cents)	27.3	254.9	262.2
Gearing ratio (%)	27.3	37.3	36.2

Cash Flows

for the year ended 30 June

	NOTE	2025 \$M	2024 \$M
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		973.1	1,053.1
Customer contributions received		190.0	179.3
Interest received		24.4	33.5
Payments to suppliers and employees		(566.5)	(704.6)
Interest paid		(103.1)	(111.4)
Income tax paid		(2.7)	(4.8)
Net cash flows from/(used in) operating activities	26.1	515.2	445.1
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of PPE and software intangibles		0.4	2.7
Purchase and construction of PPE		(443.7)	(464.7)
Purchase and development of software intangibles		(31.2)	(24.0)
Proceeds from contingent consideration	12	10.8	11.4
Proceeds from sale of discontinued operations	5,6	158.0	-
Cash balance disposed in sale of discontinued operations	6	(5.6)	-
Repayments of loans advanced		36.2	95.6
Proceeds from sale of investment in associate		-	1.4
Other investing cash flows		0.7	(15.4)
Net cash flows from/(used in) investing activities		(274.4)	(393.0)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	3	260.0	15.0
Repayments of borrowings	3	(305.0)	(255.0)
Dividends paid	3	(268.7)	(234.9)
Lease liabilities payments		(8.4)	(9.6)
Net cash flows from/(used in) financing activities		(322.1)	(484.5)
Net increase/(decrease) in cash and cash equivalents		(81.3)	(432.4)
Cash and cash equivalents at beginning of the period		104.6	537.0
Cash and cash equivalents at end of the period		23.3	104.6
Cash and cash equivalents comprise:			
Bank balances and on-call deposits		23.3	77.4
Short-term deposits		-	27.2
		23.3	104.6

Discontinued operations

The cash flows above reflect the entire Vector group cash flows for the year ended 30 June 2025. Refer to note 6 for separately disclosed cash flows from discontinued operations. Comparative information also includes cash flows from discontinued operations from Vector's natural gas and gas trading businesses, refer to notes 5 and 6 for more information.

Changes in Equity

for the year ended 30 June

	NOTE	ISSUED SHARE CAPITAL W\$M	TREASURY SHARES \$M	HEDGE RESERVES \$M	OTHER RESERVES \$M	RETAINED EARNINGS \$M	NON- CONTROLLING INTERESTS \$M	TOTAL EQUITY \$M
Balance at 30 June 2023		880.0	(0.1)	55.7	(5.0)	3,012.2	15.2	3,958.0
Net profit/(loss) for the period		-	-	-	-	88.6	2.4	91.0
Other comprehensive income		-	-	(29.5)	(7.9)	-	-	(37.4)
Total comprehensive income		-	-	(29.5)	(7.9)	88.6	2.4	53.6
Dividends		-	-	-	-	(232.5)	(2.4)	(234.9)
Total transactions with owners		-	-	-	-	(232.5)	(2.4)	(234.9)
Balance at 30 June 2024		880.0	(0.1)	26.2	(12.9)	2,868.3	15.2	3,776.7
Net profit/(loss) for the period		-	-	-	-	166.5	1.2	167.7
Other comprehensive income		-	-	(37.4)	(8.8)	(13.4)	-	(59.6)
Total comprehensive income		-	-	(37.4)	(8.8)	153.1	1.2	108.1
Dividends	3	-	-	-	-	(267.5)	(1.2)	(268.7)
Sale of discontinued operations	6	-	-	-	-	-	(15.2)	(15.2)
Total transactions with owners		-	-	-	-	(267.5)	(16.4)	(283.9)
Balance at 30 June 2025		880.0	(0.1)	(11.2)	(21.7)	2,753.9	-	3,600.9

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1. Company information

Reporting entity	<p>Vector Limited is a company incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and listed on the NZX Main Board (NZSX). The company is an FMC reporting entity for the purposes of Part 7 of the Financial Markets Conduct Act 2013. The financial statements comply with this Act.</p> <p>The financial statements presented are for Vector Limited Group ("Vector" or "the group") as at, and for the year ended 30 June 2025. The group comprises Vector Limited ("the parent") and its subsidiaries (together referred to as "the group").</p> <p>In accordance with the Financial Markets Conduct Act 2013, where a reporting entity prepares consolidated financial statements, parent company disclosures are not required.</p> <p>Vector Limited is a 75.1% owned subsidiary of Entrust which is the ultimate parent entity for the group.</p> <p>The primary operations of the group are electricity and gas distribution, telecommunications and new energy solutions.</p>
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2. Summary of material accounting policies

Statement of compliance	The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for Tier 1 for-profit entities. They also comply with International Financial Reporting Standards.																		
Basis of preparation	<p>The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) as appropriate to Tier 1 for-profit entities.</p> <p>They are prepared on the historical cost basis except for the following items, which are measured at fair value:</p> <ul style="list-style-type: none"> — the identifiable assets and liabilities acquired in a business combination; — certain financial instruments; and — contingent consideration receivable as disclosed in the notes to the financial statements <p>The presentation currency is New Zealand dollars (\$). All financial information has been rounded to the nearest 100,000, unless otherwise stated.</p> <p>The statements of profit or loss, other comprehensive income, cash flows and changes in equity are stated exclusive of GST. All items in the balance sheet are stated exclusive of GST except for trade receivables and trade payables, which include GST.</p>																		
Material accounting estimates and judgements	<p>Vector's management is required to make judgements, estimates, and apply assumptions that affect the amounts reported in the financial statements. They have based these on historical experience and other factors they believe to be reasonable. The table below lists the key areas of judgements and estimates in preparing these financial statements:</p> <table border="1"> <thead> <tr> <th>Key areas</th> <th>Judgements / Estimates</th> <th>Note</th> </tr> </thead> <tbody> <tr> <td>Valuation of contingent consideration receivable</td> <td>Estimates</td> <td>12, 22</td> </tr> <tr> <td>Intangible assets: valuation of goodwill, risk of impairment</td> <td>Estimates</td> <td>14</td> </tr> <tr> <td>Property, plant and equipment: classification of costs</td> <td>Judgements</td> <td>15</td> </tr> <tr> <td>Leases: assessment of lease term for perpetual leases and leases with renewal options</td> <td>Judgements</td> <td>16</td> </tr> <tr> <td>Valuation of derivative financial instruments</td> <td>Estimates</td> <td>22, 24</td> </tr> </tbody> </table>	Key areas	Judgements / Estimates	Note	Valuation of contingent consideration receivable	Estimates	12, 22	Intangible assets: valuation of goodwill, risk of impairment	Estimates	14	Property, plant and equipment: classification of costs	Judgements	15	Leases: assessment of lease term for perpetual leases and leases with renewal options	Judgements	16	Valuation of derivative financial instruments	Estimates	22, 24
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Valuation of contingent consideration receivable	Estimates	12, 22																	
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Leases: assessment of lease term for perpetual leases and leases with renewal options	Judgements	16																	
Valuation of derivative financial instruments	Estimates	22, 24																	
New standards and interpretations adopted	<p>A number of new standards and interpretations are effective from 1 July 2024, but they do not have a material effect on the group's financial statements. The financial statements for the year ended 30 June 2025 have applied the amendment to FRS-44 <i>Disclosure of Fees for Audit Firms' Services</i>, which specifies disclosures relating to fees paid to the auditors. Refer to note 8 for further details.</p> <p>A number of new standards and interpretations are effective for annual periods beginning on or after 1 July 2025 and earlier application is permitted, however the group has not early adopted the new or amended standards in preparing these consolidated financial statements. Vector has considered the impact of standards and interpretations not yet effective and do not expect any of these to have a material impact.</p>																		

3. Material transactions and events

Material transactions and events that have impacted the financial year ended 30 June 2025:

Sale of discontinued operations	<p>On 1 July 2024, Vector completed the sale of the remaining contracts in the natural gas business to Nova Energy Limited. Refer to note 5 for further details.</p> <p>On 31 January 2025, Vector completed the sale of LPG business Vector Ongas, and the group's shareholding in Liquigas Limited, to Elgas Limited for \$150.0 million. Vector Ongas and Liquigas were previously included in the gas trading segment. Refer to note 6 for further details.</p>
Commerce commission decisions	<p>The Commission is currently consulting on the price reset for its fourth Default Price-quality Path ("DPP4"), which relates to the period beginning 1 October 2026 for gas distribution businesses. They have released an open letter in February 2025, and an issues paper for submissions was released in June 2025. Vector provided submissions to the issues paper on 24 July 2025. The draft decision is expected in November 2025, with the final decision in May 2026.</p> <p>This decision will impact the future cash flows we can expect to earn from the gas distribution business.</p>
Regulatory quality thresholds	<p>For both the regulatory years to 31 March 2024 and 31 March 2025, Vector was not in breach of its unplanned SAIDI and SAIFI quality limits.</p>
Regulatory consultations	<p>In October 2024, the Electricity Authority opened two consultations.</p> <p>The first of these is the Distribution connection pricing proposed code amendment consultation, which purports to improve connection pricing methodologies, so they are more efficient and have greater consistency across distributors.</p> <p>The second consultation, the 'Network connection project – stage one' seeks to improve the efficiency of connecting to the electricity distribution network and upgrading existing connections.</p> <p>The decisions of both consultations were released on 18 July 2025. These determinations will influence how Vector manages its customer connections. The Electricity Authority has indicated it will continue to engage with distributors regarding the level of contributions that can be charged for customer connections, while deferring a final decision on this issue for further consideration.</p>
Debt programme	<p>In May 2025, Vector repaid \$250.0 million of senior bonds.</p> <p>During the year ended 30 June 2025, the group drew down \$260.0 million and repaid \$55.0 million of bank facilities for a net drawdown of \$205.0 million from the bank facilities (year ended 30 June 2024: net nil movement). Refer to note 23 for more details on borrowings.</p>
Impairment of goodwill	<p>During the year ended 30 June 2025, the group recognised an impairment loss of \$37.0 million in respect of goodwill allocated to the gas distribution CGU (year ended 30 June 2024: \$60.0 million).</p> <p>The uncertainty of future price-quality path regulation for gas distribution poses a risk for further impairment. The DPP4, expected in May 2026 (see Commerce commission decisions) impacts the future cash flows we can expect to earn from the regulated gas distribution business, and will be reflected in the impairment testing of the gas distribution CGU.</p>
Dividends	<p>In February 2025, the board approved an updated dividend policy, targeting distribution of 70-100% of free cash flow in each financial year. The intent is to align the policy with the Commission's five-yearly regulatory cycle, as this is a large part of what determines Vector's revenue and earnings in each five year period.</p> <p>Vector Limited's final dividend for the year ended 30 June 2024 of 14.75 cents per share was paid on 16 September 2024, comprising an ordinary unimputed dividend of 13.00 cents per share and a special unimputed dividend of 1.75 cents per share. The total dividend paid was \$147.5 million.</p> <p>Vector Limited's interim dividend for the year ended 30 June 2025 of 12.00 cents per share (unimputed) was paid on 31 March 2025. The total dividend paid was \$120.0 million.</p> <p>Liquigas Limited, a subsidiary of the group until the sale of the gas trading business on 31 January 2025, paid dividends of \$1.2 million to the company's non-controlling interests during the year ended 30 June 2025.</p>

4. Segment information

Segments	<p>Vector report on two reportable segments in accordance with NZ IFRS 8 <i>Operating Segments</i>. These segments are reported internally to the group chief executive. This reporting is used to assess performance and make decisions about the allocation of resources.</p> <p>The segments are:</p> <p>Electricity distribution Auckland electricity distribution services.</p> <p>Gas distribution Auckland gas distribution services.</p> <p>Since Vector's Annual Report for the year ended 30 June 2024, the gas trading businesses within the gas trading segment have been reclassified as discontinued operations held for sale, and the gas trading segment is no longer a reportable segment.</p> <p>Following the reclassification of the gas trading segment, Vector's reportable segments were assessed in accordance with NZ IFRS 8 <i>Operating Segments</i>. This has resulted in the electricity and gas distribution segments being recognised as separate reporting segments for the year ended 30 June 2025. These were previously combined into the regulated networks reportable segment.</p> <p>Other includes telecommunications, digital services, energy solution services and corporate operations. The reportable segments have also been updated to include a portion of shared corporate costs, in line with allocations used for the most recent regulatory reporting period.</p> <p>On 31 January 2025, the gas trading business was sold. Further details of the sale of the gas trading business can be found in note 6.</p> <p>Comparative information has been updated to reflect these changes. There have been no other changes to the reportable segments and policies.</p>
Segment profit	<p>The measures of segment profit reported are earnings before interest and tax (EBIT) and earnings before interest, tax, depreciation, amortisation and impairments (EBITDA). Both are non-GAAP measures that do not have a standardised meaning under NZ IFRS.</p>
Activities not reported in segments	<p>Other activities engaged by the group comprise shared services and other business activities, and discontinued operations. Revenues generated by these activities are incidental to Vector's operations and/or do not meet the definition of an operating segment under NZ IFRS 8. The results for these activities are reported in the reconciliations of segment information to the group's financial statements, and the discontinued operations note.</p> <p>Interest income, interest costs, fair value change on financial instruments and share of net profit/(loss) in joint venture are not allocated to the segments.</p>
Geographical information	<p>The group derives the majority of its revenue from external customers in New Zealand.</p>
Major customers	<p>Vector engages with four major customers, each of which contribute greater than ten percent of the group's revenue. These customers are large energy retailers. For the year ended 30 June 2025, the customers contributed \$222.8 million (2024: \$209.7 million), \$131.6 million (2024: \$118.3 million), \$131.5 million (2024: \$115.0 million) and \$123.4 million (2024: \$117.0 million) respectively, which is reported across all segments.</p>

4. Segment information *continued*

30 JUN 2025 12 MONTHS	ELECTRICITY DISTRIBUTION \$M	GAS DISTRIBUTION \$M	OTHER \$M	INTER- SEGMENT ELIMINATIONS \$M	TOTAL \$M
External revenue:					
Sales	762.2	67.2	64.1	-	893.5
Customer contributions	195.9	13.3	1.3	-	210.5
Inter-segment revenue	2.0	-	16.7	(18.7)	-
Segment revenue	960.1	80.5	82.1	(18.7)	1,104.0
External expenses:					
Electricity transmission expenses	(200.7)	-	-	-	(200.7)
Network and asset maintenance	(76.5)	(8.3)	(2.8)	-	(87.6)
Employee benefit expenses	(45.9)	(4.5)	(29.4)	-	(79.8)
Other expenses	(76.4)	(7.6)	(40.3)	-	(124.3)
Inter-segment expenses	(12.8)	(0.1)	(5.8)	18.7	-
Segment operating expenses	(412.3)	(20.5)	(78.3)	18.7	(492.4)
Segment EBITDA	547.8	60.0	3.8	-	611.6
Depreciation and amortisation	(181.1)	(29.2)	(21.1)	-	(231.4)
Impairment	-	(37.0)	-	-	(37.0)
Segment EBIT	366.7	(6.2)	(17.3)	-	343.2
Segment capital expenditure	432.0	19.0	19.1	-	470.1

	30 JUN 2025 12 MONTHS \$M
Reconciliation of segment reporting to profit or loss:	
Segment EBIT reported in the segment information	343.2
Interest income	25.6
Interest costs	(98.0)
Fair value change on financial instruments	(8.5)
Share of net profit/(loss) in joint venture	(21.1)
Profit before tax from continuing operations	241.2

4. Segment information *continued*

30 JUN 2024 (restated) 12 MONTHS	ELECTRICITY DISTRIBUTION \$M	GAS DISTRIBUTION \$M	OTHER \$M	INTER- SEGMENT ELIMINATIONS \$M	TOTAL \$M
External revenue:					
Sales	687.4	65.1	65.2	–	817.7
Customer contributions	183.2	10.7	1.4	–	195.3
Inter-segment revenue	2.0	–	15.6	(17.6)	–
Segment revenue	872.6	75.8	82.2	(17.6)	1,013.0
External expenses:					
Electricity transmission expenses	(188.9)	–	–	–	(188.9)
Network and asset maintenance	(74.5)	(8.2)	(3.2)	–	(85.9)
Employee benefit expenses	(45.4)	(4.7)	(31.3)	–	(81.4)
Other expenses	(72.6)	(7.1)	(36.5)	–	(116.2)
Inter-segment expenses	(12.9)	(0.3)	(4.4)	17.6	–
Segment operating expenses	(394.3)	(20.3)	(75.4)	17.6	(472.4)
Segment EBITDA	478.3	55.5	6.8	–	540.6
Depreciation and amortisation	(171.3)	(25.1)	(21.9)	–	(218.3)
Impairment	–	(60.0)	–	–	(60.0)
Segment EBIT	307.0	(29.6)	(15.1)	–	262.3
Segment capital expenditure	457.0	22.2	20.0	–	499.2
Reconciliation of segment reporting to profit or loss:					30 JUN 2024 12 MONTHS \$M
Segment EBIT reported in the segment information					262.3
Interest income					51.7
Interest costs					(103.8)
Fair value change on financial instruments					(12.0)
Share of net profit/(loss) in joint venture					(24.9)
Profit before tax from continuing operations					173.3

5. Discontinued operations – natural gas

On 1 July 2024, Vector completed the sale of the remaining contracts in the natural gas business to Nova Energy Limited for consideration of \$9.7 million, which was equal to the carrying amount of the business. No gain or loss on disposal was recognised. At 30 June 2025, Vector had received \$8.0 million of the consideration, with the last instalment due on 31 July 2025.

The disposal group was presented as discontinued operations in the interim financial statements for the six months ended 31 December 2023 as well as in the 2024 Annual Report. Comparatives show the discontinued operations separately from the continuing operations.

Carrying value of net assets sold as at 1 July 2024	\$M
Intangible assets	9.7
Net assets sold	9.7
Net cash consideration	9.7
Gain/(loss) on sale of discontinued operations – natural gas	–

Policies	<p>Vector classifies a disposal group as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The disposal group is measured at the lower of carrying amount and fair value less costs to sell.</p> <p>The two criteria that must be met to classify a disposal group as held for sale are:</p> <ul style="list-style-type: none"> — The disposal group is available for immediate sale in its present condition; and — The sale transaction is highly probable. <hr/> <p>A disposal group that is sold or held for sale is also reported as discontinued operations if it meets the below criteria:</p> <ul style="list-style-type: none"> — It is a component of the groups' business, the operations and cash flows of which can be clearly distinguished from the rest of the group; and — It represents a separate major line of business or geographical area of operations. <hr/>
Impairment on reclassification to held for sale	<p>The goodwill allocated to the natural gas business had been reclassified as held for sale at 30 June 2024, resulting in an impairment of \$0.6 million.</p>

6. Discontinued operations – gas trading

On 25 July 2024, Vector signed a conditional agreement for the sale of the Ongas LPG business, and shares in Liquigas Limited ("the gas trading business"). The sale was completed on 31 January 2025.

The gas trading business was previously included in the group's gas trading segment. For the year ended 30 June 2025, the financial results of the disposal group are reported as discontinued operations in the profit or loss statement. Additionally, prior year figures have been restated to clearly separate discontinued operations from continuing ones.

	2025 7 MONTHS \$M	2024 12 MONTHS \$M
Profit and loss of discontinued operations – gas trading		
Revenue	79.2	128.3
Operating expenses	(66.3)	(108.4)
Depreciation and amortisation	(1.6)	(12.5)
Interest income	0.2	0.3
Interest cost	(0.7)	(0.9)
Profit/(loss) before income tax	10.8	6.8
Income tax benefit/(expense)	(1.7)	(2.5)
Net profit/(loss) for the period before gain on sale	9.1	4.3
Gain on sale (net of tax)	3.9	–
Net profit/(loss) for the period – discontinued operations – gas trading	13.0	4.3

	2025 7 MONTHS \$M	2024 12 MONTHS \$M
Capital expenditure of discontinued operations – gas trading	2.9	10.9

	2025 7 MONTHS \$M	2024 12 MONTHS \$M
Cash flows from discontinued operations – gas trading		
Net cash flows from/(used) in operating activities	14.3	25.7
Net cash flows from/(used in) investing activities	(3.6)	(8.4)
Net cash flows from/(used in) financing activities	(3.4)	(7.1)
Net cash inflow/(outflow)	7.3	10.2

Revenue – gas trading sales

Sale of LPG – comprises bulk LPG sales to commercial customers and bottled LPG sales to both commercial and residential customers.

Revenue is recognised at a point in time when LPG is delivered to a customer's site. Billing to a customer occurs after completion of deliveries and at the end of each month with payment terms ranging from 60 days to 90 days.

Distribution of LPG – The group provides services in the areas of bulk LPG storage, distribution and management.

Revenue is recognised over time in line with a customer's consumption of monthly tolling and storage volumes and measured at the transaction price of the contract. The transaction price for a monthly tolling and storage contract includes variable consideration in the form of volume pricing and take or pay arrangements. The group estimates the amount of variable consideration present in each contract using the expected value method.

6. Discontinued operations – gas trading *continued*

Carrying value of net assets sold as at 31 January 2025		\$M
Cash and cash equivalents		5.6
Trade and other receivables		16.9
Inventories		6.5
Intangible assets (including goodwill)		40.9
Property, plant, and equipment		105.7
Right of use assets (ROU)		11.2
Deferred tax		0.6
Trade and other payables		(5.0)
Provisions		(7.8)
Lease liabilities		(11.7)
Income tax		(0.6)
Non-controlling interests in Liquigas		(15.2)
Net assets sold		147.1
Net cash consideration received on completion		150.0
Working capital wash-up		2.4
Total consideration		152.4
Costs of sale		(1.4)
Carrying value of net assets sold		(147.1)
Gain on sale of discontinued operations – gas trading		3.9

Gain on sale	<p>Vector has elected to follow NZ IFRS 10 <i>Consolidated Financial Statements</i> in recognising the gain on sale from the transaction.</p> <p>Under NZ IFRS 10, upon the loss of control of a subsidiary, any retained interest should be remeasured to its fair value, with any resulting gain or loss recognised in the income statement.</p>
Consideration	<p>Upon completion of the sale, the group recognised a total of \$152.4 million in consideration, representing a combination of \$150.0 million in cash consideration and \$2.4 million for the final working capital wash-up.</p>
Depreciation and amortisation	<p>The gas trading business was classified as held for sale in July 2024, and its assets and liabilities were presented as a disposal group held for sale in the FY25 interim financial statements. Depreciation and amortisation on the assets of the gas trading business ceased from July 2024 due to the held for sale classification.</p>

7. Revenue

7.1 Revenue from contracts with customers

	2025 \$M	2024 \$M
Regulated networks – sale of distribution services	829.4	752.5
Regulated networks - third party contributions	209.2	193.9
Other	65.4	66.6
Total	1,104.0	1,013.0

Revenue streams

Regulated networks – sale of distribution services

The group receives revenue from business customers and energy retailers who sell energy to end customers for electricity and gas distribution services in Auckland.

Satisfaction of performance obligation

Revenue from electricity and gas distribution services is measured at the value of consideration received, or receivable, to the extent that pricing is determined by the regulator within a defined revenue path.

Revenue is recognised over time on a basis that corresponds with end consumers' pattern of electricity and gas consumption. Customers are billed monthly in arrears for distribution services, including both a fixed portion, and variable pricing measured in units of electricity and gas distributed. Revenue from distribution services therefore includes an accrual for services provided but not billed at the end of the month.

The accrual is determined based on the group's estimate of volume distributed in the month using the most recent data available. A large portion of the contract assets at balance date consists of this accrual.

Regulated networks – third party contributions

The group receives contributions from residential and commercial customers towards the construction of distribution system assets in the Auckland electricity or gas distribution networks.

Third party contributions are recognised as revenue over time, reflecting the percentage completion of the underlying construction activity. The group recognises a contract liability to account for consideration received from the customer but where the agreed construction activity is not completed; and conversely a contract asset is recognised to account for activities completed not billed.

The transaction price for third party contributions is netted against estimated rebates payable to commercial customers. A contract liability is recognised to account for payments received from customers for construction activities completed which are eligible for rebates in the future based on completion of developments.

In the event that a contract combines a contribution towards an agreed construction activity with sale of electricity or gas distribution services, the group unbundles the contract into two performance obligations and recognises revenue in accordance with each obligation's accounting policy.

Other revenue streams

Other revenue includes telecommunications revenue and revenue from providing energy solution services.

Telecommunications revenue from commercial customers comprise the sale of fibre services. Revenue is recognised at the point in time of supply and customer consumption.

Energy solutions services comprise predominantly the sale of home and commercial ventilation and solar services. Revenue is recognised over time, reflecting the percentage completion of each ventilation and solar system install.

7. Revenue *continued***7.2 Revenue in relation to contract liabilities**

The following table sets out the expected timing of future recognition of revenue relating to performance obligations not satisfied (or partially satisfied) at balance date:

	1 - 2 YEARS \$M	3 - 4 YEARS \$M	TOTAL \$M
2025			
Electricity distribution services	0.4	–	0.4
Telecommunication services	0.2	0.8	1.0
Total	0.6	0.8	1.4
2024			
Electricity distribution services	2.0	–	2.0
Telecommunication services	1.7	–	1.7
Total	3.7	–	3.7

Policies No information is provided in relation to the remaining performance obligations at 30 June 2025 or 30 June 2024 that have an original duration of one year or less as permitted by NZ IFRS 15 *Revenue from Contracts with Customers*.

Revenue recognised Of the revenue recognised this year, \$61.2 million was included in the contract liability balance at the beginning of the reporting period. (2024: \$54.6 million).

8. Operating expenses

	NOTE	2025 \$M	2024 \$M
Electricity transmission	4	200.7	188.9
Energy solutions cost of sales		18.3	15.1
Network and asset maintenance	4	87.6	85.9
Other direct expenses		48.6	43.7
Employee benefit expenses	4	79.8	81.4
Administration expenses		13.2	12.3
Professional fees		7.6	8.3
IT expenses		32.0	31.7
Other indirect expenses		4.6	5.1
Total		492.4	472.4

Fees paid to auditors

Fees were paid to KPMG as follows:

	2025 \$	2025 \$	2024 \$	2024 \$
Audit or review of financial statements		671,200		624,500
Audit related services: Regulatory assurance	378,000		380,000	
Regulatory agreed upon procedures	121,300		21,000	
ESG assurance	176,500		80,500	
Other assurance	25,700		24,200	
Other agreed upon procedures	10,300		15,300	
Total audit related services		711,800		521,000
Tax services: R&D tax credits		74,000		186,700
Other services: Risk management		60,000		–
Climate related pre-assurance		–		97,500
Total		1,517,000		1,429,700

8. Operating expenses *continued***Fees paid to auditors**
continued

The audit fee includes fees for both the annual audit of the financial statements and the review of the interim financial statements. Regulatory assurance consists of the audit of regulatory disclosures. Regulatory agreed upon procedures includes compliance and one-off regulatory assurance reviews. ESG assurance includes climate related disclosures and greenhouse gas calculations. Other assurance includes the audit of guaranteeing group financial statements and bond registers. Other agreed upon procedures includes trustee reporting and annual general meeting vote scrutineering.

9. Interest income

	NOTE	2025 \$M	2024 \$M
Interest income		21.2	45.7
Unwinding of discount of contingent consideration	12	4.4	6.0
Total		25.6	51.7

Policies

Interest income includes income from funds invested and shareholder loans, recognised using the effective interest rate method.

10. Interest costs

	NOTE	2025 \$M	2024 \$M
Interest expense		95.9	101.0
Amortisation of finance costs		4.4	5.1
Capitalised interest		(5.6)	(5.6)
Interest on leases	16.3	3.3	3.3
Total		98.0	103.8

Policies

Interest costs include interest expense on borrowings, recognised using the effective interest rate method.

Capitalised interest

Vector has capitalised interest to PPE and software intangibles while under construction at an average rate of 4.4% per annum (2024: 4.2%).

11. Cash and cash equivalents and short-term deposits

	2025 \$M	2024 \$M
Cash and cash equivalents	23.3	77.4
Short-term deposits	–	27.2

Policies

Cash and cash equivalents and short-term deposits are carried at amortised cost.

Cash and cash equivalents includes deposits that are on call, short-term deposits includes deposits with a maturity date.

12. Contingent consideration

	NOTE	2025 \$M	2024 \$M
Carrying value of contingent consideration			
Opening balance		42.3	60.9
Unwinding of discount	9	4.4	6.0
Payments received	26.1	(10.8)	(11.4)
Fair value movement	24.2	(7.8)	(13.2)
Closing balance at 30 June		28.1	42.3
Comprising:			
Current		8.1	12.4
Non-current		20.0	29.9

Key accounting estimate

The fair value of the contingent consideration was estimated by calculating the present value of the future expected cash flows payable by Todd Petroleum Mining Company Limited to Vector. The future period of payment is not fixed by the contract but is dependent on the remaining useful life of the Kapuni gas treatment plant (KGTP), which is directly correlated to the volume of gas available at the Kapuni gas field and the rate at which the gas is extracted. The values of future cash flows are highly dependent on the future sale prices of gas products (LPG and oil) in the market. Underpinning this all is the assumption that there is an active market for processed gas products in the future and government policy relating to the transition of New Zealand to a low carbon economy.

Management have re-estimated the same unobservable inputs when calculating the fair value of the contingent consideration at balance date. Refer to note 22 for details and sensitivity analysis around material unobservable inputs used in measuring fair values.

13. Trade and other receivables

	2025 \$M	2024 \$M
Current		
Trade receivables	75.4	69.7
Interest receivable	11.7	18.0
Prepayments	8.7	10.0
Other taxes and duties receivable	–	1.3
Other receivables	5.1	1.0
Balance at 30 June	100.9	100.0
Non-current		
Other contract receivables	0.9	1.0
Other receivables	3.5	–
Balance at 30 June	4.4	1.0

13. Trade and other receivables *continued*

At 30 June, the exposure to credit risk for trade and other contract receivables by type of counterparty was as follows.

	2025 \$M		2024 \$M	
	Not credit impaired	Credit impaired	Not credit impaired	Credit impaired
Business customers	54.2	1.1	44.2	3.6
Mass market customers (includes customer contributions)	15.2	–	17.0	–
Third party asset damages	–	10.0	–	8.3
Residential and other	2.0	0.1	3.0	0.3
Total gross amount	71.4	11.2	64.2	12.2
Loss allowance	–	(6.3)	–	(5.7)
Total carrying amount	71.4	4.9	64.2	6.5

The following table provides information about the exposure to credit risk and expected credit losses for trade and other receivables as at 30 June.

	2025 \$M		2024 \$M	
	Gross amount	Loss allowance	Gross amount	Loss allowance
Not past due	37.4	(0.3)	63.5	–
Past due 1-30 days	30.6	(0.1)	2.5	(0.2)
Past due 31-120 days	5.1	(0.3)	3.7	(0.5)
Past due more than 120 days	9.5	(5.6)	6.7	(5.0)
Balance at 30 June	82.6	(6.3)	76.4	(5.7)

Policies

Trade receivables are predominantly billed receivables. Sales to business customers are billed monthly. Trade receivables from mass market, residential and other customers are recognised as they are originated.

Other receivables represent the amount of contractual cash flows that the group expects to collect from third parties but that did not arise from contracts with customers. Where contractual cash flows are expected or contracted to be received after 12 months, the balance is presented as non-current.

Expected credit losses

In assessing credit losses for trade receivables, the group applies the simplified approach and records lifetime expected credit losses ("ECLs") on trade receivables. The group considers both quantitative and qualitative inputs. Quantitative data includes past collection rates, industry statistics, ageing of receivables, and trading outlook. Qualitative inputs include past trading history with the group.

Lifetime ECLs result from all possible default events over the expected life of a trade receivable. The group considers the probability of default upon initial recognition of the trade receivable, based on reasonable and available information on the group's customers and groups of customers. The group's trade receivables are monitored in two groups: business customers, and mass market residential customers.

The group's customer acceptance process includes a check on credit history, profitability, and the customer's external credit rating if available. Different levels of sale limits are also imposed on customer accounts by nature.

14. Intangible assets

	EASEMENTS \$M	SOFTWARE \$M	GOODWILL \$M	CAPITAL WORK IN PROGRESS \$M	TOTAL \$M
Carrying amount 30 June 2023	18.9	72.3	1,101.0	15.9	1,208.1
Cost	18.9	289.5	1,252.3	15.9	1,576.6
Accumulated amortisation	-	(217.2)	-	-	(217.2)
Accumulated impairment	-	-	(151.3)	-	(151.3)
Additions	-	-	-	25.5	25.5
Transfers	0.2	16.3	-	(16.5)	-
Transferred to held for sale	-	-	(9.7)	-	(9.7)
Impairment	-	-	(60.6)	-	(60.6)
Amortisation for the period	-	(31.2)	-	-	(31.2)
Carrying amount 30 June 2024	19.1	57.4	1,030.7	24.9	1,132.1
Cost	19.1	305.7	1,242.6	24.9	1,592.3
Accumulated amortisation	-	(248.3)	-	-	(248.3)
Accumulated impairment	-	-	(211.9)	-	(211.9)
Additions	-	-	-	28.3	28.3
Transfers	0.3	31.7	-	(32.0)	-
Sale of discontinued operations	-	(0.3)	(40.6)	-	(40.9)
Impairment	-	-	(37.0)	-	(37.0)
Amortisation for the period	-	(30.6)	-	-	(30.6)
Carrying amount 30 June 2025	19.4	58.2	953.1	21.2	1,051.9
Cost	19.4	327.2	1,202.0	21.2	1,569.8
Accumulated amortisation	-	(269.0)	-	-	(269.0)
Accumulated impairment	-	-	(248.9)	-	(248.9)

14.1 Goodwill

	2025 \$M	2024 \$M
Goodwill by cash generating unit		
Electricity	881.0	881.0
Gas Distribution	72.1	109.1
Liquigas	-	40.6
Total	953.1	1,030.7

Policies Goodwill represents the excess of the consideration transferred over the fair value of Vector's share of the net identifiable assets of an acquired subsidiary. Goodwill is carried at cost less accumulated impairment losses.

Allocation Goodwill is monitored internally at a group level. It is allocated to the group's cash generating units ("CGUs"), for impairment testing purposes. This is the highest level permissible under NZ IFRS. The CGUs within the group are: electricity, gas distribution, communications, technology solutions and E-Co Products. The natural gas CGU ceased to exist following sale of the business on 1 July 2024. Similarly, the Liquigas and LPG CGUs ceased to exist following sale of the gas trading business on 31 January 2025. Goodwill is tested at least annually for impairment, comparing the carrying value against the recoverable amount of the CGU to which it has been allocated.

14. Intangible assets *continued***14.1 Goodwill**

Key accounting judgements	<p>To assess impairment, management must estimate the future cash flows of operating segments including the CGUs that make up those segments. This entails making judgements including:</p> <ul style="list-style-type: none"> — the expected rate of growth of revenues; — margins expected to be achieved; — the level of future maintenance expenditure required to support these outcomes; and — the appropriate discount rate to apply when discounting future cash flows.
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Assumptions	<p>The recoverable amounts attributed to all of the group's CGUs are calculated on the basis of value-in-use using discounted cash flow models.</p> <p>Future cash flows are forecast based on actual results and business plans.</p> <p>For the electricity, and gas distribution CGUs, a ten-year period has been used due to the long-term nature of the group's capital investment in these businesses and the predictable nature of their cash flows. A five-year period has been used for the E-Co Products, technology solutions and communications CGUs.</p> <p>Projected cash flows for regulated businesses are sensitive to regulatory uncertainty. Estimated future regulated network revenues and the related supportable levels of operating and capital expenditure are based on default price-quality path determinations issued by the Commerce Commission and are in line with estimates published in the asset management plans.</p>
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Gas Distribution

The group has recognised an impairment loss of \$37.0 million in respect of goodwill allocated to the gas distribution CGU. The impairment reflects the ongoing uncertainty facing the gas industry, lower forecast connections and the decline in gas supply in New Zealand. The recoverable amount of the gas distribution CGU has been determined based on value in use. A terminal growth rate of -3.0% (2024: 2.0% to 2.3%) and post-tax discount rates between 6.4% to 6.6% (2024: 6.6% to 6.9%) have been applied in determining the recoverable amount for the gas distribution CGU.

Risk of impairment

The uncertainty of future price-quality path regulation for gas distribution poses a risk for further impairment. In November 2025, the Commerce Commission are due to release their draft decision for the next default price-quality path which will apply from 1 October 2026 for gas distribution businesses. This decision impacts the future cash flows we can expect to earn from the regulated gas distribution business and will be reflected in the impairment testing of the gas distribution CGU. The Commission will release the final decision at the end of May 2026.

At 30 June 2025, the carrying value of the gas distribution CGU was \$497.7m and is consistent with the estimated value of the regulated asset base for gas distribution as at that date. The carrying value of the CGU includes \$72.1 million of goodwill allocated by Vector to its gas distribution business at 30 June 2025.

Electricity

Terminal growth rates in a range of 2.0% to 2.3% (2024: 2.0% to 2.3%) and post-tax discount rates between 6.0% to 6.3% (2024: 6.1% to 6.4%) have been applied.

14.2 Other intangible assets

Policies	<p>Other intangible assets are initially measured at cost and subsequently stated at cost less any accumulated amortisation and impairment losses.</p> <p>Software intangibles have been assessed as having a finite life greater than 12 months and are amortised from the date the asset is ready for use on a straight-line basis over its estimated useful life. The estimated useful lives (years) are as follows:</p> <table style="margin-left: 20px;"> <tr> <td>Software</td> <td>3 - 10</td> </tr> </table> <p>Easements are not amortised but are tested for impairment at least annually as part of the assessment of the carrying values of assets against the recoverable amounts of the CGUs to which they have been allocated.</p>	Software	3 - 10
Software	3 - 10		

15. Property, plant and equipment (PPE)

	DISTRIBUTION SYSTEMS \$M	LAND, BUILDINGS AND IMPROVEMENTS \$M	COMPUTER AND TELCO EQUIPMENT \$M	OTHER PLANT AND EQUIPMENT \$M	CAPITAL WORK IN PROGRESS \$M	TOTAL \$M
Carrying amount						
30 June 2023	3,814.2	189.5	94.3	135.5	151.8	4,385.3
Cost	5,372.0	238.4	216.0	303.8	151.8	6,282.0
Accumulated depreciation	(1,557.8)	(48.9)	(121.7)	(168.3)	–	(1,896.7)
Additions	–	–	–	–	473.5	473.5
Transfers	399.9	22.7	5.1	5.4	(433.1)	–
Disposals	(10.1)	(0.1)	–	(0.9)	–	(11.1)
Depreciation for the period	(156.1)	(3.8)	(8.5)	(12.1)	–	(180.5)
Carrying amount						
30 June 2024	4,047.9	208.3	90.9	127.9	192.2	4,667.2
Cost	5,743.1	252.6	219.2	308.2	192.2	6,715.3
Accumulated depreciation	(1,695.2)	(44.3)	(128.3)	(180.3)	–	(2,048.1)
Additions	–	–	–	4.9	439.6	444.5
Transfers	435.5	20.4	18.9	6.0	(480.8)	–
Disposals	(7.3)	(0.3)	–	(5.3)	–	(12.9)
Sale of discontinued operations	–	(9.3)	(0.2)	(95.4)	(0.8)	(105.7)
Other	–	–	–	–	(3.4)	(3.4)
Depreciation for the period	(163.9)	(4.4)	(10.3)	(3.2)	–	(181.8)
Carrying amount						
30 June 2025	4,312.2	214.7	99.3	34.9	146.8	4,807.9
Cost	6,155.8	261.6	231.5	50.7	146.8	6,846.4
Accumulated depreciation	(1,843.6)	(46.9)	(132.2)	(15.8)	–	(2,038.5)

Policies

PPE is initially measured at cost, and subsequently stated at cost less depreciation and any impairment losses. Cost may include:

- Consideration paid on acquisition
 - Costs to bring the asset to working condition
 - Materials used in construction
 - Direct labour attributable to the item
 - Interest costs attributable to the item
 - A proportion of directly attributable overheads incurred
 - If there is a future obligation to dismantle and/or remove the item, the costs of doing so
- Capitalisation of costs stops when the asset is ready for use.

Subsequent expenditure that increases the economic benefits derived from the asset is capitalised.

Uninstalled assets are stated at the lower of cost and estimated recoverable amount.

Depreciation commences when an asset becomes available for use.

Depreciation of PPE, other than freehold land and capital work in progress, is calculated on a straight-line basis and expensed over the useful life of the asset. Useful lives are reviewed regularly and adjusted as appropriate for the revised expectations, including technical obsolescence, climate risk and regulatory changes.

Estimated useful lives (years) are as follows:

Buildings	40 – 60		
Distribution systems	5 – 70	Computer and telco equipment	2 – 50
Leasehold improvements	5 – 20	Other plant and equipment	2 – 55

15. Property, plant and equipment (PPE) *continued*

Key accounting judgements

The group's property, plant and equipment, particularly the group's distribution assets, are critical to the running of the group's business. In assessing whether the costs incurred in a project on the group's assets are capital in nature, management must apply the following judgements:

- Whether the costs incurred are directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- Whether subsequent costs incurred represent an enhancement to existing assets or maintain the current operating capability of existing assets; and
- Whether overhead costs can be reasonably allocated to the construction or acquisition of an asset

Capital commitments

The estimated capital expenditure for PPE and software intangibles contracted for at balance date but not provided is \$111.7 million for the group (2024: \$138.1 million).

16. Leases

16.1 Right of use assets

	LAND, BUILDINGS AND IMPROVEMENTS \$M	OTHER PLANT AND EQUIPMENT \$M	TOTAL \$M
Carrying amount 30 June 2023	50.6	4.9	55.5
Cost	68.0	6.9	74.9
Accumulated depreciation	(17.4)	(2.0)	(19.4)
Additions	12.4	1.3	13.7
Disposals	(1.0)	(0.1)	(1.1)
Depreciation for the period	(8.0)	(1.8)	(9.8)
Carrying amount 30 June 2024	54.0	4.3	58.3
Cost	76.0	7.0	83.0
Accumulated depreciation	(22.0)	(2.7)	(24.7)
Additions	2.2	1.6	3.8
Disposals	(0.7)	(0.1)	(0.8)
Sale of discontinued operations	(10.5)	(0.7)	(11.2)
Depreciation for the period	(7.3)	(1.5)	(8.8)
Carrying amount 30 June 2025	37.7	3.6	41.3
Cost	62.0	7.6	69.6
Accumulated depreciation	(24.3)	(4.0)	(28.3)

16.2 Lease liabilities maturity analysis

	MINIMUM LEASE PAYMENTS \$M	INTEREST \$M	PRESENT VALUE \$M
Within one year	9.0	(3.0)	6.0
One to five years	29.2	(10.6)	18.6
Beyond five years	29.6	(2.7)	26.9
Total	67.8	(16.3)	51.5
Current portion			6.0
Non-current portion			45.5
Total			51.5

16. Leases *continued*

16.3 Lease expenses included in profit or loss	2025 \$M	2024 \$M
Short-term leases	–	0.1
Interest on leases	3.3	3.3

16.4 Lease cashflows included in statement of cash flows

	2025 \$M	2024 \$M
Total cash outflow in relation to leases	12.1	13.6

Policies

Right of use (“ROU”) assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, restoration obligations, and lease payments made at or before the commencement date less any lease incentives received.

ROU assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

Key accounting judgements

For leases with renewal options, management include one to all available renewal periods in the lease term if it is reasonably certain that the renewal option or options will be exercised. In making this judgement management consider the non-cancellable period of the lease, other leases or assets associated with the lease in question, and other economic factors such as availability of similar leases in the market and costs to identify and negotiate another lease if not renewed.

Several property leases in the group's portfolio of leases contain renewal options. The group has estimated the impact from potential future lease payments, should it exercise these extension options, to be an increase of \$31.5 million (2024: \$30.1 million) in the group's lease liability.

17. Investments**17.1 Investment in joint venture**

BLUECURRENT	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	EQUITY INTEREST HELD		
			2025	2024	
Bluecurrent Holdings NZ Limited	Metering services	New Zealand	50%	50%	
Bluecurrent Holdings (Australia) Pty Ltd	Metering services	Australia	50%	50%	
Movement in the carrying amount of joint venture			NOTE	2025 \$M	2024 \$M
Opening carrying value				684.2	727.4
Shareholder loans			28	(37.7)	(20.2)
Share of net profit/(loss) after tax				(21.1)	(24.9)
Share of other comprehensive income				(19.9)	1.9
Closing carrying value				605.5	684.2
Summary financial information				2025 \$M	2024 \$M
Summary information for Bluecurrent is not adjusted for the percentage ownership held by the Group (unless stated)					
Current assets				115.6	100.3
Non-current assets				2,746.4	2,678.8
Total assets				2,862.0	2,779.1
Current liabilities				40.4	50.5
Non-current liabilities				1,956.3	1,782.2
Total liabilities				1,996.7	1,832.7
Net assets (100%)				865.4	946.4
Group's share of net assets				432.7	473.2
Revenue				324.6	291.1
Depreciation and amortisation				(123.0)	(124.2)
Interest expense				(117.3)	(113.9)
Income tax (expense)/benefit				(3.6)	6.3
Net profit/(loss) after tax				(42.1)	(49.7)
Other comprehensive income				(39.0)	3.5
Total other comprehensive income				(81.1)	(46.2)
Included in the summary financial information above, Bluecurrent held cash and cash equivalents at 30 June 2025 of \$55.2 million (30 June 2024: \$51.4 million), and non-current financial liabilities excluding payables and provisions at 30 June 2025 of \$1,827.6 million (30 June 2024: \$1,644.7 million).					
				2025 \$M	2024 \$M
<i>Reconciliation of the carrying amount of the Group's investment in Bluecurrent:</i>					
Group's share of net assets				432.7	473.2
Add: Effect of translation on foreign operations				1.6	2.1
Add: Shareholder loans				171.2	208.9
Carrying value of investment in joint venture				605.5	684.2

17. Investments *continued***17.1 Investment in joint venture** *continued*

Policies	A joint venture is where Vector shares joint control over an entity or group of entities and has rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method.
Bluecurrent	Vector's interest in Bluecurrent consists of a 50% ownership of Bluecurrent Holdings NZ Limited and Bluecurrent Holdings (Australia) Pty Limited respectively which is jointly controlled with QIC Private Capital Pty Limited (QIC). Vector has assessed that the contractual arrangement governing Bluecurrent meets the criteria of a joint venture. Given the shares of Bluecurrent are stapled, disclosure has been consolidated.
Shareholder loans	The shareholder loans receivable from the joint venture are carried at amortised cost.

17.2 Investments in subsidiaries

Material entities and holding companies in the group are listed below.

	PRINCIPAL ACTIVITY	PERCENTAGE HELD	
		2025	2024
Trading subsidiaries			
Vector Investment Holdings Limited	Holding company	100%	100%
Vector MeterCo Limited	Holding company	100%	100%
Liquigas Limited	Bulk LPG storage, distribution, and management	–	60%
Vector Communications Limited	Telecommunications	100%	100%
Vector ESPS Trustee Limited	Trustee company	100%	100%
Vector Energy Solutions Limited	Holding company	100%	100%
Vector Energy Solutions (Australia) Pty Limited	Energy solutions services	100%	100%
E-Co Products Group Limited	Holding company	100%	100%
Cristal Air International Limited	Ventilation, heating and water systems sales and assembly	100%	100%
Vector Technology Solutions Limited	Technology services	100%	100%
Vector Auckland Property Limited	Assets holding company	100%	100%
Vector Northern Property Limited	Assets holding company	100%	100%
Equalise Cyber Security Limited (formerly VPS Pacific Limited)	Cyber security solutions	100%	100%
Vector Technology Solutions Holdings USA LLC	Holding company	100%	–
VTS USA LLC	Technology services	100%	–
Non-trading subsidiaries			
Vector Advanced Metering Assets (Australia) Limited	Investment company	100%	100%
Vector Gas Trading Limited	Holding company	100%	100%
Vector SPV No. 1 Limited (formerly On Gas Limited)	Holding company	100%	100%
Vector SPV No. 2 Limited (formerly PowerSmart NZ Limited)	Holding company	100%	100%

Policies	Subsidiaries are entities controlled directly or indirectly by the parent. Vector holds over 50% of the voting rights in all entities reported as subsidiaries. The financial statements of subsidiaries are consolidated into the group's financial statements. Intra-group balances and transactions between group subsidiary companies are eliminated on consolidation.
Overseas subsidiaries	All subsidiaries are incorporated in New Zealand, except for: <ul style="list-style-type: none"> — Vector Energy Solutions (Australia) Pty Limited, which is incorporated in Australia; and — Vector Technology Solutions Holdings USA LLC and VTS USA LLC, which are both incorporated in the United States of America.
Sale of subsidiaries	On 1 August 2025, the group sold its shares in E-Co Products Group Limited and its subsidiary Cristal Air International Limited.

18. Income tax expense/(benefit)

Reconciliation of income tax expense/(benefit) – continuing operations	NOTE	2025 \$M	2024 \$M
Profit/(loss) before income tax – continuing operations		241.2	173.3
Tax at current rate of 28%		67.5	48.5
<i>Current tax adjustments:</i>			
Share of net loss in joint ventures		5.9	7.0
Fair value movements		2.1	3.7
Impairment of goodwill		10.4	16.8
Other		1.2	0.3
(Over)/under provisions in prior periods		(3.3)	2.6
<i>Deferred tax adjustments:</i>			
Buildings depreciation adjustment		–	20.5
(Over)/under provisions in prior periods		2.7	(1.7)
Income tax expense/(benefit) – continuing operations		86.5	97.7
Comprising:			
Current tax		18.7	17.4
Deferred tax	19	67.8	80.3

Policies Income tax expense/(benefit) comprises current and deferred tax and is calculated using rates enacted or substantively enacted at balance date.

Current and deferred tax is recognised in profit or loss unless the tax relates to items in other comprehensive income, in which case the tax is recognised as an adjustment in other comprehensive income against the item to which it relates.

Income tax assets are not discounted, in line with the economic substance of the balance.

Income tax asset The current tax asset has accumulated from the prepayment of the group's tax liability and the group's previous policy of paying fully imputed dividends. Vector expects to realise the current tax asset through meeting obligations from future taxable profits. Vector has a legally enforceable right to use the tax asset to offset current tax payable.
As at 30 June 2025, Vector recognised a current income tax asset of \$19.6 million (2024: \$20.2 million) and a non-current income tax asset of \$69.0 million (2024: \$85.3 million).

Imputation credits There are no imputation credits available for use as at 30 June 2025 (2024: nil), as the imputation account has a debit balance as of that date.

Pillar Two Model Rules Vector is within the scope of the Organisation for Economic Co-operation and Development ("OECD") Pillar Two Model Rules ("Pillar Two"). Pillar Two legislation was enacted in New Zealand, the jurisdiction in which Vector Limited was incorporated, from 1 July 2025. For some entities within the group, such as subsidiaries in Australia, the Pillar Two rules came into effect from 1 July 2024.
The group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 *Income taxes* issued in May 2023.
Under Pillar Two legislation, the group is liable to pay a top-up tax if the effective tax rate ("ETR") per jurisdiction is below the 15% minimum rate. The group has assessed its exposure to the Pillar Two legislation in Australia and New Zealand. For the period ended 30 June 2025, the group's operations have satisfied the transitional safe harbour rules for all jurisdictions, and therefore no top-up tax exposure arises in Australia or New Zealand.

19. Deferred tax**Deferred tax liability/(asset)**

	PPE AND INTANGIBLES \$M	PROVISIONS AND ACCRUALS \$M	HEDGE RESERVES \$M	ROU ASSETS \$M	LEASE LIABILITIES \$M	OTHER \$M	TOTAL \$M
Balance at 30 June 2023	656.4	(4.9)	21.7	13.9	(15.7)	17.8	689.2
Recognised in profit or loss – continuing operations	78.7	1.0	–	–	(0.7)	1.3	80.3
Recognised in other comprehensive income	–	–	(11.5)	–	–	–	(11.5)
Deferred tax associated with discontinued operations	–	2.1	–	–	–	–	2.1
Balance at 30 June 2024	735.1	(1.8)	10.2	13.9	(16.4)	19.1	760.1
Recognised in profit or loss – continuing operations	70.4	(3.1)	–	0.8	(1.3)	1.0	67.8
Recognised in other comprehensive income	–	–	(14.5)	–	–	–	(14.5)
Deferred tax associated with discontinued operations	(1.8)	2.2	–	(3.1)	3.3	–	0.6
Balance at 30 June 2025	803.7	(2.7)	(4.3)	11.6	(14.4)	20.1	814.0

The group's deferred tax position is presented in the balance sheet as follows:

	2025 \$M	2024 \$M
Deferred tax asset	(0.1)	(2.1)
Deferred tax liability	814.1	762.2
Total	814.0	760.1

Policies**Deferred tax is:**

- Recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
- Not recognised for the initial recognition of goodwill.
- Measured at tax rates that are expected to be applied to the temporary differences when they reverse

20. Trade and other payables

	2025 \$M	2024 \$M
Current		
Trade payables	169.4	182.5
Employee benefits	17.3	18.1
Interest payable	19.7	22.5
Balance at 30 June	206.4	223.1

Employee benefits

Vector accrues employee benefits which remain unpaid or unused at balance date, and amounts expected to be paid under short-term incentive plans.

21. Provisions

	NOTE	DECOMMISSIONING \$M	PRODUCT WARRANTY \$M	OTHER \$M	TOTAL \$M
Balance at 30 June 2024		7.1	0.7	1.6	9.4
Additions		0.3	–	0.2	0.5
Impact of discounting	10	0.4	–	–	0.4
Payments		–	–	(0.7)	(0.7)
Reversed to profit or loss		–	(0.3)	(0.6)	(0.9)
Sale of discontinued operations		(7.8)	–	–	(7.8)
Balance at 30 June 2025		–	0.4	0.5	0.9
Comprising:					
Current		–	0.4	0.5	0.9
Non-current		–	–	–	–

Policies	The group recognises a provision when the group has a present obligation – legal or constructive – as a result of a past event, it is more likely than not that the resulting liability will be required to be settled, and the amount required to settle can be reliably estimated.
Decommissioning	<p>The decommissioning provisions represented the present value of the future expected costs for dismantling the depot assets of Liquigas Limited situated at various regions in New Zealand. Timing of economic outflows represented management's best estimate of the end of the useful life of the plant and associated assets.</p> <p>On 31 January 2025, Vector completed the sale of the group's 60.25% shareholding in Liquigas Limited. The decommissioning provision was included in the disposal group. Refer to note 6 for further details.</p>
Product warranty	The group provides for restatement costs and warranty claims on products sold or installed. Provisions are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience and subsequently revisited at each reporting date.
Other provisions	These provisions comprise amounts that may be required to be utilised within one year or a longer period dependent on ongoing negotiations with third parties involved. There are currently no foreseeable uncertainties which would be reasonably expected to lead to material changes in the amounts provided.

22. Fair values

	NOTE	MATERIAL OBSERVABLE INPUTS (LEVEL 2 INPUTS) 2025 \$M	MATERIAL UNOBSERVABLE INPUTS (LEVEL 3 INPUTS) 2025 \$M	MATERIAL OBSERVABLE INPUTS (LEVEL 2 INPUTS) 2024 \$M	MATERIAL UNOBSERVABLE INPUTS (LEVEL 3 INPUTS) 2024 \$M
Assets measured at fair value					
Derivative financial instruments	24	66.3	–	86.4	–
Investment in private equity		–	–	0.5	–
Contingent consideration	12	–	28.1	–	42.3
Balance at 30 June		66.3	28.1	86.9	42.3
Liabilities measured at fair value					
Derivative financial instruments	24	(143.9)	–	166.2	–
Balance at 30 June		(143.9)	–	166.2	–

Policies

The table above provides the fair value measurement hierarchy of the group's assets and liabilities that are measured at fair value.

The group estimates all fair values using the discounted cash flows method. All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; or

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); or

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Derivative financial instruments

Fair value is calculated using the discounted cash flow method, estimated using observable interest yield curves and/or foreign exchange market prices. The carrying values of the financial instruments are the fair values excluding any interest receivable or payable, which is separately presented in the balance sheet in other receivables or other payables.

Contingent consideration

Fair value is calculated using the discounted cash flow method. The group made assumptions on unobservable inputs including, amongst others, future raw gas volume from the Kapuni gas field, future LPG prices, future oil prices, foreign exchange rates, and an appropriate discount rate. Further details on the inputs are as follows:

- Future raw gas volume from the Kapuni gas field is based on published forecasts from the Ministry of Business, Innovation and Employment;
- Future LPG prices are based on an independent financial institution's commodity price forecasts;
- Future oil prices are based on S&P Capital IQ forecast data;
- Future natural gas prices are based on an independent expert's commodity price forecast;
- Future foreign exchange rates are based on an independent financial institution's foreign exchange rate forecasts; and
- Discount rate of 10.8% (2024: 11.0%), representing market discount rates as applicable to the remaining life of the Kapuni gas field.

22. Fair values *continued*

Description of material unobservable inputs

The table below summarises the material level 3 unobservable inputs used by the group in measuring fair values and related sensitivity analyses.

2025	MATERIAL UNOBSERVABLE INPUTS	RANGE AND ESTIMATES	SENSITIVITY OF VALUATION TO CHANGES IN INPUTS			
			LOW	VALUATION IMPACT \$M	HIGH	VALUATION IMPACT \$M
Contingent consideration	Discount rate	10.8%	+1.0%	-0.8	+1.0%	+0.9
	Future raw gas volume	98PJ	-2PJ per annum	-5.9	+2PJ per annum	+5.1
	LPG pricing (long-term)	US\$490/tonne	-US\$50/tonne	-2.1	+US\$50/tonne	+2.1
	Oil pricing (long-term)	US\$76/barrel	-US\$7/barrel	-2.0	+US\$7/barrel	+2.0

2024	MATERIAL UNOBSERVABLE INPUTS	RANGE AND ESTIMATES	SENSITIVITY OF VALUATION TO CHANGES IN INPUTS			
			LOW	VALUATION IMPACT \$M	HIGH	VALUATION IMPACT \$M
Contingent consideration	Discount rate	11.0%	-1.0%	-1.3	+1.0%	+1.4
	Future raw gas volume	136PJ	-2PJ per annum	-7.3	+2PJ per annum	+6.7
	LPG pricing (long-term)	US\$485/tonne	-US\$50/tonne	-3.7	+US\$50/tonne	+3.7
	Oil pricing (long-term)	US\$83/barrel	-US\$7/barrel	-2.6	+US\$7/barrel	+2.6

23. Borrowings

2025	CURRENCY	MATURITY DATE	FACE VALUE \$M	UNAMORTISED COSTS \$M	FAIR VALUE ADJUSTMENT ON HEDGED RISK \$M	CARRYING VALUE \$M	FAIR VALUE \$M
Bank facilities – floating rate	NZD	Jul 2026 – Feb 2028	205.0	(0.9)	–	204.1	205.1
Capital bonds – fixed rate	NZD	–	307.2	(0.8)	–	306.4	323.2
Wholesale bonds – fixed rate	NZD	Oct 2026	170.0	(0.1)	–	169.9	166.2
Senior notes – fixed rate	USD	Oct 2027 – Mar 2035	1,212.9	(2.3)	(66.1)	1,144.5	1,208.8
Senior bonds – fixed rate	NZD	Nov 2027	225.0	(0.3)	(0.5)	224.2	225.8
Balance at 30 June			2,120.1	(4.4)	(66.6)	2,049.1	2,129.1

2024	CURRENCY	MATURITY DATE	FACE VALUE \$M	UNAMORTISED COSTS \$M	FAIR VALUE ADJUSTMENT ON HEDGED RISK \$M	CARRYING VALUE \$M	FAIR VALUE \$M
Bank facilities – floating rate	NZD	Jul 2024 – Jul 2026	–	(0.3)	–	(0.3)	–
Capital bonds – fixed rate	NZD	–	307.2	(1.1)	–	306.1	316.5
Wholesale bonds – fixed rate	NZD	Oct 2026	170.0	(0.1)	–	169.9	157.0
Senior notes – fixed rate	USD	Oct 2027 – Mar 2035	1,212.9	(2.7)	(118.7)	1,091.5	1,159.7
Senior bonds – fixed rate	NZD	May 2025 – Nov 2027	475.0	(1.0)	(2.7)	471.3	460.3
Balance at 30 June			2,165.1	(5.2)	(121.4)	2,038.5	2,093.5

Policies

Borrowings are initially recorded at fair value, net of transaction costs. After initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in interest costs in profit or loss over the period of the borrowing using the effective interest rate method.

The carrying value of borrowings includes the principal converted at contract rates (face value), unamortised costs and a fair value adjustment for the component of the risk that is hedged. The fair value is calculated by discounting the future contractual cash flows at current market interest rates that are available for similar financial instruments. The fair value of all borrowings, calculated for disclosure purposes, are classified as level 2 on the fair value hierarchy.

23. Borrowings *continued*

Bank facilities	New floating rate bank facilities were added as part of our debt management activities.			
Capital bonds	Capital bonds of \$307.2 million are perpetual subordinated bonds with the next election date set as 15 June 2027. The interest rate was fixed at 6.23% at the previous election date of 15 June 2022.			
Wholesale bonds	Wholesale bonds of \$170.0 million with a fixed rate of 1.575% maturing in October 2026.			
Senior bonds	Senior bonds of \$225.0 million with a fixed rate of 3.69% maturing in November 2027. In May 2025, the group repaid \$250.0 million of senior bonds.			
Senior notes	The tranches of USD denominated senior notes and the corresponding NZD values are shown below:			
	Date issued	NZ \$M	US \$M	Date of Maturity
	March 2020	573.9	360.0	October 2032
		223.2	140.0	October 2035
	October 2017	277.2	200.0	October 2027
		138.6	100.0	October 2029
Covenants	All borrowings are unsecured and are subject to negative pledge arrangements. Under the terms of its borrowing arrangements, the group is subject to various lending covenants. The key covenants include interest coverage and debt to equity gearing. The group was in compliance with all covenant requirements for the years ended 30 June 2025 and 30 June 2024.			

24. Derivatives and hedge accounting

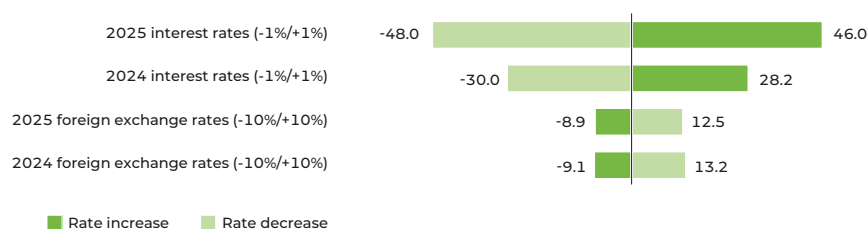
	CASH FLOW HEDGES		FAIR VALUE HEDGES		COST OF HEDGING		TOTAL	
	2025 \$M	2024 \$M	2025 \$M	2024 \$M	2025 \$M	2024 \$M	2025 \$M	2024 \$M
Derivative assets								
Cross currency swaps	-	-	57.2	39.6	(3.0)	(4.0)	54.2	35.6
Interest rate swaps	11.9	50.7	-	-	-	-	11.9	50.7
Forward exchange contracts	0.2	0.1	-	-	-	-	0.2	0.1
Total	12.1	50.8	57.2	39.6	(3.0)	(4.0)	66.3	86.4
Derivative liabilities								
Cross currency swaps	27.1	30.7	(146.8)	(183.1)	(9.3)	(8.6)	(129.0)	(161.0)
Interest rate swaps	(14.1)	(2.0)	(0.5)	(2.7)	-	-	(14.6)	(4.7)
Forward exchange contracts	(0.3)	(0.5)	-	-	-	-	(0.3)	(0.5)
Total	12.7	28.2	(147.3)	(185.8)	(9.3)	(8.6)	(143.9)	(166.2)

Key observable market data for fair value measurement

	2025	2024
Foreign currency exchange (FX) rates as at 30 June		
NZD-USD FX rate	0.6096	0.6086
Interest rate swap rates		
NZD	3.16% to 4.08%	4.44% to 5.63%
USD	3.40% to 4.33%	3.96% to 5.33%

Sensitivity to changes in market rates

The graphs below illustrate the impact on derivative valuations of possible changes in interest rates and foreign exchange rates, assuming all other variables are held constant.

Impact on comprehensive income**Impact on profit or loss**

24. Derivatives and hedge accounting *continued*

Policies

Vector initially recognises derivatives at fair value on the date the derivative contract is entered into, and subsequently they are re-measured to their fair value at each balance date. All derivatives are classified as level 2 on the fair value hierarchy explained in note 22.

Vector designates certain derivatives as either:

- Fair value hedges (of the fair value of recognised assets or liabilities or firm commitments); or
- Cash flow hedges (of highly probable forecast transactions).

At inception each transaction is documented, detailing:

- The economic relationship and the hedge ratio between hedging instruments and hedged items;
- The risk management objectives and strategy for undertaking the hedge transaction; and
- The assessment (initially and on an ongoing basis) of whether the derivatives that are used in the hedging transaction are highly effective in offsetting changes in fair values or cash flows of hedged items.

The underlying risk of the derivative contracts is identical to the hedged risk component (i.e. the interest rate risk and the foreign exchange risk) therefore the group has established a one-to-one hedge ratio. Effectiveness is assessed by comparing the changes of the hedged items and hedging instruments.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting.

Fair value hedges

Vector has entered into cross currency interest rate swaps and interest rate swaps (the hedging instruments) to hedge the interest rate risk and foreign currency risk (the hedged risk) arising in relation to its USD senior notes and NZD senior bonds (the hedged items). These transactions have been designated into fair value hedges.

The following are recognised in profit or loss:

- The change in fair value of the hedging instruments; and
- The change in fair value of the underlying hedged items attributable to the hedged risk.

Once hedging is discontinued, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised through profit or loss from that date through to maturity of the hedged item.

Cash flow hedges

Vector has entered into interest rate swaps and cross currency interest rate swaps (the hedging instruments) to hedge the variability in cash flows arising from interest rate and foreign currency exchange rate movements in relation to its NZD floating rate notes and USD senior notes.

The effective portion of changes in the fair value of the hedging instruments are recognised in other comprehensive income.

The following are recognised in profit or loss:

- any gain or loss relating to the ineffective portion of the hedging instrument; and
- fair value changes in the hedging instrument previously accumulated in other comprehensive income, in the periods when the hedged item is recognised in profit or loss.

Once hedging is discontinued, any cumulative gain or loss previously recognised in other comprehensive income is recognised in profit or loss either:

- at the same time as the forecast transaction; or
- immediately if the transaction is no longer expected to occur.

Market rate sensitivity

All derivatives are measured at fair value. A change in the market data used to determine fair value will have an impact on Vector's financial statements.

The graphs on the previous page show the sensitivity of the financial statements to a range of possible changes in market data at balance date.

**24. Derivatives and hedge
accounting** *continued*

	2025 \$M		2024 \$M	
	DERIVATIVES POSITION AS PER BALANCE SHEET	AMOUNT AFTER APPLYING RIGHTS OF OFFSET UNDER ISDA AGREEMENTS	DERIVATIVES POSITION AS PER BALANCE SHEET	AMOUNT AFTER APPLYING RIGHTS OF OFFSET UNDER ISDA AGREEMENTS
Derivative assets	66.3	12.4	86.4	28.6
Derivative liabilities	(143.9)	(90.0)	(166.2)	(108.4)
Net amount	(77.6)	(77.6)	(79.8)	(79.8)

Rights to offset

Vector enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master agreements. The ISDA agreements do not meet the criteria for offsetting in the balance sheet for accounting purposes. This is because Vector does not have any currently legally enforceable right to offset recognised amounts. Under the ISDA agreements the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other credit events. The potential net impact of this offsetting is disclosed in column 'amount after applying rights of offset under ISDA agreements'. Vector does not hold and is not required to post collateral against its derivative positions.

24. Derivatives and hedge accounting *continued*

24.1 Effects of hedge accounting on the financial position and performance

The tables below demonstrate the impact of hedged items and the hedging instruments designated in hedging relationships:

- The NZD floating rate exposure includes \$1,030.0 million arising from hedging the USD senior bonds (2024: \$910.0 million) as allowable under NZ IFRS 9 *Financial Instruments*;
- The fixed rate interest rate swaps include \$695.0 million of forward starting swaps (2024: \$410.0 million).

2025	FACE VALUE \$M	WEIGHTED AVERAGE RATE	ACCUMULATED FAIR VALUE HEDGE ADJUSTMENTS \$M	CARRYING AMOUNT ASSETS/ (LIABILITIES) \$M	CHANGE IN FAIR VALUE USED FOR MEASURING INEFFECTIVENESS – CASHFLOW HEDGE \$M	CHANGE IN FAIR VALUE USED FOR MEASURING INEFFECTIVENESS – FAIR VALUE HEDGE \$M	HEDGING (GAIN) OR LOSS RECOGNISED IN CASH FLOW HEDGE RESERVE \$M	(GAIN) OR LOSS RECOGNISED IN COST OF HEDGING \$M
Cash flow hedge – Interest risk								
Hedged item: NZD floating rate exposure on borrowings	(1,235.0)		–	–	(2.3)	–	–	–
Hedging instrument: Fixed rate interest rate swaps	(1,930.0)	3.0%	–	(2.3)	(2.3)	–	50.9	–
Cash flow and fair value hedge – Interest and exchange risks								
Hedged item: USD fixed rate exposure on borrowings	(1,212.9)		–	(1,144.4)	22.5	(54.0)	–	–
Hedging instrument: Cross currency swaps	(1,212.9)	floating	66.1	(74.8)	27.1	54.0	1.6	0.2
Fair value hedge – Interest risk								
Hedged item: NZD fixed rate exposure on borrowings	(50.0)		0.5	–	–	(2.2)	–	–
Hedging instrument: Interest rate swap	(50.0)	floating	–	(0.5)	–	2.2	–	–
				Ineffectiveness	4.6	–		

24. Derivatives and hedge accounting *continued*

24.1 Effects of hedge accounting on the financial position and performance *continued*

2024	FACE VALUE \$M	WEIGHTED AVERAGE RATE	ACCUMU- LATED FAIR VALUE HEDGE ADJUST- MENTS \$M	CARRYING AMOUNT ASSETS/ (LIABILITIES) \$M	CHANGE IN FAIR VALUE USED FOR MEASURING INEFFECTIVE- NESS – CASHFLOW HEDGE \$M	CHANGE IN FAIR VALUE USED FOR MEASURING INEFFECTIVE- NESS – FAIR VALUE HEDGE \$M	HEDGING (GAIN) OR LOSS RECOGNISED IN CASH FLOW HEDGE RESERVE \$M	(GAIN) OR LOSS RECOGNISED IN COST OF HEDGING \$M
Cash flow hedge – Interest risk								
Hedged item:								
NZD floating								
rate exposure on								
borrowings								
	(910.0)		-	-	48.7	-	-	-
Hedging instrument:								
Fixed rate Interest								
rate swaps								
	(1,320.0)	2.5%	-	48.7	48.7	-	35.1	-
Cash flow and fair value hedge – Interest and exchange risks								
Hedged item: USD								
fixed rate exposure								
on borrowings								
	(1,212.9)		-	(1,091.5)	25.4	(2.1)	-	-
Hedging instrument:								
Cross currency swaps								
	(1,212.9)	floating	118.7	(125.4)	30.7	2.9	(0.6)	(6.6)
Fair value hedge – Interest risk								
Hedged item: NZD								
fixed rate exposure								
on borrowing								
	(50.0)		2.7	-	-	(1.0)	-	-
Hedging instrument:								
Interest rate swap								
	(50.0)	floating	-	(2.7)	-	1.0	-	-
			Ineffectiveness		5.3	0.8		

Hedging instruments and hedged items are included in the line items “Derivatives” and “Borrowings” respectively in the balance sheet. The source of ineffectiveness is largely due to counterparty credit risk on the derivative instruments. Hedge ineffectiveness is included in the “Fair value change on financial instruments” in the profit or loss. Please refer to the asset and liability positions of the hedging instruments in Note 24 derivatives and hedge accounting table above.

24.2 Fair value changes on financial instruments

	NOTE	2025 \$M	2024 \$M
Recognised in profit or loss			
Fair value movement on hedging instruments		56.2	3.9
Fair value movement on hedged items		(56.2)	(3.1)
Ineffectiveness from cash flow hedge relationships		(0.7)	0.4
Fair value change on contingent consideration	12	(7.8)	(13.2)
Total gains/(losses)		(8.5)	(12.0)

24. Derivatives and hedge accounting *continued*

24.3 Reconciliation of changes in hedge reserves

Hedge reserves 2025	CASHFLOW HEDGE RESERVE \$M	COST OF HEDGING \$M	TOTAL \$M
Opening balance	(35.3)	9.1	(26.2)
Hedging gains or losses recognised in OCI – Interest rate swaps	24.5	–	24.5
Hedging gains or losses recognised in OCI – Cross currency swaps	41.7	(0.2)	41.5
Hedging gains or losses recognised in OCI – Forward exchange contracts	(0.2)	–	(0.2)
Transferred to profit or loss – Interest rate swaps	26.4	–	26.4
Transferred to profit or loss – Cross currency swaps	(40.1)	–	(40.1)
Recognised as basis adjustment to non-financial assets	(0.2)	–	(0.2)
Deferred tax on change in reserves	(14.6)	0.1	(14.5)
Closing balance	2.2	9.0	11.2

Hedge reserves 2024	CASH FLOW HEDGE RESERVE \$M	COST OF HEDGING \$M	TOTAL \$M
Opening balance	(60.0)	4.3	(55.7)
Hedging gains or losses recognised in OCI – Interest rate swaps	(6.3)	–	(6.3)
Hedging gains or losses recognised in OCI – Cross currency swaps	38.6	6.6	45.2
Hedging gains or losses recognised in OCI – Forward exchange contracts	0.4	–	0.4
Transferred to profit or loss – Interest rate swaps	41.5	–	41.5
Transferred to profit or loss – Cross currency swaps	(39.1)	–	(39.1)
Recognised as basis adjustment to non-financial assets	(0.7)	–	(0.7)
Deferred tax on change in reserves	(9.7)	(1.8)	(11.5)
Closing balance	(35.3)	9.1	(26.2)

25. Financial risk management

Risk management framework Vector has a comprehensive treasury policy, approved by the board, to manage financial risks arising from business activity. The policy outlines the objectives and approach that the group applies to manage:

- Interest rate risk;
- Credit risk;
- Liquidity risk;
- Foreign exchange risk; and
- Funding risk.

For each risk type, any position outside the policy limits requires the prior approval of the board. Each risk is monitored on a regular basis and reported to the board.

25.1 Interest rate risk

Interest rate exposure 2025	< 1 YEAR \$M	1 - 2 YEARS \$M	2 - 5 YEARS \$M	> 5 YEARS \$M	TOTAL \$M
Interest rate exposure: borrowings	205.0	477.2	640.8	797.1	2,120.1
Derivative contracts:					
Interest rate swaps	(1,160.0)	10.0	840.0	310.0	–
Cross currency swaps	1,212.9	–	(415.8)	(797.1)	–
Net interest rate exposure	257.9	487.2	1,065.0	310.0	2,120.1

Interest rate exposure 2024	< 1 YEAR \$M	1 - 2 YEARS \$M	2 - 5 YEARS \$M	> 5 YEARS \$M	TOTAL \$M
Interest rate exposure: borrowings	250.0	–	979.4	935.7	2,165.1
Derivative contracts:					
Interest rate swaps	(850.0)	300.0	170.0	380.0	–
Cross currency swaps	1,212.9	–	(277.2)	(935.7)	–
Net interest rate exposure	612.9	300.0	872.2	380.0	2,165.1

Policies

Vector is exposed to interest rate risk through its borrowing activities.

Interest rate exposures are managed primarily by entering into derivative contracts. The main objectives are to minimise the cost of total borrowings, control variations in the interest expense of the borrowings from year to year, and where practicable to match the interest rate risk profile of the borrowings with the risk profile of the group's assets.

The board has set and actively monitors maximum and minimum limits for the net interest rate exposure profile.

25.2 Credit risk

Policies

Credit risk represents the risk of cash flow losses arising from counterparty defaults. Vector is exposed to credit risk in the normal course of business from:

- Trade receivable transactions with business and mass market residential customers; and
- Financial instruments transactions with financial institutions.

The carrying amounts of financial assets represent the group's maximum exposure to credit risk.

The group has credit policies in place to minimise the impact of exposure to credit risk and associated financial losses:

- The board must approve placement of cash, short-term cash deposits or derivatives with financial institutions whose credit rating is less than A+. As at 30 June 2025, all financial instruments are held with financial institutions with credit rating above A+;
- The board sets limits and monitors exposure to financial institutions; and
- Exposure is spread across a range of financial institutions. Where we deem there is credit exposure to energy retailers and customers, the group minimises its risk by performing credit evaluations and/or requiring a bond or other form of security.

25. Financial risk management*continued***25.3 Liquidity risk**

Contractual cash flows maturity profile 2025	PAYABLE <1 YEAR \$M	PAYABLE 1-2 YEARS \$M	PAYABLE 2-5 YEARS \$M	PAYABLE >5 YEARS \$M	TOTAL CONTRACTUAL CASH FLOWS \$M
Non-derivative financial liabilities					
Trade payables	169.4	-	-	-	169.4
Contract liabilities	0.7	1.6	-	-	2.3
Lease liabilities	9.0	10.2	19.0	29.6	67.8
Borrowings: interest	71.3	68.0	90.2	62.6	292.1
Borrowings: principal	205.0	477.2	717.1	820.2	2,219.5
Derivative financial (assets)/liabilities					
Cross currency swaps: inflow	(39.2)	(39.1)	(578.2)	(882.9)	(1,539.4)
Cross currency swaps: outflow	62.1	62.3	581.0	931.9	1,637.3
Forward exchange contracts: inflow	(14.8)	(1.0)	(0.3)	-	(16.1)
Forward exchange contracts: outflow	14.8	1.1	0.3	-	16.2
Net settled derivatives					
Interest rate swaps	(4.4)	2.8	4.8	(0.3)	2.9
Group contractual cash flows	473.9	583.1	833.9	961.1	2,852.0

Contractual cash flows maturity profile 2024	PAYABLE <1 YEAR \$M	PAYABLE 1-2 YEARS \$M	PAYABLE 2-5 YEARS \$M	PAYABLE >5 YEARS \$M	TOTAL CONTRACTUAL CASH FLOWS \$M
Non-derivative financial liabilities					
Trade payables	182.5	-	-	-	182.5
Contract liabilities	2.2	3.5	1.1	-	6.8
Lease liabilities	11.1	13.3	22.5	47.6	94.5
Borrowings: interest	77.9	69.4	133.5	87.6	368.4
Borrowings: principal	250.0	-	1,030.8	985.9	2,266.7
Derivative financial (assets)/liabilities					
Cross currency swaps: inflow	(39.4)	(39.3)	(429.2)	(1,073.5)	(1,581.4)
Cross currency swaps: outflow	89.5	79.1	471.3	1,126.6	1,766.5
Forward exchange contracts: inflow	(16.2)	-	-	-	(16.2)
Forward exchange contracts: outflow	16.7	-	-	-	16.7
Net settled derivatives					
Interest rate swaps	(29.6)	(17.5)	(4.9)	(0.6)	(52.6)
Group contractual cash flows	544.7	108.5	1,225.1	1,173.6	3,051.9

Contractual cash flows

The above table shows the timing of non-discounted cash flows for all financial instrument liabilities and derivatives.

The cash flows for bank facilities, included in borrowings, are disclosed on the basis of their contractual repayment terms for the individual drawdowns.

The cash flows for capital bonds, included in borrowings, are disclosed as payable within 1-2 years as the next election date set for the capital bonds is 15 June 2027 (2024: 2-5 years) and the bonds have no contractual maturity date.

25. Financial risk management*continued***25.3 Liquidity risk** *continued*

Policies

Vector is exposed to liquidity risk where there is a risk that the group may encounter difficulty in meeting its day to day obligations due to the timing of cash receipts and payments.

The objective is to ensure that adequate liquid assets and funding sources are available at all times to meet both short-term and long-term commitments. The board has set a minimum headroom requirement for committed facilities over Vector's anticipated 18-month peak borrowing requirement.

At balance date, Vector has access to undrawn funds of \$435.0 million (2024: \$575.0 million).

25.4 Foreign exchange risk

Policies

Vector is exposed to foreign exchange risk through its borrowing activities, and foreign currency denominated expenditure.

Foreign exchange exposure is primarily managed through entering into derivative contracts. The board requires that all material foreign currency borrowings and expenditure are hedged into NZD at the time of commitment to drawdown or when the exposure is highly probable. Hence, at balance date there is no material exposure to foreign currency risk.

25.5 Funding risk

Policies

Funding risk is the risk that Vector will have difficulty refinancing or raising new debt on comparable terms to existing facilities. The objective is to spread the concentration of risk so that if an event occurs the overall cost of funding is not unnecessarily increased. Details of borrowings are shown in note 23.

The board has set the maximum amount of debt that may mature in any one financial year.

26. Cash flows**26.1 Reconciliation of net profit/
(loss) to net cash flows from/
(used in) operating activities**

Reconciliation of net profit/(loss) to net cash flows from/(used in) operating activities including discontinued operations	NOTE	2025 \$M	2024 \$M
Net profit/(loss) for the period		167.7	91.0
Items not associated with operating activities:			
Gain on sale of discontinued operations classified as investing activities		(3.9)	-
Cost to sell of discontinued operations		(1.4)	-
Contingent consideration associated with investing activities	12	(10.8)	(11.4)
PPE items associated with investing activities		8.6	(4.7)
Movements in emission units associated with investing activities		(7.4)	0.8
Lease liabilities items associated with financing activities		(0.4)	(0.3)
		(15.3)	(15.6)
Non-cash items:			
Depreciation and amortisation		233.0	230.8
Non-cash portion of interest costs (net)		(1.4)	(17.0)
Fair value change on financial instruments	24.2	8.5	12.0
Share of net profit/(loss) in joint ventures		21.1	24.9
Impairment of assets and goodwill		37.0	60.6
Increase/(decrease) in deferred tax		68.4	82.4
Non-cash movements in provisions		-	0.3
Other non-cash items		(1.3)	(1.0)
		365.3	393.0
Changes in assets and liabilities:			
Trade and other payables		(16.7)	(46.2)
Provisions		(8.5)	(17.1)
Contract liabilities		(22.3)	(3.0)
Contract assets		11.8	(12.4)
Inventories		14.9	(5.3)
Trade and other receivables		2.1	42.7
Income tax		16.2	18.0
		(2.5)	(23.3)
Net cash flows from/(used in) operating activities including discontinued operations		515.2	445.1

26. Cash flows *continued***26.2 Reconciliation of movement of liabilities to cash flows arising from financing activities**

Reconciliation of movement of liabilities to cash flows arising from financing activities	LEASE LIABILITIES	BORROWINGS	DERIVATIVES	TOTAL
Balance at 1 July 2024	68.1	2,038.5	79.8	2,186.4
Net repayments	-	(45.0)	-	(45.0)
Lease liabilities payments	(8.4)	-	-	(8.4)
Financing cash flows	(8.4)	(45.0)	-	(53.4)
Fair value changes	-	54.9	(2.2)	52.7
Borrowing fees paid	-	(3.7)	-	(3.7)
Amortisation of borrowing costs	-	4.4	-	4.4
ROU asset additions	3.8	-	-	3.8
ROU asset disposals	(12.5)	-	-	(12.5)
Other	0.5	-	-	0.5
As at 30 June 2025	51.5	2,049.1	77.6	2,178.2

27. Equity**27.1 Share Capital**

Shares

The total number of authorised and issued shares is 1,000,000,000 (2024: 1,000,000,000).

All ordinary issued shares are fully paid, have no par value and carry equal voting rights and equal rights to a surplus on winding up of the parent.

At balance date 26,343 shares (2024: 26,343) are allocated to the employee share purchase scheme.

27.2 Capital Management

Policies

Vector's objectives in managing capital are:

- To safeguard the ability of entities within the group to continue as a going concern;
- To provide an adequate return to shareholders by pricing products and services commensurate with the level of risk; and
- Maintain an investment grade credit rating

Vector manages and may adjust its capital structure in light of changes in economic conditions and for the risk characteristics of the underlying assets. To achieve this Vector may:

- Adjust its dividend policy;
- Return capital to shareholders; or
- Sell assets to reduce debt.

27. Equity *continued***27.3 Financial ratios**

	2025 \$M	2024 \$M
Basic and diluted earnings per share		
Net profit from continuing operations attributable to owners of the parent	154.7	75.6
Net profit from discontinued operation attributable to owners of the parent	11.8	13.0
Net profit attributable to owners of the parent	166.5	88.6
Weighted average ordinary shares outstanding during the period (number of shares)	999,973,657	999,973,657
Earnings per share from continuing operations	15.5 cents	7.6 cents
Earnings per share from discontinued operations	1.2 cents	1.3 cents
Total earnings per share	16.7 cents	8.9 cents
Net tangible assets per share		
	2025 \$M	2024 \$M
Net assets attributable to owners of the parent	3,600.9	3,761.5
Less total intangible assets	(1,051.9)	(1,139.7)
Total net tangible assets	2,549.0	2,621.8
Ordinary shares outstanding (number of shares)	999,973,657	999,973,657
Net tangible assets per share	254.9 cents	262.2 cents
Economic net debt to economic net debt plus adjusted equity ratio ("gearing ratio")		
	2025 \$M	2024 \$M
Face value of borrowings	2,120.1	2,165.1
Lease liabilities	51.5	68.1
Less cash and cash equivalents and deposits	(23.3)	(104.6)
Economic net debt	2,148.3	2,128.6
Total equity	3,600.9	3,776.7
Adjusted for hedge reserves	11.2	(26.2)
Adjusted equity	3,612.1	3,750.5
Economic net debt plus adjusted equity	5,760.5	5,879.1
Gearing ratio	37.3%	36.2%

Economic net debt

Economic net debt is defined as 'face value of borrowings and lease liabilities, less cash and cash equivalents and deposits'.

27.4 Reserves

Hedge reserves

Hedge reserves comprise the cash flow hedge reserve and cost of hedging.

The cash flow hedge reserve records the effective portion of changes in the fair value of derivatives that are designated as cash flow hedges.

The gain or loss relating to the ineffective portion of the hedge is recorded in profit or loss within interest costs (net).

During the year, a \$13.7 million gain (2024: \$2.4 million loss) was transferred from the cash flow hedge reserve to interest expense.

Cost of hedging records the change in the fair value of the cost to convert foreign currency into New Zealand dollars as required under NZ IFRS 9.

Other reserves

Other reserves comprise:

- A share-based payment reserve relating to the employee share purchase scheme. When shares are vested to the employee, the reserve is offset with a reduction in treasury shares.
- A foreign currency translation reserve to record exchange differences arising from the translation of the group's foreign operations.
- A reserve to record the fair value movements in the group's investments in financial assets.

Independent Auditor's Report

To the shareholders of Vector Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated balance sheet as at 30 June 2025;
- the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying Company and banking group consolidated financial statements of Vector Limited (the Company) and its subsidiaries (the Group) on pages 58 to 103 presents fairly in all material respects:

- the Group's financial position as at 30 June 2025 and its financial performance and cash flows for the year ended on that date;
- in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Vector Limited in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standard 1 and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has provided other services to the Group in relation to the review of interim financial statements, regulatory assurance over climate related disclosures and other assurance and agreed upon procedures engagements, compliance services in relation to R&D tax credits and providing a whistleblower hotline. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at \$12 million determined with reference to a benchmark of the Group's profit before tax. We chose the benchmark because, in our view, this is a key measure of the Group's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion.

Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter

How the matter was addressed in our audit

Capitalisation and asset lives (Property, plant and equipment of \$4,807.9 million, Software of \$58.2 million, with additions during the year of \$476.2 million). Refer to Notes 14 and 15 of the financial statements.

Capitalisation of costs and useful lives assigned to these assets are a key audit matter due to the significance of property, plant and equipment and software to the group's business, and due to the judgement involved in determining the carrying value of these assets, principally:

- the decision to capitalise or expense costs relating to the electricity and gas distribution networks. This decision depends on whether the expenditure is considered to enhance the network (and is therefore capital), or to maintain the current operating capability of the network (and is therefore an expense). There is also judgement when estimating the extent of recovering internal salary costs, particularly within digital projects; and
- the estimation of the useful life of the asset once the costs are capitalised. Estimated lives range between 2 and 70 years, resulting from the diversity of property, plant and equipment and software assets across a portfolio of businesses. There is also judgement when estimating asset lives due to the uncertainty of the impact of technological change.

Our audit procedures in this area included, among others:

- examining the operating effectiveness of controls related to the approval of capital projects;
- assessing the nature of capitalised costs by checking a sample of costs to invoice to determine whether the description of the expenditure met the capitalisation criteria in the relevant accounting standards;
- assessing the useful lives stated in the accounting policies of the group by comparing to industry benchmarks and our knowledge of the business and its operations; and
- assessing whether the useful lives of each individual asset capitalised in the current period was within the stated policies.

We found no material errors in the nature and amount capitalised in the period and that the estimated useful lives of assets were within an acceptable range when compared to those used in the industry.

The key audit matter

How the matter was addressed in our audit

Impairment assessment of the goodwill allocated to the Electricity distribution and Gas distribution cash generating units (\$953.1 million).

Refer to Note 14 of the financial statements.

We considered the impairment assessment of the Electricity distribution and Gas distribution cash generating units to be a key audit matter due to the significance of goodwill (\$953.1 million) to the financial position of the group, the recognition of an impairment of \$37 million in connection with the gas distribution cash generating unit and the significant judgement used to estimate future pricing of the regulated revenue streams beyond the timeframe of the current Commerce Commission regulatory price paths.

Our audit procedures in this area included, among others:

- assessing whether the methodology adopted in the discounted cash flow models was consistent with accepted valuation approaches of NZ IAS 36 Impairment of Assets and within the energy industry;
- evaluating the significant future cash flow assumptions by comparing to historical trends, budgets and where applicable, Asset Management Plans, and regulatory pricing models;
- comparing the discount rates applied to the estimated future cash flows and the terminal growth rates to relevant benchmarks using our own valuation specialists;
- challenging the above assumptions and judgements by performing sensitivity analysis, considering a range of likely outcomes based on various scenarios;
- calculating the regulated asset base ('RAB') multiple implied by valuation of the respective cash generating unit and comparing this to the range of RAB multiples observed in the marketplace; and
- comparing the group's net assets as at 30 June 2025 to its market capitalisation at 30 June 2025.

We found the methodology to be consistent with industry norms, specifically:

- the discount and terminal growth rates were in an acceptable industry range;
- future cash flow assumptions were supported by comparison to the sources we considered above; and
- the overall comparison of the group's net assets to market capitalisation did not indicate an impairment.

Other information

The directors, on behalf of the Group, are responsible for the other information. The other information comprises information included in the entity's Annual Report, Climate Related Disclosures Report and Greenhouse Gas Emissions Inventory Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated.

If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the shareholders for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of directors for the consolidated financial statements

The directors, on behalf of the Group, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability of the Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.



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

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Matthew Diprose.

For and on behalf of:

KPMG

Auckland

22 August 2025

Statutory Information



Statutory information

Interests register

Each company in the group is required to maintain an interests register in which the particulars of certain transactions and matters involving the directors must be recorded. The interests registers for Vector Limited and its subsidiaries are available for inspection at their registered offices.

Particulars of entries in the interests registers as at 30 June 2025 are set out in this Statutory Information section.

Information used by directors

During the financial year there were no notices from directors of Vector Limited, or any subsidiary, requesting to use information received in their capacity as a director which would not otherwise have been available to them.

Indemnification and insurance of directors and officers

As permitted by the constitution and the Companies Act 1993, Vector Limited has indemnified its directors, and those directors who are directors of subsidiaries against potential liabilities and costs they may incur for acts or omissions in their capacity as directors. In addition, Vector Limited has indemnified certain senior employees against potential liabilities and costs they may incur for acts or omissions in their capacity as employees of Vector Limited, or directors of Vector subsidiaries or associates.

During the financial year, Vector Limited paid insurance premiums in respect of directors and certain senior employees' liability insurance which covers risks normally covered by such policies arising out of acts or omissions of directors and employees in their capacity as such. Insurance is not provided for criminal liability or liability or costs in respect of which an indemnity is prohibited by law.

Donations

Vector Limited made donations of \$10,000 during the year ended 30 June 2025. Subsidiaries of Vector Limited made donations of \$23,000 during the year ended 30 June 2025. Vector does not make political donations, these amounts represent donations to charitable organisations.

Credit rating

At 30 June 2025 Vector Limited had a Standard & Poor's credit rating of BBB+.

NZX regulation waivers and rulings

Vector has not relied on any new waivers or rulings in the year ended 30 June 2025. Vector continues to rely on waivers and rulings granted by NZ RegCo on 30 June 2020 relating to Vector's special relationship with Entrust available to review at <https://www.nzx.com/companies/VCT/documents>. Vector has a non-standard designation as a result of these waivers, and provisions in Vector's constitution reflecting Vector's relationship with Entrust.

Exercise of NZX powers

NZX did not exercise any of its powers set out in Listing Rule 9.9.3 (relating to powers to cancel, suspend or censure an issuer) with respect to Vector Limited.

Trustees of Entrust

During the year ended 30 June 2025 Vector Limited made payments to A Bell and P Hutchison, trustees of Entrust (Vector Limited's majority shareholder), totalling \$254,000 in respect of their roles as directors on the Vector Limited board

Subsidiaries and associates

A list of each of the Company's subsidiaries and associates is contained on pages 82 and 83.

Directors

The following directors of Vector Limited and current group companies held office as at 30 June 2025 or resigned (R) as a director during the year ended 30 June 2025. Directors marked (A) were appointed during the year.

PARENT	DIRECTORS
Vector Limited	A Bell, V Busby (A), B Hassall (R), P Hutchison, D McKay, P Rebstock, B Turner, A Urlwin

All of the above directors in office as at 30 June 2025 are independent directors, except for A Bell and P Hutchison who are trustees of Entrust (Vector Limited's majority shareholder).

SUBSIDIARIES	DIRECTORS
Cristal Air International Limited	J Hollingworth, S Mackenzie
E-Co Products Group Limited	J Hollingworth, S Mackenzie
Equalise Cyber Security Limited	J Hollingworth, S Mackenzie
Vector Advanced Metering Assets (Australia) Limited	J Hollingworth, S Mackenzie
Vector Auckland Property Limited	J Hollingworth, S Mackenzie
Vector Communications Limited	J Hollingworth, S Mackenzie
Vector Energy Solutions (Australia) Pty Limited	J Hollingworth, S Mackenzie, J Sheridan (R), D Van Gerrevink (A)
Vector Energy Solutions Limited	J Hollingworth, S Mackenzie
Vector ESPS Trustee Limited	J Hollingworth, S Mackenzie
Vector Gas Trading Limited	J Hollingworth, S Mackenzie
Vector Investment Holdings Limited	J Hollingworth, S Mackenzie
Vector MeterCo Limited	J Hollingworth, S Mackenzie
Vector Northern Property Limited	J Hollingworth, S Mackenzie
Vector SPV No. 1 Limited	J Hollingworth, S Mackenzie
Vector SPV No.2 Limited	J Hollingworth, S Mackenzie
Vector Technology Solutions Limited	J Hollingworth, S Mackenzie
Vector Technology Solutions Holdings USA LLC	Vector Technology Solutions Limited is the manager
VTS USA LLC	Vector Technology Solutions Limited is the manager

ASSOCIATES	DIRECTORS
Bluecurrent Holdings NZ Limited	M Angelini, S Clarke, S Farrier, A Hill, S Mackenzie, P Mulholland, P Rebstock, M Tume
Bluecurrent Holdings (Australia) Pty Limited	A Andriopolous (R), M Angelini, S Clarke, S Farrier, A Hill, S Mackenzie, P Mulholland, P Rebstock, M Tume

Directors *continued*

Directors' remuneration and value of other benefits received from Vector Limited for the year ended 30 June 2025 is included in the remuneration report on page 43. Directors' remuneration and value of other benefits received from current group companies for the year ended 30 June 2025:

Directors of subsidiaries	PAID BY PARENT \$	PAID BY SUBSIDIARIES \$
B Behdin	–	2,917*
E Billitzki	–	2,917*
S Bridge	–	2,917
N Hannan	–	2,917
G O'Brien	–	2,917
R Sharp	–	2,917*
P Thorley	–	2,917*
M Trigg	–	32,083
	–	52,502

* Directors' fees relating to any Vector Limited employee are paid to the company. Note that S Bridge, P Goodeve, N Hannan, G O'Brien and M Trigg are not Vector employees.

This table lists directors or former directors of Liguigas Limited. Vector sold its shareholding of Liguigas Limited on 31 January 2025.

Directors of Vector Limited

Entries in the interests register of Vector Limited as at 30 June 2025 that are not set out elsewhere in this annual report:

DIRECTOR	ENTITY	POSITION
A Bell	Entrust	Trustee
V Busby	Energy One Limited (ASX:EOL)	Shareholder
	Energy Queensland Limited	Director
	Netlogix Australia Pty Limited	Chair
	Netlogix Group Holdings Limited	Director
	Reardon Capital Pty Limited	Director
	Scheme Financial Vehicle Limited (SFV)	Chair
P Hutchison	Beenz Limited	Director and shareholder
	Beenz (USA) Limited	Shareholder
	Entrust	Trustee
	Franklin Medical Properties Limited	Director and shareholder
	Geneva Finance Limited	Shareholder
	Helena Bay Honey New Zealand Limited	Director and shareholder
	Helena Bay Honey Northland NZ Limited	Director and shareholder
	Helena Bay Honey NZ Partnership Limited	Director and shareholder
	Helena Health New Zealand Limited	Director and shareholder
	Paul Charles Investments Limited	Director and shareholder
	PPB Properties Limited	Director and shareholder
	Pukekohe Cinemas Limited	Director and shareholder
	South Pacific Star Cinemas Investments Limited	Director and shareholder
D McKay	Contact Energy Limited	Shareholder
	Delegat Group Limited	Director
	IAG New Zealand Limited	Director
	IAG (NZ) Holdings Limited	Director
	Wymac Consulting Limited	Director and shareholder

Directors *continued***Directors of Vector Limited** *continued*

DIRECTOR	ENTITY	POSITION
P Rebstock	AIA New Zealand Limited	Deputy Chair
	Arc Innovations Limited	Director
	Auckland One Rail Limited	Director
	Bluecurrent (Australia) Pty Limited	Director
	Bluecurrent Assets (Australia) Pty Limited	Director
	Bluecurrent Assets NZ Limited	Director
	Bluecurrent Holdings (Australia) Pty Limited	Director
	Bluecurrent Holdings NZ Limited	Director
	Bluecurrent No.2 (Australia) Pty Limited	Director
	Bluecurrent No.2 NZ Limited	Director
	Bluecurrent No.3 (Australia) Pty Limited	Director
	Bluecurrent No.3 NZ Limited	Director
	Bluecurrent NZ Limited	Director
	Bluecurrent Services NZ Limited	Director
	Freightlink Limited	Director
	National Hauora Coalition Limited	Chair
	Ngāti Whātua Ōrākei Whai Maia Limited	Chair
	NZ Healthcare Investments Limited	Chair
	NZX Limited	Deputy Chair
	On Being Bold Limited	Director and shareholder
Sealink New Zealand Limited	Director	
Sealink Pine Harbour Limited	Director	
Sealink Travel Group New Zealand Limited	Director	
B Turner	Commodity Insights Digest (Bayes Business School, UK)	Editorial Board Member
	Fonterra Co-Operative Group Limited	Senior Advisor
	GlobalDairyTrade Holdings Limited	Director
	The Arapaho Springs Trust	Trustee
	The Arapaho Springs Investment Trust	Trustee
A Urlwin	City Rail Link Limited	Director
	Clifton Creek Limited	Director and shareholder
	Infratil Limited	Director
	Precinct Properties New Zealand Limited	Chair
	Urlwin Associates Limited	Director and shareholder
	Ventia Services Group Limited	Director

The entities listed above against each director may transact with Vector Limited and its subsidiaries in the normal course of business. Auckland based directors (A Bell, P Hutchison, D McKay, P Rebstock, and B Turner) are Vector Limited residential electricity customers.

Directors of subsidiaries

There are no entries in the interests register of subsidiaries up to 30 June 2025 that are not set out elsewhere in this annual report.

Bondholder statistics

NZDX debt securities distribution as at 30 June 2025:

6.23% Capital bonds

RANGE	NUMBER OF BONDHOLDERS	PERCENTAGE OF BONDHOLDERS	NUMBER OF SECURITIES HELD	PERCENTAGE OF SECURITIES HELD
5,000 – 9,999	448	15.85%	2,430,000	0.79%
10,000 – 49,999	1,762	62.35%	36,446,000	11.86%
50,000 – 99,999	398	14.08%	22,974,000	7.48%
100,000 – 499,999	189	6.69%	29,302,000	9.54%
500,000 – 999,999	9	0.32%	5,523,000	1.80%
1,000,000 plus	20	0.71%	210,530,000	68.53%
	2,826	100.00%	307,205,000	100.00%

The following current directors of the parent are holders (either beneficially or non-beneficially) of Vector Limited 6.23% capital bonds as at 30 June 2025:

DIRECTOR	NUMBER OF BONDS
A Urlwin (as a shareholder of Clifton Creek Limited)	33,000

Twenty largest registered 6.23% capital bond holders as at 30 June 2025:

BOND HOLDER	BONDS HELD	PERCENTAGE OF BONDS HELD
Custodial Services Limited <A/C 4>	68,206,000	22.20%
Forsyth Barr Custodians Limited <1-CUSTODY>	48,842,000	15.90%
JBWERE (NZ) Nominees Limited <NZ RESIDENT A/C>	24,834,000	8.08%
FNZ Custodians Limited	19,608,000	6.38%
Masfen Securities Limited	5,980,000	1.95%
HSBC Nominees (New Zealand) Limited – NZCSD <HKBN90>	5,968,000	1.94%
NZX WT Nominees Limited <CASH ACCOUNT>	4,682,000	1.52%
Forsyth Barr Custodians Limited <ACCOUNT 1 E>	4,464,000	1.45%
Forsyth Barr Custodians Limited <A/C 1 NRLAIL>	4,348,000	1.42%
CML Shares Limited	4,200,000	1.37%
Investment Custodial Services Limited <A/C C>	3,281,000	1.07%
PIN Twenty Limited <KINTYRE A/C>	2,622,000	0.85%
Catherine Ann Tuck <PUKETIHI A/C>	2,300,000	0.75%
Best Farm Limited	2,000,000	0.65%
Fletcher Building Educational Fund Limited	2,000,000	0.65%
ANZ Custodial Services New Zealand Limited – NZCSD <PBNK90>	1,791,000	0.58%
Public Trust Class 10 Nominees Limited – NZCSD	1,690,000	0.55%
Woolf Fisher Trust Incorporated	1,500,000	0.49%
KPS Society Limited	1,200,000	0.39%
FNZ Custodians Limited <DTA NON RESIDENT A/C>	1,014,000	0.33%
	210,530,000	68.52%

Bondholder statistics *continued***3.69% Senior retail bonds**

RANGE	NUMBER OF BONDHOLDERS	PERCENTAGE OF BONDHOLDERS	NUMBER OF SECURITIES HELD	PERCENTAGE OF SECURITIES HELD
5,000 – 9,999	31	6.65%	173,000	0.08%
10,000 – 49,999	287	61.59%	6,401,000	2.84%
50,000 – 99,999	67	14.38%	3,745,000	1.66%
100,000 – 499,999	47	10.09%	8,636,000	3.84%
500,000 – 999,999	14	3.00%	8,686,000	3.86%
1,000,000 plus	20	4.29%	197,359,000	87.72%
	466	100.00%	225,000,000	100.00%

Twenty largest registered 3.69% senior retail bond holders as at 30 June 2025:

BOND HOLDER	BONDS HELD	PERCENTAGE OF BONDS HELD
Custodial Services Limited <A/C 4>	72,189,000	32.08%
FNZ Custodians Limited	26,286,000	11.68%
HSBC Nominees (New Zealand) Limited – NZCSD <HKBN90>	24,103,000	10.71%
Forsyth Barr Custodians Limited <1-CUSTODY>	18,453,000	8.20%
JBWERE (NZ) Nominees Limited <NZ RESIDENT A/C>	17,761,000	7.89%
BNP Paribas Nominees (Nz) Limited – NZCSD <BPSS40>	5,440,000	2.42%
ANZ Wholesale NZ Fixed Interest Fund – NZCSD	4,332,000	1.93%
Forsyth Barr Custodians Limited <ACCOUNT 1 E>	3,750,000	1.67%
Investment Custodial Services Limited <A/C C>	3,551,000	1.58%
Citibank Nominees (New Zealand) Limited – NZCSD <CNOM90>	3,359,000	1.49%
Forsyth Barr Custodians Limited <A/C 1 NRLAIL>	2,119,000	0.94%
NZX WT Nominees Limited <CASH ACCOUNT>	2,095,000	0.93%
Dunedin City Council	2,000,000	0.89%
JBWERE (NZ) Nominees Limited <A/C 31933>	2,000,000	0.89%
HSBC Nominees (New Zealand) Limited A/C State Street – NZCSD <HKBN45>	1,958,000	0.87%
Mint Nominees Limited – NZCSD <NZP440>	1,903,000	0.85%
Pin Twenty Limited <KINTYRE A/C>	1,875,000	0.83%
FNZ Custodians Limited <DTA NON RESIDENT A/C>	1,581,000	0.70%
Custodial Services Limited <A/C 12>	1,328,000	0.59%
Forsyth Barr Custodians Limited <ACCOUNT 1 NRL>	1,276,000	0.57%
	197,359,000	87.71%

Shareholder statistics

Twenty largest registered shareholders as at 30 June 2025:

SHAREHOLDER	ORDINARY SHARES HELD	PERCENTAGE OF ORDINARY SHARES HELD
Entrust	751,000,000	75.10%
Custodial Services Limited <A/C 4>	35,545,286	3.55%
ANZ Wholesale Australasian Share Fund – NZCSD <PNAS90>	16,813,507	1.68%
Generate KiwiSaver Public Trust Nominees Limited <NZCSD> <NZPT44>	13,508,429	1.35%
HSBC Nominees (New Zealand) Limited – NZCSD <HKBN90>	11,739,280	1.17%
BNP Paribas Nominees (NZ) Limited – NZCSD <BPSS40>	10,723,760	1.07%
Accident Compensation Corporation – NZCSD <ACCI40>	8,643,578	0.86%
FNZ Custodians Limited	8,346,973	0.83%
CITIBANK Nominees (New Zealand) Limited – NZCSD <CNOM90>	7,887,472	0.79%
JPMorgan Chase Bank NA NZ Branch-Segregated Clients ACCT – NZCSD <CHAM24>	7,553,662	0.76%
Forsyth Barr Custodians Limited <1-CUSTODY>	6,001,788	0.60%
New Zealand Depository Nominee Limited <A/C 1 CASH ACCOUNT>	5,727,051	0.57%
JBWere (NZ) Nominees Limited <NZ RESIDENT A/C>	5,485,591	0.55%
Tea Custodians Limited Client Property Trust Account – NZCSD <TEAC40>	4,951,677	0.50%
HSBC Nominees (New Zealand) Limited A/C State Street – NZCSD <HKBN45>	3,432,861	0.34%
Simplicity Nominees Limited – NZCSD	3,143,598	0.31%
ANZ Custodial Services New Zealand Limited – NZCSD <PBNK90>	1,894,851	0.19%
Public Trust – NZCSD <THE ASPIRING FUND>	1,719,846	0.17%
FNZ Custodians Limited <DTA NON RESIDENT A/C>	1,265,106	0.13%
ANZ Wholesale NZ Share Fund – NZCSD <PNSF90>	1,137,727	0.11%
	906,522,043	90.63%

Substantial product holders as at 30 June 2025:

SHAREHOLDER	NUMBER OF RELEVANT INTEREST VOTING PRODUCTS HELD	PERCENTAGE OF VOTING PRODUCTS HELD
Entrust	751,000,000	75.10%

Alastair Bell, Paul Hutchison, Rachel Langton, Denise Lee and Angus Ogilvie are the registered holders of the shares held by Entrust.

Shareholder statistics *continued*

As at 30 June 2025, voting products issued by Vector Limited totalled 1,000,000,000 ordinary shares.

Ordinary shares distribution as at 30 June 2025

RANGE	NUMBER OF SHAREHOLDERS	PERCENTAGE OF SHAREHOLDERS	NUMBER OF SHARES HELD	PERCENTAGE OF SHARES HELD
1 – 499	5,779	22.72%	1,779,896	0.18%
500 – 999	2,871	11.29%	2,222,476	0.22%
1,000 – 4,999	12,838	50.47%	22,828,325	2.28%
5,000 – 9,999	1,949	7.66%	12,986,769	1.30%
10,000 – 49,999	1,798	7.07%	32,007,830	3.20%
50,000 – 99,999	122	0.48%	7,723,233	0.77%
100,000 plus	78	0.31%	920,451,471	92.05%
	25,435	100.00%	1,000,000,000	100.00%

Analysis of shareholders as at 30 June 2025:

SHAREHOLDER TYPE	NUMBER OF SHAREHOLDERS	PERCENTAGE OF SHAREHOLDERS	NUMBER OF SHARES HELD	PERCENTAGE OF SHARES HELD
Entrust	1	0.00%	751,000,000	75.10%
Companies	820	3.22%	14,835,378	1.49%
Individual Holders	14,264	56.08%	43,132,265	4.31%
Joint	6,890	27.09%	29,039,699	2.90%
Nominee Companies	264	1.04%	156,911,005	15.69%
Other	3,196	12.57%	5,081,653	0.51%
	25,435	100.00%	1,000,000,000	100.00%

Alastair Bell, Paul Hutchison, Rachel Langton, Denise Lee and Angus Ogilvie are the registered holders of the 751,000,000 ordinary shares held by Entrust. Alastair Bell and Paul Hutchison are directors of Vector Limited.

The following disclosures are made pursuant to section 148 of the Companies Act 1993, in relation to dealings during the year ended 30 June 2025 by directors of Vector Limited in the ordinary shares of Vector Limited:

There were no acquisitions or disposals of relevant interests.

Financial calendar**2025**

Final dividend paid	17 September
Annual meeting	30 September

2026

First quarter operating statistics	October
Second quarter operating statistics	January
Half year result and interim report	February
Interim dividend*	April
Third quarter operating statistics	April
Fourth quarter operating statistics	July
Full year result and annual report	August
Final dividend*	September

* Dividends are subject to Board determination.

Investor information

Ordinary shares in Vector Limited are listed and quoted on the New Zealand Stock Market (NZSX) under the company code VCT. Vector also has capital bonds and unsubordinated fixed rate bonds listed and quoted on the New Zealand Debt Market (NZDX). Current information about Vector's trading performance for its shares and bonds can be obtained on the NZX website at www.nzx.com. Further information about Vector is available on our website www.vector.co.nz.

Directory**Registered office**

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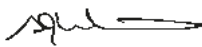
Investor enquiries

Telephone 64-9-978 7735
Email: investor@vector.co.nz

This annual report is dated
22 August 2025 and signed
on behalf of the Board by:



Doug McKay
Chair



Anne Urlwin
Chair, audit committee

