



Powering up



ANNUAL REPORT 2026

Electrification is happening

Our Auckland community is growing, electrifying and demanding more from its energy system than ever before. More homes, more businesses, more renewable energy and more electric vehicles are reshaping the city.

We're stepping up to meet that challenge – providing the infrastructure, technology and expertise needed to help Auckland move forward with confidence.



642,
134

ELECTRICITY CONNECTIONS

13,017 ADDED IN THE LAST YEAR



\$5.4

A hand holding a smartphone is visible in the lower-left corner. The background is a blurred city night scene with various colored lights (blue, purple, pink, yellow) creating a bokeh effect.

Accelerating momentum

Meeting future energy needs requires long-term thinking and investment. Over the next 10 years, we'll invest \$5.4 billion in the electricity network, technology and capability needed for a more electrified future. From expanding network capacity and strengthening climate resilience to enabling greater uptake of electric vehicles, solar energy and emerging technologies, we're building the foundations for a brighter energy future.

billion

OF CAPITAL INVESTMENT
OVER THE NEXT 10 YEARS

Delivering more

As we invest for tomorrow, we're also focused on delivering what customers need today. Through smarter planning, better use of technology and disciplined investment, we're helping keep energy reliable and resilient. And we're focused on delivering real value, efficiently, for our customers.

**Because progress only matters
if our customers benefit from it.**



MORE THAN
**half a
billion
dollars**
WAS INVESTED INTO AUCKLAND'S
ELECTRICITY NETWORK

Enabling Auckland

The benefits of a stronger energy network extend far beyond our lines. With at least 75% of our dividends returned to Auckland consumers, the value we create for Auckland stays within our communities, supporting local people, businesses and communities to thrive.

Because when Auckland powers up, New Zealand does too.

\$255 million

IN DIVIDENDS RETURNED
TO SHAREHOLDERS IN FY2026

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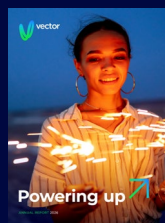
About this report

This report, dated 17 August 2026, is a review of Vector's financial and operational performance for the year ended 30 June 2026. 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.

2026 REPORTING SUITE



This annual report is published as part of a reporting suite, which also includes our climate statement. Both reports are available at **vector.co.nz**.

Performance snapshot

Financial and operational

SHAREHOLDER

DIVIDEND

26 cents per share
full-year dividend

CAPITAL EXPENDITURE

\$544m

ADJUSTED EBITDA

\$482m

NET PROFIT AFTER TAX

\$240m

CUSTOMER

ELECTRICITY RELIABILITY MEASURES

Achieved

Community meetings held with customers in
north, west, south, east and central Auckland

10kW dynamic solar exports
announced

ELECTRICITY CONNECTIONS

642,134

GAS CONNECTIONS

119,991

Environmental, social and governance (ESG)**ENVIRONMENT**

71.8%

new absolute scope 1 and 2 emissions reduction target by FY2040 from a FY2020 baseline¹

1. Excluding electricity distribution losses.

65,326

electric vehicles in Auckland, up more than 10,000 in a year, requiring a safe and reliable network to charge from

GOVERNANCE

We disclose comprehensive governance information on page 28

HEALTH AND SAFETY

1,462

critical risk control verification site visits

PEOPLE AND CULTURE

82%

company-wide staff engagement

Chair and group chief executive report

POWERING UP

New Zealand's energy opportunity is to power more of the economy with affordable, reliable electricity. While our electricity system is already highly renewable, much of the energy used in transport, industry and homes still comes from higher-cost and higher-emission fuels. The opportunity now is to accelerate electrification so customers can benefit from cleaner, more efficient and more affordable energy.

This matters because energy affordability, reliability and availability are central concerns for homes, businesses and the wider economy. Electrification can reduce overall energy costs, improve resilience and support economic growth, while also lowering emissions.

Vector's network is essential to making that future possible. We connect customers to the capacity, technologies and choices electrification requires. As demand grows and the way customers use energy changes, electricity distribution needs sustained investment in growth, reliability and resilience.

Throughout the year, we've maintained a strong focus on disciplined execution across our key priorities of customer outcomes, safety, and operational and financial performance. We've continued to invest significantly in the services and infrastructure our customers rely on, while preparing the network for increasing electrification and the future energy needs of our customers and communities.

A BUSINESS PERFORMING WELL

Vector is performing strongly. We've seen increases in revenue, and our balance sheet is healthy. In the second half of the year an uplift in the pace of our capital delivery programme, as previously signalled, has seen more than half a billion dollars of capital investment delivered in a year. This matters because disciplined investment in our networks underpins the service we provide to customers and performance our shareholders expect. Vector is well positioned for the future, with our regulated networks providing resilient earnings, and our prudent debt management giving us options for delivering value to our customers and shareholders.

NET PROFIT AFTER TAX

\$240_m

ADJUSTED EBITDA

\$482_m

PROFIT

This year, a higher earning allowance for electricity distribution businesses applied for the full year, compared with only one quarter of the prior financial year. This higher allowance was set by the Commerce Commission from 1 April 2025, and reflects higher interest rates, high historic inflation, and recovery of higher pass-through costs such as transmission lines charges. This led to revenue for continuing operations¹ excluding capital contributions² of \$1,004 million, up \$111 million or 12%.

The higher revenue flowed through to higher adjusted EBITDA for continuing operations of \$482 million, up \$81 million or 20%. We do not include capital contributions in our adjusted EBITDA figure.

The higher adjusted EBITDA result was partially offset by lower capital contributions, which decreased by \$20 million or 9%, leading to group net profit after tax from continuing operations of \$240 million, up \$86 million or 55%. This result also benefited from an absence of the \$37 million impairment on the gas distribution business in the previous year.

1. Continuing operations excludes the results from Ogas and Liquigas, which are classed as discontinued operations and were sold on 31 January 2025.
2. Capital contributions is an umbrella term that covers the up front fees we charge customers for certain types of capital expenditure. It includes connection fees and development contributions for new connections, and fees to cover the costs of relocating our assets when required to by third parties.



DOUG MCKAY
CHAIR

CHRIS BLENKIRON
GROUP CHIEF EXECUTIVE

CAPITAL EXPENDITURE

Gross capital expenditure for continuing operations across our three reported segments of Electricity, Gas Distribution and Other was \$544 million, up \$74 million or 16%. This result includes a record level of investment into the electricity network (Electricity segment capital expenditure was \$512 million, as detailed on page 69).

Our accounts show gross capital expenditure before capital contributions. During the year, we recognised \$191 million in capital contributions, down \$20 million or 9%. Those contributions are recognised as income rather than offset against capital expenditure. But we know customers paying them want to understand what they are paying for, and why.

As Auckland continues to grow and electrify we're seeing the drivers of growth change. New developments continue to add demand to the network and often require new or upgraded infrastructure. The fair approach is for the developments that create those costs to contribute to them. That is why we charge connection fees for the assets needed to connect a development, and development contributions for the wider network investment driven by that growth. For a typical new home, these costs are around \$8,000 on average.

Looking ahead, network growth is likely to take a different shape. As electric vehicle (EV) uptake increases and electrification accelerates, demand will grow not only through new connections and investment, but also through more dynamic use of the network itself. Customers will increasingly use technologies such as EVs, solar, batteries and smart devices in ways that create new demand, new flexibility and new opportunities to make better use of existing capacity. As electrification accelerates we're considering where the costs of network growth should sit.

WELCOMING A NEW GROUP CHIEF EXECUTIVE

This year marked an important leadership transition for Vector, as we welcomed Chris Blenkiron as Vector's new group chief executive. Chris joins Vector with deep expertise in the New Zealand energy sector, a sharp commercial background and a track record of delivering exceptional outcomes in previous leadership roles. Since his appointment, he's focused on understanding our customers, our people and our opportunities, while bringing a clear emphasis on simplicity, execution and performance. Chris' leadership will help Vector build on its strong foundations and talented people to continue creating value for customers, communities and shareholders.

DOUG MCKAY
CHAIR

CAPITAL EXPENDITURE

\$544m

DIVIDEND

26 cents per share
full-year dividend

DIVIDEND

The board has determined an unimputed final dividend of 13.5 cents per share, taking the full-year dividend to 26 cents per share.

DISCIPLINED EXECUTION

Across our electricity, gas and fibre networks, reliability remains strong. While these networks will always be subject to the shocks of weather events, the underlying drivers of reliability, including network design, asset management and maintenance, remain our key areas of focus. Our execution of these factors continues to be a strength as evidenced by the achievement of our regulatory quality measures.³

Network growth is closely linked to Auckland's development pipeline. As new homes, businesses and communities are built, the connections and enabling infrastructure we provide need to move in step with private development to support growth, electrification and customer demand. This year, 13,017 new homes and businesses have been connected to the electricity network. Through disciplined investment and forward planning, we continue to ensure the network enables growth across the region. However, we're committed to doing more, delivering connections with greater efficiency and pace, deepening our customer relationships, and improving our customer experience.

Public and worker safety, including our own crews or others working near our networks, will always come first and we've continued to embed a safety culture throughout all our teams and partners.

We've deliberately deployed artificial intelligence (AI) where it enables productivity, better asset management and planning, and improved customer experience.

The workforce impact has been tangible. In addition to general productivity enhancements from the enterprise adoption of Microsoft Copilot, our digital development and architecture teams are using AI tools to deliver technical designs significantly faster, and complete tasks in a more streamlined and efficient way. Across the electricity network, AI is helping us predict vegetation growth patterns, and enhancing voice-to-text and sentiment analysis of customer interactions.

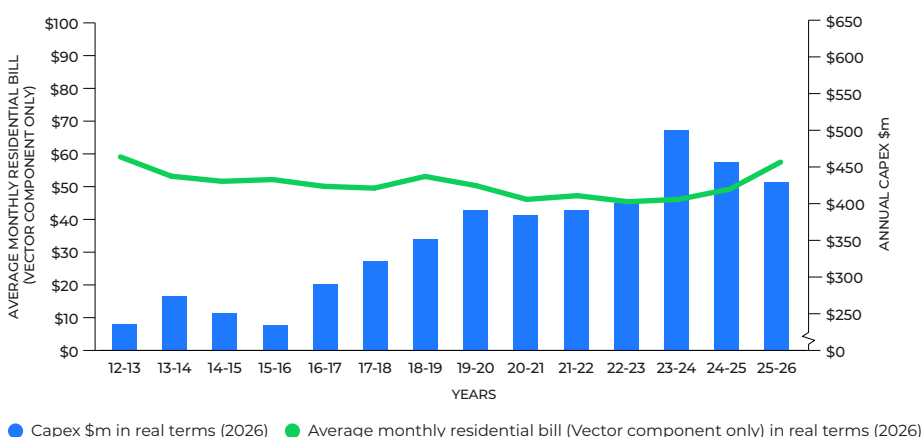
STRENGTHENING CAPABILITY ACROSS THE SECTOR

Collaboration and boosting capability within the sector is increasingly important as Auckland and New Zealand prepare for greater electrification and energy demand.

We've worked with Tapestry, a group within Google applying AI to the electric grid, to deploy their platform GridAware. GridAware unifies geospatial data, high-resolution imagery, and advanced AI to deliver comprehensive visibility across our network infrastructure. Moving beyond isolated asset inspections, GridAware has revolutionised our asset management, driving greater operational efficiency, safety, and energy resilience. No longer used exclusively by Vector, the platform's adoption is now scaling to other electricity distributors around New Zealand, demonstrating how shared innovation and collaboration can improve outcomes well beyond our own network.

Alongside this, we support sector-wide data and flexibility initiatives, contribute to common standards and forums, and our data scientists work with peers across the sector to advance the use of analytics and AI in network planning and operations. Together, these efforts are helping create a stronger, more resilient and more efficient electricity system for all New Zealanders.

MORE THAN A DECADE OF SIGNIFICANT INVESTMENT AND LARGELY STABLE MONTHLY BILLS



Over the past decade, Vector has steadily increased investment in Auckland's electricity network to support growth, improve reliability and enable changing customer needs. The average monthly bill has barely moved, in real terms, in that period, reflecting our commitment to ensuring customers receive value from our investments.

NOTE: Years run 1 April to 31 March. All \$ shown in real terms (2026). Data sourced from Electricity Information Disclosures on Vector's website, where available. Capex values are gross capex, before capital contributions.

3. Our electricity 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 2026, our network performance was within the regulatory limits for reliability, for both planned service interruptions (for example, where we shut power off temporarily to undertake 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).

BUSINESS PERFORMANCE

Electricity performance is detailed on page 22, and gas distribution on page 24. Our investment in Bluecurrent continues to perform in line with expectations, with distributions received from the investment recognised in our financial statements as cash flows. Our strategic review into the Vector Fibre business has concluded, with the outcome that Vector will retain ownership with a renewed focus on pursuing opportunities for growth. Vector Technology Solutions (VTS) continues to concentrate on delivering to its key client Bluecurrent.

LOOKING AHEAD

Vector enters the new financial year from a position of strength. We have a core business that is performing well, and a clear understanding of the opportunities ahead.

Today more people than ever are wanting to do more with the country's electricity system, to electrify their businesses, their homes and even how they move. As this energy transition accelerates, we're looking deeply at how our role should evolve to ensure we continue delivering value to our customers and shareholders.

We thank our employees, contractors, partners, shareholders and stakeholders for their ongoing support as we focus on what matters most.

IMPROVING CONNECTIONS

During the year, we've made significant changes to support more transparency and easier access to our network. This includes our own review into the connection experience, and then by engaging with the Electricity Authority as work continues on several national projects dedicated to network connections across New Zealand. We've brought forward a lower price for new residential connections, so our customers can benefit earlier from regulatory changes that would otherwise take effect in 2027. At the same time, we've also introduced new approaches to connection cost allocation, and reconciliation, ensuring connection charges are clearer and more transparent for our customers. We've strengthened engagement with key developers, infrastructure providers and other connection customers through the establishment of our Connections Council. This forum provides a direct channel for key customers to help shape improvements to our service delivery.



DOUG MCKAY
CHAIR



CHRIS BLENKIRON
GROUP CHIEF EXECUTIVE



Environmental, social and governance (ESG)





BUILDING THE CAPABILITIES NEEDED FOR THE FUTURE

We’ve continued to invest in the programmes, tools and leadership practices that support our long-term success. During the year, we focused on developing the capabilities that are critical to delivering our strategy and responding to a rapidly changing energy sector.

This included strengthening our customer focus, helping employees use data to make better decisions, building digital skills, encouraging innovation, and creating greater collaboration across our teams. To support this, we launched our Leadership Essentials programme to strengthen leadership capability throughout the organisation, implemented a new people platform to improve access to workforce insights and data-informed decision-making, and continued to embed development conversations and career planning practices to support employee growth and internal mobility.

We also increased our focus on cross-functional collaboration, bringing leaders and teams together to solve complex business challenges and deliver strategic initiatives. These capabilities are being embedded through recruitment, leadership development, performance conversations and learning programmes, helping ensure our people have the skills needed to deliver for customers today and into the future.

CAPABILITY-BUILDING HIGHLIGHTS:

Leadership development	• 60% of leaders completed Leadership Essentials (first stage)
	• 49% of leaders completed Leadership Reflection (second stage)
	• 54% of leaders completed mental health and wellbeing courses
Enterprise capability building	• Know Yourself, Grow Yourself launched to embed the behaviours and capabilities that support our strategy
	• Enterprise-wide learning sessions on Microsoft Copilot

EMPLOYEE ENGAGEMENT AND WELLBEING	FY2026 RESULT	NZ BENCHMARK (where available)
Employee engagement score	82%	75%
Survey participation rate	91%	
Diversity and inclusion score	83%	78%
Belonging score	82%	76%
Wellbeing score	46%	43%
Individual resilience score	72%	65%
Organisational support	67%	58%
Rolling voluntary 12-month turnover	12%	16.5%

EMPLOYEE ENGAGEMENT

Employee engagement remains a strength for Vector. Our February employee engagement survey recorded strong levels of engagement, consistent with the previous year and above external benchmark results. Employees continued to report positive experiences of belonging, inclusion, meaningful work and work-life balance, with all diversity and inclusion measures performing above benchmark levels.

The survey also helps us identify opportunities for improvement. Insights from employee feedback are used to develop targeted action plans across the organisation, with a particular focus on communication, recognition, leadership effectiveness and improving the overall employee experience.

Our wellbeing results continue to compare favourably with New Zealand benchmarks, with employees reporting higher levels of resilience, organisational support and overall wellbeing than the national average. These outcomes reflect our ongoing focus on creating an environment where people feel supported, connected and able to thrive.

We continued to foster an inclusive workplace through our employee-led networks, which create opportunities for connections, learning, advocacy and cultural celebration across Vector. Five employee-led groups operated under agreed charters during the year, supporting Asian, Pasifika, Muslim, LGBTQ+/Rainbow and disability inclusion communities.

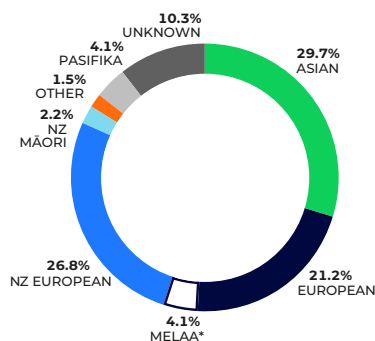
SUPPORTING WELLBEING AND INCLUSION

Supporting employee wellbeing remains an important part of our approach to creating a safe, healthy and high-performing workforce. We provide a range of initiatives and support services designed to help our people stay well, manage challenges early and perform at their best.

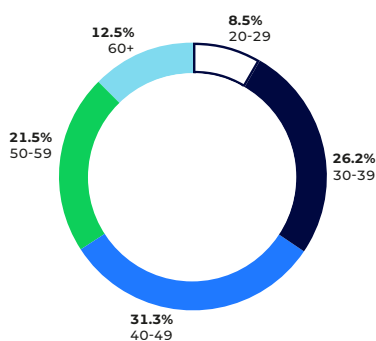
COMPANY-WIDE ENGAGEMENT

82% (91% response rate)

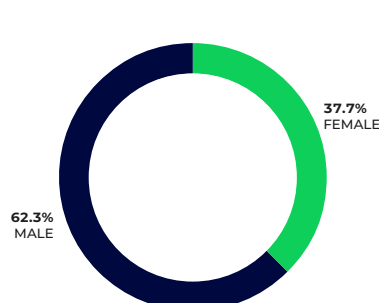
EMPLOYEES BY ETHNICITY



EMPLOYEES BY AGE



EMPLOYEES BY GENDER



* Middle East, Latin America and Africa.

TALENT AND DEVELOPMENT

We've continued to invest in leadership development through programmes that support leaders at different stages of their careers. This has included our Leadership Essentials programme, providing foundational development for emerging people leaders, alongside executive development programmes and leadership assessment that strengthen succession planning and build future organisational leadership capability.



CASE STUDY

SUPPORTING WOMEN IN ENGINEERING

Building future capability remains a priority as demand grows for skills in engineering, digital, data and customer-focused innovation.

This year, Vector partnered with the University of Auckland's Women in Engineering Academy to help secondary school students, particularly young women, explore engineering and technology pathways.

To mark International Women in Engineering Day, Vector supported an event with an interactive board game that helped students explore the real-world roles and choices involved in building and maintaining a reliable, resilient and future-ready energy network.



"I LOVED HOW THE BOARD GAME APPEARED TO BE ABOUT POWER IN AUCKLAND BUT INSTEAD TAUGHT HOW TO EFFICIENTLY MANAGE RESOURCES AND HOW TO LOGICALLY CHOOSE WHAT TO PRIORITISE AND HOW TO SOLVE ISSUES WITH LIMITED RESOURCES."

EVENT PARTICIPANT



Health and safety

WORKER AND PUBLIC SAFETY

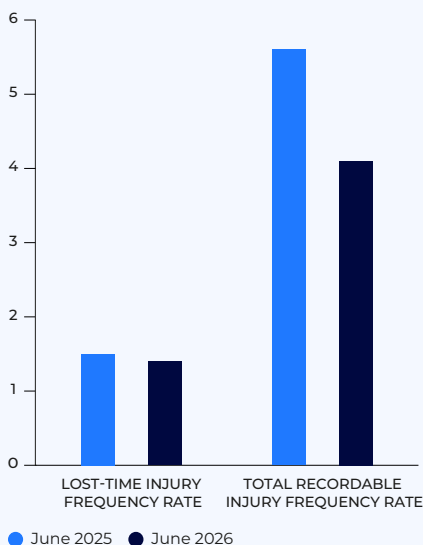
Health and safety is a key priority for us, and our board, executive and senior leaders have continued to demonstrate a strong commitment to safety leadership. Leadership engagements in the field have increased understanding of challenges faced within our working environment and promoted a culture of open conversation about safety matters. Proactive risk management has included over 1,400 critical risk control verification site visits, refreshed critical risk training and an alignment review of critical risk controls with our key service providers. Our on-site

nurse remains a popular support to Vector employees seeking health advice, annual health assessments and flu vaccinations.

We're pleased to have finished the year with overall improvements in both the Lost-Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR) with an LTIFR of 1.4 and TRIFR of 4.1.

In the public domain, we have targeted specific safety campaigns to ensure our community is informed and safe around our assets and the work we do.

VECTOR LTIFR AND TRIFR





Sustainability

Under the Financial Markets Conduct Act 2013, Vector 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 statement considers our climate-related risks and opportunities, and is combined with our greenhouse gas emissions inventory report. A summary of key information is included here, with full details available in our climate statement, available at vector.co.nz/investors/reports.

CARBON EMISSIONS REDUCTION TARGETS

After balance date for these results we adopted a new target to reduce absolute scope 1 and 2 emissions (excluding electricity distribution line losses) by 71.8% by FY2040 from a FY2020 baseline. This target replaces our previous 2030 net-zero commitment and reflects evolving best practice, with a target to reduce emissions within our operations rather than relying on carbon offsets. We will disclose performance against the FY2040 target in FY2027.

Our target to reduce absolute scope 1 and 2 emissions (excluding electricity distribution line losses) by 53.5% by FY2030 from a FY2020 baseline was achieved last year. This year the reduction was below the target level. We expect some fluctuations in results year-on-year as a large part of our scope 1 emissions are volatile by nature (such as gas pipeline leaks). The main driver of the result this year was an increased number of identified gas pipeline leaks, due to a change in the leak detection method. We will continue to track and report progress against this target through to FY2030.

1. Due to the sale of HRV our historic emissions inventory has been recalculated to exclude the emissions associated with this business. For more information on the methodology, results and emissions recalculations over time, please see our greenhouse gas emissions inventory report, in appendix 1 of our climate statement.
2. 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, in appendix 1 of our climate statement.

EMISSIONS INVENTORY

Vector's total emissions are wider than what we account for in our targets as they include scope 3 and electricity distribution losses. Since our FY2020 base year, total emissions have decreased by 54%. This reduction reflects the wind-down of Vector's natural gas trading contracts in prior years, together with a continued decline in natural gas consumption across the Auckland region.

EMISSIONS REDUCTIONS TABLE	FY2020 BASE YEAR ¹	FY2026	% CHANGE
Scope 1	22,358	13,870	(38%)
Scope 2 ²	33,061	30,776	(7%)
Scope 3	1,648,517	735,205	(55%)

EMISSIONS ABATEMENT

We use 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 is updated regularly as new initiatives are identified, and this was carried out again this year, keeping the benchmark of \$140 per tonne of tCO₂e cost, to reflect the progress we've made.

Business segment reports



⚡ Electricity

ADJUSTED EBITDA

\$440m

ELECTRICITY CAPITAL EXPENDITURE

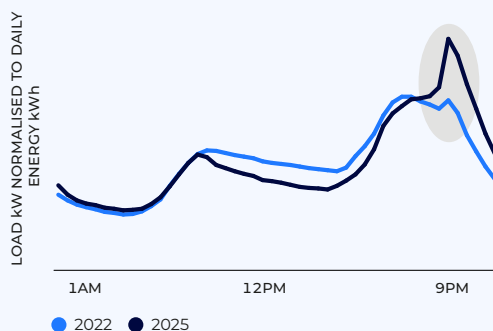
\$512m



CHANGING DEMAND PATTERNS

Smart meter data is revealing how quickly customers respond to price signals. As more households shift electricity use into cheaper off-peak periods, we are seeing a new demand spike emerge at around 9pm. This is a good example of the future arriving in real-time: pricing is changing behaviour, and we must be ready for what happens when many more customers act at once. It shows why better data, smarter pricing and flexible network tools will be critical to helping customers access lower-cost energy while keeping the network secure and efficient.

OFF-PEAK POWER PLANS LEAD TO NEW, LOCALISED 9PM SPIKES IN PARTS OF THE NETWORK.



INCREASED SOLAR EXPORTS

We've increased the amount of solar power Auckland households can send back to the grid, helping customers get more value from their solar panels by selling more of their excess electricity. As more households adopt solar, there could be times when too much electricity is sent back to the grid at once. This can put pressure on the network and limit our ability to connect new solar customers without expensive upgrades. To avoid this, we've introduced a dynamic export limit of up to 10kW. Customers can export up to this amount when the network has capacity. On the rare occasions when the network is under pressure, we can temporarily reduce how much each household exports. This helps keep the network reliable while allowing more households to connect solar, export their excess electricity and get more value from their investment.

ELECTRICITY USE IS CHANGING

Auckland is using more electricity, in different ways and at different times. Housing growth, commercial development, transport electrification, and changing household habits are all reshaping demand on the network.

In response, we're focused on future-proofing the network, not simply maintaining it and growing it as it is today. A key part of this approach is about transforming the network into one that is more flexible. We achieve this by making the best use of the network before building more infrastructure, unlocking the opportunity for customers to benefit from new technology, and layering digital capability over a traditional network.

ADJUSTED EBITDA

Electricity adjusted EBITDA was up \$88 million or 25% to \$440 million this year. This result was driven by higher revenue, which followed the Commerce Commission's reset of electricity distribution line charges on 1 April 2025, as well as higher pass-through and recoverable costs. Revenue was up \$141 million and operating expenses were up \$53 million, driven primarily by higher pass-through charges such as transmission costs, which have been reset by the Commerce Commission as well, higher levels of maintenance, and higher digital-related expenses.

CONNECTION GROWTH

Connecting new homes, businesses and infrastructure safely to the network supports housing delivery, economic development and major public infrastructure across Auckland. We're coordinating new connections with wider network growth investment so the right capacity is available where it is needed, and to ensure growth is not constrained by the electricity network.

We're also working to improve the connection experience for developers, infrastructure partners and large-usage customers. This includes earlier engagement on customer growth plans, clearer information about capacity, costs and timeframes, and more consistent processes for resolving issues. The Vector Connections Council is providing a practical forum for customers and stakeholders to discuss these issues directly with us and help shape improvements.

This year we added 13,017 new connections, up 3.7% on the prior year. The total number of electricity connections is now 642,134.

VOLUMES

Electricity distributed volume was up 1.9% compared with the year ended 30 June 2025, with residential volumes up 1.6% and business volumes up 2.0%.

Overall electricity volume remains strongly influenced by weather and economic conditions, but these do not tell the full story. Electrification, new technologies, data centres and major developments are changing how and where electricity is used across Auckland. As demand becomes more dynamic and location-specific, understanding where and when peak demand occurs is becoming increasingly important for network planning.

CAPITAL INVESTMENT

Electricity capital expenditure was \$512 million, up \$80 million or 19% on the prior year, and significantly higher in the second half of FY2026 than the first, which is something we forecast when releasing our half-year results. This is a record level of investment into the electricity network in a financial year, and was driven by an increase in both replacement and growth capital expenditure. Replacement capital expenditure was up \$62 million, driven by a significant increase in spend for both asset replacement programmes and specific asset replacement activities including cables, switchboards, ring main units, and distribution transformers.

DELIVERING FOR CUSTOMERS

This year we've continued to embed and refine our use of data, digital tools and condition-based risk assessments to target maintenance, renewal and replacement work before assets fail.

We're strengthening the way we support our customers at the moments that matter most, especially during planned and unplanned outages. We've been out meeting our customers all across Auckland this year, and have continued to focus on making it easier for customers to interact with us through improvements to communications and other initiatives. As an example, we made a small but meaningful change to how we provide outage restoration times to customers. Rather than waiting until the full extent of the work has been scoped, field crews now assess the type and complexity of the network damage and, based on their experience, provide an initial power restoration time range. This is then updated with a confirmed restoration time once more detail is known about work required. This gives customers useful information sooner, helping them plan and ensuring more timely and consistent information is available through our Outage Centre.

Gas distribution

ADJUSTED EBITDA

\$47m

ADJUSTED EBITDA

Adjusted EBITDA was flat year-on-year at \$47 million. Revenue was up \$2 million or 2% but this was partially offset by an increase in operating expenses related to higher maintenance and other operating expenses.

CAPITAL INVESTMENT

Gas capital expenditure was \$14 million, down \$5 million or 26% on the prior year of \$19 million. Growth capital expenditure was down \$4 million and replacement capital expenditure was down \$1 million.

CONNECTIONS

There were more disconnections than new connections over the year, with total connections on Auckland's gas distribution network reducing by 0.5% to 119,991.

VOLUMES

Gas distribution volume was down 1.7% compared with the prior year, due to lower demand from the residential, industrial and commercial sectors.

MANAGING INVESTMENT RISK

In the context of declining overall connections and volume on the gas network, we've replaced some capital expenditure (such as end-of-life pipe replacement) with operational expenditure (like active pipe monitoring) while maintaining operational performance and safety. This reduces the risk of asset stranding through smarter network management.

UPDATED REGULATORY SETTINGS FOR GAS NETWORKS

During the year, the Commerce Commission confirmed the regulatory settings for gas networks under the next Default Price-Quality Path, which will run through a five-year period beginning 1 October 2026. Recognising the wider context of uncertainty around the long-term future of gas, and the impact on customer bills from this reset, the Commission has retained accelerated depreciation for network assets, smoothed starting price impacts over three years, and introduced a new mechanism designed to share financial risk among network owners and their customers from unexpected and significant changes in gas demand. Overall, the new settings support a more managed transition in a changing gas market.



Governance and remuneration



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 2026.

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; and
- be a good corporate citizen.

Vector's governance practices are informed by the NZX Listing Rules (NZX Rules), the NZX Corporate Governance Code (31 March 2026) (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, meaning:

- 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; and
- 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, where possible, and appropriately balance the expectations of all its stakeholders, including its employees, customers and the wider community.

In carrying out its responsibilities and exercising its 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 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;
- overseeing risk management, internal controls, codes of conduct and legal compliance;
- overseeing Vector's health, safety and environment strategy;
- overseeing climate-related risks and opportunities, long-term sustainability and Vector's environmental impact;
- approving and monitoring financial and other reporting;
- approving major investments and divestments;
- approving and monitoring major capital expenditure and capital management;
- overseeing Vector's corporate governance framework;
- ensuring ethical behaviour by the company, board, management and employees; and
- assessing its own effectiveness in carrying out its functions.

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 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 expert and assurance information.

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 50 and 51 of this annual report and in the About us section of Vector's website (vector.co.nz/about-us/our-leadership). 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. 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 (September 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 48 and 49 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 30. 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	Environmental, social and governance (ESG), climate change, 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

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 as at 30 June 2026 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 109 and 110 of this annual report.

DIRECTOR PERIOD OF APPOINTMENT

	0-3 YEARS	3-9 YEARS	9 YEARS +
Number of directors	1	6	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. 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 2026:

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

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. Management can only attend people and remuneration committee meetings by invitation, and Vector employees 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	15	8	4	3	2	1
A Bell	15	8	3*	3	1*	1
V Busby	15	6*	4 [‡]		1*	1
P Hutchison	14	3*	4		2	1
D McKay (chair)	15	8*	3*	3*	2	1
P Rebstock	14	8	1*	3	2	1
B Turner	15	3*	4	2	1*	1
A Urlwin	15	8	4		1*	1

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

‡ Director was appointed a committee member, 22 August 2025.

Note that full board meetings include 11 board meetings and 4 “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 supports effective 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 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 directors (as defined in the NZX Rules). The chair must be an independent director and cannot be the chair of the board.

Two members of Vector's audit committee have specialist accounting 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 38.

NOMINATIONS COMMITTEE

The purpose of the nominations committee is to assist the board in fulfilling its responsibility to have an efficient mechanism for 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. The external auditor also audits the company's regulatory reporting (electricity and gas) and provides assurance on climate related disclosures. While a policy of periodic rotation of external audit firm is not mandated at Vector, the effectiveness, performance and independence of the external auditor are 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 financial statements statutory audit after no more than five years.

The company's external auditor is KPMG, which 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 2026. The audit committee has determined that there are no matters that have affected the auditor's independence.

The external auditor 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 and subsequently monitored 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 7 of the notes to the financial statements contained on page 72 of this annual report. KPMG was paid \$1.5 million for services in the financial year to 30 June 2026. 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.

PwC has been appointed as the company's external auditor for the 2027 financial year beginning 1 July 2026. The decision to recommend a change of auditor was made as a matter of good governance in light of KPMG's tenure. Vector would like to thank KPMG for their service.

RISK MANAGEMENT

Vector recognises that effective 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 is consistent with the international risk management standard ISO 31000. 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 Model¹, 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; and
- continuous development through both internal and external reviews.

Vector continues to review and mature its ERM framework so it remains fit for purpose in a changing operating environment. The company engages external advisers to assist in incorporating the latest developments in risk management and to reflect the evolving work environment.

At the top level, the board sets the risk appetite and strategic direction for the business. The risk and assurance committee assists the board in fulfilling its responsibilities to protect the interests of shareholders, customers, employees and the communities in which Vector operates. The risk and assurance committee provides oversight of Vector's risk and assurance policies and practices, monitors risk performance concerning Vector's risk appetite and business objectives, provides guidance regarding the development of the ERM framework, and ensures rigorous processes for internal control and legal compliance.

Vector's group risk function (reporting to the chief legal and assurance officer) 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; and
- 2) the material operational risks facing Vector as part of its business-as-usual activities which require significant oversight and control.

To inform the Vector group key risk profile, business unit and operational risk profiles are developed based on the objectives and operating context specific to each business unit. Key risk indicators are applied to monitor risks against Vector's risk appetite, ensuring risk visibility and supporting appropriate mitigation measures as necessary.

Vector's group material risks are shown on page 34. Risks 1, 4, 5 and 6 include Vector's risks in relation to the impacts of climate change. Refer to Vector's climate statement for information on Vector's climate-related risks and opportunities.

1. The Three Lines Model, developed by the Institute of Internal Auditors, provides a principles-based approach to identifying the structures and processes that support strong governance and management of risk.

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	Breach of SAIDI and SAIFI
8	Serious harm or fatality event due to non-performance of internal processes
9	Major/repeated disruption of Electricity, Gas and Fibre critical services due to non-performance of internal processes
10	Adverse mental health impacts that arise from workplace factors
11	The rapid change and opportunity created from utilising data and AI
12	Inability to develop, retain and recruit specialised talent
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 due to uncertain economic conditions and market risks

direct link to

Climate-related risks

Inability to efficiently manage 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 statement

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 19 of this annual report contains Vector's approach to performance in these areas, including its proactive lead indicators and traditional lag indicators of Total Recordable Injury Frequency Rate (TRIFR) and Lost Time Injury Frequency Rate (LTIFR). 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 which is available on Vector's website.

INTERNAL AUDIT

Vector's business performance and assurance 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 assurance function has unrestricted access to Vector's businesses and staff. The function liaises closely with KPMG, as Vector's external auditor, to share the outcomes of the business performance and assurance 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.

GENDER STATISTICS

Vector's gender statistics are as follows:

POSITION	AS AT 30 JUNE 2026				AS AT 30 JUNE 2025		
	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	9 (25.0%)	27 (75.0%)	–	–	8 (20.0%)	32 (80.0%)	–
Across the Vector group	220 (37.7%)	364 (62.3%)	–	–	283 (35.4%)	513 (64.1%)	4 (0.5%)

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 and direction to advance Vector's diversity and inclusion strategy and the activities of the diversity committee.

Vector has dedicated resources as well as empowering employee representative groups 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.

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.

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; and
- providing shareholders with an 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. Annual and interim reports and other investor information are made available on Vector's website, with hard copies provided where required by law or requested in accordance with shareholder communication preferences. 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 ESG factors.

The 2025 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 115 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 and information page in the Investors section of Vector's website. For the 2025 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; and
- 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 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 2026.

During the year, we have reconfirmed the importance of attracting, retaining and developing talented people with the expertise needed to support Vector's future growth and long-term success.

Our remuneration framework remains focused on supporting these objectives while maintaining a clear link between performance and reward. We believe remuneration outcomes should reflect both the achievement of strategic priorities and the delivery of sustainable outcomes for our customers, shareholders and communities. A detailed overview of our remuneration framework is set out in the [Remuneration approach](#) section on page 38.

We have enhanced our remuneration disclosures this year. The report provides greater transparency regarding the operation of our short-term incentive (STI) framework for senior leaders, including gateway conditions, performance measures and targets, and outcomes achieved during the year.

We have sought to provide our shareholders with clearer insight into how remuneration decisions are made and how incentive outcomes are linked to company performance and priorities.

Beyond remuneration, we have continued to focus on building a high-performing and engaged workforce. Our ongoing workforce planning activities have strengthened our understanding of the critical capabilities required across the organisation, both now and into the future. This work supports targeted recruitment, leadership development, succession planning and capability-building initiatives, ensuring Vector remains well positioned to execute its strategy in an increasingly dynamic environment.

Looking ahead, the committee will continue to review the effectiveness of Vector's remuneration framework to ensure it remains aligned with company strategy, market practice and stakeholder expectations. We remain committed to maintaining a remuneration approach that is transparent, equitable, aligned with building a workforce that reflects the diverse communities we serve across Auckland (Tāmaki Makaurau) and is strongly linked to sustainable performance that creates long-term value for our shareholders.

DAME PAULA REBSTOCK

**CHAIR, PEOPLE AND REMUNERATION
COMMITTEE**

August 2026

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 to view 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 FY2026 period is shown on page 32.

NAME	DATE JOINED THE COMMITTEE	LENGTH OF MEMBERSHIP TO 30 JUNE 2026	DATE LEFT THE COMMITTEE
Dame Paula Rebstock (chair)	2 Dec 2019	6 years, 7 months	N/A, current member
Alastair Bell	2 Dec 2019	6 years, 7 months	N/A, current member
Bruce Turner	1 Nov 2023	2 years, 8 months	N/A, current member

EXTERNAL AND INDEPENDENT ADVICE

During the year, Vector engaged Ernst and Young (EY NZ) to conduct market benchmarking for the group chief executive and executive team remuneration. The review benchmarked remuneration against a comparator group of organisations of comparable size, complexity and market characteristics to support the board in maintaining market-competitive remuneration. EY NZ did not provide any other material services that would impact their independence in relation to this advice.

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 FY2026.

The group chief executive's base salary is reviewed annually by the board and by external remuneration advisers using relevant market peer benchmarks, as is the case with the executive team and certain senior leadership roles.

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; and
- ensure fairness and equity is applied across remuneration decisions.

EXECUTIVE TEAM REMUNERATION STRUCTURE

The 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)

Thirty-six senior leaders in group chief executive, executive, general manager, or equivalent senior leadership roles were invited to participate in the FY2026 STI scheme. The FY2026 STI is an at-risk cash incentive, calculated as a percentage of base salary, with target opportunities ranging from 20% to 75% depending on the complexity, scope and seniority of the role.

The purpose of the STI framework is to reward behaviours and outcomes that deliver organisational priorities, create value for Vector's shareholders, and drive positive customer experiences. Performance is assessed across four categories:

- financial
- customer
- health and safety
- people.

Performance measures and targets are reviewed annually by the people and remuneration committee, followed by the board, to ensure alignment with Vector's business strategy and financial priorities. Performance measures are consistent across the organisation, with variations applied only where required to reflect the specific objectives of a particular business area.

For the FY2026 period, Vector simplified the STI structure by combining the former Corporate and Electricity and Gas schemes into a single enterprise STI, while retaining a separate VTS STI for Vector Technology Solutions (VTS). The separate HRV STI scheme ceased following the sale of the business on 1 August 2025.

The group chief executive and all executives are measured against the enterprise STI.

Both STI schemes are subject to gateway conditions comprising:

- achievement of minimum financial performance (90% budgeted adjusted EBITDA)
- no fatalities arising from Vector's policies or processes
- satisfactory individual performance.

Failure to satisfy any gateway condition results in zero STI pay-out regardless of performance against other measures.

For FY2026, Vector adopted a continuous improvement approach to target setting for measures used on a year-on-year basis. For these measures, the performance required to achieve a 90% pay-out was generally set at the prior year's actual performance outcomes, with higher levels of performance required for at-target and maximum outcomes. For financial measures, the level required to achieve a 90% pay-out was set at the approved budget.

STI outcomes are determined following an assessment of company performance against the approved enterprise scorecard. Each performance measure has an assigned weighting and is assessed against predefined minimum, target and maximum performance levels. A minimum threshold must be achieved before any payment is made for the relevant measure. Performance between minimum and maximum is assessed on a sliding scale, with each measure capable of paying between 0% and 110% of its weighting. The exception is the Health and Safety measure, which is capped at 100% of target opportunity.

The board retains full discretion to adjust STI outcomes upward (capped at 110%) or downward where considered appropriate, to reflect circumstances or events not captured in the metrics.

STI payments relating to the financial year ended 30 June 2026 are delivered as a taxable cash payment and are payable on completion of the annual audited financial statements. Payments relating to the 2026 financial year are therefore paid in the 2027 financial year. The outcome of the enterprise STI scheme is outlined on the next page.

Enterprise: FY2026 STI goals and results

GOAL / MEASURES	WEIGHTING	TARGETS AND OUTCOMES	PERFORMANCE AGAINST TARGET
Financial	30%		30.6%
Adjusted EBITDA Target (100%): \$492m	30.0%	Outcome: \$496.4m¹ Minimum (80%): \$470m Maximum (110%): \$510m	30.6% Achievement: 102%
Customer	40%		37.5%
Customer Satisfaction – for outages weighted 60% electricity unplanned, 30% electricity planned and 10% gas outages Target (100%): 8.2	25.0%	Outcome: 7.89 Minimum (80%): 7.8 Maximum (110%): 8.4	21.25% Achievement: 85%
Unplanned electricity SAIDI – interruption duration – average in minutes Target (100%): ≤ 110.07	7.5%	Outcome: 99.97 Minimum = Target ² Maximum (110%): ≤ 98.11	8.18% Achievement: 109%
Unplanned electricity SAIFI – interruption frequency – average number Target (100%): ≤ 1.40	7.5%	Outcome: 1.107 Minimum = Target ³ Maximum (110%): ≤ 1.139	8.25% Achievement: 110%
Health and Safety⁴	15%		11.3%
Lost-Time Injury Frequency Rate (LTIFR) Target (100%): ≤ 1.5		Outcome: 1.5 Minimum (50%): ≤ 2.1 - ≤ 2.8 Maximum = Target	11.3% Aggregate of ⁵ · LTIFR: 100%
Total Recordable Injury Frequency Rate (TRIFR) Target (100%): ≤ 3.9		Outcome: 4.5 Minimum (50%): ≤ 5.3 - ≤ 7.8 Maximum = Target ⁵	· TRIFR: 75%
Severity Rate Target (100%): ≤ 32		Outcome: 34.7 Minimum (50%): ≤ 34.0 - ≤ 35.5 Maximum = Target	· SR: 50%
Critical Risk Control (CRC) – critical risk safety leadership observations Target (100%): ≤ 95%		Outcome: 105% Minimum: (50%) = 82% - ≤ 88% Maximum = Target	· CRC: 100%
People	15%		16.5%
Employee engagement Target (100%): 83%	15%	Outcome: 84% Minimum (80%): 80% Maximum (110%): 84%	16.5% Achievement: 110%
Total	100%		95.9%

1. Outcome reflects board-approved adjustments arising from M&A activity.

2. No payment released unless the stretch target is achieved.

3. No payment released unless the stretch target is achieved.

4. Health and safety targets are segmented into ranges, where the maximum is achieving the stretch target at 100%.

5. No additional upside is applied. The aggregate of the four areas determines the percentage achievement – 0%, 50%, 75%, 100%.

The overall STI outcome was 95.9% in FY2026, compared to 91.2% in FY2025.

Other remuneration

Vector has not provided a joining bonus to executives in the last financial year.

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.

Simon Mackenzie finished as group chief executive on 31 December 2025. Chris Blenkiron started on 1 December 2025.

The current group chief executive's total remuneration includes fixed remuneration and an annual at-risk STI. The STI is based on the achievement of the enterprise STI performance measures and up to two individual performance objectives, with a target opportunity of 75% of base salary, which is split 50% based on the enterprise STI and 25% against individual goals. A maximum opportunity of 80% of base salary can be achieved. No long-term incentive (LTI) plan was in place for either group chief executive during FY2026.

Group chief executive remuneration outcomes

The STI outcome for Chris Blenkiron for FY2026 reflects the arrangements agreed with the board as part of his total remuneration package. As he commenced during the financial year, his STI target opportunity of 75% was pro-rated to reflect his period of service. His resulting STI outcome has been calculated based on this pro-rated opportunity, assuming 100% achievement of performance measures for his period of service. As a result, this STI outcome is not directly comparable to a full-year FY2026 performance outcome. His FY2027 STI outcome will be determined based on performance over the full 2027 financial year and reported on in next year's annual report.

The STI outcome for Simon Mackenzie reflects his service during FY2026.

No sign-on payment was made to Chris Blenkiron and no exit payment was made to Simon Mackenzie.

The table below shows the amounts assessed as earned in relation to a financial year:

EARNED IN RELATION	NAME	FIXED REMUNERATION			AT-RISK REMUNERATION	TOTAL REMUNERATION
		SALARY	BENEFITS ¹	SUBTOTAL	STI	
FY2026	Chris Blenkiron	\$592,308 ²	\$19,038	\$611,346	\$480,460 ³	\$1,091,806
FY2026	Simon Mackenzie	\$2,140,764	–	\$2,140,764	\$1,236,315	\$3,377,079
FY2025	Simon Mackenzie	\$1,609,137	–	\$1,609,137	\$1,163,083	\$2,772,221

1. Benefits include KiwiSaver, life and income protection insurance, carpark provision, and home phone rental, tolls and internet expenses. The reported remuneration amount includes KiwiSaver, while other benefits are not separately quantified.

2. Pro-rated from start date of 1 December 2025.

3. FY2026 STI earned in FY2026 (1 December 2025 to 30 June 2026) but due to be paid in FY2027.

FY2027 group chief executive STI structure

For FY2027, Chris Blenkiron's maximum STI opportunity is 110% for the enterprise performance component only. This increases the maximum payout for the enterprise component from 50% to 55% of target STI. Effective from 1 October 2026, the individual performance component will increase from 25% to 35% for FY2027, taking Chris's total target STI opportunity to 85% of base salary. The individual performance component remains capped at its standard weighting.

FY2027 STI goals and targets

GOAL / MEASURES	WEIGHTING	TARGETS	PERCENTAGE OF TARGET STI
Financial	30%		
Adjusted EBITDA ⁴	30%	Minimum (80%): ≥ 96.5% of board-approved adjusted EBITDA Target (100%): 100% of board-approved adjusted EBITDA Maximum (110%): ≥ 103.5% of board-approved adjusted EBITDA	
Customer	40%		
Customer Satisfaction – for outages weighted 50% electricity unplanned, 20% electricity planned, 20% electricity small connections and 10% gas outages	20%	Minimum (80%): 7.5 Target (100%): 7.9 Maximum (110%): 8.1	
Unplanned electricity SAIDI – interruption duration – average in minutes	10%	Minimum = Target ¹ Target (100%): ≤ 110.07 Maximum (110%): ≤ 98.11	
Unplanned electricity SAIFI – interruption frequency – average number	10%	Minimum = Target ² Target (100%): ≤ 1.40 Maximum (110%): ≤ 1.139	
Health and Safety³	15%		
Lost-Time Injury Frequency Rate (LTIFR)		Minimum (50%): ≥ 2.0 - ≤ 2.6 Target (100%): ≤ 1.4 Maximum = Target	
Total Recordable Injury Frequency Rate (TRIFR)		Minimum (50%): ≥ 5.5 - ≤ 6.9 Target (100%): ≤ 3.9 Maximum = Target ⁴	
Severity Rate (SR)		Minimum (50%): ≥ 34.0 - ≤ 35.5 Target (100%): ≤ 32.0 Maximum = Target	
Critical Risk Control (CRC)		Minimum (50%): ≥ 86% - ≤ 94% Target (100%): ≥ 100% Maximum = Target	
People	15%		
Improve favourability score of: The leaders at Vector have communicated a vision that motivates me.		Minimum (80%): 64% Target (100%): 70% Maximum (110%): 73%	
There is open and honest communication at Vector.		Minimum (80%): 66% Target (100%): 72% Maximum (110%): 75%	
Total	100%		50%
GOAL / MEASURES	WEIGHTING	TARGETS	PERCENTAGE OF TARGET STI
Individual Goals	100%	To be confirmed	
Total	100%		35%⁵

1. No payment released unless the stretch target is achieved.

2. No payment released unless the stretch target is achieved.

3. Health and safety targets are segmented into ranges, where the maximum is achieving the stretch target at 100% – no additional upside is applied. The aggregate of the four areas determines the percentage achievement – 0%, 50%, 75% and 100%.

4. Adjusted EBITDA targets are expressed as a percentage of the board-approved target, which is commercially sensitive.

5. The individual performance component will increase from 25% to 35%, effective 1 October 2026.

Consideration was given to including a climate-related measure within the FY2027 enterprise STI scheme. A stand-alone climate measure was removed from the FY2026 STI framework following the early achievement of Vector's 2030 target.

The board has determined not to include a stand-alone climate-related measure in the FY2027 STI. Instead, climate-related priorities will be embedded within broader key business initiatives to support delivery of these commitments, with an emphasis on achieving outcomes in a way that also supports strong customer experience and broader business performance.

The board will continue to review the appropriateness of including a specific climate-related performance measure within future STI frameworks.

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 FY2026 of at least \$100,000 for the year ended 30 June 2026. This includes 36 employees who are no longer employed.

The value of remuneration benefits analysed includes:

- fixed remuneration including allowance/overtime payments
- employer KiwiSaver/superannuation contributions

- short-term cash incentives relating to FY2025
- 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 2026 that relate to the year ended 30 June 2026.

Table of employees who earn over \$100,000

REMUNERATION BAND	GROUP	COMPANY	REMUNERATION BAND	GROUP	COMPANY
\$100,001 - \$110,000	47	47	\$340,001 - \$350,000	4	4
\$110,001 - \$120,000	39	36	\$350,001 - \$360,000	2	2
\$120,001 - \$130,000	35	34	\$360,001 - \$370,000	2	2
\$130,001 - \$140,000	36	32	\$370,001 - \$380,000	2	2
\$140,001 - \$150,000	35	31	\$380,001 - \$390,000	1	1
\$150,001 - \$160,000	41	40	\$390,001 - \$400,000	1	1
\$160,001 - \$170,000	36	30	\$410,001 - \$420,000	1	1
\$170,001 - \$180,000	34	31	\$420,001 - \$430,000	1	0
\$180,001 - \$190,000	33	31	\$450,001 - \$460,000	1	1
\$190,001 - \$200,000	26	24	\$460,001 - \$470,000	1	1
\$200,001 - \$210,000	26	23	\$470,001 - \$480,000	1	1
\$210,001 - \$220,000	12	11	\$480,001 - \$490,000	1	1
\$220,001 - \$230,000	12	12	\$520,001 - \$530,000	1	0
\$230,001 - \$240,000	11	11	\$570,001 - \$580,000	1	1
\$240,001 - \$250,000	9	8	\$600,001 - \$610,000	1	1
\$250,001 - \$260,000	7	7	\$610,001 - \$620,000	2	2
\$260,001 - \$270,000	5	5	\$720,001 - \$730,000	2	2
\$270,001 - \$280,000	8	8	\$850,001 - \$860,000	1	1
\$280,001 - \$290,000	2	1	\$860,001 - \$870,000	1	1
\$290,001 - \$300,000	2	1	\$980,001 - \$990,000	1	1
\$300,001 - \$310,000	5	5	\$1,090,001 - \$1,110,000	1	1
\$310,001 - \$320,000	1	1	\$3,350,001 - \$3,360,000	1	1
\$330,001 - \$340,000	3	3		495	460

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.

GENDER PAY REPORTING

We are committed to fair and equitable pay practices across genders.

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: $(\text{male hourly rate} - \text{female hourly rate}) / (\text{male hourly rate})$
- **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: $(\text{male PIR} - \text{female PIR}) / (\text{male PIR})$, where PIR is base salary divided by the midpoint of the relevant internal salary range.

Vector's pay reporting

For this reporting, we have calculated our gender pay equity and pay gap only as the difference between those who identify as women and men.

As at May 2026, the median gender pay gap is 13.42%, a year-on-year decrease from 15.86%. 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.

As at May 2026, our median gender pay equity gap is below 1.0%, a year-on-year decrease from 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 role. Roles are grouped into salary bands, which cluster similar-sized roles together.

Each year, as part of our annual remuneration review, we assess all our data to ensure that we are maintaining our commitment to gender pay equity and adjust if required.

WORKFORCE DEMOGRAPHIC								
POSITION	AS AT 30 JUNE 2026				AS AT 30 JUNE 2025			
	FEMALE POPULATION	MALE POPULATION	GENDER DIVERSE	NOT DISCLOSED	FEMALE POPULATION	MALE POPULATION	GENDER DIVERSE	NOT DISCLOSED
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	9 (25.0%)	27 (75.0%)	–	–	8 (20.0%)	32 (80.0%)	–	–
Overall	220 (37.7%)	364 (62.3%)	–	–	283 (35.4%)	513 (64.1%)	4 (0.5%)	–

GENDER PAY REPORTING		
CAREER LEVEL	MEDIAN PAY GAP	MEDIAN PAY EQUITY
Executive team ¹	24.40%	–
Direct reports to the executive team	15.86%	-1.29%
Overall	13.42%	0.48%

¹ No internal remuneration bands have been established for the executive team. Accordingly, no internal pay equity analysis has been undertaken for this population.

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 its 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 2026 was fixed at our 2025 annual shareholders' meeting at \$1,104,000.

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	\$225,750 ¹	\$112,875
Audit committee	\$30,500	\$15,250
Risk and assurance committee	\$30,500	\$15,250
People and remuneration committee	\$22,000	\$11,000
Pool for additional attendances		\$35,000

1. 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 2026 financial year were as follows:

DIRECTORS	FEES
Doug McKay	\$225,750
Alastair Bell	\$139,125
Vaughan Busby	\$131,247
Dr Paul Hutchison	\$130,625
Dame Paula Rebstock	\$152,625
Bruce Turner	\$154,375
Anne Urlwin	\$158,625

Fee structure from 1 July 2026

The fee structure for FY2027 was also fixed at our 2025 annual shareholders' meeting at \$1,165,000.

Who we are





Our board



DOUG MCKAY

ONZM, BA, AMP (Harvard), CFInstD

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, IAG New Zealand and Oxbury New Zealand (chair).



ALASTAIR BELL

BCom, CA, CMInstD, 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 and a director of New Zealand Post Limited and KiwiRail Holdings Limited. Alastair also chairs the newly established Manukau Institute of Technology and Unitec Council. 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 the chair of Netlogix Australia and the Australian entity SFV (an energy infrastructure financing company). Previously, Vaughan was the chair of ASX-listed SciDev and has held directorships at Energy Queensland (he retired October 2025), EnergyCo NSW, ASX-listed Energy One, Ergon Energy, Morrison and Infratil Energy Australia.



DR PAUL HUTCHISON

MB, ChB, FRCOG, FACOG, Dip Com Health

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. 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 AIA New Zealand, NZ Healthcare Investments (Awanui), National Hauora Coalition¹, New Zealand Post Limited, deputy chair of the NZX, and a director of Bluecurrent Group and Auckland One Rail. 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 director 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.

1. Dame Paula Rebstock retired from the board of National Hauora Coalition in August 2026.

Our management team



CHRIS BLENKIRON

BCom

GROUP CHIEF EXECUTIVE

Chris Blenkiron is the group chief executive of Vector. Prior to this, he was chief executive of New Zealand Aluminium Smelters, Tiwai. Before Tiwai, Chris was the President of NS BlueScope Indonesia, a joint venture between BlueScope and Nippon Steel, and has over 15 years' experience in various leadership roles in manufacturing and building products businesses across New Zealand, Australia and the wider Asia-Pacific region. He has a strong commercial background and people-focused approach to leading business outcomes and holds a BCom from the University of Otago. Chris is passionate about the community, having previously served on the board of Youthtown, an organisation empowering young people throughout New Zealand.



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.



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 joined Vector in 2006 and has extensive experience of Vector's businesses and operations. John is responsible for Vector's legal, corporate governance, health and safety, risk, business performance, assurance, enterprise programme management, privacy, and property functions. 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 operations of Vector's electricity, gas and fibre network businesses, with responsibility for delivering safe, reliable and efficient outcomes across these critical infrastructure networks. He brings more than 20 years' international experience of the telecommunications and energy sectors. Peter has led engineering, field, operational and customer teams responsible for the deployment, operation and maintenance of telecommunications, electricity and gas networks. Most recently, he was Chief Network Officer at NBN Co Australia, where he oversaw the successful deployment and operation of the national broadband network. Peter brings deep expertise in operations management and performance transformation, together with a proven ability to align technical, operational and commercial strategy to optimise business objectives and deliver strong customer outcomes.



RICHARD TIMS

BCom, CA, CPP

CHIEF DIGITAL AND DATA OFFICER

Richard Tims leads Vector's digital and data functions, supporting the broader business strategy and is responsible for driving digital innovation, enhancing customer experience, and delivering meaningful business outcomes. Richard is past recipient of the CIO of the Year award and combines strong leadership, commercial insight, and business focused technical expertise leveraging 25 years' experience spanning cybersecurity and digital transformation, including senior roles at Lotto NZ, Paymark, PwC, and KPMG. His track record includes leading national cyber strategy initiatives, launching digital customer platforms, and delivering large-scale digital transformation programmes.



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 commercial and pricing changes across industries in disruption. He is responsible for leading the group's regulatory, industry, public policy, pricing, and decarbonisation teams, combining strong stakeholder engagement and reputation management expertise to drive Vector's vision of electrifying Auckland. Mark is a past recipient of the New Zealand Prime Minister's Business Scholarship and has completed an Advanced Management Programme at MIT in Boston.



SARAH WILLIAMS¹

BA, Cert. Journalism

CHIEF PEOPLE, CUSTOMER AND COMMUNICATIONS OFFICER

Sarah Williams leads Vector Group's people, customer 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.

1. Sarah Williams left Vector on 30 June 2026.

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 372,000 families and businesses in central, east and south Auckland. Entrust protects the \$3.8 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.

ENTRUST DIVIDENDS

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 (annually adjusted for inflation) to be invested in projects in the Entrust district of central, east and south Auckland every year.

In the year to 30 June 2026, key undergrounding projects have been undertaken in Maraetai and Beachlands improving network resilience, with further resident-initiated projects undertaken in Peacock Street (Glendowie), Hauraki Road (Waiheke), Rota Place (Parnell) and Melford Street (St Mary's Bay).



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

In September 2025, each of Entrust's more than 368,000 beneficiaries was eligible to receive a \$364 dividend – that's \$134 million for the Auckland economy.

More than 330 undergrounding projects have been completed since the programme began, in central, east and south Auckland.

Other disclosures



Operating statistics

YEAR ENDED 30 JUNE	2026	2025
ELECTRICITY		
Customers ^{1,4}	642,134	632,106
New connections	13,017	12,548
Net movement in customers ²	10,028	7,776
Volume distributed (GWh)	8,794	8,634
SAIDI (minutes) ³		
Normal operations – unplanned	99.9	76.6
Normal operations – planned	63.7	49.2
Major network events	24.1	16.3
Total	187.7	142.1
GAS DISTRIBUTION		
Customers ^{1,4}	119,991	120,621
New connections	710	1,296
Net movement in customers ²	(630)	267
Volume distributed (PJ)	11.7	11.9

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)	2026	2025	2024	2023	2022
PROFIT OR LOSS					
Total revenue – continuing operations ¹	1,195.3	1,104.0	1,013.0	963.9	902.9
Adjusted EBITDA – continuing operations ¹	482.2	401.1	345.3	311.0	316.8
Depreciation and amortisation – continuing operations ¹	(233.0)	(231.4)	(218.3)	(193.7)	(182.8)
Adjusted EBIT – continuing operations ¹	249.2	169.7	127.0	117.3	134.0
Net profit – continuing operations¹	240.2	154.7	75.6	101.5	137.3
Total revenue – discontinued operations	–	79.2	228.6	487.2	436.1
Adjusted EBITDA – discontinued operations	–	12.9	36.5	212.3	193.2
Depreciation and amortisation – discontinued operations	–	(1.6)	(12.5)	(64.4)	(107.0)
Adjusted EBIT – discontinued operations	–	11.3	23.9	147.9	86.2
Net profit – including discontinued operations²	240.2	167.7	91.0	1,715.8	160.9
BALANCE SHEET					
Total equity	3,629.0	3,600.9	3,776.7	3,958.0	2,430.1
Total assets	7,157.1	6,922.3	7,125.6	7,527.6	6,812.2
Economic net debt ³	2,282.0	2,148.3	2,128.6	1,933.1	3,296.8
CASH FLOW					
Operating cash flow	632.5	515.2	445.1	517.1	518.8
Capital expenditure	(531.3)	(474.9)	(488.7)	(639.0)	(558.8)
Dividends paid	(255.0)	(268.7)	(234.9)	(169.9)	(169.1)
KEY FINANCIAL MEASURES					
Adjusted EBITDA/total revenue ¹	40.3%	36.3%	34.1%	32.3%	35.1%
Adjusted EBIT/total revenue ¹	20.8%	15.4%	12.5%	12.2%	14.8%
Equity/total assets	50.7%	52.0%	53.0%	52.6%	35.7%
Return on assets (adjusted EBITDA/assets) ¹	6.7%	5.8%	4.8%	4.1%	4.6%
Gearing ⁴	38.5%	37.3%	36.2%	33.1%	58.2%
Net interest cover (adjusted EBIT/net interest costs) (times)	3.1	2.5	2.9	1.8	2.1
Earnings (NPAT) per share (cents)	24.0	16.7	8.9	171.5	15.9
Dividends declared, cents per share	26.00	25.00	24.00	22.25	16.75

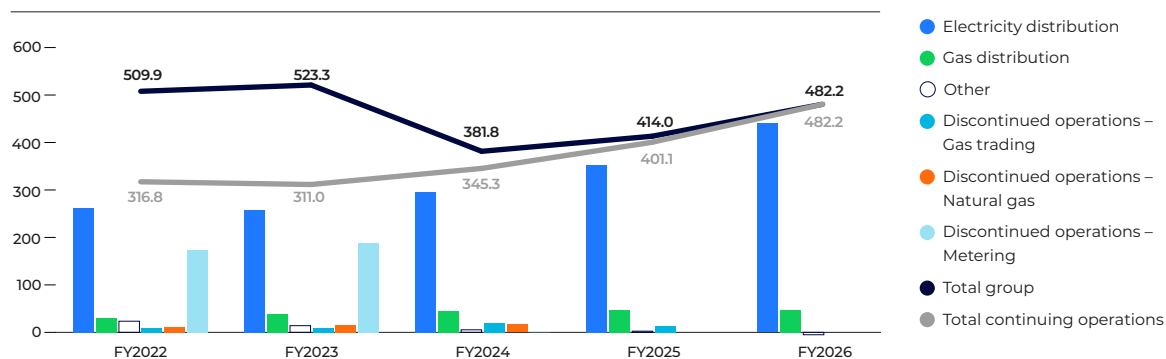
1. Excludes contribution from gas trading businesses (sold in year ended 30 June 2025) and the metering business (sold on 30 June 2023) for all periods presented.

2. One-off items included in total net profit: FY2025 includes a \$37.0 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.

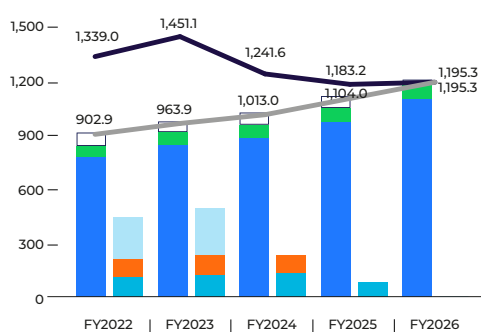
3. Economic net debt is borrowings and lease liabilities net of cash and cash equivalents and deposits.

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



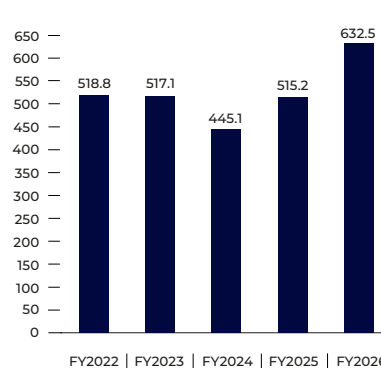
REVENUE \$ MILLION



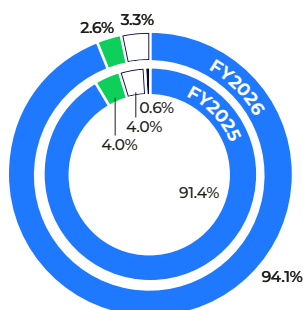
- Electricity distribution
- Gas distribution
- Other¹
- Discontinued operations – Gas trading
- Discontinued operations – Natural gas
- Discontinued operations – Metering
- Total group
- Total continuing operations

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

OPERATING CASH FLOWS \$ MILLION

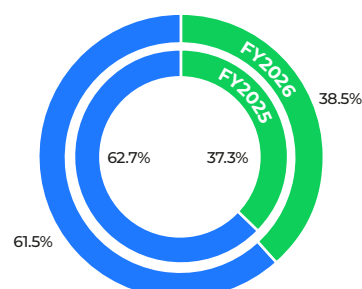


CAPITAL EXPENDITURE



- 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		
	2026	2025
Reported net profit for the period (GAAP) – continuing operations	240.2	154.7
Add back: net interest costs	81.4	72.4
Add back: tax (benefit)/expense	101.2	86.5
Add back: depreciation and amortisation	233.0	231.4
Add back: impairment	–	37.0
Add back: associates (share of net (profit)/loss)	21.6	21.1
Add back: fair value changes on financial instruments	(4.3)	8.5
EBITDA	673.1	611.6
<i>Adjusted for:</i>		
Capital contributions	(190.9)	(210.5)
Adjusted EBITDA – continuing operations	482.2	401.1
Adjusted EBITDA – discontinued operations	–	12.9
Total group adjusted EBITDA	482.2	414.0

	2026			2025		
YEAR ENDED 30 JUNE (\$ MILLION)						
Segment adjusted EBITDA	SEGMENT EBITDA	LESS CAPITAL CONTRIBUTIONS	SEGMENT ADJUSTED EBITDA	SEGMENT EBITDA	LESS CAPITAL CONTRIBUTIONS AND OTHER MOVEMENTS	SEGMENT ADJUSTED EBITDA
Electricity distribution	622.9	(182.6)	440.3	547.8	(195.9)	351.9
Gas distribution	54.5	(7.6)	46.9	60.0	(13.3)	46.7
Total reported segments	677.4	(190.2)	487.2	607.8	(209.2)	398.6
Other	(4.3)	(0.7)	(5.0)	3.8	(1.3)	2.5
Total – continuing operations	673.1	(190.9)	482.2	611.6	(210.5)	401.1
Discontinued operations – gas trading	–	–	–	12.9	–	12.9
Total discontinued operations	–	–	–	12.9	–	12.9
Total group	673.1	(190.9)	482.2	624.5	(210.5)	414.0

Financials

Financial Statements

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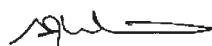
2026 FINANCIAL STATEMENTS

These financial statements for the year ended 30 June 2026 are dated 17 August 2026, and signed for and on behalf of Vector Limited by:



CHAIR

17 August 2026



CHAIR, AUDIT COMMITTEE

17 August 2026

And management of Vector Limited by:



GROUP CHIEF EXECUTIVE

17 August 2026



CHIEF FINANCIAL OFFICER

17 August 2026

Profit or Loss

for the year ended 30 June

	NOTE	2026 \$M	2025 \$M
Continuing operations:			
Revenue	6	1,195.3	1,104.0
Operating expenses	7	(512.7)	(492.4)
Non-operating losses	3	(9.5)	–
Depreciation and amortisation		(233.0)	(231.4)
Interest income	8	17.6	25.6
Interest costs	9	(99.0)	(98.0)
Impairment of goodwill	13	–	(37.0)
Fair value change on financial instruments	22.2	4.3	(8.5)
Share of net profit/(loss) in joint ventures	16.1	(21.6)	(21.1)
Profit/(loss) before income tax		341.4	241.2
Income tax benefit/(expense)	17	(101.2)	(86.5)
Net profit/(loss) for the period from continuing operations		240.2	154.7
Net profit/(loss) for the period from discontinued operations	5	–	13.0
Net profit/(loss) for the period		240.2	167.7
Net profit/(loss) for the period attributable to			
Owners of the parent – continuing operations		240.2	154.7
Owners of the parent – discontinued operations		–	11.8
Non-controlling interests – discontinued operations		–	1.2
Basic and diluted earnings per share (cents)			
Continuing operations	25.3	24.0	15.5
Discontinued operations	25.3	–	1.2
Total		24.0	16.7

Other Comprehensive Income

for the year ended 30 June

	NOTE	2026 \$M	2025 \$M
Net profit/(loss) for the period		240.2	167.7
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	22.3	2.1	(37.4)
Translation of foreign operations		20.0	(2.3)
Share of other comprehensive income of joint ventures	16.1	20.7	(19.9)
Other comprehensive income for the period net of tax – continuing operations		42.8	(59.6)
Total comprehensive income for the period net of tax		283.0	108.1
Total comprehensive income for the period attributable to			
Owners of the parent – continuing operations		283.0	95.1
Owners of the parent – discontinued operations		–	11.8
Non-controlling interests – discontinued operations		–	1.2

Balance Sheet

as at 30 June

	NOTE	2026 \$M	2025 \$M
CURRENT ASSETS			
Cash and cash equivalents	10	5.4	23.3
Trade and other receivables	12	83.6	100.9
Contract assets		116.4	92.5
Derivatives	22	2.8	2.5
Inventories		–	11.5
Contingent consideration	11	5.0	8.1
Income tax	17	35.3	19.6
Total current assets		248.5	258.4
NON-CURRENT ASSETS			
Receivables	12	3.4	4.4
Derivatives	22	97.0	63.8
Contingent consideration	11	21.6	20.0
Investment in joint venture	16.1	580.4	605.5
Intangible assets	13	1,046.7	1,051.9
Property, plant and equipment (PPE)	14	5,118.5	4,807.9
Right of use assets (ROU)	15.1	40.9	41.3
Income tax	17	–	69.0
Deferred tax	18	0.1	0.1
Total non-current assets		6,908.6	6,663.9
Total assets		7,157.1	6,922.3
CURRENT LIABILITIES			
Trade and other payables	19	213.5	206.4
Provisions		0.5	0.9
Borrowings	21	170.0	–
Derivatives	22	–	0.3
Contract liabilities		57.0	52.6
Lease liabilities	15.2	4.8	6.0
Total current liabilities		445.8	266.2
NON-CURRENT LIABILITIES			
Borrowings	21	2,084.6	2,049.1
Derivatives	22	88.4	143.6
Contract liabilities		2.0	2.9
Lease liabilities	15.2	47.5	45.5
Deferred tax	18	859.8	814.1
Total non-current liabilities		3,082.3	3,055.2
Total liabilities		3,528.1	3,321.4
EQUITY			
Equity attributable to owners of the parent		3,629.0	3,600.9
Total equity		3,629.0	3,600.9
Total equity and liabilities		7,157.1	6,922.3
Net tangible assets per share (cents)	25.3	258.2	254.9
Gearing ratio (%)	25.3	38.5	37.3

Cash Flows

for the year ended 30 June

	NOTE	2026 \$M	2025 \$M
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		997.9	973.1
Customer contributions received		191.5	190.0
Dividend received from joint venture		32.6	–
Interest received		14.7	24.4
Payments to suppliers and employees		(500.3)	(566.5)
Interest paid		(102.5)	(103.1)
Income tax paid		(1.4)	(2.7)
Net cash flows from/(used in) operating activities	24.1	632.5	515.2
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of PPE and software intangibles		0.8	0.4
Purchase and construction of PPE		(503.9)	(443.7)
Purchase and development of software intangibles		(27.4)	(31.2)
Proceeds from contingent consideration	11	11.7	10.8
Proceeds from sale of discontinued operations		1.7	158.0
Cash balance disposed in sale of discontinued operations		–	(5.6)
Repayments of loans advanced		12.1	36.2
Other investing cash flows		0.1	0.7
Net cash flows from/(used in) investing activities		(504.9)	(274.4)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	3	410.0	260.0
Repayments of borrowings	3	(295.0)	(305.0)
Dividends paid	3	(255.0)	(268.7)
Lease liabilities payments		(5.5)	(8.4)
Net cash flows from/(used in) financing activities		(145.5)	(322.1)
Net increase/(decrease) in cash and cash equivalents		(17.9)	(81.3)
Cash and cash equivalents at beginning of the period		23.3	104.6
Cash and cash equivalents at end of the period		5.4	23.3
Cash and cash equivalents comprise:			
Bank balances and on-call deposits		5.4	23.3
		5.4	23.3

Discontinued operations

The cash flows above reflect the entire Vector group cash flows for the year ended 30 June 2026. Comparative information also includes cash flows from discontinued operations from Vector's gas trading business, refer to note 5 for more information.

Changes in Equity

for the year ended 30 June

	NOTE	ISSUED SHARE CAPITAL \$M	TREASURY SHARES \$M	HEDGE RESERVES \$M	OTHER RESERVES \$M	RETAINED EARNINGS \$M	NON- CONTROLLING INTERESTS \$M	TOTAL EQUITY \$M
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		–	–	–	–	(267.5)	(1.2)	(268.7)
Sale of discontinued operations		–	–	–	–	–	(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
Net profit/(loss) for the period		–	–	–	–	240.2	–	240.2
Other comprehensive income		–	–	2.1	40.7	–	–	42.8
Total comprehensive income		–	–	2.1	40.7	240.2	–	283.0
Dividends	3	–	–	–	–	(255.0)	–	(255.0)
Sale of treasury shares		–	0.1	–	–	–	–	0.1
Total transactions with owners		–	0.1	–	–	(255.0)	–	(254.9)
Balance at 30 June 2026		880.0	–	(9.1)	19.0	2,739.1	–	3,629.0

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1. Company information

Reporting entity

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.

The financial statements presented are for Vector Limited Group ("Vector" or "the group") as at, and for the year ended 30 June 2026. The group comprises Vector Limited ("the parent") and its subsidiaries (together referred to as "the group").

In accordance with the Financial Markets Conduct Act 2013, where a reporting entity prepares consolidated financial statements, parent company disclosures are not required.

Vector Limited is a 75.1% owned subsidiary of Entrust which is the ultimate parent entity for the group.

The primary operations of the group are electricity and gas distribution, telecommunications, and new energy solutions.

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

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("GAAP") as appropriate to Tier 1 for-profit entities.

They are prepared on the historical cost basis except for the following items, which are measured at fair value:

- 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.

The presentation currency is New Zealand dollars (\$). All financial information has been rounded to the nearest 100,000, unless otherwise stated.

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.

Material accounting estimates and judgements

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:

KEY AREAS	JUDGEMENTS / ESTIMATES	NOTE
Valuation of contingent consideration receivable	Estimates	11, 20
Intangible assets: valuation of goodwill, risk of impairment	Estimates	13
Property, plant and equipment: classification of costs	Judgements	14
Leases: assessment of lease term for perpetual leases and leases with renewal options	Judgements	15
Valuation of derivative financial instruments	Estimates	20, 22

2. Summary of material accounting policies *continued*

New standards and interpretations adopted

A number of new standards and interpretations are effective from 1 July 2025, but they do not have a material effect on the group's financial statements.

A number of new standards and interpretations are effective for annual periods beginning on or after 1 July 2026 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.

The group is currently assessing the impact of NZ IFRS 18 *Presentation and Disclosure in Financial Statements*, which is mandatory from the year ended 30 June 2028. The standard introduces new requirements for the structure and content of the profit or loss, including:

- classifying results into operating, investing and financing categories;
- defined subtotals; and
- disclosures reconciling management defined performance measures to the nearest defined subtotal.

Based on the preliminary assessment, the new presentation and disclosure requirements are expected to change the layout of the profit or loss but will not impact the group's results. NZ IFRS 18 *Presentation and Disclosure in Financial Statements* is required to be applied retrospectively, and comparative information will be restated upon adoption.

3. Material transactions and events

Material transactions and events that have impacted the financial year ended 30 June 2026:

Sale of E-Co Products Group Limited

On 1 August 2025, Vector entered and completed an agreement with HRV NZ Limited for the sale of its entire shareholding in Eco- Products Group Limited for \$2.5 million. A non-operating loss of \$9.5 million has been recognised on this transaction.

Commerce commission decisions

On 27 May 2026, the Commerce Commission ("the Commission") released its final default price path determination for gas distribution businesses applying from 1 October 2026 through to 30 September 2031 ("DPP4").

While New Zealand's gas production has halved since 2016 and gas demand is expected to decline over time, the Commission considers gas will remain an important part of New Zealand's energy mix for at least the next two decades. Given this expectation, gas pipelines must be maintained and operated to provide reliable services to consumers who continue to use gas.

The DPP4 decision reflects the Commission's long-term approach to setting prices and revenues in a way that can be sustained over time. This includes balancing the right incentives for maintaining gas distribution networks while recognising a potentially shorter economic life for the assets. The Commission have addressed this in their final DPP4 decision by retaining accelerated depreciation, which enables us to recover the residual value of the residual regulatory asset base faster. This decision impacts the future cash flows we can expect to earn from the gas distribution business.

Regulatory quality thresholds

For both the regulatory years to 31 March 2025 and 31 March 2026, Vector was within the unplanned SAIDI and SAIFI quality limits.

3. Material transactions and events *continued*

Regulatory consultations	In November 2025, the Electricity Authority (the "Authority") released a round of consultation on its network connection pricing reform. This consultation ("Reducing barriers for new connections: upfront charges and distributor obligations") proposed to introduce targeted intervention of connection pricing where upfront connection costs are too high, along with distributor obligations for connecting customers. The Authority's decision paper was released in July 2026, along with two further consultations. It has introduced an interim measure (the "targeted intervention" framework) that enables the Authority to examine distributors' pricing methodologies and requires them to be adjusted to comply with the new "balance point" principle. The targeted intervention came into effect on 1 August 2026 and is set to expire in 2030, although directions under the framework may continue. The Authority has not introduced an obligation for distributors to connect customers, but this remains its preferred direction. Instead, it will monitor supply issues and work towards its preferred direction. The first consultation was on the Authority's proposed guidance on the balance point principles. Vector has submitted its response on this consultation. The second consultation is an issues paper for further reform of connection pricing. This paper sets out the Authority's initial thinking on possible reforms and seeks feedback on the scope of the next stage of work. This includes how connection costs and one-off charges are determined, pricing for areas not currently covered by the rules, and related issues such as contestability in connection service. Vector will submit on this consultation by 24th August 2026. These determinations will influence how Vector manages its customer connections.
Debt programme	During the year ended 30 June 2026, the group drew down \$410.0 million and repaid \$295.0 million of bank facilities for a net drawdown of \$115.0 million from the bank facilities (year ended 30 June 2025: net \$205.0 million movement). Refer to note 21 for more details on borrowings.
Dividends	Vector Limited's final dividend for the year ended 30 June 2025 of 13.0 cents per share (unimputed) was paid on 17 September 2025. The total dividend paid was \$130.0 million. Vector Limited's interim dividend for the year ended 30 June 2026 of 12.5 cents per share (unimputed) was paid on 31 March 2026. The total dividend paid was \$125.0 million.

4. Segment information

Segments	Vector reports 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. The segments are: <table> <tr> <td>Electricity distribution</td><td>Auckland electricity distribution services.</td></tr> <tr> <td>Gas distribution</td><td>Auckland gas distribution services.</td></tr> </table> Other includes telecommunications, digital services, energy solution services and corporate operations. The reportable segments also include a portion of shared corporate costs, in line with allocations used for the most recent regulatory reporting period. There have been no changes to the reportable segments and policies during the year.	Electricity distribution	Auckland electricity distribution services.	Gas distribution	Auckland gas distribution services.
Electricity distribution	Auckland electricity distribution services.				
Gas distribution	Auckland gas distribution services.				
Segment profit	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.				

4. Segment information *continued*

Activities not reported in segments Other activities engaged by the group comprise shared services and other business activities. 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.

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.

Geographical information The group derives the majority of its revenue from external customers in New Zealand.

Major customers 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 2026, the customers contributed \$254.2 million (2025: \$222.8 million), \$181.3 million (2025: \$131.6 million), \$159.5 million (2025: \$131.5 million) and \$151.4 million (2025: \$123.4 million) respectively, which is reported across all segments.

30 JUN 2026 12 MONTHS	ELECTRICITY DISTRIBUTION \$M	GAS DISTRIBUTION \$M	OTHER \$M	INTER- SEGMENT ELIMINATIONS \$M	TOTAL \$M
External revenue:					
Sales	903.2	68.7	32.5	–	1,004.4
Customer contributions	182.6	7.6	0.7	–	190.9
Inter-segment revenue	2.1	–	12.9	(15.0)	–
Segment revenue	1,087.9	76.3	46.1	(15.0)	1,195.3
External expenses:					
Electricity transmission expenses	(231.3)	–	–	–	(231.3)
Network and asset maintenance	(84.7)	(8.7)	(2.2)	–	(95.6)
Employee benefit expenses	(50.7)	(4.5)	(13.9)	–	(69.1)
Other expenses	(87.5)	(8.5)	(20.7)	–	(116.7)
Inter-segment expenses	(10.8)	(0.1)	(4.1)	15.0	–
Segment operating expenses	(465.0)	(21.8)	(40.9)	15.0	(512.7)
Non-operating losses	–	–	(9.5)	–	(9.5)
Segment EBITDA	622.9	54.5	(4.3)	–	673.1
Depreciation and amortisation	(188.0)	(26.1)	(18.9)	–	(233.0)
Segment EBIT	434.9	28.4	(23.2)	–	440.1
Segment capital expenditure	512.1	14.1	17.8	–	544.0

	30 JUN 2026 12 MONTHS \$M
Reconciliation of segment reporting to profit or loss:	
Segment EBIT reported in the segment information	440.1
Interest income	17.6
Interest costs	(99.0)
Fair value change on financial instruments	4.3
Share of net profit/(loss) in joint venture	(21.6)
Profit before tax from continuing operations	341.4

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

5. Discontinued operations

On 31 January 2025, Vector completed the sale of the Ogas LPG business, and shares in Liquigas Limited (the gas trading business").

The disposal group was presented as discontinued operations in the 2025 Annual Report. Comparatives show the discontinued operations separately from the continuing operations.

6. Revenue

6.1 Revenue from contracts with customers

	2026 \$M	2025 \$M
Regulated networks – sale of distribution services	971.9	829.4
Regulated networks – third party contributions	190.2	209.2
Other	33.2	65.4
Total	1,195.3	1,104.0

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.

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.

Other revenue streams

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.

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 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.

6. Revenue *continued***6.2 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
2026			
Electricity distribution services	0.3	–	0.3
Telecommunication services	0.3	0.9	1.2
Total	0.6	0.9	1.5
2025			
Electricity distribution services	0.4	–	0.4
Telecommunication services	0.2	0.8	1.0
Total	0.6	0.8	1.4

Policies No information is provided in relation to the remaining performance obligations at 30 June 2026 or 30 June 2025 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, \$41.2 million was included in the contract liability balance at the beginning of the reporting period. (2025: \$61.2 million).

7. Operating expenses

	NOTE	2026 \$M	2025 \$M
Electricity transmission	4	231.3	200.7
Energy solutions cost of sales		1.8	18.3
Network and asset maintenance	4	95.6	87.6
Other direct expenses		46.5	48.6
Employee benefit expenses	4	69.1	79.8
Administration expenses		11.9	13.2
Professional fees		14.4	7.6
IT expenses		40.0	32.0
Other indirect expenses		2.1	4.6
Total		512.7	492.4

Fees paid to auditors

Fees were paid to KPMG as follows:

	2026 \$	2026 \$	2025 \$	2025 \$
Audit or review of financial statements		670,200		671,200
Audit related services: Regulatory assurance	420,000		378,000	
Regulatory agreed upon procedures	68,185		121,300	
ESG assurance	195,000		176,500	
Other assurance	25,700		25,700	
Other agreed upon procedures	10,300		10,300	
Total audit related services		721,185		711,800
Tax services: R&D tax credits		100,000		74,000
Other services: Risk management		–		60,000
Total		1,491,385		1,517,000

7. 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

8. Interest income

	NOTE	2026 \$M	2025 \$M
Interest income		14.9	21.2
Unwinding of discount of contingent consideration	11	2.7	4.4
Total		17.6	25.6

Policies

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

9. Interest costs

	NOTE	2026 \$M	2025 \$M
Interest on borrowings		98.1	95.9
Amortisation of borrowing costs		3.6	4.4
Capitalised interest		(5.9)	(5.6)
Interest on leases	15.3	3.2	3.3
Total		99.0	98.0

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 4.5% per annum (2025: 4.4%).

10. Cash and cash equivalents

	2026 \$M	2025 \$M
Cash and cash equivalents	5.4	23.3

Policies

Cash and cash equivalents are carried at amortised cost, and includes deposits that are on call.

11. Contingent consideration

	NOTE	2026 \$M	2025 \$M
Carrying value of contingent consideration			
Opening balance		28.1	42.3
Unwinding of discount	8	2.7	4.4
Payments received		(11.7)	(10.8)
Fair value movement	22.2	7.5	(7.8)
Closing balance at 30 June		26.6	28.1
Comprising:			
Current		5.0	8.1
Non-current		21.6	20.0

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, 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 20 for details and sensitivity analysis around material unobservable inputs used in measuring fair values.

12. Trade and other receivables

	2026 \$M	2025 \$M
Current		
Trade receivables	62.5	75.4
Interest receivable	11.1	11.7
Prepayments	7.7	8.7
Other receivables	2.3	5.1
Balance at 30 June	83.6	100.9
Non-current		
Other contract receivables	–	0.9
Other receivables	3.4	3.5
Balance at 30 June	3.4	4.4

12. 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.

	2026 \$M		2025 \$M	
	Not credit impaired	Credit impaired	Not credit impaired	Credit impaired
Business customers	35.4	–	54.2	1.1
Mass market customers (includes customer contributions)	22.4	–	15.2	–
Third party asset damages	–	11.6	–	10.0
Residential and other	–	–	2.0	0.1
Total gross amount	57.8	11.6	71.4	11.2
Loss allowance	–	(6.9)	–	(6.3)
Total carrying amount	57.8	4.7	71.4	4.9

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

	2026 \$M		2025 \$M	
	Gross amount	Loss allowance	Gross amount	Loss allowance
Not past due	53.5	(0.1)	37.4	(0.3)
Past due 1-30 days	3.7	(0.2)	30.6	(0.1)
Past due 31-120 days	3.6	(0.1)	5.1	(0.3)
Past due more than 120 days	8.6	(6.5)	9.5	(5.6)
Balance at 30 June	69.4	(6.9)	82.6	(6.3)

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.

13. Intangible assets

	EASEMENTS \$M	SOFTWARE \$M	GOODWILL \$M	CAPITAL WORK IN PROGRESS \$M	TOTAL \$M
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)
Additions	–	–	–	29.2	29.2
Transfers	1.4	21.9	–	(23.3)	–
Disposals	–	(0.5)	–	–	(0.5)
Amortisation for the period	–	(33.9)	–	–	(33.9)
Carrying amount 30 June 2026	20.8	45.7	953.1	27.1	1,046.7
Cost	20.8	341.2	1,202.0	27.1	1,591.1
Accumulated amortisation	–	(295.5)	–	–	(295.5)
Accumulated impairment	–	–	(248.9)	–	(248.9)

13.1 Goodwill

Goodwill by cash generating unit	2026 \$M	2025 \$M
Electricity	881.0	881.0
Gas Distribution	72.1	72.1
Total	953.1	953.1

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 ("CGU"s), for impairment testing purposes.

This is the highest level permissible under NZ IFRS. The CGUs within the group are electricity, gas distribution, communications and technology solutions. The E-Co Products CGU ceased to exist following sale of the business on 1 August 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.

Key accounting judgements

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:

- 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.

13. Intangible assets *continued*

13.1 Goodwill *continued*

Assumptions

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.

Future cash flows are forecast based on actual results and business plans.

For the electricity CGU, a ten-year period has been used due to the long-term nature of the group's capital investment in this business and the predictable nature of the cash flows. A five-year period has been used for the technology solutions and communications CGUs.

For the gas distribution CGU, a twenty-year period has been used due to the long-term nature of the group's capital investment in this business and to better reflect the potential customer change due to gas supply uncertainty.

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.

Electricity

Management have applied the practical expedient from NZ IAS 36 *Impairment of Assets* in carrying out their annual impairment assessment of the electricity CGU at 31 December 2025. The practical expedient allows an entity to use the recoverable amount calculation prepared in the prior year provided all of the following criteria are met:

- (a) the carrying value of the assets and liabilities of the electricity CGU have not changed significantly in the intervening period;
- (b) the previous calculation of the CGU's recoverable amount exceeded the carrying value by a substantial margin; and
- (c) based on an analysis of events and circumstances that have occurred since the previous recoverable amount calculation, the likelihood that a current recoverable amount determination would be less than the current carrying amount of the unit is remote.

No indicators of impairment were observed for the electricity CGU at 30 June 2026.

Gas Distribution

No impairment was found for the gas distribution CGU at 30 June 2026. The group had recognised an impairment of \$37.0 million of goodwill allocated to the gas distribution CGU at 30 June 2025. The recoverable amount of the gas distribution CGU has been determined based on value-in-use. Post-tax discount rates between 6.2% to 6.5% (2025: 6.4% to 6.6%) have been applied in determining the recoverable amount for the gas distribution CGU.

Management have also assessed the recoverable amount of the gas distribution CGU on the basis of fair value less costs of disposal based on recent market transactions and determined that is in excess of the carrying value of the CGU. Accordingly, no reasonably possible change in the value-in-use assumption would result in an impairment.

Risk of impairment

The uncertainty of future price-quality path regulation for gas distribution poses a risk for further impairment, along with lower forecast connections and the decline in gas supply in New Zealand.

At 30 June 2026, the carrying value of the gas distribution CGU was \$494.3m 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 2026.

The group's next impairment test will be carried out at 31 December 2026.

13.2 Other intangible assets

Policies

Other intangible assets are initially measured at cost and subsequently stated at cost less any accumulated amortisation and impairment losses.

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:

Software 3 - 10

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.

14. 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 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)
Additions	–	–	–	–	505.5	505.5
Transfers	383.0	10.3	7.7	2.1	(403.1)	–
Disposals	(6.5)	(0.2)	–	(0.9)	–	(7.6)
Depreciation for the period	(170.8)	(4.7)	(10.4)	(1.4)	–	(187.3)
Carrying amount 30 June 2026	4,517.9	220.1	96.6	34.7	249.2	5,118.5
Cost	6,505.7	271.2	230.6	45.3	249.2	7,302.0
Accumulated depreciation	(1,987.8)	(51.1)	(134.0)	(10.6)	–	(2,183.5)

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

14. 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 \$209.0 million for the group (2025: \$111.7 million).

15. Leases

15.1 Right of use assets

	LAND, BUILDINGS AND IMPROVEMENTS \$M	OTHER PLANT AND EQUIPMENT \$M	TOTAL \$M
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)
Additions	7.3	2.0	9.3
Disposals	(2.1)	(1.2)	(3.3)
Depreciation for the period	(5.6)	(0.8)	(6.4)
Carrying amount 30 June 2026	37.3	3.6	40.9
Cost	56.0	4.4	60.4
Accumulated depreciation	(18.7)	(0.8)	(19.5)

15.2 Lease liabilities maturity analysis

	MINIMUM LEASE PAYMENTS \$M	INTEREST \$M	PRESENT VALUE \$M
Within one year	7.9	(3.1)	4.8
One to five years	32.4	(10.5)	21.9
Beyond five years	27.9	(2.3)	25.6
Total	68.2	(15.9)	52.3
Current portion			4.8
Non-current portion			47.5
Total			52.3

15. Leases *continued***15.3 Lease expenses included in profit or loss**

	2026 \$M	2025 \$M
Interest on leases	3.2	3.3

15.4 Lease cashflows included in statement of cash flows

	2026 \$M	2025 \$M
Total cash outflow in relation to leases	8.8	12.1

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 \$34.9 million (2025: \$31.5 million) in the group's lease liability.

16. Investments**16.1 Investment in joint venture**

BLUECURRENT	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	EQUITY INTEREST HELD	
			2026	2025
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			2026 \$M	2025 \$M
Opening carrying value			605.5	684.2
Shareholder loans	26		8.4	(37.7)
Dividends received	26		(32.6)	–
Share of net profit/(loss) after tax			(21.6)	(21.1)
Share of other comprehensive income			20.7	(19.9)
Closing carrying value			580.4	605.5

16. Investments *continued***16.1 Investment in joint venture** *continued*

Summary financial information	2026 \$M	2025 \$M
Summary information for Bluecurrent is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	137.9	115.6
Non-current assets	2,872.8	2,746.4
Total assets	3,010.7	2,862.0
Current liabilities	39.5	40.4
Non-current liabilities	2,172.9	1,956.3
Total liabilities	2,212.4	1,996.7
Net assets (100%)	798.3	865.3
Group's share of net assets	399.2	432.7
Revenue	349.9	324.6
Depreciation and amortisation	(136.4)	(123.0)
Interest expense	(134.6)	(117.3)
Income tax (expense)/benefit	1.8	(3.6)
Net profit/(loss) after tax	(43.2)	(42.1)
Other comprehensive income	41.3	(39.0)
Total comprehensive income	(1.9)	(81.1)

Included in the summary financial information above, Bluecurrent held cash and cash equivalents at 30 June 2026 of \$63.9 million (30 June 2025: \$55.2 million), and non-current financial liabilities excluding payables and provisions at 30 June 2026 of \$2,037.0 million (30 June 2025: \$1,827.6 million).

	2026 \$M	2025 \$M
<i>Reconciliation of the carrying amount of the Group's investment in Bluecurrent:</i>		
Group's share of net assets	399.2	432.7
Add: Effect of translation on foreign operations	1.6	1.6
Add: Shareholder loans	179.6	171.2
Carrying value of investment in joint venture	580.4	605.5

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. 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 Bluecurrent are long-term in nature, and as such Vector has included these within the investment in joint venture. Refer to note 26 for more details on the shareholder loans.

16. Investments *continued***16.2 Investments in subsidiaries**

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

		PERCENTAGE HELD	
	PRINCIPAL ACTIVITY	2026	2025
Trading subsidiaries			
Vector Investment Holdings Limited	Holding company	100%	100%
Vector MeterCo Limited	Holding company	100%	100%
Vector Communications Limited	Telecommunications	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%
Cristal Air International Limited	Ventilation, heating and water systems sales and assembly	–	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	Cyber security solutions	100%	100%
Vector Technology Solutions Holdings USA LLC	Holding company	100%	100%
VTs USA LLC	Technology services	100%	100%
Non-trading subsidiaries			
Vector Advanced Metering Assets (Australia) Limited	Investment company	–	100%
Vector Gas Trading Limited	Holding company	–	100%
Vector SPV No. 1 Limited	Holding company	100%	100%
Vector SPV No. 2 Limited	Holding company	100%	100%
Vector SPV No. 3 Limited (formerly Vector ESPS Trustee Limited)	Holding company	100%	100%
Nexos Energy Limited	Holding company	100%	–
Nexos Energy Assets Limited	Assets holding company	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:
— 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.

Amalgamation of subsidiaries On 27 November 2025, Vector Advanced Metering Assets (Australia) Limited and Vector Gas Trading Limited were both amalgamated into Vector Investment Holdings Limited.
On 1 July 2026, Vector SPV No.2 Limited was amalgamated into Vector Energy Solutions Limited.

17. Income tax expense/(benefit)

Reconciliation of income tax expense/(benefit) – continuing operations	NOTE	2026 \$M	2025 \$M
Profit/(loss) before income tax- continuing operations		341.4	241.2
Tax at current rate of 28%		95.6	67.5
<i>Current tax adjustments:</i>			
Share of net loss in joint ventures		6.1	5.9
Dividends from joint ventures		9.1	–
Fair value movements		–	2.1
Impairment of goodwill		–	10.4
Non-deductible expenses		4.5	0.6
Other		0.4	0.6
(Over)/under provisions in prior periods		–	(3.3)
<i>Deferred tax adjustments:</i>			
(Over)/under provisions in prior periods		(14.5)	2.7
Income tax expense/(benefit)- continuing operations		101.2	86.5
Comprising:			
Current tax		56.3	18.7
Deferred tax	18	44.9	67.8

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 2026, Vector recognised a current income tax asset of \$35.3 million (2025: \$19.6 million) and a non-current income tax asset of nil (2025: \$69.0 million).

Imputation credits There are no imputation credits available for use as at 30 June 2026 (2025: 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 NZ 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 2026, 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.

18. 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 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
Recognised in profit or loss	60.5	(4.5)	–	(0.1)	(0.2)	(10.8)	44.9
Recognised in other comprehensive income	–	–	0.8	–	–	–	0.8
Balance at 30 June 2026	864.2	(7.2)	(3.5)	11.5	(14.6)	9.3	859.7

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

	2026 \$M	2025 \$M
Deferred tax asset	(0.1)	(0.1)
Deferred tax liability	859.8	814.1
Total	859.7	814.0

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.

19. Trade and other payables

	2026 \$M	2025 \$M
Current		
Trade payables	174.9	169.4
Employee benefits	18.0	17.3
Interest payable	20.6	19.7
Balance at 30 June	213.5	206.4

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.

20. Fair values

		MATERIAL OBSERVABLE INPUTS (LEVEL 2 INPUTS) 2026 \$M	MATERIAL UNOBSERVABLE INPUTS (LEVEL 3 INPUTS) 2026 \$M	MATERIAL OBSERVABLE INPUTS (LEVEL 2 INPUTS) 2025 \$M	MATERIAL UNOBSERVABLE INPUTS (LEVEL 3 INPUTS) 2025 \$M
	NOTE				
Assets measured at fair value					
Derivative financial instruments	22	99.8	–	66.3	–
Contingent consideration	11	–	26.6	–	28.1
Balance at 30 June		99.8	26.6	66.3	28.1
Liabilities measured at fair value					
Derivative financial instruments	22	(88.4)	–	(143.9)	–
Balance at 30 June		(88.4)	–	(143.9)	–

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 10.7% (2025: 10.8%), representing market discount rates as applicable to the remaining life of the Kapuni gas field.

20. 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.

		SENSITIVITY OF VALUATION TO CHANGES IN INPUTS				
2026	MATERIAL UNOBSERVABLE INPUTS	RANGE AND ESTIMATES	LOW	VALUATION IMPACT \$M	HIGH	VALUATION IMPACT \$M
Contingent consideration	Discount rate	10.7%	+1.0%	-0.8	-1.0%	+0.8
	Future raw gas volume	73PJ	-2PJ per annum	-6.2	+2PJ per annum	+5.2
	LPG pricing (long-term)	US\$480/tonne	-US\$50/tonne	-1.8	+US\$50/tonne	+1.8
	Oil pricing (long-term)	US\$75/barrel	-US\$7/barrel	-1.7	+US\$7/barrel	+1.7
		SENSITIVITY OF VALUATION TO CHANGES IN INPUTS				
2025	MATERIAL UNOBSERVABLE INPUTS	RANGE AND ESTIMATES	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

21. Borrowings

2026	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 2027– Jul 2031	320.0	(0.6)	–	319.4	320.2
Capital bonds – fixed rate	NZD	–	307.2	(0.4)	–	306.8	315.6
Wholesale bonds – fixed rate	NZD	Oct 2026	170.0	–	–	170.0	169.4
Senior notes – fixed rate	USD	Oct 2027– Mar 2035	1,212.9	(1.9)	22.6	1,233.6	1,298.3
Senior bonds – fixed rate	NZD	Nov 2027	225.0	(0.2)	–	224.8	225.7
Balance at 30 June			2,235.1	(3.1)	22.6	2,254.6	2,329.2

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

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.

21. 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.

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 2026 and 30 June 2025.

22. Derivatives and hedge accounting

	CASH FLOW HEDGES		FAIR VALUE HEDGES		COST OF HEDGING		TOTAL	
	2026 \$M	2025 \$M	2026 \$M	2025 \$M	2026 \$M	2025 \$M	2026 \$M	2025 \$M
Derivative assets								
Cross currency swaps	–	–	94.3	57.2	(2.0)	(3.0)	92.3	54.2
Interest rate swaps	5.2	11.9	–	–	–	–	5.2	11.9
Forward exchange contracts	2.3	0.2	–	–	–	–	2.3	0.2
Total	7.5	12.1	94.3	57.2	(2.0)	(3.0)	99.8	66.3
Derivative liabilities								
Cross currency swaps	89.3	27.1	(155.5)	(146.8)	(8.7)	(9.3)	(74.9)	(129.0)
Interest rate swaps	(13.5)	(14.1)	–	(0.5)	–	–	(13.5)	(14.6)
Forward exchange contracts	–	(0.3)	–	–	–	–	–	(0.3)
Total	75.8	12.7	(155.5)	(147.3)	(8.7)	(9.3)	(88.4)	(143.9)

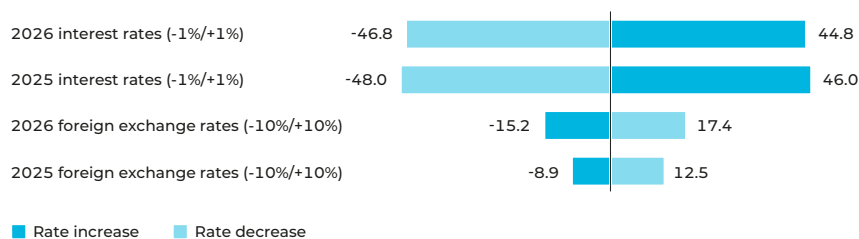
Key observable market data for fair value measurement

	2026	2025
Foreign currency exchange (FX) rates as at 30 June		
NZD-USD FX rate	0.5678	0.6096
Interest rate swap rates		
NZD	2.58% to 4.00%	3.16% to 4.08%
USD	3.66% to 4.31%	3.40% to 4.33%

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



22. 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 20.

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 cross currency 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 (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 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.

22. Derivatives and hedge accounting *continued*

	2026 \$M		2025 \$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	99.8	28.3	66.3	12.4
Derivative liabilities	(88.4)	(16.9)	(143.9)	(90.0)
Net amount	11.4	11.4	(77.6)	(77.6)

Rights to offset

Vector enters 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.

22.1 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 \$1,070.0 million arising from hedging the USD senior bonds (2025: \$1,030.0 million) as allowable under NZ IFRS 9 *Financial Instruments*;
- The fixed rate interest rate swaps include \$420.0 million of forward starting swaps (2025: \$695.0 million).

2026	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
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Cash flow hedge – Interest risk

Hedged item: NZD floating rate exposure on borrowings	(1,325.0)		–	–	(8.3)	–	–	–
Hedging instrument: Fixed rate interest rate swaps	(1,745.0)	3.3%	–	(8.3)	(8.3)	–	6.0	–

Cash flow and fair value hedge – Interest and exchange risks

Hedged item: USD fixed rate exposure on borrowings	(1,212.9)		–	(1,233.6)	87.9	(28.3)	–	–
Hedging instrument: Cross currency swaps	(1,212.9)	floating	(22.7)	17.4	89.4	28.3	(5.0)	1.5

Fair value hedge – Interest risk

Hedged item: NZD fixed rate exposure on borrowings	–		–	–	–	(0.5)	–	–
Hedging instrument: Interest rate swap	–	floating	–	–	–	0.5	–	–

Ineffectiveness

1.5 –

22. Derivatives and hedge accounting *continued*

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

2025	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 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 borrowing	(50.0)		0.5	–	–	(2.2)	–	–
Hedging instrument: Interest rate swap	(50.0)	floating	–	(0.5)	–	2.2	–	–
Ineffectiveness					4.6	–		

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 22 derivatives and hedge accounting table above.

22.2 Fair value changes on financial instruments

	NOTE	2026 \$M	2025 \$M
Recognised in profit or loss			
Fair value movement on hedging instruments		28.8	56.2
Fair value movement on hedged items		(28.8)	(56.2)
Ineffectiveness from cash flow hedge relationships		(3.2)	(0.7)
Fair value change on contingent consideration	11	7.5	(7.8)
Total gains/(losses)		4.3	(8.5)

22. Derivatives and hedge accounting *continued*

22.3 Reconciliation of changes in hedge reserves

Hedge reserves 2026	CASHFLOW HEDGE RESERVE \$M	COST OF HEDGING \$M	TOTAL \$M
Opening balance	2.2	9.0	11.2
Hedging gains or losses recognised in OCI – Interest rate swaps	5.7	–	5.7
Hedging gains or losses recognised in OCI – Cross currency swaps	20.3	(1.5)	18.8
Hedging gains or losses recognised in OCI – Forward exchange contracts	(2.7)	–	(2.7)
Transferred to profit or loss – Interest rate swaps	0.3	–	0.3
Transferred to profit or loss – Cross currency swaps	(25.3)	–	(25.3)
Recognised as basis adjustment to non-financial assets	0.3	–	0.3
Deferred tax on change in reserves	0.4	0.4	0.8
Closing balance	1.2	7.9	9.1

Hedge reserves 2025	CASH FLOW 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

23. 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.

23.1 Interest rate risk

Interest rate exposure 2026	< 1 YEAR \$M	1 - 2 YEARS \$M	2 - 5 YEARS \$M	> 5 YEARS \$M	TOTAL \$M
Interest rate exposure: borrowings	797.2	502.2	138.6	797.1	2,235.1
Derivative contracts:					
Interest rate swaps	(1,300.0)	280.0	800.0	220.0	–
Cross currency swaps	1,212.9	(277.2)	(138.6)	(797.1)	–
Net interest rate exposure	710.1	505.0	800.0	220.0	2,235.1

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

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.

23.2 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 2026, 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.

23. Financial risk management*continued***23.3 Liquidity risk**

Contractual cash flows maturity profile 2026	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	174.9	–	–	–	174.9
Contract liabilities	0.5	1.0	–	–	1.5
Lease liabilities	7.9	10.5	21.9	27.9	68.2
Borrowings: interest	73.3	40.1	80.0	43.8	237.2
Borrowings: principal	797.2	577.3	176.1	880.7	2,431.3
Derivative financial (assets)/liabilities					
Cross currency swaps: inflow	(41.9)	(388.3)	(256.0)	(924.4)	(1,610.6)
Cross currency swaps: outflow	60.0	335.9	292.1	877.7	1,565.7
Forward exchange contracts: inflow	(33.6)	(30.1)	(7.1)	–	(70.8)
Forward exchange contracts: outflow	32.3	28.7	6.7	–	67.7
Net settled derivatives					
Interest rate swaps	5.6	3.1	0.6	(0.6)	8.7
Group contractual cash flows	1,076.2	578.2	314.3	905.1	2,873.8

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

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 year as the next election date set for the capital bonds is 15 June 2027 (2025: 1-2 years) and the bonds have no contractual maturity date.

23. Financial risk management*continued***23.3 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 \$255.0 million (2025: \$435.0 million).

23.4 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.

23.5 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 21.

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

24. Cash flows

24.1 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	2026 \$M	2025 \$M
Net profit/(loss) for the period		240.2	167.7
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)
Dividend received from joint venture		32.6	–
Contingent consideration associated with investing activities	11	(2.7)	(4.3)
PPE items associated with investing activities		3.0	8.6
Movements in emission units associated with investing activities		–	(7.4)
Lease liabilities items associated with financing activities		–	(0.4)
Other investing activities		(0.3)	(0.1)
		32.6	(8.9)
Non-cash items:			
Non-operating losses		9.5	–
Depreciation and amortisation		233.0	233.0
Non-cash portion of interest costs (net)		(5.2)	(1.4)
Fair value change on financial instruments	22.2	(4.3)	8.5
Share of net (profit)/loss in joint ventures		21.6	21.1
Impairment of assets and goodwill		–	37.0
Increase/(decrease) in deferred tax		45.0	68.4
Working capital balances disposed of		(8.8)	–
Other non-cash items		(0.6)	(1.3)
		290.2	365.3
Changes in assets and liabilities:			
Trade and other payables		7.1	(16.7)
Provisions		(0.4)	(8.5)
Contract liabilities		3.6	(22.3)
Contract assets		(23.9)	11.8
Inventories		11.5	14.9
Trade and other receivables		18.3	(4.3)
Income tax		53.3	16.2
		69.5	(8.9)
Net cash flows from/(used in) operating activities including discontinued operations		632.5	515.2

24. Cash flows *continued***24.2 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 2025	51.5	2,049.1	77.6	2,178.2
Net repayments	–	115.0	–	115.0
Lease liabilities payments	(5.5)	–	–	(5.5)
Financing cash flows	(5.5)	115.0	–	109.5
Fair value changes	–	89.2	(89.2)	–
Borrowing fees paid	–	(2.3)	–	(2.3)
Amortisation of borrowing costs	–	3.6	–	3.6
ROU asset additions	9.3	–	–	9.3
ROU asset disposals	(3.3)	–	–	(3.3)
Other	0.3	–	–	0.3
As at 30 June 2026	52.3	2,254.6	(11.4)	2,295.5

25. Equity**25.1 Share Capital**

Shares

The total number of authorised and issued shares is 1,000,000,000 (2025: 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 there are no shares (2025: 26,343) allocated to the employee share purchase scheme.

25.2 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.

25. Equity *continued***25.3 Financial ratios**

	2026 \$M	2025 \$M
Basic and diluted earnings per share		
Net profit from continuing operations attributable to owners of the parent	240.2	154.7
Net profit from discontinued operations attributable to owners of the parent	–	11.8
Net profit attributable to owners of the parent	240.2	166.5
Weighted average ordinary shares outstanding during the period (number of shares)	999,992,711	999,973,657
Earnings per share from continuing operations	24.0 cents	15.5 cents
Earnings per share from discontinued operations	–	1.2 cents
Total earnings per share	24.0 cents	16.7 cents
Net tangible assets per share		
Net assets attributable to owners of the parent	3,629.0	3,600.9
Less total intangible assets	(1,046.7)	(1,051.9)
Total net tangible assets	2,582.3	2,549.0
Ordinary shares outstanding (number of shares)	1,000,000,000	999,973,657
Net tangible assets per share	258.2 cents	254.9 cents
Economic net debt to economic net debt plus adjusted equity ratio ("gearing ratio")		
Face value of borrowings	2,235.1	2,120.1
Lease liabilities	52.3	51.5
Less cash and cash equivalents and deposits	(5.4)	(23.3)
Economic net debt	2,282.0	2,148.3
Total equity	3,629.0	3,600.9
Adjusted for hedge reserves	9.1	11.2
Adjusted equity	3,638.1	3,612.1
Economic net debt plus adjusted equity	5,920.1	5,760.5
Gearing ratio	38.5%	37.3%

Economic net debt

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

25.4 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 is recorded in profit or loss within interest costs (net).

During the year, a \$25.0 million gain (2025: \$13.7 million gain) 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.

26. Related party transactions

Related parties

Related parties of the group are:

- Entrust, the group's ultimate parent entity;
- Bluecurrent, made up of the consolidated groups of Bluecurrent NZ Holdings Limited and Bluecurrent Holdings (Australia) Pty Limited; and
- Key management personnel, including the group's directors and the executive team.

	2026 \$M	2025 \$M
Transactions with related parties		
Transactions with Entrust		
Dividends paid	191.5	200.9
Transactions with Bluecurrent		
Interest from shareholder loans	10.5	12.5
Provision of metering data services	7.9	7.4
Provision of transitional services	–	6.5
Dividends received	32.6	–
Transactions with key management personnel		
Salary and other short-term employee benefits	9.3	8.1
Directors' fees	1.0	0.9
Advances to related parties		
Shareholder loans to Bluecurrent		
Balance at start of period	171.2	208.9
Interest capitalised	10.5	16.0
Repayments	(22.3)	(51.8)
Effect of changes in exchange rates	20.2	(1.9)
Balance at end of period	179.6	171.2

Shareholder loans

The shareholder loan receivable from Bluecurrent is denominated in Australian dollars, and carried at amortised cost, translated into New Zealand dollars. Interest is charged quarterly based on the Australian Bank Bill Swap Yield, plus a margin of 2.2%. Unpaid interest is capitalised to the loan balance. The average interest rate for the year ended 30 June 2026 was 6.1% (year ended 30 June 2025: 6.6%).

The loan is intended to be long-term in nature and is not repayable on demand, with a maturity date of 30 June 2032. The loan is not secured, and no guarantees have been given or received.

Settlement of the shareholder loans is expected to occur through repayment from future cashflows of the joint venture. During the year, Bluecurrent fully repaid the shareholder loan relating to its New Zealand business.

27. Contingent liabilities

Disclosures

The directors are aware of claims that have been made against entities of the group and, where appropriate, have recognised provisions for these.

No material contingent liabilities have been identified.

28. Events after balance date

Approval

The financial statements were approved by the board on 17 August 2026.

Final dividend

On 17 August 2026, the board declared a final unimputed dividend for the year ended 30 June 2026 of 13.50 cents per share. No adjustment is required to these financial statements in respect of this event.

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 Balance Sheet as at 30 June 2026;
- the 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 consolidated financial statements of Vector Limited (the **Company**) and its subsidiaries (the **Group**) on pages 60 to 100 present fairly in all material respects:

- the Group's financial position as at 30 June 2026 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 Standards 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 the interim financial statements, regulatory assurance, 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 \$16 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 of costs (Property, plant and equipment of \$5,118.5 million with additions during the year of \$505.5 million)

Refer to Note 14 of the financial statements

Capitalisation of costs is a key audit matter due to the significance of property, plant and equipment to the group's business, and due to the significant audit effort required to test additions during the year:

- The decision to capitalise or expense costs relating to the electricity and gas distribution networks 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.

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;

We found no material errors in the nature and amount capitalised in the period.

The key audit matter

How the matter was addressed in our audit

Impairment assessment of the goodwill allocated to the Gas Distribution cash generating unit (CGU) (\$72.1million)

Refer to Note 13 of the financial statements

We considered the impairment assessment of the Gas Distribution cash generating unit to be a key audit matter due to the significant judgment 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 is 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 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 Gas Distribution CGU and compared this to the range of RAB multiples observed in the marketplace.
- Comparing the group's net assets as at 30 June 2026 to its market capitalisation at 30 June 2026;

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

- The discount rate was in an acceptable range;
- Future cash flows 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 and Climate Statement 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.

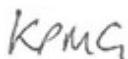
A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board (XRB) website at:

<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

17 August 2026

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 2026 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 \$24,350 during the year ended 30 June 2026. Subsidiaries of Vector Limited made donations of \$544 during the year ended 30 June 2026. Vector does not make political donations, these amounts represent donations to charitable organisations.

Credit rating

At 30 June 2026 Vector Limited had a Standard & Poor's credit rating of BBB+ with a positive outlook.

NZX regulation waivers and rulings

Vector has not relied on any new waivers or rulings in the year ended 30 June 2026. Vector continues to rely on waivers and rulings granted by NZ RegCo on 30 June 2020 relating to Vector's special relationship with Entrust, which are 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 2026 Vector Limited made payments to A Bell and P Hutchison, trustees of Entrust (Vector Limited's majority shareholder), totalling \$269,750 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 80 to 82.

Directors

The following directors of Vector Limited and current group companies held office as at 30 June 2026 or resigned (R) as a director during the year ended 30 June 2026. Directors marked (A) were appointed during the year.

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

All of the above directors in office as at 30 June 2026 are independent directors, except for A Bell and P Hutchison who are trustees of Entrust (Vector Limited's majority shareholder).

SUBSIDIARIES	DIRECTORS
Equalise Cyber Security Limited	C Blenkiron (A), J Hollingworth, S Mackenzie (R)
Nexos Energy Assets Limited	C Blenkiron (A), J Hollingworth (A)
Nexos Energy Limited.	C Blenkiron (A), J Hollingworth (A)
Vector Auckland Property Limited	C Blenkiron (A), J Hollingworth, S Mackenzie (R)
Vector Communications Limited	C Blenkiron (A), J Hollingworth, S Mackenzie (R)
Vector Energy Solutions (Australia) Pty Limited	J Hollingworth, S Mackenzie (R), D Van Gerrevink
Vector Energy Solutions Limited	C Blenkiron (A), J Hollingworth, S Mackenzie (R)
Vector Investment Holdings Limited	C Blenkiron (A), J Hollingworth, S Mackenzie (R)
Vector MeterCo Limited	C Blenkiron (A), J Hollingworth, S Mackenzie (R)
Vector Northern Property Limited	C Blenkiron (A), J Hollingworth, S Mackenzie (R)
Vector SPV No.1 Limited	C Blenkiron (A), J Hollingworth, S Mackenzie (R)
Vector SPV No.2 Limited	C Blenkiron (A), J Hollingworth, S Mackenzie (R)
Vector SPV No.3 Limited	C Blenkiron (A), J Hollingworth, S Mackenzie (R)
Vector Technology Solutions Limited	C Blenkiron (A), J Hollingworth, S Mackenzie (R)
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 (R), S Clarke, S Farrier, A Hill, S Mackenzie, P Mulholland (R), P Rebstock, M Tume, K Whitehead (A)
Bluecurrent Holdings (Australia) Pty Limited	M Angelini, S Clarke, S Farrier, A Hill, S Mackenzie, P Mulholland, P Rebstock, M Tume, K Whitehead (A)

Directors' remuneration and value of other benefits received from Vector Limited for the year ended 30 June 2026 is included in the remuneration report on page 45. Directors' remuneration and value of other benefits received from current group companies for the year ended 30 June 2026 were zero.

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

Entries in the interests register of Vector Limited as at 30 June 2026 that are not set out elsewhere in this annual report:

DIRECTOR	ENTITY	POSITION
A Bell	Entrust	Trustee
	KiwiRail Holdings Limited	Director
	MIT and Unitec Council	Chair
	New Zealand Post Limited	Director
V Busby	Energy One Limited (ASX:EOL)	Shareholder
	Netlogix Australia Pty Limited	Chair
	Netlogix Group Holdings Limited	Director
	Reardon Capital Pty Limited	Director
	Scheme Financial Vehicle Limited	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
	PPB Properties Limited	Director and shareholder
	Pukekohe Cinemas Limited	Director and shareholder
	South Pacific Star Cinemas Investments Limited	Director and shareholder
D McKay	Delegat Group Limited	Director
	IAG New Zealand Limited	Director
	IAG (NZ) Holdings Limited	Director
	Oxbury New Zealand Limited	Chair
	Wymac Consulting Limited	Director and shareholder

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

DIRECTOR	ENTITY	POSITION
P Rebstock	AIA New Zealand Limited	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
	Fliway Group Limited	Director
	National Hauora Coalition Limited	Chair
	New Zealand Post Limited	Chair
	NZ Healthcare Investments Limited	Chair
	NZX Limited	Deputy Chair
	On Being Bold Limited	Director and shareholder
	Supply Chain Solutions (NZ) (2021) Limited	Director
B Turner	Commodity Insights Digest (Bayes Business School, UK)	Editorial Board Member
	Comvita New Zealand Limited	Advisor
	Fonterra Co-Operative Group Limited	Advisor
	Genesis Energy Limited	Advisor
	GlobalDairyTrade Holdings Limited	Director
A Urlwin	City Rail Link Limited	Director
	Clifton Creek Limited	Director and shareholder
	Infratil Limited	Director
	Precinct Properties New Zealand Limited	Chair
	Precinct Properties Investment 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 2026 that are not set out elsewhere in this annual report.

Bondholder statistics

NZDX debt securities distribution as at 30 June 2026:

6.23% Capital bonds

RANGE	NUMBER OF BONDHOLDERS	PERCENTAGE OF BONDHOLDERS	NUMBER OF SECURITIES HELD	PERCENTAGE OF SECURITIES HELD
5,000 – 9,999	434	16.66%	2,350,000	0.76%
10,000 – 49,999	1,591	61.05%	32,655,000	10.63%
50,000 – 99,999	373	14.31%	21,477,000	6.99%
100,000 – 499,999	182	6.98%	29,203,000	9.51%
500,000 – 999,999	8	0.31%	4,972,000	1.62%
1,000,000 plus	18	0.69%	216,548,000	70.49%
	2,606	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 2026:

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 2026:

BOND HOLDER	BONDS HELD	PERCENTAGE OF BONDS HELD
Custodial Services Limited <A/C 4>	68,322,000	22.24%
Forsyth Barr Custodians Limited <I-CUSTODY>	53,286,000	17.35%
JBWere (NZ) Nominees Limited <NZ RESIDENT A/C>	25,692,000	8.36%
FNZ Custodians Limited	23,718,000	7.72%
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>	4,761,000	1.55%
Forsyth Barr Custodians Limited <A/C 1 NRLAIL>	4,677,000	1.52%
Forsyth Barr Custodians Limited <ACCOUNT 1 E>	4,654,000	1.51%
CML Shares Limited	4,200,000	1.37%
Investment Custodial Services Limited <A/C C>	3,372,000	1.10%
BNP Paribas Nominees (NZ) Limited – NZCSD <BPSS40>	2,426,000	0.79%
Best Farm Limited	2,000,000	0.65%
Fletcher Building Educational Fund Limited	2,000,000	0.65%
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>	1,102,000	0.36%
FNZ Custodians Limited <DRP NZ A/C>	819,000	0.27%
JBWere (NZ) Nominees Limited <NR USA A/C>	800,000	0.26%
	218,167,000	71.02%

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	30	6.90%	168,000	0.07%
10,000 – 49,999	257	59.08%	5,732,000	2.55%
50,000 – 99,999	65	14.94%	3,635,000	1.62%
100,000 – 499,999	49	11.26%	9,359,000	4.16%
500,000 – 999,999	11	2.53%	6,785,000	3.02%
1,000,000 plus	23	5.29%	199,321,000	88.58%
	435	100.00%	225,000,000	100.00%

Twenty largest registered 3.69% senior retail bond holders as at 30 June 2026:

BOND HOLDER	BONDS HELD	PERCENTAGE OF BONDS HELD
Custodial Services Limited <A/C 4>	69,945,000	31.09%
FNZ Custodians Limited	29,122,000	12.94%
HSBC Nominees (New Zealand) Limited – NZCSD <HKBN90>	24,103,000	10.71%
Forsyth Barr Custodians Limited <I-CUSTODY>	15,766,000	7.01%
JBWere (NZ) Nominees Limited <NZ RESIDENT A/C>	10,830,000	4.81%
BNP Paribas Nominees (NZ) Limited – NZCSD <BPSS40>	9,107,000	4.05%
FNZ Custodians Limited <DTA NON RESIDENT A/C>	4,108,000	1.83%
Forsyth Barr Custodians Limited <ACCOUNT 1 E>	3,725,000	1.66%
Investment Custodial Services Limited <A/C C>	3,706,000	1.65%
Adminis Custodial Nominees Limited	3,573,000	1.59%
Citibank Nominees (New Zealand) Limited - NZCSD <CNOM90>	3,359,000	1.49%
Westpac Banking Corporate NZ Financial Markets Group – NZCSD <WPAC40>	3,008,000	1.34%
Custodial Services Limited <A/C 6>	2,235,000	0.99%
Apex Custodian Nominees (NZ) Limited – NZCSD <TEAC40>	2,121,000	0.94%
NZX WT Nominees Limited <CASH ACCOUNT>	2,013,000	0.89%
JBWere (NZ) Nominees Limited <NR USA AIL A/C>	2,010,000	0.89%
Dunedin City Council	2,000,000	0.89%
JBWere (NZ) Nominees Limited <A/C 31933>	2,000,000	0.89%
Forsyth Barr Custodians Limited <A/C 1 NRLAIL>	1,653,000	0.73%
Queen Street Nominees Ltd No.1 - NZCSD	1,392,000	0.62%
	195,776,000	87.01%

Shareholder statistics

Twenty largest registered shareholders as at 30 June 2026:

SHAREHOLDER	ORDINARY SHARES HELD	PERCENTAGE OF ORDINARY SHARES HELD
Entrust	751,000,000	75.10%
BNP Paribas Nominees (NZ) Limited – NZCSD <BPSS40>	35,265,152	3.53%
Custodial Services Limited <A/C 4>	30,744,110	3.07%
Generate KiwiSaver Public Trust Nominees Limited <NZCSD> <NZPT44>	12,899,421	1.29%
HSBC Nominees (New Zealand) Limited – NZCSD <HKBN90>	12,195,863	1.22%
Accident Compensation Corporation – NZCSD <ACCI40>	9,043,292	0.90%
FNZ Custodians Limited	8,801,480	0.88%
Citibank Nominees (New Zealand) Limited – NZCSD <CNOM90>	8,583,768	0.86%
JPMorgan Chase Bank NA NZ Branch-Segregated Clients Acct – NZCSD <CHAM24>	7,406,183	0.74%
JBWere (NZ) Nominees Limited <NZ RESIDENT A/C>	6,721,011	0.67%
New Zealand Depository Nominee Limited <A/C 1 CASH ACCOUNT>	5,510,061	0.55%
Forsyth Barr Custodians Limited <1-CUSTODY>	5,451,671	0.55%
Apex Custodian Nominees (NZ) Limited – NZCSD <TEAC40>	5,242,818	0.52%
Simplicity Nominees Limited – NZCSD	4,221,300	0.42%
HSBC Nominees (New Zealand) Limited A/C State Street – NZCSD <HKBN45>	3,836,304	0.38%
HSBC Nominees A/C NZ Superannuation Fund Nominees Limited – NZCSD <SUPR40>	1,458,926	0.15%
PT (Booster Investments) Nominees Limited	1,375,004	0.14%
Forsyth Barr Custodians Limited <ACCOUNT 1 E>	1,016,353	0.10%
FNZ Custodians Limited <DTA NON RESIDENT A/C>	935,696	0.09%
Public Trust – NZCSD <THE ASPIRING FUND>	894,882	0.09%
	912,603,295	91.25%

Substantial product holders as at 30 June 2026:

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

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

Shareholder statistics *continued*

As at 30 June 2026, voting products issued by Vector Limited totalled 1,000,000,000 ordinary shares.

Ordinary shares distribution as at 30 June 2026:

RANGE	NUMBER OF SHAREHOLDERS	PERCENTAGE OF SHAREHOLDERS	NUMBER OF SHARES HELD	PERCENTAGE OF SHARES HELD
1 – 499	5,650	23.10%	1,735,804	0.17%
500 – 999	2,763	11.29%	2,141,222	0.21%
1,000 – 4,999	12,333	50.42%	21,852,288	2.18%
5,000 – 9,999	1,818	7.43%	12,051,914	1.21%
10,000 – 49,999	1,707	6.98%	30,182,653	3.02%
50,000 – 99,999	113	0.46%	7,157,489	0.72%
100,000 plus	78	0.32%	924,878,630	92.49%
	24,462	100.00%	1,000,000,000	100.00%

Analysis of shareholders as at 30 June 2026:

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	778	3.18%	13,847,395	1.38%
Individual Holders	13,780	56.33%	41,661,187	4.17%
Joint	6,561	26.83%	27,079,580	2.71%
Nominee Companies	258	1.05%	161,893,843	16.19%
Other	3,084	12.61%	4,517,995	0.45%
	24,462	100.00%	1,000,000,000	100.00%

Alastair Bell, Dr Paul Hutchison, Rachel Adams Langton, Denise Lee and Angus Ogilvie are the registered holders of the 751,000,000 ordinary shares held by Entrust. Alastair Bell and Dr 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 2026 by directors of Vector Limited in the ordinary shares of Vector Limited:

There were no acquisitions or disposals of relevant interests.

Financial calendar

2026

Final dividend paid	21 September
Annual meeting	24 September

2027

Half year result and interim report	February
Interim dividend*	April
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

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Investor enquiries

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

This annual report is dated
17 August 2026 and signed
on behalf of the Board by:



DOUG MCKAY
CHAIR



ANNE URLWIN
CHAIR, AUDIT COMMITTEE

