

STATEMENT OF CORPORATE INTENT

POWERING OUR
COMMUNITIES
waipanetworks.co.nz

2026

WAIPĀ 
NETWORKS



INTRODUCTION

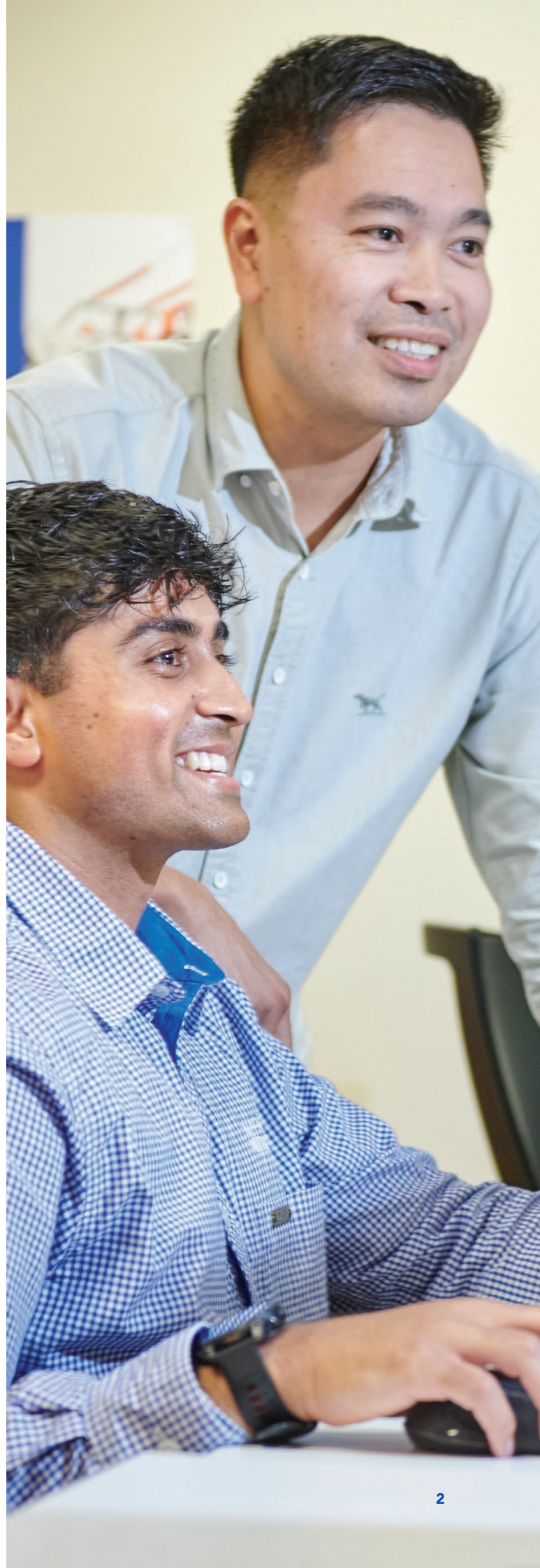
We're proud to present this Statement of Corporate Intent, which outlines the priorities for the financial year ending 31 March 2027, and the two subsequent financial years ending 31 March 2028 and 2029.

Our Statement of Intent includes the information required by Section 39 of the Energy Companies Act 1992, along with other relevant matters agreed upon by the Company's Directors and the Shareholders.

NATURE AND SCOPE OF ACTIVITIES

The nature and scope of our activities is outlined below, any major diversification of activities into new business areas will be subject to consultation with shareholders:

- We provide a safe, reliable, and cost-effective electricity supply to our customers across the Waipā Networks region, including the urban centres of Cambridge, Te Awamutu and Kāwhia, and surrounding rural communities.
- We provide contracted services associated with the electricity industry and broader energy sector, including private electrical contracting and vegetation management both in and outside our network area.
- We scope and assess future investment opportunities that align with our strengths, strategy and business activities.
- We enable customers to connect self-generated electricity to our network and export excess energy back into the system, supporting the energy transition across our region.

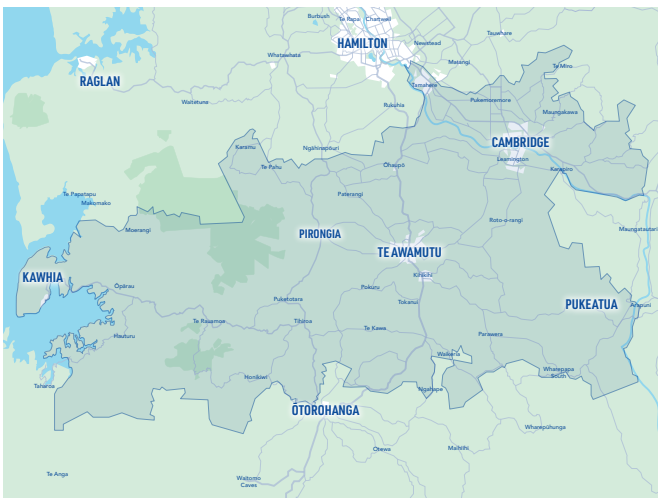


WHO WE ARE

Waipā Networks is wholly owned by Waipā Networks Trust on behalf of local electricity customers.

Waipā Networks is one of 27 Electricity Distribution Businesses (EDBs) in New Zealand, including 19 which, like us, are either partially or fully consumer-owned.

We form a part of the critical chain within the electricity supply industry that transmits and distributes electricity and we're one of the fastest growing electricity distribution businesses in Aotearoa-New Zealand.



OUR PURPOSE

Together, we power our community's **SUCCESS**

OUR VALUES



Manākitanga

We treat our team and our customers the way they'd like to be treated.



Kotahitanga

We believe WE is greater than I. We play for the good of the team.



Tūturu

We speak our truth – doing what is right, not what is easy.



Excellence

We're accountable for our actions and we hold ourselves and each other to a high performance standard.



Challenge

We constantly strive to ensure the future success of our organisation and our communities.

OUR FOCUS

In the coming year, we will continue to focus our efforts on four key areas with an emphasis on improving business performance and establishing a strong foundation for network growth. Our focus areas remain: performance; community; growth and sustainability.

Our purpose and values will guide our work in each area.

More than anything else, we will be driven by our customers and our wider community.

- We will better *understand* our customers.
- We will better *enable* our customers.
- We will better *support* our customers.



PERFORMANCE

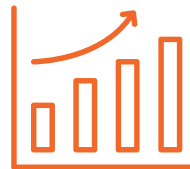
We are building a stronger, more efficient business.

This means continuing to improve the way we deliver for customers, while strengthening our safety culture and making targeted investments that support reliable service.

The health, safety and wellbeing of our staff and community remains a key priority. We will continue to focus on managing critical risks, strengthening safety leadership and giving our people the tools and capability they need to keep themselves and others safe.

We will continue to improve the systems, processes and data that support our network operations, including progressing our Advanced Distribution Management System and other critical business systems. This work will help improve network visibility, support better decision-making and strengthen the way we respond to customers, particularly during outages.

We will also continue to build our capability and capacity to deliver a growing programme of work. This will help improve customer experience, strengthen service delivery and support the long-term resilience and efficiency of our network.



GROWTH

We are planning for the network our communities will need tomorrow.

As one of Aotearoa New Zealand's fastest growing electricity distribution businesses, we know our network must continue to evolve to meet future demand and enable growth across our region.

Following the successful commissioning of the Hautapu GXP, we are now focused on the next stage of network development, including the evolving architecture needed to support growth in Te Awamutu. This includes considering how we can make the best use of capacity across the wider system, alongside distributed generation and other technologies where these support good long-term outcomes.

Through Waipā Networks Growth Limited, we will continue to support investment in the future network and adjacent opportunities where these preserve capital resilience, enable community benefit and achieve an appropriate commercial return.

In Kāwhia, we are taking a customer-inclusive approach through the first phase of a place-based engagement programme. This work is intended to deepen our understanding of local needs and priorities and support future planning by testing our current thinking alongside community insight, technical information, affordability and wider network considerations.



COMMUNITY

Our customers and communities are at the very heart of our business.

As Aotearoa New Zealand moves through an increasingly complex energy transition, it is important that we enable our communities to adapt, participate and thrive.

We will continue to build strong relationships across our district with customers, mana whenua, businesses, community organisations, key decision makers and sector partners. Key partnerships with Cambridge Community House, Kainga Aroha and Ko Wai Au will remain important to our work in the community, while our relationships with the Cambridge and Te Awamutu Chambers of Commerce help us stay connected with our business community.

In Kāwhia, we are beginning the first phase of a place-based engagement approach designed to gather insight, build relationships and support future planning on the feeder. This work will help us better understand local needs and priorities, while also strengthening the way we engage with communities on future network planning.

Our sponsorships and community programmes will continue to support education, energy hardship and community wellbeing across our region. This includes continuing to strengthen our education programme in local primary schools through increased uptake of School Kits, building on the success of our Winter Warmer packs, and continuing practical support that helps enable households to better access and use electricity.



SUSTAINABILITY

We are building a more sustainable future for our communities and our network.

Being sustainable means being socially responsible, acting ethically, respecting mana whenua and protecting the environment and communities we serve and live in.

This year, Waipā Networks intends to publish its first sustainability plan, setting out the actions that will guide our approach over time.

This year we will continue to build sustainability into the way we work and progress the actions in our sustainability strategy. By focusing on practical improvement over time, we will help enable resilient communities, support the long-term resilience of our network, and contribute to a more sustainable future for our region.



PERFORMANCE TARGETS

The following are the budgeted and projected performance targets for the next three years ending 31 March 2029. The financial projections have been prepared based on certain assumptions and are subject to changes in the economic and regulatory environment in which the company operates and would be subject to further discussion with the Shareholder.

Key performance indicators	Measure	Target 2025/26	Provisional 2025/26	Target 2026/27	Target 2027/28	Target 2028/29
Financial						
Return on total assets						
Return on total assets (excl discount)	Profit before discounts, finance costs and tax/total assets.	7.3%	9.2%	7.4%	6.6%	5.7%
Return on network assets (excl discount)	Profit before discounts, finance costs and tax (excluding investment income and revaluation gains and losses)/total assets excluding investment funds.	7.6%	10.0%	8.0%	6.5%	5.4%
Return on growth funds*	Investment income plus gains/losses on investment/investment funds.	6.5%	6.9%	5.7%	6.8%	6.8%
Return on equity (after discounts)	Profit after tax /shareholders funds.	5.3%	6.8%	5.0%	5.0%	4.1%
Ratio of shareholders funds to total assets	Shareholders' funds /total assets. Shareholders' funds comprise the total issued capital, the balance of undistributed profit and all revenue and capital reserves. Total assets comprise all the recorded tangible and intangible assets of the company at their current value.	≥55%	74%	≥55%	≥55%	≥55%
EBITF \$m	Earnings before interest income, finance cost, tax and financial adjustments for revaluation of investments.	\$11.8m	\$16.8m	\$13m	\$11.2m	\$10m
Distributions						
Dividends	Forecast dividends paid to shareholders.	\$190k	\$190k	\$210k	\$214k	\$218k
Discounts	Forecast discounts to be paid based on forecast volumes and posted discount prices.	\$5.6m	\$5.6m	\$6.5m	\$6.7m	\$6.9m
Network performance						
Reliability – Unplanned SAIDI	Normalised unplanned SAIDI as per regulations.	≤109.3	123.55	≤109.3	≤109.3	≤109.3
Reliability – Unplanned SAIFI	Normalised unplanned SAIFI as per regulations.	≤1.73	1.67	≤1.73	≤1.73	≤1.73
Reliability – Planned SAIDI	Normalised planned SAIDI as per regulations.	≤126.2	86.95	≤126.2	≤126.2	≤126.2
Reliability – Planned SAIFI	Normalised planned SAIFI as per regulations.	≤0.48	0.55	≤0.48	≤0.48	≤0.48

*Growth Fund returns are based on pre-tax target income as identified by each investment fund.

Key performance indicators	Measure	Target 2025/26	Provisional 2025/26	Target 2026/27	Target 2027/28	Target 2028/29
Customer						
Customer Satisfaction and engagement	We will have more engaged and satisfied customers.	63%	64%	67%	70%	73%
People						
Safety leadership	Any critical control failures are remedied quickly.	Any critical control non-conformance remedied within 7 days. New critical control process implemented.	The critical control process has been implemented, commencing with safety assurance audits, and piloting a new worksite safety plan in late FY26. Achieved	Any ineffective critical controls are addressed according to the prescribed timeframes in the control-based risk management framework.	Any ineffective critical controls are addressed according to the prescribed timeframes in the control-based risk management framework.	Any ineffective critical controls are addressed according to the prescribed timeframes in the control-based risk management framework.
Safety outcomes	Zero severe harm incidents	0	Achieved. Note we still track Total Recordable, Injury Frequency rate and respond to other key lead and lag safety measures as part of our operational safety management processes.	0	0	0



POLICIES AND COMPLIANCE

Ratio of shareholder funds to total assets

To provide us with the capacity to grow and enhance value to our shareholders, whilst maintaining an efficient capital structure that minimises risk, we will maintain the ratio of consolidated shareholders' funds to total assets for each year at not less than fifty-five per cent (55%). Shareholders' funds comprise the total issued capital, the balance of undistributed profits and all revenue and capital reserves. Our total assets will comprise all the recorded tangible and intangible assets of the organisation at their current value as defined in the statement of accounting policies.

Dividends

The policy on apportioning net profits to be distributed to shareholders will be determined by the Board of Directors from time to time in accordance with future results and considering circumstances, particularly future capital requirements. No dividend payment will be made without the approval of the Trust (shareholders).

Changed our approach to discounts

Discounts are reviewed annually by the board taking into account factors such as inflation, growth in customers and the level of investment required in the network business.

Customers will continue to receive a discount on their line charges during the year 31 March 2027. The level of discount is forecast to be approximately \$6.4m in 2026/27. Actual discounts will vary as these are calculated based on the posted discount rate per tariff.

Information to be provided to shareholders

Within three months after the end of the first half of each financial year the directors will deliver an unaudited half-yearly report to the shareholders.

This will consist of:

1. A statement of financial position.
2. A statement of financial performance.
3. A statement of cash flows.
4. A report on activities.

Within three months after the end of each financial year Directors will deliver to shareholders an annual report and audited financial statements which will consist of:

A Directors' report including:

1. A review of operations;
 - a. Measurement of performance in relation to objectives;
 - b. Recommendation in respect of dividend.
 - c. A statement of financial position.
2. A statement of financial performance.
3. A statement of cash flows.
4. The Auditor's report on the above statements which shall include an audit of the measurement of performance in relation to objectives.



Further information

We will provide such additional information or reports to the Waipā Networks Trust as it may require to properly undertake its duties and to act as a diligent trustee shareholder as prescribed in the Trust Deed, acting collectively in the best interests of the Trust and of the consumers as beneficiaries.

Accounting policies

Our accounting policies are consistent with generally accepted accounting practice ('GAAP'). They comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable financial reporting standards.

Waipā Networks Limited is a for profit company for the purposes of complying with GAAP.

Our financial statements are prepared in accordance with the requirements of the Companies Act 1993 and Energy Companies Act 1992.

Procedures for the subscription, acquisition and disposal of shares

Directors will consider the subscription for, or acquisition of, shares, in any company only where it is consistent with the long-term commercial objectives of Waipā Networks.

If in the opinion of the directors the subscription or acquisition of shares, or assets in new business ventures or subsidiary companies, is considered significant to the company's level of operations it would be subject to consultation with the shareholders.

Waipā Networks Growth Limited

Following the sale of UFF Holdings Limited in 2021, the Company invested the sale proceeds into a diversified investment portfolio with external fund managers.

In 2023 we established a new, wholly owned subsidiary company, Waipā Networks Growth Limited, to provide a separate structure to ring fence, manage and grow the investment portfolio ("Growth Fund").

The purpose of the Growth Fund is to:

- Support investment in Waipā Networks future network (either directly via loans or by investing in an adjacent activity to support the network),
- Enable community opportunities (either by addressing an unserved community need and/or unlocking regional growth), and
- Preserve the value of the capital to support the network in the event of a 'black swan' event.

Any investment made from the Growth Fund is expected to make an appropriate commercial return.





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