WAIPĀ NETWORKS TRUST

Chairperson's Report & Financial Statements for the year ended 31 March 2026

Directory as at 31 March 2026

Trustees

Chairperson	Mrs S J Matthews
Deputy Chairperson	Mr D A McLean
Trustees	Mr R J Milner
	Mr M L Gower
	Mr J C Godfrey
	Mr P T J Coles

Secretary/Treasurer	Mrs K M Heeringa PO Box 34 Te Awamutu
Bankers	Westpac Alexandra Street Te Awamutu
Solicitors	Henry Brandts-Giesen Kensington Swan Auckland
Accountants	Initiom Chartered Accountants 195 Mahoe Street Te Awamutu
Auditors	KPMG PO Box 929 Alexandra Street Hamilton

Chairperson’s Report

To the Beneficiaries (Connected Consumers):

It is my privilege to report on the activities of the Waipā Networks Trust for the year ended 31 March 2026.

Waipā Networks Trust

The Trust holds on your behalf 7.2 million shares (100%) in Waipā Networks Limited.

Under this collective form of ownership, only the Trust can sell the shares. However, the advantage to our beneficiaries (the connected consumers of Waipā Networks Limited), is that the Company is directed and controlled to benefit you.

The Trust manages our beneficiaries interests through the Statement of Corporate Intent process (setting and monitoring Key Performance Indicators) and also through Director selection and performance monitoring.

Any surplus Trust funds can only be reinvested in approved investments, distributed to beneficiaries, or used for energy efficiency projects. Trust ownership of our network company ensures the economic benefits and potential stay in the region.

Trust Functions

As the single shareholder, our Trust has some very important functions:

1. The Trust appoints the Directors and monitors their performance.
2. Each year the Trust determines with the Company a Statement of Corporate Intent that includes a three-year projection of performance indicators.
3. At this time of the year the Trust reports, publicly, on the Company’s previous year’s performance, considering the Statement of Corporate Intent performance ‘benchmarks’ agreed to a year earlier.

Strategically, the Trustees have an important duty to act as a diligent shareholder.

Our role includes being fully aware of the strategic, long term, likely value of the Company to its shareholders.

Taking this into account, the Trustees can exercise voting powers in respect of any matters proposed by the Company that affect either the level of the shareholding or that propose modifications of the rights of shareholders. For example, the Trustees are required, at intervals of no more than five years, to prepare a report considering proposals and available options for the future ownership of shares; make decisions on merger proposals; and decide upon any other Company recommendations to alter the capital structure.

Other than these powers and duties, the Trustees have no power, authority or discretion to participate in the day-to-day management or operation of the Company.

Trustees of the Waipā Networks Trust

The Trustees of Waipā Networks Trust at 31 March 2026 were Sarah Matthews (Chairperson), David McLean (Deputy Chairperson), Ray Milner, Marcus Gower, Jarrod Godfrey and Philip Coles.

The last triennial Election of Trustees took place in 2024. The next Election of Trustees is scheduled to take place in 2027.

Trust Performance 2025 - 26

Annual Plan 2025 - 2026

The Trust met all its objectives concerning accountability to its Beneficiaries and financial forecasts outlined in the Annual Plan for the 2025-2026 year.

Financial Review of the Trust

The Financial Statements attached to this Report form part of and should be read in conjunction with this Report.

The book value of the 7.2 million shares held by the Trustees at 31 March 2026 based on the shareholders' funds value in the Financial Statements of Waipā Networks Ltd was $222,157,599.

The audited Financial Statements of Waipā Networks Trust for the year ended 31 March 2026 are available for your inspection on our website www.waipanetworkstrust.co.nz and at the office of the Company (240 Harrison Drive, Te Awamutu) during ordinary business hours.

Guidelines on Access for Beneficiaries to Meetings and Information

The Trust has adopted guidelines on access for Beneficiaries to meetings and information, copies of which are available on our website or upon request to the Trust Manager.

The Guidelines promote accountability by the Trust to its Beneficiaries and ensure that clear and transparent procedures are in place to enable Beneficiaries to attend Trust meetings, have access to Trust information, and access to a complaints process if they are unhappy.

Dividend

As provided for in the Statement of Corporate Intent for the period 1 April 2025 to 31 March 2026, 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).

In the past, the Trust have not requested ongoing dividends to cover capital requirements, instead opting to retain excess monies within the Company. This has allowed the Company to utilise all surpluses to increase the value of the network and ultimately the Trust's shareholding in the Company. This strategy has been successful but has also resulted in a reduction of other investments held by the Trust, outside of the Company shareholding.

Going forward, the trust intends to continue to maximise the investment returns and will request dividends only to fund any shortfall between investment returns, operational costs, and inflation proofing of the trust investment fund to ensure the trust's investment fund remains stable, in real terms.

Company Performance 2025/26

Directors of Waipā Networks Ltd

Jennifer Kerr retired by rotation and being eligible, offered herself for re-election. The Trustees re-appointed Jennifer to the Board.

The Trustees appointed Jen Crawford and Alex Ball as additional Directors to the Board in the 2025/26 financial year.

The Directors of Waipā Networks Limited as at 31 March 2026 were Jonathan Kay (Chairperson), Jonathan Cameron, Jennifer Kerr, Shane Ellison, Jen Crawford and Alex Ball.

Special Discounts

The Trust, through the Statement of Corporate Intent, agreed to the Company introducing a discount/rebate regime commencing on 1 April 2001.

In the financial year ended 31 March 2026 the Company granted special discounts amounting to $5,637,000 to Connected Consumers. Special discounts for the period between 1 April 2001 to 31 March 2026 amount to $114,895,906.

Performance Measures of Waipā Networks Limited

Under Section 44 of the Energy Companies Act 1992, the Company is required to report its performance against targets set out in the Statement of Corporate Intent for the year. The performance of the business for the year ended 31 March 2026 is as follows:

Financial Performance	Target	Actual (2026)	Actual (2025)
Return on total assets (excl discount)			
Profit before discounts, finance costs and tax / total assets	7.3%	8.9%	8.1%

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%	9.6%	8.5%
Return on growth funds			
Investment income plus gains / losses on investment / investment funds	6.5%	6.9%	6.8%
Return on equity (after discounts)			
Profit after tax / shareholders funds	5.3%	7.1%	6.1%
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%	74.5%	75%
EBITF			
Earnings before interest income, finance costs, tax and financial adjustments for revaluation of investments	$11.8m	$15.8m	$12.1m
Distributions			
Dividends paid to shareholders	$190k	$190k	$201k
Discounts paid based on volumes and posted discount prices	$5.6m	$5.6m	$5.4m

Network Performance	**Target**	**Actual (2026)**	**Actual (2025)**
SAIDI (average minutes per customer)			
Planned	<126.2	87.0	151.3
Unplanned	<109.3	123.6	83.3
SAIFI (average interruptions per customer)			
Planned	<0.48	0.55	0.79
Unplanned	<1.73	1.67	0.98

Customer, Community and Environment

	Measure	Target	2026
Sustainability: Community	Community projects implemented to help alleviate energy hardship and provide education on the efficient use of electricity.	Deliver/actively participate in six business forum events.	Complete
		Delivery of the School Kit programme to WNL primary schools, complete school visits with four schools.	Kits delivered 3 School visits
		Deliver Winter Warmer Packs to support minimum of 300 people.	Complete
Sustainability: Environmental	Environmental projects to raise our environmental awareness and actively reduce our environmental footprint.	We've identified all sources of physical waste and achieved a 10% reduction in currently measured waste streams.	Incomplete
Sustainability: Cultural	We are embracing Māoritanga and building relationship with mana whenua.	We have planned our 3-year Te Ao Māori journey and at least 12.5% of staff have completed foundational Te Reo training.	Plan completed 12.6% staff enrolled 11.7% staff completed

Customer satisfaction	Measure	Target	Actual (2026)	Actual (2025)
Customer satisfaction and engagement	We will have more engaged and satisfied customers	>63%	64%	59%

People	Measure	Target	Actual (2026)
Safety leadership	Any critical control failures are remedied quickly.	Any critical control non-confirmance remedied within 7 days. New critical control process implemented.	Complete
Safety outcomes	No injuries or permanent harm incidents.	Nil	Nil

Acknowledgements

Kia ora koutou katoa,

As I reflect on another year as Chair of the Trust, I am reminded that the Trust's success is built on the dedication, expertise and commitment of many people.

My sincere thanks go to my fellow Trustees for their commitment to strong governance, challenging the status-quo, and their continued focus on delivering long-term value for our beneficiaries. I also want to acknowledge our Trust Manager, Kayla, whose professionalism and support keep the Trust operating effectively throughout the year.

I extend my appreciation to the Board, management and staff of Waipā Networks Ltd for their ongoing commitment to providing reliable essential services, while continuing to invest in the future of the network.

This year will be my final as Chair, having advised my fellow Trustees that I will not be seeking re-election in 2027, although I will continue to work hard for our beneficiaries until then.

It has been an honour to serve our community in this role, and in my previous roles with the Trust over the last 15 years. During that time, I have been fortunate to work alongside many talented and committed people. I believe the Trust is well placed for the future, with capable governance, an outstanding company, and a clear strategic direction.

Finally, thank you to everyone who has supported me throughout my time with the Trust. It has been an incredibly rewarding journey, and I leave the Chair role with immense gratitude for the people I have worked alongside and the community we have the privilege of serving.

Ngā mihi nui,

SARAH MATTHEWS

CHAIRPERSON

WAIPĀ NETWORKS TRUST