2025 – 26

ANNUAL REPORT

to the ACT Government



ACT Government

icon WATER



Three Rivers by Lynnice Church

This artwork represents the three rivers that connect on Ngunnawal Country: the Molonglo, Murrumbidgee and Yass rivers. The rivers were used as pathways to travel across Country, the small dots represent the pathway and journey of our people to the inner circle that connects those three rivers as a place of gathering. In the middle of the circle the outline of the mountain ranges surrounding Ngunnawal Country are significant in our landscape. These were pathways and places of learning as well. The smaller circles across the picture are symbolic of different places on Country and the importance of taking care of our land, water and the environment to ensure balance, sustainability and cultural knowledge into the future.

Acknowledgement of Country

Icon Water acknowledges the Ngunnawal people as traditional custodians of the ACT and recognises any other people or families with connections to the lands of the ACT and region. We acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region.

29 September 2026

Mr Chris Steel MLA
Treasurer
ACT Legislative Assembly
London Circuit
CANBERRA ACT 2600

Dear Treasurer

We are pleased to present the 2025–26 Annual Report for Icon Water Limited.

The report has been prepared in accordance with Section 7D of the *Annual Reports (Government Agencies) Act 2004* and the requirements under the Annual Report Directions.

It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by Icon Water Limited.

We certify that information in the attached Annual Report, and information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of Icon Water Limited has been included for the period 1 July 2025 to 30 June 2026.

We hereby certify that fraud prevention has been managed in accordance with the *Public Sector Management Standards 2006* (repealed), Part 2.3, as continued in application by section 113 of the Public Sector Management Standards 2016.

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present a copy of the Annual Report to the ACT Legislative Assembly within 15 weeks after the end of the financial year.

Yours sincerely

CAROL LILLEY
Chair
Icon Water

JOY YAU
Interim Managing Director
Icon Water



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MESSAGE FROM THE CHAIR AND INTERIM MANAGING DIRECTOR

As the ACT's provider of essential water and wastewater services, Icon Water supports the wellbeing and prosperity of Canberra and the region.

This year marked our first year under our new 10-year Business Strategy, focused on delivering practical outcomes for our customers, community and region. Throughout the year, our progress has been underpinned by our core values of community, care, courage and connection.

We recognise the deep connection that First Nations peoples have with local waterways and landscapes. During the year we strengthened our relationships with the Ngunnawal community, learning from cultural knowledge to inform how we plan, protect and manage services for future generations.

Our customers remain central to our planning and service delivery. We engaged with customers to inform a review of charging arrangements for Canberra's wastewater services, balancing essential network investment with affordability. We recognise that cost-of-living pressures are impacting families and small businesses across the ACT, and we continued support for households experiencing financial vulnerability.

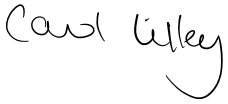
We progressed critical infrastructure work to maintain safe and reliable services for a growing city and advanced our planning to manage the challenges of ageing infrastructure. Our long-term planning for future water system and wastewater system options uses integrated water management principles in response to climate change and population growth. A key highlight was our continued progress on modernising the ACT's main wastewater treatment plant at Lower Molonglo to help secure a resilient water future for our region.

A significant achievement was the completion of the staged transition of corporate services and systems from ActewAGL in December 2025.

This was delivered with minimal impact to customers, services and operations. The transition has strengthened our strategic and commercial control and improved service quality across key functions, positioning us to integrate systems and deliver more responsive and efficient services. These changes are helping build a more connected, data-informed and customer-focused organisation.

The safety, capability and wellbeing of our people remain at the heart of our organisation. We are grateful for the professionalism, care and commitment our people bring to their work every day in serving our customers and community.

On behalf of the Board and Executive, we thank our customers and community for their ongoing engagement and support, and we thank our staff for their dedication and service. We remain focused on delivering safe, reliable and sustainable services while preparing for future challenges and opportunities.



CAROL LILLEY
Chair
Icon Water



JOY YAU
Interim Managing Director
Icon Water


ORGANISATION



ABOUT US

Icon Water is the ACT's provider of essential water and wastewater services, proudly serving Canberra and the region for more than 100 years.

Every day, we source, treat and supply drinking water, manage wastewater services and maintain the infrastructure that supports our growing community. We also provide bulk water to Queanbeyan and Googong.

Our purpose is to deliver essential water services every day, and our vision is to create a sustainable water legacy for our community. We play a vital role in the health, prosperity and liveability of the region, while planning for the long-term resilience of our water system and the communities we serve.

We acknowledge the Traditional Owners of the land on which we operate, the Ngunnawal people, and recognise their enduring connection to Country. We value the opportunity to learn from and work respectfully alongside First Nations peoples in caring for water and the environment.

We manage an extensive network of dams, treatment plants, reservoirs, pumping stations, pipes and other critical infrastructure, with a total asset value of around $3.7 billion. This includes operating one of Australia's largest inland wastewater treatment plants which safely returns over 90 per cent of Canberra's treated wastewater to the environment.

We also hold a 50 per cent investment in the ActewAGL Joint Venture, which supplies energy to the ACT and region. Our share in the Joint Venture is valued at approximately $1.1 billion (for more see the Energy Investment section on page 24).

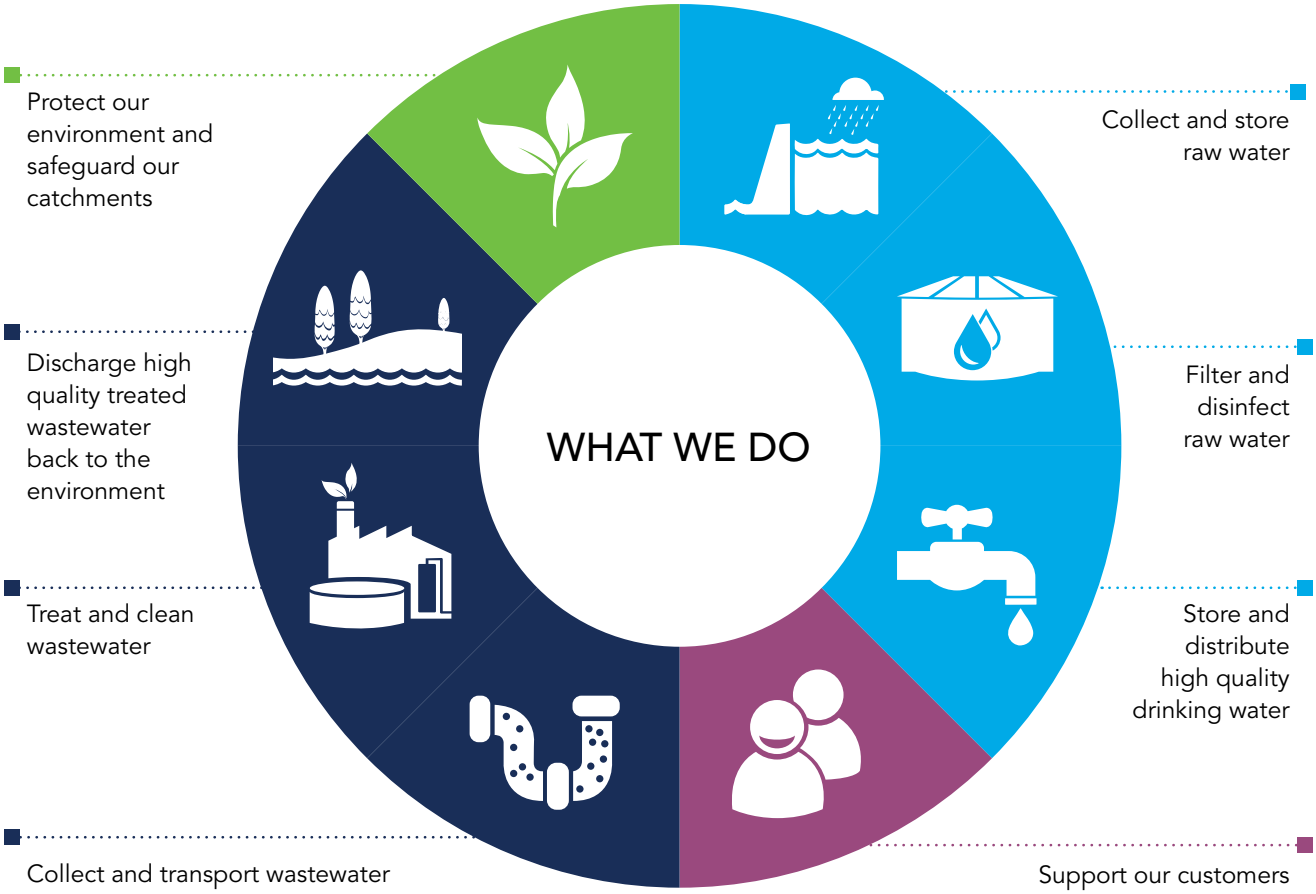
As a Territory-owned corporation, we must comply with the *Territory-owned Corporations Act 1990 (ACT)*, which sets out four main objectives:

- To operate at least as efficiently as any comparable business.
- To maximise the sustainable return to the Territory on its investment in Icon Water and ActewAGL, in accordance with performance targets in our Statement of Corporate Intent.
- To show a sense of social responsibility by considering and supporting the interests of the community in which we operate.
- Where our activities affect the environment, to effectively integrate environmental and economic considerations into decision-making.

Our Business Strategy translates these objectives into clear long-term outcomes and focus areas that guide our work.



Figure 1: What we do at Icon Water





OUR ASSETS

$3.7 billion

of water and wastewater related assets

278 GL
Combined dam capacity

3,500km
Network of water pipes

25
Water pumping stations

2
Water treatment plants

50
Reservoirs

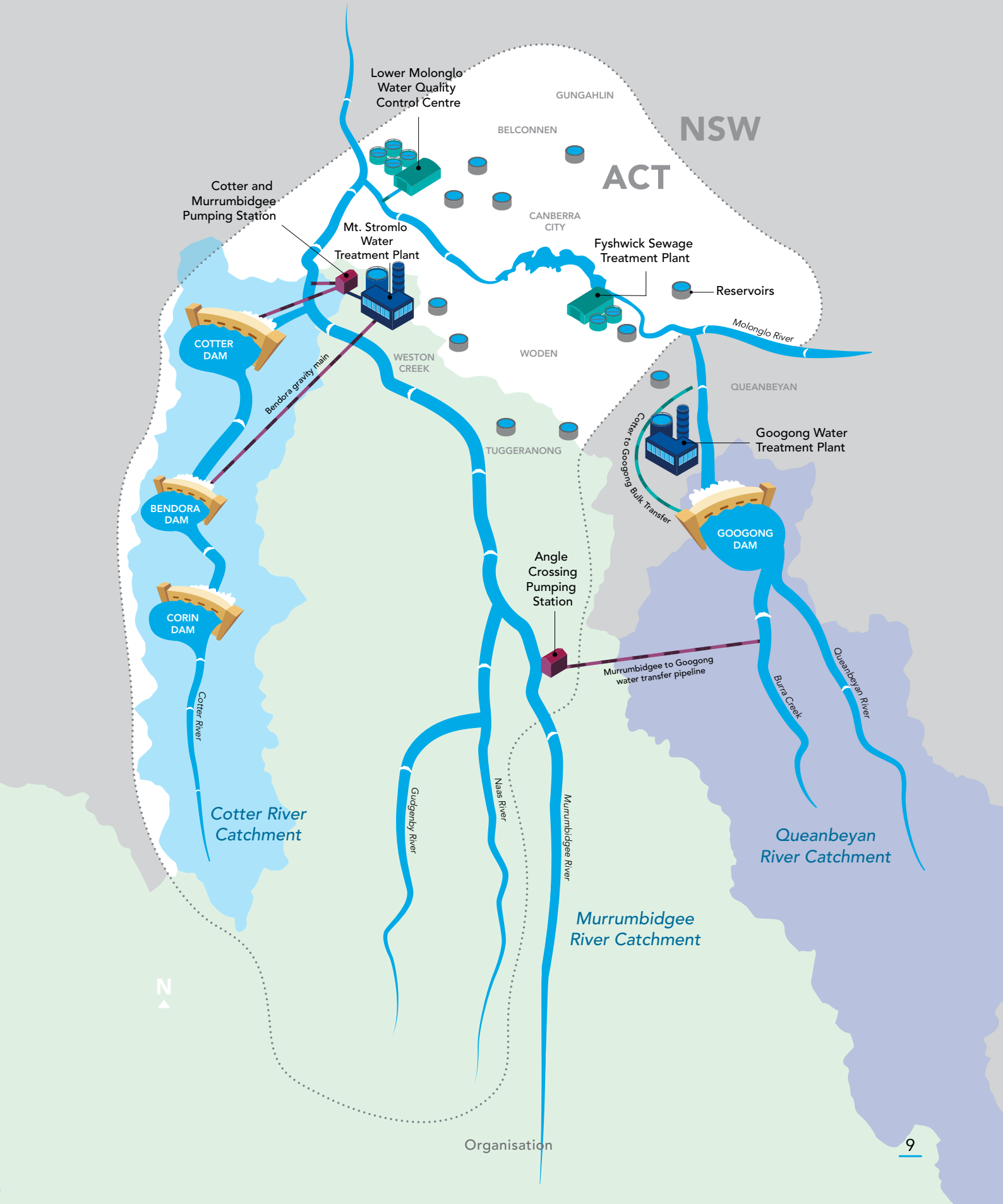
3,500km
Network of sewer pipes

28
Wastewater pumping stations

4
Wastewater treatment plants

OUR NETWORK

(WATER AND WASTEWATER)

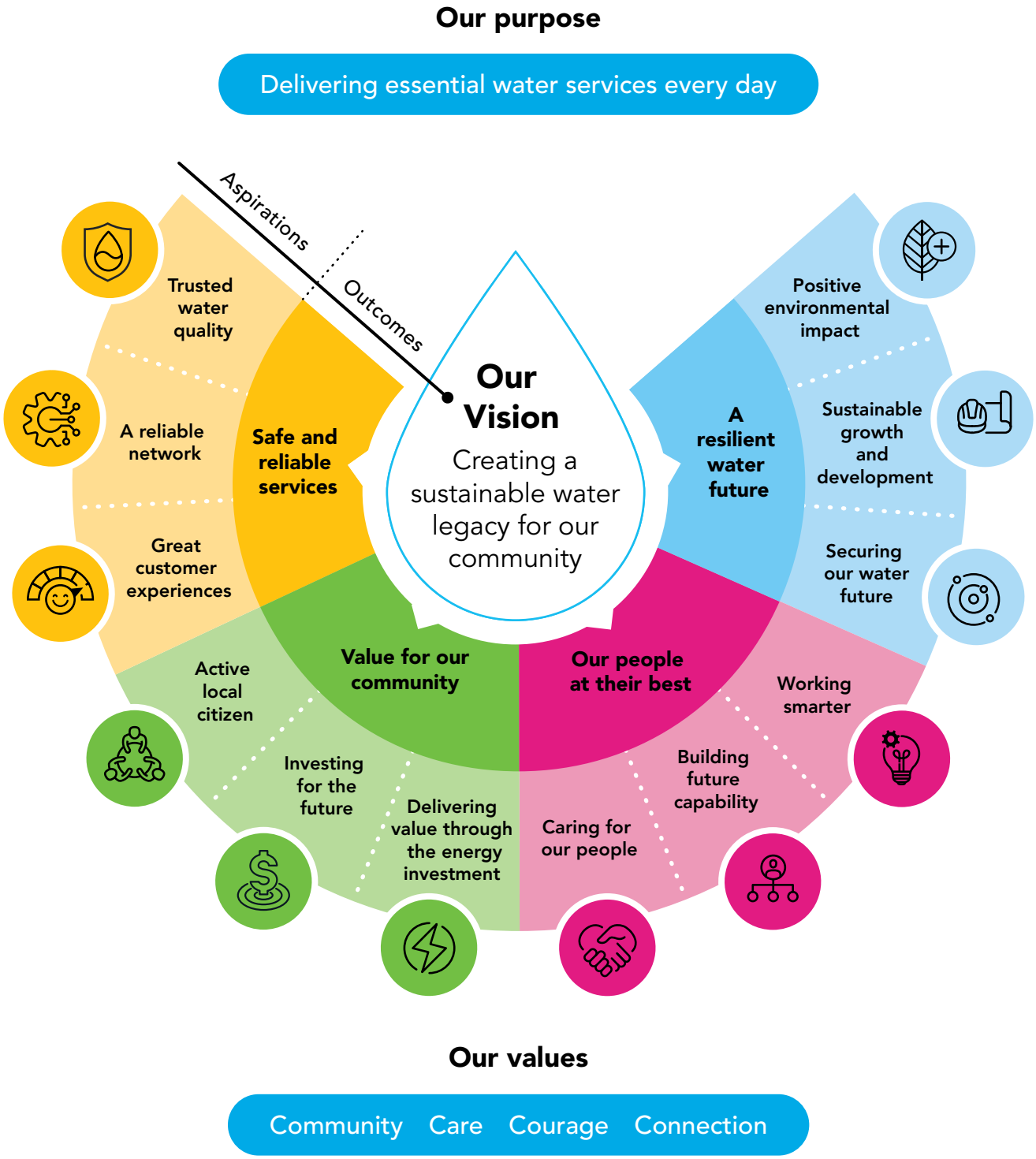


Organisation

BUSINESS STRATEGY

On 1 July 2025, following extensive consultation, we launched our new Business Strategy which outlines our vision, purpose and strategic direction for the next ten years.

Figure 2: 2025–2035 Business Strategy



The business strategy is being shaped by the following six drivers:

1

Operating within a more variable, extreme and unpredictable climate.

Icon Water is vulnerable to the direct and cascading impacts of climate change. Rising temperatures, rainfall variability, changing catchment conditions, droughts, wind, bushfires, heatwaves and storms all have severe implications for our ability to provide our community with high quality water and reliable wastewater services, and safeguard Canberra's water supply and sewerage network.

2

Changing system demands from population growth and densification.

Canberra is expected to be home to around 620,000 people by 2045, an increase of around 28% from 2025. While this means more customers for us, there will be increasing pressures – on water security, on our network, and how customers connect and interact with us. Changes in land use planning and population distribution are important considerations. Our regional neighbours are also growing.

3

Ageing assets and deteriorating asset performance.

A significant proportion of Icon Water's assets were built in the 1960s and 70s, at the same time as some of Canberra's major districts. Many of these assets are now reaching the end of their economic and engineering life. We have been planning for this large scale of asset renewals and are now implementing these plans.

4

Balancing the need for investment and customer affordability.

The water industry faces significant investment needs in the next 10–20 years – to improve water security, renew assets, upgrade infrastructure to serve the growing customer base, and prepare for and respond to extreme climate events and emerging contaminants. At the same time, broader economic conditions and social instability are making it harder for some customers to afford our services, and we remain conscious of avoiding decisions that defers the current need for investment but shifts costs to future generations.

5

Our workforce profile is changing as are their needs.

Our people are our backbone and enable us to provide essential services to the Canberra community and region. We need to adjust how we think about our workforce – in terms of the skills and capabilities we need, and workplace conditions we operate in, while satisfying the changing expectations about how people want to work.

6

Leveraging technology while addressing technical legacy.

Technology advancements provide opportunities for automation, analytics and improved productivity and efficiency. We can leverage these opportunities in areas such as operations and customer experience. Our ability to harness these opportunities is dependent on maintaining a modern technology portfolio with a focus on security.

2025–26 was the first year of implementation of our Business Strategy. Work progressed across the following 10 focus areas:

Safe and reliable services	**1**	Utilise asset health to proactively manage asset risk and investment.
	2	Review how we approach data privacy.
Value for our community	**3**	Shape the future charging arrangements for Canberra's wastewater services.
	4	Review (and if needed align) our governance and funding facilities.
	5	Walk together with our local Ngunnawal community and First Nations peoples.
Our people at their best	**6**	Bring to our new leadership and workforce planning frameworks.
	7	Embed the corporate service model and optimise across the business.
A resilient water future	**8**	Together with our major projects partner, upgrade and modernise the ACT's man wastewater treatment plant (LMWQCC).
	9	Improve how we plan for growth.
	10	Progress investigations into water system options and wastewater system options.

OUTLOOK

As we move into the second year of our Business Strategy as part of our 2026–27 Statement of Corporate Intent, we have refined our strategic focus areas to reflect our growing maturity.

The 10 existing focus areas continue, with updates to better reflect their intent. We have also introduced two new focus areas to strengthen our response to a changing external environment and support our longer-term strategic direction.

Safe and reliable services	**1**	Embed and operationalise asset health insights across our network
	2	Enhance the way we manage data privacy
	11	Strengthen Icon Water's resilience NEW IN 2026–27
Value for our community	**3**	Establish responsible pricing pathways
	4	Progress improvements in our governance and funding facilities
	5	Walk together with our local Ngunnawal community and First Nations peoples
	12	Review how we deliver retail services NEW IN 2026–27
Our people at their best	**6**	Bring to life our new leadership and workforce planning frameworks
	7	Embed the new operating model and optimise supplier arrangements
A resilient water future	**8**	Together with our major projects partner, upgrade and modernise the ACT's main wastewater treatment plant
	9	Implement our plan to improve how we service growth
	10	Use adaptive planning and integrated water management principles to determine water and wastewater system options



BUSINESS STRATEGY OUTCOMES



SAFE AND RELIABLE SERVICES

WHY IT MATTERS

'Delivering essential water services every day' is our purpose, and the foundation of why we exist as an organisation. We have been entrusted with providing reliable wastewater services for Canberra, and quality water for Canberra and neighbouring communities. We need to be vigilant in upholding this responsibility, while also working to create great experiences for customers.

Developers are also considered to be our customers, particularly where their work interfaces with our existing assets or involves new connections and assets that must be safe, reliable and efficient to operate over the long term. We are aware of the specific needs of the development industry for clarity and responsiveness.

OUR PROGRESS

During 2025–26, we progressed this outcome through strategic focus areas one and two. We worked to strengthen safety and reliability through asset health risk management and reviewing our data privacy.

FOCUS AREA 1

Utilise asset health to proactively manage asset risk and investment

Over the past year, Icon Water has progressed a coordinated program of work to strengthen our asset management practices.

This work improves how we understand the condition and criticality of our assets, and how we use this information to guide investment and maintenance decisions over the long term.

In 2025–26, we improved our proactive maintenance and renewals, based on asset condition and performance. This targets investment at the assets most critical to service delivery and reliability.

We also updated our strategic asset management objectives to align with our broader Business Strategy and support commitments to our technical regulator. This helps ensure our investment decisions are consistent, transparent and aligned with both customer value and industry expectations.

In addition, we improved maintenance planning for the 2028–33 regulatory period by optimising inspection and maintenance intervals for key water assets, including service reservoirs, mains and valves. These changes support more efficient and targeted investment, while ensuring assets continue to perform as required to meet current and future service needs.

FOCUS AREA 2

Review how we approach data privacy

Icon Water delivered its inaugural Privacy Management Plan (PMP) in 2025, which identified specific, measurable privacy-related actions to progress towards our target maturity levels across five privacy elements – Governance & Culture, Privacy Strategy, Privacy Processes, Risk & Assurance and Data Breach Response.

We completed 22 of 23 of the planned actions under this PMP, with five planned actions which will continue to evolve in our next PMP. This reflects our deeper understanding of how those actions can be further developed. Having met our target maturity levels for 2025, our goals under our next PMP can move beyond a compliance-focus towards how we embed an enhanced privacy culture, where privacy-related risks are proactively identified and managed across our operations.

Key achievements delivered in 2025–26 include:

- Undertaking our first privacy awareness survey for our staff giving us valuable baseline data about knowledge, awareness and attitudes to privacy across our business.
- Commencing a project to refresh our privacy policy, ensuring the way we explain how we handle personal information to our community and employees continues to align with our business.
- Delivering training, including focused training to support staff within our business who handle customers' personal information.
- Carrying out privacy impact assessments, where we are proactively identifying privacy-related risks as part of changes in systems or processes for our business.
- Completion of an updated maturity assessment and development of our next PMP, ensuring we are continuing to identify and prioritise actions that will strengthen our data privacy.

WATER OPERATIONS

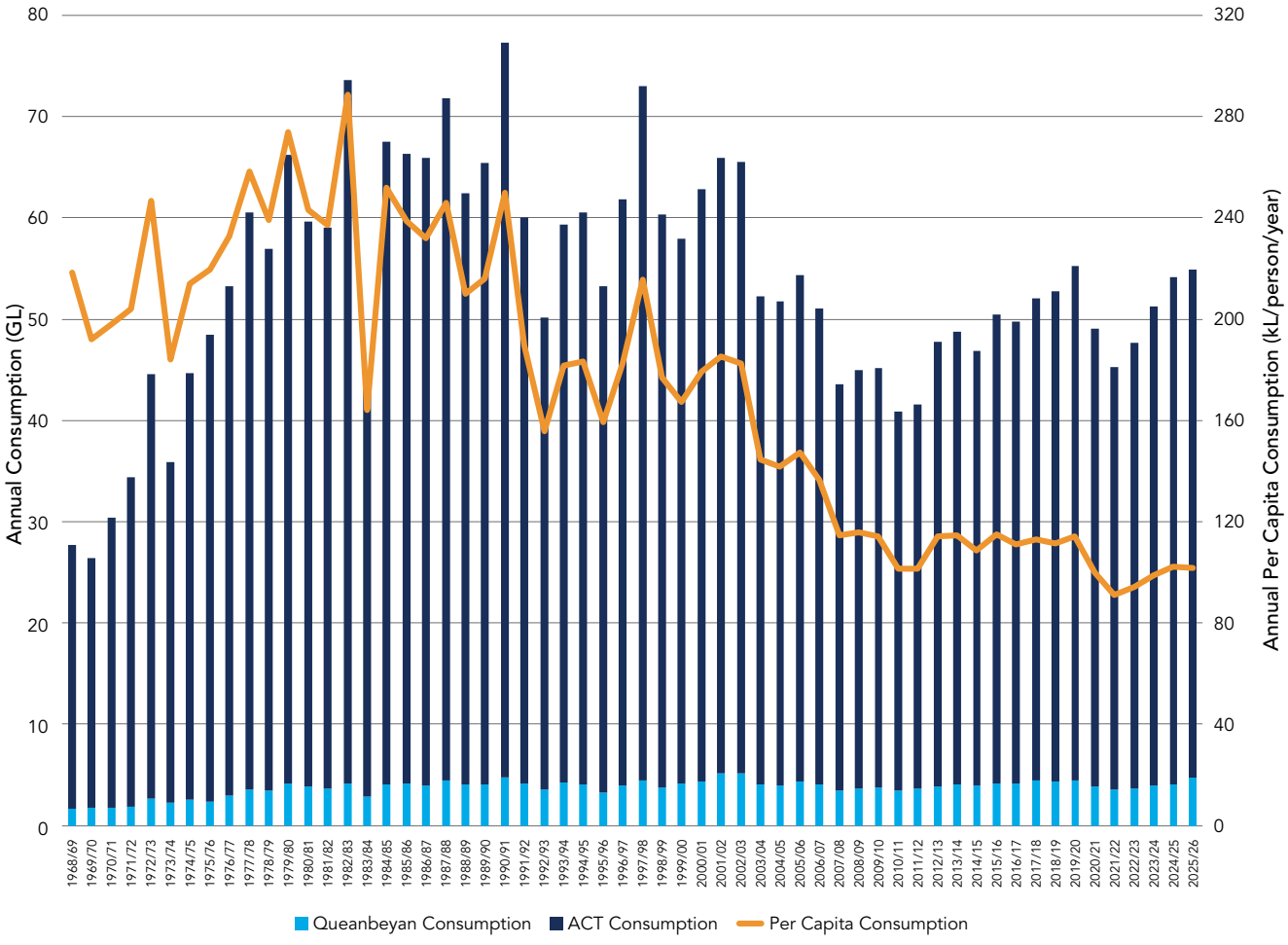
Icon Water's water operations maintained reliable services while improving how we use asset performance information to guide investment.

Since November 2010, per capita water consumption in Canberra and Queanbeyan has consistently been 35 to 40 per cent lower than it was before the introduction of water restrictions during the millennium drought in 2002.

Rainfall measured at the Canberra Airport for the reporting period totalled 522 mm, which was an increase of 26.5 mm on the previous 12-month period. Our combined dam capacity was 88.4 per cent of the total 278 GL volume on 30 June 2026 which is a small 2.8 per cent decrease from the same time last year.

Our water treatment plants produced a combined 55 GL of drinking water over the period. Stromlo Water Treatment Plant produced 46.5 GL, sourced from Bendora / Corin (40 GL) and Cotter (6.5 GL) Dams, and the Googong Water Treatment Plant produced 8.5 GL sourced from Googong Dam. Googong Water Treatment plant operated for eleven weeks between August and October 2025.

Figure 3: Annual water consumption for ACT and Queanbeyan





DRINKING WATER QUALITY

Icon Water provides, on average, roughly 150 million litres of treated water each day and we take the quality of our drinking water seriously.

Our approach to managing drinking water supply is consistent with the framework of the Australian Drinking Water Guidelines (ADWG) 2011 and is in compliance with the *Public Health (Drinking Water) Code of Practice 2007* (the Code). We undertake a comprehensive water quality monitoring program across our water supply and water distribution systems to verify the quality of customers' drinking water and inform our operational decisions. These water quality results are published in our annual Drinking Water Quality Report in compliance with the Code and available on our website.

Two events during the year were notifiable to ACT Health as per the Code. One of these occurred in a source water reservoir that was not supplying water to the treatment plant at the time. The other event occurred in the reticulation system and was quickly isolated, investigated and resolved.

We maintained our independent certification of the Hazard Analysis and Critical Control Point risk management system for water quality management. The recertification was issued in 2025 with no identified issues to be rectified.

Canberra's water supply catchments contain predominantly conservation and low intensity agricultural land use activities, without industrial activities typically associated with per and polyfluoroalkyl substances (PFAS) generation. This puts us in a good starting position for the quality of our raw water.

While testing to date has not detected PFAS in final treated water supplied into the network, we remain vigilant given its global prevalence and will continue to report drinking water testing data to regulators and the community through our website.

Together, these activities support our commitment to delivering safe and reliable services every day.



WASTEWATER OPERATIONS

Icon Water holds environmental authorisations under the ACT's *Environment Protection Act 1997*, which regulates activities with significant environmental risk.

We achieved compliance with authorisations for: Lower Molonglo Water Quality Control Centre (LMWQCC), Uriarra sewage treatment plant, Cotter effluent absorption facility and Canberra's sewerage network.

This year LMWQCC, Canberra's primary wastewater treatment plant, processed more than 35 GL of raw sewage, and returned over 33 GL of clean, fully treated effluent into the Molonglo River.

We also recycled approximately 4 GL of treated effluent onsite, predominantly to support operational processes. Uses such as process cleaning, cooling, and scrubbing return this water to the treatment process which can then be recycled again, and again, or discharged to the environment.

After we have thermally treated the biosolids from Canberra's wastewater at LMWQCC, a solid product called Agri-Ash is produced.

Agri-Ash is used as a soil conditioner by local farmers as part of our 'no opportunity wasted' focus to maximise resource recovery and minimise material to landfill.

This year we produced more than 4,000 tonnes of this commercial product. Composed of approximately 60 per cent calcium, Agri-Ash is particularly effective in correcting soil pH on regional pastures used for livestock grazing. It is a safe, cost-effective solution that supports sustainable farming and environmental stewardship.

The product is routinely tested to ensure it complies with the NSW Environmental Protection Authority Resource Recovery Order and the Resource Recovery Exemption licence for its use.

We have continued our significant capital investment at LMWQCC, with upgrades to several assets in 2025–26. These are described in more detail in the Capital Works section of this report on page 45.



RESILIENCE

In 2025–26, Icon Water responded to one planned business continuity event and 11 potentially disruptive incidents, including preparations for possible supply chain disruptions arising from conflict in the Middle East.

Favourable environmental conditions during the higher-risk weather period resulted in fewer severe storms and reduced bushfire risk, contributing to a lower number of emergency incidents overall.

Our staff's emergency and business continuity capabilities have continued to develop, with several employees completing additional Australasian Inter-Service Incident Management System (AIIMS) and Incident Coordinator training. Our structured training and exercise program is building a more capable and experienced workforce, ensuring AIIMS-qualified staff are prepared to undertake Incident Management Team roles when required. Ongoing investment in our people enables timely and safe incident response, effective communication with customers, and restoration of services to the required standard.

In response to the evolving global security environment, we have strengthened our security posture to meet obligations under the *Security of Critical Infrastructure Act 2018 (Cth)* (SOCI). We reviewed and maintained our Critical Infrastructure Risk Management Program, supporting the identification, mitigation and monitoring of risks across essential assets. This included continued security uplift initiatives. Our SOCI compliance report for 2025–26 will be submitted to the Department of Home Affairs.

We continue to contribute to sector-wide resilience through representation on the ACT Security and Emergency Management Senior Officers Group, and membership of the Emergency Plans Review Group and the ACT Critical Infrastructure Working Group. We also participate in a range of resilience-focused forums across jurisdictions and within ACT and Commonwealth Government networks.



BUSHFIRE RISK MANAGEMENT

During 2025–26, Icon Water progressed implementation of our Bushfire Operational Plan, which supports bushfire risk reduction and the delivery of safe, reliable services.

We maintained operational readiness through established emergency management processes, improved data governance, and ongoing monitoring of seasonal bushfire risks. Mild weather conditions resulted in no bushfire-related incidents, but preparedness levels were maintained.

We continued to strengthen network resilience through the delivery of a comprehensive vegetation management and asset-protection program across our bushfire-prone infrastructure portfolio. Routine vegetation management and fuel-load reduction works were completed at all 19 critical infrastructure sites, ensuring Asset Protection Zones (APZs) were maintained in accordance with regulatory and operational requirements. These assets form an integral component of our broader Bushfire Operation Plan.

Across the wider network, 64 of 71 sites scheduled for audit and associated maintenance activities in the 2025–26 financial year have been completed, with the remaining sites currently on track for completion. This program ensures ongoing compliance, risk mitigation, and operational readiness across our asset base.

In addition to regulated Bushfire Operational Plan (BOP) sites, a further 16 packages of works were delivered during the reporting period, providing additional risk reduction across the network. These works included large tree maintenance, removal of deceased or dangerous trees, track maintenance to maintain safe operational access, vegetation management around pipeline infrastructure, and clearing of fallen vegetation.

We worked with ACT Fire and Rescue and the ACT Emergency Service Agency to ensure assets in bushfire-prone areas are designed and improved to deliver safe, resilient outcomes in a changing environment.

Collectively, these activities contribute to reduced bushfire exposure, improved emergency access and enhanced protection of Icon Water's critical assets and service reliability.

KEY PERFORMANCE OUTCOMES: SAFE AND RELIABLE SERVICES

Table 1: 2025–26 Key performance outcomes: Safe and reliable services

Performance measure	Target	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Full year	Comment	
Drinking water quality – the percentage of the population where microbiological compliance was achieved	100%	100%	100%	100%	100%	100%		●
Overall customer satisfaction – survey respondents 'satisfied or 'very satisfied' with Icon Water	≥90%	-	-	-	85%	85%	Overall satisfaction with Icon Water declined marginally from 86% in 2024–25 to 85%, primarily due to an increase in neutral sentiment rather than dissatisfaction, which decreased. Feedback from less than satisfied customers most commonly related to water quality and communication regarding water quality issues, with some residential customers also citing concerns about pricing.	●
Discharge water quality – the percentage of compliance with licence parameters for wastewater effluent	≥99%	99.6%	100%	100%	100%	99.9%		●
Frequency of a water interruption – connections with more than 3 unplanned water interruptions per year	≤0.2%	0.01%	0.01%	0.07%	0.1%	0.1%		●
Duration of water interruption – connections with unplanned water interruptions greater than 6 hours	≤1%	0.1%	0.1%	0.0%	0.2%	0.4%		●
Internal sewage overflows – sewage overflows inside customer properties	≤15	3	3	2	4	12		●
Responsiveness to priority 1 activities – the crew is onsite for priority 1 activities within 120 minutes	≥90%	93%	97%	97%	96%	96%		●

● Target met ● Target not met



VALUE FOR OUR COMMUNITY

WHY IT MATTERS

As a government-owned utility, we have a particular responsibility to create value for our community through affordable services and timely and cost-effective long-term investment in assets.

Value is also about how we show up in our community – including how we recognise and protect the cultural heritage of our community and contribute to social and economic development in the ACT and region. Demonstrating value for our community is key to us maintaining trust.

OUR PROGRESS

During 2025–26, we progressed this outcome through strategic focus areas three, four and five. We worked to strengthen community value through responsible pricing, effective governance, meaningful engagement and support for our customers and community.

FOCUS AREA 3

Shape future charging arrangements for Canberra's wastewater services

Icon Water consulted customers who may be affected by proposed wastewater tariff reforms being considered by our economic regulator, the Independent Competition and Regulatory Commission (ICRC).

The review is important, particularly for non-residential customers, because the current wastewater pricing structure no longer reflects the varying impacts businesses have on the wastewater network. The review has two main focuses - charges relating to flushing fixtures and liquid trade waste.

Our engagement helped us understand the practical impacts of potential changes to wastewater tariffs so that we could effectively reflect customer interests and values in our submissions to the ICRC.

Our engagement confirmed broad support for user-pays principles, while emphasising the need for transparent methodologies and a gradual transition to manage customer impacts and implementation requirements.

FOCUS AREA 4

Review (and if needed realign) our governance and funding facilities

Icon Water has been working with voting shareholders to review capital structure and governance arrangements, in the context of the significant capital investment program forecast over coming years.

This review was essential to understand the how we sustainably fund and respond to rising demand for water, wastewater and energy services, greater resilience and climate adaptation expectations, the energy transition away from natural gas, and the need to replace ageing water and wastewater assets.

Together, these drivers require a step change in long term investment funding to support the delivery of essential services to the Canberra community.

The review has been completed, with key findings and combined recommendations culminating into a clear approach. The proposed approach maintains investment-grade credit metrics for the water and energy business, avoids reliance on future equity injections, and provides greater financial flexibility over the medium to long term.

We will continue to work closely with ACT Government to progress the detailed design and implementation of recommendations.

ENERGY INVESTMENT

Icon Water manages an investment in the ActewAGL Joint Venture which provides energy services across the ACT and surrounding regions.

This joint venture was established in October 2000 between Icon Water (previously ACTEW Corporation) and the Australian Gas Light Company (AGL). The result was ActewAGL – the first multi-utility, operating as a public private partnership in Australia.

The joint venture comprises two partnerships – ActewAGL Distribution and ActewAGL Retail. Icon Water participates in both partnerships through subsidiary companies, Icon Distribution Investments Limited and Icon Retail Investments Limited. Most directors of the Icon Water Board sit on the Boards of these subsidiaries.

ActewAGL Distribution, operating as 'Evoenergy,' owns and operates the electricity distribution network and most of the transmission network in the ACT. It also owns and operates the gas network in the ACT, Queanbeyan-Palerang Regional Council (Queanbeyan, Jerrabomberra and Bungendore) and the Shoalhaven region in New South Wales. It is a partnership between Jemena Limited and Icon Water through subsidiary companies.

ActewAGL Retail provides energy products and services, including customer service and marketing, in a competitive market. Its service footprint extends to regional centres such as Queanbeyan, Goulburn, Yass, Young, Nowra and Bega. It is a partnership between AGL Energy Limited and Icon Water through subsidiary companies.

The objectives for holding an investment in the ActewAGL joint venture are to:

- maximise return for our shareholders
- have regard to the ACT Government's ambitions in relation to liveability, planning, sustainability and climate change, and a commitment to corporate social responsibility (including safety, customer service and customer satisfaction).

The ActewAGL Partnerships Board is comprised of six members: three appointed by AGL/Jemena and three appointed by Icon Water.

As of 30 June 2026, members of the ActewAGL Partnerships Board were:

- David Gillespie, Jemena (Chair)
- Yanli Liu, Jemena
- Carol Lilley, Icon Water
- Julie-Anne Schafer, Icon Water (Deputy Chair)
- Joy Yau, Icon Water
- Josephine Egan, AGL

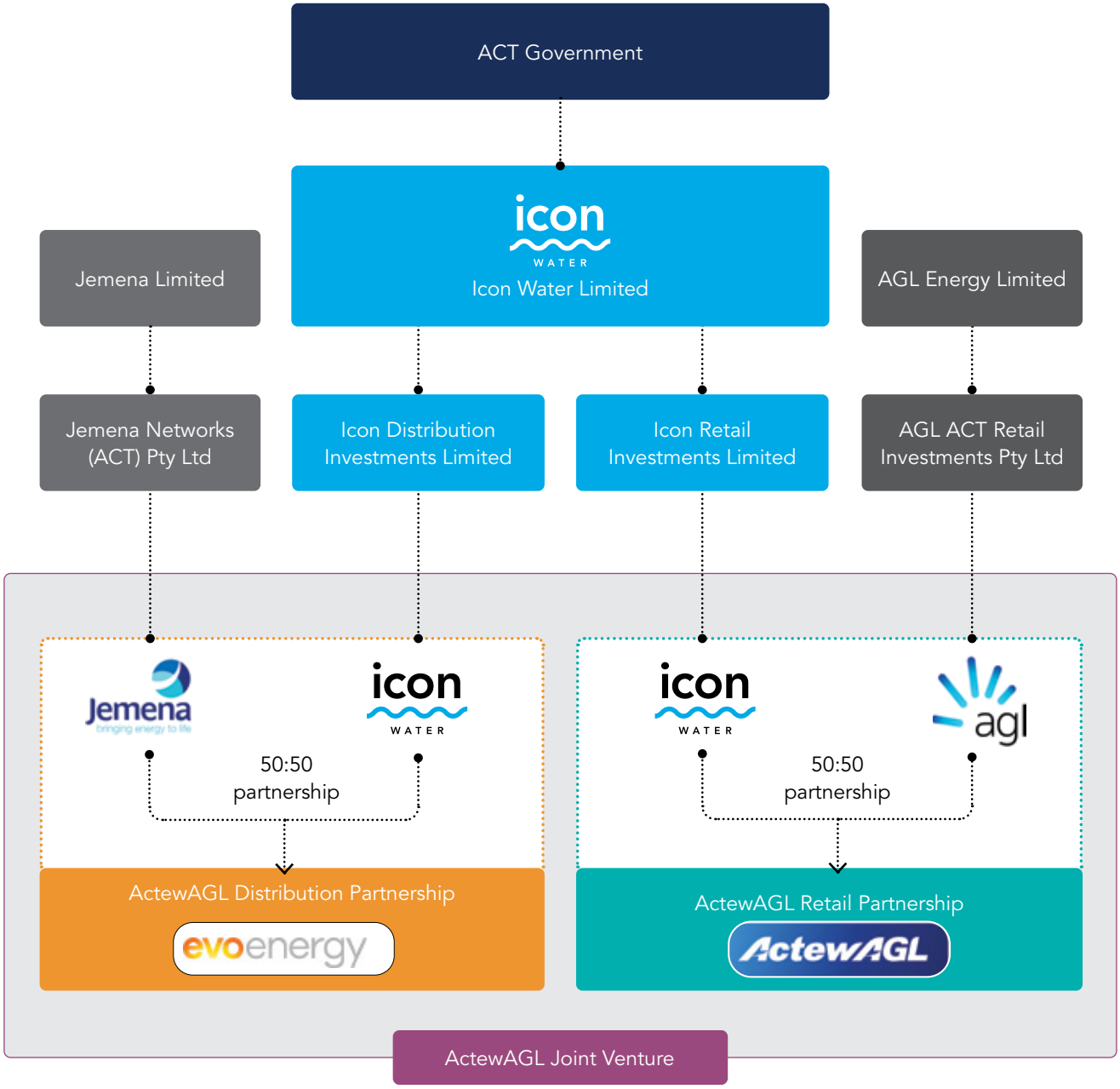
Details of ActewAGL's financial performance for 2025–26 are provided in the Financial Reports section (page 73). Further information is available at actewagl.com.au and evoenergy.com.au.

The ActewAGL Joint Venture, guided by the ActewAGL Partnerships Board, is aligned with the ACT Government's target to achieve net zero emissions by 2045. Working with the ACT Government, Evoenergy progressed planning to expand the electricity network and support the gradual transition away from gas, while maintaining energy security, reliability and affordability.

In support of the ACT Government's policy direction, ActewAGL Retail continued to deliver initiatives to promote and support efficient energy use, including:

- continuing the roll-out of smart electricity meters in line with Australian Energy Market Commission (AEMC) requirements, supporting the transition to renewable energy.
- offering 'Electrify with ActewAGL', a one-stop service to support customers transitioning from gas to renewable electricity.
- delivering energy-efficient initiatives for households, such as heating and cooling upgrades, hot water heat pump upgrades, ceiling insulation upgrades, battery storage offers and supporting government incentives.

Figure 4: The joint venture structure and energy investment brands



Notes: 1) Each of Jemena Networks (ACT) Pty Ltd, Icon Distribution Investments Limited, Icon Retail Investments Limited and AGL ACT Retail Investments Pty Ltd are wholly owned subsidiaries of Jemena Limited, Icon Water Limited and AGL Energy Limited respectively. 2) Jemena Networks (ACT) Pty Ltd and Icon Distribution Investments Limited are equal partners in the ActewAGL Distribution Partnership (AAD). AAD includes energy networks (Evoenergy) and corporate services. 3) Icon Retail Investments Limited and AGL ACT Retail Investments Pty Ltd are equal partners in the ActewAGL Retail Partnership (AAR).



COMMUNITY ENGAGEMENT

Icon Water's community engagement programs are central to connecting with and delivering value for our community.

We recognise that our role extends beyond delivering essential services. It includes building trust, strengthening understanding and empowering the Canberra region to make informed decisions about water use and wastewater management.

Throughout the year, we engaged with the community to inform, educate and inspire behaviour change. Our programs focus on two key objectives:

- Encouraging responsible water and wastewater behaviours by demonstrating the impacts of individual choices on our network
- Deepening community understanding of our water supply catchments, treatment processes and the critical infrastructure that underpins Canberra's liveability.

We had a strong presence at a range of community events including Floriade, the Royal Canberra Show and the Queanbeyan Show. Attending community events gives us a powerful, face-to-face platform to build trust and raise awareness about the everyday actions that keep Canberra's water and wastewater networks healthy.

These events help us engage directly with customers, answer questions and share practical advice on issues like what not to flush, how to prevent blockages, how to monitor for plumbing leaks and how our catchments and treatment systems work. By meeting people in person, we make complex infrastructure relatable and show the real impact individual behaviours have on network performance, environmental outcomes and service reliability.

This visibility strengthens community knowledge about our role in delivering reliable services and helps drive the behaviour change that reduces blockages, protects assets and supports a more resilient water future for the region.

Our digital channels continue to be another key way for us to reach the broader community. Through our website and active presence on Facebook, Instagram, LinkedIn and YouTube, we share timely information, promote water-wise behaviours and offer transparent insights into our operations and projects. These platforms enable us to connect with customers where they are, ensuring our messages are accessible, relevant and responsive to community needs.

Together, these initiatives strengthen our relationship with the Canberra community and reinforce our commitment to delivering services that are understood, valued and trusted.



EDUCATION AND COMMUNITY LEARNING

In 2025–26, Icon Water continued to help the community understand Canberra's water and wastewater systems through education and awareness initiatives. This year, we prioritised behaviour change campaigns that reached broad audiences across the region.

A key focus was the ongoing Free the Poo campaign, our primary platform for educating the community about the impacts of improper waste disposal on the wastewater network. Through simple, engaging messages shared across our digital channels, advertising and hands-on-activities at events, we helped the community understand how everyday choices affect blockages, environmental outcomes and network performance.

Our Discover the Journey of Water video, provides a clear and accessible overview of how water moves from our catchments, through our treatment plants, across our network of reservoirs, pump stations and pipes, to the tap. This resource helps improve community understanding of the essential services we provide and was viewed by more than 10,000 people, with more than 4,000 engaging with the video's interactive elements.

To support flexible learning, we continued to offer a suite of downloadable factsheets, classroom activities and explanatory materials on our website. These resources provide teachers, community groups, customers and the public with reliable information about water quality, treatment processes and sustainable water.

We delivered targeted site tours for industry groups and stakeholders where they provided clear opportunities to deepen understanding of our infrastructure, operational challenges and the shared responsibility required to protect Canberra's water future.

These initiatives help deliver our Business Strategy by strengthening community understanding of essential water services, while building long-term awareness of our shared responsibility to protect our water future.



ABORIGINAL AND TORRES STRAIT ISLANDER COMMUNITY ENGAGEMENT

Icon Water has continued to build deeper and broader relationships with Ngunnawal Traditional Owners.

Our Reflect Reconciliation Action Plan (RAP) July 2025 – December 2026 reflects local perspectives, values and aspirations as well as the Ngunnawal community's capacity to walk together with us at the pace of trust.

The RAP also delivers on the Reconciliation Australia standardised national requirements of the framework with actions to build relationships, respect, opportunities and governance with all local Aboriginal and Torres Strait Islander peoples.

Reconciliation activities—including RAP governance, staff engagement, and cultural events—remain strong and continue to broaden organisational knowledge of cultural water perspectives and the lived experiences of Ngunnawal Traditional Owners and other First Nations peoples.

To support greater internal and external visibility of our commitments, we developed a reconciliation page on our public website and installed framed snapshots of the RAP at our Mitchell offices and four main treatment plants.

We acknowledge that reconciliation is a long-term journey, one that requires patience, deep listening, and continuous effort and ongoing learning.

Access to Country events

Ngunnawal Traditional Owners requested four Access to Country events per annum under our co-designed RAP. Four events have been hosted with Ngunnawal Traditional Owners at Williamsdale Biodiversity Offset Property, Fyshwick, Googong Foreshores and the Bendora Gravity Main. Activities included painting a mural together, testing for water bugs and discussing catchment protection and caring for Country.

During the Fyshwick event, Icon Water also supported an Aboriginal Waterways Assessment at the Jerrabomberra Wetlands.

After each event we report back to the Ngunnawal community and the business sharing stories and photos, which we are told is highly valued for improving community capability and on-sharing with grandkids to promote connection with Country. We are also told how unprecedented and meaningful this activity is.

Cultural awareness and safety

Under the RAP, we are committed to delivering cultural awareness training and cultural safety assessments for our work sites. Two local Aboriginal and Torres Strait Islander -owned organisations have been engaged to undertake assessments and develop local cultural content into an online course. To keep staff engaged, we posted 18 internal news articles regarding our reconciliation journey between July 2025 and June 2026.

Staff cultural understanding and safety has been baselined to track improvement over time.

Engagement on integrated water management

A workshop was held with Gomeroi Elder, Uncle Phil Duncan and Worimi woman, Katriina Heikkanen under our professional engineering services partnership in August 2025 to determine the approach to First Nations engagement on our integrated water and wastewater planning given our local context. A pathway for engagement was defined with key actions. These included establishing cultural knowledge as a foundational prerequisite for improving our capability, improving understanding of family clans for representativeness and identifying appropriate methods and venues for broad consultation with First Nations people.

Two hybrid 'Lunch and Learn' sessions were held with presentations from Uncle Phil and Kat, together with Icon Water updates, as part of our journey together.

More than 100 participants attended the first session on First Nations perspectives and cultural water in October 2025. More than 70 attended the second session which focused on Indigenous Cultural and Intellectual Property (ICIP) and Free Prior Informed Consent (FPIC) to baseline our safe and respectful engagement with First Nations people.

Community support

The 2025–26 Community Support Program included partnership funding of two Aboriginal and Torres Strait Islander-related organisations, with our staff involved in attending and supporting both sponsored events:

- The Belconnen Arts Centre partnership for NAIDOC in the North event continued supporting artists and presenters as part of a three-year agreement 2024–25 to 2026-27.
- The Catchment Studio partnership for a two-day community celebration centred around Ngunnawal storytelling, cultural knowledge-sharing, and Caring for Country practices along Sullivan's Creek. This included the production of the Watermarks Documentary 'Watermarks: Unmuting Country through Ngunnawal Song and Action' which captured the story of developing the first-ever Ngunnawal-led public artwork and activation.

Water industry peer engagement

Icon Water presented on lessons learnt and our RAP co-development and co-endorsement journey to industry peers at the Water Services Association of Australia (WSAA) Community of Practice for Reconciliation Action and First Nations Strategy in October 2025.

We also developed a paper and poster for OzWater 2026 titled *Walking together at the pace of trust: co-development and co-endorsement of a reconciliation action plan with the local Ngunnawal Indigenous community*. Together with Ngunnawal knowledge holder Richie Allan, we jointly presented on our reconciliation journey and participated in a panel discussion with several other utility and Aboriginal and Torres Strait Islander participants as part of a Reconciliation session hosted by WSAA.

Staff reconciliation events

We brought staff together at our Mitchell offices for two key cultural events this year. In July 2025, we hosted a morning tea with Aboriginal and Torres Strait Islander catering at Mitchell offices for NAIDOC Week and officially launch our Reflect RAP, co-developed with Ngunnawal Traditional Owners and an internal Daily News article promoting NAIDOC Week events. In June 2026, we held a National Reconciliation Week event where staff shared food and discussed our project milestones and lessons learnt alongside the Ngunnawal community.

FOCUS AREA 5

Walk together with our local Ngunnawal community and First Nations peoples

In the 2025–26 period, we progressed our Reflect Reconciliation Action Plan (RAP) in collaboration with the local Ngunnawal community and First Nations peoples. Efforts included enhancing visibility through a dedicated web page and site-wide installations, alongside deeper connections to Country via interactive events and staff cultural capability training.

COMMUNITY SUPPORT PROGRAM

Icon Water's Community Support Program (CSP) delivers toward our aspiration to create value for our community. It plays a vital role in supporting organisations that deliver essential services, community programs and inclusive activities across the ACT region.

Through a combination of financial and in-kind assistance, the CSP helps build a more connected, resilient, and sustainable community.

Each year, the program opens for community applications in March and April, with funding guidelines published on our website to support applicants in preparing their submissions.

The program continues to be guided by two core objectives:

- Supporting the Territory-owned Corporations Act 1990 objective which requires us "to show a sense of social responsibility by having regard to the interests of the community in which we operate and by trying to accommodate and encourage those interests".
- Advancing our Business Strategy goals by delivering a focused, efficient program that promotes important community messages and reinforces our commitment to social responsibility.

In 2025–26, we continue to support initiatives across a broad range of community sectors, including:

- community inclusion and disability
- health and wellbeing
- liveability and inclusion
- affiliated industry, including environment and sustainability
- Aboriginal and Torres Strait Islander community sport.

For the 2025–2026 program period, we are proud to support a diverse group of community partners whose work strengthens the ACT region. Our partners are listed in Table 2.

Evaluating impact

We completed our first impact review of our annual Community Support Program (CSP) which evaluated performance and community reach across the entire Program.

Program partners were invited to complete a survey, reporting on the initiatives they delivered, the number of people reached, broader community impacts and the value of the support provided by Icon Water. Of our 26 partners, 23 completed the survey.

Key outcomes included:

- over 200,000+ people directly benefited from partner initiatives supported by the CSP
- 95% of projects were delivered as planned, with many demonstrating ongoing impacts beyond the funding period
- strong engagement across diverse sectors, reinforcing the program's reach and relevance.

We will continue to undertake impact assessments annually to track program performance and community outcomes, with key insights and findings used to strengthen ongoing program delivery and partnerships.

Table 2: Organisations/events supported

Organisation/Event	Amount
Lifeline	50,000
OzHarvest Canberra	40,000
Canberra Symphony Orchestra – Music by the river concert	40,000
Karinya House for Mothers and Babies	25,000
Rise Above Capital Region Cancer Relief	20,000
Ginninderra Catchment Group – Frogwatch ACT	15,000
Kids in Care ACT	15,000
Roundabout Canberra	10,000
Tuggeranong Community Council - Southfest	10,000
Tennis ACT	10,000
Australian Water Association	7,500
The Christmas Party Canberra	7,000
Belco Arts Centre – NAIDOC in the north	6,000
Tuggeranong Valley Australian Football and Netball Club	10,000
The Salvation Army – Carols in the town park	1,000
Canberra Writers Festival	30,000
Canberra Hospitals Foundation	40,000
Women's Shed Canberra	20,000
Catchment Studio	19,700
Queanbeyan Show Society	10,000
Friends of the Manuka Pool	20,000
St Patricks Hockey Club	5,000
Bhagya School of Dance	5,000
Chief Ministers Inclusion Awards	6,500
Hands Across Canberra	4,182
Property Council	5,500
Conservation Council ACT	2,277
Total	**$434,659**

MODERN SLAVERY

At Icon Water, we respect human rights and consider modern slavery in any form to be unacceptable.

Modern slavery includes human trafficking, slavery and slavery-like practices (forced labour, forced marriage, servitude, debt bondage, deceptive recruiting) and the worst forms of child labour. It happens in every country, including Australia.

We procure a large variety of goods, works and services. Ninety-eight per cent of our suppliers are based in Australia, with a comparatively low-risk profile for modern slavery. However, we understand that many upstream supply chains can extend globally. In refreshing our supplier engagement approach, we have focused on how we can better partner with our suppliers to increase transparency and build a shared understanding of where we can embed social value in supply chains.

By learning from others, we have deepened our understanding of modern slavery. This has included sharing the lived modern slavery experiences of others with our business and participating in industry-led modern slavery forums. We have developed new resources to support us in identifying and addressing grievances related to modern slavery.

Environmental, Social and Governance (ESG) is one of five principles underpinning our procurement framework. By embedding a modern slavery supplier questionnaire in higher-risk procurements and including information from these as part of our value for money assessments, we are further defining how, where and when we impact modern slavery in our procurements.

To date, we have not identified any instances of modern slavery within our business or direct supply chains. We continue to monitor, review and implement initiatives as addressing modern slavery effectively in our operations and our supply chains requires ongoing commitment, collaboration, and continuous improvement.

Our Modern Slavery Statement 2024–25 was delivered as required by the *Modern Slavery Act 2018* (Cth).

KEY PERFORMANCE OUTCOMES: VALUE FOR OUR COMMUNITY

Table 3: 2025–26 Key performance outcomes: Value for our community

Performance measure	Target	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Full year	Comment	
Community perception – community perception index	≥67	68	69	68	-	68		●
Early intervention for customers needing support – of customers in arrears, percentage receiving active support	≥33%	39%	37%	37%	42%	39%	Icon Water continues to focus on encouraging customers to engage early and access financial support. This support includes short- or long-term payment arrangements through to our staying connected hardship program.	●
Profitability of water and sewerage services – net profit after tax (NPAT)	≥$20.8m	($4.5m)	($2.4m)	$22.9m	($1.5m)	$14.5m	Primarily driven by timing of revenue recognition of gifted assets, higher interest costs.	●
Shareholder return – dividend	≥$50m	$17.1m	$3.9m	$22.5m	($1.0m)	$42.7m	Primarily driven by timing of revenue recognition of gifted assets, higher interest costs and timing difference in recovery of payment to generators impacting energy revenue perfromance.	●

● Target met ● Target not met



OUR PEOPLE AT THEIR BEST

WHY IT MATTERS

Our strategic aspirations can only be achieved through the empowerment of our people. The way we organise ourselves, the systems and tools we provide, and the culture we create – all play a crucial role in enabling our people to enjoy their work and make their best contribution.

OUR PROGRESS

During 2025–26, we progressed this strategic outcome through focus areas six and seven. We strengthened leadership, capability, culture and our operating model to support our people now and into the future.

FOCUS AREA 6

Bring to life our new leadership and workforce planning frameworks

During 2025–26, Icon Water strengthened leadership capability and future workforce planning to support reliable services and long-term performance.

A new Leadership Development Program was introduced to build skills across team leaders, supervisors and branch managers. The program focuses on practical and shared leadership behaviours across the organisation. The first round of workshops was delivered in May and June 2026, with further sessions scheduled for August and December 2026. Participation has been strong, with positive feedback highlighting the program's value in supporting effective leadership.

We also progressed our workforce planning initiative to help ensure we have the skills and capability needed to remain resilient and meet future delivery needs. This work has created a clear picture of current roles and skills across the organisation, providing a foundation for future planning. A staged approach will guide implementation building on a pilot program as we move towards embedding this work across our operations.

FOCUS AREA 7

Embed the corporate services model and optimise across the business

ActewAGL historically provided corporate services to Icon Water through a contractual agreement.

Services included finance, human resources and payroll, property and security, warehouse management, fleet management, our 24-hour faults and emergency call centre, and information and communications technology (ICT). In response to the pending expiry of the agreement, we established a program to implement the transition of services to our control.

The program successfully concluded in December 2025, following the transition of the final, complex services of finance, human resources and payroll, and ICT earlier in the year.

This was a significant achievement for the organisation, given the program's complexity and size. We now have full strategic and commercial control of our corporate services and have begun implementing improvements to better support our operations and customers.

Post transition operating model review

2025–26 marks the start of our new 10-year Business Strategy, consequently, we have taken the opportunity to step back and consider how we most efficiently organise ourselves for the future.

As we continue to invest in our capital program, it is increasingly important that our resourcing and operating model continues to support streamlined delivery of our services and has the financial discipline and capacity to deliver our expanding capital program. This includes identifying ways to reduce day-to-day points of friction across the business and streamline areas of hand-off to improve how work is delivered for our people, and ultimately our customers.

In September 2025, we established the Post Transition Operating Model Review to identify strengths, weaknesses and areas for improvement.

The review has progressed through multiple stages including Phase 1 (current state assessment) and Phase 2 (future state options assessment). It is now moving through detailed design and implementation of a preferred proposed operating model. The operating model is comprised of 12 parts, with the organisational structure component on track for implementation by late 2026.

Procurement and supply chain optimisation

We are optimising our procurement and supply chain activities to deliver best value for money as we invest for the future.

In 2025–26, we reviewed a number of priority longer-term contracts to identify and validate opportunities for optimisation, with a focus on operating expenditure savings. Planning, prioritisation and sequencing of these optimisations have been aligned with upcoming procurement and other contract management milestones, with implementation strategies to commence in 2026-27.

We also developed an inventory and supply chain strategy, informed by our understanding of inventory management and supported by governance and process improvements introduced this year. This strategy will help strengthen the resilience of our supply chain, reduce the risk of disruptions, and support reliable delivery of services to our customers, while continuing to improve value for money.

Technology and resource optimisation

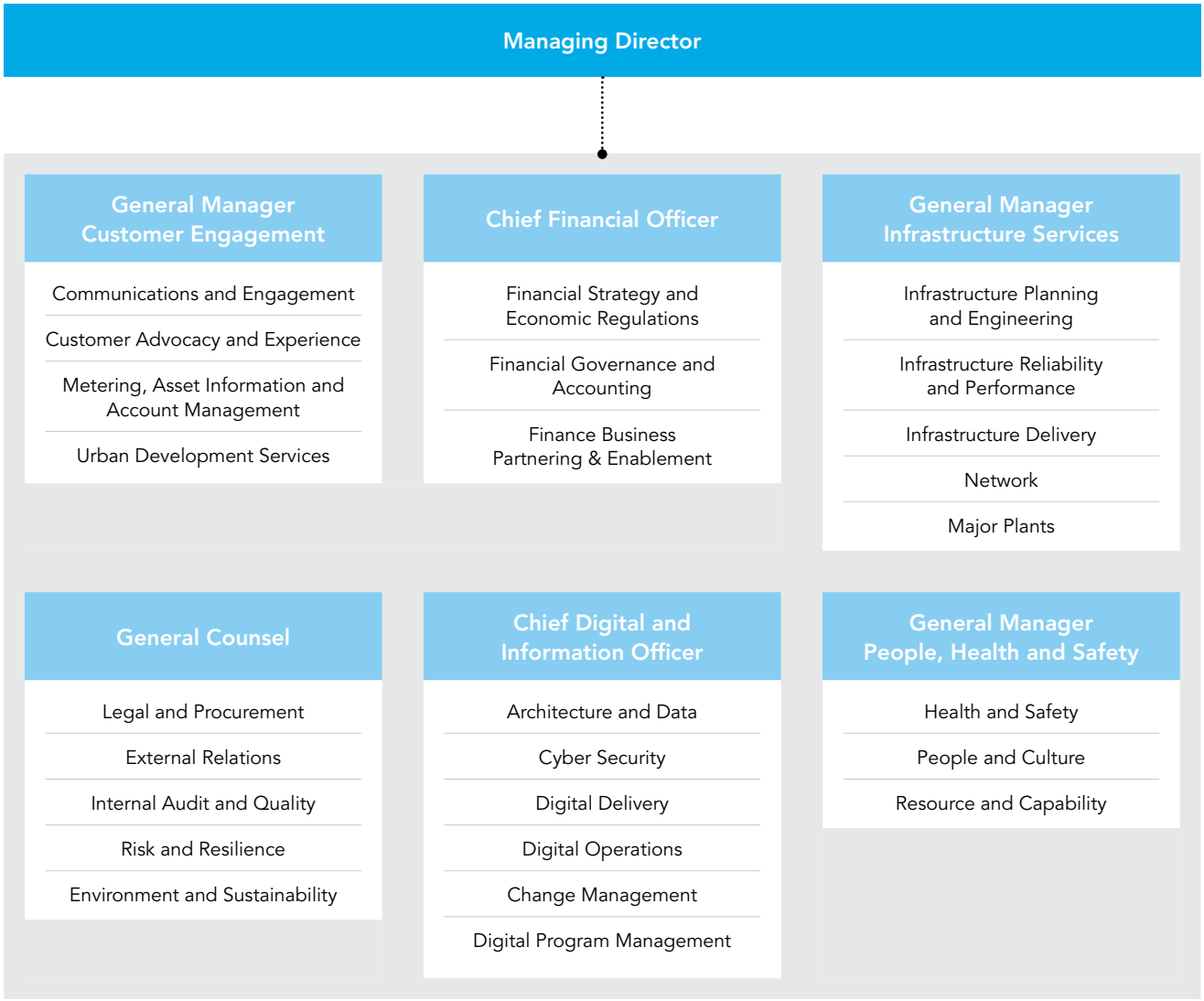
During 2025–26, we continued our work to optimise Icon Water's technology landscape and digital resources to improve efficiency and value across the organisation.

This involved reviewing applications for duplication and improving the utilisation of infrastructure and platforms. Through these efforts, we ensured technology investments delivered value, while improving efficiency and simplifying the overall digital environment.

This work strengthened operational discipline, supported more sustainable use of resources, and better aligned technology to business needs, enabling more effective and reliable service delivery.

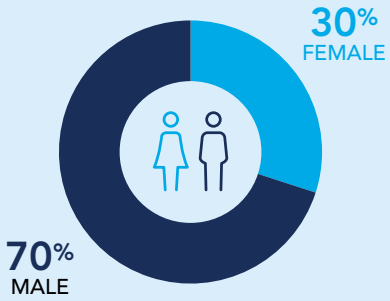
ORGANISATIONAL STRUCTURE

Figure 5: Our 2025–26 Organisational structure



WORKFORCE PROFILE





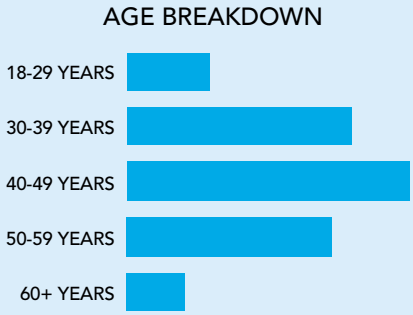


Table 4: Staff profile by employment type and gender

	Female	Male	Total
Full time equivalent (FTE)	157	368	525
Headcount	159	369	528
% of workforce (based on headcount)	30%	70%	100%

Table 5: Staff profile by employment category and gender (headcount)

	Female	Male	Total
Casual	3	0	3
Permanent full-time	130	335	465
Permanent part-time	10	6	16
Temporary full-time	16	28	44
Temporary part-time	0	0	0
Total	**159**	**369**	**528**

Table 6: Staff profile by age groups and gender (headcount)

	Female	Male	Total
18-29 years	14	37	51
30-39 years	52	87	139
40-49 years	55	120	175
50-59 years	36	91	127
60 years and over	2	34	36
Total	**159**	**369**	**528**

Table 7: Staff profile by average years of service by gender (headcount)

	Female	Male	Average
Average years of service	5.1	7.4	6.7



Table 8: Workforce gender composition by occupation

	Female	Male	Total
Manager (Branch Manager and above)	3%	3%	5%
Non-Manager (Team Leader and below)	27%	67%	95%

Table 9: Gender profile of employment-related activities

	Female	Male
Recruitment: appointments	44%	54%
Retention following parental leave*	92%	96%
Resignations	38%	62%

*Includes both Primary Carer's and Secondary Carer's Leave

Table 10: Staff profile by equity and diversity groups (headcount)

	Number	Percentage
Aboriginal and Torres Strait Islander	7	1.3%
Culturally and linguistically diverse	59	11.2%
People with disability	7	1.3%

Disability, diversity and inclusion

In 2025–26, Icon Water continued to embed the foundations of the Disability, Diversity and Inclusion Action Plan 2024–2029 (DDIAP), progressing practical actions that support a more equitable, inclusive and accessible workplace for our people, customers and community.

A key milestone was Icon Water's completion of the Australian Disability Network Access and Inclusion Index. The Index provided an opportunity to assess our disability confidence and maturity across core business areas, including our commitment, premises, procurement, workplace adjustments, candidate experience, employee experience, customer experience, digital accessibility, and communications and marketing. Participation in the Index reflects our dedication to building disability confidence and capability into business-as-usual practices, and to using evidence based insights to identify strengths, prioritise opportunities and guide future action.

We also developed and released Icon Water's Disability Diversity and Inclusion Commitment Statement, reinforcing our commitment to value and promote an equitable, inclusive and diverse workforce.

Gender Pay Gap

Progress towards our gender equity goals is being supported through the Early Careers Program, with a focus on graduate, apprenticeship and traineeship pathways. Workforce Planning data continues to inform targeted recruitment strategies aimed at increasing the representation of women in competency-based and STEM roles. These initiatives strengthen our Employee Value Proposition and align with the Disability, Diversity and Inclusion Framework.

Table 11: Gender pay gap

	Female annual median salary	Male annual median salary	Gender pay gap[1]
Executive	$398,968	$400,845	0.5%
Manager Service Agreement – Fixed Annual Remuneration	$270,303	$290,161	7.3%
Level 6 Zone A/B	$257,882	$249,528	-3.2%
Level 5 Zone B	$225,575	$229,088	1.6%
Level 5 Zone A	$206,042	$208,831	1.4%
Level 4 Zone B	$188,538	$185,577	-1.6%
Level 4 Zone A	$151,624	$158,343	4.4%
Level 3 Zone B	$128,036	$131,034	2.3%
Level 3 Zone A	$115,142	$115,258	0.1%
Level 2	$86,324	$93,732	8.6%
Electrical and Instrumentation Technician		$145,012	
Water Instrument Technician		$168,546	
Water Industry Operator Network Maint Level A		$227,943	
Water Industry Operator Network Maint Level B		$180,726	
Water Industry Operator Network Maint Level C		$157,145	
Water Industry Operator Treatment (senior)		$260,726	
Water Industry Operator Treatment Level 4		$218,864	
Water Industry Operator Treatment Level 3		$203,393	
Water Industry Operator Treatment Level 2		$168,438	
Water Maintenance Officer		$119,019	
Overall	$171,950	$181,735	5.7%

1. Gender pay gap calculated using Workplace Gender Equality Agency (WGEA) methodology for 2023-24. Classification levels have been combined or excluded where the median salary represents a single or small number of employees to protect the privacy and anonymity of these employees. All classification levels are included in the overall totals and gender pay gap. The above figures represent total remuneration. The overall gender pay gap for base salaries is 5.7%

Table 12: Staff by classification and gender[2]

	Number			Percentage	
	Female	Male	Total	Female	Male
Executive	4	4	8	50%	50%
Manager Service Agreement - Fixed Annual Rem	5	3	8	63%	38%
Level 6 Zone A/B	4	13	17	24%	76%
Level 5 Zone B	10	18	28	36%	64%
Level 5 Zone A	21	32	53	40%	60%
Level 4 Zone B	36	64	100	36%	64%
Level 4 Zone A	37	93	130	28%	72%
Level 3 Zone B	18	26	44	41%	59%
Level 3 Zone A	14	7	21	67%	33%
Level 2	4	10	14	29%	71%
Level 1 Trainee	1	0	1	100%	0%
Electrical and Instrumentation Technician	2	7	9	22%	78%
Water Instrument Technician	1	4	5	20%	80%
Water Industry Operator Network Maint Level A	0	28	28	0%	100%
Water Industry Operator Network Maint Level B	1	14	15	7%	93%
Water Industry Operator Network Maint Level C	0	8	8	0%	100%
Water Industry Operator Treatment (senior)	0	5	5	0%	100%
Water Industry Operator Treatment Level 4	0	5	5	0%	100%
Water Industry Operator Treatment Level 3	0	6	6	0%	100%
Water Industry Operator Treatment Level 2	0	10	10	0%	100%
Water Industry Operator Treatment Level 1	0	2	2	0%	100%
Water Network Operator	0	1	1	0%	100%
Water Network Headworks	1	1	2	50%	50%
Water Maintenance Officer	0	6	6	0%	100%
Apprentice	0	2	2	0%	100%
Total	**159**	**369**	**528**	**30%**	**70%**

2 Staffing figures are derived from employee actual placements recorded in Icon Water's people management system as of 30 June and include employees on approved leave at that date. Employees recorded as Gender X are excluded from published gender data to protect anonymity, given the small cohort size and associated privacy considerations.

WORK HEALTH AND SAFETY

Throughout the year, we focused on continuous improvement of our people's physical and psychological health and safety.

We continued to implement our People, Health and Safety Strategy 2024–25 to 2025–26, completing all Health and Safety actions and meeting our core objectives across four focus areas and eight continuous improvement objectives.

Incidents and injuries

There were 62 health and safety incidents recorded in 2025–26. Of these, 12 were of medium severity while 50 were of low severity.

Two notifiable incidents were reported to WorkSafe ACT, remaining steady with the previous reporting period. Neither resulted in injury and all prompted detailed investigations with timely corrective actions.

This period we had seven recordable injuries: four lost time injuries, two medical treatment injuries and one restricted work duty injury. While total recordable injuries stayed the same as the previous period, the number of lost time injuries decreased substantially. Most injuries continued to be low-severity musculoskeletal injuries from undertaking manual work. Our Total Recordable Injury Frequency Rate improved to 7.7, down from 8.3 at the end of 2024–25.

Good catches

Our preventative culture matured further, keeping our 'Good Catch' hazard and improvement opportunity reporting steady. Our people reported 211 good catches, averaging 16 monthly and outperforming our target of 10. We closed 245 good catches this year, including five confidentially received psychosocial hazards.

Health and Safety Management System

This year, our Health and Safety Management System (HSMS) continued to mature in accordance with ISO 45001 delivering targeted safety initiatives to protect our workforce.

During 2025–26, we significantly progressed our Psychosocial Risk Management program, equipping our people with controls and tools to manage emerging hazards.

We also completed 23 actions under our Positive Duty Plan 2024–25 to 2025–26 to eliminate or minimise inappropriate behaviours. We delivered a Psychosocial Risk Management and Positive Duty training package across our workforce and implemented our first positive duty survey to capture direct workforce insights.

Work under the People, Health and Safety Strategy has resulted in significant uplift to our contractor health and safety frameworks. We have introduced enhanced contractor categories and embedded end-to-end process from procurement to performance monitoring. The improved approach has supported our contractors in protecting their workers from exposure to hazards and risks when conducting work for us.

Additional achievements in 2025–26 include:

- Implementation of our enhanced permit to work process and system, which ensures we have additional administrative controls for high-risk activities.
- Enhancement of our immunisation program, following extensive workforce consultation, offering both mandatory and voluntary vaccinations to prevent illness from incidental exposure to certain viruses.
- Improvements to our monitoring activities for both the work environment and health to prevent exposure to hazardous chemicals, noise and other hazards.

KEY PERFORMANCE OUTCOMES: OUR PEOPLE AT THEIR BEST

Table 13: 2025–26 Key performance outcomes: Our people at their best

Performance measure	Target	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Full year	Comment	
Staff engagement – staff engagement score	≥68	-	62%	-	64%	64%	The decline in employee engagement from 67% in 2025 to 64% in 2026 reflects organisational sentiment following a period of sustained change. Throughout the year, employees experienced ongoing transition activities alongside evolving strategic priorities, contributing to increased uncertainty and change fatigue. While overall engagement declined, the results provide valuable insight into the employee experience and highlight opportunities to strengthen communication, support employees through change, and reinforce connection to the organisation's purpose and future direction.	●
Staff health and safety – Total Recordable Injury Frequency Rate (TRIFR)	≤14	10.6	8.0	5.6	7.6	7.6		●
Leadership skills – leadership effectiveness index	≥55				55	55		●

● Target met ● Target not met



A RESILIENT WATER FUTURE

WHY IT MATTERS

Achieving a resilient water future speaks directly to our vision of 'creating a sustainable water legacy for our community'. It involves making wise, long-term decisions so Canberra and the region has the water it needs, while protecting the environment for future generations.

OUR PROGRESS

During 2025–26, we continued investing in the infrastructure, planning and partnerships needed to secure Canberra's long-term water future. In doing so, we progressed focus areas 8,9 and 10 through major projects, long-term planning and innovation to build resilience for future generations.



CAPITAL WORKS

In 2025–26, Icon Water invested $174m in capital works to grow and improve our water and wastewater networks to meet future demand and protect the natural environment.

Most significantly we have continued a major program of works at the Lower Molonglo Water Quality Control Centre (LMWQCC). LMWQCC, is our main sewage treatment plant and was constructed in the 1970s.

Significant capital works projects over the next five years are detailed in Table 14 over page.

These numbers are estimates and are subject to change as we move through the project lifecycle and undertake detailed design, options analysis, market approach and project delivery. These project activities are also subject to risks around estimated population growth, internal and external approvals, skills available in the Canberra region and ongoing inflationary pressures.

FOCUS AREA 8

Upgrade and modernise the ACT's main wastewater treatment plant

During 2025–26, Icon Water and our major projects delivery partner mobilised to the new project compound, and continued design and construction work on the secondary treatment upgrade project at our main wastewater treatment plant, Lower Molonglo Water Quality Control Centre.

This important work will increase capacity of the treatment process to support population growth.

The project includes construction of a new Membrane Bioreactor (MBR) and ancillary works including new screens, grit removal, non-potable water system upgrades and sludge thickening augmentation.

Bulk earthworks are nearing completion, and construction of foundations for the new membrane bioreactors has started.

Table 14: Significant capital works projects

Project and description	Aspirations	Indicative total cost
Renewal of biosolids management infrastructure at LMWQCC The new assets will leverage thermal treatment to balance technical and environmental outcomes that align to our circular economy plan. The project now moves into detailed design development and delivery planning.		**$616m** Anticipated completion in 2032
Secondary treatment process at the Lower Molonglo Water Quality Control Centre (LMWQCC) Construction of a new membrane bioreactor treatment process so we can treat sewage from Canberra's growing population.		**$548m** Anticipated completion in 2029
Fyshwick sewage pumping station augmentation Increase capacity to enable connection of new developments to the network.		**$41m** Timing of project to be confirmed
Building a new Cotter Pump Station This will ensure we can reliably and efficiently abstract water from Cotter Dam and the Murrumbidgee River. This project will also allow us to isolate the existing heritage-listed Cotter Pump Station which has reached end of life.		**$38m** Anticipated completion in 2026
Ongoing programs to replace a portion of our water meters, water mains and sewer mains every year These programs are targeted to assets with poor condition, that don't meet capacity requirements, and which have failed or are nearing the end of their service life.		**$22m** Indicative cost per year
Upgrade and refurbish the office accommodation at LMWQCC These facilities are being upgraded to support a modern working environment for the ~100 staff on site. These facilities have not been significantly upgraded since their original construction in the 1970s.		**$21m** Anticipated completion in 2026
Water Treatment Electrical, Instrumentation Monitoring and Control (EIMC) The project will renew ageing EIMC assets at Stromlo and Googong Water Treatment Plants to enable their ongoing reliable and efficient operation		**$14m** Anticipated completion in 2029
Stromlo Water Treatment Plant Catch Dam Renewal This project aims to renew the Stromlo Water Treatment Plant catch dam and related overflow channel infrastructure to ensure ongoing compliance with regulatory requirements.		**$12m** Anticipated completion in 2029
Dairy Road Sewerage Servicing The project provides connections, odour control and sufficient hydraulic capacity in the sewerage network to accommodate the new development in Dairy Road, Fyshwick. This project comes under the Water and Sewerage Capital Contributions (WSCC) Code.		**$11m** Anticipated completion to be confirmed following Development Application approval
Corin Dam spillway erosion and access track improvements To limit the potential environmental impact of erosion downstream of the dam and ensure we can continue to access the area safely.		**$10m** Anticipated completion in 2028
Aranda reservoir roof replacement and floor sealing Work on Aranda Reservoir to replace the roof and renew the joint seals will commence in 2027 with completion expected to be in 2028. This project is part of the ongoing program to refurbish reservoirs to ensure we can maintain public and worker safety, and water quality.		**$26m** Anticipated completion in 2028

ASPIRATIONS KEY

- A reliable network
- Trusted water quality
- Positive environmental impact
- Sustainable growth and development
- Securing our water future
- Investing for the future
- Working smarter
- Caring for our people

FOCUS AREA 9

Improve how we plan for growth

Icon Water is seeking to improve how we communicate our growth plans externally, and how developers interact with the organisation.

In 2025–26, we engaged with the ACT Government, the local development industry and water industry peers to start exploring opportunities to improve the way we communicate our plans to support growth. This work is aimed at more timely and efficient servicing of development, whilst maintaining long term sustainability of our assets and services. As we work to support development, we will continue to ensure regulatory responsibilities are maintained and that our assets are reliable and safe for the environment, community and our staff.

Based on this work, we are investigating improvement options and developing an implementation plan to be actioned in 2026-27. Ongoing consultation with developers and stakeholders will continue to inform this work as it progresses.

We have also commenced initial work to better understand the experience developers and industry stakeholders have when interacting with Icon Water. This work will continue into 2026-27 and will focus on identifying opportunities to simplify processes and improve transparency and consistency. Further engagement with developers, government and industry, customers and internal teams will inform the development of improvement options and an implementation plan to be actioned in 2027.

FOCUS AREA 10

Progress investigations into water and wastewater system options

In 2025–26, Icon Water progressed investigations to support long-term planning for water cycle resilience and regional growth, including Canberra's next water source, wastewater system modernisation and more efficient water use.

We have progressed water security planning through feasibility assessments of water source options including opportunities to defer major investment, minor improvements in water supply measures, system optimisation, review of service levels and demand management.

We also progressed wastewater system planning, assessing options to expand treatment at Lower Molonglo Water Quality Control Centre or develop a dual-plant system with an Eastern Treatment Plant at Fyshwick. Securing environmental authorisation to discharge treated effluent remains a key priority.

We continued to work with the ACT Government on key policy and regulatory issues and delivered customer and community engagement through Our Water Future and the broader Let's Talk Water and Wastewater program to inform upcoming strategic decisions.



WATER SECURITY

2025–26 continued to be dry and warm, with below average rainfall for the year and above average temperatures.

Monthly inflows were close to the historical median and water demand was similar to historical median levels, with water demand spiking during periods of extreme heat over the summer period. This resulted in water storages falling slightly to 88.2 per cent from 91.2 per cent in July 2025.

Bendora Dam was the predominant water source with contributions from Cotter Dam and Googong Dam through 2025–26. Bendora is the most reliable supply. Supplying from Cotter Dam allowed for management of storage levels to balance total dam storages for water security. Abstraction from Cotter Dam was reduced due to the Cotter Pump Station upgrade project works. The Googong Water Treatment Plant was operated in September and October 2025 to balance dam levels and provide water supply during the annual maintenance shutdown at Stromlo Water Treatment Plant. The Murrumbidgee to Googong (M2G) pipeline is one of several measures built to strengthen Canberra's water security, following the millennium drought of 1997-2009. M2G only operated for infrastructure maintenance runs during 2025–26. M2G was not operated for water sourcing purposes due to high storage levels of our dams.

Early climate forecasts for 2026-27 indicate the potential for a moderate to strong El Niño with the possibility of a positive Indian Ocean Dipole developing during winter-spring. Rainfall is likely to be below average in winter and spring, potentially reducing inflows into the catchments.

Our system is well placed to withstand a short-term dry spell that could occur in 2026-27. In the event of an extended dry period over multiple years, we have plans to respond and improve security with operational changes and demand management (that is, the amount of water used by the community).

We expect, and are planning for, continued and increasing climate extremes and variability as well as population growth. We are developing a Water Security Plan that considers a portfolio of demand management, system optimisation and new water sources to ensure our system can continue to meet demand and be able to respond to key risks, such as climate change.

This work directly supports focus area 10 by informing long-term water system options.

Water security criteria

Icon Water has developed draft levels of service to ensure water security for our customers. These targets are used in our water security planning, and we use them to assess how potential water source options, demand management and operational changes will impact our short- and long-term water security. They will be reviewed through community and ACT Government consultation before being formally submitted to the Technical Regulator as part of Icon Water's network planning projections.

RESEARCH, DEVELOPMENT AND INNOVATION

We approach research, development and innovation (RD&I) as an enabler to help deliver our core purpose, our essential services and our strategic direction for the future.

Collaborating with key partners, industry and experts helps us to understand risks and opportunities and respond in innovative ways. Icon Water remains closely connected to water industry peers across the sector through various WSAA committees and networks, enabling opportunities to share new initiatives and ideas. We have continued to contribute to a range of RD&I projects throughout 2025–26, sharing effort and expertise.

To address fugitive greenhouse gas emissions from our wastewater treatment, we continue to collaborate with researchers at the University of Queensland (UQ) and peer utilities to develop and extend our understanding of these emissions and how they can be mitigated. Through the collaborative efforts of three research and development projects and programs operating under the Australian Research Council (ARC), Water Research Australia (WaterRA), and international bodies including the Water Research Fund (WRF), we aim to develop a standard monitoring protocol, establish reporting methods for nitrous oxide and methane emissions and investigate further emission reduction opportunities towards net zero.

To avoid generation of fugitive emissions from wastewater treatment in the first place, we have partnered with peer utilities and Royal Melbourne Institute of Technology (RMIT) to develop ammonium selective membranes needed in Australian key industries for sustainable ammonia recovery. This technology might also help recover a valuable ammonia resource and reduce energy consumption.

We have engaged with the Australian National University and local partners to explore potential fertiliser value and greenhouse gas emission reduction from co-composting of our biosolids-derived Agri-Ash product with municipal food organics and garden organics (FOGO). The results are expected to inform future product use, reinforce resource recovery and support possible pathways to net zero by 2045.

In partnership with Griffith University, government agencies and water utilities, we are participating in research to determine the hazards of firefighting chemicals in drinking water supply catchments. This research is expected to inform emergency management approaches in drinking water supply catchments to help protect water quality.

Through WaterRA, we are participating in Internet of Things (IoT) research led by the Queensland University of Technology (QUT) focused on developing new sensor technologies, advanced visualisation and data analytics, and algorithms for real-time control of water systems. Trials were undertaken with radar smart water level sensors underneath sewer manhole lids to determine potential for improved network management.



ENVIRONMENTAL MANAGEMENT

Icon Water protects and fosters the environment to support our aspiration of moving beyond minimising harm through our activities to having a positive environmental impact.

In 2025–26, we maintained our certified Environmental Management System that provides the structure for our environmental management, replaced our greenhouse gas emissions data management system to ensure efficiency and accuracy in our reporting and introduced a waste tracking template into project delivery to help inform circularity and reuse opportunities.

Environmental compliance

We continued to implement a range of programs and initiatives, maintaining legislative compliance and delivering on our ecologically sustainable development principles.

We complied with all environmental licenses, environmental discharge requirements and legal obligations, obtained ACT, NSW and Commonwealth environment and planning approvals for our activities and provided advice on developments that were classed as exempt under the *Planning Act 2023* (ACT).

We incorporated ecologically sustainable development in decision-making, as required under the *Territory-owned Corporations Act 1990* (ACT), completing 13 sustainability assessments which consider environmental and social impacts and opportunities in capital infrastructure project planning. We also developed a new capital project prioritisation approach, including consideration of climate change, circular economy and biodiversity drivers.

Positive improvements have been seen in the aquatic environment, from which we take and return water in providing essential community services. Through continued conservation, rehabilitation and monitoring programs, we have been working with the University of Canberra and ACT Government providing assurance of the sustainable population of endangered Macquarie perch in the Cotter Reservoir. There has also been a noticeable recovery in the population of Two-spined Blackfish in the upper Cotter River above Corin Reservoir post-Orroral Valley fires in 2020. Our Lower Molonglo Water Quality Control Centre (LMWQCC) Biological Monitoring Program annual report submitted to the ACT Environment Protection Authority this year continued to show no significant environmental impacts identified on the aquatic environment.

Supporting better environmental outcomes

Healthy catchments and ecosystems are essential to our work. We have undertaken several environmental programs on our Williamsdale biodiversity offset property, including erosion and sediment control, invasive species management, and riparian (water adjacent or of significance to water) area fencing. These programs help improve the property's environmental condition and demonstrate our commitment to source water protection.

Our two-yearly ecological assessment of our Williamsdale property found that all previously reported threatened or endangered flora species have been seen on the property in higher numbers than in previous years. A greater abundance and diversity of bird species was also observed with at least ten threatened woodland bird species occupying the offset area.

As part of our reconciliation commitment, providing access to Country, we invited the Ngunnawal community to the property, with positive feedback regarding our passion and commitment to waterway restoration and pest management.

Our work on the offset property was celebrated on World Environment Day on 5 June 2026 by releasing a video on catchment protection and land management at the site.

Managing emissions and adapting to climate change

We continued to action our eMission Possible Plan and are on track to meet our interim greenhouse gas (GHG) emission targets on our path to net zero by 2045. This involves continuing work to address the fugitive emissions from our wastewater treatment (our greatest generator of GHGs), greening our NSW electricity use, switching to zero-emission vehicles and sequestering carbon for our residual emissions only.

We also progressed actions in our Climate Change Adaptation Plan. This uses modelling data and climate scenarios, while considering cascading impacts, consistent with international and national climate data and methodologies.

Our work to minimise our contribution to climate change and build resilience to our major climate risks is explained further in our inaugural Sustainability Report on page 221, in alignment with the Australian Sustainability Reporting Standard (ASRS) developed by the Australian Accounting Standards Board (AASB) SR2 for climate-related financial disclosures.

Managing resources in a circular economy

We continued to find solutions that generate less waste and that contribute to material recovery as outlined in our Circular Economy Plan. Through our actions we recovered more than 90 per cent of our operational waste during 2025–26 and championed pilot studies to expand our upcycling options. The creation of new materials from our waste stream means we have also bought less virgin material overall throughout the year.

- More than 4,400 tonnes of Agri-Ash produced as a by-product from our wastewater treatment process was beneficially used as a soil conditioner by local farmers, returning the nutrient phosphorus to agriculture since the 1970s.
- We reused 100 per cent of our water treatment solids generated from our treatment operations, mixed with 100 per cent of our spoil, to generate topsoil that is being used in restoration activities as part of network maintenance operations. A case study on this project was presented to both the Environment Institute of Australia and New Zealand (EIANZ) and at the Australian Water Association's OzWater annual conference in 2026.
- Concrete from manholes, culverts and pipes collected by staff during excavation works was crushed and mixed with water treatment solids to be trialled as scalpings in road construction. The trial was successful and regulatory approval to use Icon Water made scalpings in flexible pavements like footpaths and cycle paths was achieved in November 2025. Use of the material will commence in 2026–27.

Ecological Sustainability Reporting

Table 15: Sustainable development performance: current and previous financial year

Indicator as at 30 June	Unit	Current FY	Previous FY	Percentage change	
Stationary energy usage					
Electricity use (including onsite renewables)[3,4]	Kilowatt hours	41,710,502	39,416,098a	+6%b	●
Natural gas use (non-transport)	Megajoules	32,675,660	32,499,550	+1%	●
Diesel use (non-transport, e.g. generators)[5]	Kilolitres	9.6	12.5	-23%c	●
Fleet vehicles					
Zero Emissions Vehicles (ZEV)	Number	8	8	0	
Plug-in Hybrid Electric Vehicles (PHEV)	Number	1	1	0	
Hybrid Electric Vehicles (HEV)	Number	2	2	0	
Internal Combustion Engine (ICE) vehicles	Number	127	131	-3%	●
Water usage					
Water use[6]	Kilolitres	115,694	47,892	+142%d	●
Resource efficiency and waste[7]					
Waste to landfill[8,9]	Tonnes	780	1224	-37%g	●
Co-mingled material recycled	Tonnes	4.54	4.58	-1%	●
Paper and cardboard recycled (incl. secure paper)[10]	Tonnes	122.3	37.69	+225%h	●
Organic material recycled	Tonnes	3.17	2.45	+29%	●
Greenhouse gas emissions (GHG)					
Emissions from natural gas use (non-transport)	Tonnes CO_2-e	1,683.8	1,674.7	+1%	●
Emissions from diesel use (non-transport)	Tonnes CO_2-e	26	34	-23%	●
Emissions from transport fuel use	Tonnes CO_2-e	1,105	1,142	-3%	●
Total emissions[11]	**Tonnes CO_2-e**	**16,489**	**17,049**	**-3%**	●

● Improvement ● Deterioration

3 Electricity use for 2024–25 was previously reported as 41,072,518 kWh based partly on estimates. It has been updated, noting that not all invoices had been received at the time of reporting.
4 The increase in electricity use is due to higher use at Cotter Pump Station and some increased use at LMWQCC.
5 Non-transport diesel use decreased significantly. 2024–25 was unusually high; this year's result is closer to typical levels.
6 Water use increased by almost 68 ML, mainly due to the temporary Macnamara sewer pump station (~43 ML), increased use at Fyshwick Sewage Treatment Plant (~20.5 ML) from additional hydro-digger operations, and increased use at Mitchell (~4.7 ML).
7 Resource efficiency and waste data for 2025–26 include estimates, as not all invoices had been received when data was collected.
8 Waste to landfill includes general office waste, maintenance waste and treatment plant material disposed to landfill, including alum sludge, screenings and security burial material. It excludes legacy, project, construction and demolition waste.
9 The reduction in waste to landfill is largely due to water treatment solids being reused to produce topsoil at Fyshwick Sewage Treatment Plant.
10 Increases in paper, cardboard and organic material recycling are due to higher staff numbers returning to work in the Mitchell office.
11 Total emissions include scope 1 and scope 2 market-based emissions and exclude scope 3 emissions. Scope 1 emissions include fugitive nitrous oxide. Fugitive nitrous oxide is estimated using the National Greenhouse and Energy Reporting Scheme Measurement Determination compilation 11, as this better reflects Icon Water's actual emissions. Scope 2 emissions from ACT grid electricity are treated as zero, consistent with the ACT Government position. Any previous year figures with associated scope 3 emissions included have been updated to exclude scope 3 emissions to align with current and future reporting.

KEY PERFORMANCE OUTCOMES: A RESILIENT WATER FUTURE

Table 16: 2025–26 Key performance outcomes: A resilient water future

Performance measure	Target	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Full year	Comment
Water security – the probability of the system being in Temporary Water Restrictions is less than 5% in any year	<5%	-	-	-	0%	0%	●
Greenhouse gas emissions – Reduction in net CO_2 compared to 1990 levels (this captures Scope 1 and 2 emissions)	53%	54.6%	53.6%	57.8%	53.1%	53.6%	●

● Target met ● Target not met



CORPORATE GOVERNANCE AND ACCOUNTABILITY



THE BOARD

At 30 June 2026, the Icon Water Board comprised six Directors: five non-Executive Directors and the Interim Managing Director.

The Voting Shareholders determine the terms of appointment and remuneration of the non-Executive Directors. Procedures for the appointment of Directors are outlined in the *Territory-owned Corporations Act 1990*, the company's constitution, and Icon Water's internal management system procedures.

The Board met six times during the financial year. Details of attendance at Board and Committee meetings are on page 82 in the Financial Reports. There are two committees of the Icon Water Board: the Risk and Assurance Committee and the Remuneration and Nominations Committee. On 30 June 2026, the Risk and Assurance Committee consisted of three Directors and met five times during the financial year. The Remuneration and Nominations Committee consisted of all Directors and met three times. The Risk and Assurance Committee members at 30 June 2026 are Julie-Anne Schafer (Chair), Nadine White (Member) and Geoffrey Buchanan (Member).

At 30 June 2026, all five non-Executive Directors sat on the subsidiary Boards of each of Icon Retail Investments Limited and Icon Distribution Investments Limited. Further details on their Board membership and Director attendance are provided within the Financial Reports.

Three Directors are also members of the ActewAGL Joint Venture Partnerships Board. These Directors at 30 June 2026 are Carol Lilley, Joy Yau and Julie-Anne Schafer, who is also Chair of the ActewAGL Safety, Audit and Risk Committee.

Our Directors' profiles for this reporting period are contained within the Financial Reports.

Directors

Board members during the period 1 July 2025 to 30 June 2026



CAROL LILLEY

BCom, CIA, CGAP, FCA, GAICD

Chair

From 18 August 2024
Appointed 1 April 2013



JULIE-ANNE SCHAFER

LLB (Hons), ANZIIF, FAICD

Deputy Chair

From 1 July 2026
Appointed 16 November 2021



JOY YAU

BA (Hons), CA, GAICD

Interim Managing Director

Appointed 25 May 2026



GEOFFREY BUCHANAN

Assoc DipBus, BBus (with Distinction), BSc (Hons), MGeogSc, MAICD

Director

Appointed 10 July 2023



DR WARREN MUNDY

BSc (Hon UNSW), DipEc (Syd), MPhil PhD (Cantab), GradCertAppFin (Macq), MEnvLaw (Hons, ANU), FAICD FRAeS

Director

Appointed 1 November 2023



DR NADINE WHITE

LLB (Hons), BLA, PhD, GAICD

Director

Appointed 18 August 2024

Outgoing Directors



PETER DENNIS

B.Eng, M Environmental Studies, Dip Mgmt, FIE Aust, CPEng, NER, Int PE (Aus), MAICD

Deputy Chair

From 18 August 2024
Appointed 2 May 2020, term concluded 1 May 2026



DR HELEN LOCHER

BSc (Earth Science), MEnvSc (Environmental Science), PhD (Civil Engineering), GAICD

Director

Appointed 2 May 2020, term concluded 1 May 2026



RAY HEZKIAL

BEng (Civil), DipPM, MBA, MIEAust, MAICD

Managing Director

Appointed 29 November 2018, term concluded 20 March 2026

THE EXECUTIVE

Executive



JOY YAU

BA (Hons), CA, GAICD

Interim Managing Director

Appointed Interim CEO 23 March 2026, Interim Managing Director 25 May 2026

Joy Yau was appointed as Icon Water's Interim Chief Executive Officer in March 2026 and as Interim Managing Director in May 2026. Ms Yau was appointed as a Member of the ActewAGL Partnerships Board in March 2026.

Ms Yau joined Icon Water in 2014, and was appointed as the Chief Financial Officer in 2019. She has over 20 years of professional experience including extensive commercial and strategic financial management roles across the utility, retail and hospitality sectors in Australia and the United Kingdom.

Ms Yau holds a Bachelor of Arts with Honours in Accounting and Management Control, is a Fellow of the Institute of Chartered Accountants in England and Wales, is a member of Chartered Accountants Australia and New Zealand and is a Graduate of the Australian Institute of Company Directors.



DAVINA MCCORMICK

BBus (Dist), MBA, Cert. Public Participation, GAICD

General Manager Customer Engagement

Davina McCormick joined Icon Water in 2018 and leads the group responsible for setting the strategic direction and implementing programs that enhance customer and community engagement. Her team delivers operational customer service, communications and engagement, asset information and protection, development services, metering and account management functions that consider the priorities, values and expectations of our customers and community.

She has a diverse range of marketing, service design, customer and stakeholder engagement, project management and strategy skills.

Her experience spans new venture start-ups, global companies and government corporations in a range of sectors including financial services, energy, education and utilities.

Ms McCormick holds a Master of Business Administration, a Bachelor of Business (Marketing and Management), a Certificate in Public Participation from the International Association for Public Participation and is a Graduate of the Australian Institute of Company Directors.



ALISON PRATT

B.Ec, LLB (Hons), GDLP, GAICD

General Counsel – Company Secretary

Alison Pratt, General Counsel, was appointed as the company secretary of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2019.

Ms Pratt is the General Manager of the Governance and Sustainability group and is responsible for driving environmental and social value and sustainability. She leads a multi-disciplinary team who deliver legal and procurement, risk and resilience and environmental services, provide internal audit assurance, manage external relations and are responsible for good governance to enhance transparency, effectiveness and resilience.

Ms Pratt worked in private commercial legal practice in Australia and the United Kingdom prior to joining Icon Water in 2013. Her legal experience includes advising clients from both the private and public sectors on corporate governance, property, environment, construction and planning with a focus on sustainability and place-making through the built form.

Ms Pratt holds a Bachelor of Economics, a Bachelor of Laws with Honours and a Graduate Diploma in Legal Practice. She is admitted to practice law in the Supreme Court of the ACT and is a Graduate of the Australian Institute of Company Directors.



VIRAT BEHLA

B.Comm/B.Econ, CA

Acting Chief Financial Officer

Appointed Acting CFO 23 March 2026

Virat Behla is responsible for the overall financial management, economic regulation, data governance, and business strategy of Icon Water, including oversight of its investment in ActewAGL.

Mr Behla joined Icon Water in 2023, is a Chartered Accountant with more than 20 years' experience in strategic, financial, and economic regulatory roles supporting the delivery of essential and safety critical services. As a senior leader, he has led strategy driven business transformations and delivered commercial and business outcomes that enhance customer value.

Mr Behla holds a Bachelor of Commerce and a Bachelor of Economics and is a member of Chartered Accountants Australia and New Zealand.



DR TONY POLLOCK

PhD (Engineering), BEng (Hons), BSc

Chief Digital and Information Officer

Dr Pollock joined Icon Water in 2020 and is responsible for the development and delivery of Icon Water's technology strategy and information and communications technology operations. His team provides enterprise architecture, data management, program and project management, cyber security, change management and operations across Icon Water's digital technology environments.

Dr Pollock has over 25 years' experience in strategic planning, program management, business change, and ICT development and operations in both the public and private sectors, with a particular focus on improving business efficiency and customer experience through technology, innovation and digital transformation.

Dr Pollock holds a PhD in Engineering, a Bachelor of Engineering with Honours, a Bachelor of Science and an Advanced Diploma of Project Management.



DR NICOLE DAVIS

PhD (Applied Science), B. AppSc

General Manager Infrastructure Services

Dr Nicole Davis joined Icon Water in April 2025. She brings over 30 years' professional experience in the water sector, including 17 years with Icon Water's predecessor organisations. As General Manager Infrastructure Services, she is responsible for ensuring the operational and maintenance services of our water and wastewater assets are delivered safely, efficiently and sustainably. Dr Davis also leads strategic infrastructure planning and capital delivery for the business.

In her previous roles, Dr Davis has worked in the private sector as a consultant, in executive-level roles at Redland City Council (as General Manager Infrastructure and Operations) and Mackay Regional Council (as Chief Operating Officer Water and Waste) and was a member of the Water Services Association of Australia's Board.

Outgoing Executive



RAY HEZKIAL

BEng (Civil), DipPM, MBA, MIEAust, MAICD

Managing Director

In March 2026, Mr Hezkial left Icon Water to commence as Interim Chief Executive Officer of the ActewAGL Joint Venture.

Mr Hezkial joined Icon Water in 2003 and undertook multiple roles prior to his appointment as Managing Director in November 2018. In his previous role as General Manager, Infrastructure Services, Mr Hezkial was responsible for managing Icon Water's capital works program, provision of network operations and all aspects of day-to-day maintenance relating to the ACT's water and sewer reticulation systems.

Mr Hezkial has a Master of Business Administration, Diploma in Project Management, and Bachelor of Engineering (Civil). Mr Hezkial is a Member of the Institute of Engineers Australia and of the Australian Institute of Company Directors.



MARK MULLIGAN

Masters (Mgmt), Cert IV Training and Assessment

General Manager People Health and Safety

On 1 July 2026, Mr Mulligan left Icon Water

Mark Mulligan joined Icon Water in 2022 and brings over 30 years' experience in the energy and utilities sector. His areas of expertise include: risk management; workplace training; workforce planning; vendor contract management; and business and strategic planning.

Mr Mulligan is passionate about accessible and inclusive workplaces and recently chaired the Australian National University's Disability, Access and Inclusion Working Group for over three years prior to joining Icon Water.

Mr Mulligan holds a Master of Management, a Certificate IV in Training and Assessment, Lead Auditor qualifications and is also an electrician by trade.

RISK MANAGEMENT

Icon Water's Risk Management Framework is aligned with ISO 31000:2018 – Risk Management and tailored to suit our business activities and supporting decision making processes.

In late 2025 we commenced a review to reset our enterprise risk framework to ensure alignment with the new Business Strategy and our evolving operating environment.

The reset identified 15 enterprise (whole-of-business) risks that, if realised, would impact our ability to achieve our strategy or disrupt how we operate, either now or in the future.

In addition, key risks are significant risks to the organisation in the current environment that require immediate attention (resources, funding, etc) to mitigate, and/or the risk sits outside the tolerance level of the risk owner as informed by our Risk Appetite Statement.

Enterprise risk reviews

An annual enterprise risk review cycle has been established, as well as a broader communication and awareness plan to introduce the business to the new enterprise risks.

The review cycle has commenced with reset enterprise risks assessed with each of the general managers (risk owners) and their management teams and critical control owners.

The review process aims to ensure risk information accurately reflects the current operating environment by updating and reviewing current and planned controls, considering the broader Icon Water enterprise risk environment.

Once the enterprise risks have been reviewed by the risk owners, the Board is responsible for reviewing the adequacy and effectiveness of controls.

Enterprise opportunities

As part of the enterprise risk reset, opportunities that could strengthen resilience and unlock long-term value were also considered. A set of 15 enterprise opportunities have been identified and communicated across the business.

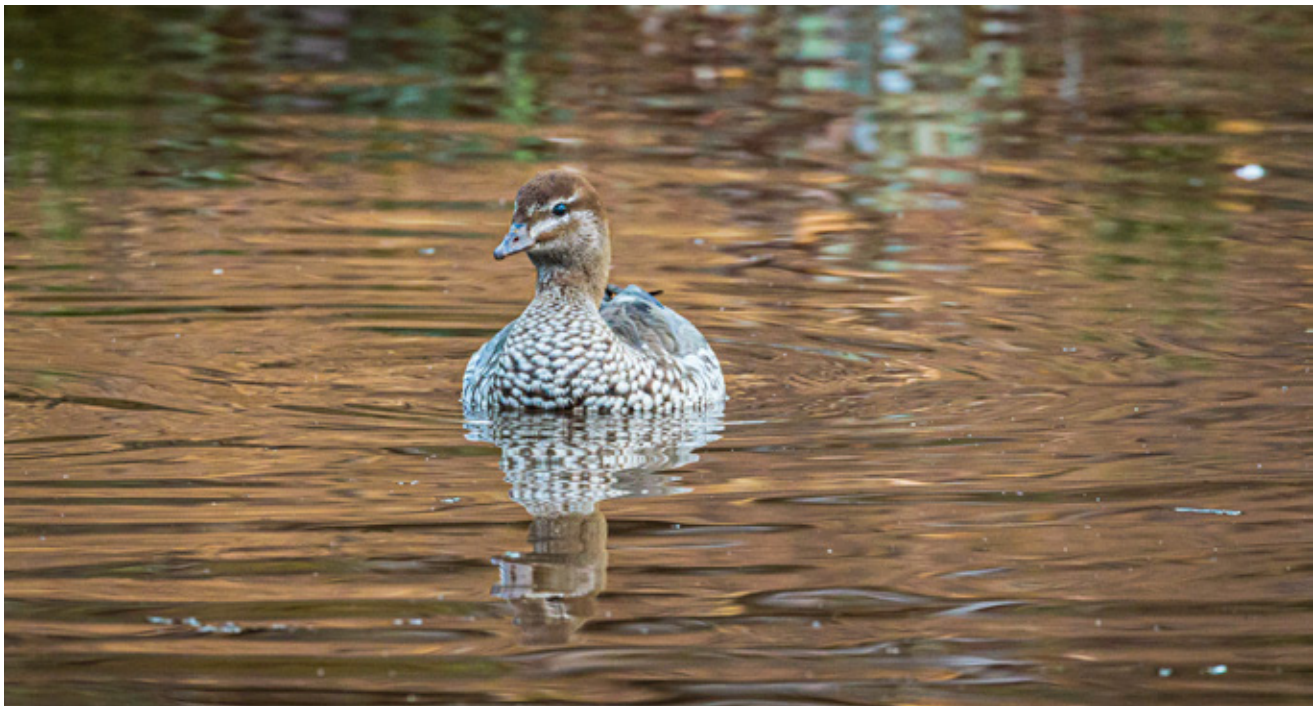
Key risks

Key risks are reviewed on a six-monthly basis with general managers, management teams, critical control owners and, where needed, subject matter experts. These reviews follow our established risk management framework including consideration of causes, consequences, inherent risk, existing controls and control effectiveness to support prioritisation of treatment actions. Risks are managed and monitored through defined ownership, regular reassessment, review of critical controls and oversight by management and the Board.

Other risk management activities achieved in 2025–26 included:

- Implementing the revised Risk Management Procedure and Risk Management Framework.
- Maturing the key risk report to include assessments against the current risk appetite statement.
- Commencing revision of the risk appetite statement to consider the reset enterprise risks and opportunities and evolving operating environment.
- Commencing identification and measurement of Key Risk Indicators for enterprise risks as part of the annual review cycle.
- Revising enterprise risk and opportunity reporting to support clearer oversight, escalation and decision-making.
- Reviewing existing risk documentation to better support risk management activities, including risk assessment templates and guidance material.
- Improving the maturity of our risk culture through education and communication on the risk management framework, empowering risk process owners to manage risk functions
- Continued support of the 'all hazards' risk program for critical infrastructure as part of compliance with *Security of Critical Infrastructure Act (2018)* requirements.

Emerging risks are identified through enterprise risk reviews, management discussions, specialist input and monitoring of changes in the internal and external environment. Where identified, they are assessed, assigned ownership and incorporated into risk registers, treatment plans and reporting as appropriate.



INTERNAL AUDIT

Icon Water's internal audit function provides independent, objective assurance and consulting to add value and improve our operations.

Internal audit activity is performed using established internal procedure, which conforms to:

- the Global Internal Audit Standards
- the requirements of ISO 19011 for the auditing of management systems.

Internal audit is responsible for:

- Maintaining and continually improving an effective internal audit framework that conforms to relevant best practice principles and standards
- Developing and executing a broad, comprehensive program of internal audit activity to evaluate and improve the effectiveness of our risk management, quality (internal) control and governance processes necessary to achieve organisational objectives.

Our internal audit strategy is set annually and is supported by our annual internal audit program. The 2025–26 audit program incorporated a broad range of performance and compliance related internal audits.

A key focus was providing targeted assurance over the implementation of the transition program for the Corporate Services Agreement, including a post implementation review of the program and testing of controls associated with the new transitioned finance system.

We also performed compliance reviews over water quality, environmental management systems and the new Water and Sewerage Technical Code requirements. In addition, we conducted performance reviews on the effectiveness of data governance initiatives and over the implementation of the psychosocial risk management framework.

The Risk and Assurance Committee operates as a Committee of the Icon Water Board. The role of the Committee is to provide independent assurance and advice to the Board on the integrity of our internal control and compliance framework. The Committee achieves this through its review and independent advice on matters relating to assurance, risk management and internal control, and financial management.

In accordance with our internal audit methodology, we report the following to the Risk and Assurance Committee on an ongoing basis:

- the status of audits from the annual internal audit program
- outcomes of all audits contained in the annual internal audit program
- the status of implementation of internal audit recommendations.

TERRITORY RECORDS MANAGEMENT

The Icon Water Records Management Program provides a framework for how we create, manage and dispose of records of business activities.

We reviewed and updated the program in 2025, and the revised program is available on our website. We have identified and implemented a business classification scheme and records disposal schedules relevant to Icon Water, based on the disposal schedules listed in Table 17.

A recordkeeping maturity assessment will be conducted once every two years. The last assessment was provided to the Territory Records Office (TRO) in January 2026.

Table 17: Records disposal schedules – implemented

Function	Effective year	Year and No.
Business development	2009	NI2009-9
Corporate governance	2009	NI2009-10
Finance and treasury management	2017	NI2017-83
Government and stakeholder relations	2017	NI2017-84
Human resources	2017	NI2017-79
Information and communications technology	2017	NI2017-85
Property equipment and fleet	2017	NI2017-86
Records and information management	2017	NI2017-87
Sewerage management	2014	NI2014-290
Solicitor and legal services	2017	NI2017-88
Strategy and governance	2017	NI2017-89
Water management	2014	NI2014-291

FRAUD PREVENTION

Icon Water is committed to minimising fraud and corruption by developing, implementing, monitoring and reviewing a range of prevention, detection and response strategies and measures.

Our framework for managing fraud and corruption is based on the *Australian Standard AS8001: 2021 Fraud and corruption control*. Effective fraud and corruption control comprises four main elements:

- prevention – measures to prevent fraud and corruption from occurring
- detection – strategies that identify when fraud or corruption has occurred
- response – what is done when fraud or corruption has occurred
- evaluation – the process to determine if the right mechanisms are in place to sufficiently identify and respond to fraud and corruption occurrences.

We review our fraud risks and their controls annually to assess their effectiveness and identify opportunities to improve and enhance risk mitigation. Our Fraud and Corruption Control Plan outlines the framework and encompasses our approach to preventing, detecting and responding to fraud and corruption.

Fraud control activities achieved in 2025–26 include:

- Updating identified fraud and corruption risks and controls with risk owners, with a focus on newly transitioned systems and services, including identification of critical controls, development of a revised fraud risk heat map and improved assessment of control effectiveness.
- Delivering a targeted awareness campaign on financial related fraud risks associated with new financial and human resources systems, increasing use of Artificial Intelligence (AI) and emerging scams.
- Participating in International Fraud Awareness Week, including maintaining membership with the Association of Certified Fraud Examiners and delivering staff engagement initiatives.
- Supporting the business through review and advice on credit card policy enhancements and associated controls, including transaction oversight and second-line assurance activities.

During 2025–26, an Icon Water employee identified one potential instance of fraud by an external plumber, relating to the plumber reimbursement process which is currently being investigated. In addition, an anonymous corruption report regarding an Icon Water employee was submitted to ACT Integrity Commission. The allegations were investigated and not substantiated.

Over the reporting period there were instances of alleged unlawful connections to the water network. We continue to develop and implement actions to reduce and/or rectify these reported cases, which can result in water loss, loss of revenue and increased risk of network contamination due to backflow.

Our efforts to identify, assess and mitigate fraud and corruption related activities across the business are ongoing. This forms part of our continuous improvement model to enhance existing fraud and corruption controls and identify opportunities to further reduce risks by identifying and implementing planned controls.

FREEDOM OF INFORMATION

Icon Water is a company wholly owned by the ACT Government, established under the *Corporations Act 2001*, and is subject to the *Freedom of Information Act 2016* (FOI Act 2016).

Our registered office and principal place of business is in Mitchell, ACT, and is wheelchair accessible.

We provide phone and online services to communicate with the community, as well as other forms of public interaction and engagement, including sponsorship and customer satisfaction surveys.

We also carry out a broad range of education activities with groups in the community which demonstrate the value of our services and infrastructure.

Information of interest to the public, such as service interruptions, water storage levels, water quality standards, price/service charges, water meters, drain care, sponsorship, water conservation and service obligations outlined in the Consumer Protection Code are available on the Icon Water website.

We maintain an Integrated Management System (IMS) of documents including policies, procedures, work instructions and forms. Documents in the possession of Icon Water relate to all business and operational activities and are categorised in line with the *Territory Records Act 2002*.

Documents of interest to the public may be available through our website or under open access information via iconwater.com.au/FOI.

Where documents are not available on our website, we may be able to give access to documents without a formal freedom of information request, reducing time and potential costs.

General inquiries and requests for access to documents held by Icon Water can be made to:

The Company Secretary
Freedom of Information Requests
Icon Water Limited
PO Box 50
Mitchell ACT 2601

Alternatively, by contacting Icon Water by email: talktous@iconwater.com.au or by phone: 02 6248 3111.

FOI requests 1 July 2025 to 30 June 2026

Icon Water received eight requests for access to documents under section 30 of the *FOI Act 2016* during the reporting period:

- There were no Open Access applications made in 2025–26.
- One matter rolled over from the 2024–25 financial year into the 2025–26 year. The application was dealt with in accordance with section 40 of the *FOI Act 2016*. The decision allowed full release of some documents and part release of some documents.
- No documents within scope of application were held by Icon Water for two applications. One of these decisions is currently being reviewed by the Ombudsman.
- Full release of some documents and part release of some documents was decided in relation to one application.
- Two applications were withdrawn.
- Three applications are yet to be decided and, where applicable, have been granted extensions by the respective applicants.

Of the applications finalised, all were processed within 30 working days of receipt.

All finalised applications were processed at no cost to the applicants. The documents disclosed in these applications can be found in the FOI disclosure log on Icon Water's website at iconwater.com.au/FOI.

No applications were made to the ACT Civil and Administrative Tribunal (ACAT) under section 84 of the FOI Act 2016 during 2025–26.

No applications were received for amendment of personal records under section 59 of the FOI Act 2016. No applications were received to publish open-access information.

PUBLIC INTEREST DISCLOSURE

Icon Water complies with public interest disclosure requirements under ACT and Commonwealth laws. While these laws vary, they provide for the reporting of wrongdoing and for the rights and protection of people who report corrupt, illegal or improper conduct or substantial waste of public resources.

We are committed to upholding our values and ethical and lawful conduct in all aspects of our business. We encourage reporting and are committed to ensuring people can raise genuine concerns about suspected wrongdoing in a safe and confidential way, without fear of reprisal or detrimental treatment.

Our Whistleblower Policy is published on our website, together with information about how to make a public interest disclosure.

Icon Water manages public interest disclosures in accordance with the Public Interest Disclosure (Integrity Commission – Managing Disclosures and Conducting Investigations) Guidelines 2021 issued by the ACT Integrity Commissioner.

LEGAL SERVICES DIRECTION

Icon Water is a separate legal entity from the Australian Capital Territory and complies with its obligations under the *Law Officers (General) Legal Services Directions 2012 (ACT)* and the L*aw Officer (Model Litigant) Guidelines 2010 (ACT)*.

In relation to civil claims and litigation, we use the legal services of various external legal firms. These firms are to act in a manner consistent with the Model Litigant Guidelines when performing relevant legal services for Icon Water or its subsidiaries. This is in addition to the professional and ethical duties with which solicitors are required to comply under the *Legal Profession Act 2006 (ACT)*, the *Legal Profession Regulation 2007 (ACT)* and the *Legal Profession (Solicitors) Conduct Rules 2015 (ACT)*.

HUMAN RIGHTS ACT

Icon Water's Code of Conduct and related procedures outline corporate behaviour standards, including in relation to protecting human rights in accordance with the *Human Rights Act 2004 (ACT)*.

There were no complaints made about Icon Water or its subsidiaries to the ACT Human Rights Commission during the reporting year.

During 2025–26 a human rights compatibility assessment was undertaken in relation to significant proposed updates to Icon Water's standard customer contract for water services and sewerage services.

LEGISLATIVE ASSEMBLY COMMITTEES INQUIRIES AND REPORTS

Select Committee on Estimates 2018–19 – Appropriation Bill 2018–2019 and Appropriation (Office of the Legislative Assembly) Bill 2018–2019 Report, July 2018

Recommendation No. and Summary	Action	Status
Recommendation 52 Icon Water should undertake an independent market appraisal of the value of the services provided in the Service Agreements with ActewAGL. **Government Response** Agreed in principle	The related program of works relating to the transition of corporate services concluded in December 2025.	Complete

Standing Committee on Public Accounts and Administration 2024–25 (Office of the Legislative Assembly)

Recommendation No. and Summary	Action	Status
Recommendation 21 The Committee recommends that Icon Water and Evoenergy publish clearer forward-looking information on network capacity and demand pressures, particularly in relation to new developments and increased electricity demand, so that customers, developers and policymakers are better informed about infrastructure constraints and planning assumptions. **Government Response** Noted	Icon Water note the importance of providing clear information to government and developers regarding network capacity and related planning and information is already published online. Icon Water's Growth Servicing Plan (2023-42) is available online and details how Icon Water intend to respond to growth in the region over short term (0-5 years), medium term (5-10 years) and long-term (10-20 years) planning horizons. Icon Water updates this publication every five years. Icon Water also provide regular information to ACT Government to inform District Strategy Plans. Evoenergy's Annual Planning Report, available online provides information on demand constraints and forecasts. The publication details how interested parties can engage regarding demand management and network options and provides details on Evoenergy's approach to planning and asset management.	Complete

AUDITOR-GENERAL AND OMBUDSMAN REPORTS

ACT Auditor-General's Report

In relation to the 2025-26 financial statement audit, there were three medium audit findings relating to governance documentation, user access controls and third-party assurance arrangements during 2025-26. These matters and remediation recommendations have been communicated to the Board, and the management has provided responses along with satisfactory implementation timeframes.

Ombudsman Reports

There were no Ombudsman reports relating to Icon Water during 2025–26.



FINANCIAL REPORTS

FINANCIAL MANAGEMENT ANALYSIS

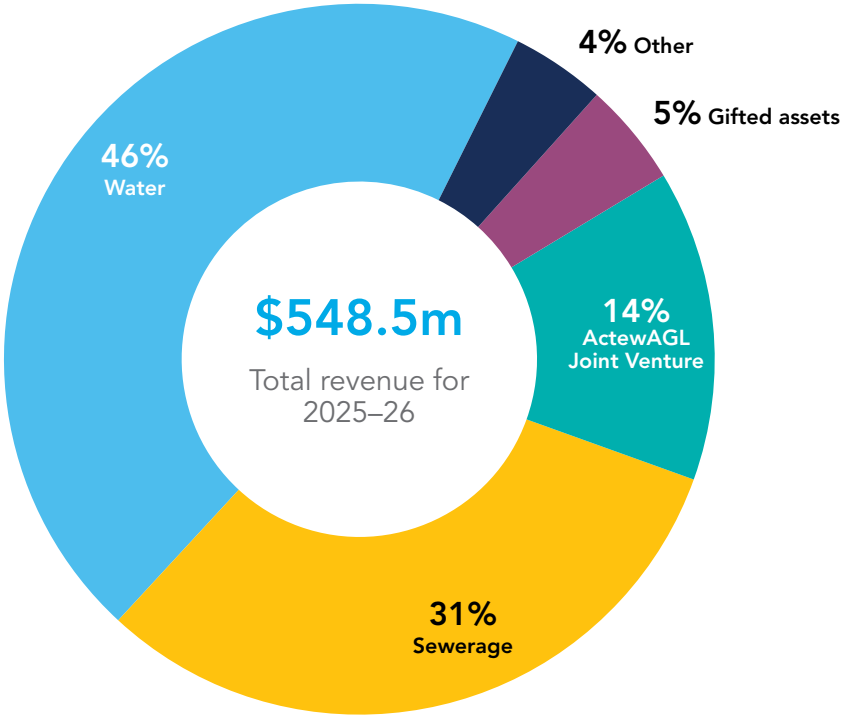
The following information is based on audited Financial Statements for 2025–26 and comparatives for the 2024–25 financial year.

Operating Result

Icon Water recorded a net profit after tax for the year 2025–26 of $68.5m (2024–25: $61.7m). The operating result has increased compared to the prior year due to higher water and sewerage revenue and lower operating costs due to completion of our corporate services transition program. This increase was offset by reduced profits from the ActewAGL joint venture primarily related to the continued effects of large-scale feed in tariff fluctuations and higher interest costs.

Total Revenue

During 2025–26 Icon Water derived $548.5m in revenue and joint venture income. The components of this are depicted in the following graph:

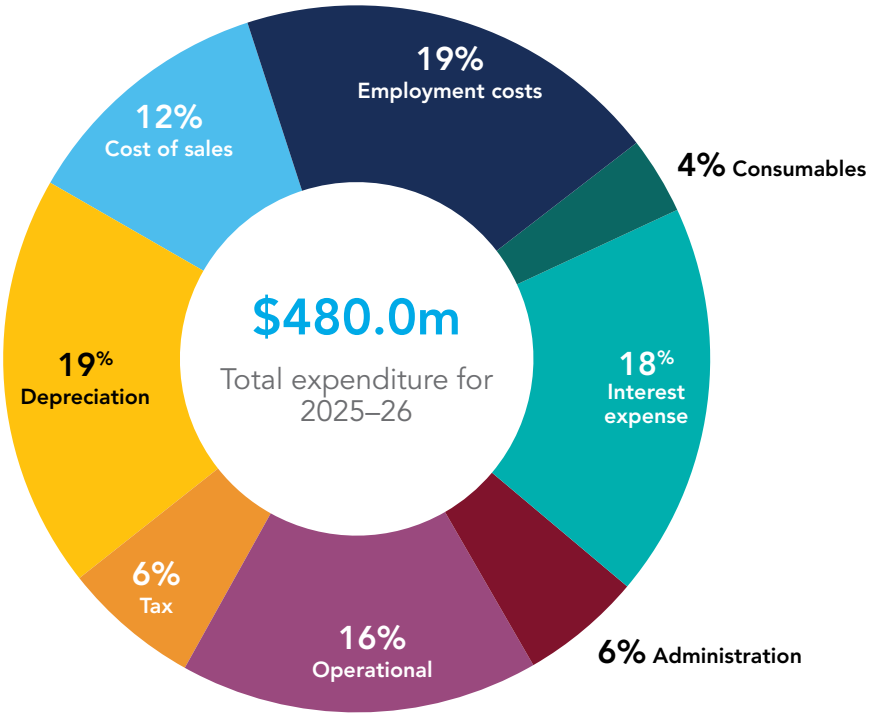


Comparison to 2024–25 Total Revenue

Total revenue was $31.5m higher than 2024-25 mainly due an increase of $47.0m in revenue from customers due to the effects of increased regulated water and sewerage prices and climatic conditions that have led to higher water consumption in 2025-26. This increase was offset by a $14.0m decrease of profits from the ActewAGL Joint Venture driven by the continued effects of large-scale feed in tariff fluctuations.

Total Expenditure

During 2025–26 Icon Water incurred $480.0m in expenditure. The components of this are depicted in the following graph:



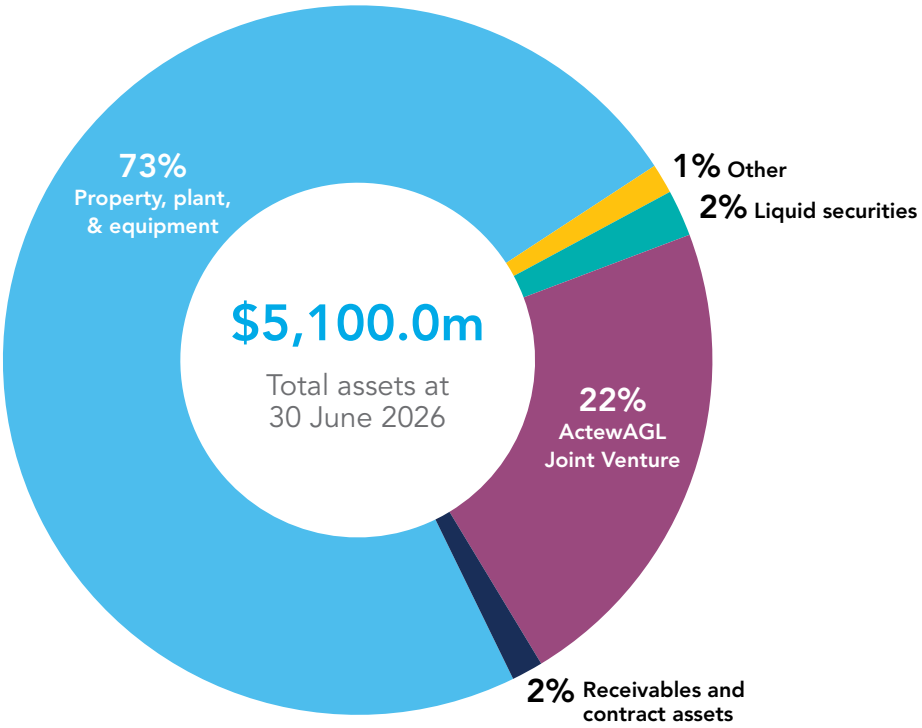
Comparison to 2024-25 Total Expenditure

Total expenditure was $24.7m higher than 2024-25 due to:

- $9.5m increase in costs of providing goods and services in line with annual inflation.
- $4.5m increase in income taxes directly related the higher profit result in 2025-26.
- $10.7m increase in borrowing costs due to Consumer Price Index (CPI) movements which affect CPI-indexed Capital Index Bonds and Index Annuity Bond borrowings which appreciate based on CPI index outcomes.

Assets

Icon Water has $5,100.0m in assets at 30 June 2026. The components are depicted in the following graph:

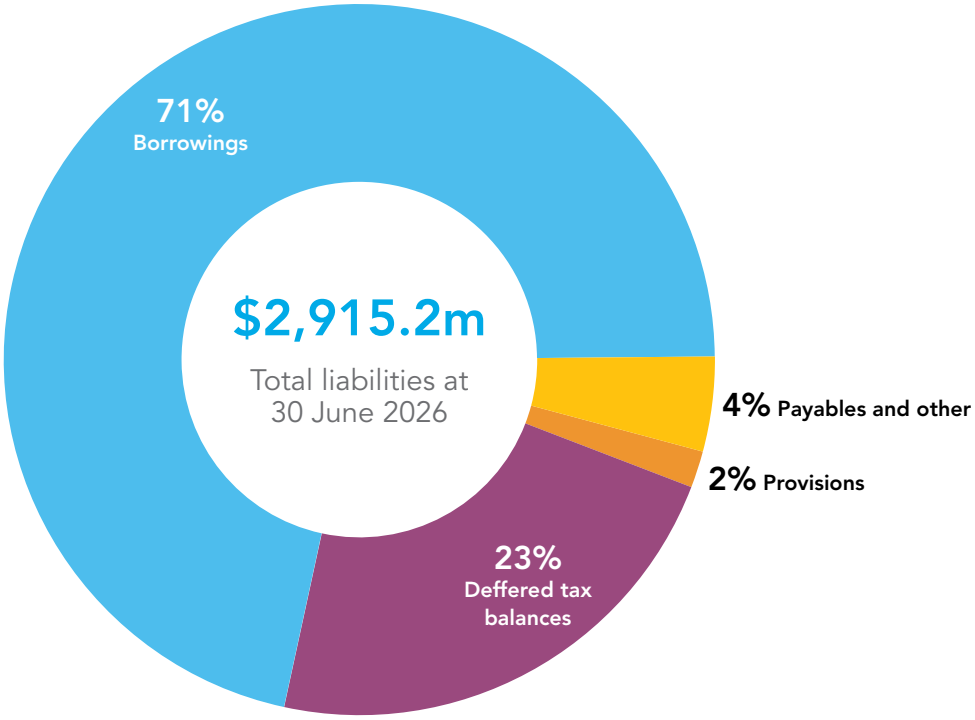


The major components are as follows:

- Property, plant and equipment totalling $3,714.4m consisting of Icon Water's water and sewerage infrastructure assets; and
- Investment of $1,135.7m in the ActewAGL Joint Venture partnerships, consisting of two separate businesses, energy retail and energy distribution.

Liabilities

Icon Water had $2,915.2m in liabilities. The components are depicted in the following graph:



The major components are as follows:

- Borrowings valued at $2,080.8m at 30 June 2026.
- Deferred tax liability at 30 June 2026 of $660.4m. This amount is mainly due to the tax effect of revaluation adjustments to the fair value of land and building assets, water and sewerage infrastructure assets and the infrastructure assets held within the investment in ActewAGL Joint Venture partnerships.

Payments to the ACT Government

Payments to the ACT Government during 2025–26 totalled $96.6m which included income tax equivalent payments of $38.0m (2024-25: $25.1m) and dividends paid of $58.6m (2024-25 $22.7m). The shareholders of Icon Water maintain a dividend policy of 100% distribution of net profit after tax less gifted asset revenue. During the year ended 30 June 2026, net profit after tax less gifted assets revenue totalled $42.7m (2024-25: $48.5m).

Icon Water Limited and Controlled Entities

ABN 86 069 381 960

ANNUAL REPORT

For the year ended
30 June 2026

Icon Water Limited and Controlled Entities

ABN 86 069 381 960

Annual Report for the year
ended 30 June 2026

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The financial statements are the consolidated financial statements for Icon Water Limited and its controlled entities. A list of major subsidiaries is disclosed in Note 11. The financial statements are presented in Australian dollars (AUD).

Icon Water Limited is a company limited by shares, incorporated and domiciled in Australia. Its principal registered office is:

12 Hoskins Street
Mitchell ACT 2911

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' report on page 9, which does not form part of the financial statements.

The financial statements were authorised for issue on 15 September 2026. The directors have the power to amend and reissue the financial statements.

Directors' report

The directors present their report on the consolidated entity (referred to hereafter as 'the Group' or 'Icon Water'), consisting of Icon Water Limited and its controlled entities for the year ended 30 June 2026.

Directors

The following persons held office as directors of Icon Water during the whole of the financial year and up to the date of this report unless otherwise indicated:

Carol Lilley, Chair
BCom, CIA, CGAP, FCA, GAICD

Appointed 1 April 2013

Carol Lilley was appointed to the Icon Water Board in April 2013 and to the boards of Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2017. Due to her specialist financial expertise and extensive knowledge of Icon Water's business, Ms Lilley was appointed as Chair of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited and the Icon Water Remuneration and Nominations Committee in August 2024, having previously served as Deputy Chair from March 2017. Ms Lilley was also Chair of Icon Water Board's Risk and Assurance Committee until her appointment as Chair of the Icon Water Board. Ms Lilley was a Member of the ActewAGL Partnerships Board from February 2023 to August 2026, including serving as Chair from November 2023 to October 2025. Ms Lilley continues to serve as an Alternate Board member.

Ms Lilley is a full-time independent board director and Audit Committee Member. She was a Partner of an accounting firm and a financial statement and internal auditor for nearly 20 years. Her experience is in governance and assurance including financial statement audit, internal audit and project and risk management, with a particular focus on government.

Ms Lilley has various governance roles for Commonwealth Government entities including as a Member of the Department of the Treasury and Department of Industry, Science and Resources Audit and Risk Committees, amongst others. Ms Lilley is a Graduate of the Australian Institute of Company Directors, Fellow of Chartered Accountants Australia and New Zealand, was a registered company auditor and is a certified internal auditor.

Directors (continued)

Joy Yau, Interim Managing Director
BA (Hons) CA, GAICD

Appointed 25 May 2026

Joy Yau was appointed as Icon Water's Interim Chief Executive Officer in March 2026 and as Interim Managing Director in May 2026. Ms Yau was appointed as a Member of the ActewAGL Partnerships Board in March 2026.

Ms Yau joined Icon Water in 2014, and was appointed as the Chief Financial Officer in 2019. She has over 20 years of professional experience including extensive commercial and strategic financial management roles across the utility, retail and hospitality sectors in Australia and the United Kingdom.

Ms Yau holds a Bachelor of Arts with Honours in Accounting and Management Control, is a Fellow of the Institute of Chartered Accountants in England and Wales, is a member of Chartered Accountants Australia and New Zealand and is a Graduate of the Australian Institute of Company Directors.

Julie-Anne Schafer, Director
LLB (Hons), ANZIIF, FAICD

Appointed 16 November 2021

Julie-Anne Schafer was appointed to the Icon Water Board in November 2021 and was appointed as Deputy Chair in July 2026. She is a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. Ms Schafer's appointment was extended for a second three-year term in November 2024. Ms Schafer was appointed as Chair of the Risk and Assurance Committee from 30 June 2026. Ms Schafer was appointed as a Member of the ActewAGL Partnerships Board in July 2022 and as Chair of the ActewAGL Safety, Audit and Risk Committee in October 2022. In October 2025 she was appointed Deputy Chair of the ActewAGL Partnerships Board.

Ms Schafer has extensive directorship experience including highly regulated sectors. Ms Schafer was a non-executive director of Urban Utilities and Chair of the Audit, Finance and Risk Committee and member of the Experience and Safety Committee for Urban Utilities.

She is also Chair of Peak Services Holdings Pty Ltd, Peak Services Pty Ltd, Local Buy Pty Ltd and AgCarE Services Pty Ltd.

Ms Schafer is Chair of the board of the Australian Reinsurance Pool Corporation and is a non-executive member of the Office of the National Rail Safety Regulator. She previously served as President of the National Competition Council and chairs several Audit and Risk Committees.

Ms Schafer was a partner in professional legal service firms. She is a former Deputy Chancellor of QUT, President of the Queensland Law Society, and Chair of Queensland's largest mutual.

She holds a Bachelor of Laws with Honours and is a Fellow of the Australian Institute of Company Directors. She facilitates in Governance and the Practice of Directorship, Risk and Strategy in the Company Director Course, for the Australian Institute of Company Directors.

Directors (continued)

Geoffrey Buchanan, Director

Assoc DipBus, BBus (with Distinction), BSc (Hons), MGeogSc, MAICD

Appointed 10 July 2023

Geoffrey Buchanan was appointed to the Icon Water Board in July 2023. He is a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. He joined the Risk and Assurance Committee in February 2026. Mr Buchanan's appointment was extended for a second three-year term from July 2026.

Mr Buchanan has more than 20 years of community engagement experience working with First Nations communities and in the ACT community sector. He is currently Senior Policy Officer (Living Affordability including Energy) at Queensland Council of Social Service.

From July 2022 to July 2024, Mr Buchanan was Research Fellow at the Centre for Indigenous Policy Research at the Australian National University, where he had previously worked on community-based and collaborative research projects from 2004–2012. From 2013–2015, he worked in the Native Title Research Unit at the Australian Institute of Aboriginal and Torres Strait Islander Studies with a focus on supporting native title governance by Prescribed Bodies Corporate.

Mr Buchanan has developed strong links with the ACT community through various roles in the community sector. Until February 2026, he was Policy Advocacy and Business Development Director at Care Inc. From 2015–2022, he was a Senior Policy Officer at the ACT Council of Social Service. Through these roles he has represented energy and water consumers' interests on several consumer and community consultative committees. He has also been a member of Energy Consumers Australia's Board Reference Committee and Council on the Ageing Australia Energy Advocates group. Mr Buchanan has served as a Director on the boards of Council on the Ageing ACT, Care Inc., and Community Radio 2XX FM, and is currently Deputy Chair of ACT Shelter's Executive Committee.

Mr Buchanan has an Associate Diploma of Business (Management), a Bachelor of Business (with Distinction), a Bachelor of Science (Honours) in Australian Environmental Studies and a Masters in Geographical Sciences. Mr Buchanan is a Member of the Australian Institute of Company Directors.

Directors (continued)

Dr Warren Mundy, Director

BSc (Hon UNSW), DipEc (Syd), MPhil PhD (Cantab), GradCertAppFin (Macq), MEnvLaw (Hons, ANU), FAICD FRAeS

Appointed 1 November 2023

Dr Warren Mundy was appointed to the Icon Water Board in November 2023. He is a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. Dr Mundy was a member of the Risk and Assurance Committee from March 2024 to February 2026. Dr Mundy was appointed as a Member of the ActewAGL Partnerships Board in August 2026.

Dr Mundy is the Managing Director of Bluestone Consulting that has provided regulatory, strategy and policy advice to investors, regulators, providers, and users of a wide range of infrastructure services since 2004. He is currently a member of the Queensland Competition Authority, a Senior Advisor to Dexus Infrastructure and the Australian Property Institute, and a director of First Nations Advocates Against Family Violence, John Curtin House, Reliance Rail, PBSA Finance and Port Hedland International Airport.

He was a Commissioner at the Australian Productivity Commission from 2009 to 2015 and also served as the Australian Competitive Neutrality Commissioner. Dr Mundy has recently undertaken independent reviews of Australia's National Legal Assistance Partnership and the Harmonisation of the Australian Design Rules for the Commonwealth Government.

Dr Mundy served on the board of Airservices Australia for over five years from 2008, over four of which he was the Deputy Chair. He was a member of the Steering Committee for the joint NSW Commonwealth Governments' Sydney Aviation Strategy that led to the decision to build Western Sydney Airport. He has also been a director of Transgrid, the Sydney Desalination Plant, Vicforests, Western Community Legal Services, James Watt College for Higher and Further Education, United Kingdom Airports Operators Association and the National Health Co-operative.

Dr Mundy holds a first-class honours degree in statistics from the University of New South Wales and has master's and doctoral degrees in economics from the University of Cambridge, where he attended Kings College as a Commonwealth Scholar. His doctoral thesis was on the role of the Australian State Governments in economic development. In addition, he has post-graduate qualifications in corporate finance and corporate governance, and a Master of Environmental Law from the Australian National University. He is a fellow of the Australian Institute of Company Directors and the Royal Aeronautical Society.

Directors (continued)

Dr Nadine White, Director
LLB (Hons), BLA, PhD, FAICD

Appointed 18 August 2024

Dr Nadine White was appointed to the Icon Water Board in August 2024. She is a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. Dr White was a member of the Risk and Assurance Committee from September 2024 to September 2026.

She is an experienced independent non-executive director in both the public and private sectors, and has served on boards in the aged care, health, disability, Indigenous affairs, and financial services sectors.

Dr White is currently a Director with Care Connect Ltd, since 2019; Scope Australia Ltd since 2022, Goodwin Aged Care Services since 2023; and in 2024 was appointed Chair of Dietitians Australia. Dr White joined the Nominations Committee of Certified Practicing Accountants (Australia) in 2025.

She has been the Deputy Chair of several boards, including Canberra-based charity Raising Hope Education Foundation, the ACT Minister's Work Health & Safety Council, and the local Bendigo Bank. She has also previously been a member of the ACT Government's Reconciliation Council and is the inaugural convenor of the ACT Mentor Walks program for women.

Prior to becoming a full-time Non-Executive Director, Dr White spent much of her executive career in human resources and workplace relations in large complex organisations. She was Chief People Officer at ANU for ten years.

Dr White has a PhD in organisational change and industrial relations, holds tertiary qualifications in business and law (honours), and is a Fellow of the Australian Institute of Company Directors.

Incoming Directors (post 30th June 2026)

The following person held office as director of Icon Water after the end of the financial year and up to the date of this report:

Michele Wong, Director
MEc GradDipAppFin GAICD

Appointed 13 August 2026

Ms Wong joined the Icon Water Board in August 2026 and is also a member of the Icon Water Remuneration and Nominations Committee.

Ms Wong brings extensive experience in the infrastructure sector, across utilities, transport and social infrastructure, as well as deep financial expertise. She has been a director of Transgrid, North Queensland Airports, Interlink Roads and the new Royal Adelaide Hospital PPP. Her executive experience spans CFO roles, infrastructure funds management and investment banking, including five years as CFO at North Queensland Airports, and senior roles at Hastings Funds Management and Macquarie Group where she managed and advised on infrastructure investments and transactions.

Ms Wong is a Graduate of the Australian Institute of Company Directors and an Associate member of CPA Australia. She holds a Master of Economics and qualified as an actuary.

Incoming Directors (continued)

Arron Wood AM, Director
B.FOR.SCI. GAICD, Churchill Fellow

Appointed 13 August 2026

Mr Wood joined the Icon Water Board in August 2026 and is also a member of the Icon Water Remuneration and Nominations Committee.

Arron Wood AM is CEO of Yurringa Energy, Australia's first and currently only First Nations-owned energy retailer, serving commercial and industrial customers Australia-wide. Mr Wood is the former Deputy Lord Mayor for the City of Melbourne and is a News Ltd Telstra Micro Business Award winner. Mr Wood was Chair of the Melbourne Sustainable Society Institute and served two terms on the South East Water Board, and previously Chaired the Melbourne Ecocity World Summit Advisory Board and was a member of the Fisherman's Bend Ministerial Advisory Committee.

In 2020 Mr Wood was made a Member of the Order of Australia (AM) Ministers Environmentalist of the for significant service to local government, to the environment, and to the community of Melbourne. As the 2007 Prime Year Award winner, he has previously been a Board Member of the Port Phillip and Westernport Catchment Management Authority, a Board Member of Sustainability Victoria, and Chair of the Melbourne Parks and Gardens Advisory Committee.

Mr Wood is the founder, and for two decades was Managing Director, of an environmental communication and education consultancy business. He initiated and ran the highly successful Kids Teaching Kids environmental leadership program for students from around the world, which saw 135,000 students participate in the program. Kids Teaching Kids won the prestigious 2010 People's Choice Banksia Award chosen from 55 finalists across 10 categories.

Outgoing Directors

Peter Dennis, Director
BEng, M Environmental Studies, Dip Mgmt, FIE Aust, CPEng, NER, Int PE (Aus), MAICD

Term concluded 1 May 2026

Peter Dennis was appointed to the Icon Water Board in May 2020 and concluded his second term in May 2026. He was a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. Mr Dennis' appointment was extended for a second three-year term in May 2023 and he was appointed as Deputy Chair of the Icon Water Board in August 2024. Mr Dennis joined the Risk and Assurance Committee in June 2023 and was appointed as Chair of that Committee in August 2024.

Mr Dennis is Market Director Water for Beca Hunter H20, a Director of the NSW Local Government Procurement Board, and Past-President and Director for the Australian Water Association. Mr Dennis has over 35 years water industry experience in Australia and overseas. He has been the Chief Executive Officer of Seqwater (Bulk Water Utility for South East Queensland); Chief Executive Officer of the Armidale Regional Council; as well as holding senior executive roles with Hunter Water Corporation. Mr Dennis has extensive experience in all aspects of water utility management including strategy development and execution, customer/community consultation, operational leadership, regulator engagement, policy development, infrastructure delivery, ongoing asset management, and workforce planning. He has a strong interest in sustainable urban water management and in ensuring the water industry is resilient against the impact of climate variability. He has also been actively involved in supporting our Pacific neighbours to meet the challenges of sustainable water management.

Mr Dennis was included in the Top 100 most Influential Engineers in Australia (2014 and 2015) and awarded the Newcastle Division of Engineers Australia 'Professional Engineer of the Year' (2009).

Mr Dennis has a Bachelor of Engineering in chemical engineering, Masters of Environmental Studies, a postgraduate Diploma of Management, a Corporate Directors Diploma and has been an Adjunct Professor in Engineering at the University of Newcastle where he lectured in Environmental Process Technologies for over 15 years. Mr Dennis is a Fellow of the Institute of Engineers Australia and a Member of the Australian Institute of Company Directors.

Outgoing Directors (continued)

Dr Helen Locher, Director

BSc (Earth Science), MEnvSc (Environmental Science), PhD (Civil Engineering), GAICD

Term concluded 1 May 2026

Dr Helen Locher was appointed to the Icon Water Board in May 2020 and concluded her second term in May 2026. Dr Locher was also a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited.

Dr Locher has had previous board roles with the Tasmanian Water and Sewerage Corporation (TasWater), the Environmental Protection Agency (Tasmania) and the Resource Management and Planning Commission (Tasmania). She has also been a tribunal member of the Tasmanian Civil and Administrative Tribunal.

Dr Locher has 18 years of experience working in senior roles for Hydro Tasmania, more than 30 years doing international consulting work, and 16 years serving on boards. She has considerable experience working with the water and energy industries, focused on environmental, social and sustainability challenges arising with major infrastructure development and operations across a variety of contexts. She has worked in more than 30 countries and on all continents, and as an independent consultant has delivered assignments for clients including the World Bank, International Finance Corporation, Asian Development Bank, Mekong River Commission, the Zambezi River Authority, the Hydropower Sustainability Alliance and the International Hydropower Association. Dr Locher has received several international awards recognising her significant contributions to better addressing sustainability issues in the global hydropower sector.

Dr Locher has a Bachelor of Science (Earth Science), a Masters of Environmental Science, a PhD in Civil Engineering, and is a Graduate of the Australian Institute of Company Directors.

Ray Hezkial, Managing Director

BEng (Civil), DipPM, MBA, MIEAust, MAICD

Director term concluded 20 March 2026

Ray Hezkial was appointed to the Icon Water Board in November 2018 and served as a Director until 20 March 2026, when he stepped down from the Board following his appointment as Interim Chief Executive Officer of ActewAGL. He was a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. Mr Hezkial was a Member of the ActewAGL Partnerships Board from April 2019 until March 2026.

Mr Hezkial joined Icon Water in 2003 and undertook multiple roles prior to his appointment as Managing Director in November 2018. In his previous role as General Manager, Infrastructure Services, Mr Hezkial was responsible for managing Icon Water's capital works program, provision of network operations and all aspects of day-to-day maintenance relating to the ACT's water and sewer reticulation systems.

Mr Hezkial has a Master of Business Administration, Diploma in Project Management, and Bachelor of Engineering (Civil). Mr Hezkial is a Member of the Institute of Engineers Australia and of the Australian Institute of Company Directors

Company Secretary

Alison Pratt

B.Ec, LLB (Hons), GDLP, GAICD

Alison Pratt, General Counsel, was appointed as the company secretary of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2019.

Ms Pratt is the General Manager of the Governance and Sustainability group and is responsible for driving environmental and social value and sustainability. She leads a multi-disciplinary team who deliver legal and procurement, risk and resilience and environmental services, provide internal audit assurance, manage external relations and are responsible for good governance to enhance transparency, effectiveness and resilience.

Ms Pratt worked in private commercial legal practice in Australia and the United Kingdom prior to joining Icon Water in 2013. Her legal experience includes advising clients from both the private and public sectors on corporate governance, property, environment, construction and planning with a focus on sustainability and place-making through the built form.

Ms Pratt holds a Bachelor of Economics, a Bachelor of Laws with Honours and a Graduate Diploma in Legal Practice. She is admitted to practice law in the Supreme Court of the ACT and is a Graduate of the Australian Institute of Company Directors.

Meetings of directors

The table below details the number of Board and Committee meetings held and attended by directors during the year ended 30 June 2026.

	Icon Water Board		Risk and Assurance Committee		Remuneration Committee	
	A	B	A	B	A	B
Managing Director						
Ray Hezkial	4	4	0	0	2	3
Joy Yau	1	1	0	0	0	0
Non-Executive Directors						
Carol Lilley	6	6	1*	0	3	3
Peter Dennis	4	4	3	4	3	3
Dr Helen Locher	4	4	0	0	3	3
Julie-Anne Schafer	6	6	1*	0	3	3
Geoffrey Buchanan	6	6	5*	3	3	3
Dr Warren Mundy	5	6	2	2	3	3
Dr Nadine White	6	6	5	5	3	3
Michele Wong	-	-	-	-	-	-
Arron Wood	-	-	-	-		--

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the period
* Where attendance (A) exceeds membership meetings (B), the difference represents meetings attended as an observer.

Principal activities

Icon Water is an unlisted public company whose primary business is the delivery of water, sewerage and associated services. Icon Water owns and operates the ACT's network of dams, water treatment plants, sewage treatment plants, reservoirs, water and sewage pumping stations, mains and other related infrastructure. Icon Water is owned by the ACT Government and has two voting shareholders, the Minister for Finance and the Minister for Climate Change, Environment, Energy and Water. Icon Water, through its wholly-owned subsidiaries, Icon Distribution Investments Limited and Icon Retail Investments Limited, is also a 50% partner in the ActewAGL Joint Venture.

The ActewAGL Joint Venture consists of two partnerships:

- ActewAGL Distribution Partnership (Distribution Partnership), which owns the gas distribution networks and owns and operates the electricity distribution networks in the ACT, Shoalhaven and Queanbeyan regions.
- ActewAGL Retail Partnership (Retail Partnership), which sells electricity, gas and other services to its retail and commercial customers in the ACT and surrounding regions (including Goulburn, Boorowa, Yass, Young and Shoalhaven).

The principal activities of Icon Water's subsidiary companies are as follows:

- Icon Distribution Investments Limited - a holding company for Icon Water's interest in the Distribution Partnership of the ActewAGL Joint Venture.
- Icon Retail Investments Limited - a holding company for Icon Water's interest in the Retail Partnership of the ActewAGL Joint Venture.

Review of operations

A summary of the revenue and results is set out below.

	2026	2025
	$'000	$'000
Revenue from contracts with customers, other income and finance income	470,972	425,557
Share of net profit from ActewAGL partnerships	77,569	91,516
Total revenue and share of net profit from the ActewAGL partnerships	548,541	517,073
Profit before income tax equivalents expense	98,597	87,336
Income tax equivalents expense	(30,102)	(25,595)
Profit for the year	68,495	61,741
Payments to the ACT Government		
Interim dividend for current year profit	32,773	22,689
Final dividend for previous year profit	25,827	-
	58,600	22,689
Income tax equivalents payments	38,002	25,106
Total payments to the ACT Government	**96,602**	47,795

Dividends

A dividend of $42,671,000 (2025: $48,515,000) has been declared by the directors to be paid, which is 100% of 30 June 2026 after tax net profit less gifted assets (refer note 6).

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of Icon Water during the year ended 30 June 2026.

Matters subsequent to the end of the financial year

There are no matters or circumstances which have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

Likely developments and expected results of operations

There are no likely developments that will affect the expected results of operations.

Regulation and licence compliance

Licence to provide water and sewerage services

Icon Water must comply with the obligations set out in the licence to provide water and sewerage services, which was issued by the Independent Competition and Regulatory Commission (ICRC) under the *Utilities Act 2000 (ACT)* on 29 June 2001 (Licence). The Licence requires Icon Water to comply with all applicable laws and the *Utilities Act 2000 (ACT)* (including any regulations, industry codes, technical codes and directions under this Act). Icon Water reports on its compliance with the Licence to the ICRC each year.

During the year ending 30 June 2026, Icon Water reported no material breaches of any applicable law or the Licence, with materiality determined in accordance with the ICRC Material Breach Guideline.

Environmental Regulations

There are two key environmental approvals relevant to operational compliance performance. In accordance with the *Environment Protection Act 1997 (ACT)*, Icon Water is subject to an Environmental Authorisation for water discharges and air emissions from the Lower Molonglo Water Quality Control Centre (LMWQCC). Icon Water is also subject to a New South Wales Environment Protection Licence for water discharge from the Googong Water Treatment Plant in accordance with the *Protection of the Environment (Operations) Act 1997 (NSW)*.

Icon Water holds several other environmental activity approvals, approved management plans and development approval conditions for both operational and project activities that require compliance.

During the financial year, Icon Water materially complied with all requirements in respect to these licences, approvals and associated legislation. There were notifiable incidents, primarily relating to sewer overflows and stack emission exceedances from LMWQCC. All notifiable incidents were reported to the ACT or NSW Environment Protection Authority (as relevant) and have not resulted in infringement notices or fines.

Regulation and licence compliance (continued)

Licence to Take Water

Issued by the ACT Environment Protection Authority (EPA) under the *Water Resources Act 2007 (ACT)*, the 'Licence to Take Water' provides for taking of water covered by water access entitlements and the protection of environmental flows. Icon Water complied with the requirements of the licence throughout 2025-26. Icon Water provided monthly reports to the EPA detailing compliance with the environmental flow requirements.

Drinking Water Utility Licence

Icon Water has a 'Drinking Water Utility Licence' issued by the ACT Health Directorate, which authorises Icon Water to carry on the Operation of Drinking Water Utility under the *Public Health Act 1997 (ACT)*. Icon Water provided water in accordance with the *Australian Drinking Water Guidelines 2011* and provided notification reports to the ACT Health Directorate throughout 2025-26. Changes were made to certain licence conditions. Icon Water is progressing required system enhancements to address these changes and continues to work with the ACT Health Directorate regarding implementation requirements.

Insurance of officers and directors

During the year, Icon Water paid a premium of $216,581 (30 June 2025: $233,759) in respect of a contract insuring the directors and officers of Icon Water Limited and its controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of Icon Water, other than where such liabilities arise out of conduct involving wilful breach of duty by the officers or the improper use by the officers of their position. The policy also applies if a claim is made against directors or officers after they have left the service of Icon Water, where the claim was over events during the directors' and officers' Icon Water service.

No claim has been made against the officers and directors insurance policy during the 2025-26 financial year.

Indemnity of officers and directors

Icon Water has indemnified directors and officers of Icon Water and its controlled entities against liabilities and legal costs arising in the course of their duties. This includes as a director appointed by Icon Water or by a subsidiary company of Icon Water to serve on the board of a company or partnership that is part owned directly or indirectly by Icon Water or by a subsidiary company of Icon Water, to the extent permitted by the *Corporations Act 2001*. This indemnity is to operate only where and to the extent that the director or officer is unable to require an insurer to meet the damage, liability, cost, loss or expense.

No liability has arisen under these indemnities as at the date of this report.

Proceedings on behalf of the company

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

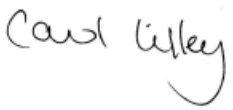
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 18.

Rounding of amounts

Icon Water Limited is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission (ASIC), relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed for and on behalf of, and in accordance with a resolution of, the Board of directors.



Carol Lilley
Chair

Canberra
15 September 2026



Joy Yau
Interim Managing Director

Canberra
15 September 2026



Julie-Anne Schafer
Risk and Assurance Committee, Chair

Canberra
15 September 2026

ACT Audit Office

AUDITOR-GENERAL AN OFFICER OF THE ACT LEGISLATIVE ASSEMBLY

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly and Icon Water Limited

Opinion

I have audited the financial report of Icon Water Limited and its Controlled Entities (the Group) for the year ended 30 June 2026 which comprise the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, directors' declaration and notes to the consolidated financial report, including material accounting policy information, consolidated entity disclosure statement and other explanatory information.

In my opinion, the accompanying financial report:

(i) presents 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 then ended; and

(ii) is presented in accordance with the Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of this report.

I am independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial report as at 30 June 2026. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide

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a separate opinion on these matters. For each matter below, my description of how my audit addressed the matter is provided in that context.

Revenue recognition – Accrued revenue relating to water supply contracts

Why significant	How my audit addressed the key audit matter

At 30 June 2026, the Group recognised accrued revenue relating to water supply contracts of $25.2 million, as disclosed in Note 3b to the Financial Report.
 	
Accrued revenue relating to water supply contracts represents the value of water supplied to customers between the date of the last meter reading and the reporting date where no bill has been issued to the customer at the end of the reporting period.
 	
The estimation of accrued revenue relating to water supply is a key audit matter as the valuation involves significant judgement, complex modelling and estimation uncertainty.
 	
Key factors that require consideration impacting the complex estimation process include:
• estimation of the amount of water lost in transit between the dam and the end customer; and
• application of estimated consumption profiles across different customer types and multiple tariffs for the unbilled period.
 	
The Group's disclosures in respect of the key judgements and estimates related to the accrued revenue for water supply contracts are included in Note 3a to the Financial Report.
	Audit procedures included the following:
	
	• Assessed whether the methodology used to recognise accrued revenue relating to water supply contracts met the applicable requirements of Australian Accounting Standards;
	
	• Assessed the design and operating effectiveness of relevant controls governing water purchased, water sold and the customer pricing process;
	
	• Evaluated the accrued revenue for water supply contracts as follows:
	  • evaluating the reasonableness of the key management assumptions for water loss factors, volume and rates used to determine the accrued revenue relating to water supply contracts;
	  • testing the mathematical accuracy of the calculation; and
	  • assessing the historical accuracy of the accrual estimate against subsequent billings.
	
	• Assessed the adequacy and appropriateness of the disclosures in Note 3a and Note 3b to the Financial Report including those made with respect to judgements and estimates.

Fair value of property, plant and equipment – Water and Sewerage network assets

Why significant	How my audit addressed the key audit matter
At 30 June 2026, the Group's carrying amount of the water and sewerage network assets was $2.1 billion and $1.5 billion respectively as disclosed in Note 8d. In accordance with the Group's accounting policy, the Group measures the water and sewerage network assets at fair value. The fair value of the water and sewerage network assets is a key audit matter due to the complex estimation process and significant audit effort required to address the estimation uncertainty. The Group's value-in-use model includes complex assumptions and uncertainty about future: • Regulatory frameworks; • Revenue growth rates; • Capital expenditure; • Discount rates; and • Regulatory asset base (RAB).	In conjunction with valuation specialists where relevant, my audit procedures included the following: • Evaluated the appropriateness of the valuation methodology applied by the Group to perform the estimate of the fair value; • Assessed the reasonableness of key assumptions used in the value-in-use model including revenue growth rates, capital expenditure, RAB multiples and discount rates; • Reperformed key calculations within the model and reconciled data used in the model to board-approved forecasts and, where applicable, external sources; and • Assessed the adequacy and appropriateness of the disclosures in Note 8d to the Financial Report including those made with respect to judgements and estimates.

Responsibilities of the Group for the financial report

The directors of the group are responsible for:

- preparing and fairly presenting the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001;*
- determining the internal controls necessary for the preparation and fair presentation of the financial report so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Group to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial report.

Auditor's responsibilities for the audit of the financial report

My objective is to obtain reasonable assurance about whether the financial report as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Group's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Group;
- conclude on the appropriateness of the Group's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this

report. However, future events or conditions may cause the Group to cease to continue as a going concern; and

- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Directors of the Group regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Board, I determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Ajay Sharma PSM
ACT Auditor-General
15 September 2026

ACT Audit Office

AUDITOR-GENERAL AN OFFICER OF THE ACT LEGISLATIVE ASSEMBLY

AUDITOR'S INDEPENDENCE DECLARATION

In relation to the audit of the financial report of Icon Water Limited and its Controlled Entities and for the limited assurance engagement of the selective sustainability information in the sustainability report for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

This declaration is in respect of Icon Water Limited and the entities it controlled during the period.

Ajay Sharma PSM
ACT Auditor-General
15 September 2026

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Consolidated statement of profit or loss and other comprehensive income

	Note	**2026 $'000**	2025 $'000
Revenue from contracts with customers	3a	461,997	414,947
Cost of providing goods and services	4b	(363,274)	(353,788)
Other income	4a	1,898	4,202
Operating profit		**100,621**	65,361
Finance income	4c	7,077	6,408
Finance costs	4c	(86,670)	(75,949)
Net finance costs		**(79,593)**	(69,541)
Share of net profit of joint venture partnerships accounted for using the equity method	8c	77,569	91,516
Profit before income tax equivalents expense		**98,597**	87,336
Income tax equivalents expense	5a	(30,102)	(25,595)
Profit for the year		**68,495**	61,741
Other comprehensive income			
Revaluation increment of plant and equipment assets in the ActewAGL investment	8c	17,084	66,938
Property, plant and equipment revaluation increment	8d	-	147,833
Income tax (expense) relating to components of other comprehensive income	5c	(5,125)	(64,431)
Items that will not be reclassified subsequently to profit or loss		**11,959**	150,339
Total comprehensive income for the year		**80,454**	212,080
Total comprehensive income is attributable to:			
Owners of Icon Water Limited and Controlled Entities		**80,454**	212,080

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

	Note	2026 $'000	2025 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7a	107,734	109,817
Trade and other receivables	7b	45,313	39,505
Contract assets	3b	27,647	24,535
Prepayments	8a	8,648	6,976
Inventories	8b	10,098	7,369
Total current assets		**199,440**	188,202
Non-current assets			
Prepayments	8a	3,764	3,748
Investments accounted for using the equity method	8c	1,135,744	1,106,091
Property, plant and equipment	8d	3,714,427	3,594,527
Right-of-use assets	8e	6,435	7,151
Investment property	8f	20,750	20,750
Intangible assets	8g	19,405	21,511
Total non-current assets		**4,900,525**	4,753,778
Total assets		**5,099,965**	4,941,980
LIABILITIES			
Current liabilities			
Trade and other payables	7c	77,361	58,661
Contract liabilities	3b	7,427	7,043
Lease liabilities	8e	2,085	1,726
Borrowings	7d	-	124,832
Provisions	8h	39,727	54,658
Current tax payable		10,584	12,941
Total current liabilities		**137,184**	259,861
Non-current liabilities			
Borrowings	7d	2,080,754	1,841,479
Lease liabilities	8e	5,918	4,832
Provisions	8h	8,982	9,209
Contract liabilities	3b	21,979	18,856
Deferred tax balances	8i	660,422	660,797
Total non-current liabilities		**2,778,055**	2,535,173
Total liabilities		**2,915,239**	2,795,034
Net assets		**2,184,726**	2,146,946
EQUITY			
Share capital	9a	758,871	758,871
Reserves	9b	1,034,768	1,022,809
Retained profits		391,087	365,265
Total equity		**2,184,726**	2,146,946

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

	Note	**2026** **$'000**	2025 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		433,478	403,764
Payments to suppliers and employees (inclusive of GST)		(255,108)	(260,498)
		178,370	143,266
Interest received		7,630	5,388
Income tax equivalents paid		(38,002)	(25,106)
Interest paid		(82,282)	(78,163)
Net cash inflow from operating activities		**65,716**	45,385
Cash flows from investing activities			
Payments for property, plant and equipment		(165,601)	(96,373)
Payments for intangible assets		(3,447)	(4,038)
Proceeds from sale of assets		-	-
Distributions received from joint venture partnership	8c	65,000	58,500
Net cash (outflow) from investing activities		**(104,048)**	(41,911)
Cash flows from financing activities			
Proceeds from borrowings		279,899	-
Repayment of borrowings		(182,815)	6,260
Dividends paid	6	(58,600)	(22,689)
Payment of lease liabilities		(2,235)	(2,907)
Net cash inflow/(outflow) from financing activities		**36,249**	(19,336)
Net (decrease)/increase in cash and cash equivalents		(2,083)	(15,862)
Cash and cash equivalents at the beginning of the financial year		109,817	125,679
Cash and cash equivalents at end of the financial year	7a	**107,734**	109,817

Cash flows are included in the consolidated statement of cash flows on a gross basis. The Goods and Services Tax (GST) component of cash flows arising from investing and financial activities which is recoverable from, or payable to, the Australian Taxation Office (ATO) is classified within operating cash flows.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

		Attributable to the owners of Icon Water Limited and Controlled Entities			
	Note	Share capital $'000	Asset revaluation reserve $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2024		758,871	872,470	352,038	1,983,379
Profit for the year		-	-	61,741	61,741
Other comprehensive income		-	150,339	-	150,339
Total comprehensive income for the year		-	150,339	61,741	212,080
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	6	-	-	(48,515)	(48,515)
Balance at 30 June 2025		758,871	1,022,809	365,264	2,146,945
Balance at 1 July 2025		758,871	1,022,809	365,264	2,146,945
Profit for the year		-	-	68,495	68,495
Other comprehensive income		-	11,959	-	11,959
Total comprehensive income for the year		**-**	**11,959**	**68,495**	**80,454**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	6	-	-	(42,671)	(42,671)
Balance at 30 June 2026		**758,871**	**1,034,768**	**391,087**	**2,184,726**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the financial statements

How the numbers are calculated

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the entity, including:

(a) Accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not provide guidance for a particular type of transaction.
(b) Analysis and sub-totals, including segment information.
(c) Information about estimates and judgements made in relation to particular items are included in the notes to the financial statements.

1. Material accounting policies
2. Segment information
3. Revenue from contracts with customers
4. Other income and expense items
5. Income tax equivalents expense
6. Dividends
7. Financial assets and liabilities
8. Non-financial assets and liabilities
9. Equity
10. Remuneration of auditors

Group structure

This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group as a whole. In particular, there is information about the Group's interests in joint ventures, which are accounted for as equity accounted investments (refer note 12). A list of significant investments in subsidiaries is provided in note 11.

11. Investments in controlled entities
12. Interests in joint ventures
13. Parent entity financial information

Unrecognised items

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

14. Contingencies
15. Commitments for expenditure
16. Events occurring after the reporting period

Key management personnel and related parties

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

17. Key management personnel
18. Related party transactions

How the numbers are calculated

1. Material accounting policies

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below and in the relevant notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Icon Water Group is a for-profit entity for the purpose of preparing the financial statements.

(i) *Compliance with Australian Accounting Standards – Simplified Disclosure Requirements*

The consolidated financial statements of the Group comply with Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

(ii) *Early adoption of standards*

The directors have not elected under section 334(5) of the *Corporations Act 2001* to early adopt any new Australian Accounting Standard in the current year.

(iii) *New and amended accounting standards adopted by the Group*

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2025 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

(iv) *Impact of accounting standards issued but not yet applied by the Group*

There are certain new accounting standards, amendments to standards and interpretations that have been published, that are not mandatory for the current reporting period and have not been early adopted by the Group. While these remain subject to ongoing assessment, these standards are not expected to have a material impact on the Group or its controlled entities, in the current or future reporting periods and on foreseeable future transactions.

(v) *Historical cost convention*

These financial statements have been prepared on a historical cost basis except those assets and liabilities recognised at fair value including property, plant and equipment, investment properties and carbon credits.

(vi) *Going concern*

The financial statements have been prepared on a going concern basis.

1. Material accounting policies (continued)

b) Rounding and presentation of amounts

Icon Water Limited is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar. Where applicable, comparative figures have been adjusted to conform to changes in presentation for the current year.

c) Goods and Services Tax (GST)

Revenues, expenses, assets other than receivables, and liabilities other than payables are recognised exclusive of GST. Receivables and payables are stated inclusive of the amount of GST payable and receivable.

2. Segment information

Description of segments and principal activities

Management has determined the operating segments that are used to make strategic decisions are as follows:

Reportable business segment	Principal activities
Water	The supply of water services and the owner and operator of the ACT's network of dams, water treatment plants, reservoirs, water mains and other related infrastructure.
Sewerage	The provision of sewerage services and maintenance of sewage treatment plants within the ACT.
Investments	The business activities of the controlled entities and investing activities of the parent company.

Year ended 30 June 2026	Water $'000	Sewerage $'000	Investments[1] $'000	Unallocated $'000	Consolidated $'000
Consolidated statement of profit or loss and other comprehensive income					
Sales to external customers including share of net profit of joint venture partnerships	249,545	172,098	77,569	-	499,212
Other revenue	1,520	378	-	7,077	8,975
Commonwealth subvention revenue	-	14,530	-	-	14,530
Gifted assets revenue	13,443	12,381	-	-	25,824
Total segment revenue	**264,508**	**199,387**	**77,569**	**7,077**	**548,541**
Interest expense	23,498	25,742	37,431	(1)	86,670
Segment result before income tax equivalents expense	24,814	27,178	39,527	7,078	98,597
Income tax equivalents expense					30,102
Profit for the year					**68,495**
Consolidated balance sheet					
Segment assets	2,248,185	1,620,168	1,123,878	107,734	5,099,965
Segment liabilities	823,837	891,957	1,199,445	-	2,915,239
Other					
Acquisition of property, plant and equipment (including gifted assets)	46,213	149,075	-	-	195,288
Acquisition of intangible assets	2,010	2,009	-	-	4,019
Depreciation and amortisation	53,166	37,810	-	-	90,976

[1] *Investments include 100% ownership of Icon Retail Investments Limited and Icon Distribution Investments Limited.*

2. Segment information (continued)

Year ended 30 June 2025	Water $'000	Sewerage $'000	Investments[1] $'000	Unallocated $'000	Consolidated $'000
Consolidated statement of profit or loss and other comprehensive income					
Sales to external customers including share of net profit of joint venture partnerships	227,322	160,418	91,516	-	479,256
Other revenue	2,108	2,097	-	6,408	10,613
Commonwealth subvention revenue	-	14,176	-	-	14,176
Gifted assets revenue	7,130	5,898	-	-	13,028
Total segment revenue	236,558	182,587	91,516	6,408	517,069
Interest expense	16,343	15,599	44,006	-	75,949
Segment result before income tax equivalents expense	17,413	16,620	46,888	6,408	87,336
Income tax equivalents expense					25,595
Profit for the year					61,741
Consolidated balance sheet					
Segment assets	2,232,073	1,488,348	1,110,178	111,381	4,941,980
Segment liabilities	772,061	747,934	1,275,039	-	2,795,034
Other					
Acquisition of property, plant and equipment (including gifted assets)	46,473	61,729	-	-	108,202
Acquisition of intangible assets	1,797	1,796	-	-	3,593
Depreciation and amortisation	51,602	38,584	-	-	90,186

Accounting policy

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to a segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of receivables, property, plant and equipment, and other assets, net of related allowances.

While most of these assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by segments are allocated based on a reasonable estimate of usage. Segment liabilities consist primarily of trade and other payables, employee benefits and borrowings.

Operating cash and interest revenue have not been allocated to segments, as this type of activity is managed by a central treasury function, which manages the cash position of the Group.

[1] *Investments include 100% ownership of Icon Retail Investments Limited and Icon Distribution Investments Limited.*

3. Revenue from contracts with customers

a) Revenue from contracts with customers

	2026 $'000	2025 $'000
Revenue recognised over time		
Water revenue	248,132	225,953
Sewerage revenue	171,347	159,147
Commonwealth subvention revenue	14,530	14,176
	434,009	399,276
Revenue recognised at a point in time		
Gifted assets revenue	25,824	13,028
Other water related revenue	1,413	1,659
Other sewerage related revenue	751	984
	27,988	15,671
Total revenue from contracts with customers	**461,997**	414,947

Accounting policy

Water and sewerage revenue

Water and sewerage revenue relates to the provision of drinking water and waste water services to customers and is recognised over time as the performance obligation is satisfied, as customers simultaneously receive and use the services provided. The transaction price includes a supply charge and a consumption charge. The prices are set by the regulator and the revenue is billed quarterly and accrued for when unbilled (see critical accounting estimate below). The amount of revenue that Icon Water recognises reflects the right to consideration from customers at an amount that corresponds directly with the value transferred to the customer for the performance completed to date. The Group has elected to use the practical expedient 'right to invoice' available in AASB 15 *Revenue from Contracts with Customers* for these revenues as the Group recognises revenue at the amount for which the Group has the right to invoice the customer. No element of financing is deemed present as the invoices are issued with a credit term of 21 days.

Commonwealth subvention revenue

Icon Water receives a Commonwealth subvention payment for location limitations associated with providing water supply and sewerage services in the ACT as it is an inland location. Icon Water's performance obligation is satisfied over time, consistent with the provision of providing drinking water and waste water services to customers. As revenue is received in equal instalments throughout the year, no element of financing is deemed present.

Gifted assets revenue

Gifted asset revenue is derived from water and sewerage infrastructure assets which are gifted to Icon Water. These assets may include water and sewerage pipes, fittings, hydrants, valves and manholes. Icon Water's performance obligation is to accept the gifted assets and revenue is recognised at the point in time when the Group gains control of the asset. The transaction price used to recognise revenue has been measured as the replacement cost of the asset (refer to note 8d).

Other water and sewerage related revenue

Other water and sewerage related revenue relates to trade waste services and regulated external services provided to customers which are not water and wastewater services. Revenue from these sales is recognised based on the price specified in the contract. Icon Water's performance obligation is met at a point in time when the services have been provided. No element of financing is deemed present as the invoices are issued with a credit term of 21 days or are payable prior to the services being performed.

3. Revenue from contracts with customers (continued)

a) Revenue related to contracts with customers (continued)

Critical Accounting Estimate

Revenue recognition

Icon Water's water revenue includes an estimated accrual for water consumed but not yet billed. This is a regular occurrence at the end of each reporting period. The estimate is calculated by determining unbilled consumption (water consumed for the period less actual billings), applying historical assumptions regarding the tier split of the balance, and then multiplying the unbilled consumption by relevant tier prices. The 30 June 2026 accrual amount was $21.9 million (30 June 2025: $19.1 million) and is reflected in note 3b below. Management has determined that it is highly probable that a significant reversal of the accrued revenue will not occur in future periods. This is because Icon Water has satisfied its performance obligation for the accrued revenue, the prices have been set by the regulator and revenue is billed for quarterly.

b) Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	2026 $'000	2025 $'000
Current assets		
Net trade receivables (Refer note 7b)	36,278	30,748
Total net trade receivables	**36,278**	30,748
Current assets		
Accrued revenue relating to water supply contracts	25,244	22,461
Other accrued revenue (i)	2,403	2,074
Total contract assets	**27,647**	24,535
Current liabilities		
Revenue received in advance relating to water and sewerage supply contracts	7,427	7,043
Total current contract liabilities	**7,427**	7,043
Non-current liabilities		
Revenue received in advance relating to water and sewerage capital contributions	21,979	18,856
Total non-current contract liabilities	**21,979**	18,856

(i) Other accrued revenue primarily consists of accrued community service obligations revenue for the June quarter of $2.3 million (30 June 2025: $2.0 million).

Accounting policy

A contract asset is recognised in relation to an estimated accrual for water consumed but not yet billed (refer to note 3a). The community service obligation revenue accrual is for water and sewerage services consumed by community service organisations but not yet billed.

A contract liability is recognised in relation to water and sewerage revenue received in advance from customers, where the Group has not yet provided the services.

4. Other income and expense items

This note provides a breakdown of the items included in 'other income', an analysis of expenses by nature and a breakdown of the items included in 'finance income and costs'.

a) Other income

	2026	2025
	$'000	$'000
Change in fair value of investment property	-	2,500
Other income	1,898	1,702
Total other income	**1,898**	4,202

b) Breakdown of expenses by nature

	2026	2025
	$'000	$'000
Operational costs	134,924	131,802
Employment and associated costs	93,777	101,531
Depreciation and amortisation expense	90,976	90,185
Consumables used	16,991	13,187
Other expenses	26,606	17,083
Cost of providing goods and services	**363,274**	353,788

c) Finance income and costs

	2026	2025
	$'000	$'000
Finance income		
Interest from financial assets not at fair value through profit or loss	7,077	6,408
Finance income	**7,077**	6,408
Finance costs		
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss	93,828	80,621
Interest and finance charges paid/payable for lease liabilities	1,547	465
Provisions: unwinding of discount	-	23
	95,375	81,109
Amount capitalised	(8,705)	(5,160)
Finance costs expensed	**86,670**	75,949
Net finance costs	**79,593**	69,541

4. Other income and expense items (continued)

Accounting policy

Finance income

Interest income on financial assets at amortised cost is calculated using the effective interest method (which is the rate that discounts estimated future cash receipts through the expected life of the financial instrument) by applying the effective interest rate to the gross carrying amount of a financial asset.

Total interest income on financial assets that are measured at amortised cost for the year was $7.1 million (30 June 2025: $6.4 million).

Finance costs

Borrowing costs incurred for the construction of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that take a substantial period of time (greater than 12 months) to get ready for their intended use. Icon Water typically has qualifying assets at any given period as part of its capital expenditure program. Other borrowing costs are expensed.

5. Income tax equivalents expense

a) Income tax equivalents expense

	2026	2025
	$'000	$'000
Current tax		
Income tax equivalents expense recognised in the current year	36,158	31,641
Adjustment to current tax for prior periods (i)	449	(168)
	36,607	31,473
Deferred tax		
Deferred tax equivalents expense recognised in the current year	(6,505)	(5,878)
	(6,505)	(5,878)
Income tax equivalents expense	**30,102**	25,595

(i) Adjustments for prior periods relates to differences between the income tax equivalents expense calculated for financial statement disclosure and the income tax return lodged in the subsequent financial period.

b) Numerical reconciliation of income tax equivalents to prima facie tax payable:

	2026	2025
	$'000	$'000
Profit before income tax equivalents expense	98,597	87,336
Tax on profit at Australian prima facie tax rate of 30% (2024-25: 30%)	29,579	26,200
Increase/(decrease) in income tax equivalents expense due to:		
Non-assessable dividends	-	(144)
Non-assessable income	-	(779)
Non-deductible expenses	5	205
Post-tax share of results from joint venture partnerships	-	(22)
Adjustments for prior periods	518	135
Income tax equivalents expense	**30,102**	25,595

c) Income tax equivalents expense recognised in other comprehensive income:

	2026	2025
	$'000	$'000
Items that will not be reclassified subsequently to profit and loss		
Deferred tax debited directly to equity (Refer note 8i)	(5,125)	(64,431)
Income tax equivalents expense relating to components of other comprehensive income	(5,125)	(64,431)

5. Income tax equivalents expense (continued)

Accounting policy

National Tax Equivalents Regime

Icon Water and its controlled entities are established as a Territory Owned Corporation hence Icon Water and its controlled entities are exempt from Federal income tax. Icon Water is required to make an equivalent payment to the ACT Government as required by the *Taxation (Government Business Enterprises) Act 2003*.

Tax effect accounting procedures are followed whereby the income tax equivalents expense or revenue for the period is the tax payable/receivable on the current period's taxable income based on the National Tax Equivalents Regime. This is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Tax consolidation legislation

Icon Water and its wholly-owned Australian controlled entities are part of a tax consolidated group formed under tax consolidation legislation. These entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

The subsidiaries have entered into a tax funding agreement under which the wholly-owned entities fully compensate Icon Water for any current tax payable assumed and are compensated by Icon Water for any current tax receivable and deferred tax assets relating to unused tax credits that are transferred to Icon Water under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from Icon Water, which is issued to the controlled entities as soon as practicable at the end of the financial year. Icon Water may also require payment of interim funding amounts to assist with obligations to pay tax instalments. The funding amounts are recognised as intercompany receivable or payable.

6. Dividends

	2026	2025
	$'000	$'000
Dividends payable at the beginning of the financial year	25,827	-
Amount appropriated from operating profit	42,671	48,515
	68,498	48,515
Amount paid during the year	(58,600)	(22,689)
Dividends payable at the end of the financial year	**9,898**	25,826

Accounting policy

The shareholders maintain a dividend policy of 100% distribution of net profit after tax less gifted asset revenue. An interim, fully authorised dividend is declared and paid in June with a provision made for the payment of a final dividend in October.

7. Financial assets and liabilities

a) Cash and cash equivalents

	2026 $'000	2025 $'000
Current assets		
Cash at bank and on hand	33,734	37,817
Short-term deposits	74,000	72,000
Total cash and cash equivalents	**107,734**	109,817

Accounting policy

Cash and cash equivalents includes cash on hand, short-term deposits held with financial institutions with a maturity of 1 to 3 months from inception and other short-term, highly liquid investments that are readily convertible to cash.

b) Trade and other receivables

	2026 $'000	2025 $'000
Current assets		
Water revenue receivables	21,275	19,644
Sewerage revenue receivables	14,184	12,164
Other trade receivables (i)	2,037	279
Allowance for impairment of receivables	(1,218)	(1,339)
Net trade receivables	36,278	30,748
Other receivables (ii)	4,785	4,670
Employee entitlement receivable – related parties	4,250	4,087
Total trade and other receivables	**45,313**	39,505

(i) These amounts generally arise from transactions outside the principal operating activities of the Group.

(ii) Under the terms and conditions of the Retail Customer Services Agreement with ActewAGL Retail Partnership, and the Corporate Services Agreement with ActewAGL Distribution Partnership, Icon Water will not receive a refund as no amounts are owed to Icon Water for the period ending 30 June 2026 (30 June 2025: $0.9 million).

7. Financial assets and liabilities (continued)

Accounting policy

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 21 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

The Group recognises a loss allowance for all trade receivables and contract assets. The loss allowance is calculated based on the simplified approach outlined in AASB 9 *Financial Instruments* which requires that the Group recognises lifetime expected credit losses.

Bad debts are written off when debts become uncollectible in a subsequent period. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

Current other receivables

This includes amounts such as GST and interest receivable which are receivable within one year from the end of the reporting period.

Employee entitlement receivable

A number of employees of Icon Water have been seconded to the joint venture partnerships. A receivable from the joint venture partnerships is recognised as employee entitlements are reimbursed to Icon Water for these seconded employees.

c) Trade and other payables

	2026	2025
	$'000	$'000
Current liabilities		
Trade payables	19,324	506
Other payables and accruals	58,037	58,155
Total trade and other payables	**77,361**	58,661

Accounting policy

Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method. They represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

7. Financial assets and liabilities (continued)

d) Borrowings

	2026 $'000	2025 $'000
Current liabilities		
Unsecured loans	-	124,832
	-	124,832
Non-current liabilities		
Unsecured loans	2,080,754	1,841,479
	2,080,754	1,841,479
Total borrowings	**2,080,754**	1,966,310

Icon Water maintains a balanced portfolio consisting of a capital indexed bond (CIB), two CPI linked indexed annuity bonds (IAB) and six medium term notes (MTN).

Instrument	Start Date	Maturity Date	Issue yield (%)	Balance ($m)
MTN	18 April 2018	18 April 2028	3.26	478
MTN	17 May 2021	17 May 2030	1.81	49.9
CIB	17 June 2010	17 June 2030	3.72	380.5
MTN	23 October 2019	23 October 2031	1.80	377.9
MTN	22 February 2023	23 October 2034	4.75	39.3
MTN	31 March 2026	23 October 2034	5.70	221.2
MTN	16 May 2024	23 October 2036	5.41	98.8
IAB	12 June 2008	12 June 2048	2.42	323.7
IAB	12 June 2009	12 June 2048	3.94	111.5
			Total	**2,080.8**

Accounting policy

All borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method.

CIBs are adjusted quarterly based on the Consumer Price Index (CPI). The adjustment is made to the principal of the loan and an expense is recognised in the period of the adjustment depending on the terms of the loan. IABs are adjusted by quarterly changes to CPI with the interest and principal repayments impacted by changes to CPI, although the principal of the loans reduces to zero by maturity date. Fluctuations in CPI influences principal balances over the term of the loan.

Borrowing costs incurred for the construction of qualifying assets are capitalised in accordance with the accounting policy in note 4c.

7. Financial assets and liabilities (continued)

e) Accounting policy relating to investments, other financial assets and financial liabilities

Accounting policy

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Initial and subsequent measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Fair value

If the market for a financial asset is not active, and for unlisted securities, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 7b for further details.

7. Financial assets and liabilities (continued)

e) Accounting policy relating to investments, other financial assets and financial liabilities (continued)

Accounting policy

Financial risk management

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Icon Water uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment allowance of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

8. Non-financial assets and liabilities

a) Prepayments

	2026 $'000	2025 $'000
Current assets		
Prepayments	8,648	6,976
	8,648	6,976
Non-current assets		
Prepayments (i)	3,764	3,748
	3,764	3,748

(i) This includes $3.3 million for carbon credits (30 June 2025: $3.3 million).

Accounting policy

Prepayments are recognised when payments have been made for services in advance of Icon Water utilising the benefit of those services.

Prepayments are amortised over the period in which services will be provided to Icon Water. Where the prepayment relates to a period that is greater than 12 months from the end of the financial year, it is classified as non-current.

Carbon credits prepayment

Icon Water is required to offset carbon emissions generated during the construction and operation of the major water security projects. Icon Water has made prepayments for carbon credits associated with these emissions which will be received in the future.

b) Inventories

	2026 $'000	2025 $'000
Current assets		
Finished goods	10,098	7,369
Total inventories	**10,098**	7,369

Inventories consist of consumables such as spare system asset components, chemicals and fuel, and personal issue items for operational use.

The cost of consumables used and recognised as an expense during the year was $17.0 million (30 June 2025: $13.2 million).

Accounting policy

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average cost basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The difference between cost and net realisable value is recorded as a write down of inventory.

Stocktakes are performed on a cyclical basis, where inventory is assessed for obsolescence and written off to profit or loss when required.

8. Non-financial assets and liabilities (continued)

c) Investments accounted for using the equity method

	2026 $'000	2025 $'000
Non-current assets		
Interest in joint venture partnerships	1,135,744	1,106,091
Total investments accounted for using the equity method	**1,135,744**	1,106,091

The movement in the carrying value in the interest in ActewAGL joint venture partnerships has changed as follows:

	2026 $'000	2025 $'000
Carrying amount at the beginning of the financial year	1,106,091	1,006,137
Share of results (i)	77,569	91,516
Distributions received from the ActewAGL joint venture partnerships	(65,000)	(58,500)
Revaluation of plant and equipment assets in the ActewAGL Distribution Partnership	17,084	66,938
Carrying amount at the end of the financial year	**1,135,744**	1,106,091

(i) Included in the share of profit is over-recovery of large-scale feed in tariff (LFiT) of $21.1 million (30 June 2025: $33.4 million under-recovery). The ActewAGL Distribution Partnership is subject to a LFiT jurisdictional scheme under which LFiT support payments are made by the Partnership to renewable energy generators. The Partnership is required to collect any shortfall between the average contracted prices and the wholesale spot price on behalf of renewable energy generators from electricity customers. These LFiT support payments operate as a pass through to customers. Where the amount recovered exceeds or is below actual contributions paid to relevant parties, an adjustment is made to future prices to reflect this excess or shortfall. No assets or liabilities are recognised as such an adjustment relates to provision of future services.

Accounting policy

Principles of consolidation

Icon Water has reviewed and assessed its joint arrangement partnerships (ActewAGL Retail Partnership and ActewAGL Distribution Partnership) in accordance with the requirements of *AASB 11 Joint Arrangements* and concluded them to be joint ventures. The interests in the joint venture partnerships are accounted for using the equity method.

Under the equity method, the share of the profit and losses of partnerships is recognised in the consolidated statement of profit or loss. Profits or losses on transactions establishing the joint venture partnerships and transactions with the joint ventures are eliminated to the extent of the consolidated entity's ownership interest. This is continued until the profits or losses are realised by the joint venture partnership on consumption or sale, unless they related to an unrealised loss that provides evidence of the impairment of an asset transferred.

Revaluation of plant and equipment within the Distribution Partnership

ActewAGL Distribution Partnership's accounting policies for their electricity and gas assets are adjusted such that it aligns to Icon Water Group's accounting policy on property, plant and equipment assets accounted for at Fair Value. Revaluations are performed at the end of every five-year regulatory period (assessed separately for the electricity and gas assets) or whenever there have been significant changes in the longer term expectations of Icon Water, with adjustments in intervening years as necessary to ensure that movements in observable market measures are appropriately measured.

8. Non-financial assets and liabilities (continued)

Accounting policy

Revaluation of plant and equipment within the Distribution Partnership

Where the inputs have been reset by the Australian Energy Regulator (AER), gas and electricity infrastructure assets are valued by Icon Water using an income approach. The terminal value used is based on the Regulated Asset Base value determined by the AER. The expected net cash flows are then discounted to their present value using a market equivalent risk adjusted discount rate.

In the intervening years throughout the five-year regulatory period, gas and electricity infrastructure assets are valued by application of a market multiples approach only where management has determined that there are no indicators present of significant changes in the longer term expectations of the ActewAGL Distribution Partnership at reporting date.

In performing fair value assessments from a market participant perspective, management will select several publicly traded Australian and internationally based entities with similar characteristics to the ActewAGL Distribution Partnership to form a comparable peer group. The assumptions used in determining the Fair Value assessment adopted at reporting date are detailed in the critical accounting estimate.

Critical Accounting Estimate

Revaluation of plant and equipment within the Distribution partnership

Icon Distribution assesses the fair value of plant and equipment within the ActewAGL Distribution Partnership annually.

Gas assets

The ACT Government's *Climate Change and Greenhouse Gas Reduction (Natural Gas Transition) Amendment Bill* was legislated in June 2023 and formalises its long-term strategy to transition away from fossil-fuel gas and achieve carbon neutrality by 2045. In order to achieve this, it is more than likely that the use of natural gas within the ACT will cease within the next 19-year period. For the year ended 30 June 2026, the fair value of gas assets has been determined by application of an income approach using a discounted cash flow method.

The following key estimates and assumptions underlying the valuation calculations for the current reporting period are:

- estimated future cash flows, based on management's estimates, have been projected over 19 years to 30 June 2045, with no terminal value applied;
- forecasted revenue considers reducing volumes over time and a declining regulated asset base (RAB);
- only nominal capital expenditure is forecast to be incurred until 2045. Investment or growth capital expenditure has not been forecast as the assets are considered to be in good condition with the remaining service life likely able to deliver natural gas until termination by, or before, 2045;
- other operational and incidental expenditures such as taxes and decommissioning costs are also expected to be fully recovered over the forecast period;
- under recoveries due to revenue shortfalls are expected to be recovered in subsequent regulatory periods. Decreasing volumes over the forecast period may result in price increases to the remaining customer base. Management have not included pricing caps in later years where pricing increases are expected;
- the Weighted Average Cost of Capital (WACC) discount rate of 6.30% (2025: 6.20%) has been developed from a market participant perspective and has been applied to discount cash flows and reflects the longer-term view of the risks inherent in the forecast cash flows;

8. Non-financial assets and liabilities (continued)

Critical Accounting Estimate (continued)

Revaluation of plant and equipment within the Distribution partnership (continued)

Gas assets (continued)

- the RAB is expected to be fully recovered over the remaining useful life and it is also assumed that returns are not expected to be recovered beyond an asset's useful life. However, inherent in this assumption is that the Australian Energy Regulator (AER) will allow the RAB base and associated regulatory depreciation to be recovered by 2045 and that customers are able to pay the increased prices; and
- the RAB has been depreciated on a straight-line basis and will have a nil value by the end of the forecast period in 2045.

All estimates regarding future outcomes are based upon the use of scenarios, judgements and assumptions and are subject to risk and uncertainty that may be beyond the control of management, therefore there is a possibility that changes in circumstances will materially alter projections which could lead to changes to estimates in future reporting periods.

Specialist valuation advice has been obtained to perform the income valuation approach and also undertake a correlation using the market-multiples approach to further assess the reasonableness of the valuation outcome. This included calculating implied EV/EBITDA multiples and EV/RAB multiples. In addition to the income valuation approach and the market-multiples approach, an assessment has also been made as to whether there are qualitative factors that could impact the valuation.

The valuation is sensitive to variations in the WACC, consumption volumes, decommissioning costs, regulatory outcomes and assumptions around the estimated useful life of the RAB.

The valuation exercise undertaken for gas assets for the year ended 30 June 2026 resulted in a $24.5 million decrement adjustment (30 June 2025: $16.3 million increment) being required for the equity accounted investment in the partnership reflecting the change in value of Icon Distribution's investment in those underlying assets. This adjustment was recognised in the Asset revaluation reserve.

Electricity assets

For the year ended 30 June 2026, the fair value of electricity assets has been assessed by calculating and applying the market movement in the enterprise value (EV) divided by the regulated asset base (RAB) multiples determined for peer group to the implied value calculated for the ActewAGL Distribution Partnership.

Given the specialised nature of the market multiples valuation, external valuation advice was obtained to determine the EV/RAB multiple range and comparable peer group assessment.

The valuation exercise undertaken for electricity assets for the year ending 30 June 2026 resulted in a $41.6 million increment adjustment (30 June 2025: $50.6 million increment) being required for the equity accounted investment in the partnership reflecting the change in value of Icon Distribution's investment. This adjustment was recognised in the Asset revaluation reserve balance.

For the year ended 30 June 2026, the combined valuation exercise for gas and electricity assets resulted in the recognition of a $17.1 million increment (30 June 2025: $66.9 million increment) in the Asset revaluation reserve.

8. Non-financial assets and liabilities (continued)

d) Property, plant and equipment

	Water network $'000	Sewerage network $'000	Infrastructure land & buildings $'000	Non-infrastructure land & buildings $'000	Plant and equipment at cost $'000	Total $'000
At 1 July 2025						
Cost or fair value	2,134,604	1,483,073	27,159	45,407	38,077	3,728,320
Accumulated depreciation	(21,869)	(92,070)	(52)	(1,187)	(18,615)	(133,793)
Net book amount	2,112,735	1,391,003	27,107	44,220	19,462	3,594,527
Year ended 30 June 2026						
Opening net book amount	2,112,735	1,391,003	27,107	44,220	19,462	3,594,527
Additions	20,964	127,710	987	11,942	3,530	165,133
Depreciation charge	(47,501)	(32,147)	(8)	(533)	(3,222)	(83,411)
Gifted assets	17,019	13,136	-	-	-	30,155
Retirements	-	(684)	-	-	-	(683)
Borrowing costs	2,004	6,068	-	626	9	8,707
Closing net book amount	**2,105,221**	**1,505,087**	**28,086**	**56,255**	**19,779**	**3,714,427**
As at 30 June 2026						
Cost or fair value	2,174,590	1,629,304	28,146	57,975	41,616	3,931,631
Accumulated depreciation	(69,369)	(124,217)	(60)	(1,720)	(21,837)	(217,204)
Net book amount	**2,105,220**	**1,505,087**	**28,086**	**56,255**	**19,779**	**3,714,427**

8. Non-financial assets and liabilities (continued)

d) Property, plant and equipment (continued)

Accounting policy

Acquisition and recognition of assets

The cost method is used for all acquisitions of property, plant and equipment assets. Cost is measured as the purchase price plus incidental costs directly attributable to the acquisition, and an estimate of the costs of dismantling and removing the item at the end of its useful life.

Gifted assets provided free of charge are initially valued at replacement costs of those assets and subsequently revalued as part of the class of property, plant and equipment to which the asset belongs.

Plant and equipment – held at cost

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Water network and sewerage network assets – valuation

Water and sewerage assets are measured at Fair Value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. Revaluations are performed at the end of every five-year regulatory period or whenever there have been significant changes in the longer-term expectations of Icon Water, along with adjustments in intervening years as necessary to ensure that movements in observable market measures are appropriately recorded.

Where the inputs have been reset by the Independent Competition and Regulatory Commission (ICRC), water and sewerage infrastructure assets are valued using an income approach. The terminal value used is based on the Regulated Asset Base value determined by the ICRC. The expected net cash flows are then discounted to their present value using a market equivalent risk adjusted discount rate.

In the intervening years throughout the five-year regulatory period, water and sewerage infrastructure assets are valued by application of a market multiples approach and assessed for reasonableness. The assumptions used in determining the Fair Value assessment adopted at reporting date are detailed in the critical accounting estimate.

Land and building assets – valuation

Land and buildings are shown at Fair Value less subsequent depreciation for buildings. Valuations are undertaken by external independent valuers every three years with the most recent valuation in June 2025 performed by Certified Practicing Valuers.

If the Fair Value of an asset materially differs from its carrying amount outside of the three year valuation cycle, then the asset will be revalued regardless of when the last valuation occurred.

Land and buildings are measured at Fair Value in accordance with AASB 13 *Fair Value Measurement*. Land assets have been valued on the basis of highest and best use. Building assets have been valued with regard to the risk of physical and functional obsolescence. The majority of Icon Water's land and buildings are considered specialised assets and are therefore valued using the current replacement cost approach.

8. Non-financial assets and liabilities (continued)

d) Property, plant and equipment (continued)

Accounting policy (continued)

Accounting impact – changes to Fair Value

Increases in the carrying amounts arising on revaluation of land and buildings and water and sewerage assets are credited, net of tax, to the asset revaluation reserve in shareholder's equity. Any revaluation increase arising on the revaluation of such land and building and water and sewerage assets is recognised in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the profit or loss. In this case the increase is credited to the profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and building and water and sewerage assets is recognised in the profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation

Land is not depreciated and is substantially held under 99-year renewable crown leases in the ACT. Depreciation is calculated using the straight-line method to allocate the assets' cost or revalued amounts, net of their residual values over their estimated useful lives as follows:

	Years
Water network	
Dams	30 - 150
Reservoirs	50 - 100
Treatment plants	20 - 60
Mains	80
Other assets	10 - 80
Sewerage network	
Mains	80
Treatment plants	20 - 60
Sewer tunnels	120
Other assets	10 - 80
Buildings	60
Plant and equipment	5 - 15

Balance of assets under construction

Capital work in progress represents expenditure incurred on assets under construction or development that are not yet available for their intended use. Costs are transferred to the relevant property, plant and equipment asset class upon completion and when the asset is ready for use. Depreciation does not commence until the asset is available for its intended use.

	$'000
Water network	$121,084 (30 June 2025: $96,286)
Sewerage network	$210,496 (30 June 2025: $91,256)
Infrastructure land & buildings	$1,051 (30 June 2025: Nil)
Non-infrastructure land & buildings	$23,449 (30 June 2025: $45,407)
Plant and equipment at cost	$3,422 (30 June 2025: $38,077)

8. Non-financial assets and liabilities (continued)

d) Property, plant and equipment (continued)

Critical Accounting Estimate

Fair value assessment of water and sewerage infrastructure assets

Icon Water assesses the fair value of water and sewerage infrastructure assets annually.

For the year ended 30 June 2026, the fair value of water and sewerage assets has been determined by application of a market-based approach which is then assessed for reasonableness through an income approach using a discounted cash flow method. This approach determines if the carrying value of water and sewerage assessments at year end remain in a reasonable valuation range.

The following key estimates and assumptions underlying the valuation calculations for the current reporting period are:

- estimated future cash flows, based on management's estimate, have been projected over five years and discounted to their present value using the Weighted Average Cost of Capital (WACC) discount rate;
- the WACC applied range 5.95% and 6.2% (2025: 6.0% and 6.3%) has been used to discount cash flows and has been developed from a market participant perspective. The WACC discount rate used is based on external valuation advice and is considered the best estimate of a long-term view of the market cost of capital;
- future capital expenditure, fixed and variable operational expenditure and related revenues relating to restructuring or improving asset performance have been included in the cash flows, as set out in Icon Water's Statement of Corporate Intent 2026-27 and long term cash flow forecast for periods not covered in the Statement of Corporate Intent; and
- the projected regulatory asset base value applied ranged between 1.05 times and 1.20 times (2025: 1.15 x and 1.25x) has been used to compute the terminal value of the valuation.

The valuation exercise for the year ending 30 June 2026 resulted in no adjustment being required for water infrastructure assets (30 June 2025: $145.8 million increment) and no adjustment being required for sewerage infrastructure assets (30 June 2025: Nil). Management has assessed that there are no significant changes in the longer-term expectations of the business.

8. Non-financial assets and liabilities (continued)

e) Leases

This note provides information for leases where Icon Water is a lessee.

i) Amounts recognised in the consolidated balance sheet relating to leases:

	2026	2025
	$'000	$'000
Right-of-use assets		
Vehicles	6,111	6,742
Equipment	324	409
Total right-of-use assets	**6,435**	7,151
Lease liabilities		
Current	2,085	1,726
Non-current	5,918	4,832
Total lease liabilities	**8,003**	6,558

Future undiscounted lease payments in relation to lease liabilities as at 30 June are as follows:

	2026	2025
	$'000	$'000
Within one year	2,279	2,208
Later than one year but not later than five years	6,254	6,284
Later than five years	757	630
	9,290	9,122

Additions to the right-of-use assets during the year were $2.3 million (30 June 2025: $3.8 million).

ii) Depreciation of right-of-use assets recognised in the consolidated statement of profit or loss:

	2026	2025
	$'000	$'000
Depreciation - right-of-use assets		
Buildings	-	321
Vehicles	1,989	1,605
Equipment	23	624
	2,012	2,550

8. Non-financial assets and liabilities (continued)

e) Leases (continued)

Accounting policy

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by Icon Water. The right-of-use assets are recognised at cost comprising of the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets may comprise small items of equipment.

Building lease

Icon Water leased building space at 40 Bunda Street, Canberra City which expired on 8 December 2024 and Icon Water vacated the building at this date.

8. Non-financial assets and liabilities (continued)

e) Leases (continued)

Accounting policy (continued)

Equipment and vehicle leases

Icon Water leases vehicles and equipment which are typically leased for fixed periods of 3 to 12 years. These leases contain both lease and non-lease components. Icon Water has elected to not separate lease and non-lease components and instead accounts for these as a single lease component. This single lease component is used to calculate the right-of-use assets and corresponding liabilities.

Each lease is negotiated on an individual basis, however all equipment and vehicle leases contain similar terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. The leased assets may not be used as security for borrowing purposes.

There are no extension or termination options for the equipment and vehicle leases.

Lease payments

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Depreciation of right-of-use assets

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If Icon Water is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While Icon Water revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings.

8. Non-financial assets and liabilities (continued)

f) Investment property

	Total $'000
Opening balance at 1 July 2025	20,750
Fair value adjustment to investment property	-
Closing balance at 30 June 2026	**20,750**

Accounting policy

Measurement

Investment properties, principally freehold office buildings, are held for long-term rental yields and are not occupied by the Group. They are carried at fair value. Changes in fair values are presented in profit or loss as part of other income.

Valuation

Valuations are undertaken every year by Certified Practising Valuers. When an independent external valuation is not undertaken at the end of a reporting period, Icon Water updates the assessment of the fair value of each property, taking into account the most recent independent valuations.

Impairment

At each reporting date, the Group assesses, whether there is any indication that an asset may be impaired. If such an indication of impairment exists, the Group estimates the recoverable amount of the asset. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the recoverable amount write-down occurs. For investment properties held at fair value, changes in fair value are recognised in the profit or loss as part of other income.

Lease income

No rental income was recognised by Icon Water during the financial year on the investment property (2025: $Nil).

8. Non-financial assets and liabilities (continued)

g) Intangible assets

	Computer software $'000	Carbon credits $'000	Total $'000
At 1 July 2025			
Cost or fair value	71,121	2,087	73,208
Accumulated amortisation and impairment	(51,697)	-	(51,697)
Net book amount	19,424	2,087	21,511
Year ended 30 June 2026			
Opening net book amount	19,424	2,087	21,511
Additions	4,019	-	4,019
Amortisation charge	(5,553)	-	(5,553)
Retirements	**(572)**		**(572)**
Closing net book amount	**17,318**	**2,087**	**19,405**
At 30 June 2026			
Cost or fair value	74,568	2,087	76,655
Accumulated amortisation and impairment	(57,250)	-	(57,250)
Net book amount	**17,318**	**2,087**	**19,405**

Accounting policy

Carbon credits

Carbon credits are recognised at cost when received and are subsequently measured at fair value. Fair value is calculated by referencing market prices for an Australian Carbon Credit Unit. Carbon credits are subject to an annual impairment test and are disposed of when surrendered or sold.

Computer software

Icon Water capitalises and amortises specific-use computer software, such as its Works Asset Management System, Geospatial Information System and design drawing software. Computer software includes capitalised development costs being an internally generated intangible asset.

Cloud computing arrangements

Icon Water has a number of cloud computing arrangements that provide it with the right to access the cloud-based software over a contracted period. Costs incurred to configure or customise, and the ongoing fees to obtain access to such software, are recognised as operating expenses when the services are received. Some additional costs are incurred for the development of software code. Where this development enhances or creates additional capability to existing systems and meets the definition of, and recognition criteria, for an intangible asset, it is recognised as a software asset.

Amortisation methods and useful lives

The Group amortises software intangible assets with a limited useful life using the straight-line method over 5 - 9 years.

8. Non-financial assets and liabilities (continued)

g) Intangible assets (continued)

Accounting policy (continued)

Impairment

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If such an indication of impairment exists, the Group estimates the recoverable amount of the asset. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the recoverable amount write-down occurs.

For assets held at fair value a revaluation increase is recognised in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the profit or loss, in which case the increase is credited to the profit or loss to the extent of the decrease previously expensed.

Critical Accounting Estimate

Configuration and customisation in cloud computing arrangements

Some customisation and configuration activities undertaken in implementing cloud computing arrangements entail the development of software code that enhances or modifies, or creates additional capacity to, existing on-premise systems. Judgement is applied in determining whether the benefits from these costs meet the definition of, and recognition criteria for, an intangible asset in AASB 138 *Intangible Assets.*

Costs that do not result in intangible assets are expensed as incurred, unless they are paid to the suppliers of the cloud computing arrangement to significantly customise the cloud-based software for the Group, in which case the costs are recognised as a prepayment for services and amortised over the expected renewable term of the contractual or service arrangement.

8. Non-financial assets and liabilities (continued)

h) Provisions

	Current		Non-Current	
	2026	2025	**2026**	2025
	$'000	$'000	**$'000**	$'000
Employee entitlements	22,525	21,173	2,812	2,147
Employee entitlements – seconded employees	4,250	4,085	-	-
Other employee related provisions	1,935	-	-	-
Workers' compensation provisions	185	285	1,740	2,427
Provision for dividend	9,898	25,827	-	-
Provision for make good restoration	934	289	4,430	4,635
Provision for service agreement expiry	-	3,000	-	-
	39,727	54,659	**8,982**	9,209

The movements in each class of provision during the financial year, other than employee entitlements and provision for dividends (refer to note 6), is set out below:

	Other employee related provisions	**Workers' compensation[1]**	**Make good restoration[2]**	**Service agreement expiry[3]**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 July 2025	-	2,711	4,924	3,000	10,633
Additional provision recognised in the year	1,935	134	440	-	2,509
Credited to profit or loss	-	(425)	-	(1,759)	(2,184)
Used during the year	-	(495)	-	(1,241)	(1,736)
Carrying amount at 30 June 2026	**1,935**	**1,925**	**5,364**	**-**	**9,222**

Accounting policy

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Wages and salaries

Liabilities for wages and salaries (including on-costs) expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employee services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

[1] *Includes pre-1989 workers' compensation provisions.*
[2] *Estimated cost to Icon Water to remediate surplus network assets under the Utilities Act 2000.*
[3] *Estimation of costs payable to the ActewAGL Distribution Partnership in relation to the termination of the Corporate Services Agreement which concluded on 31 December 2025.*

8. Non-financial assets and liabilities (continued)

h) Provisions (continued)

Accounting policy (continued)

Annual, sick and long service leave

A liability for annual, sick and long service leave (where employees have been employed by Icon Water for seven years or greater) is recognised as a current provision for employee benefits. Under AASB 119 *Employee Benefits*, leave entitlements that are not expected to be wholly settled in 12 months must be discounted to a present value.

An employee who has completed seven years' service with a single employer is entitled to long service leave for the period of the service and is therefore classified as a current provision. Long service leave less than seven years is measured as a non-current provision for employee benefits. Long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels and for long service leave, expectation of employee departures and periods of service.

Expected future payments are discounted using interest rates on high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

8. Non-financial assets and liabilities (continued)

i) Deferred tax balances

	2026 $'000	2025 $'000
Net deferred tax (liability)/asset		
At the beginning of the financial year	(660,797)	(602,243)
Income tax credited/(charged) to the income statement (Refer note 5a)	6,505	5,878
Over/Under provision in prior years (i)	(1,005)	-
Income tax credited/(charged) to other comprehensive income and equity (Refer note 5c)	(5,125)	(64,431)
At the end of the financial year	**(660,422)**	(660,797)

(i)This amount relates to deferred tax adjustments identified in respect of prior periods and is presented separately to reconcile the movement between opening and closing deferred tax balances. It does not form part of the current year income tax expense components.

The composition of the Group's deferred tax assets and liabilities recognised in the balance sheet and the deferred tax expense charged/(credited) to the income statement is as follows:

	Deferred tax balance		(Credited)/charged to the income statement	
	2026 $'000	2025 $'000	**2026 $'000**	2025 $'000
Trade and other receivables	366	402	37	3
Employee entitlements	11,819	4,102	(7,717)	133
Other provisions and accruals	1,148	8,056	6,925	(589)
Contract liabilities	6,594	6,175	(937)	(1,902)
Lease liabilities	470	1,450	(433)	(534)
Deferred tax assets	**20,397**	20,185	**(2,126)**	(2,889)
Contract assets	(721)	(32)	688	32
Property, plant and equipment	(192,461)	(203,126)	(6,498)	(5,015)
Right-of-use assets	-	(1,899)	(215)	482
Investment property	(5,068)	-	107	-
Prepayments	(29)	-	29	-
Intangible assets	(2,287)	(3,601)	(1,315)	(1,218)
Investments accounted for using the equity method	(69,526)	(66,723)	2,824	2,731
Asset revaluation reserve	(410,727)	(405,602)	-	-
Deferred tax liabilities	**(680,818)**	(680,983)	**(4,380)**	(2,989)
Total deferred tax balances	**(660,422)**	(660,797)	**(6,505)**	(5,878)

Accounting policy

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to use those temporary differences and losses.

9. Equity

a) Share capital

Movements in fully paid authorised shares:

	Number of shares	Total $'000
Balance as at 1 July 2025	2	758,871
Balance as at 30 June 2026	**2**	**758,871**

Icon Water Limited does not have a limited amount of authorised capital.

Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern so they continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure while maintaining financial flexibility to accommodate future investments.

The gearing ratios at 30 June 2026 and 30 June 2025 were as follows:

	2026	2025
	$'000	$'000
Total debt (note 7d)	2,080,754	1,966,311
Total equity	2,184,726	2,146,946
	4,265,480	4,113,257
Gearing ratio	48.8%	47.8%

Icon Water has used the gearing ratio of debt (total borrowings) over capital (total equity plus total debt) to monitor its capital position.

b) Reserves

	2026	2025
	$'000	$'000
Asset revaluation reserve	1,034,764	1,022,809
Total reserves	**1,034,764**	1,022,809

The movement in the asset revaluation reserve during the financial year is as follows:

	2026	2025
	$'000	$'000
Balance at the beginning of the financial year	1,022,809	872,470
Revaluation – net of tax		
Investment in ActewAGL partnerships (Plant and equipment)	11,955	46,856
Property, plant and equipment	-	103,483
Balance at the end of the financial year	**1,034,764**	1,022,809

Accounting policy

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. In the event of an asset sale or disposal, any balance in the reserve in relation to the asset is transferred to retained profits.

10. Remuneration of auditors

During the year the following fees were paid or payable for audit services provided by the auditor of the Group, the ACT Audit Office:

	2026 $	2025 $
Fees for the audit and review of the financial report and sustainability report of the Icon Water Group	547,603	442,338
Total remuneration of auditors	**547,603**	442,338

No other services were provided by the ACT Audit Office to the Icon Water Group during the year ended 30 June 2026.

Group structure

11. Investment in controlled entities

a) Significant investments in subsidiaries

			Equity holding	
Name of entity	**Country of incorporation**	**Class of shares**	**2026 %**	**2025 %**
Icon Distribution Investments Limited	Australia	Ordinary	100	100
Icon Retail Investments Limited	Australia	Ordinary	100	100

Accounting policy

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of Icon Water and its controlled entities as at 30 June 2026 and the results for the period then ended.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation.

Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

12. Interests in joint ventures

a) Joint venture partnership - ActewAGL Partnerships

Icon Retail Investments Limited entered into a joint venture partnership with AGL ACT Retail Investments Pty Ltd to manage the retail operations of the ACT electricity and gas networks. Icon Distribution Investments Limited entered into a joint venture partnership with Jemena Networks (ACT) Pty Ltd to manage the ACT electricity network and the ACT, Queanbeyan and Nowra gas networks.

Both entities have a 50% participating interest in their respective joint ventures. Information relating to the joint venture partnerships is presented in accordance with the accounting policy described below and is set out as follows:

	2026	2025
	$'000	$'000
Share of ActewAGL Partnership's commitments		
Capital commitments	6,690	9,032
	6,690	9,032

b) Contingent liabilities relating to joint ventures

Claims

There are no contingent public liability insurance claims against the ActewAGL partnerships at year end. The Group's share of the partnerships' contingent liability is nil at 30 June 2026 (30 June 2025: nil).

Bank guarantees

A number of bank guarantees have been provided by the ActewAGL partnerships for the normal operations of the business. Each of the partners in the ActewAGL Partnerships is jointly and severally liable for the debts of the partnership.

These have not been recognised in the consolidated balance sheet.

13. Parent entity financial information

a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2026	2025
	$'000	$'000
Balance sheet		
Current assets	244,743	276,506
Total assets	4,830,013	4,744,045
Current liabilities	82,928	278,724
Total liabilities	2,759,358	2,699,213
Net assets	**2,070,655**	2,044,831
Share capital	758,871	758,872
Reserves		
Asset revaluation reserve	907,771	907,771
Retained profits	404,013	378,188
Total equity	**2,070,655**	2,044,831
Profit for the year	**68,495**	61,464
Total comprehensive income	**-**	164,947

b) Guarantees entered into by the parent entity

The parent entity bank guarantees at 30 June 2026 are nil (30 June 2025: nil).

c) Contingent liabilities of the parent entity

The parent entity contingent liabilities at 30 June 2026 are referred to in note 14.

d) Contractual commitments for the acquisition of property, plant or equipment

The parent entity contractual commitments for the acquisition of property, plant and equipment at 30 June 2026 are referred to in note 15.

Accounting policy

The financial information for the parent entity, Icon Water Limited, has been prepared on the same basis as the consolidated financial statements.

Unrecognised items

14. Contingencies

Contingent liabilities

Claims

Entities within Icon Water are involved in other disputes in the normal course of operations. The directors believe that material losses (including costs) are not anticipated in resolving those claims.

15. Commitments for expenditure

Capital and operating commitments

	2026	2025
	$'000	$'000
Capital expenditure commitments (i)	320,693	456,298
Other expenditure commitments (ii)	67,471	116,001

(i) On 15th November 2024, Icon Water entered into a contract with a major projects partner to upgrade and modernise the main wastewater treatment plant.

(ii) On 9 September 2021, Icon Water entered into a Retail Customer Services Agreement with ActewAGL Retail Partnership to provide retail services from 1 July 2023. The expenditure commitments include these contracts as well as general expenditure commitments.

16. Events occurring after the reporting period

On 10 August 2026, the ActewAGL Distribution Partnership (which Icon Distribution Investments Limited is a partner of) entered into a $50 million unsecured revolving working capital facility with a term of 12 months, subject to annual review. The facility was established to provide short-term liquidity support for the administration of the Large-scale Feed-in Tariff (LFiT) Scheme, including funding temporary timing differences between amounts recovered through ACT electricity retailer charges and amounts payable to renewable energy generators.

As at the date of approval of these financial statements, $2.5 million had been drawn under the facility.

The establishment of the facility and the related drawdowns represent non-adjusting events occurring after the reporting date and, accordingly, have not resulted in any adjustment to the amounts recognised in these financial statements as at 30 June 2026.

No matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

Key management personnel and related parties

17. Key management personnel

Key management personnel composition

The key management personnel (KMP) of the Group includes the Managing Director and only their direct reports who have authority and responsibility for planning, directing and controlling the activities of Icon Water. It also includes the following persons who held office as directors of Icon Water during the whole of the financial year and up to the date of this report unless otherwise indicated. KMP during the year ended 30 June 2026 were:

Name	Position
Non-Executive Directors	
Carol Lilley	Independent Non-Executive Director, Chair
Peter Dennis	Independent Non-Executive Director, Deputy Chair (Term concluded 1 May 2026)
Dr Helen Locher	Independent Non-Executive Director (Term concluded 1 May 2026)
Julie-Anne Schafer	Independent Non-Executive Director, Deputy Chair (from May 2026)
Geoffrey Buchanan	Independent Non-Executive Director
Dr Warren Mundy	Independent Non-Executive Director
Dr Nadine White	Independent Non-Executive Director
Senior Executives	
Ray Hezkial	Managing Director[1](1 July 2025 to 20 March 2026)
Joy Yau	Interim Managing Director[2] (From 25 May 2026) Interim Chief Executive Officer (From 23 March 2026 to 25 May 2026) Chief Financial Officer (1 July 2025 to 23 March 2026)
Virat Behla	Acting Chief Financial Officer[2] (From 23 March 2026)
Dr Tony Pollock	Chief Technology Officer
Davina McCormick	General Manager Customer Engagement
Gerard Brierley	General Manager Infrastructure Services (term concluded 8 November 2024)
Cameron Brown	Acting General Manager Infrastructure Services (4 November 2024 – 21 April 2025)
Dr Nicole Davis	General Manager Infrastructure Services (appointed 22 April 2025)
Alison Pratt	General Counsel
Mark Mulligan[3]	General Manager People, Health & Safety

[1] Ray Hezkial commenced a period of temporary leave without pay on 20 March 2026 to undertake the role of Interim Chief Executive Officer of the ActewAGL Joint Venture while a recruitment process was conducted to permanently fill the position. Up to that date, Mr Hezkial was remunerated in accordance with his Annual Remuneration Agreement. During the period of leave, his existing leave balances and other employment entitlements were preserved. Mr Hezkial's employment with Icon Water concluded on 18 August 2026 following his appointment to the Chief Executive Officer position on a permanent basis.

[2] Joy Yau commenced as interim Chief Executive Officer from 23 March 2026 and as interim Managing Director from 25 May 2026. Virat Behla is undertaking the role of Acting Chief Financial Officer.

[3] Mark Mulligan concluded with Icon Water on 1 July 2026.

17. Key Management Personnel (continued)

Key management personnel compensation

The aggregate compensation made to key management personnel (KMP) of the Group is set out below:

	2026	2025
	$'000	$'000
Short-term employee benefits	3,322	3,241
Post-employment benefits	261	263
Other long-term benefits	56	65
Termination benefits	175	-
Total benefits	**3,814**	3,569

The compensation of KMP of the Group for the current year is set out on the following pages. The compensation disclosed relates only to the period of time the individual was considered to be a KMP.

Senior Executive remuneration

In accordance with the requirements of the *Territory-owned Corporations Act 1990*, only the five most highly remunerated officers (other than directors) are to be individually disclosed. Icon Water has chosen to voluntarily disclose the total remuneration paid to all persons who met the criteria for Senior Executive KMP during the financial year on the following page.

17. Key management personnel (continued)

		Short-term employee benefits		Post-employment benefits	Other long-term benefits	Termination Benefits	Total
		Salary & fees	Non-monetary benefits	Superannuation [1]	Employee entitlements	Termination Benefits	
		$	$	$	$		$
Senior Executive KMP							
Ray Hezkial[3]	**2025-26**	**502,945**	**4,825**	**22,154**	**7,713**	-	**537,637**
	2024-25	677,669	5,825	30,115	18,165	-	731,774
Joy Yau [3]	**2025-26**	**465,849**	**5,937**	**31,443**	**14,399**	-	**517,628**
	2024-25	380,404	4,938	30,115	10,800	-	426,257
Dr Tony Pollock	**2025-26**	**401,379**	**3,731**	**30,714**	**9,922**	-	**445,746**
	2024-25	369,780	3,370	30,115	8,765	-	412,030
Davina McCormick	**2025-26**	**369,251**	**3,512**	**30,608**	**9,333**	-	**412,704**
	2024-25	360,168	3,172	30,115	9,742	-	403,197
Gerard Brierley [2]	**2025-26**	**-**	**-**	**-**	**-**	-	**-**
	2024-25	138,703	1,486	10,962	-	-	151,151
Cameron Brown [2]	**2025-26**	**-**	**-**	**-**	**-**	-	**-**
	2024-25	131,451	1,183	13,944	2,168	-	148,746
Dr Nicole Davis [2]	**2025-26**	**375,712**	**3,623**	**30,674**	**11,534**	-	**421,543**
	2024-25	74,384	12,590	7,566	-	-	94,990
Alison Pratt	**2025-26**	**367,947**	**5,525**	**30,586**	**2,030**	-	**406,088**
	2024-25	339,999	5,090	30,115	9,683	-	384,887

17. Key management personnel (continued)

		Short-term employee benefits		Post-employment benefits	Other long-term benefits	Termination Benefits	Total
		Salary & fees	Non-monetary benefits	Superannuation (1)	Employee entitlements	Termination Benefits	
		$	$	$	$		$
Senior Executive KMP							
Virat Behla(4)	**2025-26**	**103,963**	**1,764**	**5,432**	**1,415**	-	**112,574**
	2024-25	-	-	-	-	-	-
Mark Mulligan(5)	**2025-26**	**330,926**	**3,307**	**30,689**	**-**	**174,657**	**539,579**
	2024-25	339,338	2,986	30,115	5,398	-	377,837
Total Senior Executive KMP	**2025-26**	**2,917,972**	**32,224**	**212,300**	**56,347**	**174,657**	**3,393,499**
	2024-25	2,811,896	40,640	213,162	64,721	-	3,130,419

(1) Superannuation is calculated on an accrual basis. Superannuation contributions are generally made in accordance with tax concession guidelines.

(2) Gerard Brierley concluded with Icon Water on 8 November 2024. Cameron Brown was appointed acting General Manager Infrastructure Services Group from 4 November 2024 to 21 April 2025. Dr Nicole Davis was appointed to the role on 22 April 2025. Mr Brown returned to his substantive position after this date.

(3) Ray Hezkial commenced a period of temporary leave without pay on 20 March 2026 to undertake the role of interim Chief Executive Officer of the ActewAGL Joint Venture while a recruitment process was conducted to permanently fill the position. Up to that date, Mr Hezkial was remunerated in accordance with his Annual Remuneration Agreement. During the period of leave, his existing leave balances and other employment entitlements were preserved. Mr Hezkial's employment with Icon Water concluded on 18 August 2026 following his appointment to the ActewAGL Chief Executive Officer position on a permanent basis.

(4) Joy Yau commenced as interim Chief Executive Officer from 23 March 2026 and as interim Managing Director from 25th May 2026 while Ray Hezkial undertook an interim Chief Executive Officer role for the ActewAGL Joint Venture. Virat Behla is undertaking the role of acting Chief Financial Officer.

(5) Mark Mulligan concluded with Icon Water on 1 July 2026.

17. Key management personnel (continued)

Non-Executive Director remuneration

		Short-term employee benefits		Post-employment benefits	
		Board & Committee fees $	Non-monetary benefits $	Superannuation[4] $	Total remuneration $
Non-Executive Directors					
Carol Lilley	**2025-26**	**90,888**	**-**	**11,815**	**102,703**
	2024-25	87,618	660	11,390	99,668
Peter Dennis [3]	**2025-26**	**61,015**	**-**	**7,932**	**68,947**
	2024-25	68,438	-	8,897	77,335
Dr Helen Locher [3]	**2025-26**	**38,102**	**-**	**4,953**	**43,055**
	2024-25	44,957	-	5,844	50,801
Julie-Anne Schafer	**2025-26**	**45,409**	**-**	**5,903**	**51,312**
	2024-25	44,957	-	5,844	50,801
Geoffrey Buchanan	**2025-26**	**45,409**	**-**	**5,903**	**51,312**
	2024-25	44,957	725	5,844	51,526
Dr Warren Mundy	**2025-26**	**45,409**	**-**	**5,903**	**51,312**
	2024-25	44,957	-	5,844	50,801
Dr Nadine White [2]	**2025-26**	**45,409**	**-**	**5,903**	**51,312**
	2024-25	-	-	-	-
Wendy Caird [1]	**2025-26**	**-**	**-**	**-**	**-**
	2024-25	11,832	-	1,538	13,370
Total Non-Executive Director KMP	**2025-26**	**371,641**	**-**	**48,312**	**419,953**
	2024-25	386,761	1,385	50,277	438,423

(1) Wendy Caird served as Icon Water Chair until term concluded on 17 August 2024.
(2) Dr Nadine White was appointed to the Board on 18 August 2024.
(3) Peter Dennis and Dr Helen Locher terms on the Icon Water board concluded on 1 May 2026.
(4) Superannuation contributions are made on behalf of Non-Executive Directors in accordance with statutory obligations. Individual Non-Executive Directors may obtain approval from the Australian Taxation Office to be exempt from receiving superannuation contribution payments from Icon Water due to these obligations being met by other employers. Where this occurs, the obligatory superannuation contribution is paid directly to the individual Non-Executive Director as cash and included within their total fees payment.

17. Key management personnel (continued)

Accounting policy

Short-term employee benefits

Short-term employee benefits include all recreation leave accrued for during the period.

Non-monetary benefits are free or subsidised goods or services received in the current period, such as car parking expenses, gym fees, income protection insurance and professional membership fees including fringe benefits tax, where applicable.

Other long-term benefits

Other long-term benefits include all long service leave accrued during the financial year after the individual has reached one year of service.

Termination Benefits

Termination benefits comprise amounts payable as a result of the termination of employment before the contract end date, or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

18. Related party transactions

Transactions with key management personnel

There have been no related party transactions with directors and their related parties apart from those disclosed in the key management personnel note (note 17), and water and sewerage invoices issued on an arm's length basis (30 June 2025: nil).

Parent entities

The wholly-owned group consists of Icon Water and its controlled entities. These entities are Icon Retail Investments Limited and Icon Distribution Investments Limited.

The following transactions occurred with related parties:

	2026	2025
	$	$
Wholly-owned controlled entities:		
Dividend revenue	54,298,634	63,509,141
Income tax equivalents expense to the ACT Government	30,101,808	25,595,266
Aggregate amounts receivable from and payable to entities in the wholly-owned groups at balance date were as follows:		
– Current receivables (tax funding agreement)	20,515,174	24,794,619
– Current receivables (other)	54,298,634	63,509,141
– Current payables and other (dividends)	10,415,637	25,826,889
– Non-interest bearing loans	847,450,919	828,473,731

The parent entity in the wholly-owned group is Icon Water Limited.

Ownership interests in related parties

Interests held in the controlled entities are set out in note 11.

18. Related party transactions (continued)

Other related parties

The results of the ActewAGL Joint Venture partnerships, which is 50% owned by Icon Water through its subsidiaries, Icon Retail Investments Limited and Icon Distribution Investments Limited are accounted for using the equity method.

The following transactions occurred directly between the ActewAGL Joint Venture Partnerships and Icon Water Limited. These transactions occur under commercial arrangements agreed between both parties:

	2026	2025
	$	$
Purchase and sale of goods and services:		
– Purchase of goods and services(i)	32,973,321	37,564,399
– Sale of goods and services(ii)	10,386,417	5,241,346
Aggregate amounts receivable from and payable to joint venture partnerships at balance date:		
– Current receivables (ii)	7,417,802	5,496,439
– Current accounts payables and other(i)	3,323,223	7,350,395

(i) Purchases of goods and services includes the Corporate Services Agreement expense of $9.3m (2025: $15.5m), Retail Customer Services Agreement cost of $8.1m (2025: $7.7m), $3.1m for the upgrade and modernisation associated with the main wastewater treatment project (2025: Nil) with the remainder relating to purchases, including gas and electricity, outside of these agreements.

(ii) Sale of goods and services includes the sales of water and sewerage services from Icon Water to the ActewAGL Joint Venture Partnership $0.1m (2025: $0.6m), recovery of employment costs of Icon Water employees seconded to the ActewAGL Joint Venture Partnerships $9.3m (2025: $4.6m).

Consolidated Entity Disclosure Statement

The consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* is as follows:

Entity Name	Entity Type	Body corporate country of incorporation	Body corporate % of share capital held	Country of tax residence
Icon Water Limited	Body Corporate	Australia	100%	Australia
Icon Distribution Investments Limited	Body Corporate	Australia	100%	Australia
Icon Retail Investments Limited	Body Corporate	Australia	100%	Australia

Directors' declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 19 to 70 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Australian Accounting Standards – General Purpose Financial Statements – Simplified Disclosures, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

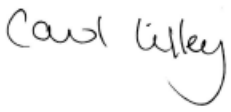
  (ii) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable (refer to note 1a); and

(c) the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* is true and correct.

The financial statements were authorised for issue by the directors on 15 September 2026. The directors have the power to amend and reissue the financial statements.

This declaration is made in accordance with a resolution of directors.



Carol Lilley
Chair

Canberra
15 September 2026



Joy Yau
Interim Managing Director

Canberra
15 September 2026



Julie-Anne Schafer
Risk and Assurance Committee, Chair

Canberra
15 September 2026

Icon Distribution Investments Limited

ABN 83 073 025 224

ANNUAL REPORT

For the year ended
30 June 2026

Icon Distribution Investments Limited

ABN 83 073 025 224

Annual Report for the year ended 30 June 2026

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The financial statements are for Icon Distribution Investments Limited (Icon Distribution) as an individual entity. The financial statements are presented in Australian dollars (AUD).

Icon Distribution Investments Limited is a company limited by shares, incorporated and domiciled in Australia. Its principal registered office is:

12 Hoskins Street
Mitchell ACT 2911

A description of the nature of the entity's operations and its principal activities is included in the Directors' report on page 9, which does not form part of the financial statements.

The financial statements were authorised for issue on 15 September 2026. The directors have the power to amend and reissue the financial statements.

Directors' Report

The directors present the financial report of Icon Distribution Investments Limited (Icon Distribution) for the year ended 30 June 2026.

Directors

The following persons held office as directors of Icon Distribution during the whole of the financial year and up to the date of this report unless otherwise indicated:

Carol Lilley, Chair
BCom, CIA, CGAP, FCA, GAICD

Appointed 1 April 2013

Carol Lilley was appointed to the Icon Water Board in April 2013 and to the boards of Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2017. Due to her specialist financial expertise and extensive knowledge of Icon Water's business, Ms Lilley was appointed as Chair of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited and the Icon Water Remuneration and Nominations Committee in August 2024, having previously served as Deputy Chair from March 2017. Ms Lilley was also Chair of Icon Water Board's Risk and Assurance Committee until her appointment as Chair of the Icon Water Board. Ms Lilley was a Member of the ActewAGL Partnerships Board from February 2023 to August 2026, including service as Chair from November 2023 to 2025. Ms Lilley continues to serve as an Alternate Board member.

Ms Lilley is a full-time independent board director and Audit Committee Member. She was a Partner of an accounting firm and a financial statement and internal auditor for nearly 20 years. Her experience is in governance and assurance including financial statement audit, internal audit and project and risk management, with a particular focus on government.

Ms Lilley has various governance roles for Commonwealth Government entities including as a Member/Chair of the Department of the Treasury and Department of Industry, Science and Resources Audit and Risk Committees, amongst others. Ms Lilley is a Graduate of the Australian Institute of Company Directors, Fellow of Chartered Accountants Australia and New Zealand, was a registered company auditor and is a certified internal auditor.

Directors (continued)

Julie-Anne Schafer, Director
LLB (Hons), ANZIIF, FAICD

Appointed 16 November 2021

Julie-Anne Schafer was appointed to the Icon Water Board in November 2021 and was appointed as Deputy Chair in July 2026. She is a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. Ms Schafer's appointment was extended for a second three-year term in November 2024. Ms Schafer was appointed as Chair of the Risk and Assurance Committee from 30 June 2026. Ms Schafer was appointed as a Member of the ActewAGL Partnerships Board in July 2022 and as Chair of the ActewAGL Safety, Audit and Risk Committee in October 2022. In October 2025 she was appointed Deputy Chair of the ActewAGL Partnerships Board.

Ms Schafer has extensive directorship experience including highly regulated sectors. Ms Schafer was a non-executive director of Urban Utilities and Chair of the Audit, Finance and Risk Committee and member of the Experience and Safety Committee for Urban Utilities. She is Chair of Peak Services Holdings Pty Ltd, Peak Services Pty Ltd and Local Buy Pty Ltd and AgCarE Services Pty Ltd. Ms Schafer is Chair of the board of the Australian Reinsurance Pool Corporation and is a non-executive member of the Office of the National Rail Safety Regulator. She previously served as President of the National Competition Council and chairs several Audit and Risk Committees. Ms Schafer was a partner in professional legal service firms. She is a former Deputy Chancellor of QUT, President of the Queensland Law Society, and Chair of Queensland's largest mutual.

She holds a Bachelor of Laws with Honours and is a Fellow of the Australian Institute of Company Directors. She facilitates in Governance and the Practice of Directorship, Risk and Strategy in the Company Director Course, for the Australian Institute of Company Directors.

Directors (continued)

Geoffrey Buchanan, Director

Assoc DipBus, BBus (with Distinction), BSc (Hons), MGeogSc, MAICD

Appointed 10 July 2023

Geoffrey Buchanan was appointed to the Icon Water Board in July 2023. He is a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. He joined the Risk and Assurance Committee in February 2026. Mr Buchanan's appointment was extended for a second three-year term from July 2026.

Mr Buchanan has more than 20 years of community engagement experience working with First Nations communities and in the ACT community sector. He is currently Senior Policy Officer (Living Affordability including Energy) at Queensland Council of Social Service.

From July 2022 to July 2024, Mr Buchanan was Research Fellow at the Centre for Indigenous Policy Research at the Australian National University, where he had previously worked on community-based and collaborative research projects from 2004–2012. From 2013–2015, he worked in the Native Title Research Unit at the Australian Institute of Aboriginal and Torres Strait Islander Studies with a focus on supporting native title governance by Prescribed Bodies Corporate.

Mr Buchanan has developed strong links with the ACT community through various roles in the community sector. Until February 2026, he was Policy Advocacy and Business Development Director at Care Inc. From 2015–2022, he was a Senior Policy Officer at the ACT Council of Social Service. Through these roles he has represented energy and water consumers' interests on several consumer and community consultative committees. He has also been a member of Energy Consumers Australia's Board Reference Committee and Council on the Ageing Australia Energy Advocates group. Mr Buchanan has served as a Director on the boards of Council on the Ageing ACT, Care Inc., and Community Radio 2XX FM, and is currently Deputy Chair of ACT Shelter's Executive Committee.

Mr Buchanan has an Associate Diploma of Business (Management), a Bachelor of Business (with Distinction), a Bachelor of Science (Honours) in Australian Environmental Studies and a Masters in Geographical Sciences. Mr Buchanan is a Member of the Australian Institute of Company Directors.

Directors (continued)

Dr Warren Mundy, Director

BSc (Hon UNSW), DipEc (Syd), MPhil PhD (Cantab), GradCertAppFin (Macq), MEnvLaw (Hons, ANU), FAICD FRAeS

Appointed 1 November 2023

Dr Warren Mundy was appointed to the Icon Water Board in November 2023. He is a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. Dr Mundy was a member of the Risk and Assurance Committee from March 2024 to February 2026. Dr Mundy was appointed as a Member of the ActewAGL Partnerships Board in August 2026.

Dr Mundy is the Managing Director of Bluestone Consulting that has provided regulatory, strategy and policy advice to investors, regulators, providers, and users of a wide range of infrastructure services since 2004. He is currently a member of the Queensland Competition Authority, a Senior Advisor to Dexus Infrastructure and the Australian Property Institute, and a director of First Nations Advocates Against Family Violence, John Curtin House, Reliance Rail, PBSA Finance and Port Hedland International Airport.

He was a Commissioner at the Australian Productivity Commission from 2009 to 2015 and also served as the Australian Competitive Neutrality Commissioner. Dr Mundy has recently undertaken independent reviews of Australia's National Legal Assistance Partnership and the Harmonisation of the Australian Design Rules for the Commonwealth Government.

Dr Mundy served on the board of Airservices Australia for over five years from 2008, over four of which he was the Deputy Chair. He was a member of the Steering Committee for the joint NSW Commonwealth Governments' Sydney Aviation Strategy that led to the decision to build Western Sydney Airport. He has also been a director of Transgrid, the Sydney Desalination Plant, Vicforests, Western Community Legal Services, James Watt College for Higher and Further Education, United Kingdom Airports Operators Association and the National Health Co-operative.

Dr Mundy holds a first-class honours degree in statistics from the University of New South Wales and has master's and doctoral degrees in economics from the University of Cambridge, where he attended Kings College as a Commonwealth Scholar. His doctoral thesis was on the role of the Australian State Governments in economic development. In addition, he has post-graduate qualifications in corporate finance and corporate governance, and a Master of Environmental Law from the Australian National University. He is a fellow of the Australian Institute of Company Directors and the Royal Aeronautical Society.

Directors (continued)

Dr Nadine White, Director
LLB (Hons), BLA, PhD, FAICD

Appointed 18 August 2024

Dr Nadine White was appointed to the Icon Water Board in August 2024. She is a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. Dr White was a member of the Risk and Assurance Committee from September 2024 to September 2026.

She is an experienced independent non-executive director in both the public and private sectors, and has served on boards in the aged care, health, disability, Indigenous affairs, and financial services sectors.

Dr White is currently a Director with Care Connect Ltd, since 2019; Scope Australia Ltd since 2022, Goodwin Aged Care Services since 2023; and in 2024 was appointed Chair of Dietitians Australia. Dr White joined the Nominations Committee of Certified Practicing Accountants (Australia) in 2025.

She has been the Deputy Chair of several boards, including Canberra-based charity Raising Hope Education Foundation, the ACT Minister's Work Health & Safety Council, and the local Bendigo Bank. She has also previously been a member of the ACT Government's Reconciliation Council and is the inaugural convenor of the ACT Mentor Walks program for women.

Prior to becoming a full-time Non-Executive Director, Dr White spent much of her executive career in human resources and workplace relations in large complex organisations. She was Chief People Officer at ANU for ten years.

Dr White has a PhD in organisational change and industrial relations, holds tertiary qualifications in business and law (honours), and is a Fellow of the Australian Institute of Company Directors.

Incoming Directors (post 30th June 2026)

The following person held office as director of Icon Distribution after the end of the financial year and up to the date of this report:

Michele Wong, Director
MEc GradDipAppFin GAICD

Appointed 15 September 2026

Ms Wong joined the Icon Water Board in August 2026 and is also a member of the Icon Water Remuneration and Nominations Committee.

Ms Wong brings extensive experience in the infrastructure sector, across utilities, transport and social infrastructure, as well as deep financial expertise. She has been a director of Transgrid, North Queensland Airports, Interlink Roads and the new Royal Adelaide Hospital PPP. Her executive experience spans CFO roles, infrastructure funds management and investment banking, including five years as CFO at North Queensland Airports, and senior roles at Hastings Funds Management and Macquarie Group where she managed and advised on infrastructure investments and transactions.

Ms Wong is a Graduate of the Australian Institute of Company Directors and an Associate member of CPA Australia. She holds a Master of Economics and qualified as an actuary.

Outgoing Directors

The following persons ceased holding office as directors of Icon Distribution during the financial year:

Peter Dennis, Director

BEng, M Environmental Studies, Dip Mgmt, FIE Aust, CPEng, NER, Int PE (Aus), MAICD

Term concluded 1 May 2026

Peter Dennis was appointed to the Icon Water Board in May 2020 and concluded his second term in May 2026. He was a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. Mr Dennis' appointment was extended for a second three-year term in May 2023 and he was appointed as Deputy Chair of the Icon Water Board in August 2024. Mr Dennis joined the Risk and Assurance Committee in June 2023 and was appointed as Chair of that Committee in August 2024.

Mr Dennis is Market Director Water for Beca Hunter H20, a Director of the NSW Local Government Procurement Board, and Past-President and Director for the Australian Water Association.

Mr Dennis has over 35 years water industry experience in Australia and overseas. He has been the Chief Executive Officer of Seqwater (Bulk Water Utility for South East Queensland); Chief Executive Officer of the Armidale Regional Council; as well as holding senior executive roles with Hunter Water Corporation. Mr Dennis has extensive experience in all aspects of water utility management including strategy development and execution, customer/community consultation, operational leadership, regulator engagement, policy development, infrastructure delivery, ongoing asset management and workforce planning.

He has a strong interest in sustainable urban water management and in ensuring the water industry is resilient against the impact of climate variability. He has also been actively involved in supporting our Pacific neighbours to meet the challenges of sustainable water management.

Mr Dennis was included in the Top 100 most Influential Engineers in Australia (2014 and 2015) and awarded the Newcastle Division of Engineers Australia 'Professional Engineer of the Year' (2009).

Mr Dennis has a Bachelor of Engineering in chemical engineering, Masters of Environmental Studies, a postgraduate Diploma of Management, a Corporate Directors Diploma and has been an Adjunct Professor in Engineering at the University of Newcastle where he lectured in Environmental Process Technologies for over 15 years. Mr Dennis is a Fellow of the Institute of Engineers Australia and a Member of the Australian Institute of Company Directors.

Outgoing Directors (continued)

Dr Helen Locher, Director

BSc (Earth Science), MEnvSc (Environmental Science), PhD (Civil Engineering), GAICD

Term concluded 1 May 2026

Dr Helen Locher was appointed to the Icon Water Board in May 2020 and concluded her second term in May 2026. Dr Locher was also a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited.

Dr Locher has had previous board roles with the Tasmanian Water and Sewerage Corporation (TasWater), the Environmental Protection Agency (Tasmania) and the Resource Management and Planning Commission (Tasmania). She has also been a tribunal member of the Tasmanian Civil and Administrative Tribunal.

Dr Locher has 18 years of experience working in senior roles for Hydro Tasmania, more than 30 years doing international consulting work, and 16 years serving on boards. She has considerable experience working with the water and energy industries, focused on environmental, social and sustainability challenges arising with major infrastructure development and operations across a variety of contexts. She has worked in more than 30 countries and on all continents, and as an independent consultant has delivered assignments for clients including the World Bank, International Finance Corporation, Asian Development Bank, Mekong River Commission, the Zambezi River Authority, the Hydropower Sustainability Alliance and the International Hydropower Association. Dr Locher has received several international awards recognising her significant contributions to better addressing sustainability issues in the global hydropower sector.

Dr Locher has a Bachelor of Science (Earth Science), a Masters of Environmental Science, a PhD in Civil Engineering, and is a Graduate of the Australian Institute of Company Directors

Ray Hezkial, Director

BEng (Civil), DipPM, MBA, MIEAust, MAICD

Director term concluded 20 March 2026

Ray Hezkial was appointed to the Icon Water Board in November 2018 and served as a Director until 20 March 2026, when he stepped down from the Board following his appointment as Interim Chief Executive Officer of ActewAGL. He was a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. Mr Hezkial was a Member of the ActewAGL Partnerships Board from April 2019 until March 2026.

Mr Hezkial joined Icon Water in 2003 and undertook multiple roles prior to his appointment as Managing Director in November 2018. In his previous role as General Manager, Infrastructure Services, Mr Hezkial was responsible for managing Icon Water's capital works program, provision of network operations and all aspects of day-to-day maintenance relating to the ACT's water and sewer reticulation systems.

Mr Hezkial has a Master of Business Administration, Diploma in Project Management, and Bachelor of Engineering (Civil). Mr Hezkial is a Member of the Institute of Engineers Australia and of the Australian Institute of Company Directors.

Company Secretary

Alison Pratt
B.Ec, LLB (Hons), GDLP, GAICD

Alison Pratt, General Counsel, was appointed as the company secretary of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2019.

Ms Pratt is the General Manager of the Governance and Sustainability group and is responsible for driving environmental and social value and sustainability. She leads a multi-disciplinary team who deliver legal and procurement, risk and resilience and environmental services, provide internal audit assurance, manage external relations and is responsible for good governance to enhance transparency, effectiveness and resilience.

Ms Pratt worked in private commercial legal practice in Australia and the United Kingdom prior to joining Icon Water in 2013. Her legal experience includes advising clients from both the private and public sectors on corporate governance, property, environment, construction and planning with a focus on sustainability and place-making through the built form.

Ms Pratt holds a Bachelor of Economics, a Bachelor of Laws with Honours and a Graduate Diploma in Legal Practice. She is admitted to practice law in the Supreme Court of the ACT and is a Graduate of the Australian Institute of Company Directors.

Meetings of directors

The number of director's meetings held in the year and the number of meetings attended by each director who held office during the financial year are:

	Icon Distribution Investments Limited Board	
	A	**B**
Managing Director		
Ray Hezkial	3	4
Non-Executive Directors		
Carol Lilley	6	6
Peter Dennis	4	4
Dr Helen Locher	4	4
Julie-Anne Schafer	6	6
Geoffrey Buchanan	6	6
Dr Warren Mundy	5	6
Dr Nadine White	6	6
Michele Wong	-	-

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the period

Principal activities and review of operations

Icon Distribution holds a 50% interest in the ActewAGL Distribution Partnership. Its operations and the expected results of those operations are dependent on that of the ActewAGL Distribution Partnership. Icon Distribution Investments Limited and Jemena Networks (ACT) Pty Ltd hold the two issued shares in ActewAGL Distribution Investments Pty Ltd as joint tenants of the ActewAGL Distribution Partnership. ActewAGL Distribution Investments Pty Ltd is a holding company for investments of ActewAGL Distribution.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of Icon Distribution during the year.

Trading results and dividends

A dividend of $40,779,936 (2025: $45,827,623) has been declared by the directors to be paid, which is 100% of 30 June 2026 after tax net profit.

Matters subsequent to the end of the financial year

No matters of significance have arisen since the end of the financial year.

Likely developments and expected results of operations

There are no likely developments that will affect the expected results of operations.

Environmental regulations

Icon Distribution has various environmental reporting requirements and obligations in each state and territory that it holds a licence. The licences were issued to the ActewAGL Distribution Partnership and reporting and compliance obligations are undertaken by the Partnership. During the financial year, Icon Distribution materially complied with all requirements in respect to these licences. There have been no recorded incidents of non-compliance with laws or regulations which has resulted in the issuance of directions, sanctions or fines to Icon Distribution.

Insurance of officers and directors

Icon Water had in place during the financial year a package of insurance that included insurance for directors and officers of Icon Water, its controlled entities and the ActewAGL Joint Venture.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of Icon Distribution, other than where such liabilities arise out of conduct involving wilful breach of duty by the officers or the improper use by the officers of their position. The policy also applies if a claim is made against directors or officers after they have left the service of Icon Water, where the claim was over events that occur during their service at Icon Water.

No claim has been made against the officers and directors insurance policy during the 2025-26 financial year.

Indemnity of officers and directors

Icon Water has indemnified officers and directors of Icon Distribution and its controlled entities against liabilities and legal costs arising in the course of their duties. This includes as a director appointed by Icon Water or by a subsidiary company to Icon Water to serve on the board of a company or partnership that is part owned directly or indirectly by Icon Water or by a subsidiary company of Icon Water, to the extent permitted by the *Corporations Act 2001*. This indemnity is to operate only where and to the extent that the director or officer is unable to require an insurer to meet the damage, liability, cost, loss or expense.

No liability has arisen under these indemnities as at the date of this report.

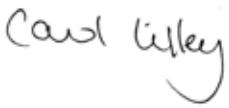
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

Rounding of amounts

Icon Distribution is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission (ASIC), relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed for and on behalf of, and in accordance with a resolution of, the Board of directors.



Carol Lilley
Chair

Canberra
15 September 2026



Julie-Anne Schafer
Director

Canberra
15 September 2026

ACT Audit Office

AUDITOR-GENERAL AN OFFICER OF THE ACT LEGISLATIVE ASSEMBLY

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly and ICON Distribution Investments Limited

Opinion

I have audited the financial report of Icon Distribution Investment Limited (the Company) for the year ended 30 June 2026 which comprise the statement of profit or loss and other comprehensive income, balance sheet, statement of cash flows, statement of changes in equity, directors' declaration and notes to the financial report, including material account policy information and other explanation notes.

In my opinion, the accompanying financial report:

(i) presents fairly, in all material respects, the Company's financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended; and

(ii) is presented in accordance with the Australian Accounting Standards – Simplified Disclosure and the *Corporations Regulations 2001*.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of this report.

I am independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for:

- preparing and fairly presenting the financial report in accordance with the *Australian Accounting* Standards – Simplified Disclosures and the *Corporations Act 2001* and relevant Australian Accounting Standards;

- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and

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- assessing the ability of the Company to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial report.

Auditor's responsibilities for the audit of the financial report

Under the *Financial Management Act 1996*, I am responsible for issuing an audit report that includes an independent opinion on the financial statements of the Company.

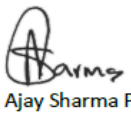
My objective is to obtain reasonable assurance about whether the financial report as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company;
- conclude on the appropriateness of the Company's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Sharma PSM
ACT Auditor-General
15 September 2026

ACT Audit Office

AUDITOR-GENERAL AN OFFICER OF THE ACT LEGISLATIVE ASSEMBLY

Auditor's Independence Declaration to the Directors of Icon Distribution Investments Limited

As the auditor for the audit of the financial report of Icon Distribution Investments Limited for the financial year ended 30 June 2026, I declare to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. no contraventions of any applicable code of professional conduct in relation to the audit; and

c. no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Icon Distribution Investments Limited.

Ajay Sharma PSM
ACT Auditor-General
15 September 2026

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Statement of profit or loss and other comprehensive income

	Note	**2026 $'000**	2025 $'000
Income			
Share of net profit of the joint venture partnership accounted for using the equity method	2	58,257	65,249
		58,257	65,249
Profit before income tax equivalents expense		**58,257**	65,249
Income tax equivalents expense	3a	(17,477)	(19,627)
Profit for the year		**40,780**	45,622
Other comprehensive income			
Revaluation of property, plant and equipment within joint venture investment	5	17,084	66,938
Income tax equivalents expense relating to components of other comprehensive income	3c	(5,125)	(20,081)
Items that will not be reclassified subsequently to profit and loss		**11,959**	46,857
Total comprehensive income for the year		**52,739**	92,479
Total comprehensive income is attributable to:			
Owners of Icon Distribution Investments Limited		**52,739**	92,479

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Balance sheet

	Notes	2026 $'000	2025 $'000
ASSETS			
Non-current assets			
Investments accounted for using the equity method	5	1,095,002	1,067,161
Total non-current assets		**1,095,002**	1,067,161
Total assets		**1,095,002**	1,067,161
LIABILITIES			
Current liabilities			
Dividends payable	4, 14d	40,780	45,621
Total current liabilities		**40,780**	45,621
Non-current liabilities			
Deferred tax balances	7	125,488	117,841
Intercompany loan	6, 14f	801,341	788,264
Total non-current liabilities		**926,829**	906,105
Total liabilities		**967,609**	951,726
Net assets		**127,393**	115,435
EQUITY			
Contributed equity	8	400	400
Reserves	9	126,993	115,035
Total equity		**127,393**	115,435

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of cash flows

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Net cash inflow from operating activities		**-**	-
Cash flows from financing activities			
Net cash (outflow) from financing activities		**-**	-
Net Increase / decrease in intercompany loan		**-**	-

The parent entity, Icon Water Limited, facilitates the cash transactions on behalf of Icon Distribution which is offset by an intercompany loan account. All cash is handled through Icon Water and is reflected in the financial statements of that company.

The above statement of cash flows should be read in conjunction with note 14e.

Statement of changes in equity

	Note	Attributable to the owners of Icon Distribution Investments			
		Contributed equity	**Reserves**	**Retained earnings**	**Total equity**
		$'000	**$'000**	**$'000**	**$'000**
Balance at 1 July 2024		400	68,178	-	68,578
Profit for the year		-	-	45,622	45,622
Other comprehensive income		-	46,857	-	46,857
Total comprehensive income for the year		-	46,857	45,622	92,479
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	4	-	-	(45,622)	(45,622)
Balance at 30 June 2025		400	115,035	-	115,435
Balance at 1 July 2025		400	115,035	-	115,435
Profit for the year		-	-	40,780	40,780
Other comprehensive income		-	11,959	-	11,959
Total comprehensive income for the year		**-**	**11,959**	**40,780**	**52,739**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	4	-	-	(40,780)	(40,780)
Balance at 30 June 2026		**400**	**126,993**	**-**	**127,393**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the financial statements

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operation of the entity, including:

- Accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not provide guidance for a particular type of transaction.
- Analysis and sub-totals.
- Information about estimates and judgments made in relation to particular items are included in the notes.

This section also provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria. It also includes additional information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

1. Material accounting policies
2. Income
3. Income tax equivalents expense
4. Dividends
5. Investments accounted for using the equity method
6. Financial liabilities
7. Deferred tax balances
8. Contributed equity
9. Reserves
10. Remuneration of auditors
11. Contingent liabilities
12. Commitments for expenditure
13. Events occurring after the reporting period
14. Related party transactions
15. Consolidated entity disclosure statement

1. Material accounting policies

The material accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Icon Distribution as an individual entity.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Icon Distribution is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards – Simplified Disclosure Requirements

The financial report of Icon Distribution complies with Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

These financial statements have been prepared on a historical cost convention, unless otherwise stated in the financial statements.

(iii) Early adoption of standards

The directors have not elected under section 334(5) of the *Corporations Act 2001* to early adopt any new Australian Accounting Standard in the current year and they are not expected to have a material impact.

(iv) New and amended standards adopted

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2025 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

(v) Going concern

The financial report has been prepared on a going concern basis. At 30 June 2026, current liabilities exceed current assets by $40.78 million. This deficiency in current assets is managed by an intercompany loan and the Icon Water Group's ability to generate profits, as evidenced by current and prior year results as well as generating positive cash inflow from operating activities, and parent entity support. In the opinion of the directors, Icon Distribution has adequate resources to continue as a going concern and pay its debts as and when they fall due and payable.

(b) Rounding and presentation of amounts

Icon Distribution is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Where applicable, comparative figures have been adjusted to conform to changes in presentation for the current year.

(c) Goods and Services Tax (GST)

Revenues, expenses, assets other than receivables, and liabilities other than payables are recognised exclusive of GST. Receivables and payables are stated inclusive of the amount of GST payable and receivable.

2. Income

	2026 $'000	2025 $'000
Share of net profit from the ActewAGL Distribution Partnership accounted for using the equity method (i)	58,257	65,249
	58,257	65,249

(i) Included in the share of profit is over-recovery of large scale feed-in tariff (LFiT) of $21.1 million (30 June 2025: $33.4 million under-recovery). The ActewAGL Distribution Partnership is subject to a LFiT jurisdictional scheme under which support payments are made by the Partnership to renewable energy generators. The Partnership is required to collect any shortfall between the average contracted prices and the wholesale spot price on behalf of renewable energy generators from electricity customers. These LFiT support payments operate as a pass through to customers. Where the amount recovered exceeds or is below actual contributions paid to relevant parties, an adjustment is made to future prices to reflect this excess or shortfall. No assets or liabilities is recognised as such an adjustment relates to provision of future services.

Accounting policy

Icon Distribution derives all of its income from the ActewAGL Distribution Partnership. Icon Distribution recognises the profit or loss as it is generated by the ActewAGL Distribution Partnership.

3. Income tax equivalents expense

(a) Total income tax equivalents expense comprises:

	2026	2025
	$'000	$'000
Current tax		
Income tax equivalents expense recognised in the current year	15,043	16,869
	15,043	16,869
Deferred tax		
Deferred tax equivalents expense recognised in the current year (Refer note 7)	2,434	2,758
	2,434	2,758
Income tax equivalents expense	**17,477**	19,627

(i) Adjustments for prior periods relates to differences between the income tax equivalents expense calculated for financial statement disclosure and the income tax return lodged in the subsequent financial period.

(b) Numerical reconciliation of income tax equivalents expense to prima facie tax payable:

	2026	2025
	$'000	$'000
Profit before income tax equivalents expense	58,257	65,249
Tax on profit at Australian prima facie tax rate of 30% (2024-25: 30%)	17,477	19,575
Increase/(decrease) in income tax equivalents expense due to:		
Non-deductible expenses	-	94
Post-tax share of results from joint venture partnerships	-	(1)
Adjustments to current tax for prior periods (i)	-	(41)
Income tax equivalents expense	**17,477**	19,627

(i) Adjustments for prior periods relates to differences between the income tax equivalents expense calculated for financial statement disclosure and the income tax return lodged in the subsequent financial period.

(c) Income tax equivalents expense recognised in other comprehensive income:

	2026	2025
	$'000	$'000
Items that will not be reclassified subsequently to profit and loss		
Deferred tax (debited)/credited directly to equity (Refer note 7)	(5,125)	(20,081)
Income tax equivalents expense relating to components of other comprehensive income	(5,125)	(20,081)

3. Income tax equivalents expense (continued)

Accounting policy

National Tax Equivalents Regime

Icon Distribution is exempt from Federal income tax. Icon Water and its controlled entities are required to make an equivalent payment to the ACT Government as required by the *Territory-owned Corporations Act 1990*.

The income tax equivalents expense or benefit for the period is the tax payable/receivable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period where Icon Water's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Tax consolidation legislation

Icon Water and its controlled entities have entered into a tax funding agreement under which the controlled entities fully compensate Icon Water for any current tax payable assumed and are compensated by Icon Water for any current tax receivable and deferred tax assets relating to unused tax credits that are transferred to Icon Water under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the controlled entities' financial statements.

The amounts receivable/payable under the tax funding agreement is due upon receipt of the funding advice from Icon Water, which is issued as soon as practicable at the end of the financial year. Icon Water may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as non-current intercompany loan receivable or payable.

4. Dividends

	2026	2025
	$'000	$'000
Dividend payable at the beginning of the financial year	45,621	13,967
Amount appropriated from operating profit	40,780	45,621
	86,402	59,588
Amount paid during the year	(45,622)	(13,967)
Dividend payable at the end of the financial year	**40,780**	45,621

Accounting policy

Icon Distribution pays 100% of its profits to its immediate parent entity, Icon Water Limited. A provision is made for this dividend at the end of the financial year.

5. Investments accounted for using the equity method

	2026 $'000	2025 $'000
Non-current assets		
Investment in the ActewAGL Distribution Partnership	1,095,002	1,067,161
	1,095,002	1,067,161

The movement in the carrying value in the investment in ActewAGL Distribution Partnership during the year has changed as follows:

	2026 $'000	2025 $'000
Carrying amount at beginning of financial year	1,067,161	969,974
Share of net profit from the ActewAGL Distribution Partnership	58,257	65,249
Distributions received from the ActewAGL Distribution Partnership	(47,500)	(35,000)
Revaluation of plant and equipment assets in the ActewAGL Distribution Partnership	17,084	66,938
Carrying amount at end of financial year	**1,095,002**	1,067,161

Commitments and contingent liabilities in respect to joint ventures

(a) Commitments

Icon Distribution has entered into a joint arrangement with Jemena Networks (ACT) Pty Ltd to manage the ACT electricity network and the gas network in the ACT, Queanbeyan and Shoalhaven regions. Icon Distribution has a 50% participating interest in the ActewAGL Distribution Partnership. Information relating to the ActewAGL Distribution Partnership is set out below:

Share of the ActewAGL Distribution Partnership commitments:

	2026 $'000	2025 $'000
Capital commitments	6,690	9,033

Each of the partners in the ActewAGL Distribution Partnership is jointly and severally liable for the debts of the Partnership. The assets of the ActewAGL Distribution Partnership exceeded its debts at 30 June 2026.

(b) Bank guarantees

A number of bank guarantees have been provided by the partnership for the normal operations of the business.

Each of the partners in the ActewAGL Distribution Partnership is jointly and severally liable for the debts of the partnership.

5. Investments accounted for using the equity method (continued)

(c) Contingent liabilities

There are no contingent public liability insurance claims against the ActewAGL Distribution Partnership at year end. Icon Distribution's share of this contingent liability is nil as at 30 June 2026 (30 June 2025: nil).

Accounting policy

The cost method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Icon Distribution has assessed its joint arrangement in ActewAGL Distribution Partnership and concluded the arrangement to be a joint venture. The interest in the joint venture is accounted for using the equity method. Under this method, the share of the profits or losses of the partnership is recognised as income in the statement of profit or loss and other comprehensive income, and the share of movement in reserves is recognised in reserves in the balance sheet.

5. Investments accounted for using the equity method (continued)

Accounting policy (continued)

Icon Distribution's share in the plant and equipment assets of the ActewAGL Distribution Partnership will be adjusted to fair value, if material, to align to Icon Water Group's accounting policy on property, plant and equipment assets. The valuation is conducted by way of discounting the expected cash flows of the ActewAGL Distribution Partnership to present value.

An annual assessment of fair value is performed to determine if it is materially different to the carrying value at the end of the reporting period. The assessment includes both qualitative and quantitative reviews.

Critical Accounting Estimate

Revaluation of plant and equipment within the Distribution partnership

Icon Distribution assesses the fair value of plant and equipment within the ActewAGL Distribution Partnership annually.

Gas assets

The ACT Government's *Climate Change and Greenhouse Gas Reduction (Natural Gas Transition) Amendment Bill* was legislated in June 2023 and formalises its long-term strategy to transition away from fossil-fuel gas and achieve carbon neutrality by 2045.

In order to achieve this, it is more than likely that the use of natural gas within the ACT will cease within the next 20-year period. For the year ended 30 June 2026, the fair value of gas assets has been determined by application of an income approach using a discounted cash flow method.

The following key estimates and assumptions underlying the valuation calculations for the current reporting period are:

- estimated future cash flows, based on management's estimates, have been projected over 19 years to 30 June 2045, with no terminal value applied;
- forecasted revenue considers reducing volumes over time and a declining regulated asset base (RAB);
- only nominal capital expenditure is forecast to be incurred until 2045. Investment or growth capital expenditure has not been forecast as the assets are considered to be in good condition with the remaining service life likely able to deliver natural gas until termination by, or before, 2045;
- other operational and incidental expenditures such as taxes and decommissioning costs are also expected to be fully recovered over the forecast period;
- under recoveries due to revenue shortfalls are expected to be recovered in subsequent regulatory periods. Decreasing volumes over the forecast period may result in price increases to the remaining customer base. Management have not included pricing caps in later years where pricing increases are expected;
- the Weighted Average Cost of Capital (WACC) discount rate of 6.30% (2025: 6.20%) has been developed from a market participant perspective and has been applied to discount cash flows and reflects the longer-term view of the risks inherent in the forecast cash flows;
- the RAB is expected to be fully recovered over the remaining useful life and it is also assumed that returns are not expected to be recovered beyond an asset's useful life. However, inherent in this assumption is that the Australian Energy Regulator (AER) will allow the RAB base and associated regulatory depreciation to be recovered by 2045 and that customers are able to pay the increased prices; and
- the RAB has been depreciated on a straight-line basis and will have a nil value by the end of the forecast period in 2045.

5. Investments accounted for using the equity method (continued)

Critical Accounting Estimate (continued)

Revaluation of plant and equipment within the Distribution partnership (continued)

Gas assets (continued)

All estimates regarding future outcomes are based upon the use of scenarios, judgements and assumptions and are subject to risk and uncertainty that may be beyond the control of management, therefore there is a possibility that changes in circumstances will materially alter projections which could lead to changes to estimates in future reporting periods.

Specialist valuation advice has been obtained to perform the income valuation approach and also undertake a correlation using the market-multiples approach to further assess the reasonableness of the valuation outcome. This included calculating implied EV/EBITDA multiples and EV/RAB multiples. In addition to the income valuation approach and the market-multiples approach, an assessment has also been made as to whether there are qualitative factors that could impact the valuation.

The valuation is sensitive to variations in the WACC, consumption volumes, decommissioning costs, regulatory outcomes and assumptions around the estimated useful life of the RAB.

The valuation exercise undertaken for gas assets for the year ended 30 June 2026 resulted in a $24.5 million decrement adjustment (30 June 2025: $16.4 million increment) being required for the equity accounted investment in the partnership reflecting the change in value of Icon Distribution's investment in those underlying assets. This adjustment was recognised in the Asset revaluation reserve.

Electricity assets

For the year ended 30 June 2026, the fair value of electricity assets has been assessed by calculating and applying the market movement in the enterprise value (EV) divided by the regulated asset base (RAB) multiples determined for peer group to the implied value calculated for the ActewAGL Distribution Partnership.
Given the specialised nature of the market multiples valuation, external valuation advice was obtained to determine the EV/RAB multiple range and comparable peer group assessment.

The valuation exercise undertaken for electricity assets for the year ending 30 June 2026 resulted in a $41.6 million increment adjustment (30 June 2025: $50.5 million increment) being required for the equity accounted investment in the partnership reflecting the change in value of Icon Distribution's investment. This adjustment was recognised in the Asset revaluation reserve balance.

For the year ended 30 June 2026, the combined valuation exercise for gas and electricity assets resulted in the recognition of a $17.1 million increment (30 June 2025: $66.9 million increment) in the Asset revaluation reserve.

6. Financial liabilities

	2026 $'000	2025 $'000
Non-current liabilities		
Intercompany loan – Icon Water Limited	801,341	788,264
	801,341	788,264

Accounting policy

The intercompany loan liability to Icon Water Limited is non-interest bearing, unsecured and is not payable in the normal course of business.

7. Deferred tax balances

	2026 $'000	2025 $'000
Net deferred tax liability		
At the beginning of the financial year	117,929	95,001
Income tax (charged)/credited to the statement of profit or loss (Refer note 3a)	2,434	2,847
Income tax (charged)/credited to other comprehensive income and equity (Refer note 3c)	5,125	20,081
At the end of the financial year	**125,488**	117,929

The composition of Icon Distribution's deferred tax assets and liabilities recognised in the balance sheet and the deferred tax expense charged/(credited) to the statement of profit or loss is as follows:

	Deferred tax liability		(Credited)/charged to the statement of profit or loss	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Investments accounted for using the equity method	71,063	68,629	2,434	(2,847)
Asset revaluation reserve	54,425	49,300	-	-
Total	**125,488**	117,929	**2,434**	**(2,847)**

8. Contributed equity

Movements in fully paid ordinary shares:

	Number of shares	Total $'000
Balance as at 1 July 2025	400,000	400
Balance as at 30 June 2026	**400,000**	**400**

Icon Distribution does not have a limited amount of authorised capital.

9. Reserves

	2026	2025
	$'000	$'000
Asset revaluation reserve	126,993	115,034
Total reserves	**126,993**	115,034

Accounting Policy

The asset revaluation reserve is used to record increments and decrements on Icon Distribution's valuation of the ActewAGL Distribution Partnership plant and equipment assets.

10. Remuneration of auditors

The ACT Audit Office has chosen to provide a consolidated invoice for the Icon Water Group audits. Payment for the audit and review of the financial report by the ACT Audit Office, as auditor of the Icon Water Group, will be made by the immediate parent entity, Icon Water Limited, on behalf of Icon Distribution.

11. Contingent liabilities

No contingent liabilities are known to the directors at the date of this report (30 June 2025: nil).

12. Commitments for expenditure

At 30 June 2026, Icon Distribution had not committed to any future capital expenditure (30 June 2025: nil).

13. Events occurring after the reporting period

On 10 August 2026, the ActewAGL Distribution Partnership entered into a $50 million unsecured revolving working capital facility with a term of 12 months, subject to annual review. The facility was established to provide short-term liquidity support for the administration of the Large-scale Feed-in Tariff (LFiT) Scheme, including funding temporary timing differences between amounts recovered through ACT electricity retailer charges and amounts payable to renewable energy generators.

As at the date of approval of these financial statements, $2.5 million had been drawn under the facility.

The establishment of the facility and the related drawdowns represent non-adjusting events occurring after the reporting date and, accordingly, have not resulted in any adjustment to the amounts recognised in these financial statements as at 30 June 2026.

No other matters or circumstances have arisen since 30 June 2026 that have significantly affected, or may significantly affect, Icon Distribution's operations in future financial periods or the results of those operations in future financial periods.

14. Related party transactions

(a) Transactions with Director related entities

There were no transactions during the financial year with the directors of Icon Distribution.

Any transactions with directors or in which directors are interested, are conducted on an arm's length basis in the normal course of business and on commercial terms and conditions.

(b) Transactions with key management personnel

The remuneration of directors is paid through the immediate parent entity, Icon Water Limited.

(c) Parent entity

The immediate parent entity in the wholly-owned group is Icon Water Limited.

The ultimate parent entity is the ACT Government who owns 100% of the shares of Icon Water.

(d) Outstanding balances arising from transactions with related entities

	2026 $	2025 $
Amounts due to immediate parent entity		
Current	40,779,936	45,827,623
Non-current	801,341,350	788,264,072
Total related party payables	**842,121,286**	834,091,695

(e) Transactions with related entities in the wholly-owned Group

During the financial year ended 30 June, the following transactions were undertaken by entities within the Icon Water Group:

(i) Transactions with immediate parent entity

	2026 $	2025 $
Distributions received from the ActewAGL Distribution Partnership	(47,500,000)	(35,000,000)
Payments to suppliers made on behalf of Icon Distribution	-	-
Payment of dividends to Icon Water Limited	45,621,649	13,967,113
Income tax equivalents payments made on behalf of Icon Distribution	14,955,629	16,869,105
Net increase in intercompany loan with Icon Water Limited	**(13,077,278)**	(4,163,782)

(f) Loan from immediate parent entity

	2026 $	2025 $
Balance at the beginning of the financial year	788,264,072	792,427,854
Net (increase) in intercompany loan with Icon Water Limited	(13,077,278)	(4,163,782)
Balance at the end of the financial year	**801,341,350**	788,264,072

The immediate parent entity, Icon Water Limited, facilitates the cash transactions on behalf of Icon Distribution which is offset by an intercompany loan account. All cash is handled through Icon Water and is reflected in the financial statements of that company.

Directors' declaration

In the directors' opinion:

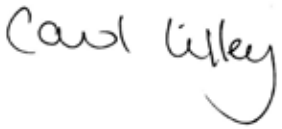
(a) the financial statements and notes set out on pages 14 to 29, are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Australian Accounting Standards – General Purpose Financial Statements - Simplified Disclosures, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

  (ii) giving a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the year ended on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable (refer to note 1a(v)).

This declaration is made in accordance with a resolution of directors. The financial statements were authorised for issue by the directors on 15 September 2026. The directors have the power to amend and reissue the financial statements.



Carol Lilley
Chair

Canberra
15 September 2026



Julie-Anne Shafer
Director

Canberra
15 September 2026



Icon Retail Investments Limited

ABN 23 074 371 207

ANNUAL REPORT

For the year ended
30 June 2026

Icon Retail Investments Limited

ABN 23 074 371 207

Annual Report for the year
ended 30 June 2026

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The financial statements are for Icon Retail Investments Limited (Icon Retail) as an individual entity. The financial statements are presented in Australian dollars (AUD).

Icon Retail Investments Limited is a company limited by shares, incorporated and domiciled in Australia. Its principal registered office is:

12 Hoskins Street
Mitchell ACT 2911

A description of the nature of the entity's operations and its principal activities is included in the Directors' report on page 9, which does not form part of the financial statements.

The financial statements were authorised for issue on 15 September 2026. The directors have the power to amend and reissue the financial statements.

Directors' Report

The directors present the financial report of Icon Retail Investments Limited (Icon Retail) for the year ended 30 June 2026.

Directors

The following persons held office as directors of Icon Retail during the whole of the financial year and up to the date of this report unless otherwise indicated:

Carol Lilley, Chair

BCom, CIA, CGAP, FCA, GAICD

Appointed 1 April 2013

Carol Lilley was appointed to the Icon Water Board in April 2013 and to the boards of Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2017. Due to her specialist financial expertise and extensive knowledge of Icon Water's business, Ms Lilley was appointed as Chair of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited and the Icon Water Remuneration and Nominations Committee in August 2024, having previously served as Deputy Chair from March 2017. Ms Lilley was also Chair of Icon Water Board's Risk and Assurance Committee until her appointment as Chair of the Icon Water Board. Ms Lilley was a Member of the ActewAGL Partnerships Board from February 2023 to August 2026, including serving as Chair from November 2023 to October 2025. Ms Lilley continues to serve as an Alternate Board member.

Ms Lilley is a full-time independent board director and Audit Committee Member. She was a Partner of an accounting firm and a financial statement and internal auditor for nearly 20 years. Her experience is in governance and assurance including financial statement audit, internal audit and project and risk management, with a particular focus on government.

Ms Lilley has various governance roles for Commonwealth Government entities including as a Member/Chair of the Department of the Treasury and Department of Industry, Science and Resources Audit and Risk Committees, amongst others. Ms Lilley is a Graduate of the Australian Institute of Company Directors, Fellow of Chartered Accountants Australia and New Zealand, was a registered company auditor and is a certified internal auditor.

Directors (continued)

Julie-Anne Schafer, Director

LLB (Hons), ANZIIF, FAICD

Appointed 16 November 2021

Julie-Anne Schafer was appointed to the Icon Water Board in November 2021 and was appointed as Deputy Chair in July 2026. She is a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. Ms Schafer's appointment was extended for a second three-year term in November 2024. Ms Schafer was appointed as Chair of the Risk and Assurance Committee from 30 June 2026. Ms Schafer was appointed as a Member of the ActewAGL Partnerships Board in July 2022 and as Chair of the ActewAGL Safety, Audit and Risk Committee in October 2022. In October 2025 she was appointed Deputy Chair of the ActewAGL Partnerships Board.

Ms Schafer has extensive directorship experience including highly regulated sectors. Ms Schafer was a non-executive director of Urban Utilities and Chair of the Audit, Finance and Risk Committee and member of the Experience and Safety Committee for Urban Utilities. She is Chair of Peak Services Holdings Pty Ltd, Peak Services Pty Ltd and Local Buy Pty Ltd and AgCarE Services Pty Ltd. Ms Schafer is Chair of the board of the Australian Reinsurance Pool Corporation and is a non-executive member of the Office of the National Rail Safety Regulator. She previously served as President of the National Competition Council and chairs several Audit and Risk Committees. Ms Schafer was a partner in professional legal service firms. She is a former Deputy Chancellor of QUT, President of the Queensland Law Society, and Chair of Queensland's largest mutual.

She holds a Bachelor of Laws with Honours and is a Fellow of the Australian Institute of Company Directors. She facilitates in Governance and the Practice of Directorship, Risk and Strategy in the Company Director Course, for the Australian Institute of Company Directors.

Directors (continued)

Geoffrey Buchanan, Director

Assoc DipBus, BBus (with Distinction), BSc (Hons), MGeogSc, MAICD

Appointed 10 July 2023

Geoffrey Buchanan was appointed to the Icon Water Board in July 2023. He is a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. He joined the Risk and Assurance Committee in February 2026. Mr Buchanan's appointment was extended for a second three-year term from July 2026.

Mr Buchanan has more than 20 years of community engagement experience working with First Nations communities and in the ACT community sector. He is currently Senior Policy Officer (Living Affordability including Energy) at Queensland Council of Social Service.

From July 2022 to July 2024, Mr Buchanan was Research Fellow at the Centre for Indigenous Policy Research at the Australian National University, where he had previously worked on community-based and collaborative research projects from 2004–2012. From 2013–2015, he worked in the Native Title Research Unit at the Australian Institute of Aboriginal and Torres Strait Islander Studies with a focus on supporting native title governance by Prescribed Bodies Corporate.

Mr Buchanan has developed strong links with the ACT community through various roles in the community sector. Until February 2026, he was Policy Advocacy and Business Development Director at Care Inc. From 2015–2022, he was a Senior Policy Officer at the ACT Council of Social Service. Through these roles he has represented energy and water consumers' interests on several consumer and community consultative committees. He has also been a member of Energy Consumers Australia's Board Reference Committee and Council on the Ageing Australia Energy Advocates group. Mr Buchanan has served as a Director on the boards of Council on the Ageing ACT, Care Inc., and Community Radio 2XX FM, and is currently Deputy Chair of ACT Shelter's Executive Committee.

Mr Buchanan has an Associate Diploma of Business (Management), a Bachelor of Business (with Distinction), a Bachelor of Science (Honours) in Australian Environmental Studies and a Masters in Geographical Sciences. Mr Buchanan is a Member of the Australian Institute of Company Directors.

Directors (continued)

Dr Warren Mundy, Director

BSc (Hon UNSW), DipEc (Syd), MPhil PhD (Cantab), GradCertAppFin (Macq), MEnvLaw (Hons, ANU), FAICD FRAeS

Appointed 1 November 2023

Dr Warren Mundy was appointed to the Icon Water Board in November 2023. He is a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. Dr Mundy was a member of the Risk and Assurance Committee from March 2024 to February 2026. Dr Mundy was appointed as a Member of the ActewAGL Partnerships Board in August 2026.

Dr Mundy is the Managing Director of Bluestone Consulting that has provided regulatory, strategy and policy advice to investors, regulators, providers, and users of a wide range of infrastructure services since 2004. He is currently a member of the Queensland Competition Authority, a Senior Advisor to Dexus Infrastructure and the Australian Property Institute, and a director of First Nations Advocates Against Family Violence, John Curtin House, Reliance Rail, PBSA Finance and Port Hedland International Airport.

He was a Commissioner at the Australian Productivity Commission from 2009 to 2015 and also served as the Australian Competitive Neutrality Commissioner. Dr Mundy has recently undertaken independent reviews of Australia's National Legal Assistance Partnership and the Harmonisation of the Australian Design Rules for the Commonwealth Government.

Dr Mundy served on the board of Airservices Australia for over five years from 2008, over four of which he was the Deputy Chair. He was a member of the Steering Committee for the joint NSW Commonwealth Governments' Sydney Aviation Strategy that led to the decision to build Western Sydney Airport. He has also been a director of Transgrid, the Sydney Desalination Plant, Vicforests, Western Community Legal Services, James Watt College for Higher and Further Education, United Kingdom Airports Operators Association and the National Health Co-operative.

Dr Mundy holds a first-class honours degree in statistics from the University of New South Wales and has master's and doctoral degrees in economics from the University of Cambridge, where he attended Kings College as a Commonwealth Scholar. His doctoral thesis was on the role of the Australian State Governments in economic development. In addition, he has post-graduate qualifications in corporate finance and corporate governance, and a Master of Environmental Law from the Australian National University. He is a fellow of the Australian Institute of Company Directors and the Royal Aeronautical Society.

Directors (continued)

Dr Nadine White, Director

LLB (Hons), BLA, PhD, GAICD

Appointed 18 August 2024

Dr Nadine White was appointed to the Icon Water Board in August 2024. She is a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. Dr White was a member of the Risk and Assurance Committee from September 2024 to September 2026.

She is an experienced independent non-executive director in both the public and private sectors, and has served on boards in the aged care, health, disability, Indigenous affairs, and financial services sectors.

Dr White is currently a Director with Care Connect Ltd, since 2019; Scope Australia Ltd since 2022, Goodwin Aged Care Services since 2023; and in 2024 was appointed Chair of Dietitians Australia. Dr White joined the Nominations Committee of Certified Practicing Accountants (Australia) in 2025.

She has been the Deputy Chair of several boards, including Canberra-based charity Raising Hope Education Foundation, the ACT Minister's Work Health & Safety Council, and the local Bendigo Bank. She has also previously been a member of the ACT Government's Reconciliation Council and is the inaugural convenor of the ACT Mentor Walks program for women.

Prior to becoming a full-time Non-Executive Director, Dr White spent much of her executive career in human resources and workplace relations in large complex organisations. She was Chief People Officer at ANU for ten years.

Dr White has a PhD in organisational change and industrial relations, holds tertiary qualifications in business and law (honours), and is a Fellow of the Australian Institute of Company Directors.

Incoming Directors (post 30th June 2026)

The following person held office as director of Icon Distribution after the end of the financial year and up to the date of this report:

Michele Wong, Director

MEc GradDipAppFin GAICD

Appointed 15 September 2026

Ms Wong joined the Icon Water Board in August 2026 and is also a member of the Icon Water Remuneration and Nominations Committee.

Ms Wong brings extensive experience in the infrastructure sector, across utilities, transport and social infrastructure, as well as deep financial expertise. She has been a director of Transgrid, North Queensland Airports, Interlink Roads and the new Royal Adelaide Hospital PPP. Her executive experience spans CFO roles, infrastructure funds management and investment banking, including five years as CFO at North Queensland Airports, and senior roles at Hastings Funds Management and Macquarie Group where she managed and advised on infrastructure investments and transactions.

Ms Wong is a Graduate of the Australian Institute of Company Directors and an Associate member of CPA Australia. She holds a Master of Economics and qualified as an actuary.

Outgoing Directors

The following persons ceased holding office as directors of Icon Distribution during the financial year:

Peter Dennis, Deputy Chair

BEng, M Environmental Studies, Dip Mgmt, FIE Aust, CPEng, NER, Int PE (Aus), MAICD

Term concluded 1 May 2026

Peter Dennis was appointed to the Icon Water Board in May 2020 and concluded his second term in May 2026. He was a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. Mr Dennis' appointment was extended for a second three-year term in May 2023, and he was appointed as Deputy Chair of the Icon Water Board in August 2024. Mr Dennis joined the Risk and Assurance Committee in June 2023 and was appointed as Chair of that Committee in August 2024.

Mr Dennis is Market Director Water for Beca Hunter H20, a Director of the NSW Local Government Procurement Board, and Past-President and Director for the Australian Water Association.

Mr Dennis has over 35 years water industry experience in Australia and overseas. He has been the Chief Executive Officer of Seqwater (Bulk Water Utility for South East Queensland); Chief Executive Officer of the Armidale Regional Council; as well as holding senior executive roles with Hunter Water Corporation. Mr Dennis has extensive experience in all aspects of water utility management including strategy development and execution, customer/community consultation, operational leadership, regulator engagement, policy development, infrastructure delivery, ongoing asset management and workforce planning.

He has a strong interest in sustainable urban water management and in ensuring the water industry is resilient against the impact of climate variability. He has also been actively involved in supporting our Pacific neighbours to meet the challenges of sustainable water management.

Mr Dennis was included in the Top 100 most Influential Engineers in Australia (2014 and 2015) and awarded the Newcastle Division of Engineers Australia 'Professional Engineer of the Year' (2009).

Mr Dennis has a Bachelor of Engineering in chemical engineering, Masters of Environmental Studies, a postgraduate Diploma of Management, a Corporate Directors Diploma and has been an Adjunct Professor in Engineering at the University of Newcastle where he lectured in Environmental Process Technologies for over 15 years. Mr Dennis is a Fellow of the Institute of Engineers Australia and a Member of the Australian Institute of Company Directors.

Outgoing Directors (continued)

Dr Helen Locher, Director

BSc (Earth Science), MEnvSc (Environmental Science), PhD (Civil Engineering), GAICD

Term concluded 1 May 2026

Dr Helen Locher was appointed to the Icon Water Board in May 2020 and concluded her second term in May 2026. Dr Locher was also a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited

Dr Locher has had previous board roles with the Tasmanian Water and Sewerage Corporation (TasWater), the Environmental Protection Agency (Tasmania) and the Resource Management and Planning Commission (Tasmania). She has also been a tribunal member of the Tasmanian Civil and Administrative Tribunal.

Dr Locher has 18 years of experience working in senior roles for Hydro Tasmania, more than 30 years doing international consulting work, and 16 years serving on boards. She has considerable experience working with the water and energy industries, focused on environmental, social and sustainability challenges arising with major infrastructure development and operations across a variety of contexts. She has worked in more than 30 countries and on all continents, and as an independent consultant has delivered assignments for clients including the World Bank, International Finance Corporation, Asian Development Bank, Mekong River Commission, the Zambezi River Authority, the Hydropower Sustainability Alliance and the International Hydropower Association. Dr Locher has received several international awards recognising her significant contributions to better addressing sustainability issues in the global hydropower sector.

Dr Locher has a Bachelor of Science (Earth Science), a Masters of Environmental Science, a PhD in Civil Engineering, and is a Graduate of the Australian Institute of Company Directors.

Ray Hezkial, Managing Director

BEng (Civil), DipPM, MBA, MIEAust, MAICD

Director term concluded 20 March 2026

Ray Hezkial was appointed to the Icon Water Board in November 2018 and served as a Director until 20 March 2026, when he stepped down from the Board following his appointment as Interim Chief Executive Officer of ActewAGL. He was a member of the Icon Water Remuneration and Nominations Committee and a Director of the Boards of Icon Retail Investments Limited and Icon Distribution Investments Limited. Mr Hezkial was a Member of the ActewAGL Partnerships Board from April 2019 until March 2026.

Mr Hezkial joined Icon Water in 2003 and undertook multiple roles prior to his appointment as Managing Director in November 2018. In his previous role as General Manager, Infrastructure Services, Mr Hezkial was responsible for managing Icon Water's capital works program, provision of network operations and all aspects of day-to-day maintenance relating to the ACT's water and sewer reticulation systems.

Mr Hezkial has a Master of Business Administration, Diploma in Project Management, and Bachelor of Engineering (Civil). Mr Hezkial is a Member of the Institute of Engineers Australia and of the Australian Institute of Company Directors.

Company Secretary

Alison Pratt

B.Ec, LLB (Hons), GDLP, GAICD

Alison Pratt, General Counsel, was appointed as the company secretary of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2019, and held the position of alternate company secretary prior to this.

Ms Pratt is the General Manager of the Governance and Sustainability group and is responsible for driving environmental and social value and sustainability. She leads a multi-disciplinary team who deliver legal and procurement, risk and resilience and environmental services, provide internal audit assurance, manage external relations and is responsible for good governance to enhance transparency, effectiveness and resilience.

Ms Pratt worked in private commercial legal practice in Australia and the United Kingdom prior to joining Icon Water in 2013. Her legal experience includes advising clients from both the private and public sectors on corporate governance, property, environment, construction and planning with a focus on sustainability and place-making through the built form.

Ms Pratt holds a Bachelor of Economics, a Bachelor of Laws with Honours and a Graduate Diploma in Legal Practice. She is admitted to practice law in the Supreme Court of the ACT and is a Graduate of the Australian Institute of Company Directors.

Meetings of directors

The number of director's meetings held in the year and the number of meetings attended by each director who held office during the financial year are:

	Icon Retail Investments Limited Board	
	Number of meetings attended	**Number of meetings held**
Managing Director		
Ray Hezkial	3	4
Non-Executive Directors		
Carol Lilley	6	6
Peter Dennis	4	4
Dr Helen Locher	4	4
Julie-Anne Schafer	6	6
Geoffrey Buchanan	6	6
Dr Warren Mundy	5	6
Dr Nadine White	6	6
Michele Wong	-	-

Principal activities and review of operations

Icon Retail holds a 50% interest in the ActewAGL Retail Partnership. Its operations and the expected results of those operations are dependent on that of the ActewAGL Retail Partnership. Icon Retail along with AGL ACT Retail Investments Pty Ltd hold two issued shares as joint tenants of ActewAGL Retail Investments Pty Ltd. ActewAGL Retail Investments Pty Ltd is a holding company for the investments of the ActewAGL Retail Partnership.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of Icon Retail during the year.

Trading results and dividends

A dividend of $13,518,698 (2025: $17,887,492) has been declared by the directors to be paid, which is 100% of 30 June 2026 net profit after tax.

Matters subsequent to the end of the financial year

No matters of significance have arisen since the end of the financial year.

Likely developments and expected results of operations

There are no likely developments that will affect the expected results of operations.

Environmental regulations

Icon Retail has various environmental reporting requirements and obligations in each state and territory that it holds a licence. The licences were issued to the ActewAGL Retail Partnership and reporting and compliance obligations are undertaken by the Partnership. During the financial year, Icon Retail materially complied with all requirements in respect to these licences. There have been no recorded incidents of non-compliance with laws or regulations which has resulted in the issuance of directions, sanctions or fines to Icon Retail.

Insurance of officers

Icon Water had in place during the financial year a package of insurance that included insurance for directors and officers of Icon Water and its controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of Icon Retail, other than where such liabilities arise out of conduct involving wilful breach of duty by the officers or the improper use by the officers of their position. The policy also applies if a claim is made against directors or officers after they have left the service of Icon Water, where the claim was over events that occur during their service at Icon Water.

No claim has been made against the officers and directors insurance policy during the 2025-26 financial year.

Indemnity of officers and directors

Icon Water has indemnified officers and directors of Icon Retail and its controlled entities against liabilities and legal costs arising in the course of their duties. This includes as a director appointed by Icon Water or by a subsidiary company to Icon Water to serve on the board of a company or partnership that is part owned directly or indirectly by Icon Water or by a subsidiary company of Icon Water, to the extent permitted by the *Corporations Act 2001*. This indemnity is to operate only where and to the extent that the director or officer is unable to require an insurer to meet the damage, liability, cost, loss or expense. No liability has arisen under these indemnities as at the date of this report.

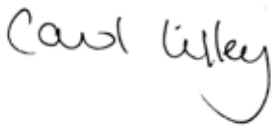
Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

Rounding of amounts

Icon Retail is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission (ASIC), relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed for and on behalf of, and in accordance with a resolution of, the Board of directors.



Carol Lilley
Chair

Canberra
15 September 2026



Julie-Anne Schafer
Director

Canberra
15 September 2026

ACT Audit Office

AUDITOR-GENERAL AN OFFICER OF THE ACT LEGISLATIVE ASSEMBLY

INDEPENDENT AUDITOR'S REPORT

To the members of the ACT Legislative Assembly and ICON Retail Investments Limited

Opinion

I have audited the financial report of Icon Retail Investments Limited (the Company) for the year ended 30 June 2026 which comprise the statement of profit or loss and other comprehensive income, balance sheet, statement of cash flows, statement of changes in equity, director's declaration and notes to the financial report, including material accounting policy information and other explanatory notes.

In my opinion, the accompanying financial report:

(i) presents fairly, in all material respects, the Company's financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended; and

(ii) is presented in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporate Regulations 2001*.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of this report.

I am independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for:

- preparing and fairly presenting the financial report in accordance with the *Australian* Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and relevant Australian Accounting Standards;

- determining the internal controls necessary for the preparation and fair presentation of the financial report so that they are free from material misstatements, whether due to error or fraud; and

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- assessing the ability of the Company to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial report.

Auditor's responsibilities for the audit of the financial report

My objective is to obtain reasonable assurance about whether the financial report as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company;
- conclude on the appropriateness of the Company's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Sharma PSM
ACT Auditor-General
15 September 2026

ACT Audit Office

AUDITOR-GENERAL AN OFFICER OF THE ACT LEGISLATIVE ASSEMBLY

Auditor's Independence Declaration to the Directors of Icon Retail Investments Limited

As the auditor for the audit of the financial report of Icon Retail Investments Limited for the financial year ended 30 June 2026, I declare to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. no contraventions of any applicable code of professional conduct in relation to the audit; and

c. no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Icon Retail Investments Limited.

Ajay Sharma PSM
ACT Auditor-General
15 September 2026

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Statement of profit or loss and other comprehensive income

	Note	**2026 $'000**	2025 $'000
Income			
Share of net profit of the joint venture partnership accounted for using the equity method	2	19,312	25,786
		19,312	25,786
Profit before income tax equivalents expense		**19,312**	25,786
Income tax equivalents expense	3a	(5,794)	(7,899)
Profit for the year		**13,518**	17,887
Total comprehensive income for the year		**13,518**	17,887
Total comprehensive income is attributable to:			
Owners of Icon Retail Investments Limited		13,518	17,887

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Balance sheet

	Notes	2026 $'000	2025 $'000
ASSETS			
Non-current assets			
Receivables	5a, 13d	6,737	6,737
Investments accounted for using the equity method	6	52,355	50,542
Deferred tax balances	7	1,536	1,818
Total non-current assets		**60,628**	59,097
Total assets		**60,628**	59,097
LIABILITIES			
Current liabilities			
Dividends payable	4, 13d	13,518	17,887
Total current liabilities		**13,518**	17,887
Non-current liabilities			
Intercompany loan	5b, 13d	46,110	40,210
Total non-current liabilities		**46,110**	40,210
Total liabilities		**59,628**	58,097
Net assets		**1,000**	1,000
EQUITY			
Contributed equity	8	1,000	1,000
Total equity		**1,000**	1,000

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of cash flows

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Net cash inflow from operating activities		**-**	-
Cash flows from financing activities			
Net cash (outflow) from financing activities		**-**	-
Net increase / (decrease) in intercompany loan		**-**	-

The parent entity, Icon Water Limited, facilitates the cash transactions on behalf of Icon Retail which is offset by an intercompany loan account. All cash is handled through Icon Water and is reflected in the financial statements of that company.

The above statement of cash flows should be read in conjunction with the note 13f.

Statement of changes in equity

	Note	Attributable to the owners of Icon Retail Investments		
		Contributed equity $'000	**Retained earnings $'000**	**Total equity $'000**
Balance at 1 July 2024		1,000	-	1,000
Profit for the year		-	17,887	17,887
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	4	-	(17,887)	(17,887)
Balance at 30 June 2025		1,000	-	1,000
Balance at 1 July 2025		1,000	-	1,000
Profit for the year		-	13,518	13,518
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	4	-	(13,518)	(13,518)
Balance at 30 June 2026		**1,000**	**-**	**1,000**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the financial statements

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operation of the entity, including:

- Accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not provide guidance for a particular type of transaction.
- Analysis and sub-totals.
- Information about estimates and judgments made in relation to particular items are included in the notes.

This section also provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria. It also includes additional information that must be disclosed to comply with the Australian Accounting Standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

1. Material accounting policies
2. Income
3. Income tax equivalents expense
4. Dividends
5. Financial assets and liabilities
6. Investments accounted for using the equity method
7. Deferred tax balances
8. Contributed equity
9. Remuneration of auditors
10. Contingent liabilities
11. Commitments for expenditure
12. Events occurring after the reporting period
13. Related party transactions
14. Consolidated entity disclosure statement

1. Material accounting policies

The material accounting policies adopted in the preparation of the financial report are set out below and in the relevant notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Icon Retail is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards - Simplified Disclosure Requirements

The financial report of Icon Retail complies with Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

These financial statements have been prepared on a historical cost convention, unless otherwise stated in the financial statements.

(iii) Early adoption of standards

The directors have not elected under section 334(5) of *the Corporations Act 2001* to early adopt any new Australian Accounting Standard in the current year and they are not expected to have a material impact.

(iv) New and amended standards adopted

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2025 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

(v) Going concern

The financial report has been prepared on a going concern basis. At 30 June 2026, current liabilities exceed current assets by $13.5 million. This deficiency in current assets is managed by an intercompany loan and the Icon Water Group's ability to generate profits, as evidenced by current and prior year results as well as generating positive cash inflow from operating activities, and parent entity support. In the opinion of the directors, Icon Retail Investments Limited has adequate resources to continue as a going concern and pay its debts as and when they fall due and payable.

b) Rounding and presentation of amounts

Icon Retail is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Where applicable, comparative figures have been adjusted to conform to changes in presentation for the current year.

c) Goods and Services Tax (GST)

Revenues, expenses, assets other than receivables, and liabilities other than payables are recognised exclusive of GST. Receivables and payables are stated inclusive of the amount of GST payable and receivable.

2. Income

	2026 $'000	2025 $'000
Share of net profit from the ActewAGL Retail Partnership accounted for using the equity method	19,312	25,786
	19,312	25,786

Accounting policy

Icon Retail derives all of its income from the ActewAGL Retail Partnership. Icon Retail recognises the profit or loss as it is generated by the ActewAGL Retail Partnership.

3. Income tax equivalents expense

a) Total income tax equivalents expense comprises:

	2026 $'000	2025 $'000
Current tax		
Income tax equivalents expense recognised in the current year	5,512	7,701
Adjustment to current tax for prior periods (i)	-	225
	5,512	7,926
Deferred tax		
Deferred tax equivalents expense recognised in the current year (Refer note 7)	282	(27)
	282	(27)
Income tax equivalents expense	**5,794**	7,899

(i) Adjustments for prior periods relates to differences between the income tax equivalents expense calculated for financial statement disclosure and the income tax return lodged in the subsequent financial period.

b) Numerical reconciliation of income tax equivalents to prima facie tax payable:

	2026 $'000	2025 $'000
Profit before income tax equivalents expense	19,312	25,786
Tax on profit at Australian prima facie tax rate of 30% (2024-25: 30%)	5,794	7,735
Increase/(decrease) in income tax equivalents expense due to:		
Non-deductible expenses	-	9
Post-tax share of results from joint venture partnerships	-	(21)
Adjustments to current tax for prior periods (i)	-	176
Income tax equivalents expense	**5,794**	7,899

(i) Adjustments for prior periods relates to differences between the income tax equivalents expense calculated for financial statement disclosure and the income tax return lodged in the subsequent financial period.

3. Income tax equivalents expense (continued)

Accounting policy

National Tax Equivalents Regime

Icon Retail is exempt from Federal income tax. Icon Water and its controlled entities are required to make an equivalent payment to the ACT Government as required by the *Territory-owned Corporations Act 1990*.

The income tax equivalents expense or benefit for the period is the tax payable/receivable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period where Icon Water's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Tax consolidation legislation

Icon Water and its controlled entities have entered into a tax funding agreement under which the controlled entities fully compensate Icon Water for any current tax payable assumed and are compensated by Icon Water for any current tax receivable and deferred tax assets relating to unused tax credits that are transferred to Icon Water under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in its controlled entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from Icon Water, which is issued as soon as practicable at the end of the financial year. Icon Water may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as non-current intercompany loan receivable or payable.

4. Dividends

	2026 $'000	2025 $'000
Dividend payable at the beginning of the financial year	17,887	18,065
Amount appropriated from operating profit	13,518	17,887
	31,405	35,952
Amount paid during the year	(17,887)	(18,065)
Dividend payable at the end of the financial year	**13,518**	17,887

Accounting policy

Icon Retail pays 100% of its profits to its immediate parent entity, Icon Water Limited. A provision is made for this dividend at the end of the financial year.

5. Financial assets and liabilities

a) Receivables

	2026 $'000	2025 $'000
Non-current assets		
Intercompany receivable – Icon Water Limited	6,737	6,737
	6,737	6,737

Accounting policy

These amounts represent receivables from Icon Water Limited relating to tax losses. Icon Retail holds the receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

b) Financial liabilities

	2026 $'000	2025 $'000
Non-current liabilities		
Intercompany loan – Icon Water Limited	46,110	40,210
	46,110	40,210

Accounting policy

The intercompany loan liability to the immediate parent entity, Icon Water Limited, is non-interest bearing, unsecured and is not payable in the normal course of business.

6. Investments accounted for using the equity method

	2026 $'000	2025 $'000
Non-current assets		
Investments in the ActewAGL Retail Partnership	52,355	50,542
	52,355	50,542

The movement in the carrying value in the investment in ActewAGL Retail Partnership during the year has changed as follows:

	2026 $'000	2025 $'000
Carrying amount at beginning of financial year	50,542	48,256
Share of net profit from the ActewAGL Retail Partnership	19,312	25,786
Distributions received from the ActewAGL Retail Partnership	(17,500)	(23,500)
Carrying amount at end of financial year	**52,355**	50,542

Commitments and contingent liabilities in respect to joint ventures

a) Commitments

Icon Retail has entered into a joint arrangement with AGL ACT Retail Investments Pty Ltd to sell electricity and gas to its retail and commercial customers in the ACT and surrounding regions (including Goulburn, Boorowa, Yass, Young and Shoalhaven).

Icon Retail has a 50% participating interest in the ActewAGL Retail Partnership. Each of the partners in the ActewAGL Retail Partnership is jointly and severally liable for the debts of the Partnership. The assets of the ActewAGL Retail Partnership exceeded its debts at 30 June 2026.

Icon Retail Investments Limited holds shares in ActewAGL Retail Investments Pty Ltd along with AGL ACT Retail Investments as joint tenants.

The ActewAGL Retail Partnership did not have any contractual commitments for future expenditure as at 30 June 2026 (30 June 2025: nil).

b) Contingent liabilities

There are no contingent public liability insurance claims against the ActewAGL Retail Partnership at year end. Icon Retail's share of this contingent liability is nil at 30 June 2026 (30 June 2025: nil).

6. Investments accounted for using the equity method (continued)

Accounting policy

The cost method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Icon Retail has assessed its joint arrangements in ActewAGL Retail Partnership and ActewAGL Retail Investments Pty Ltd and concluded the arrangements to be joint ventures. The interests in the joint ventures are accounted for using the equity method. Under this method, the share of profit or losses of the partnership or company is recognised as income in the statement of profit or loss and comprehensive income, and the share of movement in reserves is recognised in reserves in the statement of financial position.

Icon Retail's share in plant and equipment assets of the ActewAGL Retail Partnership is adjusted to fair value if considered material to align to Icon Water Group's accounting policy on infrastructure property, plant and equipment assets accounted for at fair value.

7. Deferred tax balances

	2026 $'000	2025 $'000
Net deferred tax asset		
At the beginning of the financial year	**1,818**	1,791
Income tax credited to the statement of profit or loss	**(282)**	27
At the end of the financial year	**1,536**	1,818

The composition of Icon Retail's deferred tax assets and liabilities recognised in the balance sheet and the deferred tax expense charged/(credited) to the statement of profit or loss is as follows:

	Deferred tax asset		**(Credited)/charged to the statement of profit or loss**	
	2026 $'000	2025 $'000	**2026 $'000**	2025 $'000
Investments accounted for using the equity method	**1,536**	1,818	(282)	(27)
Total	**1,536**	1,818	(282)	(27)

8. Contributed equity

Movements in fully paid ordinary shares:

	Number of shares	Total $'000
Balance as at 1 July 2025	1,000	1,000
Balance as at 30 June 2026	**1,000**	**1,000**

Icon Retail does not have a limited amount of authorised capital.

9. Remuneration of auditors

The ACT Audit Office has chosen to provide a consolidated invoice for the Icon Water Group audits. Payment for the audit and review of the financial report by the ACT Audit Office, as auditor of the Icon Water Group, will be made by the immediate parent entity, Icon Water Limited, on behalf of Icon Retail.

10. Contingent liabilities

No contingent liabilities are known to the directors at the date of this report (30 June 2025: nil).

11. Commitments for expenditure

At 30 June 2026, Icon Retail had not committed to any future capital expenditure (30 June 2025: nil).

12. Events occurring after the reporting period

No matters or circumstances have arisen since 30 June 2026 that have significantly affected, or may significantly affect, Icon Retail's operations in future financial periods or the results of those operations in future financial periods.

13. Related party transactions

a) Transactions with Director related entities

There were no transactions during the financial year with the directors of Icon Retail.

Any transactions with directors or with entities in which directors are interested, are conducted on an arm's length basis in the normal course of business and on commercial terms and conditions.

b) Transactions with key management personnel

The remuneration of directors is paid through the immediate parent entity, Icon Water Limited.

c) Parent entity

The immediate parent entity in the wholly-owned group is Icon Water Limited.

The ultimate parent entity is the ACT Government who owns 100% of the shares of Icon Water.

d) Outstanding balances arising from transactions with related entities

	2026 $	2025 $
Amounts due from immediate parent entity	6,736,996	6,736,996
Total related party receivables	**6,736,996**	6,736,996
Amounts due to immediate parent entity		
Current	13,518,698	17,887,492
Non-current	46,109,568	40,209,660
Total related party payables	**59,628,266**	58,097,152

e) Transactions with related entities in the wholly-owned Group

During the financial year ended 30 June, the following transactions were undertaken by entities within the Icon Water Group:

(i) Transactions with immediate parent entity

	2026 $	2025 $
Distributions received from the ActewAGL Retail Partnership	(17,500,000)	(23,500,000)
Payment of dividends to Icon Water Limited	17,887,492	18,065,186
Income tax equivalents payments made on behalf of Icon Retail	5,512,417	7,925,515
Net increase/(decrease) in intercompany loan with Icon Water Limited	5,899,909	2,490,701

13. Related party transactions (continued)

f) Loan from immediate parent entity

	2026 $	2025 $
Balance at the beginning of the financial year	40,209,660	37,718,959
Net increase/(decrease) in intercompany loan with Icon Water Limited	5,899,909	2,490,701
Balance at the end of the financial year	**46,109,569**	**40,209,660**

The immediate parent entity, Icon Water Limited, facilitates the cash transactions on behalf of Icon Retail which is offset by an intercompany loan account. All cash is handled through Icon Water Limited and is reflected in the financial statements of that company.

Directors' declaration

In the directors' opinion:

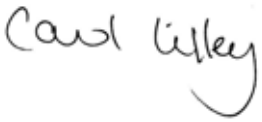
(a) the financial statements and notes set out on pages 14 to 27, are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Australian Accounting Standards – General Purpose Financial Statements - Simplified Disclosures, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the Icon Retail's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that Icon Retail Investments Limited will be able to pay its debts as and when they become due and payable (refer to note 1a(v)).

This declaration is made in accordance with a resolution of directors. The financial statements were authorised for issue by the directors on 15 September 2026. The directors have the power to amend and reissue the financial statements.



Carol Lilley
Chair

Canberra
15 September 2026



Julie-Anne Shafer
Director

Canberra
15 September 2026

ActewAGL Joint Venture

Summary financial report for the year ended 30 June 2026

ActewAGL Joint Venture

Summary financial report

For the year ended 30 June 2026

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Introduction to the summary financial report

Basis of preparation

This summary financial report is based on the special purpose financial report for the ActewAGL Joint Venture for the year ended 30 June 2026.

The summarised financial report is consistent with the special purpose financial report from which it is derived.

Profit

Profit for the year ended 30 June 2026 was $155 million, compared to the prior year's profit of $182 million. This decrease in profit is due to the financial impact of the large-scale feed-in tariff (LFiT) scheme which is administered by Evoenergy on behalf of the ACT Government, and higher wholesale electricity costs due to changes in wholesale market conditions.

Total revenue for the year ended 30 June 2026 was $1,046 million compared to $1,007 million in the prior year. The increase is primarily due to an increase in LFiT scheme costs recovered from ACT electricity customers, partially offset by the reduced sale of energy attributable to lower energy consumption resulting from milder weather.

Total other income for the year ended 30 June 2026 was $3 million compared to $4 million in the prior year.

The total cost of providing goods and services for the year ended 30 June 2026 was $819 million compared to $759 million in the prior year. The increase is primarily due to the increased cost of payments made to generators by Evoenergy with respect to the LFiT scheme due to a decrease in the average wholesale spot price for electricity, and higher wholesale electricity costs as noted above.

Cash flow

The Joint Venture generated $271 million from its operating activities for the year ended 30 June 2026 compared to $231 million in the prior year.

Net cash outflows used in investing activities were $144 million for the current year, compared to $148 million for the prior year.

Cash surplus to the Joint Venture's operational requirements is returned to the Partners in the form of cash distributions. In the current financial year, $130 million was distributed to ActewAGL's Partners, $13 million higher than the $117 million in the prior year.

Financial position

At 30 June 2026, the Joint Venture had net assets of $1,929 million compared to $1,904 million in the prior year. The increase is primarily due to an increase in the capital investment in the energy network, partially offset by a lower cash balance due to a lower LFiT over-recovery balance being retained in the ActewAGL Distribution Partnership (AAD).

Cash available at 30 June 2026, including the LFiT over-recovery balance, was $154 million, $7 million lower than the prior year. Current assets were $387 million compared to $408 million in the prior year. Current liabilities were $279 million compared to $266 million at the same time last year. At 30 June 2026, the Joint Venture had no borrowings other than motor vehicle lease liabilities. Subsequent to year end, AAD entered into a $50 million unsecured revolving working capital facility to support the administration of the LFiT scheme. The carrying value of property, plant and equipment is $1,757 million, compared to $1,696 million in the prior year, the increase is primarily due to the capital investment in the energy network.

ActewAGL Joint Venture

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

	2026 $'000	2025 $'000
Continuing operations		
Revenue	**1,046,289**	1,007,242
Other income	**2,979**	3,783
Cost of providing goods and services	**(818,659)**	(758,849)
Profit before net financing income, depreciation and amortisation	**230,609**	252,176
Depreciation and amortisation	**(83,394)**	(79,243)
Profit before net financing income	**147,215**	172,933
Finance income	**8,683**	10,148
Finance costs	**(897)**	(1,148)
Net financing income	**7,786**	9,000
Profit before tax	**155,001**	181,933
Income tax expense	**-**	-
Profit for the year	**155,001**	181,933
Profit for the year is attributable to:		
Partners of the ActewAGL Joint Venture	**155,001**	181,933
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**155,001**	181,933
Total comprehensive income for the year is attributable to:		
Partners of the ActewAGL Joint Venture	**155,001**	181,933

ActewAGL Joint Venture
Statement of financial position
As at 30 June 2026

	2026 $'000	2025 $'000
Assets		
Current assets		
Cash and cash equivalents	**154,339**	161,366
Trade and other receivables	**81,220**	75,682
Contract assets	**124,628**	140,505
Inventories	**16,354**	20,060
Other current assets	**10,158**	10,061
Total current assets	**386,699**	407,674
Non-current assets		
Receivables	**177**	728
Property, plant and equipment	**1,756,817**	1,696,271
Right-of-use assets	**16,166**	21,924
Intangible assets	**62,877**	63,395
Total non-current assets	**1,836,037**	1,782,318
Total assets	**2,222,736**	2,189,992
Liabilities		
Current liabilities		
Trade and other payables	**122,257**	94,497
Contract liabilities	**122,957**	137,200
Provisions	**28,066**	28,053
Other liabilities including leases	**6,080**	6,506
Total current liabilities	**279,360**	266,256
Non-current liabilities		
Provisions	**2,566**	2,062
Other liabilities including leases	**11,960**	17,825
Total non-current liabilities	**14,526**	19,887
Total liabilities	**293,886**	286,143
Net assets	**1,928,850**	1,903,849
Joint Venture Funds		
Joint Venture funds	**1,928,850**	1,903,849
Total Joint Venture funds	**1,928,850**	1,903,849

ActewAGL Joint Venture

Statement of changes in Joint Venture funds

For the year ended 30 June 2026

	Total Joint Venture funds $'000
Balance at 1 July 2025	**1,903,849**
Profit for the year	155,001
Other comprehensive income for the year	-
Total comprehensive income for the year	**155,001**
Transactions with Partners in their capacity as Partners:	
Distributions paid	(130,000)
Balance at 30 June 2026	**1,928,850**

	Total Joint Venture funds $'000
Balance at 1 July 2024	**1,838,916**
Profit for the year	181,933
Other comprehensive income for the year	-
Total comprehensive income for the year	**181,933**
Transactions with Partners in their capacity as Partners:	
Distributions paid	(117,000)
Balance at 30 June 2025	**1,903,849**

ActewAGL Joint Venture

Statement of cash flows

For the year ended 30 June 2026

	2026 $'000	2025 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	**1,180,345**	1,087,675
Payments to suppliers and employees (inclusive of GST)	**(917,010)**	(865,767)
Finance income received	**8,813**	10,535
Finance costs paid	**(807)**	(1,201)
Net cash inflow from operating activities	**271,341**	231,242
Cash flows from investing activities		
Payments for property, plant and equipment	**(134,055)**	(139,791)
Payments for intangible assets	**(10,712)**	(8,335)
Proceeds from sale of property, plant and equipment	**397**	218
Net cash (outflow) from investing activities	**(144,370)**	(147,908)
Cash flows from financing activities		
Distributions paid to Partners	**(130,000)**	(117,000)
Principal elements of lease payments	**(3,998)**	(5,323)
Net cash (outflow) from financing activities	**(133,998)**	(122,323)
Net decrease in cash and cash equivalents	**(7,027)**	(38,989)
Cash and cash equivalents at the beginning of the year	**161,366**	200,355
Cash and cash equivalents at the end of the year	**154,339**	161,366

ActewAGL Joint Venture

Joint Venture Board's declaration

For the year ended 30 June 2026

The ActewAGL Joint Venture prepares a special purpose financial report to satisfy the Board's reporting requirements under the *ACTEW/AGL Partnership Facilitation Act 2000*.

In the Board Members' opinion:

a) the financial statements of the ActewAGL Joint Venture set out on pages 1 to 5:

   i. comply with applicable Australian Accounting Standards and other mandatory professional reporting requirements; and

   ii. present fairly, in all material respects, the Joint Venture's financial position as at 30 June 2026 and its performance, as represented by the results of its operations and cash flows, for the financial year ended on that date; and

b) there are reasonable grounds to believe that the Partnerships which form the basis of the Joint Venture will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Joint Venture Board.

David Gillespie
Chair

Canberra, 9 September 2026

Joy Yau
Board Member

Canberra, 9 September 2026

ACT Audit Office

AUDITOR-GENERAL AN OFFICER OF THE ACT LEGISLATIVE ASSEMBLY

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL REPORT

To the Partners of the ActewAGL Joint Venture

Opinion

I have audited the summary financial report of the ActewAGL Joint Venture (Joint Venture) for the year ended 30 June 2026 which comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in joint venture funds, statement of cash flows and the ActewAGL Joint Venture Board's (Board's) declaration. The summary financial report has been derived from the audited special purpose financial report of the ActewAGL Joint Venture for the year ended 30 June 2026.

On 9 September 2026, I issued an unmodified audit opinion on the special purpose financial report of the Joint Venture for the year ended 30 June 2026.

In my opinion, the summary financial report, derived from the audited special purpose financial report of the Joint Venture for the year ended 30 June 2026, is consistent, in all material respects, with the special purpose financial report.

Emphasis of matter – basis of accounting and restriction on distribution and use

Without modifying my opinion, I draw attention to the Introduction to the summary financial report and Joint Venture Board's declaration which describe the basis of preparation. The summary financial report has been prepared to assist the ActewAGL Joint Venture to meet the financial reporting requirements of the *ACTEW/AGL Partnership Facilitation Act 2000*. As a result, the summary financial report may not be suitable for another purpose.

The auditor's report is intended solely for the Partners of the Joint Venture and should not be distributed to or used by parties other than the Partners of the Joint Venture.

Summary financial report

The summary financial report does not contain all Australian Accounting Standard disclosures applied by the Joint Venture in preparing in the audited special purpose financial report. Reading the summary financial report and auditor's report thereon, therefore, is not a substitute for reading the audited special purpose financial report or auditor's report.

Responsibilities of the Joint Venture Board for the summary financial report

The Board is responsible for the preparation of the summary financial report.

Nara Centre, Level 4 / 3 Constitution Ave Canberra ACT 2601 | PO Box 158 Canberra ACT 2601 | (02) 6207 0833 | actauditorgeneral@act.gov.au | audit.act.gov.au

Auditor's responsibilities

I am responsible for expressing an opinion on whether the summary financial report is consistent, in all material respects, with the audited special purpose financial report based on procedures conducted in accordance with Australian Auditing Standard ASA 810: *'Engagements to Report on Summary Financial Statements'*.



Ajay Sharma PSM
ACT Auditor-General
9 September 2026

ACT Audit Office

AUDITOR-GENERAL AN OFFICER OF THE ACT LEGISLATIVE ASSEMBLY

AUDITOR'S INDEPENDENCE DECLARATION

In relation to the audit of the summary financial report of the ActewAGL Joint Venture for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Ajay Sharma PSM
ACT Auditor-General
9 September 2026

Nara Centre, Level 4 / 3 Constitution Ave Canberra ACT 2601 | PO Box 158 Canberra ACT 2601 | (02) 6207 0833 | actauditorgeneral@act.gov.au | audit.act.gov.au



SUSTAINABILITY REPORT

Icon Water Limited and Controlled Entities

ABN 86 069 381 960

Sustainability Report for the year ended 30 June 2026

Contents Page

Information about this report 1
Directors' declaration 2
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Information about this report

This report represents a complete set of climate-related financial disclosures for Icon Water Limited and its controlled entities (Icon Water) for the year ended 30 June 2026. The scope of entities included in these climate-related financial disclosures is consistent with the entities included in the consolidated Financial Report for the same reporting period. Icon Water's climate-related disclosures have been prepared in accordance with *AASB S2 Climate-related Disclosures (AASB S2),* which is the mandatory Australian Sustainability Reporting Standard (ASRS) as issued by the Australian Accounting Standards Board (AASB), and *Corporations Act 2001* (Cth).

As this is the first year in which Icon Water has applied AASB S2, Icon Water has elected to not disclose comparative information in this report. Icon Water has adopted the transitional relief provided under AASB S2 paragraph C4(b) which permits it to not disclose Scope 3 greenhouse gas emissions in its first annual reporting period applying AASB S2. Icon Water has early adopted the Amendments to AASB S2 Climate-related Disclosures, issued by the Australian Accounting Standards Board in December 2025, for the reporting period ended 30 June 2026. The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted.

In the assessment of climate-related risks and opportunities (CRROs), the upstream and downstream value chain was considered using all reasonable and supportable information available without undue cost or effort for a comprehensive understanding of the CRROs.

All monetary amounts in this report are expressed in Australian dollars, which is the presentation currency of the Icon Water's Consolidated Financial Statements.

Judgement and uncertainties

The preparation and presentation of this report involved applying judgements to determine what information is relevant, reliable and useful for disclosure. This includes interpreting reporting requirements and making informed decisions in areas where the standard allows flexibility.

Judgement	Explanation
Materiality assessment	To identify relevant risks and opportunities and material information, Icon Water exercised judgement in assessing impacts and dependencies across the value chain that could reasonably influence Icon Water's strategy, business model or financial position and performance.
Greenhouse Gas emissions	Icon Water exercised judgement when selecting greenhouse gas (GHG) emission factors for fugitive nitrous oxide (N_2O) emissions factor as there are significant inherent limitations, because of incomplete scientific knowledge and inherent limitations in the nature of, and methods used for, determining this emission.
Climate scenario selection	Icon Water undertook climate-related scenario analysis during the reporting period as part of its assessment of climate resilience. The analysis was conducted using externally developed climate-related assumptions, selected to capture a range of plausible future transition and physical risk outcomes relevant to Icon Water's operations and value chain.

Directors Declaration

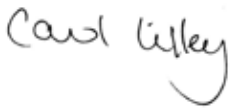
In the opinion of the Directors of the Company, we state that the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of Icon Water Limited and its controlled entities for the year ended 30 June 2026, as presented on pages 3 to 27, are in accordance with the *Corporations Act 2001* (Cth), including:

a) complying with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures and any further requirements determined under *Section 296C(2)* of the *Corporations Act 2001*; and

b) containing the climate statement disclosures required by *Section 296D* of the *Corporations Act 2001*.

Made in accordance with a resolution of the directors of the Company pursuant to *Section 296A(6) of the Corporations Act 2001*, as modified by *Section 1707C(2) of the Corporations Act 2001*.

On behalf of the board of directors.



Carol Lilley
Chair

Canberra
15 September 2026



Joy Yau
Interim Managing Director

Canberra
15 September 2026

1. Governance

A. Climate-related governance structure

Table 1: Icon Water's governance structure for managing climate-related risks and opportunities (CRROs)

BOARD GOVERNANCE FUNCTION			
Icon Water's Board of Directors has the primary responsibility for managing and overseeing CRROs of Icon Water and its controlled entities. Board Directors actively consider CRROs when setting the business strategy and consider the trade-offs between cost, risk and performance when reviewing strategic projects. The responsibilities specific to climate risks and opportunities will be included in the next Board Charter review.			
BOARD COMMITTEES			
Risk and Assurance Committee	Provides oversight of control and compliance activities in relation to all risk categories: safety, environment CRROs, financial, legal/regulatory, strategic, reputation and operational. The responsibilities specific for climate risks and opportunities are expected to be updated in the committee charter in 2027.	**Remuneration Committee**	Provides oversight of the Executive remuneration strategy and supports the monitoring, recruitment and retention of appropriately qualified and experienced executives. Further details are provided at Note 1D.
BOARD COMPETENCIES			
Board Directors bring diverse competencies that enable their ability to oversee climate risk and opportunities effectively. The Board brings extensive experience and expertise across a broad range of sectors, products, and regions, offering valuable insight into climate-related strategy. All members are provided on the job development through discussions, papers and presentations specific to CRROs. A Board skills matrix assesses the current skills of Directors and identifies where new or the renewal of skills may be required. The skills matrix also informs the continuing education of the Board. Within the matrix is an assessment of water resources, environmental or scientific background with knowledge of climate change adaption, decarbonisation, stakeholder engagement and circular economy.			
KEY MANAGEMENT FUNCTIONS			
Icon Water's Executive team report to the Board on business operations and activities. The Executive team oversees the execution of Icon Water's climate-related strategy, which includes monitoring and managing CRROs. They conduct regular environmental scanning to inform business planning. They provide guidance and approval for climate-related plans and strategies and manage teams of specialists that contribute to climate change management.			
MANAGEMENT COMMITTEES			
Executive Committee	Approves business strategies and plans, and their associated cost and resourcing, and monitors the performance of these plans. This includes Icon Water's climate change mitigation and adaptation plans. The Executive committee's role is to implement controls and procedures for the regular monitoring of CRRO, assessment of implementation progress against mitigation strategies, and processes to identify emerging climate related risks and opportunities.	**Executive Working Group**	Provides a forum for discussion on strategic and key operational risks and opportunities, scheduling and resourcing matters including climate change transition and decarbonisation plans. It provides the opportunity to increase the Executive team's knowledge and understanding through various climate-related discussions, papers and presentations.
KEY CONTROL ROLES			
Environment and Sustainability Climate specialists research, develop and implement climate-related plans, and brief management on climate related risk and opportunities.	**Risk and Resilience** Develops and maintains the Risk Management Framework and supports delivery of risk assessments and climate change Enterprise Risk reviews to the Executive team and the Board.	**Analytical Services** Provides climate modelling information to inform climate change strategy and scenario development and water demand forecasting.	**Financial Governance and Accounting** Provides accounting advice, coordinates and delivers Icon Water's sustainability financial disclosures.

Table 2: Icon Water's committees with CRROs responsibilities

Governance Body	Board	Risk and Assurance Committee	Remuneration Committee
Frequency of Meetings	Board meetings held no less than six times per year.	Committee meetings held four to six times per year	Committee meeting held at least once per year.
Governing document	Board Constitution and Board Charter	Risk and Assurance Committee Charter	Remuneration and Nominations Committee Charter
Climate responsibilities	Advise and note climate strategies - Icon Water's Climate Change Adaptation Plan and eMission Possible Plan Maintain oversight of risks including CRROs (physical and transition).	Provide independent assurance and advice to the Board on the integrity of Icon Water's internal control and compliance framework including climate-related matters. Provide advice to the Board on issues identified around climate-related matters.	Support the recruitment and retention of appropriately qualified and experienced executives. Review and monitor the composition of the Board to help ensure it is comprised of the appropriate mix of skills, competencies and diversity in accordance with a Board capabilities matrix developed and maintained by the Committee, including assessment of climate-related competencies as part of the Committee's periodic review of Board composition and capability.
CRROs information provided	Annual Business Plan Reviews and Strategy session. Business Performance Review Paper on climate performance, targets, trends, and risks which have informed the CRROs in this Sustainability Report. This is provided at all Board meetings. Annual review of enterprise risk bowties including climate related matters. Review of adaptation and mitigation strategies every five years.	Committee briefing papers on climate-related disclosures and risks and opportunities.	CRROs and climate-related reporting are not tabled at this Committee.
Climate-related expertise and capabilities held by members	Operating and improving governance and compliance, policy and financial frameworks and how they relate to climate change. Water resources, environmental or scientific background with knowledge of climate change adaptation, decarbonisation, and circular economy. Leveraging digital solutions including emerging technologies to support innovation. Working knowledge of local and international water industry trends.	Emerging policy and regulatory developments, including in relation to disclosures and climate change. As per Board member capabilities.	As per Board member capabilities.

B. Governance of energy investment climate related risk and opportunities

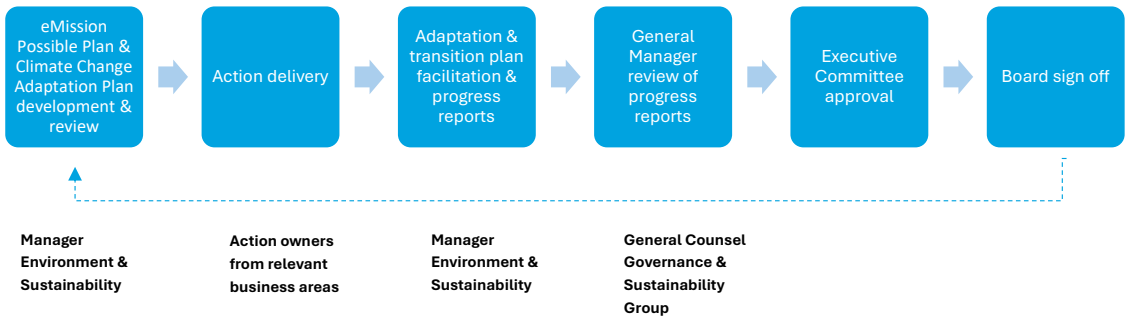
Icon Water holds an investment interest in the ActewAGL Joint Venture ("JV") to provide energy services to the ACT and surrounding regions. This is a financially material component of Icon Water's business model with a fair value of $1.14 Billion at 30 June 2026. The JV comprises two partnerships, ActewAGL Distribution and ActewAGL Retail, with Icon Water participating in both partnerships through its two wholly-owned subsidiary companies: Icon Distribution Investments Limited and Icon Retail Investments Limited. Six Directors of the Icon Water Board sit on both subsidiary Boards. Of the six Directors, three Directors sit on the JV Board as members appointed by Icon Water. The JV Board reviews the CRROs when setting the JV business strategy and considers the trade-offs between cost, risk and performance when reviewing strategic priorities. The JV board meets up to six times a year.

Icon Water undertakes a governance and oversight role for CRROs through representation on the JV Board while the operational control of climate-related risk and opportunities rests with the JV management team. ActewAGL Joint Venture Management are responsible for assessing their own CRROs, identifying and implementing actions in response to that assessment, and reporting the outcomes to JV Partners to enable the partners to evaluate the identified CRROs from an investor perspective.

C. Performance management

Icon Water's response to climate change is primarily delivered through its Business Strategy 2025-2035, eMission Possible Plan and Climate Change Adaptation Plan (CCAP), with responses to CRROs threaded through these plans. These plans contain actions to build resilience and manage CRROs and to deliver emission reductions that contribute to the pathway to net zero greenhouse gas emissions by 2045. The delivery and oversight of climate-related activities is outlined in various relevant executive, management and specialist position descriptions requiring necessary skills and experience. Where relevant, progress against the climate-related strategies forms part of their annual personal performance and development assessment.

Figure 1 Climate change transition and adaptation plan approval process



D. Incentive structures and climate-linked remuneration

The remuneration of the Board of Directors is set independently by the Voting Shareholders of Icon Water through determinations issued by the ACT Remuneration Tribunal. The factors the tribunal consider when setting remuneration is at their absolute discretion which may or may not include an assessment of the Icon Water Board's governance of CRROs.

The Icon Water Remuneration and Nomination Committee, which is a subcommittee comprising all members of the Board of Directors, determines the remuneration of the Managing Director and governs the remuneration framework for other members of the Executive team. Icon Water's Managing Director and executives are employed on fixed annual remuneration agreements with annual adjustments based on the results of an annual performance review. In accordance with the remuneration framework, a weighted assessment of individual executive's performance is conducted based on their individual performance and Icon Water's business performance. The individual performance element of the evaluation takes into consideration CRROs where the executive has climate-related goals listed in their Personal Performance Development Plan and/or the Organisational Performance Dashboard. For the period ending 30 June 2026, performance-related executive remuneration was directly linked to the achievement of five climate-related considerations which contributes to approximately 10% of any potential performance-related annual executive management remuneration uplift.

2. Strategy

Climate change has been a factor in Icon Water's planning for many years and there are already a wide range of programs in place to build resilience to climate change. Icon Water's current climate-related focus includes maintaining water security for its customers, ensuring a clear path over time for accommodating population projections and reducing its contribution to climate change through decarbonising initiatives.

A. Business strategy

Icon Water assesses climate-related physical and transition risks and opportunities, including their expected timing and potential impacts. The anticipated materialisation of the risks and opportunities are then mapped to Icon Water's strategic planning horizons for decision making. Our planning horizons are categorised as:

- **Short term** is a period of 1 to 5 years. The planning horizon duration is the length of Icon Water's regulatory pricing cycles which influences funding of capital expenditure programs and addresses, amongst other priorities, CRROs.
- **Medium term** is defined as a period of 5 to 10 years. This medium-term forecast helps the business identify where financial resources are needed to deliver planned capital expenditure projects and where changes to funding and pricing is needed in future regulated pricing submissions. This is informed by a longer-term financial forecast which is presented to the Board annually.
- **Long term** is defined as a period beyond 10 years. Icon Water undertakes longer-term asset planning capital expenditure forecasts of works that need to be delivered beyond 10 years from 30 June 2026.

B. Climate-related risks and opportunities

Icon Water has two core business segments: Water and Wastewater (Sewerage), and Energy Investment. For the purposes of this sustainability report, Water and Wastewater are presented as one combined segment because their value chain attributes are consistent. Table 3 summarises the consolidated CRROs in this report and identifies the segments to which they relate.

Table 3: Icon Water consolidated Climate-related risks and opportunities

Segment	Climate Risk and Opportunities	Type
Water and Wastewater	Reduced streamflow into catchments plus increased reservoir evaporation leads to raw water supply scarcity, resulting in severe impact to business operations	Physical
Water and Wastewater	Bushfires and other natural hazards can lead to damage to water and/or sewage treatments plants and parts of the network, which can lead to an inability to treat and/or convey sewage or water, resulting in severe disruption to business operations	Physical
Water and Wastewater	Failing to meet organisational greenhouse gas emission interval targets and limit the contribution to climate change	Transition
Energy Investment	Increasing frequency and severity of bushfires and other extreme climate events impacts network infrastructure, safety and customer service levels	Physical
Energy Investment	Augmentation of Electricity Network	Transition
Energy Investment	ACT Government policy to net zero GHG emissions by 2045 which may result in the termination of natural gas[1]	Transition

Water and Wastewater

Icon Water is exposed to two categories of climate-related risks: physical risks and transition risks, which may affect operations either directly or through the value chain. Icon Water has evaluated how these CRROs currently impact, and are expected to impact, its business model and value chain. Based on Icon Water's assessment of its business model, climate risks and opportunities for the Water and Wastewater Business are mostly concentrated in Infrastructure and Source Water areas. The increased intensity of these impacts is likely to make sourcing and treating water more costly and increasing the cost of supplying water to customers. The description of the impacts of Water and Wastewater value chain are disclosed in Table 4.

[1] It's expected the Evo Energy ACT gas distribution network will terminate by 2045. Uncertainty remains regarding the use of the residual high pressure gas network for some industrial and NSW customers.

Table 4: Water and Wastewater – Drivers and Impacts informing CRROs

	Climate drivers		
Impact to Icon Water value chain	**Changing rainfall, prolonged drought and increasing temperature**	**Bushfires and severe storms**	**Progression to net zero greenhouse gas (GHG) emissions by 2045**
Source Water	• Less surface water runoff flowing into the dams	• Ash, debris and firefighting materials impact water quality in dams	• Underestimation of emissions from dam operations impact net zero calculations
Infrastructure	• Expansion-contraction of clay-based soil causes infrastructure damage • More regular switching between water sources to address contamination	• Infrastructure damage • Access restrictions to sites	• Emission inclusions impact effort and cost of development applications • Demand for lower climate impact technology, materials and zero emission vehicles • Need for electric vehicle charging stations
Operations	• More sewer blockages from tree root intrusion seeking water • Higher energy operating costs due to increased pumping from less efficient water sources under a drier climate	• Operational outages disrupting operations • Financial impacts from increased water supply treatment and repair and rehabilitation of infrastructure and catchment	• Financial costs to transition in terms of technology, materials, resourcing and carbon credits
People & Workplace	• Increased staff workload associated with water restrictions and/or water security options	• Staff exposed to health risks (e.g. smoke inhalation) • Intensive land management required to manage	• Inadequate resourcing and expertise
Customer & Community	• Water restrictions across the community • Demand to share water with neighbouring communities	• Operational disruptions impacting customers	• Stakeholder dissatisfaction and negative reputation if fail to achieve net zero
Natural Environment	• Stress on catchment health • Reduced environmental flows	• Contamination from sediment and firefighting • Catchment biodiversity and habitat loss	• Positive impact by minimising Icon Water's contribution to climate change
External dependencies	• Financial impacts to business associated with water restrictions • Competing demand for water (food production, households, industry) • Financial cost associated with increasing water security	• Assets becoming uninsurable from increasing frequency and intensity of natural hazards • Supply chain, energy and telecommunication disruptions	• Legislative changes • Changes in ACT climate direction or targets e.g. change to 100% renewable energy

Icon Water has assessed the potential impact on its strategy and business model. These insights are incorporated into strategic planning to address the financial, operational, and reputational challenges posed by climate change. Table 5 below outlines the climate related risk and opportunities, and the related mitigation measures.

Table 5: Water and Wastewater - key risks and current mitigation measures

Value chain	Climate related drivers	Climate Related risk (before any mitigation or adaptation)	Mitigation or adaptation efforts/ activities in 2025-26 and beyond
Source water, Natural Environment, Operations	- Changing rainfall - Prolonged drought - Increasing temperature	Reduced streamflow into catchments plus increased reservoir evaporation leads to raw water supply scarcity, resulting in severe impact to business operations – Physical risk – Time horizon: Long Term	Responses under the Climate Change Adaptation Plan, including: • Water Security Plan being developed under the Integrated Water Management Program with exploration of additional water sourcing options • Continued participation in relevant water industry research, including source water modelling, source water protection and Internet-of-Things (IoT) technology capability • Continued promotion of permanent water conservation measures
Infrastructure, Operations, People & Workplace	- Bushfires and other natural hazards	Bushfires and other natural hazards can lead to damage to water and/or sewage treatments plants and parts of the network, which can lead to an inability to treat and/or convey sewage or water, resulting in severe disruption to business operations – Physical risk – Time horizon: Medium Term	Responses under the Climate Change Adaptation Plan, including: • Continued collaboration and management actions with catchment managers to restore access and repair roads and water crossings damaged by 2020 bushfires and floods • Delivered Icon Water Bushfire Operational Plan 2025-26 • Maintained and exercised emergency incident management plans and equipment, with relevant staff trained in Australasian Inter-Service Incident Management System (AIIMS) and Bushfire Awareness to support coordinated emergency response efforts • Engaged in national and water sector resilience forums on supply chain security and natural hazard risk management under critical infrastructure obligations
External dependencies, Customer & Community, Natural environment	- Policy, and progression to net zero (GHG) emissions by 2045	Failing to meet organisational greenhouse gas emission interval targets and limit the contribution to climate change – Transition risk – Time horizon: Short to Long Term	Responses under the eMission Possible Plan, including: • Icon Water's grid electricity use in the ACT continued to be 100% renewable and 90% of grid electricity use in NSW was purchased as 100% GreenPower • Generated renewable energy through various hydro and solar photovoltaic renewable energy installations at Icon Water facilities • Invested in emissions reduction research, particularly fugitive nitrous oxide emission mitigation at LMWQCC to inform future plant operations and upgrades • Carbon offset property continues to capture carbon to sequester emissions in biomass. Carbon sequestered in 2025-26 will be measured and generate ACCU's in 2028-29.

Energy Investment

ActewAGL Distribution, operating under the brand 'Evoenergy', owns and operates the electricity network in the ACT, and the gas network in the ACT, Queanbeyan region and Shoalhaven in New South Wales. It is a partnership between Jemena Limited and Icon Water via respective subsidiary companies.

ActewAGL Retail sells energy products and services, managing customer service and marketing functions in a competitive market. The service footprint extends to centres such as Queanbeyan, Goulburn, Yass, Young, Nowra and Bega. It is a partnership between AGL Energy Limited and Icon Water via respective subsidiary companies.

Our CRROs have been identified and evaluated from an investment exposure perspective, consistent with the nature of the Joint Venture (JV) as an equity accounted investment. As disclosed in Note 1B, the identification, assessment and operational control of CRROs rests with the JV management team. Icon Water has evaluated the CRROs impacting Icon Water from risks assessments performed by the JV Management Team to inform how they could financially impact Icon Water.

The concentration of these risks lies within the Regulated Asset Base of the Electricity and Gas Networks of ActewAGL Distribution. ActewAGL Retail is not exposed to any material climate-related risks and has not identified any material climate-related opportunities. ActewAGL Retail climate-related matters continue to be monitored as part of Icon Water's risk management processes.

Table 6: Impacts informing climate risk and opportunities of Energy Investment

Energy Investment Value Chain	Drivers and impacts informing climate risk and opportunities	Climate-related risk and opportunities (before any mitigation or adaptation)
Operations: Gas and Electricity Network Downstream: Customers, Stakeholders	• Changing climate conditions are anticipated to exacerbate an existing risk of fires being generated by vegetation touching powerlines and from energy infrastructure damage by storm, high winds and heat. • The ACT Strategic Bushfire Management Plan requires utilities and land managers with assets located within the Bushfire Abatement Zone to develop and implement a Bushfire Operations Plan. This requires regular targeted inspections, trimming of vegetation around powerlines, adherence to minimum clearance distances to prevent fires and adhering to safety protocols during extreme weather events.	**Increasing frequency and severity of bushfires and other extreme climate events impacts network infrastructure, safety and customer service levels** Physical Risk Time horizon: Short to Long Term
Upstream: Owners Operations: Electricity Network Downstream: Customers, Regulators	• The transition away from fossil-fuel to full electrification is planned over the long term. Therefore, under current policy settings, the electricity network is expected to experience significant investment and expansion as demand for electricity increases. • Government policy continues to focus on supporting the efficient and stable operation of the national energy market. This means government policy will continue to focus on economic regulation of the distribution services providers such as Evoenergy.	**Augmentation of Electricity Network** Transition Risk Time horizon: Short to Long Term
Upstream: Owners Operations: Gas Network Assets	• The ACT Government is committed to reaching net zero emissions by 2045 in an announcement made in 2019 (ACT Climate Change Strategy 2019-25). The ACT Government's Climate Change and Greenhouse Gas Reduction (Natural Gas Transition) Amendment Bill was passed through the Legislative Assembly in June 2023. To achieve this, it is likely that the use of natural gas within the ACT will need to be terminated. • Over the long-term, the gas volumes and revenue growth are forecasted to change dramatically which will likely have variations in financial returns to Icon Water between now and 2045 if the use of natural gas is terminated at this time.	**ACT Government policy to net zero GHG emissions by 2045 which may result in the termination of natural gas[1]** Transition Risk Time horizon: Short to Long Term

For each the impacts to the Energy Investment identified in Table 6, Icon Water has assessed the impact and evaluated the risk within the JV and evaluated their potential impact on Icon Water's financial returns from the investment. The table below outlines the key risks, and the related mitigation measures.

[1] It's expected the Evo Energy ACT gas distribution network will terminate by 2045. Uncertainty remains regarding the use of the residual high pressure gas network for some industrial and NSW customers.

Table 7: Key risks and the current mitigation measures - Energy Investment

Climate-related risk and opportunities	Nature of Climate Risk and Opportunity (before any mitigation or adaptation)	Mitigation or adaptation efforts/ activities in 2025-26 and beyond
Increasing frequency and severity of bushfires and other extreme climate events impacts network infrastructure, safety and customer service levels Physical Risk Time horizon: Short to Long term	• Powerlines can create fires by arcing, conductor slap, and equipment failure. Arcing occurs when electricity jumps across a gap, potentially igniting dry vegetation. • Trees and branches growing around and into powerlines can cause the power to short circuit, arc and ultimately lead to fires. Vegetation management is critical for preventing such incidents.	Activities within the Evoenergy Vegetation Management (Bushfire and Environmental) Works Plan.
Augmentation of Electricity Network Transition Risk Time horizon: Short to Long term	• There is a risk during this transition that Evoenergy is unable to deliver the necessary electricity augmentation to support a sustainable transition to a lower carbon economy. There is a risk that augmentation decisions lead to increased capital expenditure and increased financial pressure. • Full electrification within the ACT by 2045 is required to achieve its net zero target, however the optimal timing and phasing of the investment to support the energy transition is still a work in progress. • The ACT Government's policy approach at present has been focused on broad community messaging and the introduction of wide-ranging incentives for electrification. ActewAGL Distribution's forecast and results and investment priorities include inherent assumptions based on future events which are uncertain.	Activities in accordance with the Evoenergy 2024-2029 Electricity Network five-year plan.
ACT Government policy to net zero GHG emissions by 2045 which may result in the termination of natural gas Transition Risk Time horizon: Short to Long Term	• Fast tracking the ACT gas phase-out is expected to result in Evoenergy's gas distribution network being underutilised, increasing the risk of stranded assets and potential asset write-downs. • The current five-year regulatory pricing period for gas commenced on 1 July 2026. The pricing determination provided the first opportunity to understand the Australian Energy Regulator's view on key pricing inputs for the gas distribution network since the decision to terminate natural Gas in the ACT by 20245. However, uncertainty remains regarding the longer-term regulatory response for gas as the regulatory environment continues to evolve.	Activities in accordance with the Evoenergy 2026-2031 five-year gas network plan.

C. Summary of present and expected financial impacts - Water and Wastewater

The estimation and measurement of anticipated financial impacts are subjective and based on various estimates and assumptions which are forward looking, long term, and are inherently uncertain by nature. These estimates and assumptions are based on Icon Water's current expectations of the impacts of CRROs, which may change over time. Any changes in the estimates and assumptions used, will impact Icon Water's financial assessment of anticipated risks. Quantitative estimates have not been disclosed as the impact on revenue and operational cost is not separately identifiable. There is significant measurement uncertainty associated with estimating the financial effects of individual CRROs. The timing, frequency and severity of climate-related events and management responses remain uncertain, and the resulting impacts on revenue, operating costs and capital expenditure cannot currently be separately identified with sufficient reliability to provide meaningful quantitative estimates. The financial statement line items that may be affected are:

- Statement of profit or loss and other comprehensive income: Water and Wastewater revenue, operational costs
- Statement of financial position: Property, plant, equipment.
- Cash flow statement: Net cash flow from operating activities and capital expenditure

Table 8 outlines how CRROs in the Water and Wastewater segment will influence Icon Water's financial position, performance, and cash flows over the short, medium, and long term.

Table 8: Climate-related risks and opportunities anticipated financial effects – Water and Wastewater

Climate risk and opportunities	Significant risk of material adjustments in 2026-2027	Anticipated financial effects on financial statement line items
Reduced streamflow into catchments plus increased reservoir evaporation leads to raw water supply scarcity, resulting in severe impact to business operations	Icon Water has assessed whether the risk is expected to result in any significant material adjustments to the carrying amounts of assets or liabilities in the next reporting period. Based on this assessment, the entity has not identified any material impacts that would require adjustments, including but not limited to asset impairments, changes in depreciation or amortisation, additional business costs, or rehabilitation or remediation obligations.	The anticipated effects over the short, medium and long term include: • Increased capital and operational expenditure with increased water losses and new water sourcing infrastructure. • Increased water restriction, if required, leads to revenue losses.
Bushfires and other natural hazards can lead to damage to water and/or sewage treatments plants and parts of the network, which can lead to an inability to treat and/or convey sewage or water, resulting in severe disruption to business operations	Icon Water has assessed whether this risk is expected to result in any significant material adjustments to the carrying amounts of assets or liabilities in the next reporting period. Based on this assessment, the entity has not identified any material impacts that would require adjustments, including but not limited to asset impairments, changes in depreciation or amortisation, additional business costs, or rehabilitation or remediation obligations.	The anticipated effects over the short, medium and long term include: • Increased insurance premiums with heightened asset exposure • Increased capital and operational expenditure with asset damage, service disruption, remediation and treatment.
Failing to meet organisational greenhouse gas emission interval targets and limit the contribution to climate change	Icon Water has assessed whether this risk is expected to result in any significant material adjustments to the carrying amounts of assets or liabilities in the next reporting period. Based on this assessment, the entity has not identified any material impacts that would require adjustments, including but not limited to asset impairments, changes in depreciation or amortisation, additional business costs, or rehabilitation or remediation obligations.	The anticipated effects over the short, medium and long term include: • Increased capital and operational expenditure with mitigation actions and potential exposure to any future carbon pricing mechanisms.

D. Summary of present and expected financial impacts – Energy Investment

Quantitative estimates have not been disclosed as the impact is not separately identifiable. The estimation and measurement of anticipated financial impacts are subjective and based on various estimates and assumptions which are forward looking, long term, and are inherently uncertain by nature. These estimates and assumptions are based on Icon Water's current expectations of the impacts of climate risks and opportunities, which may change over time. Any changes in the estimates and assumptions used, will impact Icon Water's financial assessment of anticipated risks. The financial statement line items that may be affected are:

- Statement of profit or loss and other comprehensive income: Share of net profit of joint venture partnerships
- Statement of Financial Position: Investments accounted for using the equity method
- Cash flow statement: Distributions received from joint venture partnership

The table below outlines how CRROs from the Energy Investment will influence Icon Water's financial position, performance, and cash flows over the short, medium, and long term.

Table 9: CRROs impact on financials, performance and cashflows – Energy Investment

Climate risk and opportunities	Significant risk of material adjustments in 2026-2027	Anticipated financial effects on financial statement line items
Increasing frequency and severity of bushfires and other extreme climate events impacts network infrastructure, safety and customer service levels	Icon Water has assessed whether this risk is expected to result in any significant material adjustments to the carrying amounts of assets or liabilities in the next reporting period. Based on this assessment, Icon Water has not identified any material impacts that would require adjustments, including but not limited to the carrying value of Investments accounted for using the equity method.	Changes to Icon Water's share of profit and distributions received from the JV over the short, medium and long term may be influenced by developments within the energy investment, including: • Revenue loss due to prolonged service interruption • Increased insurance premiums • Increased capital and operational expenditure • Regulatory fines or penalties.
Augmentation of Electricity Network	Icon Water does not expect a change in fair value of the investment in ActewAGL Distribution partnership specifically due to this risk but it is probable that the fair value may change for other reasons not specifically related to this risk.	Changes to Icon Water's share of profit and distributions received from the JV and investments accounted for using the equity method over the short, medium and long term may be influenced by developments within the Energy Investment, including: • Unrecoverable operating and capital costs • Increased operating costs for network balancing and system upgrades • Revenue volatility • Revenue loss due to connection delays • Regulatory fines or penalties.
ACT Government policy to net zero GHG emissions by 2045 which may result in the termination of natural gas	Icon Water does not expect a change in fair value of the investment in ActewAGL Distribution partnership specifically due to this risk but it is probable that the fair value may change for other reasons not specifically related to this risk.	Changes to Icon Water's share of profit and distributions received from joint venture partnership and investments accounted for using the equity method over the short, medium and long term may be influenced by developments within the Energy Investment, including: • Increased network compliance and safety costs • Loss of revenue • Impairment of gas network assets • Decommissioning costs • Unrecovered operating and capital costs.

E. Net zero goals for climate transition strategy

Icon Water's eMission Possible Plan addresses the mitigation efforts required to reduce GHG emissions from its water and wastewater business operations resulting from transition risks.

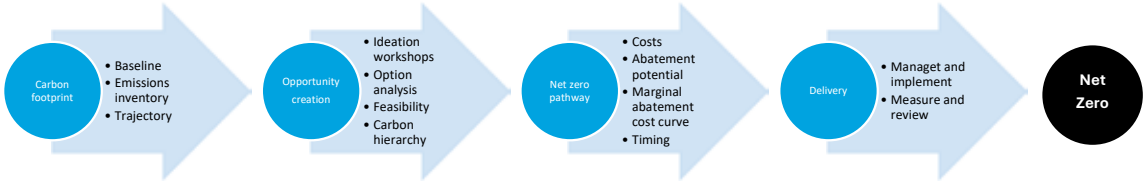
Three quarters of Icon Water's emissions are fugitive emissions (nitrous oxide and methane) generated through wastewater treatment processes at LMWQCC. Assessments were undertaken in 2021 with internal and external specialists to generate emission abatement opportunity ideas for these and other remaining emissions, based on technical feasibility, regulatory requirements, commercial readiness, business need, operational suitability for its assets, cost and timing to achieve the overall 2045 and interim emission reduction targets. These opportunities were screened using a Marginal Abatement Cost Curve (MACC) to identify the cost and abatement potential for each opportunity. This informed the portfolio of options included in the pathway to achieve net zero by 2045. These opportunities are outlined in the decarbonising pathway (Figure 3) mapped over short term (0-5 years), medium term (5-10 years) and long term (10 years plus).

Icon Water's target implies having net zero carbon impact on the environment due to its scope 1 and scope 2 activities by 2045.

Strategies to achieve targets

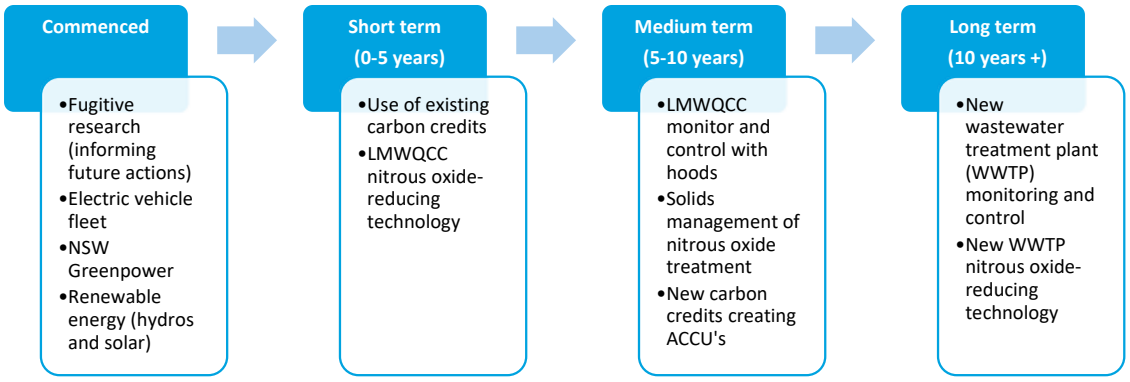
Icon Water has taken a four step, carbon accounting approach in developing its net zero pathway (**Figure 2**).

Figure 2: Four step approach to achieving net zero



For Icon Water to effectively deliver on long-term targets of net zero in its operations, it plans to undertake the following initiatives.

Figure 3: Net zero decarbonising pathway



Achievement of the net zero emissions target is dependent on the successful implementation of nitrous oxide (N_2O) abatement technologies across wastewater treatment. While some technology has been demonstrated within the industry, achievement of the expected abatement outcomes depends on successful installation, operational performance and continued commercial availability. Icon Water reviews these assumptions annually and assesses alternative emissions reduction opportunities to mitigate technology deployment risks.

F. Embedding climate factors into strategic planning

As part of its CRRO assessment process, Icon Water identified and evaluated both physical and transition risks, as well as opportunities arising from climate change. Using its internal Risk Management Framework (RMF), Icon Water determined level of risk exposure to its business strategy or potential for significant financial impact.

Integration of climate-related risks and opportunities into capital investment

Implementation of strategies to address its physical and transition risks will require significant investment in operations and existing assets. The qualitative descriptions of the financial impacts are disclosed at Table 8. Icon Water is continually expanding its regulated asset base to meet growing demand for its services. It is expected that over the short, medium and long term for the risks identified in Table 4 and adaptation efforts outlined in Table 5, the following investments in the regulated asset base will have an impact on Icon Water's financial position and will help mitigate an identified climate risk or opportunity:

- New source water options – (Medium and long term)
- Low emission technologies in major infrastructure renewal projects – (Short, medium and long term)
- Wastewater system design choices influenced by net zero targets and increasing extreme weather events - (Long term)
- Accumulation of other net zero emissions opportunities – (Short, medium and long term).

Icon Water is able to source funding to deliver these capital investments through the following sources:

Table 10: Capital Investment funding and financial sources

Funding Source	Explanation
Customer Pricing	Icon Water's capital expenditure program, which includes initiatives to address climate risks and opportunities, is funded through customer charges determined by the Independent Competition and Regulatory Commission (ICRC). If the ICRC accepts a proposed capital expenditure project in Icon Water's five-year pricing submissions, Icon Water can recover capital expenditure through future depreciation expenditure when the capital expenditure is added to Icon Water's Regulated Asset Base.
Borrowings	The majority of Icon Water's assets have useful lives best measured in decades. In order to share that, current and future customers bear their fair share of the whole of life costs of these assets, Icon Water also sources funding through borrowings in a way that ensures its capital structure is efficient and aggregate borrowing are within the limits set by the ACT Treasurer.

Icon Water does not apply internal carbon pricing in decision-making activities but does consider environmental outcomes in its capital project prioritisation process.

G. Enhancing resilience through climate scenario analysis

Icon Water acknowledges that temperatures in the ACT have already increased by 1.4°C since national records began in 1910. Projections based on the NSW and Australian Regional Climate Modelling (NARCliM) version 1.5 climate change data informed Icon Water's vulnerability and physical risk assessments. NARCliM is built from three global climate models and two regional climate models for near and far future projections and is applied by the ACT Government in its strategy and planning. The assumptions used in the scenarios are based on the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCP).

Icon Water undertook scenario analysis on a range of possible futures based on the emission RCP scenarios adopted by the IPCC.

The scenario used for transitioning to a low carbon economy is based on a 1.5°C future (RCP 1.9). This was used for assessing transition risks when developing Icon Water's net zero roadmap and is the basis for the eMission Possible Plan target of net zero GHG emissions by 2045. The scenario analysis for its physical risks are shown in Table 11.

The scenario analysis covered Icon Water's Water and Wastewater operations and considered relevant upstream and downstream value chain impacts. The selected scenarios were considered relevant because they represent a range of plausible transition and physical climate pathways that could reasonably affect Icon Water's operations, assets, value chain, strategy and financial performance over the short, medium and long term planning horizons described in Section 2A.

The scenario analysis incorporated a range of assumptions based on Icon Water's drivers, NARCLiM 1.5 and IPCC RCP considerations. Key assumptions included:

- GHG trajectories and implications on projected changes in temperature, rainfall patterns and evapotranspiration rates
- future climate policy and regulatory settings
- radiative forcing targets reached by 2100, representing the net energy trapped in Earth's atmosphere
- land-use changes, population growth and societal development trends
- future water demand and consumption patterns
- the availability, maturity and cost of emerging technologies
- energy market developments and future energy use, and
- uptake of planned adaptation, resilience and emissions reduction initiatives.

The assessment recognised that significant uncertainty exists regarding the timing, magnitude and interaction of future climate-related impacts. Key sources of uncertainty considered included:

- the use of climate models to determine projections and the frequency, duration and severity of climate-related hazards;
- future domestic and international climate policy developments
- changes in regulatory obligations and stakeholder expectations
- the effectiveness and timing of adaptation and mitigation measures
- future technology performance, availability and deployment rates, and
- broader economic, demographic and market conditions that may influence demand and operating costs.

The assessment also considered Icon Water's ability to upgrade, repurpose, adapt or replace assets through long-term investment planning, integrated water management planning and climate adaptation planning. Current and planned investments in climate mitigation, adaptation and resilience measures were considered as part of the assessment of Icon Water's ability to maintain service delivery and organisational resilience under the scenarios assessed.

Table 11: NARCliM version 1.5 projections for physical risks

	Near Future		Far Future		Projections assumed for adaptation plan	
	2020-2039		2080 – 2099		Near Future	Far Future
Climate Variable	RCP 4.5	RCP 8.5	RCP 4.5	RCP 8.5	2020-2039	2080-2099
Temperature increase (°c)	0.5-1.5	0.6-1.7	1.8-2.5	4.1–5.1	1.5	4.7
Changes in rainfall (%)	+12 to -9	+10 to -11	+1 to -14	-1 to -27	-7	-23
Increase in evapotranspiration (%)	1.6-3.1	1.6-4.2	4.3-6.8	9.6-13.1	3.7	12.5

Tables 12 to 14 describe the scenarios considered by Icon Water as described above and how they impact the Icon Water over the short to long term. They also describe the actions Icon Water aims to take to remain resilient in the face of climate change. A qualitative description of the impacts has been provided. Quantitative information has not been provided due to the high level of measurement uncertainty.

Table 12: Climate scenarios and how they impact Icon Water over short to long term – RCP 1.9

Purpose: planning greenhouse gas emission mitigation transition in line with international targets and ACT policy
Aggressive mitigation – warming limited to 1.5°C above pre-industrial levels
Scenario Assumptions Deep, rapid, and, in most cases, immediate GHG emissions reductions to reach net zero emissions in the 2040's or early 2050's, followed by net negative carbon emissions. This scenario requires high reliance on very low or zero carbon energy sources and offset methods such as reforestation for some hard-to-abate residual GHG emissions. (e.g. global methane emissions are reduced by 34% by 2030 relative to 2019 levels).
Impact on Icon Water Gradual changes in temperature and rainfall patterns will require ongoing monitoring and adaptation in water resource planning. While extreme weather events may become more frequent compared to historical norms, their intensity and frequency will remain relatively contained.
Response to scenario *Transition* This scenario is the current basis for a net zero greenhouse gas emission transition pathway to 2045 under Icon Water's eMission Possible Plan. The scenario forms the basis of the risk progression to Icon Water's net zero GHG target by 2045 as described in **Table 4**. *Physical* This scenario is not applied for the current physical approach. Icon Water already accounts for the physical conditions under this scenario, which is effectively the current state with climate change adaptation.

Table 13: Climate scenarios and how they impact Icon Water over short to long term – RCP 4.5

Purpose: planning physical climate change adaptation for a 'middle of the road' future
Strong mitigation – warming more likely than not to exceed 2°C above pre-industrial levels
Scenario Assumptions A transition to a low carbon economy is delayed until 2030, but a rapid transition towards net zero from 2030-2050 sees emissions stabilise at half today's levels by 2080. This scenario has a high reliance on energy efficiency, grid decarbonisation and negative emissions technologies.
Impact on Icon Water More frequent and intense extreme weather events, such as droughts, heatwaves, and heavy rainfall, will impact water quality, reduce catchment yields, and place additional strain on infrastructure. Rising temperatures will accelerate evaporation and shift seasonal water demand patterns, requiring operational adaptation and more flexible long-term planning.
Response to scenario *Transition* This scenario is not applied in the current transition approach. Icon Water may need to consider climate negative technologies under future mitigation plans to contribute to efforts drawing down carbon from the atmosphere beyond net zero GHG emissions. *Physical* The direct and cascading impacts of this scenario are incorporated into resilience actions to 2028 under Icon Water's Climate Change Adaptation Plan. In future plans, the increasing frequency and severity of climate-related hazards would likely need to be managed through bringing forward water security investment and increased operational resilience.

Table 14: Climate scenarios and how they impact Icon Water over short to long term – RCP 8.5

Purpose: planning physical climate change adaptation for a 'bad case' future
Business as usual – warming limited to below 4 °C above pre-industrial levels
Scenario Assumptions Business as usual trajectory featuring the current suite of climate-related policies with global GHG emissions continuing to rise at current rates (the current global path).
Impact on Icon Water Increased frequency and severity of extreme weather events, such as prolonged droughts, intense rainfall, and bushfires, will disrupt water availability, damage infrastructure, and strain treatment and distribution systems. Higher temperatures will accelerate evaporation rates, reduce catchment yields, and increase water demand, particularly in agriculture-dependent regions. These physical impacts will be compounded by greater energy costs, regulatory pressure, and the need for accelerated investment in climate-resilient infrastructure, placing pressure on long-term financial sustainability and service reliability.
Response to scenario *Transition* This scenario is not applied in the current transition approach. Icon Water may need to consider climate negative technologies under future mitigation plans to contribute significantly to efforts drawing down carbon from the atmosphere beyond net zero GHG emissions. *Physical* The direct and cascading impacts of this scenario are incorporated into resilience actions to 2028 under Icon Water's Climate Change Adaptation Plan. In future plans, the significantly increasing frequency and severity of climate-related hazards would likely need to be managed by designing infrastructure and networks that are resilient to more extreme climate projections. This includes addressing the financial implications associated with responding to and recovering from climate-related events.

Climate Resilience

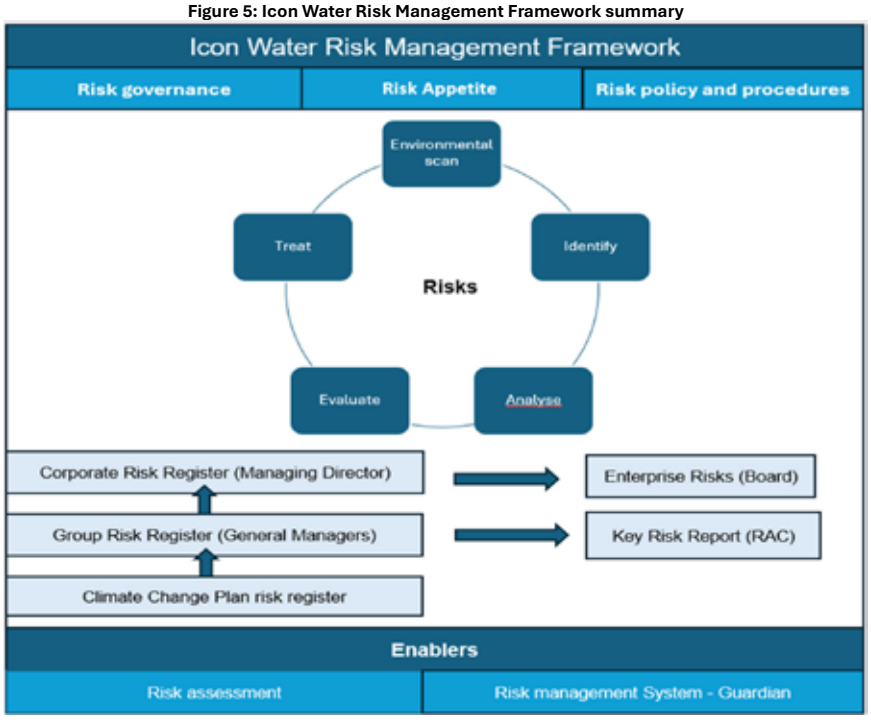
Considering the range of potential future scenarios outlined above, Icon Water has assessed its resilience to its business model and strategy and considers Icon Water has high vulnerability to plausible transition developments and medium vulnerability to plausible physical hazards. Icon Water is well-positioned to adapt its strategy and business model to maintain financial performance in the short, medium, and long term.

3. Risk management

A. Approach to managing and overseeing risks – Water and Wastewater

Icon Water manages and governs CRROs through a business-wide RMF which is designed to enhance overall business resilience. The framework identifies risks and opportunities ranked against consequence and likelihood, establishes a lead manager for each risk, identifies actions to respond to the risk and enables regular reporting on progress. The process conforms with AS/NZS ISO 31000:2018 – Risk Management Guidelines. The business-wide RMF dictates the prioritisation of response strategies which includes climate-related risks. Icon Water applies a combination of qualitative and quantitative criteria in assessing CRROs, considering both their likelihood and their potential impacts on strategic objectives, financial performance, safety, operational continuity, environment, reputation and compliance. A risk consequence and likelihood matrix is utilised to guide the risk response. Icon Water's risk management approach is summarised below.

Figure 5: Icon Water Risk Management Framework summary



Recognising that climate-related risks often influence other financial and non-financial risk categories, Icon Water views them not only as standalone concerns but also as amplifiers of existing risks. By classifying climate-related risks as enterprise risks, Icon Water is able to evaluate their relative likelihood and potential impact against other key risks. The RMF is deeply embedded in Icon Water's decision-making, with integration into policies, procedures, and delegated authorities, and is subject to continual oversight by the Board and relevant governance bodies.

Risk assessment and enterprise risk

Icon Water terms enterprise risk as a whole-of-business risk that an organisation faces that if realised, would impact the ability to achieve one or more of its strategic objectives. All enterprise risks are reviewed by the Board on an annual basis.

The climate change enterprise risks are divided between physical and transition risks:

1. Climate Change Physical Risk: Icon Water fails to provide consistent levels of water and wastewater services.
2. Climate Change Transition Risk: Icon Water is not meeting its greenhouse gas emission interval targets and limiting its contribution to climate change.

Table 15 outlines the causes, impacts, current and target ratings for these enterprise risks.

Table 15: Icon Water climate-related enterprise risks, causes, impacts, current and target ratings

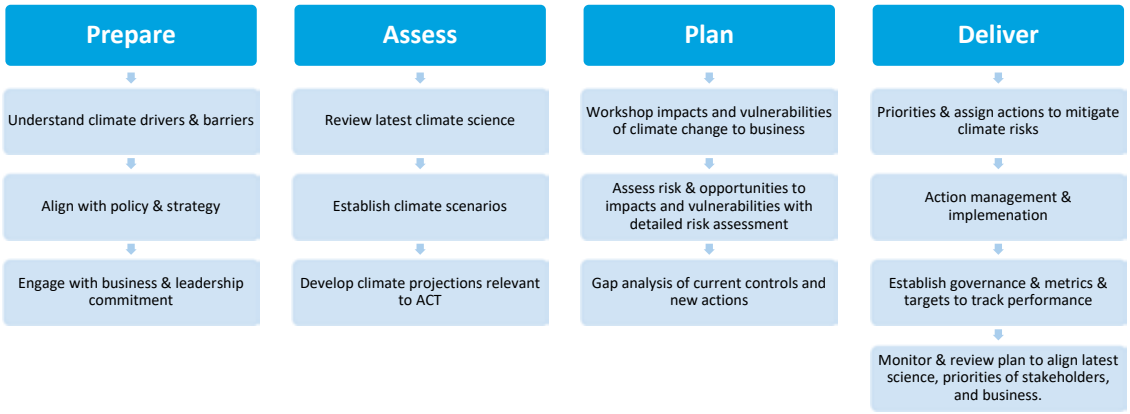
Enterprise Risk	Related to CRRO's	Cause	Impact	Current Rating	Target Rating
Climate change impacts the ability for Icon Water to provide consistent levels of water and wastewater services	Reduced streamflow into catchments plus increased reservoir evaporation leads to raw water supply scarcity, resulting in severe impact to business operations. Bushfires and other natural hazards can lead to damage to water and/or sewage treatments plants and parts of the network, which can lead to an inability to treat and/or convey sewage or water, resulting in severe disruption to business operations.	• Adverse impacts from climate change and cascading / compounding impacts • Scientific and engineering limitations to accurately model climate change impacts, speed and magnitude • Insufficient commitment and resourcing / prioritisation by Icon Water • Inadequate organisational planning for climate change adaptation • Poor organisational implementation of climate change adaptation actions • Supply chain restrictions due to climate	• Severe strategic impact • Major safety incident • Severe operational impact • Major financial impact • Major environmental impact • Major reputational impact	High	High
Icon Water is not meeting its greenhouse gas emission interval targets and limiting its contribution to climate change	Failing to meet organisational greenhouse gas emission interval targets and limit the contribution to climate change.	• Inaccurate data and analysis of available greenhouse emission and mitigation options • Inadequate organisational planning and design for climate change mitigation • Poor organisational implementation of climate change mitigation actions • Inadequate pricing regulator support for climate change actions • Increase in population and area service growth greater than forecast • ACT Government accelerate net zero targets • Changes to greenhouse gas emissions coverage	• Severe strategic impact • Major safety incident • Severe operational impact • Major financial impact • Major environmental impact • Major reputational impact	Medium	Medium

CRROs associated with the energy investments are identified through a review of CRROs obtained from the JV Management Team. While the assessment relies on information and analysis prepared by them, Icon Water performs an independent evaluation of that information from an investor and exposure perspective to assess which of those risks should be CRROs for Icon Water. There is no integration of the JV CRRO's into Icon Water's RMF as the risk framework of the energy investment is independent of Icon Water.

Risk-informed strategic planning

This risk-informed approach ensures that the climate strategy is targeted, practical, and aligned with long-term organisational resilience, Figure 6.

Figure 6: Risk-informed approach to strategic planning – Water and Wastewater



A detailed risk assessment for each key business area helps Icon Water understand its exposure and ability to respond or recover from climate change hazards including increasing temperatures, severe storms and floods, changing rainfall, prolonged droughts and increasing bushfire activity. It also assessed the organisational impact of transitioning to a low-carbon economy, using RCP 1.9 scenario and identifying decarbonisation opportunities as outlined in section 2E and in Icon Water's eMission Possible Plan.

Using the scenarios and projections data for physical risks, based on datasets from the NARCliM tool version 1.5, Icon Water assessed its ability to provide services to the community under a changing climate. Consultation was held with internal and external stakeholders and identified possible climate-related impacts (Table 3), which could occur as individual events, in unison, or in sequence. Cascading impacts were also considered that could overlap on the business such as population growth, economic volatility and political unrest. A detailed risk assessment was undertaken on the impacts based on the RMF and the Water Services Association of Australia (WSAA) Climate Change Adaptation Guidelines. Of the risks identified, two physical risks for the water and wastewater business had severe consequences and were considered key climate-related risks. A five-year Climate Change Adaptation Plan was established to mitigate the impacts of climate change on the business, with the view to update the plan every five years. An overview of the process is outlined in Figure 7.

Figure 7: Risk assessment findings



CRROs are overseen in accordance with the governance structure outlined in Figure 5. Icon Water's CRROs will be reviewed at a minimum on an annual basis, with relevant enterprise policies and standards, as they relate to CRROs, to be updated where relevant.

Transition risks were identified through assessment of climate-related policy, regulatory, market, technology and stakeholder developments relevant to Icon Water's operations and strategic objectives. This assessment was informed by the climate-related transition scenario described in Tables 12 to 14, together with evaluation of future greenhouse gas emissions obligations, net zero commitments, emissions reduction pathways and climate-related regulatory developments. Identified transition-related impacts were assessed using Icon Water's RMF and considered alongside physical climate risks to determine those CRROs reasonably expected to affect Icon Water's strategy, business model or financial performance.

4. Metrics and targets

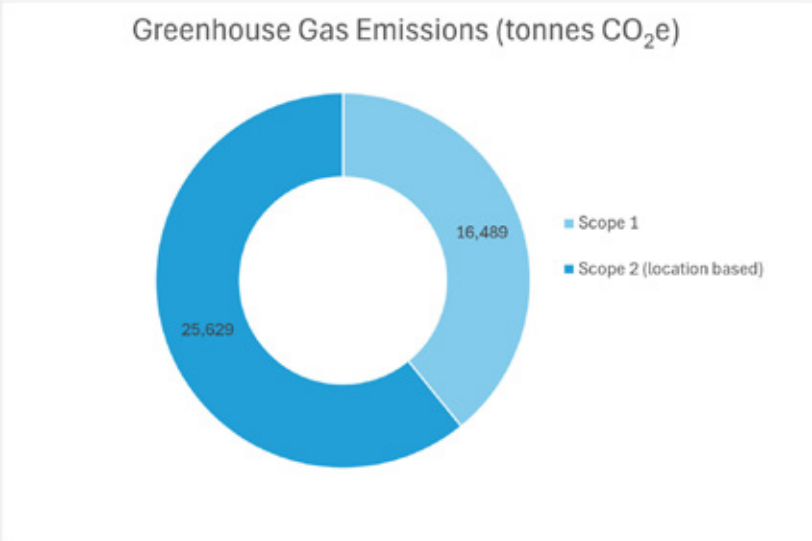
A. Greenhouse gas emissions

Operational Greenhouse Gas emissions

In 2025-26, Icon Water's total emissions (excluding scope 3) from its water and wastewater operations were 42,118 tonnes of carbon dioxide equivalent (tCO_2e), (Figure 8). This included 16,489 tCO_2e scope 1 emissions (direct) and 25,629 tCO_2 scope 2 (location-based) emissions. The market-based scope 2 emissions were Zero tCO_2e. The energy investment is excluded from Scope 1 and Scope 2 emissions because Icon Water does not have operational control over those activities and are treated as Scope 3 emissions.

Icon Water applies an operational control approach for emissions from all facilities it directly manages or operates. This approach is selected because it aligns with the Icon Water's management responsibilities ensuring emissions are reported for operations where Icon Water has the authority to implement operating and environmental policies and can directly influence emissions performance. The Energy Investment operations are not included within the Scope 1 and Scope 2 organisational boundary because Icon Water does not have operational control over those activities. A company has operational control over an operation if the former or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation.

Figure 8: GHG emissions



Scope 2 emissions

Location-based scope 2 emissions (using an emissions factor of 0.64 $kgCO_2e/kWh$ from the National Greenhouse Energy Reporting (NGER) measurement determination November 2025) for Icon Water are outlined in Table 16.

Table 16: Location-based scope 2 emissions

Location	Emission Factor	kWh	tCO_2e
ACT & NSW	0.64 $kgCO_2e/kWh$	40,045,065	25,628.84

Market-based scope 2 emissions were zero tCO_2e for ACT and Zero tCO_2e for NSW. It is the position of the ACT Government that their 100% renewable energy program fully covers all electricity sourced from the grid in the ACT and Icon Water aligns with this position. For NSW the approach in the NGER measurement determination is used. This uses the Renewable Power Percentage (RPP) of the grid, the purchase of GreenPower for Googong WTP and the residual grid emission factor of 0.81 kg CO_2e/kWh. GreenPower electricity is acquired from our Electricity supplier on our behalf in the form of Large Scale Generation Certificates (LGCs) from accredited generators which covers all NSW electricity purchases.

Disaggregated scope 1 and 2 emissions

Icon Water's disaggregated scope 1 and scope 2 GHG emissions are shown in Table 17.

Table 17: Disaggregated scope 1 and 2 emissions

GHG Emissions (metric tCO_2e)	Scope 1	Scope 2 (location based)	Total
Icon Water (Water and wastewater operations only)	16,489	25,629	42,118
Total scope 1+2 GHG emissions (operational control basis)	**16,489**	**25,629**	**42,118**

The energy investment operations are excluded from reported Scope 1 and Scope 2 emissions as Icon Water does not have operational control over those activities. In future reporting periods the energy investment will be reported as Scope 3 emissions. Icon Water has adopted the transitional relief provided under AASB S2 paragraph C4(b) which permits it to not disclose Scope 3 greenhouse gas emissions in its first annual reporting period applying AASB S2.

B. Greenhouse Gas Emissions calculation approach and methodology

For the calculation of the scope 1 and 2 GHG emissions, Icon Water follows the guidelines and methodologies contained in the NGER measurement determination. Icon Water has applied the AASB S2 jurisdictional relief permitting Scope 1 and Scope 2 GHG emissions to be measured in accordance with the NGER Measurement Determination. Icon Water has calculated emissions via the most accurate, reasonably practicable method applicable.

Estimates and Judgements

In the case of fugitive nitrous oxide emissions, method 1 from the NGER measurement determination prior to compilation 12 was used, as Icon Water have assessed this methodology to provide a more reasonable estimate of emissions when compared with other options. Icon Water will review the methodology utilised for fugitive nitrous oxide emissions once any new methods are established. Icon Water is actively involved in development of improved methods.

Scope 1 and 2 emissions are calculated using internal or external data sources, factoring in the uncertainty measurement (associated with emissions factors or other factors associated with the calculations), and data quality as listed in Table 18.

Table 18: Scope 1 and 2 emission measures

Emission Category	Activity	Data Source	Methodology, Data Quality and Uncertainty	NGER measurement determination reference
Scope 1				
Fuel Combustion – Stationary, and – Transport	Emissions released from fuel combustion – Stationary energy purposes, and – Transport energy purposes	For natural gas: Invoices and meter readings from AAGL and estimates for most recent timeframe when data is not yet available. For fuels delivered to site: Statements from suppliers and site records. Use cases determine what is treated as stationary or transport. For fuel purchased at service stations: Fuel card data. Algorithms used to determine purchases assigned to stationary or transport and transport type.	NGER method 1 High quality data, Low uncertainty	Compilation 20 Chapter 2: Fuel combustion Part 2.3: Emissions released from the combustion of gaseous fuels Part 2.4: Emissions released from the combustion of liquid fuels Emission Factors (EFs) from schedule1
Industrial processes	Emissions of hydrofluorocarbons and sulphur hexafluoride (SF_6) gases from gas insulated switchgear and circuit breaker applications	Input from Principal Electrical Engineer or person with equivalent relevant knowledge providing a list of assets using SF_6 and how much is held by each based on nameplate data.	NGER method 1 High quality data, High uncertainty Emissions from gas insulated switchgear and circuit breakers involve a relatively high degree of estimation uncertainty because emissions are	Compilation 20 Chapter 4: Industrial processes emissions Part 4.5 - Industrial processes – emissions of hydrofluorocarbons and sulphur hexafluoride gases EF from Part 4.5

Emission Category	Activity	Data Source	Methodology, Data Quality and Uncertainty	NGER measurement determination reference
			generally not directly measured. Instead, they are calculated using gas inventory records, equipment leak rates, and maintenance information. Uncertainty arises from potential inaccuracies in gas inventories, measurement limitations, undetected leaks, and the use of engineering assumptions or industry emission factors.	
Waste	Emissions of methane released from wastewater handling (domestic and commercial)	Site records of sludge diversion and storage along with operational data and, where available, stockpile samples.	NGER method 1 Moderate quality data, High uncertainty (no methane emissions occurred in the reporting period and, therefore, no emissions estimates were required)	Compilation 20 Chapter 5: Waste Part 5.3 Wastewater handling (domestic and commercial)
Scope 1				
Waste	Emissions of nitrous oxide released from wastewater handling (domestic and commercial)	Population data from Australian Bureau of Statistics and operational data for daily nitrogen leaving the plant.	Aligned with NGER method 1 High quality data, Moderate uncertainty	Compilation 11 Chapter 5: Waste Part 5.3 Wastewater handling (domestic and commercial)
Scope 2 – Location-based				
Purchased electricity	Purchase and loss of electricity from main electricity grid in a State or Territory	Meter data from electricity and emissions platform with back up from meter data provider and retailer if required. Where a site does not have a smart meter account data is used. Where there are two incomers, readings are summed for each interval. ACT and NSW are recorded separately.	NGER method A1 High quality data, Low uncertainty	Compilation 20 Chapter 7: Scope 2 Emissions 7.2 Method A1 – location-based method – electricity purchased, acquired or lost from main electricity grid in a State or Territory

C. Other cross-industry metrics

Vulnerability of assets and business activities to CRROs

Icon Water has assessed the assets and business activities that are vulnerable to climate-related physical and transition risks, Table 19.

Table 19: Vulnerability of business assets and activities

Risk category	$`000	% of assets
Transition	377,100	7.3%
Physical	3,610,307	71%

Capital deployment

The amount of capital expenditure deployed by Icon Water towards CRROs disclosed in section 2B for the period ending 30 June 2026 was $18.7m. The amount of capital expenditure allocated for future reporting periods is Nil.

D. Emissions reduction goals and climate commitments

Table 20: Target 1 – Net zero by 2045

Target 1	Net zero by 2045
Metric	Net zero emissions for scope 1 & 2 by 2045
Objective	Using the emissions hierarchy prioritising emissions avoidance and mitigation with carbon credits used for remaining emissions. Icon Water has established a net zero target only and has not set a corresponding gross emissions reduction target. This is consistent with the ACT Government's targets.
Scope	Applies to all operations
Period	FY2021-FY2045
Base period	FY1989-FY1990 (The base period aligns to the ACT Governments net zero targets which Icon Water has aligned to).
Milestones and interim targets	50% by 2024-2025 65% by 2029-2030 90% by 2039-2040 Even reductions of 3% per year between milestones
Target type	Absolute
Alignment with jurisdictional commitment	Aligns with goal and interim targets in *ACT Government's Climate Change Strategy 2019-2025*
Validation	Annual data assurance has been performed by external emissions consultant of the calculations. The methodology is not reviewed by the consultant.
Review process	The progress towards the target is reviewed quarterly by the Executive Committee, the Board and Voting Shareholders.
Metrics for monitoring progress	Quarterly
Revision	No revisions have been made to the target in the current period

Table 21: Target 2 - Maintain steady or reduce physical risk profile

Target 2	Maintain steady or reduce physical risk profile
Metric	Climate change adaptation impact- risk profile
Objective	Adaptation: Building organisational and regional resilience to climate change by delivering an integrated approach that maintains a steady or reduced risk profile to climate change pressures.
Scope	Applies to all operations
Period	2023 - 2028
Base period	Risk profile undertaken upon commencement of CCAP (2023)
Milestones and interim targets	Reviews to be undertaken when new NARCLiM projections are available, significant advances in climate science, extreme climate-related events and if a considerable change in community and/or shareholder expectations.
Target type	Qualitative Comparative
Alignment with jurisdictional commitment	No jurisdictional commitment.
Validation	No validation activities are performed for this activity.
Review process	The progress towards the target is reviewed annually by the Executive Committee.
Metrics for monitoring progress	An annual review of the risk profile.
Revision	No revisions have been made to the target in the current period.

Table 22: Target 3 - Deliver actions towards the target physical risk profile

Target 3	Deliver actions towards the target physical risk profile
Metric	CCAP action status
Objective	Adaptation: Building organisational and regional resilience to climate change by delivering an integrated approach that maintains a steady or reduced risk profile to climate change pressures
Scope	Applies to all operations.
Period	2023 - 2028
Base period	Commencement of CCAP (2023)
Milestones and interim targets	Reviews to be undertaken when new NARCLiM projections are available, significant advances in climate science, extreme climate-related events and if a considerable change in community and/or shareholder expectations.
Target type	Absolute
Alignment with jurisdictional commitment	No jurisdictional commitment.
Validation	No validation activities are performed for this activity.
Review process	The progress towards the target is reviewed on a quarterly basis by the Executive Committee, the Board and Voting Shareholders.
Metrics for monitoring progress:	Quarterly review of progress of the actions.
Revision	No revisions have been made to the target in the current period.

E. Target-setting review approach

Icon Water conducts performance reviews against its climate targets as outlined in the commitment tables above.

Planned use of carbon credits to offset GHG emissions

Icon Water recognises that the use of offsets is the least preferred option in the carbon hierarchy, consistent with policy drivers and customer preferences for investment in mitigation action. However, its projected net zero pathway is reliant on offsets to address the current technology gap on N_2O emissions. As a result, Icon Water has estimated and provisionally included sufficient offsets to cover unavoidable residual emissions from the technology gap on N_2O emissions, using its existing and planned carbon credits to ensure that it maintains its net zero target beyond 2045.

Australian Carbon Credit Units (ACCU's) generated by environmental plantings and other methods with positive community co-benefits consistently demand a price premium. Currently Icon Water has a carbon offset property in New South Wales with plantings over 785 hectares which has a 100-year permanence and generates approximately 5,000 ACCU's per annum, certified by the Australian Clean Energy Regulator. This is a nature-based forestry planting, which is owned by Icon Water and the carbon stock managed by a specialist third party. Also, within the carbon credit portfolio are 20,475 Gold Standard verified carbon credits. The Gold Standard offsets are generated from a wind farm project in Turkey and earn avoidance credits by preventing future emissions. Icon Water's net zero pathway preferentially surrenders these credits so that it can focus on generating its higher quality sequestration methods now and into the future.

Initial planning for future offsets has been undertaken to understand the offset market, credit integrity, customer perceptions, potential co-benefits and options for future offsets if and as required. The net zero pathway approach is expected to be reviewed periodically over time with increased certainty in mitigation action performance, climate change policy and regulatory direction.

Appendix A: Acronyms

Acronym	Definition
ACCU	Australian Carbon Credit Units
ACWA	Actions for Clean Water
ACT	Australian Capital Territory
AASB S2	Australian Accounting Standards Board – Climate-related Disclosures Standard (S2)
ASRS	Australian Sustainability Reporting Standards
CCAP	Climate Change Adaptation Plan
CSIRO	Commonwealth Scientific and Industrial Research Organisation
EF	Emission Factor
EMS	Environmental Management System
EV	Electric Vehicle
GHG	Greenhouse Gas
GWTP	Googong Water Treatment Plant
ICRC	Independent Competition and Regulatory Commission (ACT)
IPCC	Intergovernmental Panel on Climate Change
LGCs	Large-scale Generation Certificates
LMWQCC	Lower Molonglo Water Quality Control Centre
M2G	Murrumbidgee to Googong
MWh	Megawatt hour
NGER	National Greenhouse and Energy Reporting (Scheme)
N_2O	Nitrous Oxide
NSW	New South Wales
PPA	Power Purchase Agreement
RMF	Risk Management Framework
RCPs	Representative Concentration Pathways
TCO_2e	Tonnes of Carbon Dioxide Equivalent
$kgCO_2e$	Kilograms of Carbon Dioxide Equivalent
WaterRA	Water Research Australia
WSAA	Water Services Association of Australia
NARCLiM	NSW and Australian Regional Climate Modelling

ACT Audit Office

AUDITOR-GENERAL AN OFFICER OF THE ACT LEGISLATIVE ASSEMBLY

INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of Icon Water Limited

Conclusion

I have conducted a review of the selective sustainability information presented in the table below as included the Sustainability Report of Icon Water Limited (the Company) and its subsidiaries (collectively the Group) for the year ended 30 June 2026 (the 'selective sustainability information') as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

Selective sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Section 1 on pages 3 to 5
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Section 2, Subsection B on pages 6 to 10
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Section 4, Subsection A and B on pages 22 to 24

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

I have not become aware of any matter in the course of my review that makes me believe that the selective sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the Act.

Basis for conclusion

My review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. My review includes obtaining limited assurance about whether the selective sustainability information is free from material misstatement.

In applying the relevant criteria, I note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

My conclusion is based on the procedures I have performed and the evidence I have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the work performed* section of my report.

My responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of my report.

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I am independent of the Group in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code) that are relevant to my review of the selective sustainability information in Australia. I have also fulfilled my other ethical responsibilities in accordance with these requirements and the Code.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Other information

The directors of the Company are responsible for the other information. The other information comprises the Company's Annual Report, including the Financial Report and the Sustainability Report, but does not include the selective sustainability information and my review report thereon.

My conclusion on the selective sustainability information does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my review of the selective sustainability information, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or my knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities for the selective sustainability information

The directors of the Company are responsible for:

- the preparation of the selective sustainability information in accordance with the Act; and
- designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

Inherent limitations

As discussed on pages 1 and 18 to 21 of the Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred and may never occur. I do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Auditor's responsibilities

My objectives are to plan and perform the review to obtain limited assurance about whether the selective sustainability information, defined in the *Conclusion* section of my report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes my conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

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As part of a review in accordance with ASSA 5000, I exercise professional judgement and maintain professional scepticism throughout the engagement. I also:

- perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control; and
- design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting my review, the procedures I performed included, but were not limited to:

- considering the completeness of Icon Water Limited's assessment of climate-related risks and opportunities;
- conducting interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period;
- reading minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures;
- assessing the appropriateness of the reporting boundaries applied;
- undertaking analytical review procedures to support the reasonableness of the selective sustainability information;
- evaluating the appropriateness of emission factors applied in the greenhouse gas emission processes;
- agreeing the selective sustainability information disclosures made in the report with the underlying records; and
- evaluating the presentation and disclosure of the selective sustainability information against the requirements of AASB S2.



Ajay Sharma PSM
Auditor-General
15 September 2026

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APPENDICES

COMPLIANCE STATEMENT

The Icon Water Limited (Icon Water) Annual Report must comply with the Annual Reports (Government Agencies) Directions 2026 (the Directions). The Directions are found at the ACT Legislation Register: legislation.act.gov.au

This compliance statement indicates the subsections, under the five parts of the Directions that are applicable to Icon Water and the location of the information that satisfies these requirements.

Part 1 Directions Overview

The requirements under Part 1 of the Directions relate to the purpose, timing and distribution, and record keeping of annual reports. The Icon Water Annual Report complies with all subsections of Part 1 under the Directions.

To meet Section 15 Feedback, Part 1 of the Directions, contact details for Icon Water are provided within this Annual Report to give readers the opportunity to provide feedback.

Part 2 Agency Annual Report Requirements

The requirements within Part 2 of the Directions are mandatory for all reporting entities and Icon Water complies with all subsections other than those which are not applicable to Icon Water as identified in the Omissions report. The information that satisfies the requirements of Part 2 is found in the Icon Water Annual Report as follows:

a. Transmittal certificate (see page 1)

b. Organisational overview and performance (see pages 6, 21, 33, 43 and 53)

c. Financial management reporting (see page 68)

Part 3 Reporting by Exception

Icon Water, as a Territory-owned corporation, has nil information to report by exception under Part 3 of the Directions for the 2025–26 reporting period (also noting that Part 3 is not applicable to Territory-owned corporations).

Part 4 Agency Specific Annual Report requirements

The following subsections of Part 4 of the Directions are not applicable to Icon Water and are disclosed in the Omissions Report:

- Chief Minister, Treasury and Economic Development
- Education
- Health
- Justice Agencies
- Care and Carer Support Agencies
- City Centre Marketing and Improvements Levy
- Ministerial and Director-General Directions
- Public Land Management Plans
- Urban Forest Act 2023 Reporting.

Part 5 Whole of Government Annual Reporting

As a Territory-owned corporation, Icon Water is not required to participate in whole of government annual reporting. However, in 2025–26 we did provide input into the ACT Government's Whole of Government annual reporting in relation to our bushfire risk management practices.

As per Part 5 of the Directions, Icon Water must comply with the Part 5 reporting requirements within our own report. The information that satisfies the requirements of Part 5 is found in Section 3 of the Icon Water Annual Report as follows:

- Bushfire risk management (page 20)
- Human rights (page 65)
- Legal services directions (page 65)
- Territory records (page 62)

OMISSIONS REPORT

As a public unlisted company Icon Water is not required to comply with a number of ACT Government reporting requirements which are applicable to public sector entities. These are outlined below.

Reporting Requirement	Reason/s for Omissions
B9 Aboriginal and Torres Strait Islander Reporting	The ACT Agreement and the National Agreement are not applicable to Icon Water. However, information on Aboriginal and Torres Strait Islander community engagement on page 28.
B11 Multiculturalism Act 2023 Reporting	Not applicable to Territory-owned corporations.
B12 Period Products and Facilities (Access) Act Reporting	Not applicable to Territory-owned corporations.
C3 Capital Works	Government policy – not applicable to Icon Water. However, details of Icon Water's major capital works are detailed in on page 45
C4 Asset Management	Government policy – not applicable to Icon Water.
C5 Government Contracting	The Government Procurement Act 2001 is not applicable to Icon Water (as a Territory-owned corporation).
C6 Statement of Performance	Government policy – not applicable to Icon Water. However, Icon Water's performance is detailed on pages 6, 21, 33, 43 and 53
Part 3 Dangerous substances	Not applicable to Territory-owned corporations.
Part 4 Annual Report Requirements for Specific Reporting Entities	Not applicable to Territory-owned corporations.
Part 6 State of the Service Report	Not applicable to Territory-owned corporations.

GLOSSARY OF ACRONYMS

AASB	Australian Accounting Standards Board
ADWG	Australian Drinking Water Guidelines
AGL	Australia Gas Light Company
AIIMS	Australasian Inter-Service Incident Management System
ANU	Australian National University
APZ	Asset Protection Zones
ARC	Australian Research Council
ASRS	Australian Sustainability Reporting Standard
BOP	Bushfire Operational Plan
CRC	Cooperative Research Centre
EIANZ	Environment Institute of Australia and New Zealand
FOGO	Food Organics, Garden Organics
FOI	Freedom of Information
FPIC	Free Prior Informed Consent
FTE	Full Time Equivalent
FY	Financial Year
GHG	Greenhouse Gas
GL	Gigalitres
HSMS	Health and Safety Management System
ICIP	Indigenous Cultural and Intellectual Property
ICRC	Independent Competition and Regulatory Commission
ICT	Information and Communications Technology
IDIL	Icon Distribution Investments Limited
IMS	Integrated Management System
IRIL	Icon Retail Investments Limited
LMWQCC	Lower Molonglo Water Quality Control Centre
M2G	Murrumbidgee to Googong pipeline
ML	Megalitres
MLA	Member of the Legislative Assembly
PFAS	Per- and polyfluoroalkyl substances
PHS	People, Health and Safety
RAP	Reconciliation Action Plan
RD&I	Research, development and innovation
STP	Sewage Treatment Plant
TRO	Territory Records Office
UQ	University of Queensland
WaterRA	Water Research Australia
WRF	Water Research Fund
WSAA	Water Services Association of Australia
WTP	Water Treatment Plant

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「如需語言支援，請撥打上述電話號碼。」

«भाषाई सहायता प्राप्त करने के लिए, ऊपर दिए गए नंबर पर कॉल करें»।

«भाषा सम्बन्धी सहयोग लिन, माथिको नम्बरमा फोन गर्नुहोस्।»

«ਆਪਣੀ ਭਾਸ਼ਾ ਵਿੱਚ ਸਹਾਇਤਾ ਪ੍ਰਾਪਤ ਕਰਨ ਲਈ, ਉੱਪਰ ਦਿੱਤੇ ਨੰਬਰ ਤੇ ਫ਼ੋਨ ਕਰੋ»।

“Để được hỗ trợ về ngôn ngữ, hãy gọi đến số điện thoại ở trên”.

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