



TRUSTEES' REPORT

On the operations and financial affairs of the

HAWKE'S BAY POWER CONSUMERS' TRUST

For the year ended 31 March 2025

ANNUAL REPORT TO CONSUMERS

THE TRUST

Hawke's Bay Power Consumers' Trust is the 100% owner of Unison Networks and has been since 1993. The Trust holds the shares in Unison on behalf of all power consumers connected to Unison's electricity network in Hawke's Bay. This means Hawke's Bay power consumers are the beneficial owners of the company.

The Trust is represented by five Trustees elected every three years by the power consumers of Hawke's Bay. The current Trustees are Kirsten Westwood (Chair), Barbara Arnott, David Pearson, Jeff Farnworth and newly appointed Craig Waterhouse. As chair, and on behalf of fellow trustees, I am pleased to provide this annual report on the operations and financial results of the Hawke's Bay Power Consumers' Trust for the year ended 31 March 2025. Trading activities of Unison Networks Limited are summarised later in this report.

WHAT THE TRUST DOES

Our role as trustees is to hold the shares for the benefit of its consumer-owners and also to ensure the value of their investment in Unison is protected and enhanced, now and into the future. We monitor the operational and financial performance of the Company by measuring results against the Company's business plan and Statement of Corporate Intent progressively during the year. In this way we are alert to any variations to the outcomes that have been agreed with the Board.

Key tasks of the Trust are to:

- Act in the best interests of Hawke's Bay power consumers, as owners, and exercise their rights as shareholders.
- Appoint Unison's Board of Directors and monitor their performance and the performance of the Company.
- Determine annually the amount of Trust funds to be paid to consumer-owners as a dividend or in other ways.
- Approve Unison's annual business goals and financial objectives.
- Manage and account for the financial affairs of the Trust.
- Hold a public meeting each year to report on the operations and financial performance of the Trust.
- Review the ownership of Unison's shares every five years, through a public consultative process.

TRUST ACTIVITIES SINCE 2024 ANNUAL PUBLIC MEETING

Consumer Dividends \$17.25 million in 2024

In 2024 the Trust received a dividend payment from Unison of \$17.25 million, exclusive of imputation credits. This was distributed to consumers at \$260 per ICP (installation connection point), with tax credits attached – to a maximum of 3 ICP connections per consumer.



The registration portal remains open at www.hbpct.co.nz for further registrations at any time of the year.

The direct financial benefits consumers have received from Trust ownership since 1999 now stands at around \$267.25 million.

Trust elections

Trust elections were held in October 2024. Craig Waterhouse was newly elected to the Trust, alongside current trustees Kirsten Westwood, Barbara Arnott, David Pearson and Jeff Farnworth. All details are available on the Trust website at www.hbpct.co.nz. The next Trust elections are on 1 October 2027.

Distribution Payments

Trustees have been reviewing the benefits and disadvantages of different methods of distribution of payments to consumers. The method used by this Trust has always been to pay by annual dividend, formerly by way of cheque and now by direct debit to consumers. The Trust agree the annual dividend due each year in November will continue to be paid as expected by direct debit directly to consumers.

Working with Directors

Trustees continue to have a strong and open relationship with Unison directors. Along with regular chair-to-chair meetings, trustees are regularly kept up to date with company activities as well as initiatives that are in the pipeline. This “no surprises” approach is valued and respected by both parties.

As detailed in our Director Rotation Policy, current Board Directors Blair O’Keefe and Barbara Elliston have completed their 1st term of 3 years and are required to retire by rotation, following Unison’s annual meeting. The maximum length of service is nine years. The Trust support the continuation of Blair and Barbara’s appointment, for a second term.

ETNZ

Barbara Arnott and Craig Waterhouse attended the ETNZ conference in May 2025. Trustees view the conference as important and value the ability to share issues with all other trusts. The Trust is conscious of the need to have strong communication with trusts around New Zealand and will continue to advocate for this. Deputy Prime Minister David Seymour was a positive speaker at the event and spoke to the many challenges in the energy sector.

COMPANY PERFORMANCE 2024-2025

Compliance: The trading results for 2024-2025 reflect a modest decline in profitability on the previous year, mainly due to the impact of lower earnings from the transformer business primarily due to reduced sales volumes and higher input costs, as well the prior year’s disposal of Unison fibre. This was partially offset by insurance income. Total group revenue was up \$11 million from the previous year at \$371 million, while operating expenditure reached \$263 million.

After accounting for higher depreciation and borrowing costs, profit after tax was \$30 million, slightly up from \$29 million. Operating cash flow increased by \$12 million to \$79.6 million, reflecting solid cash returns from core operations.



Shareholders' funds showed an increase of \$10 million, increasing to \$530 million.

Ratio of Consolidated Shareholders' Funds to Total Assets

- The minimum target ratio of consolidated shareholders' funds to total assets is set at not less than 40%.
- Target goal for 2025 – 47%

Compliance: The minimum target ratio was achieved, and the target goal was slightly behind. The actual ratio was 46%.

Performance Targets

Unison's 2025 Statement of Corporate Intent sets targets for both financial and network performance.

Compliance: The Company fell slightly behind its financial performance targets but performed well against its network performance targets. The Trustees are satisfied with the financial results and the network performance.

	Statement of Corporate Intent	
	2025 Targets	Actual Results 2025
FINANCIAL		
Earnings before interest, taxation, depreciation, amortisation and financial instruments as a percentage of average assets employed	10.1%	9.5%
Earnings before interest and taxation as a percentage of average assets employed	6.2%	5.6%
Total line operating costs per consumer	\$443	\$413
NETWORK PERFORMANCE		
SAIDI – System Average Interruption Index (Minutes)	<66.62	54.45
SAIFI – System Average Interruption Frequency Index	<1.439	1.271
HEALTH AND SAFETY PERFORMANCE		
• Injuries relating to critical risk	Nil	1
• Number of Public Accidents	Nil	Nil

COMPLIANCE WITH OTHER MATTERS

Unison's Statement of Corporate Intent is released each year, detailing matters relating to the company's scope of activities, dividend distributions, accounting policies, information to be provided to shareholders and administrative matters relating to procedures and communications with the Trust, as the sole shareholder. We are satisfied that in all these matters the Company has complied with the Statement of Corporate Intent.

SUMMARY

Overall, the Trustees believe that the Company's 2024-2025 results are solid, given what continues to be a challenging operating environment.



THANKS

The last financial year has been a challenging and busy one for Unison. The strength of the Unison team has consolidated it as a truly consumer-focused company. The Trust is very proud to own the company that puts the needs of its consumer shareholders first and foremost.

Our special thanks go to the Trust Secretary, Stephen Dine, and his team at Brown Webb Richardson, for the continued professional service and support they provide to the Trust.

TRUSTEES' CONTRIBUTIONS

I would like to thank the current trustees for their open and important contributions around the Trust table. We are pleased to have former trustees continue to hold positions, following the recent elections with the addition of one new trustee. Much of the work of trustees goes unseen by the public and I thank each of them for their contributions on behalf of power consumers over the past year.

This is my first report to power consumers as trustee and chair of HBPCT. Following my first term as trustee, I am honoured to have been appointed to the role of Chair. I am committed to ensuring that the needs of consumers are at the forefront of our efforts, and that the value of this regional investment is protected and enhanced, now and into the future.

KIRSTEN WESTWOOD CHAIR

On behalf of the Trustees – Barbara Arnott, David Pearson, Jeff Farnworth and Craig Waterhouse.

MORE TRUST INFORMATION

Detailed information about the Trust and its work is accessible on the Trust website: www.hbpct.co.nz