



Whakarato Te Rohe Pōtae

ANNUAL REPORT 2025

The Trustees take great pleasure in presenting this thirty-first annual report to the consumer beneficiaries of KCT.

THE TRUST

The 2024 Annual General Meeting (AGM) for the Trust took place at Oreti Village Pukawa, with a great turnout and productive discussions.

- there were ten (10) Trust meetings (during the financial year) conducted either through Zoom or in person, and we only received three apologies for all the meetings.
- trustees participated in conferences organised by the Energy Trusts of New Zealand.
- trustee fees were adjusted annually to account for inflation based on the Consumer Price Index (CPI).

Sandra Greenslade represents King Country Trust on the Maru Trust, which is dedicated to improving home warmth and wellbeing across the King Country Trust district through insulation and heating initiatives.

Since its establishment in 2019, the Maru Trust has made a significant impact. Between 30 June 2024 and 30 June 2025 in the Ruapehu and Taupo (Turangi) districts the Trust has:

- insulated 75 homes with a total of 626 homes since inception
- installed 57 heat pumps with a total of 314 since inception

In addition, as part of its Kahumoe Kaupapa PJ Project, which provides new pyjamas to children and whānau in need, the Trust distributed:

- 616 pairs of new pyjamas in the Ruapehu district Ohakune

(Note: Tūrangi has its own kaupapa-led pyjama distribution initiative that works directly with the community.)

It's encouraging to see that the numbers in some areas are starting to level out, which suggests we're getting close to our goal of making sure every eligible home is warm and healthy.

As noted in last year's report, in May 2024 the Trustees received confirmation from the High Court that amendments updating the Trust Deed that ensures the Trust can continue without ownership of King Country Energy shares as well as clarifying operational matters and powers of trustees.

The Commerce Commission approved the takeover of Manawa Energy, who owns the other 75.02% of shares in King Country Energy Limited, by Contact Energy on May 7, 2025. This takeover was completed on Friday July 11, 2025. At this stage the Trustees are not aware of

any changes that will result from this takeover but will be monitoring the situation and responding as appropriate. We continue to be represented by Jo Bransgrove on the King Country Energy Limited board.

FINANCES

The Trust received reports from the Trust-appointed director of King Country Energy each month and a presentation from the KCE General Manager every six months.

Investment results reflect the volatility in the investment markets, with little growth in the value of the investments but solid PIE income. KCE results for the 2025 year were up on the prior year by 38% and assets were also revalued, increasing the value of the investment.

The net asset position increased by \$2m to \$53.3m which reflects:

- increase in the value of the fair value investments by \$1.3m
- increase in the value of the investment in KCE (book value) by \$1m
- reducing equity by net interest income less expenses (including tax) of \$0.8m
- reducing equity by the \$1.5m distributions direct to eligible electricity consumers

Core operational expenses declined in the past year. With the Trust Deed review completed there was a significant reduction in consultancy (legal) expenses. There were \$249k in direct donations made to local organisations (up on 2024).

Trustees remain confident in the ongoing financial performance of KCE and the dividends that will result.

INVESTMENTS

The investment funds are managed by Eriksons Global, who visit quarterly to review the portfolio in person.

Investment name	2025	2024 (part year)
Fisher funds	6.98%*1	7.38% (10.95% annualized)
Milford funds	6.57%	4.87% (8.62% annualized)
Continuity Capital	-8% (not-annualised) *2	N/A

*1 Withdrawal during the year \$400k

*2 New investment, deposited in two tranches with another \$1.8m committed.

Movements in the investments made will continue as the Trust identifies opportunities to enhance and diversify its portfolio. The Trust has committed to a total investment in the Continuity Capital Private Equity Fund and will also be making an investment in Salt Funds Management. In April \$2.5m was withdrawn from Fisher Funds and placed into Salt Funds Management.

The objectives are to provide capital growth in the returns and the Trustees are prepared to accept volatility as there continues to be a long-term perspective.

QUALIFIED AUDIT

The financial statements remain subject to a qualified audit because King Country Energy Limited does not prepare audited accounts. This lack of audited accounts constitutes a significant portion of KCT's assets. However, an agreed-upon procedures engagement has been conducted on the information provided, which gives the Directors confidence in the results presented to their shareholders.

Detailed information can be found in the audited set of accounts.

OUTCOMES

The Trust continues with its distribution guidelines to beneficiary consumers. The vision and goal of the distribution guidelines remain:

VISION

To Make a Significant Difference to the Lives of Our Consumer Beneficiaries

GOAL

To increase distributions on \$1.3m from 2019 by 5% p.a. for the foreseeable future

The Trust distributed \$1,538k directly to beneficiaries last financial year via their electricity account with retailers (The Lines Company acts as an intermediary). There were also \$249k in donations made directly to community organisations.

ACCESS TO INFORMATION GUIDELINES

No requests for information under the guidelines have been received.

Signed on behalf of the Trustees:



Uwe Kroll
Chair