ANNUAL REPORT 2025

Quayside Holdings Limited

ANNUAL REPORT 2025

Quayside Holdings Limited

Invested in Our Future | Mauri Ora Roa

CONTENTS

2025 HIGHLIGHTS

$47m million
DIVIDEND

Investment returns enable a dividend to the Bay of Plenty Regional Council in 2025.

4.4% increase from 2024

$397
AVERAGE RATES REDUCTION

Quayside impact on Bay of Plenty ratepayers 2024/25: Dividend reduces the average general rates paid by $397 per property [1]

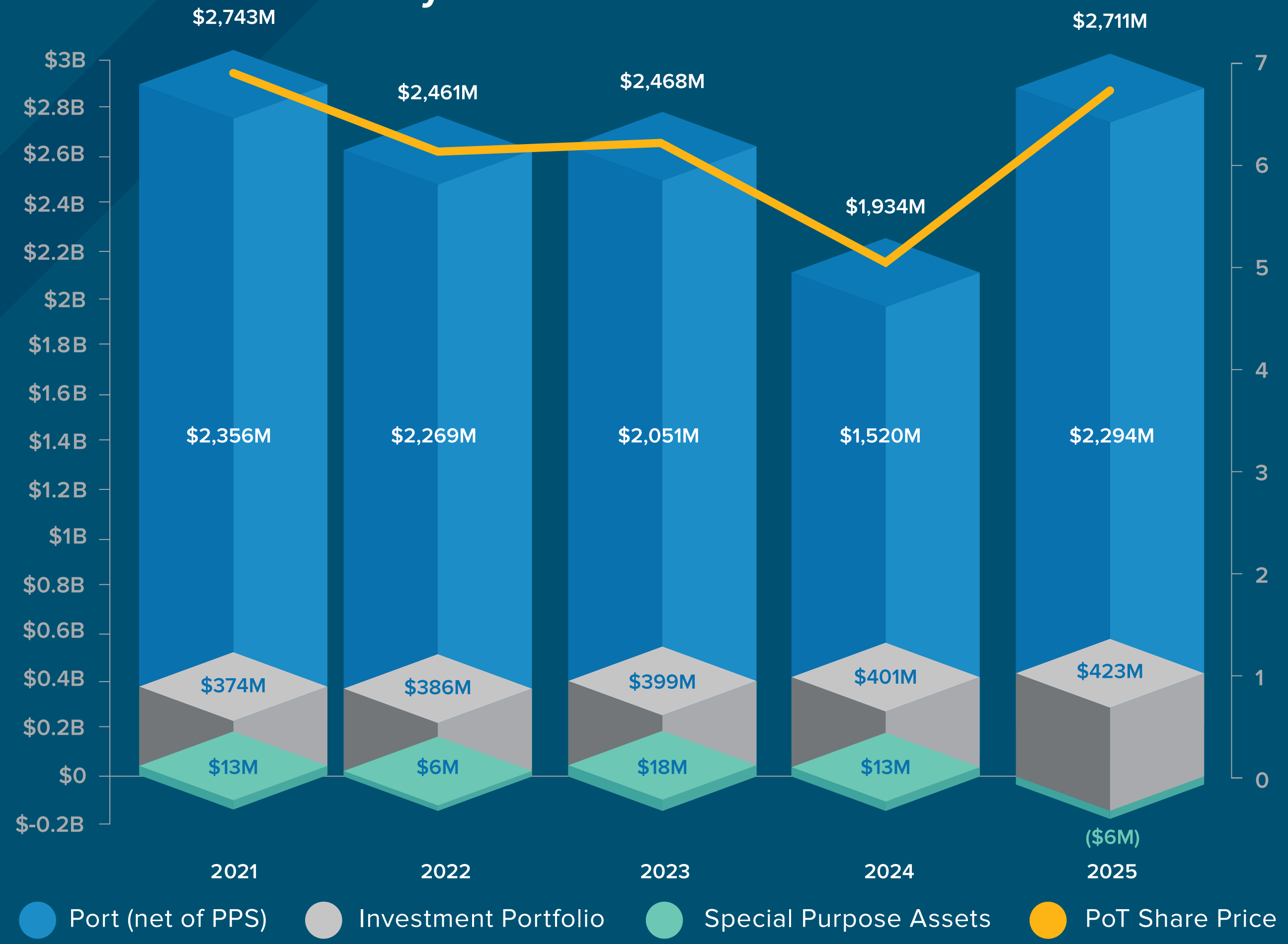
$19K
VALUE PER RATEPAYER

Quayside manages a $2.7 billion fund on behalf of the Bay of Plenty Regional Council, with the community as the ultimate beneficiaries — equating to around $19,453 in value per ratepayer.

$521.7m
TOTAL DIVIDENDS

paid from Quayside to Council since inception. Excludes Perpetual Preference Shares ($200m)

Quayside Portfolio Net Assets



[1] Data source: Bay of Plenty Regional Council

$3.14b Total Assets

Quayside Portfolio at 30 June 2025

Port of Tauranga	Investment Portfolio	Special Purpose Assets
Gross Assets: $2,509m	Gross Assets: $470m	Gross Assets: $161m

$2.5b billion
ASSET VALUE
OF SHARES IN PORT AT 30 JUNE 2025

GROWTH IN INVESTMENT PORTFOLIO ASSETS

Quayside invests through a wide range of asset classes with multiple strategies including direct, active (via managers), and passive strategies.

11.7% Return on Investment on global equities

10.5% Annual return on NZ Fixed Income Portfolio

4.6% Managed Private Equity

After fees, before internal cost allocation.

Investment Portfolio Net Asset annualised

6.5% 1 year return **7.1%** 5 year rolling return

After fees, taxes and internal cost allocation.

BUSINESS PARK RANGIURU

60%
STAGE 1A SOLD

MINISTERIAL OPENING FOR MOTORWAY INTERCHANGE

200
PEOPLE

200 people on site during peak construction period

Disclaimer Regarding Financial Figures
The financial figures presented in this Annual Report may differ from those disclosed in the Signed Consolidated Financial Statements. This variance arises due to the treatment of Quayside Holdings Limited's investment in the Port of Tauranga. For the purposes of this report, Quayside has accounted for its interest in the Port of Tauranga as an investment, rather than consolidating the Port's financial results.

QUAYSIDE GROUP SUMMARY

Quayside operates as a Council Controlled Trading Organisation ("CCTO") under the ownership of the Bay of Plenty Regional Council ("Council"). It serves as the Council's investment arm, annually returning dividends that support the Council's long-term and annual plans.

Quayside holds a majority shareholding of 54.14% in the Port of Tauranga ("the Port"), valued at $2.5 billion as of 30 June 2025. The Port and Quayside each adhere to a robust governance framework that ensures operational independence. Quayside owns the shareholding distinct from the Council to ensure separation between the Council's role as regulator and the Port's operational activities.

Quayside Board: David Fear, Stuart Crosby, Keiran Horne, Mark Wynne, Fraser Whineray, Te Taru White, Fiona McTavish

To achieve its purpose, Quayside manages its assets through three distinct portfolios, each with a defined role and measurement approach:

Port of Tauranga Portfolio:

Comprising Quayside's shareholding in the Port, including Perpetual Preference Shares ("PPS") obligations. This portfolio is measured by Total Shareholder Return.

Investment Portfolio:

A diversified, intergenerational endowment fund made up of private equity, real estate, listed securities, and liquid financial instruments. Performance is assessed using a rolling 5-year return.

Special Purpose Assets Portfolio:

Includes regional benefit assets that are not expected to meet Quayside's standard Investment Portfolio hurdle rate. This portfolio is currently made up of the Rangiuru Business Park and a small land holding in Tauriko.

OUR MANDATE

Quayside manages an investment fund dedicated to enhancing the prosperity of the Bay of Plenty region across generations. Initially mandated to be the custodian of Council's majority shareholding in the Port, Quayside has since built a significant and diversified Investment Portfolio that aims to deliver a stable commercial return for Council and the Bay of Plenty community.

Aligned with its mandate, Quayside works closely with the Council to establish annual performance targets outlined in the Statement of Intent. Achievement of these performance targets supports the financial objectives of the Council's Long-Term Plan.

Quayside's investment returns from both the Port and the investment portfolio contribute directly to the region's development, long-term growth and prosperity.

A commitment to accountability underscores Quayside's commercially focused approach, aimed at cultivating a diversified fund that generates sustainable, long-term returns.

Financial transparency is a key priority for Quayside, which reports quarterly to Council and biannually to its Perpetual Preference Shareholders via the NZX. By fostering intergenerational prosperity through investments, Quayside remains steadfast in its mission to build a thriving future for the Bay of Plenty region.

OUR VISION

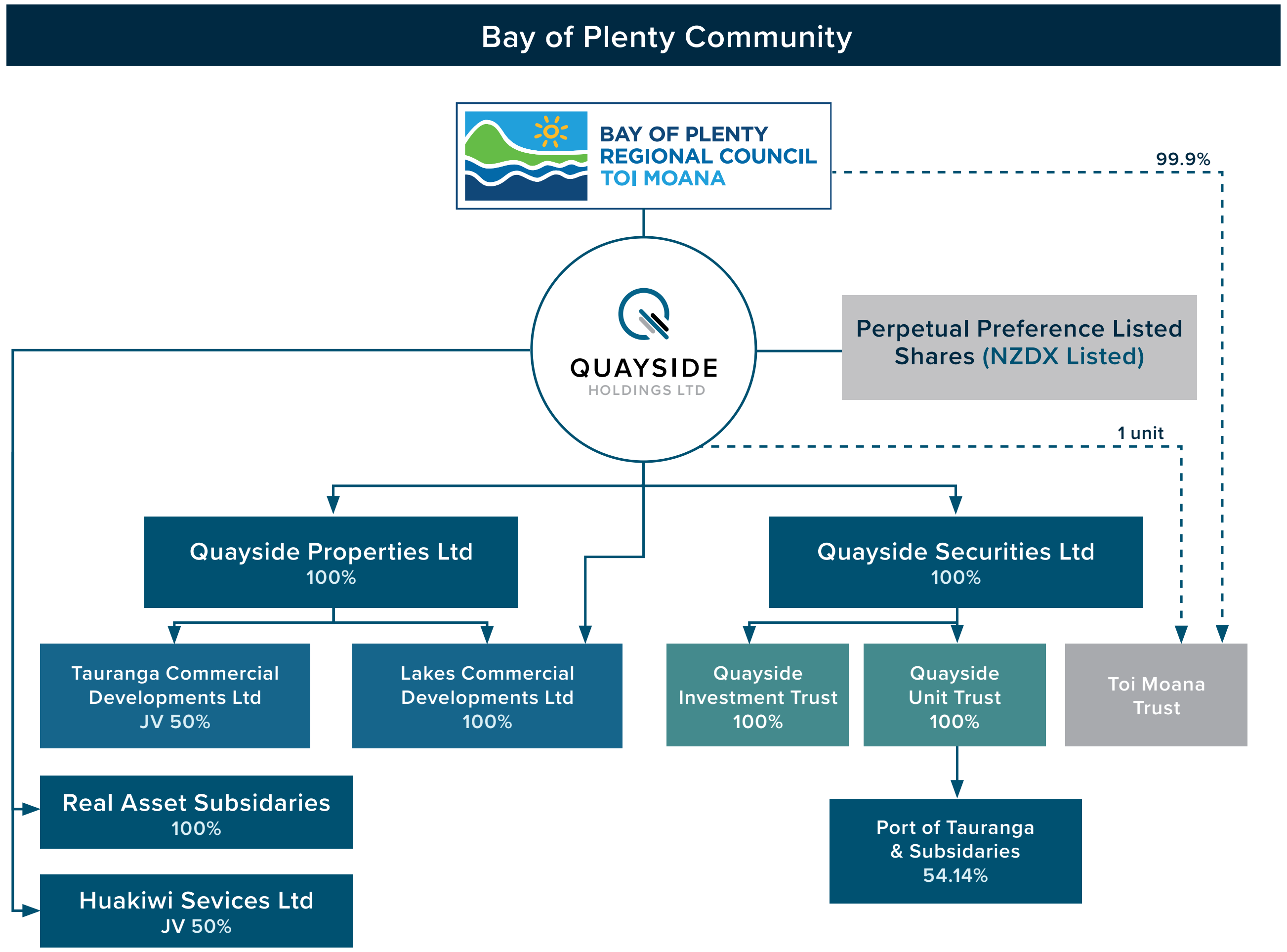
Invested in Our Future | Mauri Ora Roa

QUAYSIDE

OUR PURPOSE

To grow a responsible and diversified fund that generates long term returns to support the growth and prosperity of the Bay of Plenty. We want to have an impact beyond the generation of today, to provide a resilient dividend for our shareholder for the betterment of our region and its people.

GROUP STRUCTURE



*Group structure diagram above as at 30 June 2025

- Quayside manages Toi Moana Trust on behalf of Bay of Plenty Regional Council

** As at 25 July 2025:

- Quayside Holdings Limited acquired the 50% joint venture shareholding held by Quayside Properties Limited in Tauranga Commercial Developments Limited.
- Quayside Holdings Limited acquired the 50% shareholding held by Quayside Properties Limited in Lakes Commercial Developments Limited.

MARK WYNNE
Chair

LYNDON SETTLE
Chief Executive Officer

CHAIR AND CEO REPORT

As we step into FY26, it's important to pause and reflect on the journey we've taken over the past year. FY25 was a year of meaningful progress for Quayside — strategically, culturally, and commercially. It was a year where our purpose, to grow a responsible and diversified fund that generates long-term returns to support the growth and prosperity of the Bay of Plenty, was activated through our decisions and actions.

We affirmed with Council the desire to be an intergenerational investor that operates under an endowment model, whereby the inflation adjusted principal is preserved, and the fund exists into perpetuity. What this means for our community of beneficiaries and examples already in action are shared throughout this year's Report.

Through a ratepayer lens, Quayside's dividend to BOPRC this year represents a contribution of $397 per ratepayer. As at 30 June 2025, Quayside's net assets equate to $19,453 per ratepayer, with $16,571 of that being represented by our investment in the Port of Tauranga.

Turning to the portfolio highlights; our 54.14% Port shareholding remains the largest asset in our fund. One of the most significant developments this year was Council enabling a potential divestment of a portion of our Port shareholding. This endorsement came after much rigour and engagement and reflects a high degree of trust and confidence from our shareholder. The opportunity to diversify our holdings and unlock capital to create greater intergenerational wealth, while maintaining a significant stake in the Port is a testament to our shared commitment to long-term regional prosperity. That said, the team is in no rush to push through a transaction and will only sell when the conditions are right and we can achieve the best outcome for our region.

From a strategic perspective, the Port's Stella Passage development remains a critical infrastructure project that will have a domino effect on Port productivity and earnings. The Tauranga Port facilities are now operating at full capacity, resulting in new shipping lines being turned away due to the lack of availability of berth space. The urgency to progress this development to safeguard New Zealand's supply chain resilience, economic competitiveness, and more locally, the strength of the dividend returning from our largest asset is imperative.

Quayside's Investment Portfolio has performed strongly, recording normalised earnings of $66.5m for the year ended 30 June 2025, slightly behind budget, but significantly ahead of prior year results. This was driven by gains in our listed assets, private equity and real estate of $21.3m. We continue to strengthen our investment capability through the establishment of a standalone Investment Committee with highly respected external committee members complementing our own Board of Directors and have completed an independent review of our Statement of Investment Policy and Objectives ("SIPO"), ensuring our strategy remains fit for purpose.

The portfolio grew 6.5% this year and 7.1% net (5 year rolling return), supported by solid fund performance and liquidity from distributions. Listed equities returned 8.6% for the year, led by our global portfolio. Property performed well with Tauranga Crossing receiving additional investment, contributing to Stage 3 development, which will further support growth in the Tauranga Western Corridor. This coincides with the announcement of SH29 as a road of national significance, unlocking future housing opportunities in the region.

Additionally, Panorama Towers continues to build momentum, having secured a medical facility spanning five levels as its anchor tenant.

Our Special Purpose Assets portfolio, which holds the Rangiuru Business Park, has proudly reached several key milestones this year, with the opening of the motorway interchange bridge in February, market validation via the first and significant land sale of 8.7ha, vested infrastructure and the issuing of first Records of Titles in June. These achievements reflect the long-term vision and commitment, aligned with our shareholder, that underpin our approach to regional development.

Our organisational cultural transformation has gained momentum that revolves around a high-performance mindset and sharpening our performance edge, underpinned by the finalisation and rollout of refreshed values. These values are now being embedded into our daily operations, shaping how we work, lead, and engage with our stakeholders and partners.

It's been nothing short of a huge year for Quayside. Our value to the Bay of Plenty community and beneficiaries is evidenced largely through the $2.7b fund, which we prudently manage on their behalf. Our focus and commitment to growing a resilient perpetual fund, an enduring dividend and financial security to the Bay of Plenty has never been more true.

Noho ora mai rā,

Mark Wynne
Chair

Lyndon Settle
Chief Executive

Normalised Profit
Normalised Profit represents the IFRS Net Profit After Tax (NPAT) adjusted to exclude the impact of Overhang, PGF funding, Future Proofing initiatives, and other one-off or non-recurring costs, to provide a clearer view of underlying financial performance.

SUMMARY OF GROUP PERFORMANCE

Quayside's FY25 performance reflects a year of strategic evolution, underpinned by a continued commitment to growing a fund that provides intergenerational prosperity for years to come. Quayside continued to deliver strong financial results, enabling a resilient dividend to the Council while supporting regional growth.

This year saw Council enable a partial divestment of Quayside's Port shareholding, a landmark decision that has the potential to unlock capital for diversification and increase value, whilst still ensuring Quayside retains a strategic influence in a nationally significant infrastructure asset. The decision reflects a shared vision for reducing concentration risk and building a more balanced, future-ready portfolio. The Port's performance has been robust, with a share price rallying 42% on the back of strong earnings growth and strategic acquisitions.

The Investment Portfolio delivered strong returns, particularly in the fixed interest portfolio, returning 10.5% and the global listed equities portfolio returning 11.7% this financial year. Real estate asset Tauranga Crossing Limited delivered significant returns to the portfolio, 25.6% on the back of continued investment from Quayside.

The Rangiuru Business Park reached major milestones, including large infrastructure completion, land sales, and the issuing of the first Records of Title.

Culturally, the organisation embraces a relentless pursuit of high-performance, supported by a refreshed set of values that reflect authentic relationships, purposeful stewardship, and collective strength. These values are now being embedded in daily operations, shaping how Quayside works, leads, and engages.

Quayside's climate approach also advanced, with the launch of its inaugural Transition Plan. This framework positions the Group to manage climate risks, decarbonise its portfolio, and contribute to a just and inclusive transition — aligning with its role as a responsible, intergenerational investor.

With a total fund of $2.7 billion—now valued at $19,453 per Bay of Plenty ratepayer—Quayside's impact is both immediate and enduring. This is reflected in our balanced approach to managing capital and cashflow: investing in long-term capital growth to secure future prosperity, while also generating sustainable cashflows that support the region today. This dual focus reaffirms our purpose—to grow a diversified fund that delivers enduring returns, supports regional wellbeing, and honours the legacy of stewardship entrusted to us.

The Group remains committed to delivering for today while investing in tomorrow, ensuring the Bay of Plenty continues to thrive across generations.


Senior Leadership Team: Sam Newbury, Christy Hoebers, Lyndon Settle, Michael Jefferies, Mel Manley, Davide Caloni.

CONNECTING CAPITAL AND CARGO

A Conversation with Fraser Whineray

Fraser Whineray's dual directorship with Quayside and the Port is designed to strengthen the strategic alignment between two of the Bay of Plenty's most important economic entities. The Port Companies Act 1988 requires that no more than two directors on a Port Board can be members or employees of a shareholding local authority, in this case the Council. In accordance with the [LGA] the Council has adopted a Directors Appointment and Remuneration Policy for Directors of Council Organisations. That policy provides for the appointment of one independent Quayside director and one Council member to the Port's Board. Quayside implements that policy by exercising its rights as majority shareholder to appoint the Council's nominated director to the Port's Board. This ensures the Council has independent Board representation at the Port, supporting the Council's interests through Quayside as the shareholder, and nurturing clarity and collaboration across both organisations.

Whineray's approach is centred on improving engagement between the boards of Quayside and the Port. He sees the role as a facilitator of understanding — someone who can interpret the different "languages" spoken by each board and help avoid miscommunication, inefficiencies, and missed opportunities.

He works closely with leadership figures, including Board Chairs Mark Wynne and Julia Hoare and CEOs Lyndon Settle and Leonard Sampson, to support this. A key part of his focus is on context sharing — ensuring that both organisations have a clear and consistent understanding of the strategic environment they each operate in. This is never a set-and-forget approach, rather requires continuous effort to avoid blind spots and maintain contextual currency.

"The Port of Tauranga handles almost 40% of New Zealand's container cargo, serving hundreds of exporters and importers. Its ability to provide direct shipping access to (and from) global markets, without relying on transhipment through Australian ports is essential for New Zealand trade".

Fraser highlights the interconnected nature of the Port's operations, where factors like dredging, ship size, carbon emissions, and reliability all influence outcomes. He stresses the importance of long-term partnerships, including with major shipping lines, exporters and other logistics providers, to secure better services, freight rates and lower emissions.

Drawing on his years of experience as COO at Fonterra, Fraser brings a customer-focused lens to supply chain resilience. He recalls the challenges of maintaining reliable logistics during the COVID-19 pandemic, when long dwell times and unreliable shipping services added costs and complexity for exporters. His emphasis is on ensuring that all parts of the supply chain ecosystem, from port operations across New Zealand, to inland logistics, work together seamlessly.

The Northport expansion, which aims to improve infrastructure and logistics capacity across the Upper North Island, involves significant complexity, but Fraser comments, it will support the growing Auckland region and transform the traditional "golden triangle" of Auckland, Hamilton, and Tauranga into a more integrated "diamond" that includes Northland.

Port and associated logistics infrastructure needs to be delivered ahead of when it is needed, otherwise the country's economic and social wellbeing are eroded.

As a Quayside Director, Fraser supports the purpose of growing an Intergenerational Fund, which is designed to preserve capital in real terms — maintaining its purchasing power over time. Quayside currently has a value north of $19,000 for every ratepayer. Fraser says the whole team at Quayside feels the protection and growth of every ratepayer's share of Quayside very keenly.

Fraser advocates for maximum transparency in how the fund's purpose and usage are defined and communicated, ensuring it remains a reliable source of value for future generations. He also encourages a culture of curiosity and continuous improvement within Quayside, focusing on opportunities rather than constraints and helping the organisation stay aligned with its long-term goals. Fraser is very positive about the progress being made within both organisations; both on improving themselves and outcomes for the many beneficiaries of their activities.

Fraser is a strong advocate for innovation in logistics and port operations. He has shared insights from his visit to the Port of Rotterdam, where he observed fully automated infrastructure including cranes and container stacking systems. With the proposed Port of Tauranga expansions, he looks forward to similar automation at the Port, with benefits including improved efficiency and customer service levels, reduced safety risks, and lower carbon emissions through the use of electric systems.

Fraser's dual role is grounded in a clear strategic purpose: to improve coordination and support the sustainability and prosperity across Quayside and the Port. His focus on context, collaboration, and customer outcomes is helping both organisations navigate complexity and deliver intergenerationally for the ratepayers, for the region, and for New Zealand.

CONNECTING CAPITAL AND CARGO

PORT OF TAURANGA

Over the past year, the Port has reaffirmed its position as a cornerstone of New Zealand's economy — serving as the country's largest and most efficient port, and a strategically important national asset. Beyond its operational excellence, the Port continues to lead as a forward-thinking hub for innovation and economic capability. Our collaboration with the team has been genuinely impressive, reflecting a shared commitment to progress and partnership.

Building Capability and Capacity

At the centre of the Port's productivity is its world-class infrastructure. With an annual throughput of more than 1.2 million Twenty-foot Equivalent Units ("TEU"), the Tauranga Container Terminal continues to outperform global benchmarks. The Port's infrastructure is built to scale, with 3,426 refrigerated container connections, deep-water access, and rail connectivity that links the Bay of Plenty to inland logistics hubs like MetroPort and Ruakura. However, the Port has now reached full capacity — a situation that has been signalled for many years. As a result, shipping lines are increasingly being turned away due to the inability to secure confirmed berth times. This constraint is expected to negatively impact both regional and national growth. Exporting businesses and farmers will face higher shipping costs, while importers may encounter increased expenses that ultimately lead to higher costs for households across the country.

Still, the Port continues to prepare for the next generation of shipping. With capital dredging consented and planning underway for commencement in FY26, Tauranga is positioning itself to accommodate larger vessels, ensuring it remains New Zealand's premier international gateway. Extensions to the Sulphur Point and Mount Maunganui wharves, part of the Stella Passage development, are currently subject to further legal and legislative clarification following a recent High Court decision. The Port remains committed to progressing this critical infrastructure, which is essential to unlocking future capacity and delivering significant economic benefits to New Zealand.

In June 2025 the Port sold its 50% stake in Northport to Marsden Maritime Holdings (MMH). This transaction marks the formation of Northport Group Limited, jointly owned by Port of Tauranga (50%), Northland Regional Council (43%), and Tupu Tonu (7%). MMH is now a wholly owned subsidiary of the new entity, positioning Northport for future growth and regional development under a unified governance.

Cargo Trends

Trade volumes through the Port have grown steadily, with total cargo increasing 7% in the 12 months to 30 June 2025. Container volumes rose by 5%, driven by strong export demand, including a record kiwifruit season.

Breakbulk volumes also saw modest growth, although MetroPort volumes decreased due to higher rail costs and a reduction in train frequency. Despite this, capacity utilisation improved, reflecting the Port's ability to adapt to changing logistics dynamics.

Log exports declined compared to the previous year, largely due to the absence of windthrow volumes that had boosted 2024 figures. Kiwifruit volumes increased 30%, with nearly all of New Zealand's harvest shipped through Tauranga. Dairy exports rose by nearly 2%, and meat exports climbed by almost 10%, with transhipment volumes more than doubling.

Environmental and Climate Initiatives

The Port is progressing the reduction of its environmental footprint, with air quality monitoring showing reduced dust at the Port boundary. A comprehensive dust source apportionment study in nearby residential areas has just been completed, and a new stormwater treatment system at the Mount Maunganui wharves is under construction to further protect harbour health.

The Port's terminal automation project is another leap forward in environmental performance. Once implemented, it is expected to produce 75% fewer greenhouse gas emissions compared to an equivalent diesel straddle carrier operation.

Supporting the Primary Sector

The Port's performance remains closely tied to the strength of New Zealand's primary industries. In 2024, the kiwifruit sector delivered a record crop, with export values reaching $3.5 billion — representing a 30% year-on-year increase. It's important to note that the kiwifruit season spans two financial years, and this growth reflects strong performance across both.

The industry managed the increased volumes with confidence, supported by excellent fruit quality and an early start to the 2025 harvest. Dairy exports also saw gains, buoyed by favourable weather and global supply constraints, while meat exports increased despite ongoing global economic challenges. The Port's ability to efficiently manage these critical exports continues to play a vital role in supporting New Zealand's trade competitiveness.

Trading Performance and Market Confidence

Financially, the Port delivered a strong result, with group net profit after tax reaching $173.4 million for the year ending 30 June 2025. Investor confidence remains high, and the Port continues to trade at a premium to its sector peers, reflecting its strong fundamentals, strategic positioning, and disciplined capital management.

FINANCIAL PERFORMANCE

The Port had a Group Net Profit After Tax result of $173.4 million for FY25. Revenue was $464.7 million, compared with $417.4 million in 2024, which is an increase of 11.3%. The Underlying Group Net Profit After Tax was $126m, a 23% increase on the previous year.

Key statistics:

- TEUs increased 5.3% from 2024 to 1,208,252
- Total trade increased to 25.3 million tonnes
- Ship visits increased to 1,442
- Health & Safety: Total Recordable Incident Frequency Rate (TRIFR) of 4.1 per million hours worked for the Port and 16.0 per million hours worked for Port and contractors combined.

Governance

Quayside is the majority shareholder in the Port and while the Port operates independently as an NZX-listed company. Quayside fulfils its duties as a responsible long-term shareholder through strong governance, performance monitoring, strategic oversight and ongoing regular engagement.

A TOTAL ORDINARY DIVIDEND OF

16.7 cents per share has been declared by the Port compared to 14.7 cents per share in 2024

INVESTMENT HIGHLIGHTS

The past 12 months have been a period of active portfolio management and strategic repositioning for Quayside. While market conditions remained volatile, particularly in listed equities, the portfolio showed resilience, supported by best practice investment management, anchored in our key beliefs of asset allocation, diversification and long-term investing.

Key developments included:

- A renewed push into private equity, with commitments to three high-quality managers
- Continued rebalancing of the listed equities portfolio, which remains a key source of liquidity and performance
- Continued investment into high-conviction real estate assets, through partnerships with experienced developers including through Tauranga Crossing Ltd (TCL) and Panorama Towers Ltd (PTL)
- Introduction of a Reference Portfolio, as a total portfolio benchmark
- Enhanced engagement with the Port, Quayside's anchor asset

These activities reflect Quayside's evolving investment strategy, balancing liquidity, growth and long-term value creation.

Quayside now articulates its investments into three distinct portfolios, with varying risks and return profiles. Here we refer to the contents of each portfolio.

Port of Tauranga	Investment Portfolio	Special Purpose Assets
Gross Assets:	Gross Assets:	Gross Assets:
$2,509m	$470m	$161m

Port of Tauranga

The Port remains central to Quayside's portfolio, both in terms of value and strategic importance. Over the year the Port's share price rose 42%, outperforming the NZX50 by over 38.7%. This performance was underpinned by:

- Strong interim results and upgraded earnings guidance (FY25 underlying profit now $126m).
- Strategic activity, including the 50% stake in Northport via the acquisition of Marsden Maritime Holdings within a consortium consisting of the Port of Tauranga, Northland Regional Council, and Tupu Tonu. This was an important deal and a signal for where future investment will be made, bolstering northern infrastructure and supply chain capacity.

Quayside deepened its engagement with the Port's executive team through site visits and strategic discussions, laying the groundwork for more active collaboration.

Investment Portfolio

Private Equity

Private equity (PE) delivered a steady performance in 2025 with a return of 4.6%, remaining well-diversified by geography, manager, and vintage; it was a focal point of portfolio activity with three new commitments to managers:

Pacific Equity Partners (PEP) Fund VII

AU$15m

A top-tier Australasian buyout fund targeting mature businesses with enterprise values between AU$200m –1.2b. PEP's disciplined investment process and strong historical returns make it a valuable addition to the portfolio, offering scale and liquidity not typically available in NZ PE.

Waterman Fund V

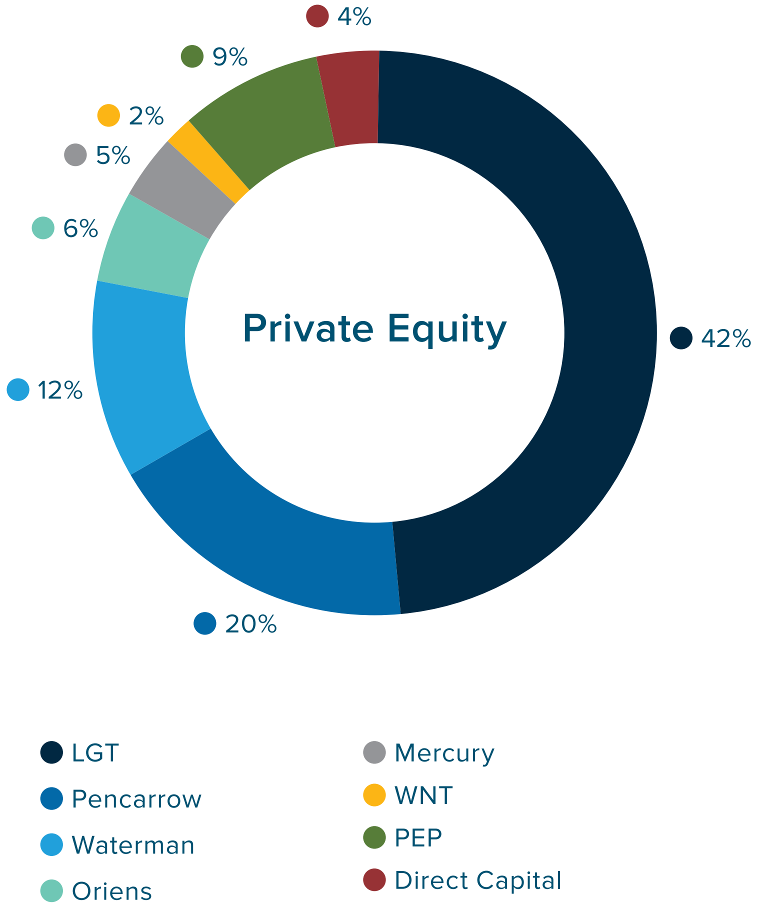
NZ$11.5m

A follow-on investment with a proven and experienced NZ manager. Waterman's prior funds have delivered exceptional performance, and Fund V continues the strategy of mid-market buyouts with active value creation.

Direct Capital Fund VII

NZ$7m

A commitment to one of NZ's most experienced PE managers, further building out Quayside's domestic exposure.



Listed Assets

Quayside maintains a number of public market portfolios. These portfolios are a substantial part of the Quayside business and play an important role in providing access to liquidity, global diversification and access to traditional defensive assets. Importantly, asset classes have important counter-cyclical characteristics.

These portfolios are diversified. Below is a summary of the specific portfolio performance against respective benchmarks for the year:

Asset Class	Return	Benchmark Return
Domestic Equities*	2.69%	7.56%
Global Equities	11.7%	14.9%
Fixed Interest	10.46%	7.38%

* It is acknowledged whilst the yearly result for Domestic Equities is disappointing as a result of share price movement of a number of key assets, we are very confident these will in time align more closely with our long term return in Domestic Equities which has returned an average of 8.2% over the last 5 years against a benchmark return of 2.7% over the same period.

Property and Real Assets

The Property and Real Assets portfolios enjoyed positive performances for the year. This segment of the organisation has both defensive and growth attributes, characterised by strong inflation-linked cash flows from rents and gains from value add and development activities. These portfolios delivered the following returns:

1. Real Assets returned 20%. Largely a result of our investment into Huakiwi which on the back of strong crop returns and yields delivered a record dividend of $1.25m.
2. Property delivered 3.2%. These returns were driven by:
    a. $4.7m of portfolio rental income for the year.
    b. Tauranga Crossing, a large regional shopping centre located in Tauranga, received a follow-on investment, with a further ~$25m invested to take our shareholding to 36%. The asset returned 25.6% for the year. The investment from Quayside was critical in funding an expansion at the centre increasing the size and scale of the property, ultimately driving earnings and the return number.

Investment Committee

This year, an Investment Committee was established to support the Board in managing the organisation's investment portfolio. Its primary purpose is to ensure that asset allocation and investment decisions are made with the appropriate expertise and strategic focus. The Committee plays a specialist advisory role, reviewing investment proposals, monitoring portfolio performance and investment risk, and ensuring alignment with Quayside's SIPO and Responsible Investment Policy.

The Investment Committee currently comprises three Quayside Board members – David Fear, Mark Wynne, and Fraser Whineray, and independent advisors Paul Duffy and Derek Janssen, selected for their investment expertise and extensive national and international experience.

Derek Janssen

Derek joined the Quayside Holdings Investment Committee in August 2024, bringing over 20 years of experience in international financial markets. He was a Portfolio Manager at Fidelity Investments, a global asset management firm with approximately USD $5 trillion in assets. Derek's career began at Citadel, a major hedge fund, before moving to a firm focusing on small-cap investments. He holds degrees in Economics from Stanford and a Masters in Statistics from Harvard.

Paul Duffy

Paul Duffy is a seasoned investment and property executive with over 35 years of leadership across listed and unlisted entities in New Zealand and abroad. He has led IPOs (CEO/Director DNZ/ Stride Listing), capital raises, and strategic mergers — including Augusta Capital's integration with Centuria. His governance expertise spans funds management, capital markets, and property development construction, underpinned by a strong track record of delivering robust investment returns.

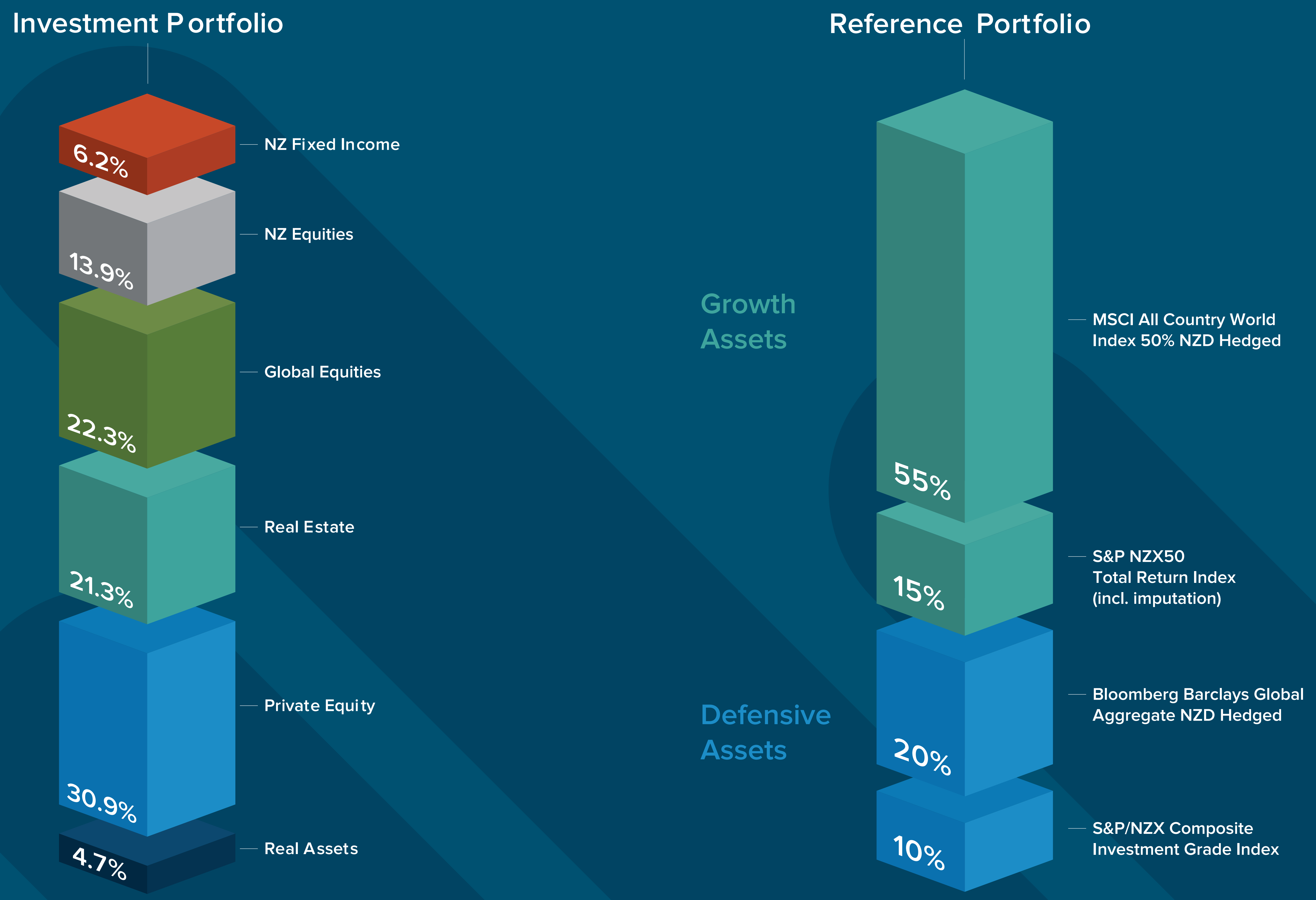
KEY PERFORMANCE METRICS:

Portfolio Return:	6.5%	1 Year
	7.1%	5 Year Rolling
Asset Valuation:	$470 million	

After fees and internal cost allocation.

Asset Class Allocation

(Net Assets)



PAINTING OUR FUTURE:

Quayside's SIPO Review

The SIPO is a foundational document that sets out how an investment organisation is to behave over time — its principles, constraints, and strategic direction.

Quayside maintains a biennial review process to ensure ongoing alignment with its goals. However, given the potential of a significant transaction in the future, it was important to conduct a thorough review to confirm that the SIPO remains fit for purpose. While the previous strategy was appropriate, the review offered valuable new insights and learnings, helping the team refine and strengthen their approach moving forward.

Importantly, the review was able to independently confirm that the capital market assumptions and the strategic asset allocation used by Quayside to deliver our forecast returns to Council were appropriate and aligned with Council objectives.

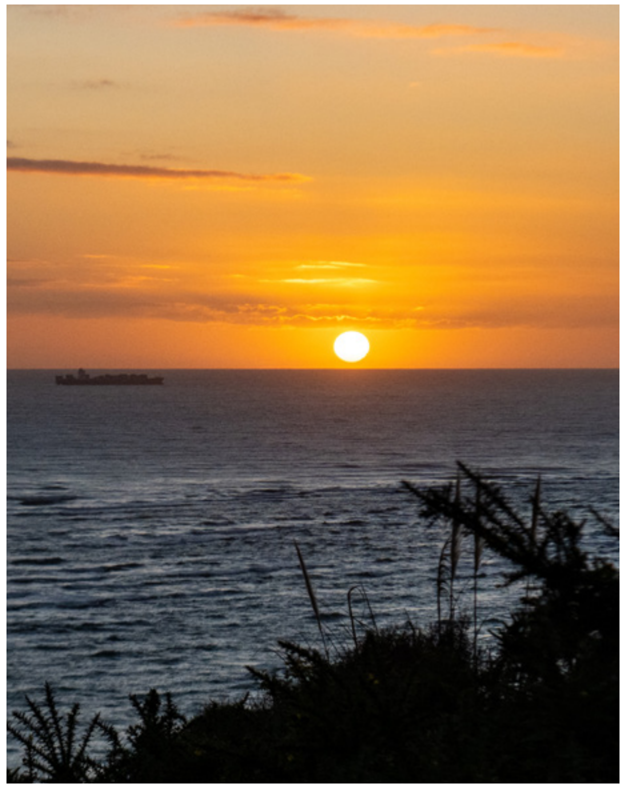
A Portfolio with Purpose

The updated SIPO introduces a clearer view of how each asset class contributes to the overall portfolio. Quayside's Tania Cutfield, who managed the review, uses a construction analogy to explain the thinking. "Private equity adds another dimension, just like building a house, you must have clear plans and details for each asset class when you are building a portfolio, just like you would the specific building material you are using to build a house. The amended SIPO is very detailed on the roles and function of each asset class and the role they need to play in the portfolio."

This framing helps clarify the role of each investment type. The SIPO doesn't prescribe exact moves—it sets the boundaries and principles. The asset class strategy fills in the detail.

Several updates were made in response to the Council's Statement of Expectation and to bring the SIPO in line with current practice and future needs:

- Return Objective:
  Shifted from a flat 7% to inflation + 5%
- Strategic Asset Allocation:
  Aligned to reflect Quayside's and Council's long-term goals.
- Benchmarks and Return Expectations:
  Reviewed across asset classes for consistency and relevance.
- Prudential Limits and Liquidity Requirements:
  Updated to provide enhanced structure and discipline.
- Flexibility for New Asset Classes:
  Ensuring the Investment Portfolio can evolve as opportunities arise in a disciplined manner.



Seeking Intergenerational Harmony

One of the central challenges of the SIPO review was balancing short-term needs with long-term responsibility. Unlike other investment vehicles, we don't receive regular inflows of new capital, so every decision about distributions versus retaining earnings directly impacts our ability to meet this intergenerational mandate.

"As a perpetual fund, Quayside doesn't have a fixed end date so there's an inherent tension that needs to be finely balanced," Tania says. "If you have too much liquidity and under distribute, you're not doing enough for our community today. But if you dial back risk to protect the dividend and take a shorter-term view, you are potentially limiting future growth. The SIPO had to find a middle ground."

This tension reflects a broader theme of intergenerational stewardship. The portfolio isn't just a financial tool — it's part of a long-term relationship with the region, akin to whakapapa, the story is enduring and evolving.

Guardrails, not Handcuffs

The refreshed SIPO provides structure and is designed to accommodate what's already in the portfolio, while delivering enough guidance/structure to avoid drift.

"It's a combination of art and science," Tania notes. "We sense-checked it with external consultants, to make sure we were aligned with best practice. But we also needed to stay true to our own purpose."

With 80% of the portfolio in a single asset, conventional advice would suggest offshore diversification. But Quayside's reality is different. The SIPO reflects that, balancing efficiency, resilience, diversification and strategic intent.

This foundational document affirms Quayside's commitment to thoughtful, purposeful investing. It recognises the weight of intergenerational stewardship and provides a flexible framework for navigating an ever-changing landscape.

As Tania reflects, "The SIPO is the outline of a picture, the strategy is the colour and the portfolio is the painting we create together — one that honours our past, serves our present, and inspires our future."

Tania Cutfield

THE GROWTH ENGINE:

Private Equity

In the [less than] quiet corridors of investment strategy, where spreadsheets meet vision, private equity (PE) stands as a bold bet on the future. Seen as the growth engine of the portfolio, the place where conviction meets complexity, and where relationships matter as much as returns.

PE plays a pivotal role in the investment strategy of an intergenerational institution, offering access to long-term value creation that public markets often can't match. By investing in private companies via funds across different time periods — known as vintages — investors can smooth returns over time and mitigate market cycle risks. Each vintage represents a unique economic environment and opportunity set, contributing to a more resilient portfolio. Unlike liquid assets, PE requires patience; capital is typically committed for 8–12 years, allowing managers to drive operational improvements, strategic growth, and meaningful transformation. For investors like Quayside with its long-term time horizon, this aligns with a philosophy of backing people and businesses with enduring potential — not just chasing short-term gains.

Quayside's PE portfolio continues to evolve. From beginning with a few New Zealand-based managers it has grown into a deep and diversified network spanning Australasia and beyond. The strategy is deliberate: focus on the low to mid-market, where operational nous and entrepreneurial grit can unlock real value. Avoid the mega-cap glamour. Seek substance.

Behind the numbers lies a deeper story: one of relationships, patience, and purpose. Our portfolio's long-term horizon means it can afford to be illiquid, backing strategies that take time to mature.

Quayside's investment strategy is built on long-standing partnerships with experienced managers who not only bring deep sector knowledge but also invest alongside us—demonstrating alignment in both values and outcomes.

We back people as much as we back funds. That's why we partner with firms like Oriens Capital, Pencarrow, Direct Capital, Mercury Capital, Waterman Capital, Pacific Equity Partners, and LGT Capital Partners. These managers have decades of experience, strong local and international networks, and a proven ability to grow businesses that matter to New Zealanders.

Together, they reflect Quayside's commitment to values-aligned investing—where the integrity and intent of the people behind the capital are just as important as the capital itself.

Looking ahead, the team sees opportunity in sectors like AI, Healthcare, logistics and energy — areas ripe for disruption and efficiency. But the core principle remains unchanged: invest in people who grow earnings, not just valuations. It's a strategy that requires trust, time, and tenacity.

PE at Quayside isn't just about chasing returns. It's about building something enduring. And in a world that often rewards the short-term, that's a story worth telling.

PANORAMA POWERS HEALTHCARE

In early 2025, Quayside, alongside JV partners Carrus Group and Watts Group Investments, secured Asclepius Surgical as the anchor tenant for Panorama Towers — a major commercial property development in Tauranga's central business district. For Quayside, this evidences a commitment to investing in projects that primarily deliver a commercial return with resultant community benefits for the Bay of Plenty, in this case improving access and options to medical care.

Tauranga is New Zealand's fastest-growing city, yet it remains one of the most underserved regions in the country for surgical capacity. Public hospital infrastructure has not kept pace with demand, leaving many residents without timely access to care, particularly for non-life-threatening conditions that still impact quality of life and the ability to work.

Asclepius Surgical, led by local urologist Dr. Mark Fraundorfer, will help address this gap. The facility will occupy floors 6 to 11 of Panorama Towers and include six operating theatres, two procedure suites, and 60 beds. The facility is designed to serve both public and private patients and is well-suited to support publicly funded procedures.

Dr. Fraundorfer, who began his career at Tauranga Hospital 50 years ago, described the project as a fortunate alignment of timing, need, and shared values. "I was aware of Quayside's investment approach — looking for community benefit alongside commercial outcomes. It just made sense."

Quayside's Investment Portfolio strategy requires all projects to meet a defined hurdle rate. The Asclepius Surgical partnership fits this model.

Panorama Towers is a 13-storey mixed-use development with seven levels of commercial and office space. The lower 5.5 storeys and basement will provide more than 300 car parks, including public spaces, improving access for patients, staff, and visitors. The car park is scheduled to open in 2025, with full building completion expected later in 2026.

The building has been designed and adapted to meet the specific needs of a modern healthcare facility. It will feature state-of-the-art equipment and systems designed to reduce waste and manage costs, while also supporting future growth and innovation.

Asclepius Surgical is locally owned, managed, and controlled, allowing it to respond quickly to the needs of the Bay of Plenty community. The facility will also support medical education, offering placements for students and registrars to gain experience across a wide range of surgical procedures, more than is currently available in the public system. Dr. Fraundorfer notes that every patient typically has one or two support people, meaning the facility will also contribute to increased activity in the city centre throughout the week and on weekends. "It's not just about surgery, it's about supporting the whole health ecosystem and people around it."

Panorama Towers and Asclepius Surgical represents a forward-looking investment in both infrastructure and community wellbeing. GM Property Michael Jefferies comments, "For Quayside, this project is a clear example of how targeted investment with key partners can support intergenerational prosperity for our fund and in this instance also has the positive flow on effect of better access to healthcare, supporting local employment, and strengthening the region's capacity to meet future challenges".


Artist impression

RANGIURU BUSINESS PARK

It's been a year for the books, when we reflect on the progress at the Rangiuru Business Park. As the project transitioned from a foundational development to early market engagement and delivery, it remains a critical enabler of economic growth and employment in the Bay of Plenty.

Three Major Milestones Achieved

Three significant milestones were achieved in the first half of 2025, commencing with the official opening of the Rangiuru Business Park motorway interchange. This critical infrastructure development marks a transformative step forward for the Rangiuru Business Park, unlocking direct access to State Highway 2 and enhancing connectivity for freight, logistics, and future tenants. The diamond interchange has been built to support future transport needs of the expanding Eastern Corridor and reinforces the Rangiuru Business Park's strategic value as a catalyst for regional growth.

Attended by the Minister for Regional Development, Hon Shane Jones, alongside elected representatives, iwi, and local leaders — recognising the collaborative effort behind the project, which has been funded by Quayside with support from the Government's Provincial Growth Fund. This milestone sets the stage for accelerated development and investment in the years ahead.

April brought the first sale of land within the Rangiuru Business Park — an 8.7-hectare site representing approximately 60% of Stage 1a, signalling strong market interest in the Rangiuru Business Park's offering.

To top things off, we received the issuance of first Records of Title by LINZ. This signifies a vesting of bulk infrastructure to the Western Bay of Plenty District Council and authorities. This milestone represents the hard work by Quayside and its wider partners over numerous years.

Artist impression

Project Progress

Sizable progress has been made at the Rangiuru Business Park over the past year, with several key development milestones achieved. Two wastewater pump stations and the rising main were completed and vested to Council in January 2025, marking a major step forward in delivering essential infrastructure for the Rangiuru Business Park. In February, the first stage of the internal roading network was finalised, providing the foundation for future transport and logistics operations within the Rangiuru Business Park.

The physical delivery of infrastructure has continued at pace, supported by the processing of more than 30 consents and engineering approvals. These have enabled the construction of critical assets, including the State Highway 2 interchange and a comprehensive internal road network. These transport links are now fully operational, offering seamless access to and through the Rangiuru Business Park. Approximately 50% of the total infrastructure has now been completed including roading, stormwater systems, utilities, and landscaping — representing a major step toward full operational readiness.

Streetscape and swale planting is underway and is already enhancing the visual appeal of the area. Stage 1 of the wetland is also complete, with around 123,500 plants installed across both wetland and swales in this recent phase of planting. The final shaping of the pond and installation of the outlet culvert have enabled the wetland to become fully operational, contributing to the site's ecological and stormwater management goals.

In June 2025, 223/224 certification was received, marking a key regulatory milestone. Construction has also commenced on the 5,300m^3 water reservoir and booster pumps, which will provide high fire water capacity for the Rangiuru Business Park. Ground improvements are in progress, and the concrete tank will feature a mural to enhance the visual identity of the site. Substation works have also begun, supporting the Rangiuru Business Park's future energy needs.

The scale and complexity of the development has delivered substantial employment benefits. During the construction phase, the project has supported approximately 500 jobs across consultants, contractors, and professional services—contributing meaningfully to the regional economy.

Sales Activity

Market activity, though moderated by broader economic conditions, is showing encouraging signs. Enquiries are steadily emerging from the logistics, light industrial, and regional service sectors —driven by a clear scheme plan, transparent pricing schedule, and proactive engagement with early partners.

While the commercial property market remains challenging, strong sales performance at nearby developments and early momentum points to a positive outlook. As the Rangiuru Business Park continues to evolve, it is poised to become a vibrant hub for business, employment, and innovation in the Bay of Plenty.

With 60% of Stage 1A already sold and further negotiations ongoing, demand remains strong. Construction of Stage 1B is now underway and officially on the market, marking another exciting milestone in the Rangiuru Business Park's growth.

60%
of Stage 1A
SOLD

Wetland Development

This year, the wetland development has flourished, in more ways than one. Over 102,500 additional plants have been planted this season, with exceptional growth observed in the first stage of planting. Remarkably, there has been minimal plant loss, a rare achievement in wetland construction attributed to the fertile land and deep local matauranga (knowledge) guiding the project.

The wetland has become a thriving habitat, attracting a diverse range of birdlife — including native species like Spoonbills, which are typically shy and were previously absent from the area. Their arrival is a strong indicator of the ecological health and transformation underway, even as construction continues nearby.

A visual feature that has evolved this year was the raised tree island. Elevated slightly, it now serves as a central ecological and cultural space, designed to guide visitors through different zones.

The tree island promises a unique immersive experience once the bush matures, with views of the maunga (mountain) Rangiuru and a historical connection to the whenua.

Beyond environmental outcomes, the project has continued to foster a strong sense of pride among the planting team, many of whom whakapapa to Tapuika and are connected to the whenua they now work on. The team culture has flourished over the past 12 months, with a focus on learning and growth. Individuals have expressed deep pride in their contributions, transforming initial uncertainty into a shared sense of achievement and ownership.

The wetland is more than just a stormwater solution — it's a living testament to what can be achieved when community, mana whenua, ecology, and enterprise align.

www.rangiuru.co.nz





DOUG LEEDER:
A trusted hand over a 12-year tenure

As Doug Leeder steps down from his role as Chair of the Bay of Plenty Regional Council, after over a decade in the role, his legacy will be one of measured steady governance, financial prudence, and unwavering commitment to regional prosperity.

Doug has been at the helm through some of New Zealand's most challenging times. His term commenced just after the Rena maritime disaster, and during his tenure he led the Council through the 2017 Edgecumbe floods, the Whakaari White Island tragedy, the global COVID-19 pandemic, Cyclone Gabrielle and a cost-of-living crisis. Throughout this time the region has also seen rapid growth making the Bay of Plenty an even more desirable place to live, work and play.

A Steward of Growth and Governance

Doug's approach to leadership came down to one key consideration — to leave the Council in a better state than he found it.

He has held himself to a high standard, consistently asking whether his leadership has strengthened the Council across a range of measures — from governance and financial stewardship to community trust and regional resilience.

"We're a regulator as well as a deliverer of services," Doug reflected. "I think we've made real progress across a range of activities."

A defining achievement during his time as Chair has been the evolution of Quayside Holdings Limited. In 2013, Quayside's non-port investment portfolio net of passive land holdings was $87 million. Today, that figure is over $600 million — a testament to strategic reinvestment and long-term thinking. Doug championed a pivotal policy whereby Council enabled Quayside to retain 20% of its surplus, rather than distribute it as dividends. This shift has empowered Quayside to grow its investment portfolio, strengthening long term prosperity for Bay of Plenty residents.

Quayside: A Vehicle for Generational Impact

Doug's vision extended beyond immediate returns. Under his guidance, Council endorsed the concept of Quayside being an intergenerational endowment fund, ensuring benefits not just for today's ratepayers but for future generations.

"Quayside are essentially the stewards of the fund," Doug noted. "Quayside makes the money, and the Council decides how it's spent."

This financial prudence has tangible impacts for the people of the Bay of Plenty. Thanks to Quayside's dividends, Council can deliver important quality services and offset each and every rate bill annually. For FY25, the average rates bill was reduced by $397 per household. It's a model that other regions are looking to replicate.

Rangiuru Business Park: A Vision Realised

Among Doug's proudest achievements is the Rangiuru Business Park — a project that exemplifies the Council's commitment to regional economic development. Though the initiative predates his tenure, Doug played a role in aligning Council and Quayside strategies, securing funding through the Local Government Funding Agency, and leveraging support from the Regional Infrastructure Fund.

Strategically located with access to key freight routes, Rangiuru Business Park is poised to become a major employment hub and a catalyst for industrial growth in the Bay of Plenty. "It's a good place to live, work and play," Doug said, echoing the ethos that has guided his leadership.

A Call for Strategic Continuity

As he passes the baton, Doug offers sage advice to incoming leaders: understand the strategy, set clear expectations, and resist the urge to micromanage. "Let Quayside get on with doing the job that Council has set out for them," he urged. Doug's vision for Quayside is crystallised on long-term impact — an investment vehicle that not only returns dividends but also facilitates regional prosperity and environmental stewardship. His legacy is a region better equipped to face the future, with a governance model grounded in integrity, collaboration, and strategic clarity.

> ***"In 2013, Quayside's non-port investment portfolio was $87m. Today, that figure is over $600m — a testament to strategic reinvestment and long-term thinking."***
>
> - Doug Leeder

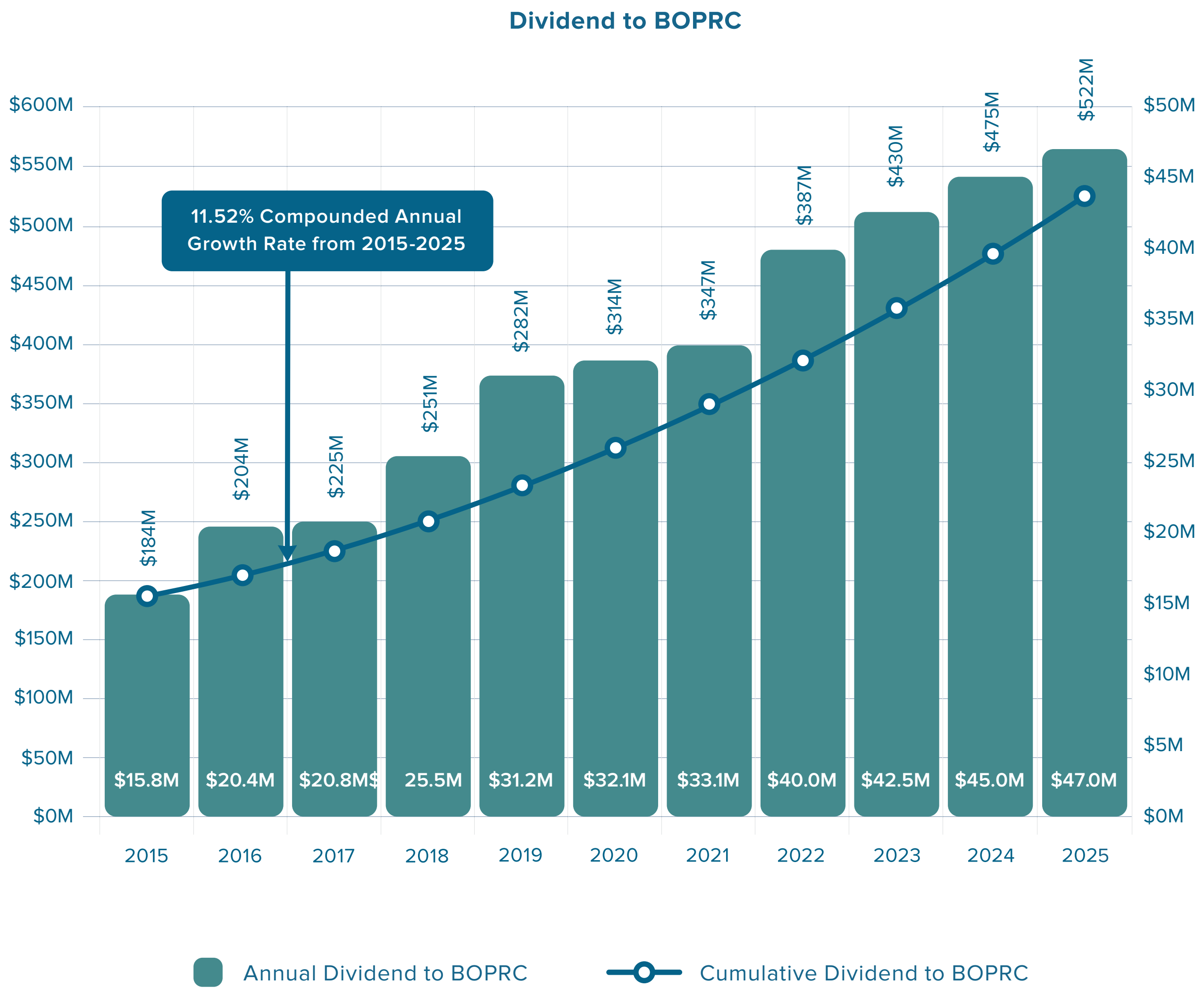
DOUG LEEDER

COUNCIL DISTRIBUTIONS

Quayside continues to deliver meaningful regional impact to the Bay of Plenty community through its annual distribution to our shareholder, the Council. This dividend is then passed on to the wider community, helping to offset general rates for ratepayers and support a range of community services.

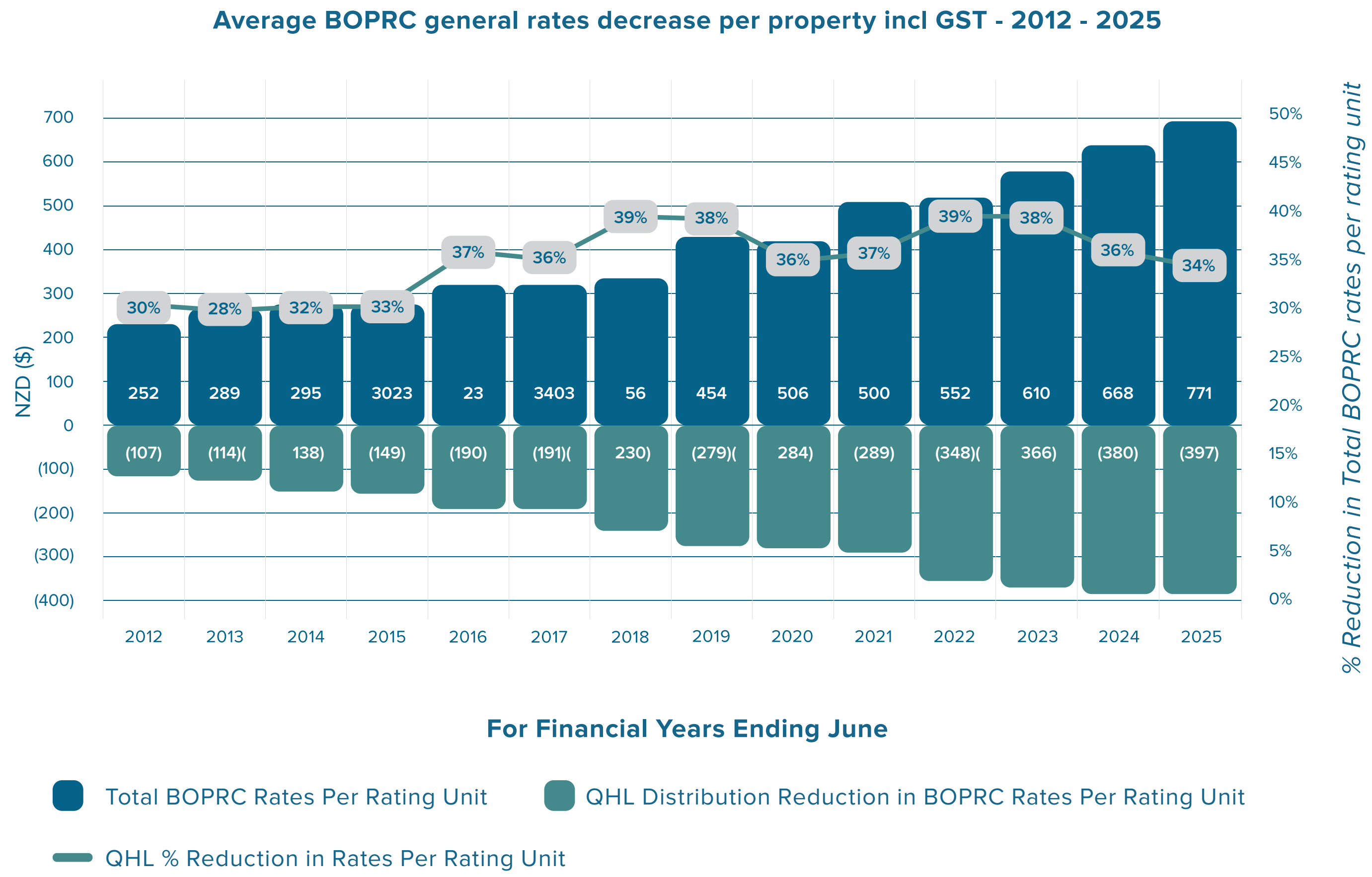
We're proud to highlight that the total dividend distributed to the Council has now reached an impressive $521.6 million.

This year, we have focused on strengthening Quayside's foundational documents to ensure they work cohesively to support the Group's strategic objectives. Key policies—including the Treasury Policy, SIPO, and Distribution Policy — are designed to be interconnected, enabling the delivery of a stable dividend and the preservation of intergenerational equity. Together, these frameworks ensure transparency, reliability, and alignment with our long-term purpose, providing Council with confidence in Quayside's ability to manage and sustain its intergenerational commitments.



COUNCIL DISTRIBUTIONS

For FY25, the average general rates bill was reduced by $397 per property* as a direct result of the Quayside distribution. Not only has this increased 4.5% from the previous year, but as the region is still growing, so has the number of properties continuing to benefit from this offset.



*Data source: Bay of Plenty Regional Council

ESG & CLIMATE REPORTING

Quayside's approach to ESG and climate reporting has evolved from foundational analysis to a forward-looking strategy that actively shapes our investment decisions. In FY25, we developed our inaugural Transition Plan, marking a decisive shift toward embedding climate resilience and low-emissions alignment across our Investment Portfolio. The Port shareholding remains strategically important but sits outside the plan's scope under current reporting frameworks; our influence there is exercised primarily through governance and board engagement.

A Strategic Transition Framework

The Transition Plan is built around three core impact channels that reflect our role as a regional, intergenerational investor:

- **Responding to Climate Risks and Opportunities:** Our portfolio is exposed to a range of climate-related risks—physical, transitional, and systemic. We are actively managing these exposures through diversification, enhanced due diligence, and targeted interventions in sectors and geographies most at risk.
- **Contributing to the Real-Economy Transition:** Beyond portfolio metrics, we are using our capital and influence to support a just and inclusive transition. This includes engaging with managers and investees to improve climate governance, transparency, and real-world decarbonisation outcomes.
- **Decarbonising Quayside:** We are addressing financed emissions across our investment portfolio, guided by credible net-zero targets and scenario-informed pathways. This includes working with external managers to align mandates with our orderly transition scenario and implementing emissions screening across listed assets.

An Adaptive and Intergenerational Approach

Recognising the complexity of climate-related risks, Quayside has adopted a staged and adaptive planning model. FY25 focuses on foundational actions—building internal capability, refining strategic intent, and establishing baseline assessments. From FY26 onward, we will deepen our asset-class-specific strategies, refine our scenario analysis, and expand our climate metrics and targets.

Our guiding principles ensure that every transition action is:

- **Outcome-oriented:** Prioritising real-economy impact over superficial portfolio shifts.
- **Just and inclusive:** Considering the social and economic implications of our investment decisions.
- **Flexible and resilient:** Designed to evolve with changing climate, policy, and market conditions.

Quayside's ESG and climate strategy is a living framework that will grow in sophistication and impact over time. As we continue to refine our Transition Plan, we remain committed to delivering on our enduring value proposition: a resilient dividend stream, intergenerational equity, and responsible financial stewardship of the Bay of Plenty.

In a world of rising uncertainty, Quayside is investing with clarity, purpose, and a long-term view—ensuring that our portfolio remains fit for the future and aligned with the values of our region and its people.

The full CRD Report will be found on the Quayside website after 31 October 2025.

www.quaysideholdings.co.nz

PEOPLE & CULTURE

Cultivating Resilience at Quayside

In May and June 2025, the Quayside team joined a series of lunchtime resilience workshops led by Wiremu Matthews from Kānuka Wellbeing & Leadership. These sessions offered practical tools and insights to help navigate challenges at work and in life, focusing on stress management, empathetic communication, and supportive questioning.

Session One: Understanding Stress & Cultivating Peace

We explored the stress cycle and learned techniques for emotional regulation. Inspired by Rongo, the atua of peace, we discussed how to foster inner calm and compassion in our relationships.

Session Two: Mana ki te Mana Kōrero

This session reframed "difficult conversations" as chances for connection. Using the principle of Mana ki te Mana Kōrero, we practiced strategies like calm curiosity, intentional preparation, and reflective listening to build empathy and understanding—both at work and at home.

Session Three: Building Resilience through Curious Questions

We focused on asking open-ended, thoughtful questions to support others and encourage reflection. Aligned with the spirit of Matariki mā Puanga, this session emphasized care, reset, and intentional support.

These workshops reflect our ongoing commitment to a high performing, resilient, connected team culture — grounded in emotional awareness, empathetic yet honest dialogue, and meaningful support.

Waipuna Hospice Volunteer Day

Last September, the Quayside team swapped spreadsheets and financial statements for gloves and gumboots, rolling up their sleeves for a day of hands-on mahi at Waipuna Hospice in Te Puna. Waipuna Hospice holds a special place in our hearts, providing compassionate care and support to individuals and families across our local community. It was a privilege to contribute to their mission, even in a small way.

The day was filled with purposeful activity—trimming harakeke (flax), waterblasting, weeding, shaping bushes, trimming trees, and giving the grounds a much-needed spring clean. Every task was tackled with enthusiasm, teamwork, and a shared sense of gratitude for the opportunity to give back. We hope our contribution helped lighten the load for the incredible team at Waipuna Hospice and we look forward to seeing you back in the garden for round two in September 2025.

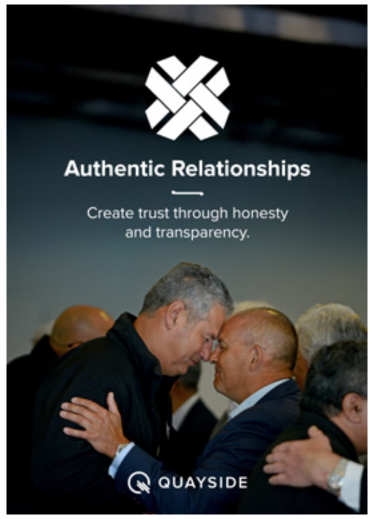
He rau ringa e oti ai
— Many hands make light work.

Values Refresh

Earlier this year, Quayside initiated a refresh of its organisational values. The impetus to take a fresh look was prompted from feedback received in the 2024 Employee Engagement Survey, to ensure our values genuinely reflect who we are today and where we're headed.

To support this, a values workshop was held, offering everyone a chance to contribute and have a voice in defining the principles that would shape Quayside's culture into the future, discussing how we work together, make decisions, and support each other every day.

The outcome of this process is a new set of values that feel grounded in our shared experience.

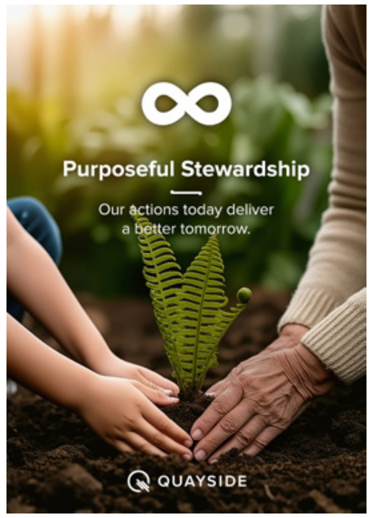


Authentic Relationships

This value is represented by the weaving icon, a powerful symbol of connection, creation, and resilience. It reflects the strength that comes from relationships built on trust and mutual respect. The accompanying image of a hongi, showing Chief Executive, Lyndon Settle in a moment of embrace, reinforces the idea of shared breath and unity. Living this value looks like inclusive leadership, open and constructive feedback, psychological safety, and a team that support one another, building genuine connections that strengthen the collective.

Our People, Our Strength

Symbolised by three pou-like icons standing side-by-side, this value speaks to stability, heritage, and wellbeing. Each pou represents individuality within a united team, highlighting our collective strength. The image of two team members collaborating in a work setting illustrates this value in action. It is teamwork, mentorship, and encouraging people to stand beside each other and contribute to a shared future with purpose and pride.



Purposeful Stewardship

Represented by the infinity icon, this value symbolises an enduring legacy and limitless potential. The chosen image of two generations nurturing a sapling beautifully captures the metaphor of planting seeds today for the benefit of future generations. This value represents long-term decisions that consider people, the environment, and financial sustainability. It's about measurable impact, strategic excellence, and building trust through thoughtful action—ensuring that what we do today creates a better tomorrow.

This refreshed set of values represents a natural evolution of our culture, grounded in what matters most to our people. It reflects our identity and serves as a shared compass for how we move forward, together.

Diversity & Inclusion

We are committed to creating an engaging workplace where our kaimahi (staff) and governors reflect the diverse communities we serve. By fostering an inclusive environment where everyone feels valued and respected, we empower our people to thrive. This year's review of Diversity and Inclusion (D&I) metrics ensures we remain accountable and transparent in our progress, helping us build a culture where belonging is at the heart of everything we do.

Measure	Target 2033	Previous 2024	Current
SLT and Tier 3 diversity:			
Female Diversity	30% - 50% band	33%	33%
Māori Diversity	30% target	11%	11%
Board diversity:			
Female Diversity	30% - 50% band	29%	29%
Māori Diversity	30% target	29%	14%

RISK MANAGEMENT

Quayside regularly reviews the enterprise risks facing the business, including revisiting our risk management framework. As our Audit and Risk Committee Chair, Keiran Horne, noted in 2024, the next stage of our risk maturity involved the refinement of our practices and controls.

As an institutional investor, we are keenly attuned to risk management and the investment opportunities that may rise within the context of risk, but there is always more we can do on our journey. Over the course of the year, Quayside has considered how risk is interwoven within our business and how we can continue to embed risk culture and risk leadership across all levels of our organisation.

RISK CULTURE

Risk Culture Survey

Our focus is on embedding a strong risk culture and risk leadership, at all levels. The true value of an engaging and proactive risk culture is where it shows up every day, in every decision we make.

To assist with this, Quayside has undertaken an inaugural internal risk culture survey to set a baseline early in the new financial year that will guide some of our actions.

Strategic Risks and Risk Appetite

In April 2025, the Board and the Senior Leadership Team engaged in a risk workshop, facilitated by an external expert, to look at Quayside's strategic risks considering our strategic re-set in 2024 and re-confirm our risk appetite as an organisation.

Risk Management Framework review

In tandem, Quayside has reviewed our Risk Management Framework as part of our regular cycle of review, defining our strategic risks and quantifying our risk appetite.

Investment Risk

Alongside our Audit and Risk Committee, Quayside leverages off the expertise within our Investment Committee to proactively consider the myriad of specific investment risks and the structures (and technology) that can be used to assess and control such risks as well as leveraging opportunities.

Success

What does successful risk management look like for Quayside?

1. Having a mature and self-perpetuating risk culture and risk leadership
2. A risk framework that is scalable and adaptable
3. An impactful approach that also proactively uses technology and data to inform decisions

The Quayside Board is highly attuned to ensuring strong governance in management of risk within the organisation with defined roles and responsibilities, resources and commitment, while also ensuring that compensated risk creates opportunities that align to our long-term view.

"Over the past year, we have continued to strengthen our risk management processes, with a particular focus on maturing our approach to risk appetite. This work provides us with a clearer framework for making informed decisions. Looking ahead, we will continually improve our risk management and build on this foundation to better understand and manage our risks in ways that deliver long term value across our portfolio."

Keiran Horne
ARC Chair and Independent Director
Quayside Holdings

GOVERNANCE

The Perpetual Preference Shares issued in 2008, are traded on the NZDX under QHLHA, with 1,784 individual shareholders as of 30 June 2025. The PPS are subject to a private binding ruling by the Department of Inland Revenue that was successfully renewed for five years to 2026. Over the course of the year, Quayside made total gross distributions of $13.3 million (Net: $$9.6 million) to PPS shareholders.

Statement of Intent

Each year Quayside prepares a Statement of Intent, which is presented to Council in accordance with the LGA 2002. Quayside has successfully achieved all stated objectives in the 2024/2025 Statement of Intent. The Group delivered its 2025/2026 Statement of Intent to Council and it is available on Quayside's website at: **www.quaysideholdings.co.nz**

CORPORATE GOVERNANCE

Role of the Board

The Board of Quayside is appointed by Council, as the ordinary shareholder. The Board supports the Executive in achieving Quayside's objective to deliver long term commercial returns through focused investment to our regional community and shareholder. In achieving this, the role of the Board is to:

- Monitor and supervise the management of Quayside.
- Ensure shareholders' interests are protected.
- Develop and oversee the Group's strategic objectives and policy framework.

An important objective is to monitor the performance of the Port of which Quayside is a 54.14% shareholder as at 30 June 2025.

Board Composition

The Board must have at least seven (7) Directors, with a minimum of four (4) being independent. As at 30 June 2025 the Board was comprised of seven members, including four (4) independent directors. The Council maintains a policy for the Appointment and Remuneration of Directors to Council Organisations which was last updated in 2022.

M Wynne, D Fear, K Horne and F Whineray are independent directors. F C McTavish, S A Crosby and T White are Council-appointed directors of the Board. M Wynne is the Chair of the Board.

	Board		Officer	
	Female	Male	Female	Male
30 June 2018	3	4	0	1
30 June 2019	2	5	0	1
30 June 2020	3	4	0	1
30 June 2021	2	5	0	1
30 June 2022	2	5	0	1
30 June 2023	2	5	0	1
30 June 2024	2	5	0	1

	Board		Executive	
	Female	Male	Female	Male
30 June 2025	2	5	2	4

Board and Committees

Quayside's Constitution and Board Charter set out the procedures for the election of a Board Chair, the convening of Board meetings and the establishment of Committees.

The directors of QHL met formally seven times during the year while the Board's Committees met as set out in their respective charters.

In the period, there were six formal meetings of the directors of Quayside Securities Limited and six formal meetings of the directors of Quayside Properties Limited

The Annual Report of the Group and the audited financial statements for the period ended 30 June 2024, together with an unmodified Audit Report, were presented to the voting shareholder on 23 October 2024. The Annual Report incorporating the audited statements for the year ended 30 June 2025, is presented with this report. The following table outlines the number of the Group's formal meetings which were attended by directors during the year.

The Board has four sub committees: an Audit and Risk Committee (ARC), People, Culture and Safety Committee (PCS), Investment Committee (IC) and an Divestment Committee.

Each committee's responsibilities and obligations are set out in their respective Terms of Reference.

Board Committee	Full Board	ARC	PCS	IC	Divestment
M Wynne	7	4	4	4	5
S Crosby	7		4		
D Fear	7			4	5
K Horne	7	4			5
F McTavish	6	4			
T White	6		4		
F Whineray	7	4		4	

CORPORATE GOVERNANCE

Investment Committee

The Investment Committee was established this year to support the Board in asset allocation and investment decision making, ensuring that the necessary skill and focus are applied to the management of the investment portfolio. The Investment Committee Board members as at 30 June 2025 are D Fear (Chair), F Whineray, M Wynne, plus independent advisors Derek Janssen and Paul Duffy, alongside key executive management.

Audit and Risk Committee

The Committee has been established to focus on audit and risk management with respect to accounting practices, policies and controls. To assist the Board in meeting its responsibilities under the Companies Act 1993, the Financial Reporting Act 2013, the Port Companies Act 1988, the Financial Markets Conduct Act 2013, the Local Government Act 2002 and the NZDX listing rules. The Audit and Risk Committee members as at 30 June 2025 are K Horne (Chair), F Whineray, M Wynne and F McTavish. The Audit and Risk Committee Terms of Reference were last updated in November 2023.

People, Culture and Safety Committee

The Committee's objective is to assist the Board in all aspects of remuneration policy and statutory compliance in respect of both officers and directors. The Committee members for the period were M Wynne (Chair), T White, S Crosby. The People, Culture and Safety Committee Terms of Reference were updated in June 2024. The committee members as at 30 June 2025 were D Fear (Chair), K Horne, M Wynne and M Averill as an independent advisor.

Divestment Committee

The Divestment Committee's Terms of Reference outline the objectives, responsibilities and delegations for the possible sale of a portion of QSL's shares in the Port of Tauranga Limited. This Committee meets regularly and as required to ensure appropriate governance frameworks and necessary protocols.

Board Charter and Code of Ethics

The Board has a board charter, setting out the vision, role, responsibilities, powers, delegations and membership of the board. The Board has a Code of Ethics setting out the ethical and behavioural standards expected of directors and officers. The Board also adopted an updated Whistleblower Policy in line with the new legislation. The Board Charter was last updated in November 2023.

Other Matters

Quayside maintains a register of directors' interests in which details of certain transactions and interests of directors must be recorded. Quayside maintains both standard Directors' and Officers' liability and defence cost insurance. During the year Quayside's website www. quaysideholdings.co.nz was updated. The website facilitates communication of annual and interim reports to the Perpetual Preference Shareholders, as well as the Group's 2025 - 2026 Statement of Intent.

Quayside Holdings Limited
and Subsidiaries

ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2025

Quayside Holdings Limited and Subsidiaries

For the year ending 30 June 2025

CONTENTS PAGE

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF QUAYSIDE HOLDINGS LIMITED

The Auditor-General is the auditor of Quayside Holdings Limited and its controlled entities (collectively referred to as "the Group"). The Auditor-General has appointed me, Ed Louden, using the staff and resources of KPMG, to carry out the audit of the consolidated annual financial statements and the performance information of the Group on his behalf.

Opinion

We have audited the consolidated annual financial statements of the Group on pages 64 to 121, that comprise the consolidated statement of financial position as at 30 June 2025 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of material accounting policy information; and the performance information of the Group on pages 122 to 127.

In our opinion, the consolidated annual financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2025, and its consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended in accordance with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards; and the performance information of the Group presents fairly, in all material respects, the Group's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Group's objectives for the year ended 30 June 2025.

Basis for opinion

We conducted our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated annual financial statements and the performance information* section of our report. We are independent of the Group in accordance with the Auditor-General's Auditing Standards, which incorporate Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, as applicable to audits of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Auditor-General's Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In addition to the audit we have carried out engagements in the area of Agreed Upon Procedures and GHG pre-assurance services for subsidiaries within the Group, which are compatible with those independence requirements. Other than in our capacity as auditor and the above mentioned engagements, we have no relationship with, or interests in, the Group or any of its subsidiaries.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated annual financial statements and the performance information of the current period. These matters were addressed in the context of our audit of the consolidated annual financial statements and the performance information as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matter	How we addressed this matter
Rangiuru Business Park ('RBP') – Classification and valuation of investment property	
Refer to note 5 and 19 of the financial statements. RBP is considered a key audit matter for the following reasons: - The classification of RBP land as investment property, instead of inventory, requires a high degree of judgement as the Group is currently evaluating a range of options around actions to be taken, and their timing, with the development of the Business Park. - RBP land is recorded at fair value. The determination of which involves significant judgement. - A high level of judgement is required when assessing recognition of Financial Contributions ('FINCOs') recoverable from 3rd party landowners. As at 30 June 2025, the Group has spent $113.1m in FINCOs for the development of the enabling infrastructure at the RBP, of which a portion is capitalised as Investment Property and a portion is recognised as an expense. RBP is split into 4 stages of which the Group owns land within Stages 1 and 2. The FINCOs not attributable to Stage 1 or 2 (Investment Property owned by the Group), are recoverable at a future date, if the other landowners within RBP choose to develop their land. This is not within the control of the Group.	When assessing the classification of RBP land as investment property, we have: - Obtained and reviewed Management's assessment of the future objective of the development of RBP. - Engaged KPMG Accounting Advisory Specialists to assist with the review of accounting considerations. - Considered key indicators of intention, including expected land sales, minutes of Board meetings and strategy documents. - Assessed the accuracy of the disclosures in the financial statements relating to RBP. When assessing the valuation of RBP, we have: - Assessed the competence, objectivity and independence of the valuers engaged by Management, including an assessment of their professional qualifications and experience. - Assessed the Investment Property valuation methodologies against the requirements of NZ IFRS. - Obtained, assessed and agreed key observable inputs used in the Investment Property valuations to supporting documentation. - Compared and analysed assumptions that have had a significant impact on the fair value, when compared to the prior year. - Reviewed valuation related disclosures against the applicable financial reporting standards. When assessing the recognition of FINCOs recoverable from 3rd partner landowners, we have: - Agreed, on a sample basis, the accuracy of FINCOs recognised by the Group. - Assessed whether the recognition of FINCOs as either Investment Property or expenditure was consistent with the accounting position adopted. - Assessed the recognition of FINCOs recoverable from 3rd party landowners as a contingent asset. As a result of the above procedures, we are satisfied the classification, valuation and disclosure of RBP related matters is appropriate.
Valuation of property, plant and equipment	
Refer to note 9 of the financial statements. The Group has property, plant and equipment ('PP&E') of $2,505 million. The Group has a policy of valuing land, buildings, wharves, hardstanding and harbour improvements ('Revalued PP&E') at fair value. Full Independent valuations are obtained at least every 3 years (by an independent valuer) over these asset classes. If during the three-year revaluation cycle there are indicators that the fair value of a particular asset class may differ materially from its carrying value, an interim revaluation of that asset class is undertaken. In the current year, the fair value of land and buildings was revalued by independent valuers. The revalued PP&E is considered a key audit matter due to the judgement involved in the	Our procedures focused on the appropriateness of the Group's assessment as to whether the carrying values of Revalued PP&E materially represent their fair values, and if a revaluation of a class of asset was required, that the revalued assets have been accurately reflected in the financial statements. For land and buildings we have: - Assessed the competence and objectivity of the valuer used by the Group; - Assessed the methodology applied by the valuer and assessed whether the valuation approach was in accordance with professional valuation standards and suitable for determining the fair value of the identified assets; - Compared the asset holdings in the fixed asset register to those valued to ensure all relevant property was included in the valuation: - Compared the key assumptions within each assessment to market evidence;

© 2025 KPMG, a New Zealand Partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Document classification: KPMG Public

assessment of the fair value and the material value of PP&E on the balance sheet.	- Assessed the reasonableness of valuation movements between financial years with consideration to broader sector/local market evidence (where available); and - Assessed whether the increase in valuation was correctly accounted for within the Revaluation Reserve and Statement of Comprehensive Income. For wharves & hardstanding's and harbour improvements we have: - Assessed the competence and objectivity of the valuer used by the Group to perform the assessment of indicators of change in fair value; - Compared the methodologies used for the assessment to the valuation methodologies used in the most recent valuation; and assessed whether the key assumptions (unit costs and on-costs inflation/escalation) and the relevant data (price indices and depreciation) used by the Group were appropriate with regard to observable data points. As a result of the above procedures, we are satisfied the carrying value of property, plant and equipment is reasonable and supportable. We are also satisfied with the adequacy of disclosures.
Acquisition of Northport Group Limited	
Refer to note 11 of the financial statements. On 26 June 2025, the Group sold its 50% share of Northport Limited (Northport) to Marsden Maritime Holdings Limited (MMH), in exchange for a 50% interest in the newly incorporated Northport Group Limited (NGL), which is classified as a joint venture The investment in Northport was previously accounted for using the equity method. As of the date of disposal, the carrying amount of the investment in Northport was $102.7 million and the fair value of the shares received in NGL was determined to be $151.9 million. The Group has recorded a gain on disposal of Northport of $49.2 million. The acquisition of NGL is considered to be a key audit matter due to the complexity in the application of the accounting standards to the disposal of Northport and the assessment of control of NGL.	Our audit procedures included: - We obtained and reviewed management's assessment of the accounting treatment of the transaction. This included the disposal of the 50% interest in Northport Limited and the assessment of control for the 50% interest acquired in NGL. - We reviewed governing documents for NGL to assess elements of control in accordance with the applicable accounting framework. - We engaged internal accounting specialists to review and challenge the accounting treatment in respect of the derecognition on disposal and recognition on acquisition. - Assessed the determination of the fair value of the shares in NGL against market evidence, primarily being the executed purchase of Marsden Maritime Holdings Limited (MMH) shares from minority shareholders. - We agreed the fair value of shares acquired in NGL and recalculated the gain recognised on the sale of Northport Limited. As a result of the above procedures, we are satisfied the accounting treatment of the disposal of Northport and the assessment of control of NGL is appropriate. We are also satisfied with the accuracy of the disclosures.

Other Information

The Board of Directors is responsible for the other information. The other information obtained prior to the date of this auditor's report comprises the Statutory information and Directory but does not include the consolidated annual financial statements and the performance information, and our auditor's report thereon. The other information also includes management commentary, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated annual financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated annual financial statements and the performance information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated annual financial statements and the performance information or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated annual financial statements and the performance information

The Board of Directors is responsible on behalf of the Group for the preparation and fair presentation of the consolidated annual financial statements and the performance information in accordance with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the Board of Directors determine is necessary to enable the preparation of consolidated annual financial statements and the performance information that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual financial statements and the performance information, the Board of Directors is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Financial Markets Conduct Act 2013 and the Local Government Act 2002.

Auditor's responsibilities for the audit of the consolidated annual financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial statements and the performance information as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Auditor-General's 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the consolidated annual financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial statements and the performance information, 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 our 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual financial statements and the performance information, including the disclosures, and whether the consolidated annual financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial and performance information of the entities or business units within the Group as a basis for forming an opinion on the consolidated annual financial statements and the performance information. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of 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 we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Our responsibilities arise from the Public Audit Act 2001.

Ed Louden
KPMG New Zealand
On behalf of the Auditor-General
Wellington, New Zealand
4th Sep 2025

ANNUAL FINANCIAL STATEMENTS

Quayside Holdings Limited and Subsidiaries
Consolidated Income Statement
For the year ended 30 June 2025

	Note	30 June 2025 $000	30 June 2024 $000
Income			
Trading revenue	4(a)	**472,492**	424,509
Other income	4(b)	**5,713**	10,352
Gain on disposal of equity accounted investees	4(c)	**49,245**	-
Other gains	4(c)	**14,713**	14,305
Operating income	4	**542,163**	449,167
Expenses			
Employee benefit expenses		**(68,514)**	(61,870)
Trading and other expenses	5(a)	**(192,158)**	(188,915)
Other losses	5(b)	**(17,588)**	(652)
Operating expenses		**(278,260)**	(251,437)
Results from operating activities		**263,903**	197,730
Depreciation and amortisation	9	**(43,306)**	(44,307)
Impairment of property, plant and equipment		**(2,534)**	(28)
Operating profit before finance costs, share of profit from equity accounted investees and taxation		**218,063**	153,395
Finance income	6(a)	**2,352**	3,700
Finance expenses	6(b)	**(27,187)**	(28,620)
Net finance costs		**(24,836)**	(24,920)
Impairment of investment in equity accounted investees	11	**(7)**	(6,503)
Share of profit from equity accounted investees	11	**14,244**	14,123
Profit before income tax		**207,464**	136,095
Income tax expense	7	**(35,370)**	(50,627)
Net profit after tax		**172,094**	85,468
Attributable to:			
Equity holders of the parent		**93,553**	44,312
Non-controlling interest		**78,541**	41,156
		172,094	85,468

Quayside Holdings Limited and Subsidiaries
Consolidated Statement of Comprehensive Income
For the year ended 30 June 2025

	Note	30 June 2025 $000	30 June 2024 $000
Net profit after tax		**172,094**	85,468
Other comprehensive income			
Items that will be reclassified to profit or loss when specific conditions are met:			
Cash flow hedge - changes in fair value, net of tax*		**(3,156)**	587
Cash flow hedge - reclassified to profit or loss, net of tax*		**(3,045)**	(3,114)
Share of net change in cash flow hedge reserves of equity accounted investees		**(332)**	(218)
Items that will not be reclassified to profit or loss:			
Kiwifruit licence revaluation, net of tax *		**609**	(585)
Asset revaluation, net of tax*		**25,745**	52,006
Share of net change in revaluation reserve of equity accounted investees		**4,557**	12,398
Total other comprehensive income		**24,378**	61,074
Total comprehensive income for the period		**196,472**	146,542
Attributable to:			
Equity holders of the parent		**108,124**	78,839
Non-controlling interest		**88,348**	67,703
		196,472	146,542

* Net of tax effect is disclosed in notes 7 and 8

Quayside Holdings Limited and Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 30 June 2025

	Share capital $000	Hedging reserve $000	Revaluation reserve $000	Retained earnings $000	Non controlling interest $000	Total equity $000
Balance at 30 June 2023	200,011	6,367	1,064,502	300,483	964,332	2,535,695
Profit after tax	-	-	-	44,312	41,156	85,468
Cash flow hedge – Effective portion of changes in fair value*	-	321	-	-	266	587
Cash flow hedge – Reclassified to profit or loss*	-	(1,703)	-	-	(1,411)	(3,114)
Equity-accounted investees – share of reserves	-	(119)	8,167	-	4,132	12,180
Asset revaluation*	-	-	28,446	-	23,560	52,006
Kiwifruit licence revaluation*	-	-	(585)	-	-	(585)
Total Comprehensive Income	-	(1,501)	36,028	44,312	67,703	146,542
Non-controlling interest adjustment	-	-	-	(166)	-	(166)
Decrease in share capital: subsidiary	-	-	-	(448)	(371)	(819)
Shares issued upon vesting of management LTI plan: subsidiary	-	-	-	279	(279)	-
Equity settled share-based payment: subsidiary	-	-	-	-	1,499	1,499
Share based payment reserve: subsidiary	-	-	-	2,583	(2,583)	-
Dividends to shareholders (Note 13)	-	-	-	(54,562)	(46,160)	(100,722)
Balance at 30 June 2024	200,011	4,866	1,100,530	292,481	984,141	2,582,031

* Amounts are presented net of tax, refer to Note 7 and 8.

Quayside Holdings Limited and Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 30 June 2025

	Share capital $000	Hedging reserve $000	Revaluation reserve $000	Retained earnings $000	Non controlling interest $000	Total equity $000
Balance at 30 June 2024	**200,011**	**4,866**	**1,100,530**	**292,481**	**984,141**	**2,582,031**
Profit after tax	**-**	**-**	**-**	**93,553**	**78,541**	**172,094**
Cash flow hedge – Effective portion of changes in fair value*	**-**	**(1,726)**	**-**	**-**	**(1,430)**	**(3,156)**
Cash flow hedge – Reclassified to profit or loss*	**-**	**(1,666)**	**-**	**-**	**(1,379)**	**(3,045)**
Equity-accounted investees – share of reserves	**-**	**(182)**	**3,454**	**-**	**953**	**4,225**
Asset revaluation*	**-**	**-**	**14,082**	**-**	**11,663**	**25,745**
Kiwifruit licence revaluation*	**-**	**-**	**609**	**-**	**-**	**609**
Total Comprehensive Income	**-**	**(3,573)**	**18,145**	**93,553**	**88,348**	**196,472**
Non-controlling interest adjustment	**-**	**-**	**-**	**(179)**	**147**	**(32)**
Increase in share capital: subsidiary	**-**	**-**	**-**	**45**	**37**	**82**
Shares issued upon vesting of management LTI plan: subsidiary	**-**	**-**	**-**	**95**	**(95)**	**-**
Equity settled share-based payment	**-**	**-**	**-**	**-**	**2,228**	**2,228**
Share based payment reserve: subsidiary	**-**	**-**	**-**	**756**	**(756)**	**-**
Revaluation reserve transferred to Disposal of equity accounted investees: subsidiary	**-**	**46**	**(39,927)**	**39,927**	**38**	**84**
Dividends to shareholders (Note 13)	**-**	**-**	**-**	**(56,562)**	**(48,956)**	**(105,518)**
Balance at 30 June 2025	**200,011**	**1,339**	**1,078,748**	**370,116**	**1,025,131**	**2,675,345**

* Amounts are presented net of tax, refer to Note 7 and 8

Quayside Holdings Limited and Subsidiaries
Consolidated Statement of Financial Position
As at 30 June 2025

	Note	30 June 2025 $000	30 June 2024 $000
ASSETS			
Current assets			
Cash and cash equivalents		**15,863**	27,756
Receivables and prepayments	12	**77,414**	72,720
Taxation		**617**	-
Inventories		**2,277**	2,004
Derivative financial instruments	16	**-**	340
Loans to Equity accounted investees	14	**1,276**	560
Held for Sale - Investment Property	19	**51,261**	4,200
Total current assets		**148,709**	107,580
Non-current assets			
Intangible assets		**24,155**	23,377
Property, plant and equipment	9	**2,505,044**	2,492,355
Investments in equity accounted investees	11	**368,951**	288,737
Loans to Equity accounted investees*	14	**75,567**	25,157
Investment property	19	**138,095**	163,638
Other financial assets*	14	**298,228**	295,499
Right-of-use assets		**51,422**	53,361
Deferred tax asset	8	**504**	1,057
Derivative financial instruments	16	**5,694**	11,869
Receivables and prepayments	12	**16,282**	17,272
Total non-current assets		**3,483,941**	3,372,322
Total assets		**3,632,650**	3,479,902
LIABILITIES			
Current liabilities			
Trade and other payables		**58,761**	53,934
Revenue in advance		**260**	212
Loans and borrowings	15	**275,000**	313,500
Lease liability		**1,092**	1,049
Employee benefit provisions		**5,392**	4,090
Derivative financial instruments	16	**65**	82
Contingent consideration		**-**	28
Current taxation		**16,126**	9,114
Total current liabilities		**356,696**	382,009
Non-current Liabilities			
Loans and borrowings	15	**410,004**	305,064
Lease liability		**54,842**	55,972
Employee benefit provisions		**2,049**	1,635
Deferred tax liabilities	8	**129,091**	145,948
Derivative financial instruments	16	**4,622**	7,244
Total non-current Liabilities		**600,608**	515,863
Total liabilities		**957,304**	897,872
NET ASSETS		**2,675,345**	2,582,031

**Prior-year comparative figures have been reclassified to improve clarity of presentation. $25 million of loans to equity accounted investee were reclassified from Other financial assets*

Quayside Holdings Limited and Subsidiaries
Consolidated Statement of Financial Position
As at 30 June 2025

	Note	30 June 2025 $000	30 June 2024 $000
EQUITY			
Paid up capital	13(a)	**200,011**	200,011
Reserves	13(b)	**1,080,086**	1,105,398
Retained earnings		**370,116**	292,481
Equity attributable to owners of the parent		**1,650,213**	1,597,890
Non-controlling interest	13(b)	**1,025,131**	984,141
TOTAL EQUITY		**2,675,345**	2,582,031

These financial statements have been authorised for issue by the Board of Directors on 4 September 2025.

Mark Wynne – Chair

Keiran Horne – Chair Audit & Risk Committee

Quayside Holdings Limited and Subsidiaries
Consolidated Statement of Cash Flows
As at 30 June 2025

	Note	30 June 2025 $000	30 June 2024 $000
Cash flows from operating activities			
Receipts from customers		**472,902**	425,427
Dividends received		**4,270**	5,357
Interest received		**2,164**	(2,783)
Other income		**728**	5,282
Payments to suppliers and employees		**(248,023)**	(223,278)
Taxes refunded		**74**	334
Taxes paid		**(43,119)**	(44,105)
Interest paid		**(26,152)**	(30,006)
Net cash flow from operating activities		**162,843**	136,228
Cash flows from investing activities			
Proceeds from sale of investments		**44,559**	80,612
Purchase of investments		**(34,976)**	(86,742)
Distributions from equity investments		**3,124**	6,909
Advances to equity accounted investees		**(54,875)**	(26,223)
Investment in equity accounted investees		**(17,344)**	(12,893)
Distributions from equity accounted investees		**9,044**	14,539
Purchase of intangible assets		**(716)**	(80)
Sale of investment property		**4,200**	-
Additions to investment property		**(54,824)**	(65,179)
Purchase of property, plant and equipment		**(28,058)**	(42,649)
Proceeds from sale of property, plant and equipment		**14**	17
Interest capitalised on property, plant and equipment		**(696)**	(845)
Payment of contingent consideration		**(568)**	(521)
Net cash flow used in investing activities		**(131,116)**	(133,055)
Cash flows from financing activities			
Proceeds from borrowings		**84,074**	92,356
Repurchase of shares		**(636)**	(801)
Repayment of lease liabilities		**(1,202)**	(1,147)
Repayment of borrowings		**(20,280)**	(3,400)
Capital distributions		**-**	(1,300)
Capital contributions		**(73)**	-
Dividends paid	13	**(105,519)**	(100,722)
Net cash flow used in financing activities		**(43,636)**	(15,014)
Effects of exchange rate changes on cash and cash equivalents		**16**	235
Decrease in cash and cash equivalents		**(11,892)**	(11,606)
Cash and cash equivalents at the beginning of the year		**27,756**	39,362
Cash and cash equivalents at the end of the year		**15,864**	27,756

Quayside Holdings Limited and Subsidiaries
Consolidated Statement of Cash Flows
As at 30 June 2025

	Note	30 June 2025 $000	30 June 2024 $000
RECONCILIATION OF PROFIT FOR THE PERIOD			
TO CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		**172,094**	85,468
Items classified as investing/financing activities:			
Finance lease interest revenue		**(71)**	(60)
Net gain on investments		**2,368**	(12,629)
Financial contributions write off		**11,599**	21,318
Gain on sale of property, plant and equipment		**(43)**	(167)
		13,853	8,462
Non cash and non operating items:			
Depreciation and amortisation		**43,406**	44,326
Impairment of property, plant and equipment		**2,534**	28
Increase / (Decrease) in deferred taxation expense		**(14,212)**	7,596
Share of net profit after tax retained by equity accounted investees		**(14,244)**	(14,123)
Impairment of investment in equity accounted investees		**7**	6,503
Increase in equity settled share-based payment accrual		**2,738**	1,499
Gain on disposal of Equity Accounted Investees		**(49,245)**	-
Other items		**470**	(1,191)
		(28,546)	44,638
Movements in working capital:			
Change in trade receivables and prepayments		**(14,906)**	(8,063)
Change in inventories		**(273)**	(18)
Change in taxation payable		**6,466**	(1,050)
Change in trade, other payables and revenue received in advance		**14,170**	6,896
Changes in foreign cash deposits		**(15)**	(137)
		5,442	(2,372)
Net cash flow from operating activities		**162,843**	136,228

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

1. Company Information

Reporting Entity

Quayside Holdings Limited (referred to as the "Parent" company) is a company domiciled in New Zealand and registered under the Companies Act 1993.

The Group is wholly owned by Bay of Plenty Regional Council ("Council"). The Group is a holding company for the investment activity of Council. The Parent is the majority shareholder in Port of Tauranga Limited, and the owner of a diversified investment portfolio, property and commercial ventures.

The Parent has listed debt (ticker QHLHA) on the NZX Debt Market (NZDX) and hence is a Financial Markets Conduct (FMC) reporting entity for the purposes of the Financial Markets Conduct Act 2013. The financial statements comply with this Act.

The Parent is a Council-Controlled Trading Organisation as defined under Section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board and the group operating a trading undertaking for the purpose of making a profit.

Consolidated financial statements are presented which include the Group's subsidiaries and its interests in equity accounted investees as presented in Note 12 and 13. These financial statements often reference the two governance structures being:

- *Quayside Group* – comprising Quayside Holdings Limited (Parent company) and its directly controlled subsidiaries, and its equity accounted investees. Quayside Group has investments in equities, shares, properties and other assets.
- *Port of Tauranga Group* – comprising the Port of Tauranga Limited and its subsidiaries and its equity accounted investees. The Port of Tauranga group is owned 54.14% (2024: 54.14%) by the Quayside Group.

The Group is classified as a for-profit entity.

2. Basis of Preparation

Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 and the Financial Markets Conduct Act 2013, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate to Tier 1 for-profit entities, on the basis that the group has public accountability and is a large for-profit public sector entity.

The financial statements are prepared on the historical cost basis except for the following assets and liabilities which are stated at their fair value: other financial assets and liabilities at fair value through the income statement, land, buildings, harbour improvements, wharves and hardstanding, kiwifruit licences, investment properties, bearer plants and biological assets.

These financial statements are presented in New Zealand dollars ($), which is the Parent's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand.

Material accounting policies that are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

The financial statements were authorised for issue by the Board of Directors on 4 September 2025.

Accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

2. Basis of Preparation (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amount recognised in the financial statements, are detailed below:

- valuation of land, buildings, harbour improvements, and wharves and hardstanding (refer to note 9);
- assessment of significant influence or joint control in relation to Equity Accounted Investees (refer to note 11);
- impairment assessment of investments in equity accounted investees (refer to note 11);
- valuation of investment properties (refer to note 19).
- Treatment of financial contributions (refer to note 5).

Fair value hierarchy

A number of the Group's accounting policies and disclosures require the determination of fair value, being market value, for both financial and non financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Assets and liabilities measured at fair value are classified according to the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

New accounting standards and interpretations not yet adopted

IFRS 18 - Presentation and Disclosure in Financial Statements is effective for periods beginning on or after 1 January 2027 and applies retrospectively. The new standard aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. While this will not have a material impact on the Group, it will result in significant changes to how the Group presents the income statement and what information will need to be disclosed on management defined performance measures.

There are no other new or amended accounting standards and interpretations that are issued but not yet adopted that are expected to have a material impact on the Group.

ANNUAL FINANCIAL STATEMENTS

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

3. Segmental Reporting

As of 30 June 2025, the Group's operating segments reflect both the internal reports reviewed by the Board of Directors (the CODM) , which allocate resources, and the performance measures used by the CODM. Reportable segments for the year ended June 2025 are: (i) Port of Tauranga (consolidated listed subsidiary, operating in New Zealand), (ii) Investment Portfolio (SIPO-governed, targeting a single return objective across all asset classes, investing in New Zealand and offshore), and (iii) Special Purpose Assets (strategic or regional holdings where commercial return may not be the primary goal, located in New Zealand).

Some decision-making authority over the Investment Portfolio is delegated to the Investment Committee, excluding Port of Tauranga and Special Purpose Assets (SPA). The Statement of Investment Performance and Objectives (SIPO) and long-term incentive arrangements apply only to the Investment Portfolio.

As of June 2024, the Group had two segments: Port of Tauranga and Investment. Effective 1 July 2024, the Group changed the way performance is reported to the Chief Operating Decision Maker (the Board). Previously, the "Investment Portfolio" and "Special Purpose Assets (SPA)" were reported together as a single segment ("Investing"). From this financial year these are reported separately. Where possible, previous year's data have been adjusted to separately show Investment Portfolio and SPA, rather than the former "Quayside (Investment). This is a presentational change and does not affect Group profit, net assets, or cash flows.

External revenue arises predominantly from port operations; the Investment Portfolio and SPA generally generate investment income and fair value movements.

During the year, the Port of Tauranga Group had two external customers, which comprised more than 10% of total revenue, 27% and 13% (2024: 28% and 13%).

	Port $000	Investing $000	SPA $000	Corporate $000	Total $000
30 June 2025					
Total segment revenue	**464,131**	**61,435**	**4,771**	**-**	**530,337**
Inter-segment revenue	**-**	**(57,845)**	**-**	**-**	**(57,845)**
Revenue (from external customers)	**464,131**	**3,590**	**4,771**	**-**	**472,492**
Other income/gains	**49,789**	**20,087**	**808**	**-**	**70,684**
Finance income	**726**	**1,541**	**85**	**-**	**2,352**
Finance costs	**(20,540)**	**(2,535)**	**(2,952)**	**(1,161)**	**(27,187)**
Depreciation & amortisation	**(42,925)**	**(160)**	**(221)**	**-**	**(43,306)**
Other expenditure/losses	**(238,894)**	**(4,372)**	**(30,973)**	**(7,567)**	**(281,807)**
Income tax (expense) / benefit	**(45,103)**	**(205)**	**9,938**	**-**	**(35,370)**
Share of profit of equity accounted investees	**6,189**	**8,048**	**-**	**-**	**14,237**
Net profit after tax	**173,373**	**25,993**	**(18,545)**	**(8,728)**	**172,094**

Corporate comprises items not allocated by the CODM—primarily unallocated head-office overheads, net interest on corporate funding/cash, and consolidation eliminations—and is not a reportable segment.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

3. Segmental Reporting (continued)

	Port $000	Investing $000	SPA $000	Corporate $000	Total $000
30 June 2024 (Restated)					
Total segment revenue	417,356	57,523	4,159	-	479,038
Inter-segment revenue	-	(54,529)	-	-	(54,529)
Revenue (from external customers)	417,356	2,994	4,159	-	424,509
Other income/gains	606	12,420	11,632	-	24,658
Finance income	657	2,931	113	-	3,701
Finance costs	(23,128)	(2,449)	(2,705)	(338)	(28,620)
Depreciation & amortisation	(43,770)	(196)	(341)	-	(44,307)
Fixed asset impairment	(28)	-	-	-	(28)
Other expenditure/losses	(218,546)	(6,556)	(19,024)	(7,311)	(251,437)
Income tax (expense) / benefit	(47,243)	(297)	(3,087)	-	(50,627)
Impairment of equity accounted investees	-	(6,503)	-	-	(6,503)
Share of profit of equity accounted investees	4,945	9,178	-	-	14,123
Net profit after tax	**90,849**	**11,521**	**(9,251)**	**(7,649)**	**85,468**

The segment net assets at 30 June are:

	Port $000	Investing $000	Special Purpose Assets $000	Corporate $000	Total $000
Net assets as at 30 June 2025	**2,273,771**	**423,610**	**(4,295)**	**(17,741)**	**2,675,345**
Net assets as at 30 June 2024	2,183,157	401,356	13,912	(16,394)	2,582,031

Policies

The Group determines and presents operating segments based on the information that is internally provided to the Board of Directors, who is the Group's Chief Operating Decision Maker (CODM).

4. Operating Income

	30 June 2025 $000	30 June 2024 $000
(a) Trading revenue		
Revenue from contracts with customers		
Container terminal revenue	**284,756**	252,751
Multi cargo revenue	**78,054**	71,702
Marine services revenue	**54,185**	50,644
Sale of goods – kiwifruit	**4,722**	4,110
	421,717	379,207
Other revenue		
Rental income	**50,422**	44,690
Other	**353**	613
Total trading revenue	**472,492**	424,510
Inter segment revenue	**57,845**	54,529
Revenue as reported in Note 3	**530,337**	479,039

(b) Other Income		
Foreign dividends	**1,729**	1,831
New Zealand dividends	**2,657**	2,991
Other income	**1,327**	5,530
Total other income	**5,713**	10,352

Other income includes $0.71m (2024: $5.5m) representing the portion of PGF funding received and allocated to the Rangiuru Business Park interchange portion attributable to third-party landowner's, in consideration of the fact the Group has an expectation that the funding will not be clawed back and that the conditions attached to the grant are met. Also refer to Note 19.

(c) Other gains		
Net gains on financial assets through profit and loss	**14,713**	2,844
Gain on disposal of equity accounted investees (Note 11)	**49,245**	-
Fair value gains on investment property	**-**	10,839
Reversal of previous revaluation deficit	**-**	622
Total other gains	**63,958**	14,305

Other gains and losses are presented on a net basis by category, with comparatives presented on the same basis.

4. Operating Income (continued)

Policies

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Standard credit terms are a month following invoice with any rebate variable component calculated at the client's financial year end. Rebateable sales are eligible for sales volume rebates. When the rebate is accrued, it is accrued as a current liability (rebate payable) based on contracted rates and estimated volumes. For financial reporting purposes rebates are treated as a reduction in profit or loss. Revenue is shown, net of GST, rebates and discounts. Revenue is recognised as follows:

- *Container terminal revenue:* relates to the handling, processing, storage and rail of containers. Contracts are entered into with shipping lines and cargo owners. The primary performance obligations identified include the load and discharge of containers (which include the services provided to support the handling of containers). Container terminal revenue is recognised over time based on the number of containers exchanged (an output method). This method is considered appropriate as it allows revenue to be recognised based on the Port of Tauranga group's effort to satisfy the performance obligation. The transaction price is determined by the contract and adjusted by variable consideration (rebates). Rebates are based on container volume and the Port of Tauranga group accounts for the variable consideration using the expected value method. The expected value is the sum of probability weighted amounts in a range of possible consideration amounts. The Port of Tauranga group estimates container volumes based on market knowledge and historical data.

- *Multi cargo revenue*: relates to the wharfage and storage of bulk goods. Contracts are entered into with cargo owners. The stevedoring services are provided by a third party. Multi cargo revenue is recognised after the vessel's departure, at a point in time, except storage revenue which is recognised over time. The transaction price for multi cargo services is determined by the contract.

- *Marine services revenue*: relates directly to the visit of a vessel to the port and includes fees for pilotage, towage and mooring. Contracts are entered into with vessel operators. The performance obligations identified include vessel arrival, departure and berthage. Revenue is recognised over time, based on time elapsed, as customers are charged a daily service fee for each day in the Port. The transaction price for marine services is determined by the contract.

- *Dividend Income*: is recognised on the date that the Group's right to receive payment is established, being the ex-dividend date.

- *Rental Income*: from property leased under operating leases is recognised in the income statement on a straight line basis over the term of the lease. Lease incentives provided are recognised as an integral part of the total lease income, over the term of the lease.

- *Kiwifruit Income*: Revenue from the sale of kiwifruit is recognised in the income statement when the control of the kiwifruit is transferred to the buyer i.e. Zespri. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or where there is continuing management involvement with the goods. Income at year-end is based on the highly probable income per tray to be received, based on the latest forecast from Zespri. Any revision of the income recognised during the year will be recognised in the income statement.

- *Gain/loss on equity investments*: Equity securities designated at fair value through profit and loss are revalued to fair value based on quoted market prices at the reporting date. Net gains and losses on individual equities securities are presented either in other income or in other losses.

5. Other Expenses

The following items of expenditure are included in other expenses:

	30 June 2025 $000	30 June 2024 $000
(a) Trading and other expenses		
Audit Fees for the audit and review of the financial statements:		
KPMG – audit and review of other Quayside group entities financial statements	**444**	457
KPMG – Climate-related assurance and pre-assurance services of other Quayside group entities	**86**	-
KPMG - audit and review of the *Port of Tauranga Group* financial statements	**428**	393
KPMG – Climate-related assurance of the *Port of Tauranga Group*	**21**	25
KPMG – Agreed upon procedures over long term incentive vesting calculations of the *Port of Tauranga Group*	**13**	12
Contracted services for Port operations	**93,652**	95,668
Direct fuel and power expenses	**20,164**	18,761
Maintenance of property, plant and equipment	**20,865**	16,553
Financial Contributions write off (Note 19)	**11,599**	21,318
Orchard expenses	**1,423**	1,312
Directors' fees	**630**	620
Other	**42,833**	33,796
Total trading and other expenses	**192,158**	188,915
(b) Other losses		
Loss on revaluation of investment properties	**16,550**	-
Hedging reserve reclassified to profit or loss on disposal of Equity Accounted Investees	**84**	-
Loss on sale of equity accounted investee	**827**	-
Loss on revaluation of bearer plants	**127**	**652**
Total other losses	**17,588**	**652**

Financial contributions write off
Trading and other expenses include the write off of the spending for the enabling infrastructure (Financial Contributions) incurred by the Group for the development of the Rangiuru Business Park, inclusive of financing interests of 1.5% plus OCR, as disciplined in the Western Bay of Plenty Operative District Plan (the Plan). The amount expensed is relative to the spending attributable to third party landowners. Please refer to Note 19.

Contingent asset
The Financial Contributions written off, including accrued interest, for a total amount of $37.6m, are recoverable by Quayside Group from the various third-party landowners in accordance with the Plan. Financial Contributions are payable for subdivisions and the development in the Rangiuru Business Park, with any resource consent subject to a condition imposing a financial contribution and the condition providing for the amount of any financial contributions. Notwithstanding the above, the recoverability of this asset is dependent on the specific third parties' decision to develop the land within the Rangiuru Business Park and hence, is not wholly controlled by Quayside Group therefore this is recognised as a contingent asset. Quayside will separately recover a portion of Financial Contributions when a third party obtains title to develop.

6. Finance Income and Expenses

	30 June 2025 $000	30 June 2024 $000
(a) Finance income		
Interest income on bank deposits	**460**	892
Interest income on fixed interest investments	**923**	554
Interest on advances to equity accounted investees	**73**	960
Convertible note interest	**170**	638
Interest income other	**726**	657
Total finance income	**2,352**	3,701
(b) Finance expense		
Interest expense on borrowings	**(28,607)**	(28,066)
Less: interest capitalised to property, plant and equipment	**696**	845
Less: interest capitalised to investment property	**3,635**	1,447
	(24,277)	(25,774)
Interest expense on lease liabilities	**(2,728)**	(2,691)
Ineffective portion of changes in fair value of cash flow hedges	**(127)**	(66)
Change in fair value of hedged risk	**(56)**	(89)
Total finance expense	**(27,187)**	(28,620)
Net finance cost	**(24,836)**	(24,919)

Policies

Finance income comprises interest income on bank deposits, finance lease interest and gains on hedging instruments that are recognised in the income statement. Interest income on financial assets carried at amortised cost is calculated using the effective interest method. Finance lease interest is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Finance expenses comprise interest expense on borrowings, finance lease interest expense, unwinding of the discount of provisions and losses on hedging instruments that are recognised in the income statement. Except for interest capitalised directly attributable to the purchase or construction of qualifying assets, all borrowing costs are measured at amortised cost and recognised in the income statement, using the effective interest method.

7. Income Tax

	30 June 2025 $000	30 June 2024 $000
Components of tax expense		
Profit before income tax for the period	**207,464**	136,095
Income tax on surplus at 28% (2024: 28%)	**58,090**	38,107
Tax effect of amounts which are non (deductible)/taxable:		
Non-taxable fair value movements through profit and loss	**(4,004)**	(630)
Share of equity accounted investees after tax income, excluding Limited Partnerships	**(4,493)**	(4,611)
Gain on disposal of equity accounted investees	**(13,788)**	0
Dividend imputation credits/Other tax credits	**(2,172)**	(934)
Other attributed income/loss and foreign dividend regime	**2,822**	1,387
Tax losses utilised	**8**	(405)
Tax losses unutilised	**6,358**	-
Prior period adjustment (mainly Rangiuru Business Park)	**(7,750)**	5,411
Removal of tax depreciation on buildings	**-**	10,865
Other	**297**	1,437
Income tax (benefit)/expense	**35,370**	50,627
The income tax (benefit)/expense is represented by:		
Current tax expense		
Tax payable in respect of the current period	**49,245**	39,317
Adjustment for prior period	**145**	290
Total current tax expense	**49,390**	39,607
Deferred tax expense		
Origination/reversal of temporary differences	**(6,125)**	12,158
Adjustment for prior period	**(7,895)**	(1,137)
Total deferred tax expense (note 8)	**(14,020)**	11,021
Income tax (benefit)/expense	**35,370**	50,627

	30 June 2025 $000	30 June 2024 $000
Income tax recognised in other comprehensive income:		
Revaluation of property, plant and equipment	**(33)**	12,290
Revaluation of intangibles	**237**	(227)
Cash flow hedges	**(2,412)**	(982)
Total (note 8)	**(2,208)**	11,081
Imputation credit account		
Imputation credits available for use in subsequent periods	**149,190**	145,987

Application of IFRIC 23 to Rangiuru Business Park (RBP)

The Group has obtained professional tax advice regarding the treatment of the interchange and enabling infrastructure associated with the Rangiuru Business Park development. The tax position adopted is supported by applicable legislation and guidance. Current and deferred tax balances have been measured in accordance with this advice. The Group will continue to monitor relevant developments and reassess its position should new information become available. To further support the adopted position and reduce residual uncertainty, the Group intends to seek a private binding ruling from Inland Revenue.

7. Income Tax (continued)

measured consistent with the filing position. The Group will continue to monitor developments and reassess if new information arises or a binding ruling is obtained.

To further support the adopted tax positions and reduce residual uncertainty, the Group intends to seek a private binding ruling from Inland Revenue.

Policies

Income tax expense includes components relating to current tax and deferred tax. Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or equity.

8. Deferred Taxation

Group	Assets 2025 $000	Assets 2024 $000	Liabilities 2025 $000	Liabilities 2024 $000	Net 2025 $000	Net 2024 $000
Deferred tax (asset)/liability						
Tax losses	**(504)**	(1,054)	**-**	-	**(504)**	(1,054)
Property, plant and equipment	**(54)**	(16)	**134,413**	137,459	**134,359**	137,443
Investment property	**-**	-	**3,310**	9,962	**3,310**	9,962
Intangible assets	**-**	-	**1,079**	1,002	**1,079**	1,002
Derivatives	**-**	-	**900**	3,312	**900**	3,312
Provisions and accruals	**(4,891)**	(3,881)	**-**	-	**(4,891)**	(3,881)
Equity accounted investees	**(821)**	(854)	**-**	-	**(821)**	(854)
Others	**(3,581)**	(11)	**-**	-	**(3,581)**	(11)
Right of use of assets	**-**	-	**14,397**	14,692	**14,397**	14,692
Lease liabilities	**(15,662)**	(15,720)	**-**	-	**(15,662)**	(15,720)
Total	**(25,512)**	(21,536)	**154,099**	166,427	**128,588**	144,891

Deferred tax balances reflect the Group's filing position for the Rangiuru Business Park as described in Note 7. No separate deferred tax amounts have been recognised for tax uncertainty under IFRIC 23 at the reporting date. The Group will adjust deferred tax if facts and circumstances change or on obtaining a binding ruling.

Group	30 June 2025 $000	30 June 2024 $000
Movement for the year		
Opening balance	**144,891**	122,718
Recognised in the Income Statement	**(14,020)**	11,021
Recognised in Comprehensive Income (Note 7)	**(2,208)**	11,081
Others	**(76)**	71
Closing balance	**128,588**	144,891

Unrecognised tax losses or temporary differences
At balance date the Group had unrecognised tax losses of $24.5m. No deferred tax asset has been recognised in respect of these losses because it is not probable that sufficient taxable profits will be available against which the losses can be utilised in the foreseeable future.

Policies

Deferred tax is recognised on temporary differences that arise between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse.

A deferred tax asset is recognised only to the extent it is probable it will be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of buildings classified as property, plant and equipment carried at cost is presumed to be recovered through use.

9. Property, Plant and Equipment

	Freehold Land $000	Freehold Buildings $000	Wharves and Hardstanding $000	Harbour Improvements $000	Bearer Plants $000	Plant and Equipment $000	Work in Progress $000	Total $000
Group								
Gross carrying amount:								
Balance at 1 July 2023	1,492,425	142,339	467,536	209,825	1,500	264,824	28,742	2,607,191
Additions	-	502	8,300	2,053	(777)	16,701	15,527	42,306
Disposals	-	-	-	-	-	(14,145)	-	(14,145)
Revaluation	200	-	(8,974)	15,440	-	-	-	6,666
Transfers between asset classes	-	904	(904)	-	-	-	-	-
Balance at 30 June 2024	1,492,625	143,745	465,958	227,318	723	267,380	44,269	2,642,018
Balance at 1 July 2024	**1,492,625**	**143,745**	**465,958**	**227,318**	**723**	**267,380**	**44,269**	**2,642,018**
Additions	**-**	**3,370**	**8,788**	**2,226**	**-**	**33,937**	**(18,110)**	**30,211**
Disposals	**-**	**-**	**-**	**-**	**-**	**(14,712)**	**-**	**(14,712)**
Revaluation	**25,828**	**(17,139)**	**-**	**-**	**(193)**	**-**	**-**	**8,496**
Balance at 30 June 2025	**1,518,453**	**129,976**	**474,746**	**229,544**	**530**	**286,605**	**26,159**	**2,666,013**
Accumulated depreciation:								
Balance at 1 July 2023	-	(4,879)	(33,535)	(3,088)	-	(139,974)	-	(181,476)
Depreciation expense	-	(4,877)	(19,981)	(1,798)	(208)	(13,932)	-	(40,796)
Revaluation	-	-	53,370	4,886	208	-	-	58,464
Disposals	-	-	-	-	-	14,144	-	14,144
Transfers between asset classes	-	(75)	75	-	-	-	-	-
Balance at 30 June 2024	-	(9,831)	(71)	-	-	(139,762)	-	(149,664)
Balance at 1 July 2024	**-**	**(9,831)**	**(71)**	**-**	**-**	**(139,762)**	**-**	**(149,664)**
Depreciation expense	**-**	**(4,855)**	**(21,222)**	**(1,557)**	**(66)**	**(12,797)**	**-**	**(40,497)**
Disposals	**-**	**-**	**-**	**-**	**-**	**14,637**	**-**	**14,637**
Revaluation	**-**	**14,488**	**-**	**-**	**66**	**-**	**-**	**14,554**
Balance at 30 June 2025	**-**	**(198)**	**(21,293)**	**(1,557)**	**-**	**(137,922)**	**-**	**(160,970)**
Carrying amounts:								
Net book value as at 30 June 2024	1,492,625	133,914	465,887	227,318	723	127,618	44,269	2,492,354
Net book value as at 30 June 2025	**1,518,453**	**129,778**	**453,453**	**227,987**	**530**	**148,683**	**26,159**	**2,505,043**

Notional carrying amounts
For each revalued class of property, plant and equipment, the notional carrying amount that would have been recognised, had the assets been carried under the cost model, would be:

	Freehold Land	**Freehold Buildings**	**Wharves and Hardstanding**	**Harbour Improvements**	**Bearer Plants**	**Plant and Equipment**	**Work in Progress**	**Total**
Notional Carrying amounts:								
Notional carrying amount 2024	119,203	78,436	124,704	61,259	723	-	-	384,325
Notional carrying amount 2025	**119,203**	**77,960**	**121,325**	**60,364**	**530**	**-**	**-**	**379,382**

Security

Certain items of property, plant and equipment have been pledged as security against certain loans and borrowings of *Port of Tauranga Group Limited* (refer to note 15).

9. Property, Plant and Equipment (continued)

Capital commitments

The estimated capital expenditure for property, plant and equipment contracted for at balance date but not provided for is $5.4m (2024: $9.2m).

Judgements

Fair values

Bearer plants, land, buildings, harbour improvements, and wharves and hard standing assets

This fair value measurement has been categorised as a Level 3 fair value based on the inputs for the assets which are not based on observable market data (unobservable inputs), (refer to note 2 for fair value measurement hierarchy).
Judgement is required to determine whether the fair value of land, buildings, wharves and hard standing, and harbour improvements assets have changed materially since the last revaluation. The determination of fair value at the time of the revaluation requires estimates and assumptions based on market conditions at that time. Changes to estimates, assumptions or market conditions subsequent to a revaluation will result in changes to the fair value of property, plant and equipment.
Remaining useful lives and residual values are estimated based on Management's judgement, previous experience and guidance from registered valuers. Changes in those estimates affect the carrying value and the depreciation expense in the income statement.

At the end of each reporting period, the Group makes an assessment whether the carrying amounts differ materially from the fair value and whether a revaluation is required (except land, which is revalued annually). The assessment considers movements in the capital goods price indices and other market indicators since the previous valuations.

As at 30 June 2025, the Group revalued land and buildings in line with policy. For the remaining asset classes, the Group has assessed that there has been no material change in the fair value of each asset class since the last revaluation.

Land valuation

The valuation of land assets was carried out by Colliers International New Zealand Limited. The valuation increased the carrying amount of land by $25.8m.

Land assets are valued using the direct sales comparison approach which analyses direct sales of comparable properties on the basis of the sale price per square metre which are then adjusted to reflect stronger and weaker fundamentals relative to the subject properties.

The significant assumptions applied in the valuation of these assets are:

Asset valuation method	Key valuation assumptions	Hectares	2025 Range of significant assumptions	2025 $ Weighted average	2024 Range of significant assumptions	2024 $ Weighted average
Direct sales comparison	Tauranga (Sulphur Point) / Mount Maunganui – wharf and industrial land per square metre	182.2	$480-$1,695	778	$470-$1,650	766
	Auckland land – land adjacent to MetroPort Auckland per square metre	6.8	$1,113	1,113	$1,053	1,053
	Rolleston land – MetroPort Christchurch per square metre	15.0	$180	180	$160	160

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

9. Property, Plant and Equipment (continued)

- *Waterfront Access Premium:* A premium of approximately 25% has been applied to the main wharf land areas reflecting the locational benefits this land asset gains from direct waterfront access.
- *No Restriction of Title*: Valuation is made on the assumption that having no legal title to the Tauranga harbour foreshore will not detrimentally influence the value of land assets.
- *Highest and Best Use of Land: Subject to relevant local authority's zoning regulations.*
- *Tauranga and Mount Maunganui: The majority of land is zoned "Port Industry" under the Tauranga City Plan and a small portion of land at both Sulphur Point and Mount Maunganui has "Industry" zoning.*
- *Auckland: The land is zoned "Heavy Industry Zone" under the Auckland Unitary Plan.*
- *Rolleston: The land is zoned "Business 2A" under the Selwyn District Plan.*

Building valuations

The valuation was carried out by Colliers International NZ Limited and resulted in a decrease to the carrying value of $2.7m. The majority of assets are valued on a combined land and building basis using a Capitalised Income Model with either contract income or market income. A small number of specialised assets, such as gatehouses and toilet blocks, are valued on a Depreciated Replacement Cost basis due to their specialised nature and the lack of an existing market.

The Capitalised Income Model uses either the contracted rental income or an assessed market rental income of a property and then capitalises the valuation of the property using an appropriate yield. Contracted rental income is used when the contracted income is receivable for a reasonable term from secured tenants. Market income is used when the current contract rent varies from the assessed market rent due to over or under renting, vacant space and a number of other factors.

The value of land is deducted from the overall property valuation to give rise to a building valuation.

The significant assumptions applied in the valuation of these building assets are:

Asset valuation method	Key valuation assumptions	2025 Range of significant assumptions	2025 Weighted average	2024 Range of significant assumptions	2024 Weighted average
Capitalised income model	Market capitalisation rate	2.63%-6.50%	4.50%	1.75%-9.50%	3.71%

Wharves and Hardstanding, and Harbour Improvements

The last valuation of wharves and hard standings, and harbour improvements was carried out by WSP New Zealand as at 30 June 2024.

Wharves, hardstanding and harbour improvements assets are classified as specialised assets and have accordingly been valued on a Depreciated Replacement Cost basis.

The significant assumptions applied in the valuation of these assets are:

- Replacement Unit Costs of Construction Rates – Cost Rates are Calculated Taking into Account:
  - The Port of Tauranga Limited's historic cost data, including any recent competitively tendered construction works.
  - Publicly available price indices from Statistics New Zealand and Waka Kotahi NZ Transport Agency.
  - The WSP New Zealand Limited construction cost database.
  - QV Cost Builder construction cost database.
  - An allowance is included for costs directly attributable to bringing assets into working condition, management costs and the financing cost of capital held over construction period.
- Depreciation – the Calculated Remaining Lives of Assets Were Reviewed, Taking Into Account:
  - Observed and reported condition, performance and utilisation of the asset.
  - Expected changes in technology.
  - Consideration of current use, age and operational demand.
  - Discussions with the Port of Tauranga Limited's operational officers.
  - WSP New Zealand Limited Consultants' in-house experience from other infrastructure valuations.
  - Residual values.

9. Property, Plant and Equipment (continued)

The significant assumptions applied in the valuation of these wharves and hardstanding, and harbour improvements assets are:

Asset valuation method	Key valuation assumptions	2025 & 2024 Range of significant assumptions	2025 & 2024 Weighted average
Depreciated replacement cost basis	Wharf construction replacement unit cost rates per lineal metre – high performance wharves	$191,135 - $391,434	$273,358
	Earthworks construction replacement unit cost rates per square metre	$9-$10	$9
	Basecourse construction replacement unit cost rates per square metre	$35 - $117	$56
	Asphalt construction replacement unit cost rates per square metre	$47 - $100	$85
	Capital dredging replacement unit cost rates per square metre	$5 - $91	*
	Depreciation method	Straight line basis	Not applicable
	Channel assets (capital dredging) useful life	Indefinite	Not applicable
	Pavement – remaining useful lives	2-39 years	14 years
	Wharves remaining useful lives	0-59 years	17 years

**Weighted average unit cost rates are not presented due to the complexity in measuring the types and locations of removed quantities.*

Sensitivities to changes in key valuation assumptions for land, buildings, wharves and hardstanding, and harbour improvements

The following table shows the impact on the fair value due to a change in significant **unobservable input:**

		Impact of change in assumption NZ/000	
Unobservable inputs within the direct sales comparison approach for land			
Rate per square metre	10% decrease/increase	-151,845	151,845
Unobservable inputs within the income capitalisation approach for buildings			
Market rent	10% decrease/increase	-53,300 / +48,500	
Market capitalisation rate	0.5% decrease/increase	+53,400 / -44,200	
Unobservable inputs within depreciated replacement cost analysis for buildings, wharves and hardstanding, and harbour improvements			
Unit costs of construction	The greatest uncertainty is the level of the unit rates. We have used a 90% confidence interval in these unit rates to be between -11% to 10%	-75,200	71,600

9. Property, Plant and Equipment (continued)

Policies

Property, plant and equipment is initially measured at cost, which includes capitalised interest, and subsequently stated at either fair value or cost, less depreciation and any impairment losses. Subsequent expenditure that increases the economic benefits derived from the asset is capitalised.

Land, buildings, harbour improvements, and wharves and hard standing are measured at fair value, based upon periodic valuations by external independent valuers. The Group undertakes an annual revaluation of land and a three yearly revaluation cycle for all other asset classes to ensure the carrying value of these assets do not differ materially from their fair value. If during the three-year revaluation cycle there are indicators that fair value of a particular asset class may differ materially from its carrying value, an interim revaluation of that asset class is undertaken.

Bearer plants are accounted for using the revaluation method and are revalued annually. The revaluation method requires a revaluation to fair value. The accumulated depreciation is eliminated against the gross carrying amount of the asset.

Any increase in carrying value from revaluation shall be recognised in other comprehensive income and accumulated in equity under the heading of revaluation reserve. If an asset's carrying amount is decreased as a result of revaluation, the decrease shall be recognised in profit or loss unless there is a credit balance existing in the revaluation reserve in respect of that asset – in which case the reserve should be offset first.

Depreciation of property, plant and equipment, other than freehold land and capital dredging (included within harbour improvements), is calculated on a straight line basis and expensed over their estimated useful lives. Major useful lives are:

Bearer plants	20 years
Freehold buildings	33 to 72 years
Maintenance dredging	3 years
Wharves	50 to 70 years
Basecourse	50 years
Asphalt	15 years
Gantry cranes	10 to 40 years
Floating plant	10 to 25 years
Other plant and equipment	5 to 25 years
Electronic equipment	3 to 5 years

Capital and maintenance dredging are held as harbour improvements. Capital dredging has an indefinite useful life and is not depreciated as the channel is maintained via maintenance dredging to its original depth and contours. Maintenance dredging is depreciated over three years.

Work in progress relates to self constructed assets or assets that are being acquired which are under construction at balance date. Once the asset is fit for intended service, it is transferred to the appropriate asset class and depreciation commences. Software developed undertaken as part of a project is transferred to intangibles on completion.

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefit. Upon disposal or derecognition, any revaluation reserve relating to the particular asset being disposed or derecognised is transferred to retained earnings.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

10. Investment in Subsidiaries

Investments in subsidiaries comprise:

Name of entity	Principal activity	2025 %	2024 %
Subsidiaries of Quayside Holdings Limited			
Quayside Unit Trust (QUT)	Majority shareholder in POT	100.00	100.00
Quayside Investment Trust (QIT)	Holds equity and fixed income investments	100.00	100.00
Quayside Securities Limited (QSL)	Trustee for QUT, QIT and Toi Moana Trust	100.00	100.00
Quayside Properties Limited (QPL)	Holds investment properties	100.00	100.00
Aqua Curo Limited (ACL)	In liquidation	100.00	100.00
Quayside Te Papa Tipu Limited (QTPTL)	Development company	100.00	100.00
Quayside Mystery Valley Limited (QMVL)	In liquidation	100.00	100.00
Quayside Barnett Place Limited (QBPL)	Holds investment property for annuity	100.00	100.00
Quayside Portside Drive Limited (QPDL)	Holds investment property for annuity	100.00	100.00
Quayside The Vault Limited (QTVL)	Holds investment property for annuity	100.00	100.00
Lakes Commercial Development Limited (LCD)	Holds investment property for annuity	100.00	100.00
Quayside Tauriko Limited (QTL)	Holds investment property.	100.00	100.00
Port of Tauranga Limited (POT)	Port company	54.14	54.14
Subsidiaries of Port of Tauranga Limited			
Port of Tauranga Trustee Company Limited	Holding company for employee share scheme	100.00	100.00
Quality Marshalling (Mount Maunganui) Limited	Marshalling and terminal operations services	100.00	100.00
Timaru Container Terminal Limited	Sea Port	100.00	100.00

All subsidiary companies have a balance date of 30 June

Although Toi Moana Trust comes under the governance of the Quayside Group, through Quayside Securities Limited being the appointed Trustee, it is beneficially owned and controlled by Bay of Plenty Regional Council and is therefore not consolidated by Quayside Holdings Limited.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

10. Investment in Subsidiaries (continued)

On 26 June 2024, the Bay of Plenty Regional Council approved management's ability to undertake a managed sell down of the Port of Tauranga Limited subject to certain parameters that must be agreed. Although the parameters have been agreed, there has been no material advancement in the sell-down process; as a result, no adjustments were required in these accounts.

	30 June 2025 $000	30 June 2024 $000
Ownership Interest in Port of Tauranga Limited		
Non current assets	**2,916,097**	2,811,196
Current assets	**85,393**	88,962
Non current liabilities	**(345,662)**	(392,224)
Current liabilities	**(382,057)**	(324,777)
Net assets (100%)	**2,273,771**	2,183,157
Group's share of net assets – 54.14% (2024: 54.14%)	**1,231,020**	1,181,961
Non Controlling Interest – 45.86 % (2024: 45.86%)	**1,042,751**	1,001,196
Accounting adjustment to non-controlling interest (refer note 13)	**(17,620)**	(17,054)
	1,025,131	984,142
Port of Tauranga Group – summary of financial performance and cash flow		
Operating revenue	**464,161**	417,375
Profit after income tax	**173,373**	90,849
Total comprehensive income	**195,021**	149,450
Net cash inflow from operating activities	**171,981**	135,837
Ending cash and cash equivalents	**8,975**	18,728

Policies

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that presently are exercisable, are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Non-Controlling Interest

The share of the net assets of controlled entities attributable to non controlling interests is disclosed separately on the statements of financial position. In the income statements, the profit or loss of the Group is allocated between profit or loss attributable to non controlling interest and profit or loss attributable to owners of the Parent Company.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

11. Investments in Equity accounted Investees

Investments in Equity Accounted Investees are comprised as follows. (A) denotes an 'associate' and (JV) 'Joint Venture':

Name of entity	Principal activity	2025 %	2024 %	Balance Date
Huakiwi Developments Limited Partnership (JV)	Orchard development	50.00	50.00	31 Mar*
TRG Pharmaceuticals Limited (A)	In liquidation	26.97	26.97	31 Mar*
Oriens Capital (A)	Private Equity Fund	19.77	19.77	31 Mar*
Techion Group Limited (A)	Diagnostic Technology	21.57	24.33	30 Jun
PF Olsen Holdings Limited (A)	Forestry Management	44.43	44.43	31 Dec*
HRL Property Limited (JV)	Land ownership	0	63.70	30 Jun
Goodbuzz Limited (A)	Kombucha Manufacturer	0	32.11	31 Mar*
Panorama Towers Limited (A)	Commercial property development to rent	33.33	33.33	31 Mar*
Tauranga Crossing Limited (A)	Mixed use investment property	36.10	36.10	31 Mar*
Tauranga Commercial Developments Limited (JV)	Commercial property development	50.00	50.00	30 June
Coda Group Limited Partnership (JV)	Freight logistics and warehousing	50.00	50.00	30 June
NorthPort Limited (JV)	Sea port	0	50.00	30 June
Northport Group Limited (JV)	Sea port	50.00	0	30 June
PrimePort Timaru Limited (JV)	Sea port	50.00	50.00	30 June
PortConnect Limited (JV)	On line cargo management	50.00	50.00	30 June
Ruakura Inland Port. LP (JV)	Inland Port	50.00	50.00	30 June

* Non-standard balance dates of Group equity accounted investees are aligned to their business cycle and are accepted on the basis they are not material to the Group. The equity accounting for these investments with non-aligned balance dates is based on unaudited management accounts as at 30 June, which have been reviewed by management.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

11. Investments in Equity accounted Investees (continued)

Carrying value of investments in Equity Accounted Investees:

	30 June 2025 $000	30 June 2024 $000
Associates		
Balance at 1 July	**48,582**	36,629
Share of net profit / (loss) after tax	**5,953**	7,994
Share of revaluation reserve	**(213)**	723
Share of total comprehensive income	**5,740**	8,717
New investment during the year	**7,246**	11,818
Impairment of investment	**(7)**	(6,503)
Distributions received	**(125)**	(1,308)
Transfers	**5,024**	(771)
Balance at 30 June	**66,460**	48,582
Joint Ventures		
Balance at 1 July	**240,155**	238,131
Share of net profit after tax	**8,291**	5,979
Share of hedging reserve	**(332)**	(218)
Share of revaluation reserve	**4,770**	11,675
Share of total comprehensive income	**12,729**	17,436
New investment during the year (refer to Acquisition of Northport Group Limited)	**162,010**	2,135
Disposal (refer to Acquisition of Northport Group Limited)	**(104,778)**	(4,147)
Distributions received	**(7,625)**	(13,399)
Balance at 30 June	**302,491**	240,155
Total equity accounted investees	**368,950**	288,737

Quayside Group

The Group has uncalled capital commitments in its equity accounted investees of $0.15m (2024: $24.7m).

There are no contingent liabilities relating to the Group's interests in its equity accounted investees.

The following table summarises the financial information of individually immaterial Equity Accounted interests in associates, as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. PF Olsen Group Holdings, Panorama Towers Limited and Tauranga Crossing Limited are presented separately as considered a material equity accounted investee.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

11. Investments in Equity Accounted Investees (continued)

Summarised financial information of individually material equity accounted investees – Associates:

Group	2025 Individually immaterial associates NZ$000	2025 Panorama Towers Limited NZ$000	2025 Tauranga Crossing Limited NZ$000	2025 PF Olsen Group Holdings NZ$000	2025 Total NZ$000	2024 Total NZ$000
Total current assets	1,150	(5,882)	5,797	56,184	57,249	70,426
Total non current assets	42,502	35,684	296,875	33,594	408,654	410,550
Total assets	43,651	29,802	302,672	89,778	465,903	480,975
Total current liabilities	(5,894)	(1,569)	(8,307)	(44,200)	(59,970)	(82,443)
Total non current liabilities	(396)	-	(282,680)	(14,324)	(297,399)	(269,957)
Total liabilities	(6,290)	(1,569)	(290,987)	(58,523)	(357,369)	(352,400)
Net assets	37,361	28,232	11,684	31,254	108,532	128,801
Group's share of net assets	8,370	16,850	16,949	13,893	56,061	38,731
Goodwill acquired on acquisition of equity accounted investees	-	-	-	10,398	10,398	9,851
Carrying amount of Equity Accounted Investees	8,370	16,850	16,949	24,291	66,460	48,582
Revenues	1,747	-	18,584	99,882	120,213	126,381
Net profit / (loss) after tax	(5,815)	(5,086)	18,250	5,568	12,917	20,849
Other comprehensive income	-	-	-	(479)	(479)	1,625
Total comprehensive income / (loss)	(5,815)	(5,086)	18,250	5,088	12,438	22,474

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

11. Investments in Equity Accounted Investees (continued)

The following table summarises the financial information of Northport Limited, PrimePort Timaru Limited and Coda Group Limited Partnership and the combined value of other Joint Venture Equity Accounted Investees as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies.

Summarised financial information of equity accounted investees – Joint Ventures:

Group 2025	Northport Group Limited NZ$000	Northport Limited NZ$000	Coda Group Limited Partnership NZ$000	Prime Port Timaru Limited NZ$000	Other Equity Accounted Investees NZ$000	Total NZ$000
Total current assets	6,922	-	27,490	6,397	16,427	57,236
Total non current assets	491,549	-	41,988	184,674	111,193	829,404
Total assets	498,471	-	69,478	191,071	127,619	886,639
Total current liabilities	(41,017)	-	(22,551)	(5,431)	(5,756)	(74,755)
Total non current liabilities	(153,644)	-	(27,687)	(57,591)	(532)	(239,454)
Total liabilities	(194,661)	-	(50,238)	(63,022)	(6,287)	(314,208)
Net assets	303,810	-	19,240	128,049	121,332	572,431
Group's share of net assets	151,905	-	9,620	64,025	60,666	286,216
Goodwill acquired on acquisition of equity accounted investees	-	-	14,557	-	-	14,557
Carrying amount of Equity Accounted Investees	153,623	-	24,177	64,025	60,666	302,491
Revenues	-	43,198	176,698	32,591	24,250	276,737
Net profit / (loss) after tax	-	14,110	(5,302)	2,928	4,846	16,582
Other comprehensive income	-	4,066	-	142	4,668	8,876
Total comprehensive income / (loss)	-	18,176	(5,302)	3,070	9,514	25,458

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

11. Investments in Equity Accounted Investees (continued)

Group 2024	Northport Limited	Coda Group Limited Partnership	Prime Port Timaru Limited	Other Equity Accounted Investees	Total
	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000
Total current assets	4,445	32,423	5,889	12,288	55,045
Total non current assets	241,209	52,626	185,092	97,790	576,717
Total assets	245,654	85,049	190,981	110,078	631,762
Total current liabilities	(3,962)	(30,693)	(4,287)	(3,541)	(42,483)
Total non current liabilities	(43,300)	(29,812)	(60,214)	3,719	(129,607)
Total liabilities	(47,262)	(60,505)	(64,501)	178	(172,090)
Net assets	198,392	24,544	126,480	100,822	450,238
Group's share of net assets	99,197	12,272	63,240	50,861	225,570
Goodwill acquired on acquisition of equity accounted investees	-	14,557	-	28	14,585
Carrying amount of Equity Accounted Investees	99,197	26,829	63,240	50,895	240,161
Revenues	40,725	249,554	29,771	15,968	336,018
Net profit after tax	13,454	(3,926)	902	1,521	11,951
Other comprehensive income	15,172	-	2	7,740	22,914
Total comprehensive income	28,626	(3,926)	904	9,261	34,865

Judgements

It has been determined that the Group has joint control over its investees, due to the existence of contractual agreements which require the unanimous consent of the parties sharing control over relevant business activities. Likewise, the management has determined that significant influence exist over its associates.

In accordance with IAS 28, management performed an impairment assessment of the equity accounted investees as at 30 June 2025 and concluded that no indicators of impairment were identified except for what is mentioned below.

The investment in Coda Group Limited Partnership (Coda) was tested for impairment at 30 June 2025, based upon the higher of fair value and value-in-use. Fair value represents an amount obtainable in an arm's length transaction, less cost of disposal.

An external specialist was engaged in the prior year to perform an independent valuation of Coda.

For the current year's impairment testing at 30 June 2025, management has relied on that prior year's independent valuation report, having undertaken a detailed review of the key assumptions to ensure they remained valid. The fair value has been calculated by applying an EV/EBITDA multiple of 8x to a maintainable EBITDA of $4.1 million and adding the fair value of surplus assets the business intends to sell. The multiple was determined with reference to listed and transaction multiples of comparable entities, while the maintainable EBITDA was based on management forecasts with adjustments applied by the external specialist. Following the review, management concluded that the assumptions used in the prior year valuation continued to be appropriate, and based on the calculated fair value, no impairment has been recorded at 30 June 2025.

Coda has one key customer with circa 90% of its revenue coming from this customer. The fair value calculation assumes that this customer relationship will continue on substantially the same terms. If the relationship is not continued then it is likely the fair value of Coda will be materially less and the carrying value will be impaired.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

11. Investments in Equity Accounted Investees (continued)

Policies

The Group's interests in Equity Accounted Investees comprise interests in associates and joint ventures.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Associates, are those entities in which the Group has significant influence, but not control or joint control over the financial and operating policies.

Equity Accounted Investees are accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of Equity Accounted Investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences, until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity investee, the carrying amount of that interest (including any long term investments) is reduced to nil and the recognition of further losses is discontinued, except to the extent that the Group has an obligation or has made payments on behalf of the investee.

In respect of Equity Accounted Investees, the carrying amount of goodwill is included in the carrying amount of the investment and not tested for impairment separately.

Acquisition of Northport Group Limited

On 26 June 2025, Port of Tauranga Limited sold its 50% share of Northport Limited (Northport) to Marsden Maritime Holdings Limited (MMH), the other 50% shareholder, in exchange for a 50% interest in newly incorporated Northport Group Limited (NGL). No cash consideration was involved.

NGL is owned 50% by Port of Tauranga Limited, 43% by Northland Regional Council and 7% by Tupu Tonu (Ngāpuhi Investment Fund Limited). MMH is now a 100% owned subsidiary of NGL after NGL bought out the minority shareholders and MMH was delisted. This structure better aligns Northport's strategic interests with MMH's land-based assets and simplifies ownership to support future growth.

The investment in Northport was previously accounted for using the equity method under NZ IAS 28 Investments in Associates and Joint Ventures (NZ IAS 28), as disclosed in this note. As at the date of disposal, the carrying amount of the investment in Northport was $102.7m, of which $73.0m related to other comprehensive income associated primarily with Northport's revaluation of property, plant and equipment.

The investment in NGL is recognised at fair value as at 26 June 2025. The initial recognition measured the fair value of the shares received at $151.9m. Directly attributable acquisition costs of $1.7m were included in the initial cost of the investment. Fair value was determined primarily using a discounted cash flow model, cross-checked to comparable company trading and precedent transaction multiples, and performed by an independent expert.

There is an acknowledged conflict between NZ IFRS 10 Consolidated Financial Statements (NZ IFRS 10) and NZ IAS 28 when accounting for exchanges of interests in jointly controlled entities. This gives rise to an accounting policy choice: recognise a partial gain under the NZ IAS 28 approach or a full gain under the NZ IFRS 10 approach. Port of Tauranga Limited has adopted the NZ IFRS 10 approach.

Financial statement effects:

Gain on disposal: A full gain of $49.2m was recognised in profit or loss, calculated as the difference between the carrying amount of the interest disposed of and the fair value of the interest acquired.

Equity reclassification: Port of Tauranga Limited's share of Northport's revaluation reserve of $73.0m, previously recognised in other comprehensive income, was transferred directly to retained earnings on disposal.

Statement of financial position: The investment in Northport was derecognised and the $153.6m investment in NGL recognised within non-current assets.

ANNUAL FINANCIAL STATEMENTS

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

12. Receivables and Prepayments

	30 June 2025 $000	30 June 2024 $000
Non current		
Prepayments and sundry receivables	**16,282**	17,272
Total non current	**16,282**	17,272
Trade receivables	**65,714**	63,940
Provision for expected credit losses – trade receivables (refer to note 16).	**(30)**	(30)
Trade receivables from Equity Accounted Investees, subsidiaries and related parties	**395**	757
	66,079	64,667
Kiwifruit income receivable	**3,813**	3,121
Advances to Equity Accounted Investees (refer note 11)	**-**	1,400
Provision for expected credit losses – advances to equity accounted investees (refer to note 16)	**-**	(166)
Prepayments and sundry receivables	**7,522**	3,697
Total current	**77,414**	72,719
Total receivables and prepayments	**93,696**	89,991

Aging of trade receivables		
Not past due	**51,295**	49,620
Past due 0 – 30 days	**12,968**	13,172
Past due 30 – 60 days	**1,089**	828
Past due 60 – 90 days	**390**	702
More than 90 days	**336**	345
	66,079	64,667

Judgements

A provision for expected credit losses is established when the assessment under NZ IFRS 9 deems a provision is required (refer to note 16).

Prepayments

Prepayments is predominantly made up of consideration paid to KiwiRail Limited in 2020 for the extension of the rail agreement at MetroPort. The current balance of this prepayment is $17.3 million (2024: $18.4 million). The payment is amortised over 20 years.

Policies

Receivables are initially recognised at transaction price. They are subsequently measured at amortised cost and adjusted for impairment losses. Receivables with a short duration are not discounted. Prepayments are recognised at cost and represent expenditure paid in advance for goods or services to be received in future periods.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

13. Equity

(a) Share Capital

Number of shares held	30 June 2025 No. (000)	30 June 2025 $ paid up ($000)	30 June 2025 $ uncalled ($000)	30 June 2024 No. (000)	30 June 2024 $ paid up ($000)	30 June 2024 $ uncalled ($000)
Ordinary share capital						
Balance as at 1 July	10	10	-	10	10	-
Balance as at 30 June	10	10	-	10	10	-
Redeemable preference shares						
Balance as at 1 July	2,003,190	1	81,830	2,003,190	1	81,830
Balance as at 30 June	2,003,190	1	81,830	2,003,190	1	81,830
Perpetual preference shares						
Balance as at 1 July	200,001	200,001	-	200,001	200,001	-
Balance as at 30 June	200,001	200,001	-	200,001	200,001	-

Share capital

The holders of the ordinary shares are entitled to dividends as declared from time to time and all shares have equal voting rights at meetings of the Parent, and rank equally with regard to the Parent's residual assets on wind up. The shares were issued for $1 and are fully paid up.

Redeemable Preference Shares

The Redeemable Preference Shares have no voting rights. The constitution provides that dividends are payable on these shares from time to time and in such amount as determined by the directors. The Redeemable Preference Shares have no fixed maturity date but are redeemable 60 days after a request from the holder. The unpaid issue price can be called by the Board of Directors of the Parent. As at 30 June 2025, the amount uncalled is $81,829,918 (2024: $81,829,918). The Parent has no current intention of making a call on the uncalled redeemable preference shares.

Perpetual Preference Shares (listed on the NZDX under the symbol QHLHA)

The Perpetual Preference Shares have no fixed term and are not redeemable. Holders of Perpetual Preference Shares are entitled to receive Dividends which are fully imputed (or "grossed up" to the extent they are not fully imputed), quarterly in arrears. These dividends are at the discretion of the board of directors. On a liquidation of Quayside Holdings Limited, the Holder of a Perpetual Preference Share will be entitled to receive the Liquidation Preference in priority to the holders of its Uncalled Capital, its Ordinary Shares, its Redeemable Preference Shares and any other shares ranking behind the Perpetual Preference Shares.

Holders of Perpetual Preference Shares in Quayside Holdings Limited do not have voting rights at shareholder meetings but may vote on matters directly affecting their rights, such as Put Option exercises. The Council can call these shares after a specified date, though no call has been made to date. The Put Option, outlined in the 2008 prospectus, may be triggered under conditions like insolvency, failure to pay dividends, or loss of majority ownership in Port of Tauranga, requiring the Administrative Agent to act on behalf of all holders to have the Council purchase the shares, depending on the circumstances that activate the option.

If Quayside Holdings is unable or unwilling to pay a dividend on its Perpetual Preference Shares—due to factors such as insolvency, loss of majority ownership in Port of Tauranga, or changes to Uncalled Capital liabilities—the Put Option may be exercised, requiring the Council to purchase the shares. In such a case, shareholders would receive $1.00 plus any unpaid amounts and a return at the prevailing dividend rate up to the transfer date, but would forfeit any future dividend entitlements after the shares are transferred.

Quayside Holdings may issue further securities (including further perpetual preference shares) ranking equally with, or behind, the Perpetual Preference Shares without the consent of any Holder. However, it may not issue any other shares ranking in priority to the Perpetual Preference Shares as to distributions without the approval of the Holders by way of a Special Resolution or pursuant to a Special Approval Notice.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

13. Equity (continued)

The arrangement has had the benefit of consecutive private rulings issued by Inland Revenue from 17 September 2007. A binding ruling retaining the existing tax treatment was recently issued by Inland Revenue for five years to 16 September 2026, hence the dividend payable to PPS Holders are fully imputed.

(b) Dividends

The following dividends were declared and paid during the period by Quayside Holdings Limited:

	30 June 2025 $000	30 June 2024 $000
Ordinary shares		
Total dividends paid of $4,700 per share (2024: $4,500)	**47,000**	45,000
	47,000	45,000
Perpetual preference shares		
Total dividends paid of $0.0478 per share (2024: $0.0478)	**9,562**	9,562
	9,562	9,562
Total dividends paid	**56,562**	54,562

The Perpetual Preference Shares are subject to a fixed Dividend Rate reset every three years at the Dividend Rate Reset Date. This date occurred on 12 March 2023, where the rate for the following three-year period was set at 6.46%. The next dividend reset date will be 13 March 2026.

(c) Reserves

Revaluation reserve

The Group's revaluation reserve relates to the revaluation of land, buildings, wharves and hardstanding, harbour improvements, bearer plants and kiwifruit licences.

Non-controlling interest

Non-controlling interest of 45.86% (2024: 45.86%) is the existing share of Port of Tauranga Limited's consolidated equity which is not owned by *Quayside Group*.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

13. Equity (continued)

Policies

The Group's capital is its equity, which comprises paid up capital, retaining earnings and reserves. Equity is represented by net assets less non controlling interest.

Quayside Group

Quayside Group's objectives when managing capital are to safeguard *Quayside Group's* ability to continue as a going concern in order to provide a long-run risk-adjusted commercial rate of return to the holder of the ordinary shares and to provide fixed dividends to the holders of issued Perpetual Preference shares. Capital is structured to minimise the cost of capital.

Quayside Group's Statement of Intent requires that it retain a majority shareholding in the Port of Tauranga Limited, currently 54.14%; complementing that, the policy of the Board is to provide the best possible management of all other investments by diversifying across sectors away from the port/transport sector, both within Australasia and internationally. To provide for a growing and sustainable flow of dividends to the ordinary shareholder, *Quayside Group* has adopted a distribution policy which will ensure that dividends are maintained with regard to retentions for regional growth and inflation, and can be maintained through periods of income fluctuation.

There have been no material changes in *Quayside Group's* approach to capital management during the year. Quayside Holdings Limited has complied with all capital management policies and covenants during the reporting period.

Port of Tauranga Group

The Board's policy is to maintain a strong capital base, which the *Port of Tauranga Group* defines as total shareholders' equity, so as to maintain investor, creditor and market confidence, and to sustain the future business development of the *Port of Tauranga Group*. The *Port of Tauranga Group* has established policies in capital management, including the specific requirements that interest cover is to be maintained at a minimum of three times and that the [debt/ (debt + equity)] ratio is to be maintained at a 40% maximum. It is also *Port of Tauranga Group* policy that the ordinary dividend payout is maintained between a level of between 70% and 100% of profit after tax for the period.

Port of Tauranga Group has complied with all capital management policies and covenants during the reporting periods.

14. Other Financial Assets

Other financial assets represent the diversified portfolio of the Group that are traded in active markets and direct investment into private equity and managed funds.

	30 June 2025 $000	30 June 2024 $000
Loan to Equity accounted investees	**1,276**	560
Total current	**1,276**	560
Measured at amortised cost		
Advances to Equity accounted investees	**75,567**	25,157
Mandatorily measured at fair value through income statement		
Listed assets	**196,140**	207,218
Unlisted direct equity investments	**2,249**	1,839
Private equity managed funds	**97,029**	83,893
Convertible Notes	**2,809**	2,549
Other financial assets	**298,228**	295,499
Total non-current	**373,795**	320,656

Listed assets, for $196m, are valued using quoted market prices (Fair Value Level 1) as received in the custodian report.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

14. Other Financial Assets (continued)

All of the Group's other equity investments are either audited to a balance date earlier than 30 June 2025 (31 December or 31 March) or are unaudited. The accounting as at 30 June is based on unaudited management accounts. Management accepts the use of management accounts on the basis that these are reviewed by management and changes, if any, between management accounts and audited accounts, would be unlikely to result in a material impact on the carrying value of the investment.

Managed funds are measured to fair value based on the latest quarterly reports provided by the fund managers. The fund managers have used valuation techniques consistent with the guidance from the International Private Equity and Venture Capital Valuation Board (IPEV).

While the Board is of the view that the fair values of the unlisted managed funds and unlisted equity investments in these financial statements represent the best available information, uncertainty exists over the fair value of the investments in the absence of an active market to determine fair value.

The following table groups managed private equity investments as at 30 June 2025 based on the typology and the valuation techniques and inputs used by the Group to derive the fair value of these investments:

Valuation Technique	Audited Information	Fair Value 2025 $000	Significant Inputs	Fair value sensitivity to inputs $000
Adjusted share of net assets	31/03/2025	**26,898**	1. Manager audited financial statements 2.Management assessment of the unaudited period 3.Manager quarterly report	Please refer to Note 16 for a sensitivity of the financial assets group.
Adjusted share of net assets	31/12/2024	**70,131**		
Total venture capital managed funds at 30 June		**97,029**		

The Group company has uncalled commitments of $84.9m (2024: $55.4m) in relation to equity managed fund investments.

Policies

A financial asset is mandatorily measured at fair value through profit or loss if it is not measured at amortised cost or designated at fair value through comprehensive income upon initial recognition. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets mandatorily measured at fair value through profit or loss are measured at fair value and changes therein, which takes in to account any dividend income, are recognised in profit or loss.

Financial assets mandatorily measured at fair value through profit or loss include: share market investments and other equity investments.

The fair value of share market investments measured at fair value through the income statement is based on quoted market prices at the reporting date and are categorised under the level 1 fair value hierarchy. Share market investments are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Investments in unlisted venture capital funds and unlisted equity investments are not traded in active markets. The fair value is categorised under the level 3 fair value hierarchy. The valuation approaches for these investments are explained above.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Net gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement and other comprehensive income within other gains and other losses.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Group has transferred substantially all risks and rewards of ownership. On derecognition, any gain and loss is recognised in the income statement.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

15. Loans and Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For additional information about the Group's exposure and sensitivity to interest rate risk, refer to note 16.

Term and debt repayment schedule

Group 2025	Maturity	Coupon	Committed facilities NZ$000	Undrawn facilities NZ$000	Fair Value Adjustment NZ$000	Carrying value NZ$000
Non current						
Standby revolving cash advance facility	2030	Floating	130,000	130,000	-	-
Standby revolving cash advance facility	2029	Floating	100,000	100,000	-	-
Standby revolving cash advance facility	2028	Floating	50,000	50,000	-	-
Fixed rate bond	2028	3.552%	100,000	-	(2,116)	97,884
Standby revolving cash advance facility	2027	Floating	150,000	125,000	-	25,000
Standby revolving cash advance facility	2026	Floating	70,000	-	-	70,000
Bay of Plenty Regional Council	2033	Floating	100,000	-	-	100,000
Bay of Plenty Regional Council	2030	Floating	100,000	24,400	-	75,600
ASB Borrowings	2030	Floating	80,000	38,480	-	41,520
ASB Borrowings	2028	Floating	20,000	20,000	-	-
Total non current			**900,000**	**487,880**	**(2,116)**	**410,004**
Current						
Multi option facility	2025	Floating	5,000	5,000	-	-
Fixed rate bond	2025	1.02%	100,000	-	-	100,000
Commercial papers	<3 months	Floating	-	-	-	175,000
Total current			**105,000**	**5,000**	**-**	**275,000**
Total			**1,005,000**	**492,880**	**(2,116)**	**685,004**

ANNUAL FINANCIAL STATEMENTS

15. Loans and Borrowings (continued)

Group 2024	Maturity	Coupon	Committed facilities NZ$000	Undrawn facilities NZ$000	Fair Value Adjustment NZ$000	Carrying value NZ$000
Non current						
Fixed rate bond	2028	3.55%	100,000	-	(7,038)	92,962
Standby revolving cash advance facility	2028	Floating	50,000	50,000	-	-
Standby revolving cash advance facility	2026	Floating	130,000	130,000	-	-
Fixed rate bond	2025	1.02%	100,000	-	-	100,000
Standby revolving cash advance facility	2025	Floating	100,000	100,000	-	-
Bay of Plenty Regional Council	2030	Floating	50,000	400	-	49,600
Bay of Plenty Regional Council	2033	Floating	100,000	37,498	-	62,502
Total non current			**630,000**	**317,898**	**(7,038)**	**305,064**
Current						
Multi option facility	2024	Floating	5,000	5,000	-	-
Standby revolving cash advance facility	2024	Floating	100,000	-	-	100,000
Commercial papers	<3 months	Floating	-	-	-	170,000
Westpac borrowings	2024	Floating	65,000	21,500	-	43,500
Total current			**170,000**	**26,500**	**-**	**313,500**
Total			**800,000**	**344,398**	**(7,038)**	**618,564**

ASB Bank

Quayside Holdings Limited has a $100 million revolving credit facility with ASB Bank Limited (2024: $65 million with Westpac Banking Corporation). After running a RFP process late in 2024, the facility was agreed upon in February 2025. It includes a $80 million A Tranche for leverage and bridge financing that expires February 2030 and a $20 million B Tranche for Rangiuru Business Park development contingency needs that expires February 2028.

Bay of Plenty Regional Council

Quayside Holdings Limited has a $100 million (2024: $50 million) financing arrangement with Bay of Plenty Regional Council, backed with a Local Government Funding Agency facility. This facility was put in place in October 2018. It is used for general financing needs and expires 1 July 2030.

Quayside Holdings Limited also has a $100 million (2024: $100 million) financing arrangement with Bay of Plenty Regional Council, backed with a Local Government Funding Agency facility. This facility was put in place December 2021 to fund Rangiuru Business Park development and it expires 30 June 2033.

Fixed rate bonds

The Port of Tauranga has issued two $100 million fixed rate bonds, a five-year bond with a final maturity on 29 September 2025, and a seven-year bond with a final maturity on 24 November 2028.

15. Loans and Borrowings (continued)

Commercial papers

Commercial papers are secured, short term discounted debt instruments issued by the Port of Tauranga Limited for funding requirements as a component of its banking arrangements. The commercial paper programme is fully backed by committed term bank facilities. At 30 June 2025 the Port of Tauranga group had $175 million of commercial paper debt that is classified within current liabilities (2024: $170 million).

Due to this classification and the short term nature of $100m fixed rate facility, the Group's current liabilities exceed the Group's current assets. Despite this fact, the Group does not have any liquidity or working capital concerns as a result of the commercial paper debt being interchangeable with direct borrowings within the standby revolving cash advance facility which is a term facility.

Standby revolving cash advance facility agreement

The Port of Tauranga Limited has a $500 million financing arrangement with ANZ Bank New Zealand Limited, Bank of New Zealand Limited, Commonwealth Bank of Australia, New Zealand Branch (2024: $380 million). The facility, which is secured, provides for both direct borrowings and support for issuance of commercial papers.

Multi option facility

The Port of Tauranga has a $5 million multi option facility with Bank of New Zealand Limited, used for short term working capital requirements (2024: $5 million).

Security

Bank facilities and fixed rate bonds are secured by way of a security interest over certain floating plant assets ($13.29 million, 2024: $13.96 million), mortgages over the land and building assets ($1,647.75 million, 2024: $1,626.04 million), and by a general security agreement over the assets of the Port of Tauranga Limited ($2,919.19 million, 2024: $2,741.07 million).

Quayside Holdings Limited has a $100 million ASB Bank Limited revolving credit facility (2024: Nil) secured by an uncalled capital commitment from Bay of Plenty Regional Council. This takes the form of 2,003,190,217 Redeemable Preference Shares (RPS) with an issue price of $0.041 per share, making for uncalled capital of $81.8 million.

Covenants

The Port of Tauranga Limited borrows under a negative pledge arrangement, which with limited circumstances does not permit it to grant any security interest over its assets. The negative pledge deed requires the Port of Tauranga Limited to maintain certain levels of shareholders' funds and operate within defined performance and debt gearing ratios. The Port of Tauranga Limited has complied with all covenants during the reporting periods.

Fair values

The fair value of fixed rate loans and borrowings is calculated by discounting the future contractual cash flows at current market interest rates that are available for similar financial instruments. The amortised cost of variable rate loans and borrowings is assumed to closely approximate fair value as debt facilities are repriced every 90 days.

Interest rates

The weighted average interest rate of interest-bearing loans was 4.00% at 30 June 2025 (2024: 4.70%) for the Group.

Policies

Loans and borrowings are recognised initially at fair value, plus any directly attributable transaction costs, if the Group becomes a party to the contractual provisions of the instrument. Loans and borrowings are derecognised if the Group's obligations as specified in the contract expire or are discharged or cancelled.

Subsequent to initial recognition, loans and borrowings are measured at amortised cost using the effective interest method.

16. Financial Instruments

a) Accounting Classification and Fair Values

The following tables show the classification, fair value and carrying amount of financial instruments held by the Group at reporting date:

Group 2025	Fair Value through Profit and Loss $000	Amortised Cost $000	Total Carrying Amount $000	Fair Value $000
Assets				
Cash and cash equivalents	**-**	**15,863**	**15,863**	**15,863**
Advances to equity accounted investees	**-**	**1,276**	**1,276**	**1,276**
Receivables	**-**	**69,892**	**69,892**	**69,892**
Total current assets	**-**	**87,031**	**87,031**	**87,031**
Derivative instruments	**5,694**	**-**	**5,694**	**5,694**
Advances to equity accounted investees	**-**	**75,567**	**75,567**	**75,567**
Other financial assets	**298,228**	**-**	**298,228**	**298,228**
Total non current assets	**303,922**	**75,567**	**379,489**	**379,489**
Total assets	**303,922**	**162,598**	**466,520**	**466,520**
Liabilities				
Loans and borrowings	**-**	**275,000**	**275,000**	**274,405**
Lease liabilities	**-**	**1,092**	**1,092**	**923**
Trade and other payables	**-**	**20,218**	**20,218**	**20,218**
Derivative instruments	**65**	**-**	**65**	**65**
Total current liabilities	**65**	**296,310**	**296,375**	**295,611**
Loans and borrowings	**-**	**410,004**	**410,004**	**410,412**
Lease liabilities	**-**	**54,842**	**54,842**	**43,423**
Derivative instruments	**4,622**	**-**	**4,622**	**4,622**
Total non current liabilities	**4,622**	**464,846**	**469,468**	**458,457**
Total liabilities	**4,687**	**761,156**	**765,843**	**754,068**

16. Financial Instruments (continued)

Group 2024	Fair Value through Profit and Loss $000	Amortised Cost $000	Total Carrying Amount $000	Fair Value $000
Assets				
Cash and cash equivalents	-	27,756	27,756	27,756
Derivative instruments	340	-	340	340
Advances to Equity accounted investees*	-	560	560	560
Receivables	-	69,188	69,188	69,188
Total current assets	340	97,504	97,844	97,844
Derivative instruments	11,869	-	11,869	11,869
Advances to equity accounted investees*	-	25,157	25,157	25,157
Other financial assets	295,499	-	295,499	295,499
Total non current assets	307,368	25,157	332,525	332,525
Total assets	307,708	122,661	430,369	430,369
Liabilities				
Loans and borrowings	-	313,500	313,500	313,500
Lease liabilities	-	1,049	1,049	867
Trade and other payables	-	27,987	27,987	27,987
Derivative instruments	82	-	82	82
Contingent consideration	28	-	28	28
Total current liabilities	110	342,536	342,646	342,464
Loans and borrowings	-	305,064	305,064	294,539
Lease liabilities	-	55,972	55,972	43,514
Derivative instruments	7,244	-	7,244	7,244
Total non current liabilities	7,244	361,036	368,280	345,297
Total liabilities	7,354	703,572	710,926	687,761

** Reclassified from fair value through profit or loss to amortised cost to reflect a hold-to-collect model under NZ IFRS*

b) Financial risk management

The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. For the purposes of this note, the Group comprises two governance structures: *Quayside Group* and *Port of Tauranga Group*.

The Board of Directors of each Group has overall responsibility for the establishment and oversight of the Group's financial risk management framework. However each of the Groups described above has its own Committee appointed by its Board of Directors. Each Committee is established on 'best practice' principles and is responsible for developing and monitoring risk management policies, and reports regularly to their respective Board of Directors on its activities. The Group's financial risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

16. Financial Instruments (continued)

Each Board ultimately oversees how management monitors compliance with the Group's financial risk management policies and procedures and reviews the adequacy of the financial risk management framework in relation to the risks faced by the Group.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i) Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at reporting date was:

	30 June 2025 $000	30 June 2024 $000
Credit risk		
Trade and other receivables	**69,892**	69,188
Loans to equity accounted investees	**76,843**	25,717
Derivative financial instruments	**5,694**	12,209
Cash and cash equivalents	**15,863**	27,756
Total	**168,292**	134,870

The Group recognises an allowance for expected credit losses (ECLs) for all financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For advances to Equity Accounted Investees, which have not had a significant increase in credit risk since initial recognition, ECLs are calculated based on the probability of a default event occurring within the next 12 months. An industry-accepted probability of default is obtained annually from the Standard & Poor's Global Corporate Default Study for use in this calculation.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for any significant known amounts that are not receivable.

Credit risk management policies

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty failing to meet its contractual obligations. Financial instruments which potentially subject the Group to credit risk, principally consist of bank balances, trade receivables, advances to Equity Accounted Investees and derivative financial instruments.

The *Group* only transacts in treasury activity (including investment, borrowing and derivative transactions) with Board approved counterparties. Unless otherwise approved by the Board, counterparties are required to be New Zealand registered banks with a Standard & Poor's credit rating of A or above. The *Group* continuously monitors the credit quality of the financial institutions that are counterparties and does not anticipate any non performance.

The *Port of Tauranga Group* adheres to a credit policy that requires that each new customer to be analysed individually for credit worthiness before *Port of Tauranga Group's* standard payment terms and conditions are offered. Customer payment performance is constantly monitored with customers not meeting credit worthiness being required to transact with *Port of Tauranga Group* on cash terms. The *Port of Tauranga Group* generally does not require collateral.

16. Financial Instruments (continued)

Default

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as security (if any is held).

Concentration of credit risk

The only significant concentration of credit risk at the reporting date relates to bank balances and advances to Equity Accounted Investees. The nature of the *Port of Tauranga Group's* business means that the top ten customers account for 62.4% of total Port of Tauranga group revenue (2024: 62.1%). The *Port of Tauranga Group* is satisfied with the credit quality of these debtors and does not anticipate any non-performance. There are no significant concentrations of credit risk for the *Quayside Group*.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient cash and borrowing facilities available to meet its liabilities when due, under both normal and adverse conditions. The Group's cash flow requirements and the utilisation of borrowing facilities are continuously monitored. The *Port of Tauranga Group's* committed bank facilities are required to be always maintained at a minimum of 10% above maximum forecast usage.

Funding risk is the risk that arises when either the size of borrowing facilities or the pricing thereof is not able to be replaced on similar terms, at the time of review with the Groups banks. To minimise funding risk it is Board policy to spread the facilities' renewal dates and the maturity of individual loans. Where this is not possible, extensions to, or the replacement of, borrowing facilities are required to be arranged at least six months prior to each facility's expiry.

The inflows/outflows disclosed in the below tables represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

The following table sets out the contractual cash outflows for all financial liabilities (including estimated interest payments) and derivatives:

	Statement of Financial Position $000	Contractual Cash Flows $000	6 Months or Less $000	6 – 12 Months $000	1 – 2 Years $000	2 – 5 Years $000	More Than 5 Years $000
Group 2025							
Non derivative financial liabilities							
Loans and borrowings	(685,004)	(707,288)	(476,070)	(62,605)	(21,592)	(146,793)	(228)
Trade and other payables	(18,281)	(18,281)	(18,281)	-	-	-	-
Total non derivative liabilities	(703,285)	(725,569)	(494,351)	(62,605)	(21,592)	(146,793)	(228)
Derivatives							
Interest rate derivatives							
- Cash flow hedges outflow	(2,533)	(3,322)	(380)	(598)	(1,058)	(1,286)	-
- Cash flow hedges inflow	5,694	6,911	684	757	1,664	3,208	598
- Fair value hedges - outflow	(2,154)	(2,334)	(267)	(189)	(497)	(1,381)	-
Total derivatives	1,007	1,255	37	(30)	109	541	598
Total	**(702,278)**	**(724,314)**	**(494,314)**	**(62,635)**	**(21,483)**	**(146,252)**	**370**

16. Financial Instruments (continued)

	Statement of Financial Position $000	Contractual Cash Flows $000	6 Months or Less $000	6 – 12 Months $000	1 – 2 Years $000	2 – 5 Years $000	More Than 5 Years $000
Group 2024							
Non derivative financial liabilities							
Loans and borrowings	(619,092)	(662,459)	(343,641)	(2,827)	(139,965)	(176,027)	-
Trade and other payables	(14,223)	(14,223)	(14,223)	-	-	-	-
Contingent consideration	(28)	(39)	(39)	-	-	-	-
Total non derivative liabilities*	(633,343)	(676,721)	(357,903)	(2,827)	(139,965)	(176,027)	-
Derivatives							
Interest rate derivatives							
- Cash flow hedges outflow	(224)	(364)	-	-	-	(330)	(34)
- Cash flow hedges inflow	12,209	14,331	2,482	1,854	3,509	5,754	732
- Fair value hedges - outflow	(7,020)	(8,056)	(1,510)	(1,285)	(1,840)	(3,421)	-
Foreign exchange derivatives							
Cash flow hedges - outflow	(82)	(3,529)	(3,529)	-	-	-	-
Cash flow hedges - inflow	-	3,446	3,446	-	-	-	-
Total derivatives	4,882	5,828	889	569	1,669	2,003	698
Total	**(628,461)**	**(670,893)**	**(357,014)**	**(2,258)**	**(138,296)**	**(174,024)**	**698**

**Lease liabilities are not financial instruments; accordingly, they have been removed from the financial instruments note and comparatives have been updated.*

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The *Quayside Group* is exposed to equity securities price risk because of investments held by the Group. This risk is managed through diversification of the portfolio. Refer to further information in Note 14. The *Quayside Group* has no exposure to commodity price risk.

The *Port of Tauranga Group* uses derivative financial instruments such as interest rate swaps and foreign currency options to hedge certain risk exposures. All derivative transactions are carried out within the guidelines set out in The *Port of Tauranga Group's* Treasury Policy which have been approved by the Board of Directors. Generally the *Port of Tauranga Group* seeks to apply hedge accounting in order to manage volatility in the income statement.

Interest rate risk

Interest rate risk is the risk of financial loss, or impairment to cash flows in current or future periods, due to adverse movements in interest rates on borrowings or investments. The *Port of Tauranga Group* uses interest rate derivatives to manage its exposure to variable interest rate risk by converting variable rate debt to fixed rate debt.

The Port of Tauranga Group's policy is to keep its exposure to borrowings at fixed rates of interest between parameters as set out in the its treasury policy.

The *Port of Tauranga Group* enters into derivative transactions into International Swaps Derivatives Association (ISDA) master agreements. The ISDA agreements do not meet the criteria for offsetting in the balance sheet for accounting purposes.

The Quayside Group has deposits and borrowings that are subject to movements in interest rates.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

16. Financial Instruments (continued)

At reporting date, the interest rate profile of the Group's interest-bearing financial assets /(liabilities) were:

	30 June 2025 $000	30 June 2024 $000
Carrying amount		
Fixed rate instruments		
Fixed rate bond	**(197,884)**	(192,962)
Lease liabilities	**(55,934)**	(57,021)
Total	**(253,818)**	(249,983)
Variable rate instruments		
Commercial papers	**(175,000)**	(170,000)
Standby revolving cash advance facility	**(95,000)**	(100,000)
Interest rate derivatives	**1,007**	4,965
Westpac borrowings	**-**	(43,500)
ASB borrowings	**(41,520)**	-
Bay of Plenty Regional Council Borrowings	**(175,600)**	(112,102)
Cash balances	**15,863**	27,756
Total	**(470,250)**	(392,881)

Sensitivity analysis

Interest rate movements have been applied to the Group's variable rate debt to demonstrate the sensitivity to interest rate risk. If, at reporting date, bank interest rates had been 100 basis points higher/lower, with all other variables held constant, the result would increase/(decrease) post tax profit or loss and the hedging reserve by the amounts shown below. The analysis is performed on the same basis used for the year ended June 2024.

The effect on equity is the movement in the valuation of derivatives that are designated as cash flow hedges due to an increase or decrease in interest rates. All derivatives that are effective as at 30 June 2025 are assumed to remain effective until maturity. Therefore, any movements in these derivative valuations are taken to the cash flow hedge reserve within equity and they will reverse entirely by maturity date.

	Profit or Loss		Cash Flow Hedge Reserve	
	100 bp Increase $000	100 bp Decrease $000	100 bp Increase $000	100 bp Decrease $000
Group 2025				
Variable rate instruments	**(3,112)**	**3,134**	**-**	**-**
Interest rate derivatives - paying fixed	**1,332**	**(1,280)**	**8,272**	**(8,704)**
Interest rate derivatives - paying floating	**(720)**	**720**	**-**	**-**
Total	**(2,500)**	**2,574**	**8,272**	**(8,704)**
Group 2024				
Variable rate instruments	(2,920)	2,941	-	-
Interest rate derivatives - paying fixed	1,404	(1,352)	5,288	5,563
Interest rate derivatives - paying floating	(720)	720	-	-
Total	(2,236)	2,309	5,288	5,563

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

16. Financial Instruments (continued)

Fair values

The fair value of derivatives that are not traded in active markets (for example, over-the-counter derivatives), are determined by using market accepted valuation techniques incorporating observable market data about conditions existing at each reporting date.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable forward price curves. The fair value of forward exchange contracts is calculated as the present value of future cash flows based on quoted forward exchange rates at the reporting date.

All derivative financial instruments held by the Group and measured at fair value are classified as level 2 under the fair value measurement hierarchy (refer to note 2).

Foreign exchange risk

Quayside Group

Foreign currency risk is the risk arising from the variability of the NZD currency values of the Group's assets, liabilities and operating cash flows, caused by changes to foreign exchange rates. The Group held the following foreign equities and cash balances at balance date:

	30 June 2025 $000	30 June 2024 $000
Cash – AUD	**-**	2
Cash – USD, EUR, GBP, CAD	**25**	169
Equities – AUD	**17,093**	33,446
Equities – USD, EUR, GBP, CAD, SGD	**85,537**	75,187
	102,655	108,804

Sensitivity analysis

If at reporting date, a 10% strengthening/weakening of the above currencies against the New Zealand dollar occurred with all other variables held constant, it would increase/decrease post-tax profit or loss and the equity by the amounts shown below. The analysis is performed on the same basis as that used for the year ended June 2024.

	Profit or Loss	
	10% Strengthening $000	10% Weakening $000
Group		
Cash – AUD	**-**	**(-)**
Cash – USD, EUR, GBP	**2**	**(2)**
Equities – AUD	**1,709**	**(1,709)**
Equities – USD, EUR	**8,554**	**(8,554)**
30 June 2025	**10,265**	**(10,265)**
Cash – AUD	-	(-)
Cash – USD, EUR, GBP	17	(17)
Equities – AUD	3,345	(3,345)
Equities – USD, EUR, GBP, CAD, SGD	7,519	(7,519)
30 June 2024	10,880	(10,880)

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

16. Financial Instruments (continued)

Port of Tauranga

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The risk is measured through a forecast of highly probable foreign currency expenditures. The risk is hedged with the objective of minimising the volatility of the NZD cost of highly probable forecast property, plant and equipment purchases.

The Port of Taranga Group's policy is to hedge between 0% and 50% of foreign exchange exposures for property, plant and equipment purchases following approval from the Board for the capital expenditure, and a minimum of 75% hedging is required at the time a supply contract is signed. The above limits apply to foreign currency imports of capital items exceeding NZD500,000.

Other price risk

Quayside Group is exposed to equity securities price risk because of investments classified as fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group's Statement of Investment Policy Objectives. The Group's investments are in both listed and unlisted equities and managed funds. Equities by nature are subject to volatility. The Group holds equities in a number of markets. The Group held the following equities at balance date:

	30 June 2025 $000	30 June 2024 $000
Unlisted private equity and managed funds	**102,088**	88,281
Listed Equities – NZD	**93,510**	98,586
Listed Equities – AUD	**17,093**	33,446
Listed Equities – USD, EUR, GBP, CAD, SGD	**85,537**	75,187
	298,228	295,500

Sensitivity analysis

The table below summarises the impact of increases/decreases in the equity prices on the Group's pre-tax profit for the year – all movements in equity prices are reflected through profit or loss. The analysis is based on the assumption that the equity prices had increased/decreased by 10% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index.

	10% Increase $000	10% Decrease $000
Unlisted private equity and managed funds	**10,209**	**(10,209)**
Listed Equities – NZD	**9,351**	**(9,351)**
Listed Equities – AUD	**1,709**	**(1,709)**
Listed Equities – USD, EUR, GBP, CAD, SGD	**8,554**	**(8,554)**
30 June 2025	**29,823**	**(29,823)**
Unlisted private equity and managed funds	8,828	(8,828)
Listed Equities – NZD	9,859	(9,859)
Listed Equities – AUD	3,345	(3,345)
Listed Equities – USD, EUR, GBP, CAD, SGD	7,519	(7,519)
30 June 2024	29,551	(29,551)

16. Financial Instruments (continued)

Market liquidity risk

Market liquidity risk is the risk that insufficient liquidity in the market for a security will limit the ability of the security to be sold, resulting in the Group suffering a financial loss. The Group is subject to market liquidity risk if investments are made in relatively illiquid securities, such as unlisted investments. The Group seeks to minimise its exposure to this risk through having sufficient liquid investments.

Financial instruments categories and fair value hierarchy

The Group's other equity investments are mandatorily measured at fair value through the income statement. The table below analyses financial instruments carried at fair value, by level of valuation. The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 June 2025 and 30 June 2024.

	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
30 June 2025				
Financial assets at fair value through profit or loss				
Listed equity investments	**196,140**	**-**	**-**	**196,140**
Unlisted direct investments	**-**	**-**	**2,249**	**2,249**
Unlisted managed funds	**-**	**-**	**97,029**	**97,029**
Other instruments	**-**	**-**	**2,809**	**2,809**
	196,140	**-**	**102,088**	**298,228**

	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
30 June 2024				
Financial assets at fair value through profit or loss				
Listed equity investments	207,218	-	-	207,218
Unlisted direct investments	-	-	1,839	1,839
Unlisted managed funds	-	-	83,893	83,893
Other instruments	-	-	2,549	2,549
	207,218	-	88,281	295,500

Transfers between levels in the fair value hierarchy

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Board and management determine whether transfers have occurred between levels in the hierarchy by reassessing categorisation throughout each reporting period. There were no transfers between levels in the current or prior year.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

16. Financial Instruments (continued)

Reconciliation of fair value measurement under Level 3 hierarchy

The table below shows a reconciliation of fair value movements in Level 3 financial instruments.

	30 June 2025 $000	30 June 2024 $000
Opening Balance	**88,281**	86,389
Purchases	**12,466**	17,319
Sales	**(3,199)**	(6,797)
Interest Income	**170**	623
Transfers	**-**	160
Unrealised gains and losses recognised in net fair value gains / (losses) on financial instruments held at fair value through profit or loss	**4,370**	(9,413)
Closing Balance	**102,088**	88,281

For recurring fair value measurements categorised within Level 3 of the fair value hierarchy the amount of the total gains or losses for the period included in income that is attributable to the change in unrealised gains or losses relating to those assets and liabilities held at the end of the reporting period was a $4.4m gain (2024: $9.5m loss), and these amounts are recognised as part of the 'Other Gains' (Note 4c) or 'Other Losses' (Note 5b) line item of the income statement.

Fair value sensitivity

	Non-market observable input	Movement %	Impact on fair value measurement Increase $000	Decrease $000
2025 –Group				
Unlisted direct investments	(i)	(i)	**450**	**(450)**
Unlisted managed funds	(i)	(i)	**19,406**	**(19,406)**
2024 –Group				
Unlisted direct investments	(i)	(i)	368	(368)
Unlisted managed funds	(i)	(i)	16,779	(16,779)

(i) The Group's investments that have been categorised as private equity and are held either directly or via externally managed investment vehicles. The Board and management have assessed that the reasonably likely movement in fair value in a one-year period is: 20% for direct private equity investments and 20% for managed funds based on internal risk modelling.

Valuations for these investments are provided by investment managers or administrators if held via a managed structure. The Group does not always have access to the underlying valuation models to fully disclose sensitivities to specific assumptions.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

17. Related Party Transactions

Parent and ultimate controlling entity

The Group is 100% owned by the Bay of Plenty Regional Council – refer Note 1.

Transactions with key management personnel

The below disclosure refers to Quayside Group and Port of Tauranga Group. The Group does not provide any non-cash benefits to Directors in addition to their Directors' fees. Key management personnel compensation comprised the following:

	30 June 2025 $000	30 June 2024 $000
Directors		
Directors' fees recognised during the period (Quayside Group and Port of Tauranga Group)	**1,548**	**1,425**
Executive Officers		
Executive officer's salaries and other short-term employee benefits recognised during the period (cash settled) (Quayside Group and Port of Tauranga Group)	**5,577**	**4,402**
Executive officer's share based payments (equity settled) recognised during the period (Port of Tauranga Group only)	**1,311**	**129**
Total	**8,436**	**5,956**

All *Port of Tauranga Group* Executive Management Team participate in Management Long Term Incentive Plans and may receive cash or non cash benefits as a result of these plans (refer note 18).

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

17. Related Party Transactions (continued)

Other related entities

Other related parties include subsidiaries in the Group – refer Note 1. During the year, the Group entered into transactions with companies in which directors hold directorships. These directorships have not resulted in the Group having a significant influence over the operations, policies or key decisions of these companies.

Quayside Group transactions with related parties:	30 June 2025 $000	30 June 2024 $000
Transactions with Ultimate Controlling Entity		
Bay of Plenty Regional Council		
Interest paid by Quayside Holdings Limited	**5,359**	796
Interest payable by Quayside Holdings Limited	**2,047**	3,394
Dividends paid by Quayside Holdings Limited	**47,000**	45,000
Loan payable by Quayside Holdings Limited	**175,600**	112,102

Quayside Group transactions with related parties:	30 June 2025 $000	30 June 2024 $000
Transactions with Equity Accounted Investees		
Directorship fees received by Quayside Holdings Limited	**71**	95
Accounts receivable by Quayside Holdings Limited	**33**	27
Advances to equity accounted investees	**17,262**	26,488
Loan repaid by equity accounted investees	**2,239**	855
Distributions from equity accounted investees	**2,669**	1,888

17. Related Party Transactions (continued)

Further information on investment in to, and distributions from Equity Accounted Investees, can be found in note 11.

In the *Quayside Group*, interest is on charged on intercompany loans at the actual rate of interest incurred by Quayside Holdings Limited. No related party debts have been written off, forgiven or provided for as doubtful during the year. The Parent has issued Perpetual Preference Shares on the NZX. The following transactions were recorded by directors:

Port of Tauranga Group transactions with related parties:	30 June 2025 $000	30 June 2024 $000
Transactions with equity accounted investees		
Services provided to Port of Tauranga Limited	**5,511**	3,244
Services provided by Port of Tauranga Limited	**6,806**	7,561
Accounts receivable by Port of Tauranga Limited	**151**	1,187
Accounts payable by Port of Tauranga Limited	**351**	90
Advances by Port of Tauranga Limited	**41,089**	1,400
Services provided to Quality Marshalling (Mount Maunganui) Limited	**1**	1
Services provided by Quality Marshalling (Mount Maunganui) Limited	**1,335**	1,007
Accounts receivable by Quality Marshalling (Mount Maunganui) Limited	**141**	72
Services provided to Timaru Container Terminal Limited	**3,695**	3,893
Services provided by Timaru Container Terminal Limited	**309**	635
Accounts receivable by Timaru Container Terminal Limited	**46**	19
Accounts payable by Timaru Container Terminal Limited	**240**	188

In March 2013, the Ultimate Controlling Party granted Port of Tauranga Limited a resource consent to widen and deepen the shipping channels. As a condition of this consent, an environmental bond to the value of $1.0 million is be held in escrow in favour of the Ultimate Controlling Party. The bond is to ensure the remedy of any unforeseen adverse effects on the environment arising from the dredging. The resource consent expires on 6 June 2027.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

18. Management Long Term Incentive Plan

Port of Tauranga

Members of the Port of Tauranga Group's executive management team participate in an equity settled Long Term Incentive (LTI) plan. Under this LTI plan, share rights are issued to participating executives and have a three-year vesting period. The vesting of share rights, which entitles the executive to the receipt of one Port of Tauranga Limited ordinary share at nil cost, is subject to the executive remaining employed by Port of Tauranga Limited during the vesting period and the achievement of certain earnings per share (EPS) and total shareholder return (TSR) targets.

For EPS share rights granted, the proportion of share rights that vest depends on the Port of Tauranga Group achieving EPS growth targets.

For TSR share rights granted, the proportion of share rights that vests depend on the *Port of Tauranga Groups* TSR performance ranking relative to the NZX50 index less Australian listed stocks.

To the extent that performance hurdles are not met, or executives leave Port of Tauranga Limited prior to vesting, the share rights are forfeited. The share-based payment expense relating to the LTI plan for the year ended 30 June 2025 is $0.8m (2024: $0.2m) with a corresponding increase in the share based payments reserve.

At the beginning of the year, there were approximately $0.5m share rights outstanding. During the year, $0.3m new rights were granted, 1,038 rights vested, and $0.1m rights were forfeited.

This resulted in a closing balance of approximately $0.7m share rights on issue as at 30 June 2025. These rights are subject to performance hurdles based on Earnings Per Share (EPS) and Total Shareholder Return (TSR) and have various vesting dates through to June 2027.

Quayside Holdings Limited

The members of Quayside Holdings Limited Senior Leadership Team participate in a 3-year, cash-settled long-term incentive plan linked to Investment Portfolio performance over CPI. Expense and closing liability for the year was $0.2m. The plan is accounted for under NZ IAS 19; given immateriality, no separate movement table is presented, with amounts included within Group totals and Corporate (Note 3).

Policies

The Port of Tauranga group provides benefits to the Port of Tauranga Limited's Executive Management Team in the form of share-based payment transactions, whereby executives render services in exchange for rights over shares (equity settled transactions) or cash settlements based on the price of the Port of Tauranga Limited's shares (cash settled transactions). The cost of the transactions is spread over the period in which the employees provide services and become entitled to the awards.

Equity Settled Transactions

The cost of the equity settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The cost of equity settled transactions is recognised in the income statement, together with a corresponding increase in the share-based payment reserve in equity.

19. Investment Properties

	30 June 2025 $000	30 June 2024 $000
Balance at 1 July	**167,838**	100,057
Additions – Work in progress (at cost, net of attributed PGF funding)	**39,890**	55,512
Capitalised interest	**3,636**	1,447
Sales	**(4,200)**	-
Fair value gains / (losses) on valuation	**(17,808)**	10,822
Balance at 30 June	**189,356**	167,838
Classified as:		
Investment property – Held for sale – current	**51,261**	4,200
Investment Property – Non current	**138,095**	163,638
	189,356	167,838
Rental / lease income from investment properties	**3,286**	3,044
Expenses from investment property generating income	**1,569**	759

Description of investment properties

Investment properties held include the following:

Asset type	Location	Current use
Carparking	Tauranga CBD	Carparking
Commercial Building	Rotorua CBD	Commercial Lease
Industrial Building	Rotorua CBD	Commercial Lease
Industrial Building	Mount Maunganui	Commercial Lease
Industrial Building	Hamilton, Te Rapa	Commercial Lease
Residential Rural Block	Tauriko	Residential Rental
Industrial Zoned Land under development as a 'Rangiuru Business Park'.	Rangiuru, Te Puke	Kiwifruit orchards, leased dairy grazing land and residential rentals.
Commercial Building	Sala Street, Rotorua	Commercial Lease

The office building located in Rotorua CBD is under contract and is unconditional from 7 August 2025.

8.7ha of stage 1A of the Rangiuru Business Park is under contract and unconditional from 26 July 2025. Hence these investment properties have been classified as non-current asset held for sale as at 30 June 2025.

Rangiuru Business Park classification

Management have run an assessment in order to determine the classification of Rangiuru Business Park as at 30 June 2025. The decision to classify the land as investment property instead of inventory requires a high degree of judgement from Management.

19. Investment Properties (continued)

In 2005 the Group undertook a plan change which changed the land from rural to industrial. There has been no change in designation of the land since this time. In parallel, the Group obtained a number of long-term consents for the park. All are deemed operative, by virtue of the Tauranga Eastern Link development.

As at balance date, buildings and vines had been removed from stage one land while the development is ongoing. Earthworks are being carried out and the works for the other relevant infrastructure as disclosed in the plan are ongoing.

Management is still evaluating a range of options around timing and actions to be taken with the plan plots and the development of the Business Park. The Company is currently seeking expressions of interest in the development and is evaluating to sell the land, lease the land or develop vertical builds.

Due to the existing uncertainties disclosed above, Management believes that the classification of the land as investment property is appropriate.

Financial Contribution expense (refer to Note 5)

As at 30 June 2025, the Group has spent $113.1m in Financial Contributions for the development of the enabling infrastructure at the Rangiuru Business Park.

The development of the Rangiuru Business Park is disciplined by the Western Bay of Plenty District Council Operative District Plan ("the Plan"). In line with the Plan, Quayside must fund a portion of the enabling infrastructure that for Stage 3 and 4.

The Financial Contributions spent as at 30 June 2025 not attributable to Stage 1 and 2 are expensed and payable to the Company by owners of Stage 3 and 4. These Financial Contributions are recoverable, but the recoverability is not wholly within the control of the Group and as such are disclosed as contingent assets. Refer to Note 5. The amounts expensed include interests calculated as outlined in the plan (OCR plus 1.5%).

Provincial Growth Fund ("PGF") classification

The total amount of PFG received as at 30 June 2025 is $18m. The funding was attributed (netted off) to work in progress for the portion allocated to Quayside land ($12.2m) and to "Financial contribution expense for the portion allocated to third-party landowners ($5.8m), refer to Note 5.

Valuation of investment properties

Investment properties are revalued annually to fair value. The fair value measurements have been categorised as a level 3 fair value based on the inputs to the valuation technique. The valuation of all investment property was internally assessed based on external market data. With the exception of Rangiuru Business Park and Sala Street which were externally valued. The valuers are experienced valuers with extensive market knowledge in the type of investment properties owned by the Group. Investment properties were valued based on open market evidence and 'highest and best use' currently for the land Improvement values have been assessed with regard to their income producing capacity, depreciated replacement cost and discounted cash flow.

Commitments

The Company has $29.1m of commitments in relation to the development of the Rangiuru Business Park.

19. Investment Properties (continued)

A summary of the valuation methods and significant assumptions applied in the valuation of these assets are:

Asset type	Valuation method adopted	Highest and best use	Significant assumptions
Commercial and Industrial Buildings (internal valuations based on external market data and external valuations)	Income capitalisation approach	Current use	-Sala Street, Rotorua – Capitalisation rate 7.75% (2024: 7.75%) -Barnett Place, Hamilton – Capitalisation rate 6.25% (2024: Net market rent of $150-240 sqm) - Old Taupo Road, Rotorua – Capitalisation rate 6.25 (2024: Net market rent of $242.16 sqm) - Portside Drive, Mount Maunganui – Capitalisation rate 5.25% (2024: Net market rent of $206.85 sqm)
Rangiuru Business Park – External Valuation	Discounted cashflow approach (2024: market approach). *Reason for change*: Discounted cash flow as it provides a better indication of value for the subdivision, which is well progressed, particularly with limited or no sales evidence for similar partially completed sales being available.	Stage 1 Land – Industrial park development (2024: Industrial park development) Stage 2 land – Industrial park development (2024: Industrial park development)	-Adopted discount rate (2024: Comparable sales) - Stage 1 land - 13.0%. Sales $/sqm $509-$600 increasing by 3%/year -Stage 2 land – 14.5%. Sales $/sqm 540 increasing by 3%/year. First sale in 2029.

Policies

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Cost includes any expenditure that is directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Properties leased to third parties under operating leases are generally classified as investment property unless:

- the occupants provide services that are integral to the operation of the Group's business and those services could not be provided efficiently and effectively by the lessee in another location;
- the property is being held for future delivery of services by the Group; or
- the lessee uses services of the Group and those services are integral to the reasons for the lessee's occupancy of the property.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventory, its fair value at the date of reclassification becomes its costs for subsequent accounting.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Any improvements in investment property will be recognised initially at cost whilst the work is in progress, and will subsequently be included in the fair value revaluation once the work is complete.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

The Group classifies a non-current asset or disposal group as *held for sale* (or *held for distribution to owners*) when its carrying amount will be recovered principally through a sale rather than continued use, the asset is available for immediate sale in its present condition, and the sale is highly probable within 12 months.

Measurement requirements of IFRS 5 do not apply to investment properties which continue to be measured in accordance with their applicable Standards. Subsequent increases in fair value less costs to sell are recognised in profit or loss only to the extent of previously recognised impairments; impairments of goodwill are not reversed.

Assets classified as held for sale are presented as current in separate line items.

If the criteria for classification are no longer met, the Group reclassifies the asset and measures it at the **lower of** (i) the amount that would have been recognised had it not been classified as held for sale, and (ii) its **recoverable amount** at the reclassification date, with any difference recognised in profit or loss.

20. Subsequent Events

A judicial review of Port of Tauranga's Fast-track application for the Stella Passage development has been upheld. In its decision on 27 August 2025, the High Court determined that the Environmental Protection Authority should not have accepted the Fast-track application, as the project was not as described in Schedule 2 of the legislation.

The Fast-track Panel that was due to commence on 1 September has been put on hold pending further direction from the Court.

Management is working with the Government and Ministry for Environment officials to act quickly and rectify the wording in the Fast-track legislation to resolve the situation.

The Group will continue to monitor the situation, and in the unlikely event that approval is not obtained, the amount capitalised to Property, Plant and Equipment Work in Progress of $13.9 million would be impaired through profit and loss.

On 28 August 2025, an agreement to sell approximately 0.6 hectares of industrial land at Rangiuru Business Park became unconditional. The sale price is $3.7 million.

ANNUAL FINANCIAL STATEMENTS

21. Quayside Group Performance Information

The Company is a member of the Quayside Group. The Quayside Group is required to prepare a Statement of Service Performance reporting on performance measures and results. Recorded below are the ten targets and results of the Quayside Group's Statement of Intent categorised under five portfolio activities.

Port portfolio

The *Quayside Group* has a majority shareholding in Port of Tauranga.

Objective	Measure	2025 Result	
Hold Port of Tauranga shareholding on behalf of Council.	Maintain at or above a minimum level of shareholding as directed by Council.	Quayside held 54.14% of Port of Tauranga shares as at 30 June 2025.	

Target met: **Yes**

The Port of Tauranga continues to provide the *Quayside Group* and Council with dividend returns and long-term capital growth. The *Quayside Group* is a long-term investor in Port of Tauranga and must maintain a minimum level of shareholding in accordance with Council policy. The *Quayside Group* cannot sell any Port shareholding without the endorsement from Council.

Of significant interest to shareholders of Quayside is the financial performance of the Port of Tauranga and the participation rate of Quayside as shareholder in governance of the Port of Tauranga.

	30 June 2025	30 June 2024
Shareholding		
Issued shares*	680,581,230	680,581,230
Quayside shares	368,437,680	368,437,680
% held By Quayside	54.14%	54.14%
Operations		
Operating revenues	$464.7m	$417.4m
Results from operating activities	$228.4m	$198.8m
Net profit	$173.4m	$90.8m
Underlying profit**	$126.0m	$102.7m
Cash flows		
Ordinary dividends paid out	$106.8m	$100.7m
Ordinary dividends received by Quayside	$57.8m	$54.5m
Ordinary dividends as percent of underlying profit	85%	98%
Dividend declared post balance date	$66.0m	$59.2m
Asset Backing		
Share price (last bid price)	$6.81	$4.72
Market value of Port	$4,634.7m	$3,211.7m
Market value of Quayside Holding	$2,509.1m	$1,735.3m
Net tangible assets per share (dollars per share)	$3.40	$3.27
Governance		
Number of directors	7	7
Number of Quayside affiliated directors	2	2

**Includes treasury shares*

***Underlying profit after tax is a non-GAAP financial measure which excludes items considered to be one-off and not related to core business such as changes to tax legislation and impairment of assets. Underlying profit after tax does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities*

Further information on Port of Tauranga's non-financial performance can be found in its Annual Report or on its website www.port-tauranga.co.nz.

21. Quayside Group Performance Information (continued)

Investment Returns

Performance target	Performance measure	2025 result	
Generate long-term commercial returns across the Investment Portfolio.	Five year rolling gross return target of 7.0% per annum Note the targeted return metric will be reviewed as part of the external SIPO review.	*7.1% 5-Year Compound annual growth rate (CAGR)* *2024 did not include the same measure*	

Target met: **Yes**

The Quayside Group achieved its SOI performance measure for the five years ended 30 June 2025. The portfolio delivered a **7.1% p.a.** gross return on a compound annual growth (CAGR) basis, meeting the SOI target of **at least 7.0% p.a.**

This result is calculated from audited accounting values, adjusted to fair value for equity-accounted investees where the carrying amount is not considered representative of fair value ("Investment Values"), using a five-year CAGR methodology applied to the Investment Portfolio NAV of $427 million at 30 June 2025.

The 5-year CAGR reflects cross-funding adjustments, accounting for times when the Investment Portfolio funded or was funded by other Quayside Group segments (Port and Special Purpose Assets). Such adjustments include costs-to-serve, for which 45% of governance costs is assumed to be allocated to the Investment Portfolio.

Performance target	Performance measure	2025 result	
Provide a resilient dividend to Council.	Dividend paid in accordance with Quayside Distribution Policy.	*$47m distributed to BOPRC as dividend, in line with SOI* *(2024: $45m)*	

Target met: **Yes**

The Quayside Group met its dividend resilience target for the year, with a total distribution of $47 million, consistent with the expectations set out in the Statement of Intent (SOI) and by the Bay of Plenty Regional Council (BOPRC).

This distribution slightly exceeds the indicative amounts derived from the current Distribution Policy, which remains under review as at 30 June 2025. The outcome reflects our commitment to maintaining stable and reliable returns and demonstrates our ability to deliver on shareholder expectations while supporting long-term financial sustainability.

Performance target	Performance measure	2025 result	
Investment policies that promote a sustainable and diversified fund.	Independent review of Statement of Investment Policy and asset allocations.	SIPO externally reviewed by Mapua Wealth	

Target met: **Yes**

The Quayside Group has met its investment governance target for the year. A comprehensive independent review of the Statement of Investment Policy and Objectives (SIPO) and associated asset allocations was undertaken by Mapua Wealth, with the updated SIPO formally approved by the Board in December 2024.

This review has reinforced the robustness of our investment framework, ensuring continued alignment with strategic objectives, prudent risk management, and best practice governance standards.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

21. Quayside Group Performance Information (continued)

Strategic Assets

Performance target	Performance measure	2025 result
Develop the Rangiuru Business Park to create long term benefit for the Bay of Plenty region.	Deliver Stage 1a Rangiuru Business Park by late 2025 and Stage 1b by late 2026.	Quayside has sold 8.7ha in Rangiuru Business Park, confirming demand. Stage 1a completes in 2025 with Stage 1b in 2026—boosting growth in Bay of Plenty.

Target met: **Yes**

The Quayside Group has achieved a key milestone with the unconditional sale of 8.7 hectares within Stage 1a of the Rangiuru Business Park, validating market demand for this strategically located industrial hub. Leveraging disciplined capital allocation, proactive risk management, and close collaboration with regional stakeholders, Quayside remains on track to complete Stage 1a by late 2025 and reach practical completion of Stage 1b by late 2026. These developments will unlock significant economic value, attract high-quality tenants, and advance Quayside's commitment to sustainable growth for the Bay of Plenty—while upholding the highest standards of safety, quality, and environmental stewardship.

Responsible Investment

Performance target	Performance measure	2025 result
Be a responsible investor that aligns capital with achieving a healthy, sustainable society, environment, and economy.	Independent Review of Responsible Investment Policy. Publish climate related disclosures.	Quayside's Responsible Investment Policy went through an independent review, and its Climate Disclosure was filed on 31 Oct 2024

Target met: **Yes**

As part of the recent Statement of Investment Policy and Objectives (SIPO) review, Mapua Wealth independently assessed Quayside's Responsible Investment Policy against leading market standards. In addition, Quayside's Climate-Related Disclosure (CRD) statement was filed on 31 October 2024, demonstrating transparency and compliance with emerging regulatory expectations. Together, these actions confirm that the responsible-investment framework meets or exceeds best-practice benchmarks, reinforcing Quayside's dedication to sound governance, environmental stewardship, and long-term value creation.

Performance target	Performance measure	2025 result
Build climate resilience into investment decision-making.	Investment due diligence and decision papers include comprehensive climate resilience consideration.	Quayside includes climate-resilience checks in all investment decisions.

Target met: **Yes**

The Quayside Group embeds comprehensive climate-resilience analysis in every investment due-diligence and decision paper. While a formal manager-selection framework is still being finalised, each of Quayside's three most recent commitments—Waterman Fund 5, Pacific Equity Partners, and Direct Capital—was approved only after undergoing dedicated climate due-diligence reviews, ensuring alignment with Quayside's responsible-investment objectives.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

21. Quayside Group Performance Information (continued)

An Engaging Place to Work

Performance target	Performance measure	2025 result
Our kaimahi are valued, supported and passionate about their work.	Employee Engagement Survey achieves >78% rating.	2025 is 80%. *(2024: n/a this is a new measure)*

Target met: **Yes**

Performance target	Performance measure	2025 result
Our kaimahi represent our community in an environment of diversity and inclusiveness.	Review of Diversity and Inclusion (D&I) metrics.	D&I metrics are reviewed annually by the People, Culture and Safety Committee.
	Annual Report on progress against D&I metrics.	D&I metrics are reported in the annual report.

Target met: **Yes**

There is continued focus on Quayside's Employee Value Proposition to encourage diversity and inclusion in its recruitment practices, as well as focussed initiatives to build on Quayside's culture of inclusion.

Social License to Operate

Performance target	Performance measure	2025 result
Our stakeholder engagement is honest, transparent, and respectful and our community understands and supports our purpose.	Increase Net Promoter Score (NPS) FY25 ≥ 5% of previous year or ≥85%.	NPS score in 2025 was 91%. *(2024: 96%)*

Target met: **Yes**

While the Net Promoter Score is a slight decrease from 2024, which yielded a result of 96%, Quayside maintains a target of at or above 85%.

Performance target	Performance measure	2025 result
Our recognition of Te Tiriti o Waitangi is meaningful and supports decision making.	>40% of our kaimahi are competent in our cultural competency framework	63% of our kaimahi are defined as competent against Quayside's cultural competency framework.

Target met: **Yes**

Quayside's cultural competency framework requires assessment of understanding of Te Tiriti of Waitangi (amongst other aspects). Quayside's cultural competency framework—developed internally — defines competence for our organisation, requires staff to self-assess and agree a rating with their manager at year-end, and is finally moderated by GM Operations for consistency and recording on the employee file.

21. Quayside Group Performance Information (continued)

Governance

This activity relates to the policies and procedures the *Quayside Group* will adopt to satisfy governance requirements and expectations and ensures that open dialogue exists between the *Quayside Group* and Council, so that Council are kept informed of all significant matters relating to the *Quayside Group* at the earliest opportunity.

Performance measure	Performance target	2025 result	
Quayside operates independently of Council and the Fund is managed in a prudent commercial manner.	Quayside Board has a majority of independent directors. Quayside Board holds regular meetings. Quayside maintains the following committees that meet regularly: - Audit and Risk - People, Culture and Safety - Investment Quayside reports regularly to Council via publication of annual and interim reports, presentations, briefings, and workshops. Maintain a robust internal and external audit function. Regular review of company policies and frameworks. Regular internal compliance auditing, Defined risk appetite and risk management framework. Annual Board Performance Review.	The Quayside Board has seven appointed Directors, of which four are independents (M Wynne, D Fear, F Whineray, K Horne) Regular meetings are held by the Quayside Board throughout the year, with seven meetings held during the period. The committees met regularly during the period: - Audit and Risk: five meetings - People, Culture and Safety: four meetings - Investment: six meetings Quayside presented to Council: - 23 October 2024 (Briefing) - 27 March 2025 (Briefing) - 18 June 2025 (Briefing) Quayside has a Board approved internal audit plan which is monitored by Audit and Risk. The external audit is conducted by KPMG. All policies are reviewed in accordance with the Policy & Charter Schedule or as directed by our Board. The Board has defined risk appetite statements and has undertaken a review of the risk management framework. An Annual Board Performance review was undertaken during the period.	Met

Target met: **Yes**

The Group maintains strong governance practices and policies, with regular review.

NZDX Issuer

This activity relates to requirements for the *Quayside Group* to satisfy the New Zealand Exchange Listing Rules as a New Zealand Debt Exchange listed company.

Quayside Holdings Limited and Subsidiaries
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

21. Quayside Group Performance Information (continued)

Performance measure	Performance target	2025 result	
Quayside maintains regulatory compliance with its obligations as a market issuer.	Financial Reporting in accordance with Financial Markets Conduct Act 2013. Quayside complies with NZX Listing Rules, including Continuous Disclosure obligations.	Filing of interim and annual financial statements achieved within legislative timelines. Board receives regular reporting on PPS compliance in line with NZX requirements.	Met

Targets met: **13/13**

Key

Met *Not met* *Not applicable*

Quayside Holdings Limited and Subsidiaries
Statutory Information
For the year ended 30 June 2025

Interest register

The company is required to maintain an Interests Register in which the particulars of certain transactions and matters involving the directors must be recorded. The interest register for Quayside Holdings Limited is available for inspection at the registered office. The directors of the Parent Company have made general disclosures of interest in accordance with S140(2) of the Companies Act. Current interests and those which ceased during the year, are tabulated below. New disclosures advised since 1 July 2024 are italicised.

Director	Entity	Position
WYNNE, Mark Douglas	Alliance Group Limited Quayside Holdings Limited Quayside Securities Limited Quayside Properties Limited *Waipura North Limited (October 2024)*	Director / Chair Director / Chair Director / Chair Director / Chair *Shareholder*
CROSBY, Stuart Alan	Bay of Plenty Regional Council Quayside Holdings Limited Quayside Securities Limited Quayside Properties Limited	Councillor Director Director Director
HORNE, Keiran Anne	Quayside Holdings Limited Quayside Securities Limited Quayside Properties Limited Screen South Limited Spey Downs Limited University of Canterbury Enable Networks Limited Enable Services Limited *The Cooperative Bank Limited (16 January 2024)* *Antarctica New Zealand (July 2024)* *Antarctica New Zealand isn't registered on NZ Companies*	Director Director Director Director | Chair Shareholder Council Member | ARC Chair Director | ARC Chair *Director* *Director*
MCTAVISH, Fiona Catherine	Bay of Plenty Regional Council BOPLASS Limited McTavish – Huriwai Investments Limited Priority One WBOP Inc Quayside Holdings Limited Quayside Securities Limited Quayside Properties Limited Regional Software Holdings Limited *GLAMB Limited (13 June 2025)*	Officer Director Director | Shareholder Executive Board Member Director Director Director Director *Director*

Quayside Holdings Limited and Subsidiaries
Statutory Information
For the year ended 30 June 2025

Interest register (continued)

Director	Entity	Position
WHITE, Te Taru	Bay of Plenty Regional Council Noa New Zealand Limited Quayside Holdings Limited Quayside Properties Limited Quayside Securities Limited Te Taru White Consultancy Limited Whenua Fruits Limited Manaakiora Trust Te Tatau o Te Arawa Charitable Trust	Councillor Director | Shareholder Director Director Director Director | Shareholder Shareholder Director Board Member
WHINERAY, Fraser Scott	Quayside Holdings Limited Quayside Securities Limited Quayside Properties Limited Waste Management NZ Limited (and associated) Port of Tauranga Limited Centre for Climate Action Joint Venture Limited Jarden Group *WMNZ Holdings Limited was amalgamated into Tui Bidco Limited (31 December 2024)*	Director Director Director Director Director Director Director
FEAR, David Graeme	Quayside Holdings Limited Quayside Securities Limited Quayside Properties Limited Upstream Poplars Limited NorthWest Water Limited *Johnny Appleseed Holdings, Hawke's Bay (March 2025)*	Director Director Director Shareholder Shareholder *Director*

ANNUAL FINANCIAL STATEMENTS

Quayside Holdings Limited and Subsidiaries
Statutory Information
For the year ended 30 June 2025

Information used by directors

During the financial year there were no notices from directors of Quayside Holdings Limited, or any subsidiary, requesting to use information received in their capacity as a director which would not otherwise have been available to them

Indemnification and insurance of directors and officers

The Quayside Group has arranged policies of Directors' and Officers' Liability Insurance and separate Directors' and Officers' defence costs insurance.

Donations

No donations were made by Quayside Holdings Limited during the year ended 30 June 2025.

Directors

The following directors of Quayside Holdings Limited and its subsidiaries held office during the year ended 30 June 2025:

	Remuneration	
	Paid by parent $000	Paid by subsidiaries $000
M Wynne (Chair)	77	68
S Crosby	34	34
D. Fear	44	34
K Horne	44	34
F Whineray	34	34
T White	34	34
Total	**266**	**239**

The fees above do not include director fees paid by the Port of Tauranga. The fees above are exclusive of GST. F McTavish was remunerated by the Bay of Plenty Regional Council.

Quayside Holdings Limited and Subsidiaries
Statutory Information
For the year ended 30 June 2025

Port of Tauranga

The following directors of Port of Tauranga Limited held office during the year ended 30 June 2025:

	2025 $000	2024 $000
J C Hoare (Chair)	228	214
A M Andrew	136	127
D J Bracewell	136	128
A R Lawrence	21	117
D W Leeder	115	108
R A McLeod	120	35
F S Whineray	115	72
J B Stevens	127	121
Total	997	922

Loans

There were no loans by Quayside Holdings Limited, or the Port of Tauranga Limited, to directors.

Quayside Holdings Limited and Subsidiaries
Statutory Information
For the year ended 30 June 2025

Employees

The number of employees whose total annual remuneration including salary, performance bonuses, an Economic Value Added Based Executive Incentive Scheme, employer's contributions to superannuation and health schemes, and other sundry benefits received in their capacity as employees, was within the specified bands as follows:

	Port of Tauranga Limited		Quayside Holdings Limited	
Remuneration range $000	Number of employees 2025	Number of employees 2024	Number of employees 2025	Number of employees 2024
100-109	12	21	1	3
110-119	18	20	2	1
120-129	16	26	0	1
130-139	22	36	1	1
140-149	30	15	0	0
150-159	31	16	1	0
160-169	10	13	0	1
170-179	13	10	0	0
180-189	8	9	0	0
190-199	11	7	1	0
200-209	14	3	1	0
210-219	1	5	1	1
220-229	3	0	0	0
230-239	1	3	0	0
240-249	1	1	2	0
250-259	1	3	0	1
260-269	2	0	0	0
270-279	1	1	0	1
280-289	1	5	0	1
290-299	5	2	0	0
300-309	5	1	0	1
310-319	1	2	1	1
320-329	3	0	1	0
330-339	0	1	0	0
340-350	1	0	0	0
380-389	1	1	0	0
420-429	0	0	0	2
440-450	1	0	0	0
490-495	0	1	0	0
501-510	1	0	0	0
5550-569	0	1	1	0
630-640	0	0	0	0
700-710	1	0	0	1
730-740	1	0	0	0
790-799	0	1	0	0
810-819	0	1	0	0
1,430-1,439	1	0	0	0
1,460-1,469	0	1	0	0

**Includes vesting of Long Term Incentive Scheme and payment of Short Term Incentive*

Quayside Holdings Limited and Subsidiaries
Statutory Information
For the year ended 30 June 2025

Perpetual Preference Shareholder Information

The Perpetual Preference Shares of Quayside Holdings Limited are listed on the NZDX. The information in the disclosures below has been taken from the Company's share registers as at 30 June 2025.

Twenty largest holders of perpetual preference shares

Rank	Name	Units at 30 June 2025	% of Units
1	CUSTODIAL SERVICES LIMITED <A/C 4>	50,153,000	25.08
2	JBWERE (NZ) NOMINEES LIMITED <NZ RESIDENT A/C>	28,053,000	14.03
3	FNZ CUSTODIANS LIMITED	20,050,000	10.02
4	FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	14,606,000	7.30
5	BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD <BPSS40>	5,110,000	2.55
6	PUBLIC TRUST - NZCSD <THE ASPIRING FUND>	3,456,000	1.73
7	NZX WT NOMINEES LIMITED <CASH ACCOUNT>	3,191,000	1.60
8	INVESTMENT CUSTODIAL SERVICES LIMITED <A/C C>	2,609,000	1.30
9	TAPPENDEN HOLDINGS LIMITED	2,117,000	1.06
9	FORSYTH BARR CUSTODIANS LIMITED <ACCOUNT 1 E>	2,097,000	1.05
9	ATT INVESTMENTS LIMITED	1,000,000	0.50
9	FAITH PRISCILLA TAYLOR	1,000,000	0.50
9	FLETCHER BUILDING EDUCATIONAL FUND LIMITED	1,000,000	0.50
14	JBWERE (NZ) NOMINEES LIMITED <44626 A/C>	1,000,000	0.50
15	KIA INVESTMENTS LIMITED	1,000,000	0.50
16	FNZ CUSTODIANS LIMITED <DRP NZ A/C>	860,000	0.43
17	JBWERE (NZ) NOMINEES LIMITED <50986 A/C>	700,000	0.35
18	PHILIP MAURICE CARTER	625,000	0.31
19	STEPHEN LEONARD JOHNS	600,000	0.30
20	JONATHAN AYLMER RATTRAY	515,000	0.26
	Totals: Top 20 holders of perpetual preference shares	**139,742,000**	**69.87**
	Total remaining holders balance	**60,258,783**	**30.13**
	Total	**200,000,783**	**100%**

Quayside Holdings Limited and Subsidiaries
Statutory Information
For the year ended 30 June 2025

Distribution of perpetual preference shares

Range of equity holdings	Number of holders	Number of shares held	% of issued equity
1 - 499	0	0	0.00
500 - 999	1	783	0.00
1,000 - 1,999	0	0	0.00
2,000 - 4,999	0	0	0.00
5,000 - 9,999	185	1,055,000	0.53
10,000 - 49,999	1,167	23,561,000	11.78
50,000 - 99,999	284	16,463,000	8.23
100,000 - 499,999	127	19,179,000	9.59
500,000 - 999,999	5	3,300,000	1.65
1,000,000 Over	15	136,442,000	68.22
TOTAL	**1,784**	**200,000,783**	**100.00**

Ordinary shareholder information

Holder	Number held	% of issued equity
Bay of Plenty Regional Council	10,000	100.00

Quayside Holdings Limited and Subsidiaries
Statutory Information
For the year ended 30 June 2025

Registered office

41 The Strand
Tauranga 3110
Ph: (07) 579 5925

Postal address

Level 2 41 The Strand
Tauranga 3110

Auditors

KPMG
On behalf of the Auditor-General
247 Cameron Road
Tauranga 3110
New Zealand

Solicitor

Cooney Lees Morgan
PO Box 143
Tauranga 3110

Share registrar

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
159 Hurstmere Road
Takapuna, Auckland 0622

Managing Your Shareholding Online:
To change your address, update your payment instructions and to view your registered details including transactions, please visit;

www.investorcentre.com/nz

General enquiries can be directed to:

enquiry@computershare.co.nz
Private bag 92119, Auckland 1142
Telephone +64 9 488 8777 Facsimile +64 9 488 8787

Please assist our registrar by quoting your CSN or shareholder number.

Quayside Holdings Limited
Level 2, 41 The Strand,
Tauranga 3110, New Zealand