

Quayside Holdings Limited and Subsidiaries

Half Year Report

For 31 December 2024



Quayside Holdings Limited and Subsidiaries

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Quayside Holdings Limited and Subsidiaries

For the six months ending 31 December 2024

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Quayside Holdings Limited and Subsidiaries

For the six months ending 31 December 2024

Directors' report to shareholders

Unaudited Results for the Six Months to 31 December 2024

Quayside Holdings Limited and subsidiaries ("the Group") is pleased to announce its Group Net Profit after Tax (NPAT) for the six months was \$68.2 million (2023: \$44.9 million), an increase of 51.9%.

These financial statements often reference the two governance structures being:

- *Quayside Group* – comprising Quayside Holdings Limited (Parent company) and its directly controlled subsidiaries (Quayside Securities Limited, Quayside Unit Trust, Quayside Investment Trust, Quayside Properties Limited, Aqua Curo Limited, Quayside Barnett Place Limited, Quayside Tauriko Limited, Quayside The Vault Limited, Quayside Te Papa Tipu Limited, Quayside Mystery Valley Limited), its joint ventures and its equity accounted investees. Quayside Group has investments in equities, shares and other assets.
- *Port of Tauranga Group* – comprising the Port of Tauranga Limited and its subsidiaries and its joint ventures and its equity accounted investees. The Port group is owned 54.14% (2023: 54.14%) by the Quayside Group.

The performance of the Group is comprised of the result from the 'Port of Tauranga Group' (Port segment) and the 'Quayside Group' (Investing segment) as follows:

Port of Tauranga Group Performance

Port of Tauranga Group profitability increased for the first six months of the 2024 financial year. Net Profit After Tax for the six months to December 2024 was \$60.2 million, a 27.43% increase on the same period versus the previous year. Operating revenue increased 12.48% to \$225.0 million mainly due the increase in container terminal revenue (driven by both improved volumes and tariffs). Operating expenses increased 7.2% year-over-year impacted by employee benefit expenses.

Share of profits from equity accounted investees is \$3.2m, in line with the previous year.

The Port has declared as a subsequent event, in its 31 December 2024 interim accounts, a fully imputed interim dividend of 7.0 cents per share, providing Quayside for future cash flow of \$25.8m.



Figure 1: assembly of a new crane at Sulphur Point

Quayside Holdings Limited and Subsidiaries

For the six months ending 31 December 2024

Quayside Group Performance

The Quayside Group (refer to the “Investing” segment identified in Note 5), reported a net profit after tax of \$8.0 million (2023: \$2.3 million loss) for the first half of the year.

The performance is mainly driven by \$21.5 million of “other income/gains” – including dividend income and net unrealised gains (2023: \$4.8 million) netted off by the \$10.5 million impact in overhang write-off¹ included in trading and other expenses (2023: \$5.6 million).

A major contributor to the Quayside Group’s unrealised portfolio performance is the listed assets portfolio, with \$12.9 million positive impact. Managed private equity² is the second contributor with \$5.2 million gains.

The Quayside Group paid dividends to Perpetual Preference Shareholders during the period of \$4.7 million in accordance with its prospectus. Net dividends paid during the period to the Bay of Plenty Regional Council were \$23.5 million (2023: \$22.5 million) in line with the current Statement of Intent.

Statement of Intent

Quayside Holdings Limited is a “Council Controlled Trading Organisation,” owned by the Bay of Plenty Regional Council. The provisions of the Local Government Act 2002 require “Council Controlled Organisations” to have a “Statement of Intent” in respect of each financial year.

The draft Statement of Intent for the coming year, setting out performance criteria and forward dividend guidance, is provided to the Bay of Plenty Regional Council by 1st March each year. Quayside Holdings Limited must provide a final Statement of Intent by 30 June. Quayside is currently operating under a Statement of Intent provided to Council for the period 1 July 2024 to 30 June 2025.

Appointment, Rotation and Retirement of Directors and Officers

The shareholder’s policy is that directors retire, but are eligible for reappointment, on a rolling three yearly basis. No changes were made during the period.



Mark Wynne – Chair



Keiran Horne – Chair Audit & Risk Committee

¹ Refers to the amount of costs incurred in the year for the development of the Rangioru Business Park attributable to third-party landowners.

² Investment funds that allocate capital to private companies under the oversight of professional fund managers.

Quayside Holdings Limited and Subsidiaries
Consolidated Income Statement
For six months ended 31 December 2024

		Unaudited Six months Dec 2024 \$000	Unaudited Six months Dec 2023 \$000	Audited Full year June 2024 \$000
Income				
Trading revenue		227,033	201,927	424,509
Other income		2,560	2,667	10,352
Other gains		19,275	2,169	14,305
Operating income	6	248,868	206,762	449,167
Expenses				
Employee benefit expenses		(34,357)	(30,033)	(61,870)
Trading and other expenses	7	(94,872)	(80,848)	(188,915)
Other losses		-	(5,579)	(652)
Operating expenses		(129,229)	(116,461)	(251,437)
Results from operating activities		119,639	90,301	197,730
Depreciation and amortisation		(21,935)	(22,317)	(44,307)
Impairment of property, plant and equipment		-	-	(28)
Operating profit before finance costs, share of profit from equity accounted investees and taxation		97,703	67,984	153,395
Finance income		1,336	1,542	3,700
Finance expenses	8	(14,386)	(14,182)	(28,620)
Net finance costs		(13,050)	(12,640)	(24,920)
Impairment of investment in equity accounted investees		(7)	-	(6,503)
Share of profit/(loss) from equity accounted investees		5,346	6,191	14,123
Profit before income tax		89,992	61,535	136,095
Income tax benefit/(expense)		(21,781)	(16,630)	(50,627)
Net profit after tax		68,211	44,905	85,468
Attributable to:				
Equity holders of the parent		40,940	23,504	44,312
Non-controlling interest		27,271	21,401	41,156
		68,211	44,905	85,468

Quayside Holdings Limited and Subsidiaries
Consolidated Statement of Comprehensive Income
For the six months ended 31 December 2024

	Unaudited Six months Dec 2024 Note	Unaudited Six months Dec 2023	Audited Full year June 2024
	\$000	\$000	\$000
Net profit after tax	68,211	44,905	85,468
Other comprehensive income			
<i>Items that will be reclassified to profit or loss when specific conditions are met:</i>			
Cash flow hedge - changes in fair value	(4,086)	(2,550)	587
Cash flow hedge - reclassified to profit or loss	(1,762)	(1,296)	(3,114)
Share of net change in cash flow hedge reserves of equity accounted investees	(284)	(216)	(218)
	(6,132)	(4,062)	(2,745)
<i>Items that will not be reclassified to profit or loss:</i>			
Bearer plant revaluation, net of tax	-	-	-
Kiwifruit licence revaluation, net of tax	-	-	(585)
Asset revaluation, net of tax	-	-	52,006
Share of net change in revaluation reserve of equity accounted investees	71	1	12,398
	71	1	63,819
Total other comprehensive income	(6,061)	(4,061)	61,074
Total comprehensive income / (loss) for the period	62,150	40,844	146,542
Attributable to:			
Equity holders of the parent	37,625	21,283	78,839
Non controlling interest	24,525	19,561	67,703
	62,150	40,844	146,542

Quayside Holdings Limited and Subsidiaries
Consolidated Statement of Movements in Equity
For the six months ended 31 December 2024

	Share capital	Hedging reserve	Revaluation reserve	Retained earnings	Non-controlling interests	Total equity
	\$000	\$000	\$000	\$000	\$000	\$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
Net effective portion of changes in fair value of cash flow hedges, net of tax	-	321	-	-	266	587
Net change in fair value of cash flow hedges transferred to profit or loss, net of tax	-	(1,703)	-	-	(1,411)	(3,114)
Net change in share of Equity Accounted Investees' cash flow hedge reserves	-	(119)	-	-	(99)	(218)
Net change in share of Equity Accounted Investees' revaluation reserve	-	-	8,167	-	4,231	12,398
Asset revaluation, net of tax	-	-	28,446	-	23,560	52,006
Kiwifruit licence revaluation, net of tax	-	-	(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	-	-	-	(448)	(371)	(819)
Shares issued upon vesting of management LTI plan	-	-	-	279	(279)	-
Equity settled share-based payment	-	-	-	-	1,499	1,499
Share based payment reserve	-	-	-	2,583	(2,583)	-
Dividends to shareholders (Note 16)	-	-	-	(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

Quayside Holdings Limited and Subsidiaries
Consolidated Statement of Movements in Equity
For the six months ended 31 December 2024

	Share capital	Hedging reserve	Revaluation reserve	Retained earnings	Non-controlling interests	Total equity
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 30 June 2024	200,011	4,866	1,100,530	292,481	984,141	2,582,031
Profit after tax	-	-	-	40,940	27,271	68,211
Net effective portion of changes in fair value of cash flow hedges, net of tax	-	(2,235)	-	-	(1,851)	(4,086)
Net change in fair value of cash flow hedges transferred to profit or loss, net of tax	-	(964)	-	-	(798)	(1,762)
Net change in share of Equity Accounted Investees' cash flow hedge reserves	-	(155)	-	-	(129)	(284)
Net change in share of Equity Accounted Investees' revaluation reserve	-	-	39	-	32	71
Total Comprehensive Income	-	(3,354)	39	40,940	24,525	62,150
Non-controlling interest adjustment	-	-	-	(32)	-	(32)
Decrease in share capital	-	-	-	48	40	88
Shares issued upon vesting of management LTI plan	-	-	-	95	(95)	-
Equity settled share-based payment	-	-	-	-	918	918
Share based payment reserve	-	-	-	756	(756)	-
Dividends to shareholders (Note 16)	-	-	-	(28,281)	(27,129)	(55,410)
Balance at 31 December 2024	200,011	1,512	1,100,569	306,007	981,644	2,589,745

Quayside Holdings Limited and Subsidiaries
Consolidated Statement of Financial Position
As at 31 December 2024

		Unaudited Six months Dec 2024 \$000	Unaudited Six months Dec 2023 \$000	Audited Full Year Jun 2024 \$000
	Note			
ASSETS				
Current assets				
Cash and cash equivalents		23,434	27,896	27,756
Receivables and prepayments		81,396	65,798	72,720
Inventories		2,400	1,829	2,004
Derivative financial instruments		25	230	340
Loans to equity accounted investees		614	24,933	560
Held for Sale – Investment Property		-	-	4,200
Total current assets		107,869	120,686	107,580
Non-current assets				
Intangible assets		22,931	24,968	23,377
Property, plant and equipment	10	2,484,884	2,428,881	2,492,355
Investments in equity accounted investees		298,404	280,725	288,737
Investment property	11	189,821	128,965	163,638
Biological assets	12	940	807	-
Other financial assets		339,851	295,850	320,656
Right-of-use assets		52,365	54,096	53,361
Deferred tax asset		1,057	1,109	1,057
Derivative financial instruments		6,230	10,834	11,869
Receivables and prepayments		16,896	18,133	17,272
Total non-current assets		3,413,379	3,244,368	3,372,322
Total assets		3,521,248	3,365,054	3,479,902
LIABILITIES				
Current liabilities				
Trade and other payables		54,014	47,910	53,934
Revenue received in advance		137	136	212
Loans and borrowings	15	345,100	380,120	313,500
Lease liability	16	1,074	1,027	1,049
Employee benefit provisions		2,510	1,674	4,090
Derivative financial instruments		36	268	82
Contingent consideration		-	268	28
Current taxation		6,535	3,332	9,114
Total current liabilities		409,407	434,735	382,009
Non-current Liabilities				
Loans and borrowings	15	316,974	223,403	305,064
Lease liability	16	55,448	56,370	55,972
Employee benefit provisions		1,927	1,521	1,635
Deferred tax liabilities		142,513	120,564	145,948
Contingent consideration		-	-	-
Derivative financial instruments		5,235	6,799	7,244
Total non-current Liabilities		522,097	408,657	515,863
Total liabilities		931,503	843,392	897,872
NET ASSETS		2,589,745	2,521,662	2,582,031

Quayside Holdings Limited and Subsidiaries
Consolidated Statement of Financial Position
As at 31 December 2024

	Unaudited Six months Dec 2024 \$000	Unaudited Six months Dec 2023 \$000	Audited Full Year Jun 2023 \$000
EQUITY			
Paid up capital	200,011	200,011	200,011
Reserves	1,102,081	1,068,648	1,105,398
Retained earnings	306,009	299,122	292,481
Total equity attributable to equity holders of the parent	1,608,101	1,567,781	1,597,890
Non controlling interest	981,644	953,882	984,141
TOTAL EQUITY	2,589,745	2,521,662	2,582,031

Quayside Holdings Limited and Subsidiaries
Consolidated Statement of Cash Flow
As at 31 December 2024

	Unaudited Six months Dec 2024 \$000	Unaudited Six months Dec 2023 \$000	Audited Full Year Jun 2024 \$000
Cash flows from operating activities			
Cash inflows	233,461	216,460	436,400
Cash outflows	(167,288)	(168,450)	(300,172)
Net cash flow from operating activities	66,173	48,010	136,228
Cash flows from investing activities			
Cash inflows	37,736	43,081	102,077
Cash outflows	(92,391)	(99,368)	(235,142)
Net cash flow from investing activities	(54,655)	(56,287)	(133,055)
Cash flows from financing activities			
Cash inflows	81,713	94,167	92,356
Cash outflows	(97,555)	(97,450)	(107,370)
Net cash flow from financing activities	(15,842)	(3,282)	(15,014)
Effects of exchange rate changes on cash and cash equivalents	2	20	235
Net increase/(decrease) in cash and cash equivalents	(4,321)	(11,538)	(11,606)
Cash and cash equivalents at the beginning of the year	27,756	39,435	39,362
Cash and cash equivalents at the end of the year	23,434	27,897	27,756
RECONCILIATION OF PROFIT FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period	68,211	44,905	85,468
Add/(subtract) non-cash and non-operating items	6,585	12,906	53,100
Add/(subtract) movements in working capital	(8,622)	(9,801)	(2,340)
Net cash flow from operating activities	66,173	48,010	136,228

Quayside Holdings Limited and Subsidiaries

Notes to the consolidated interim financial statements

For the year ended 31 December 2024

1 Reporting entity

Quayside Holdings Limited (the “Parent”) is a company domiciled in New Zealand and registered under the Companies Act 1993. The Parent is wholly owned by Bay of Plenty Regional Council (“Council”). The Parent is a holding company for the investment activity of Council. Through appropriate subsidiaries, the Parent is the majority shareholder in Port of Tauranga Limited, as well as the owner of a diversified investment portfolio, property and commercial ventures.

The Parent 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 also listed on the New Zealand Stock Exchange (NZX).

The Parent is a council-controlled organisation as defined under Section 6 of the Local Government Act 2002, by virtue of the Council’s right to appoint the Board.



Figure 2: rendering of Panorama Tower, 35 Hamilton Street, Tauranga

Quayside Holdings Limited and Subsidiaries

Notes to the consolidated interim financial statements

For the year ended 31 December 2024

1 Reporting entity (continued)

The unaudited interim financial statements for Quayside Holdings Limited comprise of Quayside Holdings Limited, its subsidiaries and the Group's interests in Equity Accounted Investees (together referred to as the "Group"). There are two subsets of the Group being the Quayside Group and the Port of Tauranga Group:

Group Ownership				
Parent			Type of Business	Ownership
Quayside Holdings Ltd (QHL)			Holding Company	100%
	Subsidiaries			
	Aqua Curo Limited		Aquaculture	100%
	Quayside Investment Trust (QIT) *		Trust	100%
	Quayside Securities Limited (QSL) *		Trust	100%
	Quayside Properties Limited (QPL)		Regional Benefit Investment	100%
	Real Asset Subsidiaries			
	Quayside Barnett Place Limited		Real Asset Investment	100%
	Quayside Mystery Valley Limited***		Forestry	100%
	Quayside Portside Drive Limited		Real Asset Investment	100%
	Quayside Tauriko Limited		Real Asset Investment	100%
	Quayside Te Papa Tipu Limited		Real Asset Investment	100%
	Quayside The Vault Limited		Real Asset Investment	100%
	Joint Ventures			
	Huakwi Services Limited		Horticulture (Kiwifruit)	50% 50%
	Tauranga Commercial Developments Ltd (TCD)		Commercial Property JV	50% 50%
	Lakes Commercial Developments Ltd (LCD) **		Commercial Property	50% 50%
	HRL Property Limited		Real Asset Investment	63.7%
		Subsidiary		
	Quayside Unit Trust (QUT) *	Port of Tauranga Ltd	Parent company	
		Port of Tauranga Trustee Company Limited	Holding Company	
		Quality Marshalling Limited	Port operations	
		Timaru Container Terminal Limited	Port operations	
		Northport Limited	Port - Associate Company	
		Prime Port Timaru Limited	Port - Associate Company	
		Port Connect Limited	Port operations - Associate Company	
		Coda Group Limited	Port operations - Associate Company	
		Ruakura Inland Port LP	Port JV - Associate Company	
	Other			
	Toi Moana Trust*		Managed by QHL	Trust

* QSL is trustee of TMT, QUT and QIT

** LCD is 50% QPL and 50% QHL

***In process of being wound down as asset sold

Quayside Holdings Limited and Subsidiaries

Notes to the consolidated interim financial statements

For the year ended 31 December 2024

2 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”). These interim financial statements have been prepared in accordance with New Zealand International Accounting Standard (“NZ IAS”) 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements and related notes included in Quayside Holdings Limited’s Annual Report for the year ended 30 June 2024.

3 Significant Accounting Policies

The accounting policies adopted are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2024.

4 Accounting Estimates and Judgements

The preparation of the financial statements in conformity with NZ IAS 34 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.

In preparing these financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation and uncertainty, were the same as those applied to the Group’s consolidated financial statements for the year ended 30 June 2024.

Quayside Holdings Limited and Subsidiaries

Notes to the consolidated interim financial statements

For the year ended 31 December 2024

5 Segment Information

At 31 December 2024 the Group comprised two main business segments. The first segment being the business of facilitating export and import activities (Port) and the second being the business of investment (Investing) The 'Port' segment represents the *Port of Tauranga Group*, whilst the 'Investing' segment is the *Quayside Group*. Both business segments operate in one geographic segment, being New Zealand.

Although the *Port of Tauranga Group* reports three main reportable segments, at the Quayside Group level, information provided by the *Port of Tauranga Group* is presented to the Chief Operating Decision Maker as one business segment. The unaudited segment results for the six months ended 31 December 2024 are as follows:

	Port \$000	Investing \$000	Total \$000
31 December 2024			
Total segment revenue	224,681	34,406	259,087
Inter-segment revenue (1)	-	(32,054)	(32,054)
Revenue (from external customers)	224,681	2,352	227,033
Other income/gains	317	21,517	21,834
Finance income	341	995	1,336
Finance costs	(10,945)	(3,441)	(14,386)
Depreciation & amortisation	(21,759)	(176)	(21,935)
Other operating expenditure/losses	(113,899)	(15,330)	(129,229)
Income tax expense	(21,781)	-	(21,781)
Impairment of investment in equity accounted investees	-	(7)	(7)
Share of profit of equity accounted investees	3,243	2,103	5,346
Net profit after tax	60,198	8,013	68,211

(1) Inter-segment revenue comprises the dividend received by Quayside Unit Trust from the Port of Tauranga Limited.

	Port \$000	Investing \$000	Total \$000
31 December 2023			
Total segment revenue	200,011	34,338	234,349
Inter-segment revenue (1)	-	(32,423)	(32,423)
Revenue (from external customers)	200,011	1,916	201,927
Other income/gains	-	4,835	4,835
Finance income	215	1,327	1,542
Finance costs	(11,248)	(2,934)	(14,182)
Depreciation & amortisation	(22,087)	(230)	(22,317)
Other expenditure/losses	(106,270)	(10,191)	(116,461)
Income tax expense	(16,630)	-	(16,630)
Impairment of investment in equity accounted investees	-	-	-
Share of profit of equity accounted investees	3,250	2,941	6,191
Net profit after tax	47,241	(2,337)	44,905

Quayside Holdings Limited and Subsidiaries
Notes to the consolidated interim financial statements
For the year ended 31 December 2024

5 Segment Information (continued)

	Port \$000	Investing \$000	Total \$000
Balance Sheet – December 2024			
Current assets	99,134	8,735	107,869
Cash & Cash equivalents	17,032	6,402	23,434
Trade and other receivables	79,702	1,719	81,421
Loans to equity accounted investees	-	614	614
Others (2)	2,400	-	2,400
Non-current assets	2,797,778	615,601	3,413,379
Property, plant and equipment	2,484,081	803	2,484,884
Investments	218,455	609,620	828,075
Others (3)	95,242	5,177	100,419
Current liabilities	(356,835)	(52,571)	(409,406)
Trade and other payables	(46,511)	(7,503)	(54,014)
Borrowings current	(300,000)	(45,100)	(345,100)
Others (4)	(10,324)	32	(10,292)
Non-current liabilities	(360,960)	(161,137)	(522,097)
Borrowings	(167,374)	(149,600)	(316,974)
Deferred tax liabilities	(131,857)	(10,656)	(142,513)
Others (5)	(61,729)	(881)	(62,610)
Net assets	2,179,117	410,628	2,589,745

(2) Mainly includes inventories (\$2.4m).

(3) Mainly Includes ROU asset (\$52.4m), derivatives fair value (\$6.2m), goodwill (\$18.4m) and trade and other receivables (\$16.9m).

(4) Mainly includes current income tax payable (\$6.5m) and current provisions (\$2.5m).

(5) Mainly includes lease liability (\$55.4m), derivative liabilities (\$5.2m).

Quayside Holdings Limited and Subsidiaries
Notes to the consolidated interim financial statements
For the year ended 31 December 2024

5 Segment Information (continued)

	Port \$000	Investing \$000	Total \$000
Balance Sheet – December 2023			
Current assets	87,502	33,184	120,686
Cash & Cash equivalents	20,366	7,530	27,896
Trade and other receivables	65,077	721	65,798
Loans to equity accounted investees	-	24,933	24,933
Others (2)	2,059	-	2,059
Non-current assets	2,744,000	500,368	3,244,368
Property, plant and equipment	2,427,297	1,584	2,428,881
Investments	212,685	493,661	706,346
Others (3)	104,018	5,123	109,141
Current liabilities	(343,721)	(91,002)	(434,723)
Trade and other payables	(41,966)	(5,932)	(47,898)
Borrowings current	(295,000)	(85,120)	(380,120)
Others (4)	(6,487)	50	(6,437)
Non-current liabilities	(370,878)	(37,779)	(408,657)
Borrowings	(193,901)	(29,502)	(223,403)
Deferred tax liabilities	(113,035)	(7,529)	(120,564)
Others (5)	(63,942)	(748)	(64,690)
Net assets	2,116,903	404,759	2,521,662

(2) Mainly includes inventories (\$1.8m).

(3) Mainly Includes ROU asset (\$54.1m), derivatives fair value (\$10.8m), goodwill (\$18.4m) and trade and other receivables (\$18.1m).

(4) Mainly includes current income tax payable (\$3.3m) and current provisions (\$1.6m).

(5) Mainly includes lease liability (\$56.4m), derivative liabilities (\$6.8m).

Quayside Holdings Limited and Subsidiaries
Notes to the consolidated interim financial statements
For the year ended 31 December 2024

6 Operating Income

	Six months ended 31 Dec 2024 \$000	Six months ended 31 Dec 2023 \$000
(a) Trading revenue		
Revenue from contracts with customers		
Container terminal revenue	135,213	118,390
Multi cargo revenue	40,415	36,398
Marine services revenue	25,532	24,342
Sale of goods – kiwifruit	-	315
Rental income	25,148	22,159
Other	726	323
Total trading revenue	227,033	201,927

Included in “Other income” are dividends and interest income earned by Quayside Group totalling \$2.2 million. “Other gains” mainly reflects the net unrealised gains recorded as of 31 December 2024 by Quayside Portfolio on its financial assets.

The Quayside equity portfolio delivered a return of 7.9% for the six months (2023: 2.86%).

7 Trading and Other Expenses

Trading and other expenses include the write-off of the infrastructure spending incurred to date for the Rangioru Business Park apportioned to third-party landowners, for a total amount of \$10.5m. The asset was treated as a contingent asset as it is potentially recoverable by Quayside Group in the future, however, the recoverability is not wholly within Quayside’s control. The write-off of the infrastructure spend apportioned to third-party landowners was included in “other losses” as of December 2023 and has since been recognised in “trading and other expenses”.

8 Finance Expenses

	Six months ended 31 Dec 2024 \$000	Six months ended 31 Dec 2023 \$000
Interest expense on borrowing and lease liabilities	(16,255)	(14,513)
Less: interest capitalised to property, plant and equipment	456	419
Less: interest capitalised to investment property	2,964	-
	(12,835)	(14,094)
Interest expense on lease liabilities	(1,363)	(1,276)
Ineffective portion of changes in fair value of cash flow hedges	(136)	(11)
Change in Fair value of hedged risk	(52)	(77)
Total finance expense	(14,386)	(14,182)

Quayside Holdings Limited and Subsidiaries

Notes to the consolidated interim financial statements

For the year ended 31 December 2024

9 Dividends

The following net dividends were paid by Quayside Holdings Limited. All dividends paid were fully imputed.

The dividend cents per share, for the Perpetual Preference Shares, includes resident with-holding tax of 5% paid by the Quayside Group on behalf of shareholders. The Perpetual Preference Shares are subject to a fixed dividend rate which is reset every three years. The latest reset occurred on 13 March 2023, where the rate for the following three-year period was set at 6.46%. The next dividend reset date will be 12 March 2026.

	Six Months ended 31 Dec 2024 \$000	Six Months ended 31 Dec 2023 \$000
Ordinary shares		
Dividends (paid 31/10/2024) of \$2,350 per share (2023: \$2,250)	23,500	22,500
	23,500	22,500
Perpetual preference shares		
Total quarterly dividends paid of 0.12 cents per share (2023: 0.12)	2,390	2,390
Total quarterly dividends paid of 0.12 cents per share (2023: 0.12)	2,390	2,390
	4,780	4,780
Total dividends paid	28,280	27,280

10 Property Plant and Equipment

Acquisitions and Disposals

During the six months ended 31 December 2024, the Port of Tauranga Group acquired assets with a cost of \$16.787 million (2023: \$21.26 million).

11 Investment Properties

In December 2024, Quayside agreed the terms of the first conditional sale and purchase agreement for 10.6 hectares at the Ranguru Business Park.

12 Biological Assets

Biological assets comprise kiwifruit crops on bearer plants owned by Quayside Properties Limited. Harvesting of the kiwifruit crop takes place in April to June each year. At 31 December each year the crop is measured at fair value. The fair value is deemed to be cost as insufficient biological transformation has occurred.

Quayside Holdings Limited and Subsidiaries
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For the year ended 31 December 2024

13 Financial Instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date.

The fair value of financial instruments 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. The fair value of forward exchange contracts is determined using quoted forward exchange rates at the reporting date.

Derivative financial instruments are categorised as Level 2 in the fair value measurement hierarchy.

14 Commitments

	Six Months ended 31 Dec 2024 \$000	Six Months ended 31 Dec 2023 \$000
Capital commitments		
Estimated capital commitments contracted for at balance date but not provided for:	106,288	155,060

Over the last 12 months, Port of Tauranga Limited and subsidiaries have made \$13.8 million in payments towards new crane infrastructure.

Quayside Holdings Limited has uncalled capital commitments of \$83.9 million (December 2023: \$67.2) million in relation to equity managed fund investments and \$1.25 million (December 2023: \$1.9 million) in relation to equity accounted investees.

Included in this, there are outstanding commitments Quayside Properties Limited has to fund the development of Rangioru Business Park for an amount of \$15m.

Quayside Holdings Limited and Subsidiaries
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15 Loans and Borrowings

	Six months ended 31 Dec 2024 \$000	Six months ended 31 Dec 2023 \$000
Westpac borrowings	45,100	35,520
Bay of Plenty Regional Council	49,600	49,600
Bay of Plenty Regional Council (LGFA)	100,000	29,502
Commercial Papers	190,000	195,000
Standby revolving cash advance facility	80,000	100,000
Fixed rate bonds	197,374	193,901
Total loans and borrowings	662,074	603,523
Current	345,100	380,120
Non current	316,974	223,403
Total	662,074	603,523

As at 31 December 2024, 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.

The Port of Tauranga Group has \$320 million (2023: \$280 million) of term standby revolving cash advance facility that remains undrawn. Within the term facility, \$100 million matures 31 December 2025, \$70 million matures 31 December 2026, \$50 million matures 31 December 2027, \$50 million matures 30 September 2028 and \$130 million matures 31 December 2030.

Quayside has refinanced its borrowings maturing within 12 months from Westpac Banking Corporation to ASB, please also refer to Note 17 for details.

Westpac Banking Corporation

Quayside Holdings Limited has a \$65 million (2023: \$75 million) financing arrangement with Westpac Banking Corporation. This facility is secured by a mortgage over shares held in the Port of Tauranga Limited and provides direct borrowings for the Quayside Group. The facility was extended in November 2024 for a further term of 3 months, expiring in February 2025. As of 31 December, this facility was drawn down to \$45.1 million (2023: \$36 million).

Bay of Plenty Regional Council

In October 2024, Quayside Holdings Limited renewed its financing arrangement with Bay of Plenty Regional Council (BOPRC), expanding the size to \$100 million (2023: \$50 million). To fund this, BOPRC has in turn borrowed from the Local Government Funding Agency. This facility expires on 1 July 2030. As at 31 December this facility was drawn down to \$49.6 million (2023: \$49.6 million).

In December 2021, Quayside Holdings Limited entered into a \$100 million facility arrangement with Bay of Plenty Regional Council, which, to fund this, has in turn borrowed from the Local Government Funding Agency. This facility expires on 30 June 2033 and is fully drawn as of 31 December 2024.

Quayside Holdings Limited and Subsidiaries

Notes to the consolidated interim financial statements

For the year ended 31 December 2024

16 Related Party Transactions

Controlling entity

The parent entity in the Group is Quayside Holdings Limited, which is 100% owned by the Bay of Plenty Regional Council. Other related parties include subsidiaries and equity accounted investees – refer Note 1.

Transactions with related parties:

During the six months ended 31 December 2024, related party transactions for the Quayside Group were as follows:

	Six Months ended 31 Dec 2023 \$000	
<i>Quayside Group transactions with related parties:</i>		
<i>Transactions with Ultimate Controlling Entity</i>		
Bay of Plenty Regional Council		
Interest paid by Quayside Holdings Limited	2,056	1,717
Interest payable by Quayside Holdings Limited	1,813	911
Dividends paid by Quayside Holdings Limited	23,500	22,500
Loan drawn down by Quayside Holdings Limited	37,500	21,000
Loan payable by Quayside Holdings Limited	151,057	79,432
Subvention paid by Quayside Properties Limited	-	-
<i>Quayside Group transactions with related parties:</i>		
<i>Transactions with Equity Accounted Investees</i>		
Interest charged by Quayside Holdings Limited	49	272
Loan advanced by Quayside Holdings Limited	17,262	24,500
Capital contributions by Quayside Holdings Limited	6,246	7,268
Distributions received by Quayside Holdings Limited	-	748

During the six months ended 31 December 2024, related party transactions for the Port of Tauranga Group were as follows:

Port of Tauranga Group transactions with related parties

Transactions with Equity Accounted Investees

Services provided to Port of Tauranga Limited	305	310
Services provided by Port of Tauranga Limited	1,654	2,427
Accounts receivable by Port of Tauranga Limited	483	167
Accounts payable by Port of Tauranga Limited	86	27
Advances by Port of Tauranga Limited	1,400	1,400
Services provided by Quality Marshalling (Mount Maunganui) Limited	601	419
Services provided to Quality Marshalling (Mount Maunganui) Limited	-	-
Accounts receivable by Quality Marshalling (Mount Maunganui) Limited	179	93
Services provided to Timaru Container Terminal Limited	1,674	1,538
Services provided by Timaru Container Terminal Limited	119	342
Accounts receivable by Timaru Container Terminal Limited	90	32
Accounts payable by Timaru Container Terminal Limited	19	134

No related party debts have been written off or forgiven during the period.

During the six months ended 31 December 2024, the Group entered transactions with companies in which Group Directors held directorships. These directorships have not resulted in the Group having significant influence or control over the operations, policies or key decisions of these companies.

Quayside Holdings Limited and Subsidiaries

Notes to the consolidated interim financial statements

For the year ended 31 December 2024

Transactions with Key Management Personnel

The Group does not provide any non-cash benefits to Directors in addition to their Directors' fees.

	Six Months ended 31 Dec 2023 \$000	
Directors		
Directors' fees recognised during the period	777	529
Executive Officers		
Executive officer's salaries and other short-term employee benefits recognised during the period	2,843	2,507
Executive officer's share-based payments (equity settled) recognised during the period	287	(72)
Total	3,907	2,964

17 Subsequent Events

An interim dividend of 7.0 cents per share has been declared subsequent to reporting date by the Port of Tauranga Group.

On 13 February 2025, BOPRC decided to set parameters for a partial sell-down of shares in the Port of Tauranga. Although Quayside can reduce its 54.4% shareholding to a minimum of 28%, no decision has been made, and there is no current timeframe for any sale.

On 21 February 2025, Quayside signed a senior facility agreement (the Facility) with ASB, totaling \$100 million. The Facility is structured into two tranches: Facility A (\$80 million, 5-year term) and Facility B (\$20 million, 3-year term). It is guaranteed by a specific security against uncalled commitments from BOPRC regarding the existing Redeemable Preference Shares.

On 25 February 2025, it was announced that a Consortium, comprising the Northland Regional Council (NRC), Port of Tauranga Limited (POTL) and Tupu Tonu – Ngāpuhi Investment Fund (TT), had conditionally agreed to buy out minority shareholders in Marsden Maritime Holdings (MMH) in order to simplify the NZX Group's ownership structure through delisting its shares and bringing full control of Northport under a single ownership umbrella. Currently MMH owns 50% of Northport, and POTL the other 50%.

The conditional Scheme Implementation Agreement (SIA) with MMH provides for the Consortium to acquire those shares not already held by NRC at a price of \$5.60 per share (scheme). The MMH Board has unanimously recommended that MMH shareholders vote in favour of the scheme, subject to no superior proposal (as defined in the SIA) being received, and as long as the scheme price falls within or above a valuation range of an Independent Adviser.

Although key acquisition details have been agreed with MMH, the Consortium's obligation to proceed with the scheme is conditional on NRC obtaining Council approval following a community consultation process which commences immediately and is expected to be completed by late April 2025.

Should all conditions be met and minority shareholders approve the scheme then the ownership structure of the combined MMH and Northport would be as follows, NRC 43%, POTL 50%, TT 7%.

The initial shareholding contributions and funding to complete this transaction for POTL would be \$39.689 million (excluding transaction costs and any wash up adjustments).

Quayside Holdings Limited and Subsidiaries Directory As at 31 December 2024

Directors holding office at 31 December 2024 were:

Quayside Group

M D Wynne (Chair)
S A Crosby
D G Fear
K A Horne
F C McTavish
F S Whineray
T White

Port of Tauranga Group

J C Hoare (Chair)
A M Andrew
D J Bracewell
A R Lawrence
D W Leeder
J B Stevens
F S Whineray

Loans

There were no loans made by Group companies or any of its subsidiaries to Directors.

Indemnification and insurance of directors and officers

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

Chief Executive

A L Settle

Solicitor

Cooney Lees Morgan
PO Box 143
Tauranga 3110

Registered Office

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Tauranga 3110
Ph: (07) 579 5925