



Quayside Group Statement of Intent

For the year ending 30 June 2025

Invested in our Future – *Mauri ora roa*

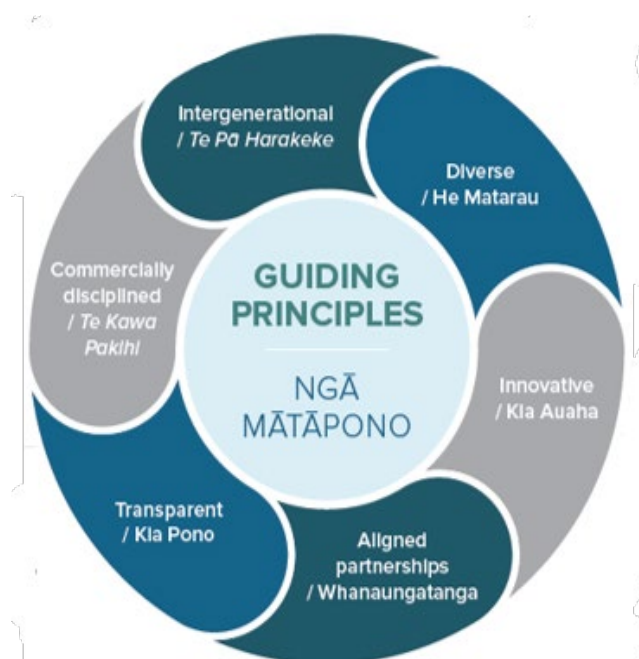
Quayside is an investment fund valued at \$2.5b.

**Quayside holds assets for the communities of the Bay of Plenty.
We are invested in our future - Mauri Ora Roa**

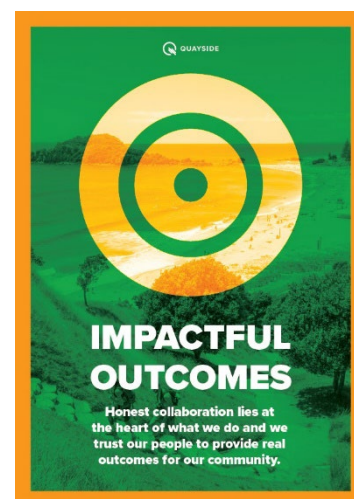
Quayside's purpose is to grow a responsible and diversified fund that generates long term returns to support the growth and prosperity of the Bay of Plenty.

Quayside is wholly owned by the Bay of Plenty Regional Council (Council) and was set up in 1991 by the Council to manage its shareholding in the Port of Tauranga Limited (the Port). Quayside has operated successfully for more than 30 years.

Today, Quayside manages a diversified investment fund for the future benefit of the Bay of Plenty communities. Through a considered, commercial approach to investment, we aim to grow the fund while providing a sustainable distribution to Council. These distributions enable Council to fund services for the community and its people, now and into the future.



Quayside Holdings Limited (QHL) is the parent company of the Quayside Group. It is a council-controlled trading organisation for the purposes of the Local Government Act 2002, as are many of its subsidiaries. This Statement of Intent (SOI) is prepared on behalf of the Group, including the wholly and majority owned subsidiaries of QHL as set out in Appendix 1.



Group Objectives

Our objectives over the next 3 years are to:

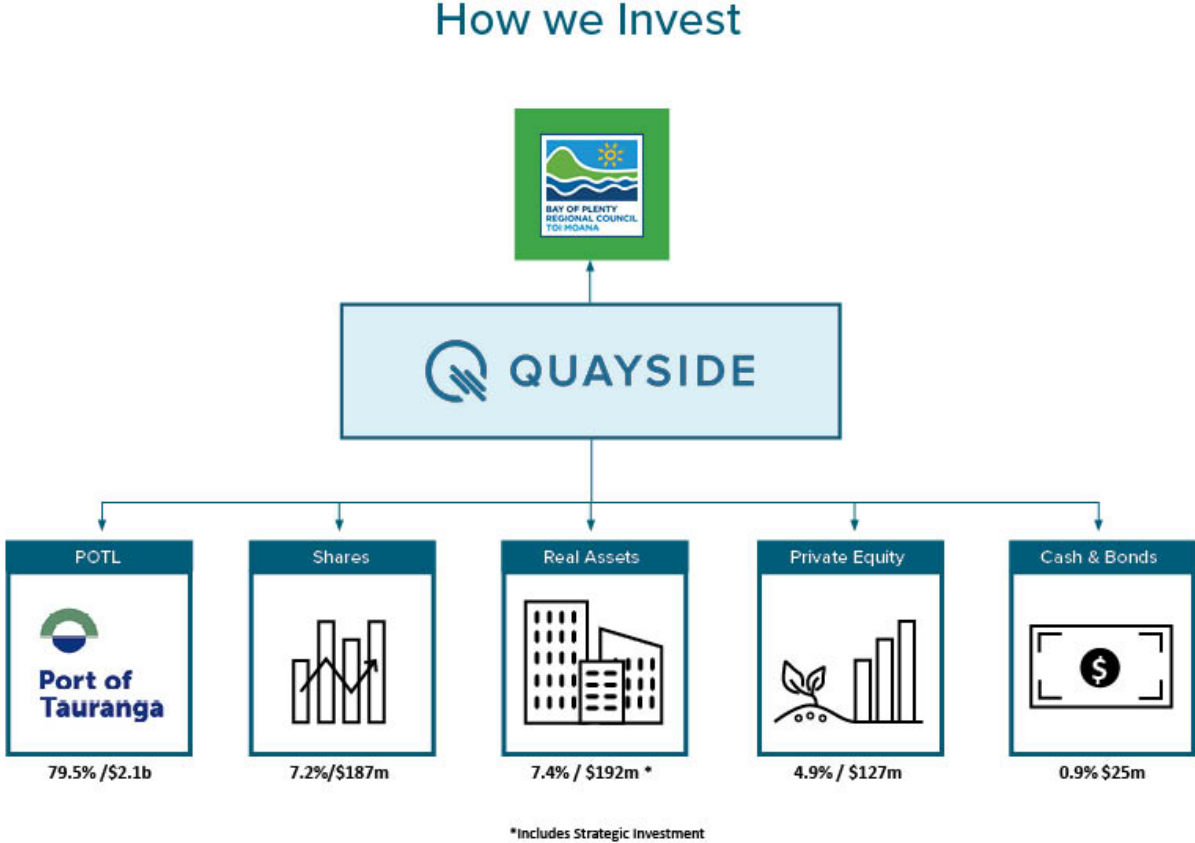
- **Grow** the value of our investment fund in real terms.
- Manage investment risk through **diversification**.
- Deliver Stage 1 Rangiuru Business Park.
- Support a successful and community respected Port of Tauranga.
- Promote the **sustainability** of our fund for both current and future generations.
- Provide a **resilient** dividend stream to Council, allowing it to deliver benefits to the Bay of Plenty region.
- Ensure our investment is undertaken in accordance with our **Responsible** Investment Policy.

We will do this through:

- Considered investment into assets that deliver strong commercial returns and aligned to our risk appetite.
- Prudent commercial management of the fund and its investments.
- Systematic review of strategic asset allocations, portfolio construction and investment policies.
- Redefining our rules for responsible investment.
- Building our climate resilience.
- Developing meaningful relationships with iwi and our communities.
- An engaged and diverse workplace with a collaborative focus.
- Providing an appropriate mechanism to ensure a distribution to Council that balances Council's capital requirements with the sustainability of the fund for the long-term benefit of our communities.

Nature and scope of Group activities

Quayside invests through a perpetual investment fund to provide intergenerational returns while growing the asset base.



<p>Investment - Commercial assets</p> <ul style="list-style-type: none"> Investment Fund Port of Tauranga shareholding 	<p>\$2,508m as at 31 December 2023</p> <p>Investment in a diversified portfolio of assets using perpetual investment fund principles to deliver long term commercial returns. Quayside invests based on its Statement of Investment Policy (SIPO) which provides its strategic asset allocation and its Responsible Investment Principles.</p> <p>Quayside holds a 54.14% shareholding in Port of Tauranga Limited (Port). This shareholding is a strategic asset of Council. Quayside does not have the ability to sell any shares in the Port without the approval of Council.</p>
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<p>Total Strategic investments (as at 31 December 2023)</p> <ul style="list-style-type: none"> • Rangiuru Business Park (\$85.8m) • Tauriko (\$1.8m) 	<p>\$87.6m as at 31 December 2023</p> <p>Investment in industrial land development of Stage 1 of the Rangiuru Business Park in accordance with the Western Bay of Plenty District Plan.</p> <p>Retain land at Tauriko for future strategic benefit on behalf of the Council.</p>
<p>Debt Management and Treasury</p>	<p>\$114.6m debt plus \$200m Perpetual Preference Share issue as at 31 December 2023</p> <p>Targets both cash and tax efficient management of cash and borrowings to the benefit of Quayside and the wider Group.</p>
<p>Issuer of \$200m or Perpetual Preference Shares (PPS) on the New Zealand Debt Exchange</p>	<p>Public issuance in 2008 by Council whereby the proceeds from the sale of these shares were utilised by the Council to fund infrastructure projects in the Bay of Plenty.</p> <p>The PPS pay dividends to shareholders, that money coming from the dividend income Quayside receives from its shareholding in Port of Tauranga.</p> <p>Council can buy back these shares in certain circumstances, and the PPS holders can require Council to buy back these shares if Quayside defaults in payment of the dividend to them, or if Quayside does not retain its majority shareholding in the Port.</p>

Operating Environment

2023/2024 - Strategic Reset

In 2023 Quayside undertook a comprehensive review of its corporate settings.

Challenges:

- 80% of the value of our investment fund is concentrated in the Port shareholding. This degree of concentration is not considered best practice for an intergenerational investment fund.
- Portfolio diversification is essential to maximise expected risk adjusted returns.
- Quayside has a moderate appetite for investment risk, requiring a re-balancing of the fund to reflect our risk appetite.
- The Port of Tauranga shareholding is the single biggest determinant of Quayside performance and risk, and the high concentration to this single asset adds significant risk into the portfolio.
- Quayside's earnings remain uncertain, with volatility impacting the portfolio and dividend expectation forecasted to be beyond net operating cashflow. There is a risk that this does not satisfy the principle of perpetually growing the fund in real terms for the benefit of future generations.
- The FY 2024 net operating cashflow generated by Quayside meets 97% of the Distribution requirements to Council and payments to Perpetual Preference shareholders (PPS), defined as the "payout ratio". There is minimal capacity to grow the fund, while delivering meaningful diversification. This is further evidenced by the FY 2025 payout ratio being forecasted at 102% of Quayside's net operating cashflow.
- Council's dividend expectation in the current fiscal environment leaves no residual capital for Quayside to achieve its stated financial objectives. Quayside does not expect to receive Council contributions to assist with meeting these objectives.
- The Stage 1 development of Rangioru Business Park carries its challenges, particularly those stemming from the requirement for it, as lead developer, to deliver much of the enabling infrastructure required for the Park, whereby timing of the repayment of this infrastructure from other zoned developers remains uncertain. These challenges are compounded by the escalating capital commitments due to inflationary construction costs and rising interest rates, which will require Council funding support.

Recommendations:

- Quayside reduce its stake in the Port, reinvesting the capital to achieve greater diversification and higher commercial returns, while reducing investment concentration risk.
- The Dividend Policy to be independently reviewed to ensure that Quayside delivers on its purpose, through balancing the cashflow requirements of the Council and growing the real value of the fund over the long term.
- Quayside will continue to proactively work with the Council executive on managing the funding requirements of the Group.
- Consider mechanisms to protect sustainability of the fund for intergenerational benefit of the Bay of Plenty and its residents.

FY 2025 – Strategic Priorities

Port of Tauranga shareholding and investment strategy

As a sovereign publicly listed entity, the Port of Tauranga manages its own operations and strategy. Quayside has two formally appointed Quayside directors who represent our shareholding on the Board, who drive the Port's performance and strategy on behalf of its shareholders. Quayside maintains consistent and regular dialogue with the Port of Tauranga while adhering to the disclosure requirements associated with a publicly listed company. These regular engagements allow Quayside to have open communications with Port of Tauranga governance and leadership.

Through the development of its Long-Term Plan 2024-2034, Council has consulted with the community on it enabling Quayside to divest part of its Port shareholding. Following public consultation, Council will formally decide on this issue by June 2024.

The potential to sell down a significant portion of Quayside's shareholding in the Port represents the single largest opportunity for Quayside to reduce investment risk through diversification. The Council has signalled its intention to remain a significant and strategic shareholder in the Port of Tauranga, through retaining a minimum floor shareholding of 28%.

If the mandate to divest is approved, Quayside will look to optimise value and reinvest the proceeds into a diversified pool of assets, targeting a reduction of portfolio risk.

There will be substantial trade-off's, if the entirety of the Port of Tauranga sell down is not reinvested as outlined in the original business case, with diversification minimised and future cashflow and growth projections reduced.

Quayside's investment strategy is governed by its Statement of Investment Policy and Objectives (SIPO) which was last updated in 2022. An independent external review of Quayside's SIPO will be undertaken to ensure portfolio allocation and risk settings are optimised and scalable to meet its investment objectives.

Quayside currently manages a non-port portfolio valued at \$531m on behalf of Council, and an additional \$75m in the Toi Moana Trust. Quayside has established a credible track record of investing into a pool of diversified asset classes and growing returns to Council, with investments into marketable securities, private equity, direct investments, natural resources and real assets. The growing distribution to Council is evidence of the success of Quayside's investment strategy and its capability as a manager.

Quayside has established an Investment Committee, which will be comprised of Quayside Directors and independent investment experts to provide governance on investment strategies, portfolio construction and benchmarking and transaction due diligence.

Delivering regional benefit and the cost of strategic assets

Quayside provides regional benefit through provision of an annual distribution to Council, in accordance with its Distribution Policy.

With the distribution from Quayside, Council delivers regional benefits, including a reduction in general rates, applied to all local ratepayers. Without Quayside's distribution to Council, all ratepayers would pay more for services within our region.

Beyond delivering strong commercial returns via a resilient dividend stream to Council, Quayside also delivers regional benefit through the capital growth of the fund. The sustainability of the fund and long-term preservation of capital in real terms are critical in delivering intergenerational benefits.

Quayside was established to manage the Port of Tauranga shareholding and diversified fund on a commercial basis, independent from political interference. This independence is compromised where Quayside holds strategic investments, where the directives are not predominantly commercial. Strategic assets have created a drag on the investment portfolio where they haven't met the required internal commercial hurdle rate.

Rangiuru Business Park

Council has acknowledged the strategic importance of the Rangiuru Business Park to the region.

Quayside owns 60 net hectares of industrial land in the consented Rangiuru Business Park. The total area of the developable area of the park is 148 hectares, owned privately by multiple landowners. Under the Western Bay of Plenty District Plan, Quayside is required to develop key infrastructure in Stage 1 of the Park, before other landowners can develop. Quayside has been integral to starting this development but carries significant liquidity risk by funding a significant portion of the upfront infrastructure costs on behalf of the wider Business Park (estimated at up to \$100m). These infrastructure costs are ordinarily borne by local councils but fell to Quayside as a developer. These costs are recoverable through the financial contribution model (FINCO) under the Resource Management Act 1991 and prescribed by the District Plan, however the timeline for recovery is uncertain, requiring private landowners to develop before recovery is available to Quayside. The FINCO recovery timeline is uncertain, magnifying the risk.

Quayside has explored avenues to fund this infrastructure and reduce financial risk. It has undertaken extensive due diligence into options such as the Infrastructure Funding and Financing mechanism. There are opportunities and trade-offs with all available funding mechanisms, particularly the cost of borrowing.

One financing avenue is the Local Government Funding Agency which specialises in financing the NZ local government sector and provides efficient financing costs to councils and council-controlled organisations. Quayside has worked carefully to consider this, and other funding avenues. Quayside will work closely with the Council to provide the most cost-effective funding solutions as the development progresses.

Sustainability

Distributions to Council

The Distribution Policy was developed in 2022 with the intention of delivering sustainable outcomes for present day distributions that benefit the communities of the Bay of Plenty.

This SOI contains distribution projections for FY25, 26 and 27. Those projections are estimates and subject to actual financial performance, compliance with Companies Act 1993 requirements and approval by Quayside Board. Quayside notes the wider market conditions increases the risk on delivering these distribution projections.

In approving distributions, Quayside must act in a commercially responsible manner. It must manage the distribution expectation of Council and the sustainability of the fund and deliver to its mandate; *Invested in our Future – Mauri Ora Roa*: to grow the fund in a responsible way for long term returns.

Quayside considers that a formulaic distribution calculation based on adjusted net asset value remains appropriate and intends to have its Distribution Policy and SIPO externally reviewed by the close of FY25, the results of these reviews will be made available to Council.

Social licence

Quayside is focused on maintaining its social licence to operate through established relationships with iwi, local communities, and the Council as our shareholder. Quayside is strengthening relationships with a diverse range of stakeholders, including building industry authority given its specialist expertise. It will enhance meaningful engagement with values-aligned partners as it pursues intergenerational asset management with sustainable decision-making at the core of its mandate.

In doing so it will look at new ways to ensure transparent reporting to its shareholder. As a market issuer, Quayside is already required to undertake financial reporting in a particular way and meet international reporting standards (NZ IFRS) as well as Companies Act 1993 and Local Government Act 2002 requirements.

Climate resilience

Quayside has worked with external advisors to be ready to issue its first climate report for the year ending June 2024. Our focus on climate change derives from the belief that asset prices will be impacted by both costs associated with decarbonization and investments to increase resilience to physical risks with consequences for our portfolio. During this journey, Quayside has analysed its portfolio exposure to climate risk and opportunities, which will continue to evolve.

Embedding climate thinking in our existing processes and develop a suitable transition strategy is the imperative target for the months to come.

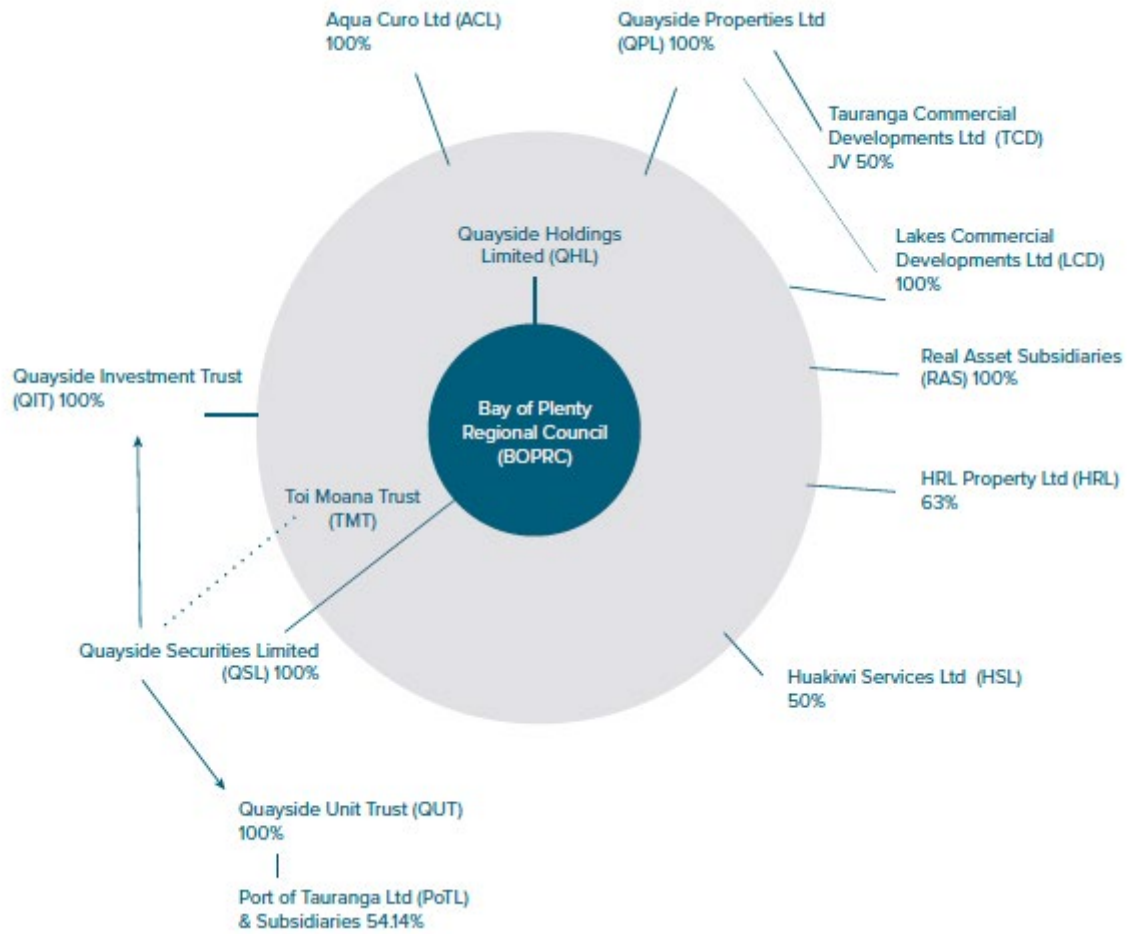
Group performance targets

Performance targets are effective for the year represented by this statement of intent. Target measures will therefore be assessed in full on or within 90 days after 30 June 2025.

	Objective	Measure
Port	Hold Port of Tauranga shareholding on behalf of Council.	Maintain at or above a minimum level of shareholding as directed by Council.
Investment returns	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.
	Provide a resilient dividend to Council.	Dividend paid in accordance with Quayside Distribution Policy
	Investment policies that promote a sustainable and diversified fund.	Independent review of Statement of Investment Policy and asset allocations.
Strategic Assets	Develop the Rangioru Business Park to create long term benefit for the Bay of Plenty region.	Deliver Stage 1a Rangioru Business Park by late 2025 and Stage 1b by late 2026.
Responsible investment	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.
	Build climate resilience into investment decision making.	Investment due diligence and decision papers include comprehensive climate resilience consideration.
An engaging place to work	Our kaimahi are valued, supported and passionate about their work	Employee Engagement Survey achieves >78% rating
	Our kaimahi represent our community in an environment of diversity and inclusiveness	Review of Diversity and Inclusion (D&I) metrics Annual Report on progress against D&I metrics.
Social licence to operate	Our stakeholder engagement is honest, transparent, and respectful and our community understands and supports our purpose.	Increase Net Promoter Score (NPS) FY25 \geq 5% of previous year or \geq 85%.
	Our recognition of Te Tiriti o Waitangi is meaningful and supports decision making	>40% of our kaimahi are competent in our cultural competency framework
Governance	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: <ul style="list-style-type: none"> - 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.

NZDX issuer		<p>Regular internal compliance auditing,</p> <p>Defined risk appetite and risk management framework.</p> <p>Annual Board Performance Review</p>
	<p>Quayside maintains regulatory compliance with its obligations as a market issuer.</p>	<p>Financial Reporting in accordance with Financial Markets Conduct Act 2013.</p> <p>Quayside complies with NZX Listing Rules, including Continuous Disclosure obligations.</p>

Appendix 1: Quayside structure



Appendix 2: Group financial information

Accounting policies

The financial statements are prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable financial reporting standards as appropriate for profit-oriented entities. The financial statements also comply with International Financial Reporting Standards (IFRS), the Companies Act 1993, and the Local Government Act 2002. Quayside Holdings Limited is a Tier 1 reporting entity under the Financial Markets Conduct Act 2013. A full set of accounting policies are available on request, or via the QHL Annual Report as published to the company's website.

Ratio of shareholder funds to total assets.

The forecast ratio of shareholder funds to total assets for the next three years is:

QUAYSIDE GROUP (Market Value)	2025 ('000)	2026 ('000)	2027 ('000)
Assets (\$m)	\$2,835	\$2,889	\$2,947
Liabilities (\$m)	\$279	\$284	\$290
Shareholder - PPS (\$m)	\$200	\$200	200
Shareholder - Council (\$m)	\$2,356	\$2,405	\$2,457
Council shareholder funds to assets	83%	83%	83%

**Positions are reflective of the market price of the investments of the Group forecast. These are forecasts only, actual results may differ. All figures presented are based on approved only documents.*

Distribution to shareholders

Distributions to Council

Quayside will pay dividends to the shareholder in accordance with its Distribution Policy and after considering its profitability and future investment requirements and the requirement to meet the solvency test under the provisions of the Companies Act 1993.

The level of distribution to Council is made in accordance with the Quayside Distribution Policy which provides that the annual dividend be calculated by multiplying the 'historical distribution portion' by 80% and adding this to the 'current distribution portion' multiplied by 20%. The historical distribution portion is defined in the Distribution Policy as the average inflation adjusted (using the Reserve Bank of New Zealand's published consumer price index) ordinary dividend paid by Quayside each year to the Council over the preceding three financial years ending 30 June. The historical distribution portion is subject to a reset when certain factors occur.

The current distribution portion is defined in the Distribution Policy as 4.5% of the Group's adjusted net asset value as determined by the Quayside board from time-to-time.

The intention of the Distribution Policy is for the distribution to Council sit between 70% and 100% of cash operating profits.

The FY 2025 distribution forecast provided is above Quayside's distribution methodology and includes a payment of a special dividend. The forecast distribution for FY 2026 and beyond is calculated using the net asset value (being assets, less debt, less PPS), consistent with the Distribution Policy and global best practice. Quayside will endeavour to meet these forecasted dividends but highlights the challenging nature of the current fiscal environment .

Financial year	2025 ('000)	2026 ('000)	2027 ('000)
Forecast distribution to Council*	\$47,000	\$48,000	\$49,000
Forecast gross dividend distribution to PPS holders**	\$13,280	\$13,280	\$13,280

*The forecast dividend distributions for the next three years are estimates and subject to change. Payment of dividends remains subject to the Quayside meeting its legal requirements as set out in the Companies Act 1993.

**The dates and amounts above are all reflective of forecast gross distributions in the year ending 30 June. The distribution forecast reflects a fully imputed (at 28%) distribution to unit holders of the PPS and is inclusive of 5% Resident Withholding Tax. These are forecasts only, actual results may differ. The distribution rate was reset for a three-year period on 13 March 2023 according to the methodology prescribed in the PPS Prospectus at 6.64%.

Reporting to Council

Quayside provides to Council and its PPS holders, an annual report containing audited financial statements in accordance with section 67 of the Local Government Act 2002 (LGA).

It also keeps the shareholder informed via:

- a half-year (interim) financial report in accordance with section 66 of the LGA;
- regular updates to Council on the Group performance, which may include updates on financial, strategic, risk and operational issues delivered via presentations, workshops and direct engagement between Quayside and Council executive.

Quayside operates a 'no surprises' policy with Council.

Commercial valuation of Council investment

Financial year	2025 ('000)	2026 ('000)	2027 ('000)
Council investment (\$m)	\$2,296	\$2,336	\$2,379

The figures above are all reflective of 30 June forecast positions for their respective years. Actual results may differ.

Council investment will be the market value of shares held in the Port, together with the value of any other investments, less liabilities of the Group, and less the value attributable to PPS holders.

For the purposes of the forecast position above, the PPS has been valued at \$200m. This may be greater should the market value of the PPS on the NZDX be at a price of greater than \$1.00 per share held.

Appendix 3: Quayside Group

Group approach to governance

The Board of Quayside (being Quayside Holdings Limited, Quayside Properties Limited, and Quayside Securities Limited) is appointed by the Council in accordance with the Council's Appointment and Remuneration of Directors to the Board of Council Organisations Policy (the Policy). Council will agree with Quayside the total remuneration pool for each financial year.

At the time of writing the Board of Quayside consists of seven members, four of whom are independent: Mark Wynne, Chairman, Keiran Horne, Fraser Whineray, David Fear, and three Council appointed directors; Councillors Stuart Crosby and Te Taru White, and Council Chief Executive, Fiona McTavish.

Quayside has the following committees:

- Audit and Risk Committee – Chaired by Kerian Horne,
- People Culture and Safety Committee - chaired by Mark Wynne,
- Investment Committee - chaired by David Fear.

Further subsidiaries companies of Quayside each have its own board of directors and the directors of those companies are responsible for the day to day governance, with all decisions about investment and divestment required to be approved by the Board of Quayside. The activities and financial arrangements for subsidiary CCOs are set out below.

All directors of the Group must have and apply skills, knowledge, and experience in the best interests of the Group, be committed to high quality governance, and assist the Group to meet its objectives and concurrently the requirements of this statement of intent.

The Board of Quayside is responsible for the appointment and performance monitoring of the Chief Executive of the Group.

Parent / Holding Company

Quayside Holdings Limited (QHL)

Quayside Holdings is the parent company of Quayside. It holds Quayside private equity assets among other asset classes. It is responsible for the day-to-day management of the group and employs 20 staff based in Tauranga.

Subsidiaries companies of Council

The following CCOs undertake investment management activities as part of the Group:

Quayside Investment Trust (QIT)

Quayside Investment Trust, established in 2014, wholly owned by QHL for the purpose of holding the Group share portfolio.

Quayside Securities Limited (QSL)

Quayside Securities Limited is wholly owned by QHL. It acts as trustee of Quayside Investment Trust and Quayside Unit Trust, including being trustee of a 54.14% shareholding in the Port held in Quayside Unit Trust.

Quayside Unit Trust (QUT)

Quayside Unit Trust, wholly owned by QHL for the purpose of holding the POTL shareholding.

Toi Moana Trust (TMT)

Toi Moana Trust is a PIE unit trust investment vehicle established in 2019 and wholly owned by Council. It invests in listed assets and bonds at the request of Council. It is subject to its own set of investment rules contained in the Toi Moana Trust SIPO, last updated November 2023.

The Trust was established in 2019 with the primary objective of providing optimised long-term investment returns without the restraint of liquidity requirements to Council. Its secondary objective is to protect the capital value of its investment over the longer term.

TOI MOANA TRUST	2025 ('000)	2026 ('000)	2027 ('000)
Income before tax	3.5m	3.5m	3.5m
Assets	\$70m	\$70m	\$70m
Liabilities	\$0	\$0	\$0
Shareholder funds	\$70.0m	\$70m	\$70m
Consolidated Shareholder funds/ total assets ratio	100%	100%	100%
Distribution to Council	\$3.5m	\$3.5m	\$3.5m
Estimated commercial value of Council investment	\$70m	\$70m	\$70m

The figures above are reflective of 30 June forecast positions for their respective years. Actual results may differ.

The following CCOs undertake property development as part of the Group:

Quayside Properties Limited (QPL)

QPL holds the Quayside land at the consented Rangiuuru Business Park and undertakes development of this land. The development is currently in its second season of earthworks to Stage One of the park and has commenced construction of the interchange on the Tauranga Eastern Link, which is critical infrastructure to service the business park. The development of the Rangiuuru Business Park is in accordance with the District Plan.

QPL along with QSL, QIT and QUT form part of this consolidated SOI on behalf of the Quayside Group.

Subsidiaries of Quayside Holdings Limited and Quayside Properties Limited

The following CCOs are wholly, or majority owned by QHL or QPL and each have its own board of directors responsible for its day-to-day governance. They each contribute to the objectives of the Quayside Group as vehicles for investment activity.

The figures below are reflective of 30 June forecast positions for their respective years. Actual results may differ.

Lakes Commercial Developments Limited (LCD)

100% owned by Quayside, LCD scope of activity is the development, leasing, and management of commercial property in Rotorua. In FY 2024 Quayside acquired the 50% of this asset that was formerly held by TPB Holdings Limited. Its directors are Davide Caloni and Michael Jefferies.

It currently holds two mature commercial/industrial property assets in Rotorua. Through its investment activity, LCD contributes to the performance targets of the Group.

LAKES COMMERCIAL DEVELOPMENTS	2025 ('000)	2026 ('000)	2027 ('000)
Income before tax	\$272	\$276	\$285
Assets	\$13,707	\$13,982	\$14,401
Liabilities	\$7,476	\$7,476	\$7,476
Shareholder funds	\$6,231	\$6,506	\$6,925
Consolidated Shareholder funds/ total assets ratio	45.46%	46.53%	48.09%
Distribution to Quayside	\$200	\$210	\$220
Estimated commercial value of Quayside investment	100%	100%	100%

Tauranga Commercial Developments (TCD)

A partnership between Commercial Fund Investors Limited (Carrus) and Quayside, Quayside Properties Limited owns 50% of TCD. TCD scope of activity is the development, leasing, and management of commercial property in Tauranga. TCD directors are David Caloni, Michael Jefferies, Sir Paul Adams, and Scott Adams. The board of TCD meets quarterly.

TCD has one asset, the property at 63-69 Spring Street, located in the city centre. TCD is exploring development and other opportunities for this asset. The site is currently being leased to Wilson carparking. Through its investment activity, TCD contributes to the performance targets of the Group.

This partnership between Carrus and Quayside has led to other development partnerships across the region.

TAURANGA COMMERCIAL DEVELOPMENTS	2025 ('000)	2026 ('000)	2027 ('000)
Income before tax	(\$100)	(\$100)	(\$100)
Assets	\$8,500	\$8,500	\$8,500
Liabilities	(\$20)	(\$20)	(\$20)
Shareholder funds	\$8,480	\$8,380	\$8,280
Consolidated Shareholder funds/ total assets ratio	100%	100%	100%
Distribution to Quayside	\$0	\$0	0%
Estimated commercial value of Quayside investment	\$4,240	\$4,190	\$4,140

Quayside Real Asset Subsidiaries (RAS)

Quayside has several companies incorporated for the purpose of holding, developing, leasing, and managing wholly owned property assets of the Group. These companies are 100% owned by Quayside Holdings who, as shareholder, appoints the directors – Davide Caloni, GM- Finance and Michael Jefferies, GM – Property, of the Quayside Group. Through the investment activity and commercial returns, the Quayside Real Asset Subsidiaries contribute to the performance targets of the Group.

Quayside Barnett Place Limited owns a commercial building for commercial return at Barnett Place, Te Rapa, Hamilton.

QUAYSIDE BARNETT PLACE	2025 ('000)	2026 ('000)	2027 ('000)
Income before tax	\$ 130	\$133	\$136
Assets	\$8,000	\$8,200	\$8,385
Liabilities	\$5,400	\$5,400	\$5,400
Shareholder funds	\$2,600	\$ 2,800	\$2,985
Consolidated Shareholder funds/ total assets ratio	33%	34%	36%
Distribution to Quayside	\$104	\$107	\$109
Estimated commercial value of Quayside investment	\$2,600	\$2,800	\$2,985

Quayside Portside Drive Limited owns an industrial building for commercial return in Mount Maunganui.

QUAYSIDE PORTSIDE DRIVE	2025 ('000)	2026 ('000)	2027 ('000)
Income before tax	\$190	\$195	\$199
Assets	\$14,597	\$14,962	\$15,299
Liabilities	\$8,989	\$8,989	\$8,989
Shareholder funds	\$5,608	\$5,973	\$6,310
Consolidated Shareholder funds/ total assets ratio	38%	40%	41%
Distribution to Quayside	\$152	\$156	\$159
Estimated commercial value of Quayside investment	\$5,608	\$5,973	\$6,310

Quayside Tauriko Limited owns land and buildings in Tauriko, Tauranga at the request of Council for Council's strategic purposes.

QUAYSIDE TAURIKO	2025 ('000)	2026 ('000)	2027 ('000)
Income before tax	\$8	\$8	\$8
Assets	\$1,782	\$1,827	\$1,868
Liabilities	-	-	-
Shareholder funds	\$1,782	\$1,827	\$1,868
Consolidated Shareholder funds/ total assets ratio	100%	100%	100%
Distribution to Quayside	0	0	0
Estimated commercial value of Quayside investment	\$1,782	\$1,827	\$1,868

Quayside The Vault Limited owns a commercial office building for commercial return in Spring St, Tauranga.

QUAYSIDE THE VAULT	2025 ('000)	2026 ('000)	2027 ('000)
Income before tax	\$29	\$30	\$30
Assets	\$5,970	\$6,119	\$6,257
Liabilities	\$3,326	\$3,326	\$3,326
Shareholder funds	\$2,644	\$2,793	\$2,931
Consolidated Shareholder funds/ total assets ratio	44%	46%	47%
Distribution to Quayside	0	0	0
Estimated commercial value of Quayside investment	\$2,644	\$2,793	\$2,931

Quayside Te Papa Tipu Limited is the lessor of land and funder of a new commercial office building at Te Papa Tipu Innovation Park, Rotorua for Ministry of Primary Industries and Department of Conservation as long-term tenants.

QUAYSIDE TE PAPA TIPU	2025 ('000)	2026 ('000)	2027 ('000)
Income before tax	\$200	\$205	\$210
Assets	\$ 6,500	\$6,663	\$6,812
Liabilities	\$1,479	\$1,479	\$1,479
Shareholder funds	\$5,021	\$ 5,184	\$5,333
Consolidated Shareholder funds/ total assets ratio	77%	78%	78%
Distribution to Quayside	\$160	\$164	\$168
Estimated commercial value of Quayside investment	\$5,021	\$5,184	\$5,333

Natural Resources

Aqua Curo Limited

Aqua Curo Limited pursues opportunities in the aquaculture sector, primarily, the use of macroalgae for bioremediation purposes. Established 2018, it is wholly owned by QHL. Aqua Curo is in the process of being wound up and we anticipate this to be completed by the end of June 2024. Aqua Curo has a single Director, Quayside's Chief Investment Officer, Sam Newbury.

Huakiwi Services Limited and Huakiwi Developments Limited Partnership

Huakiwi is a partnership with Te Tumu Paeroa focussed on the development and betterment of Māori land through horticulture production. Huakiwi has established and planted 8 Zespri Gold, Green, and Red kiwifruit orchards to date across the Bay of Plenty. Quayside owns 50% of Huakiwi. A key priority for HSL is the sustainability of returns from existing kiwifruit orchards. The directors of Huakiwi are Bryan Grafas, Lyndon Settle, Christopher Rich and Ruth Russell. Through its investment activity commercial returns, Huakiwi contributes to the performance targets of the Group.

All directors of Huakiwi Services Limited have been selected for their specific expertise in line with the nature of the business and in accordance with the Quayside Group policy for appointment of directors to subsidiaries and investee companies. The Board meet quarterly and more often when required.

A Delegated Authority policy has been put in place to enable the management of the day-to-day activities of Huakiwi which was updated to reflect the new local management structure in November 2022. A Distribution Policy has been put in place to outline the approach the organisation will take towards the distribution of the Partnerships net earnings and the return of Committed Capital from realised assets during the investment period.

HUAKIWI	2025 ('000)	2026 ('000)	2027 ('000)
Income before tax	0	0	0
Assets	\$32,000	\$32,000	\$32,000
Liabilities	\$1,000	\$1,000	\$1,000
Shareholder funds	\$31,000	\$31,000	\$31,000
Consolidated Shareholder funds/ total assets ratio	97 %	97 %	97 %
Distribution to Quayside	\$0	\$0	\$0
Estimated commercial value of Quayside investment	\$15,500	\$15,500	\$15,500

HRL Property Limited (HRL)

HRL is 63% owned by QHL and the remaining 37% owned by the TM & BP McCashin Family Trust. It owns a property in Tasman District for hop production. The directors are Sam Newbury and Andrew Lette. This property is part of the private equity investments of Quayside. Through the investment activity and commercial returns, HRL contributes to the performance targets of the Group.

HRL PROPERTY	2025 ('000)	2026 ('000)	2027 ('000)
Income before tax	\$0	\$0	0
Assets	\$6,380	\$6,570	\$6,770
Liabilities	\$2,500	\$2,500	\$2,500
Shareholder funds	\$3,900	\$4,070	\$4,270
Consolidated Shareholder funds/ total assets ratio	0.60	0.63	0.63
Distribution to Quayside	0	0	0
Estimated commercial value of Quayside investment	\$2,220	\$2,340	\$2,770

The performance targets of the subsidiaries are that of the Group. These subsidiary entities have been created as ownership vehicles for particular investment assets that work together as part of the Quayside Group to deliver a shared purpose and objectives of Quayside as set out in this statement of intent.

Contact information

Quayside Group

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Chief Executive	Lyndon Settle