ANNUAL REPORT 2026

Quayside Holdings Limited

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Invested in Our Future | Mauri Ora Roa

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2026 HIGHLIGHTS

$54.2m

TOTAL 2026 DIVIDEND

Comprised of a forecast dividend of $48m and a Special dividend of $6.2m was paid to Council in June 2026. Investment returns enable a dividend to the Bay of Plenty Regional Council in 2026.

12.9%% increase from 2025

$405

AVERAGE RATES REDUCTION

Quayside impact on Bay of Plenty ratepayers 2025/26. Dividend reduces the average general rates paid by 34% per rateable unit.

$25K

VALUE PER RATEPAYER

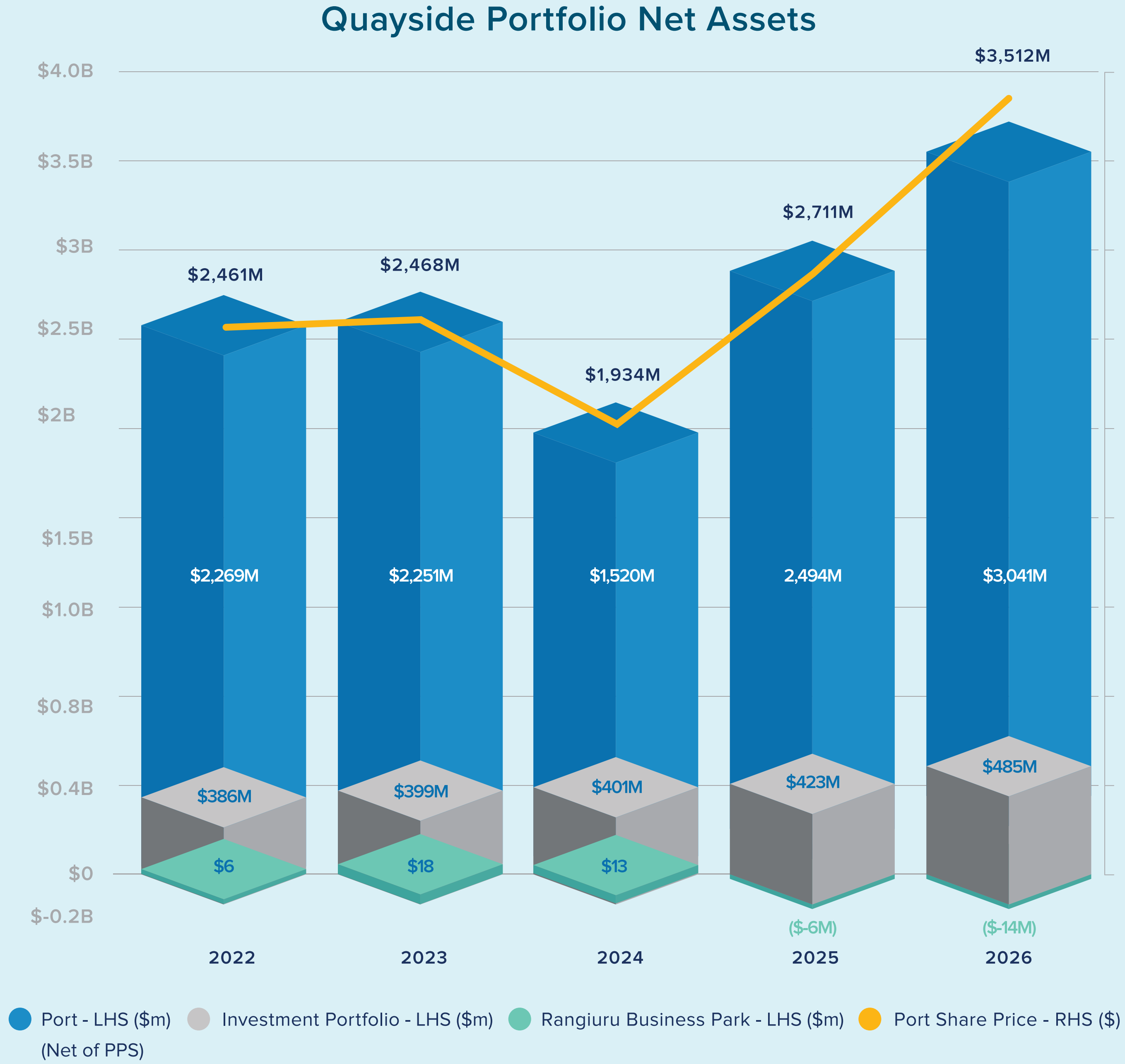
Quayside manages a $3.5 billion fund on behalf of the Bay of Plenty Regional Council, with the community as the ultimate beneficiaries — equating to around $25,699 in value per ratepayer.

$575.8m

TOTAL DIVIDENDS

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

[1] Data source: Bay of Plenty Regional Council



$3.9b TOTAL ASSETS

RECORD PROFIT

25% Total Asset Growth

QUAYSIDE PORTFOLIO

AT 30 JUNE 2026

Port of Tauranga	Investment Portfolio	Rangiuru Business Park
Gross Assets: **$3,268m**	Gross Assets: **$525m**	Gross Assets: **$128m**
Net Assets: **$3,041m**	Net Assets: **$485m**	Net Assets: **$(14)m**

Investment Portfolio Net Asset annualised

14.3% 1 year return

7.8% 3 year rolling return

5.4% 5 year rolling return

After fees, taxes and internal cost allocation.

PORT OF TAURANGA SHAREHOLDING

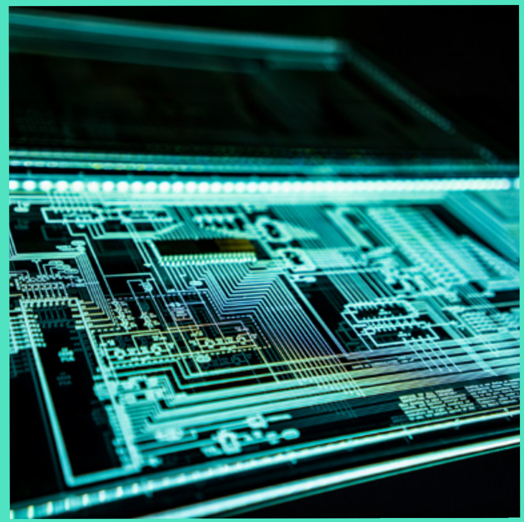
TOTAL SHAREHOLDER RETURN 32.85%

Port of Tauranga delivered a Total Shareholder Return (TSR) of 32.85%, driven by share price appreciation to $8.9 (at 30 June 2026) and the semi-annual distribution.

INVESTMENT PORTFOLIO

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.



55.7% Return on Investment on Global Equities

8.2% Return on Investment on NZ Equities

5.6% Annual return on NZ Fixed Interest

1.8% Annual return on Global Fixed Interest

All gross figures, after fees and taxes.

RANGIURU BUSINESS PARK

9.71HA SOLD

FIRST CULTURAL LANDMARKS

The first cultural landmarks and artworks established within the Business Park, reinforcing identity, pride and an ongoing commitment to Tapuika who are mana whenua.

BIODIVERSITY THRIVES

Native and endangered birdlife return to Te Haukōpūpū wetland

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 commercial 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 ("Port"), valued at $3.5 billion as at 30 June 2026. Quayside's objective in relation to its investment in the Port is to be a responsible steward and shareholder, delivering long-term value to the Bay of Plenty region into perpetuity. This is achieved through active ownership, robust governance oversight, and the appointment of directors, while maintaining and ensuring the Port's operational independence.

Quayside Board: Keiran Horne, Stuart Crosby, Fraser Whineray, Mark Wynne, Anna Grayling, David Fear, 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 and including Quayside's Perpetual Preference Shares ("PPS") obligations. This portfolio's performance is measured by Total Shareholder Return.

Investment Portfolio:

A diversified, intergenerational investment fund made up of private equity, real estate, listed securities, cash & fixed income investments. Performance is assessed using a rolling return.

Rangiuru Business Park:

Defined as a regional benefit asset that contributes to the Bay of Plenty across economic, environmental and social outcomes, and is not expected to meet Quayside's standard investment hurdle rate.

OUR MANDATE

Quayside is the steward of an intergenerational, diversified investment fund, focused on preserving and growing its capital base to deliver a stable and enduring dividend that supports the prosperity of the Bay of Plenty for current and future generations.

When Quayside was established in 1991, its mandate was to act as custodian of the Bay of Plenty Regional Council's majority shareholding in the Port of Tauranga. Starting with a 55 per cent stake valued at $53 million, more than three decades of disciplined investment, Port stewardship and portfolio management have driven significant growth, enabling Quayside to diversify its investment portfolio while continuing to grow long-term value for the region.

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 derived 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 returns.

Financial transparency is a key priority for Quayside, which reports quarterly to Council and biannually to its Perpetual Preference Shareholders via the NZX. This commitment supports Quayside's purpose of delivering sustainable long-term value and prosperity for the Bay of Plenty.

OUR VISION

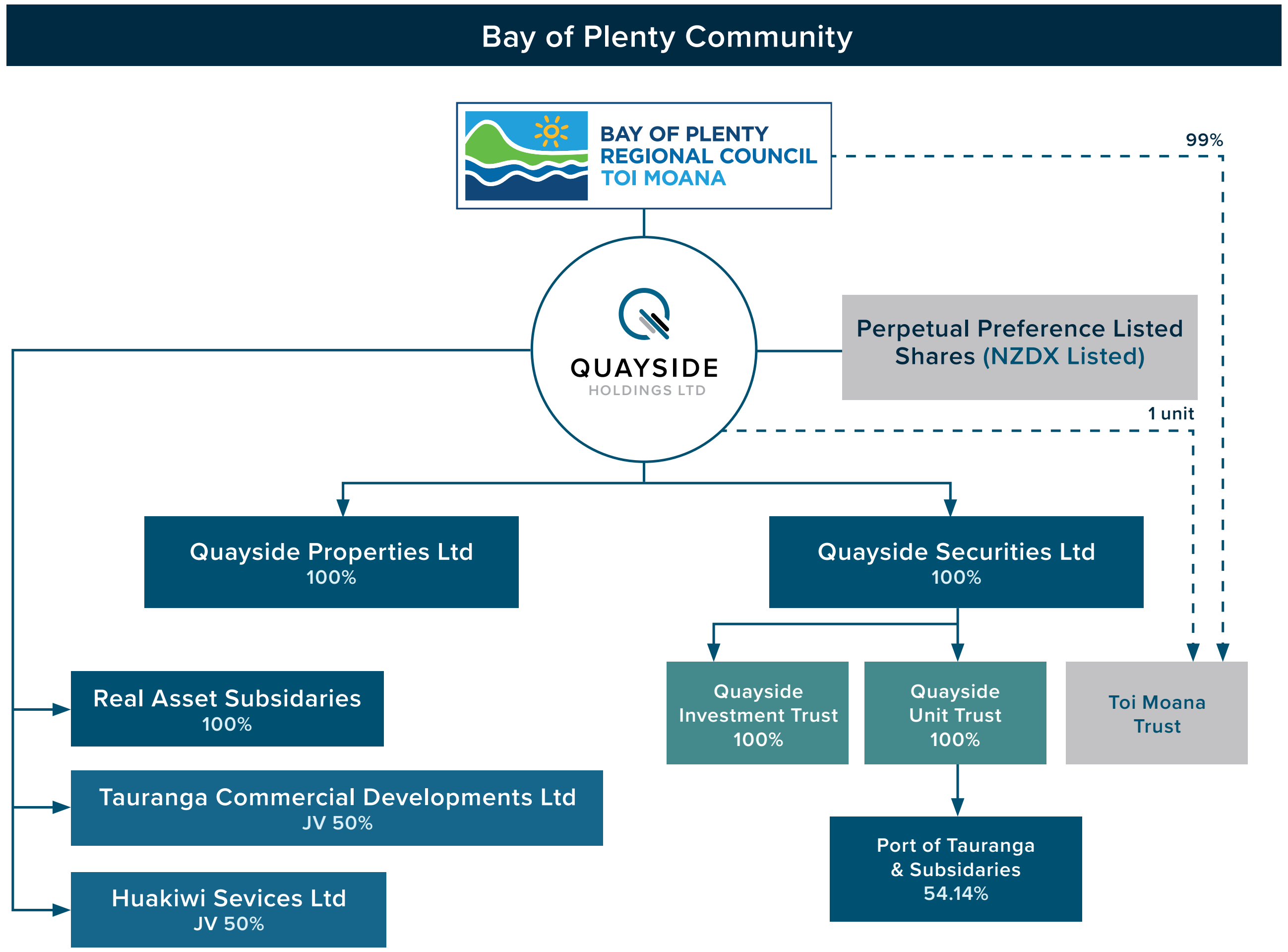
Invested in Our Future | **Mauri Ora Roa**

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 past the generation of today, to provide a resilient dividend for our shareholder for the betterment of our region and its people.

GROUP STRUCTURE



MARK WYNNE
Chair

LYNDON SETTLE
Chief Executive Officer

CHAIR AND CEO REPORT

Quayside faced real pressure this year, on our mandate, our portfolio, and our governance. Geopolitical uncertainty, local government reform, a strained national economy, a tight property market, and the Bay of Plenty Regional Council's Long Term Plan Amendment all made for a difficult operating environment.

At the same time, it brought renewed attention to the scale and importance of the fund we steward. The Bay of Plenty holds an asset many regions envy. That comes with responsibility: protect it, grow it, and make sure it keeps delivering for our region.

Quayside's mandate as stewards of a commercially focused, intergenerational, diversified fund anchored us this year. Our job is to preserve and grow the fund's real capital base while delivering a stable, enduring dividend for the Bay of Plenty. It means thinking beyond short-term cycles, balancing today's distribution needs against the responsibility to protect capital for future generations, and managing complexity, risk, cost, and opportunity across the portfolio with discipline.

A big focus this year was strengthening the systems that support long-term decision-making. The Reference Portfolio continued to bed in, and improved reporting now gives us a clearer view of performance, risk, and strategic alignment. We also established new Treasury and Distribution policies, for a more consistent and transparent approach to managing the fund.

The Distribution Policy connects closely to our Treasury Policy and Statement of Investment Policy and Objectives, supporting a sustainable, growing distribution to our shareholder while protecting the fund's intergenerational nature. We explain how distribution levels are determined later in this report. This year, Quayside delivered a total distribution of $54.2 million to Council, including a $6.2 million special dividend, whilst also servicing the Perpetual Preference Share of $9.0m and associated costs on behalf of Council.

Cost discipline mattered too. We commissioned an independent review of our Cost to Serve and Total Expense Ratio, providing a fuller view of both Quayside's direct operating costs and the fees embedded within externally managed investments. The review confirmed that the Investment Portfolio's overall cost structure was in line with market expectations for its strategy and complexity. That's a good result, but not a reason to ease off. As the portfolio evolves, we'll keep reporting for transparency, accountability, and to ensure the costs stay proportionate to the value created and the responsibilities carried.

The Port of Tauranga remains an exceptional asset at the heart of Quayside's portfolio. Its strategic infrastructure, market position, strong governance and long-term growth outlook continue to support value creation for both Quayside and the Bay of Plenty. This year, we deepened engagement with the Port, at both governance and management levels, reflecting our role as an active shareholder.

Work also continued on a potential partial divestment of our Port of Tauranga shareholding. Reducing the concentration risk associated with the Port of Tauranga shareholding remains an important strategic objective. A future transaction will be carefully timed to optimise long-term value for the fund and its beneficiaries. By realising and reinvesting the proceeds into a diversified portfolio, Quayside will improve the resilience and sustainability of the intergenerational benefits for the Bay of Plenty community.

The Port continued to demonstrate the value of this approach during FY26. Quayside's 54.14% shareholding delivered a Total Shareholder Return of 32.85%, generated approximately $65 million of dividend income and increased in value by approximately $759m million during the year. With the shareholding valued at approximately $3.3 billion at 30 June 2026, these outcomes reinforce the importance of taking a disciplined and patient approach in our divestment process, ensuring value is created for both current and future beneficiaries of the fund.

Across the Investment Portfolio, it was a strong year. The portfolio delivered significant gains, with a 14.3% 1 year return driven largely by gains in global equities and domestic equities.

There were also important developments in private markets. As a cornerstone investor in PF Olsen, we were delighted to support the merger with Forest360 this year, alongside Adamantem Capital's Environmental Opportunities Fund. The combined business, now operating as Stand, brings together more than 75 years of experience, 200 forestry professionals, and around 480,000 hectares of forestry under management across New Zealand and Australia.

Quayside's investment in Tauranga Crossing also continued to add value to both the portfolio and the region, with the successful completion of the Stage 3 extension. The project, representing a total investment by the Crossing of approximately $55.6 million including land, was delivered on time and within budget. The development secured Farmers as a new anchor tenant, expanded the centre's retail offering and increased the centres value by approximately $78 million upon completion.

Rangiuru Business Park also continued to make progress in a challenging market. Sales interest remained steady, with circa 10 hectares now sold to businesses across horticulture and manufacturing. Development momentum continued, too. The motorway interchange and internal roads for Stage 1 are complete, and construction of future-stage roading is underway. The first vertical builds have commenced and represent substantial investment by third parties into the Park.

The development is delivering ecological outcomes too. Native wetland bird sightings at the park point to progress beyond the commercial, reflecting the wider outcomes we're pursuing there. This initiative has also delivered substantial infrastructural resilience to the park as proven after several weather events over the past 12 months.

We delivered all of this against a backdrop of real disruption. The Bay of Plenty Regional Council's Long Term Plan Amendment consultation required significant time and resource from both management and governance, while central government's local government reforms brought Quayside further into the spotlight and increased visibility across the wider region. Together, they've drawn attention to ownership, governance, structure, how the fund is used, and how it's protected. The full impacts are still emerging, but one thing is clear: there's strong regional and national support for preserving the fund and its ability to deliver benefits to the Bay of Plenty community for future generations into perpetuity.

Through all of this, the role of Quayside's people has been critical. He tangata, he tangata, he tangata. It is the people, it is the people, it is the people.

It's been a demanding year, and at times an uncertain one. What's stood out is the commitment of a small, multidisciplinary team that cares deeply about the fund they steward, the region they live in, and the impact their work can have long term.

That sense of responsibility matters. Quayside's work isn't only about investment returns or annual distributions. It's about the discipline, capability, and judgment needed to protect a regional asset of significant scale, and about making decisions today that leave future decision-makers with more options, not fewer.

As we look ahead, Quayside remains focused on its core priorities: protecting the pūtea, maintaining active ownership of key assets, strengthening portfolio resilience, and delivering sustainable value for the Bay of Plenty.

The environment will keep shifting. Reform, market cycles, and public expectations will keep testing the settings that guide the fund. Our job is to stay clear on our mandate, disciplined in our decisions, and focused on the long-term benefit this fund exists to provide. That's the work ahead that Quayside was built to do.

SUMMARY OF GROUP PERFORMANCE

It's been an exemplary year for the Quayside Group. Total assets grew by 24.9% during FY26, increasing to $3.9 billion at 30 June 2026 across Quayside's three portfolios: the Port of Tauranga shareholding, the diversified Investment Portfolio, and Rangiuru Business Park. In doing so, Quayside continued to deliver on its intergenerational mandate, growing regional wealth, strengthening the fund's long-term resilience, and returning $54.2 million to Bay of Plenty Regional Council.

The Port of Tauranga remained Quayside's largest investment and principal source of the Council dividend. Quayside's 54.14% shareholding delivered a Total Shareholder Return of 32.85% during the year, supported by both share price appreciation and dividend income. The investment continues to provide a strong foundation for the Group while supporting New Zealand's trade infrastructure, supply chain resilience and economic prosperity. It also remains a strategically important regional asset for the Bay of Plenty. Any future partial divestment directly relates to reducing concentration risk and building a more diversified portfolio that is positioned for future growth and prosperity. Quayside intends to remain an active shareholder and steward of the Port for many years to come.

The Investment Portfolio also delivered a strong result, generating a 14.3% one-year return after fees, taxes and internal cost allocation. Performance was driven by gains across listed equities, real assets and property investments, reflecting the benefits of diversification and the portfolio's increasing scale. The portfolio continues to play an important role in supporting future distributions while reducing long-term concentration risk within the Group.

Rangiuru Business Park progressed from infrastructure delivery to active development during the year. Key transport and utility infrastructure is now in place, land sales continued, and the first vertical construction projects commenced. While the Business Park is not expected to deliver returns consistent with Quayside's commercial investment hurdle rates, it continues to provide broader economic, environmental, cultural and social benefits for the Bay of Plenty region.

Cost discipline remained an important focus during the year. Quayside commissioned an independent review of its Cost to Serve and Total Expense Ratio, providing greater transparency over direct operating costs and the underlying investment management costs embedded within externally managed funds. The review confirmed that the Investment Portfolio's overall cost structure is aligned with the market for a portfolio of its scale, complexity and diversification objectives at 1.10%.

The Group delivered a total dividend of $54.2 million to the Bay of Plenty Regional Council during FY26, including a special dividend of $6.2 million. Since inception, Quayside has returned more than $575 million to Council, supporting regional investment and reducing pressure on rates while continuing to grow the underlying capital base for future generations.

Against a backdrop of local government reform, market volatility and ongoing economic uncertainty, Quayside remained focused on its core objective: preserving and growing an intergenerational fund capable of delivering sustainable long-term returns and enduring benefits for the Bay of Plenty community.

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

A CONVERSATION WITH THE BOARD CHAIR

Protecting capital. Growing value. Acting intergenerationally.

After three years of sharper mandate, clearer strategy and more active ownership, Quayside Board Chair Mark Wynne reflects on what it takes to govern a fund built for both today's communities and future generations.

A unique role and what matters most

Ask Mark to describe the role of a Chair, and there's no corporate jargon. "It's like a super-charged director… often described as a dual role". Beyond the standard fiduciary, audit and risk obligations, he sees the real value of the role sitting in four places.

Firstly, ensuring the Board stays on strategy and does not dive into management. Taking a "nose in, fingers out" approach. Next is the ability to draw people out around the board table, ensuring every voice is heard, not just the loudest. "When it gets to a point where it's dominated by one or two, then you're missing out on value and the power of diversity."

Thirdly, a genuine emphasis on stakeholder engagement and relationship building, particularly with Quayside's shareholder and wider network of partners and stakeholders across the portfolio, including the Port of Tauranga, investments and Rangiuru Business Park.

Finally, building a strong relationship with the Chief Executive. "The CE role can be a lonely one. All of management is looking to you, but who does the CE talk to? It is a special relationship and takes time to build trust and confidence, but it's also critical as a foundation for a high-performing team".

The value of independence

Quayside's structure as an investment organisation with a unique civic parentage shapes what it looks for in its independent directors. "The independent directors are brought in for their specialist skills, in terms of investment, commercial and large company management," Mark explains, while council directors play an equally vital role in tabling "the shareholder and owner's desires, direction of travel, priorities and issues." It's a structure he finds dynamic: "It's really quite a unique company, being council-owned and a commercial investment company. So it's quite an exciting and challenging role for an independent."

Governing within a CCTO

Having spent much of his career in cooperatives, Mark is well acquainted with the friction that can occur between elected and appointed governance. When asked how the public ownership structure has impacted the way he governs, he replies, "There is an inherent tension for elected members between receiving benefits today, whether through dividends, rebates, or other returns, and maintaining a long-term strategy that creates greater value over time. And ultimately, it comes down to getting clarity of mandate. When the owner is clear about what they really want from the investment, the rest can follow."

That clarity becomes especially critical when markets turn. "The discipline of the market is a much fiercer teacher than perhaps a discussion with your owner," he says. "Markets are volatile, and when they go down, that's when the pressure is really on to be able to deliver for today, let alone protect for tomorrow." It's this thinking that has driven eighteen months of work tightening Quayside's SIPO, strategic asset allocation, distributions policy and treasury policy, all connected so that when conditions turn difficult, there's a clear process to follow. As Mark puts it: "It cannot be just the loudest shouting person in the room or the biggest opinion. It has to be policy-driven."

A portfolio diversifying

Roughly 80% of Quayside's portfolio sits in its majority shareholding of the Port of Tauranga, a concentration Mark doesn't shy away from discussing. Best-practice portfolio management points firmly toward diversification, he says, acknowledging New Zealand Superannuation Fund, ACC, and offshore endowment funds as examples of the direction of travel. The Bay of Plenty Regional Council approved a managed sell-down to a floor of 28%, with timing at Quayside's discretion. "We are taking our time and ensuring we're not leaving value on the table."

Should a sell-down go ahead, proceeds would flow back across the portfolio within Quayside's pre-set strategic asset allocation bands, with regional investment being weighed on its merits, not sentiment.

Three years of transformation

Mark points to several major changes during his tenure: a clearer mandate, a simpler portfolio and strategy, performance benchmarking, and a more active ownership approach.

On simplification, he says much of the legacy portfolio consumed significant management time for limited value. Smaller holdings were divested, and the business was reorganised into three portfolios: the Port of Tauranga shareholding, the Investment Portfolio, and Rangiuru Business Park. Time, costs and debt were allocated to each to improve transparency and accountability. Performance is now measured against a Reference Portfolio (a low-cost alternative) and a Strategic Asset Allocation (an enhanced active portfolio providing improved risk and return benefits).

The third shift was becoming a more active investor. "There is a big difference between being active, rather than an activist." With the Port of Tauranga, this has meant deeper engagement with management and governance, building mutual understanding of aspirations, challenges and opportunities while working within NZX disclosure obligations.

The same approach has been adopted across the Investment Portfolio, with investment partners presenting to the Investment Committee and Board. "It's real people talking to real people. The performance, opportunities and concerns are shared as we try to drive value together."

The same ethos applies at Rangiuru Business Park. Mark notes, "We've got the biggest man-made wetland in New Zealand, land sales are going well in a tough market, and the first vertical build has commenced."

Insourcing, cost to serve, and discipline

Quayside currently keeps its investment function in-house, a model Mark believes is justified by its scale and its focus on the region. "If you have the scale to add more value in-house, then that's the right model. That's where Quayside is today, and I think it's the right call." But he sees it as a question that should be tested continuously to ensure it's the right fit for the strategy being deployed.

For now, the numbers support the approach. The Investment Portfolio returned 14.3% this year. The Port typically delivers a dividend yield of 2% to 3%, although Mark notes both dividends and long term capital growth have always driven the Port's value. If a partial divestment goes ahead, proceeds would be reinvested into the Investment Portfolio, increasing the scale and cost effectiveness of Quayside's operating model.

Risks and opportunities on the horizon

When asked about the next five to ten years, Mark doesn't understate the uncertainty. "There is a risk around what happens as a result of the local government reforms, but throughout it's important that the capital base is protected and grows (at a minimum) of inflation plus some, so that the future generations can enjoy the dividends in perpetuity. The elected members, whatever that looks like post-government and local government reforms, can decide how to spend those dividends. That's not Quayside's role."

But the opportunities, in his view, outweigh the risks. "The opportunities in front of Quayside are enormous as we diversify the portfolio and continue to evolve and improve the operating model." We want to give Council that opportunity, and the only way we can do that for future generations is by protecting the capital through these changes."

The secret sauce

"Quayside is blessed with really, really good people,"

he says, crediting the organisation's uniqueness and the opportunity to truly make a difference to the people of the Bay of Plenty as being two main drawcards for employee and governance attraction.

"You need smart, passionate, committed, honest, high-value people driving the performance. It is the same at the governance table, but extremely important at the management level. So far, we've been able to attract that talent within the Bay. The people are our secret sauce, and that's something that's got to be nurtured forever."

PORT OF TAURANGA

Building capacity for New Zealand's future

The Port of Tauranga is currently the largest investment in Quayside's portfolio, comprising 80% of the total portfolio. Even following a sell-down, Quayside will retain a substantial shareholding and remain a major long-term investor in the Port. It is also one of New Zealand's most important pieces of economic infrastructure and one of regional significance for the Bay of Plenty. Every day, the Port connects New Zealand producers to international markets, supports the flow of essential imports, and is foundational to the resilience of our national supply chain.

As trade patterns evolve and freight networks become increasingly interconnected, the Port's future value lies in its ability to strengthen New Zealand's entire logistics system. Through investment in capacity, technology, environmental performance and supply chain integration, the Port of Tauranga is positioning itself to support New Zealand's economic growth for decades to come.

The impact on NZ Inc.

Often referred to as NZ Inc., New Zealand's economy relies on a connected system of exporters, producers, freight operators, infrastructure assets and global trade networks working together to move goods to international markets. Port of Tauranga is a vital part of that system. As New Zealand's largest port, it helps connect businesses across the country with the world, supporting trade competitiveness, supply chain resilience and economic activity far beyond the Bay of Plenty.

Through long-term partnerships with major exporters and freight operators such as Kotahi, products from across the country are consolidated and connected to international markets efficiently and reliably. Kotahi represents Fonterra, Silver Fern Farms and more than 50 primary sector exporters, together accounting for approximately one-third of New Zealand's containerised exports.

The kiwifruit industry provides another example of the Port's contribution to NZ Inc. Zespri recently launched its 2035 strategy, which is focused on growing international demand, strengthening supply chain resilience and expanding market presence around the world. Achieving these ambitions relies on a trade network capable of moving increasing volumes of high-value exports efficiently and reliably.

Port of Tauranga Supporting NZ Inc.

31%
of New Zealand cargo by volume

38%
of New Zealand container trade

49%
of New Zealand exports by value

17%
of New Zealand imports by value

The Future of Port of Tauranga

As trade volumes grow and supply chains evolve, Port of Tauranga is positioning itself for the next chapter of New Zealand's trade future. Infrastructure investment, expanded shipping capacity, and networks are designed to strengthen the Port's role as a nationally significant freight hub, creating the foundations for greater resilience, efficiency and long-term economic growth.

As New Zealand's largest freight gateway, investment in additional berth capacity is not simply a Port initiative. It is a response to growing pressure across the national supply chain and the need to support future export growth, trade resilience and international connectivity.

Stella Passage: enabling capacity & trade

Stella Passage is a key component that has the ability to unlock greater capacity and value. The project proposes extending the Sulphur Point container berth by 385 metres and the Mount Maunganui wharves by 315 metres within the Port's existing footprint, alongside associated reclamation and dredging works.

The need for additional capacity is immediate. Existing berth constraints are increasingly limiting the Port's ability to accommodate additional shipping services & efficiently support future growth in trade volumes. Stella Passage provides the critical link between today's limitations and tomorrow's opportunities.

The project also aligns with broader investments aimed at enhancing productivity throughout the supply chain. Stage 2 would deepen and widen shipping channels within Te Awanui Tauranga Harbour, enabling access for larger vessels such as the next generation of Post-Panamax container vessels.

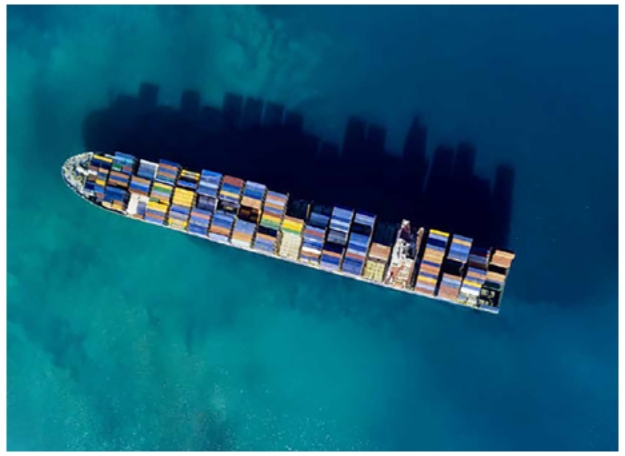
The development would help position New Zealand's freight network to accommodate larger vessels over time, supporting greater shipping efficiency, improved connectivity to key export markets and lower emissions per unit of freight transported.

Hub and Spoke Model

Industry trends also point towards an emerging hub-and-spoke model across Oceania. Under this approach, a small number of major international container terminals would be supported by regional feeder ports connected through coastal shipping and inland freight networks. Many industry participants view this evolution as a natural response to growing trade volumes, emissions reduction requirements and changing shipping economics.

Port of Tauranga is uniquely positioned to play a leading role in this transition. Its deep-water capability, inland freight infrastructure, rail connectivity and national logistics network provide a strong foundation to support larger vessels, increased transhipment volumes and greater supply chain resilience. Additional capacity also provides operational flexibility and resilience, helping accommodate fluctuations in trade volumes, vessel schedules and future freight demand

Stella Passage is viewed by many industry participants as important enabler of this evolution, helping ensure New Zealand's freight network can accommodate changing vessel deployment patterns while supporting greater use of inland freight hubs and coastal shipping connections.




Quayside Board and Executive visit Ruakura Inland Port.

Building a Network

The Port is building a network rather than simply expanding a port. Investments such as MetroPort Auckland, Ruakura Inland Port, Timaru and Northport support a long-term strategy focused on integrating regional freight movements into a more efficient national system. Ruakura Inland Port, developed in partnership with Tainui Group Holdings, has become a significant inland freight hub since opening in 2023 and illustrates how inland terminals can support growth while reducing pressure on traditional port infrastructure.

Northport further strengthens optionality within the Upper North Island freight network, creating opportunities to support future trade growth through improved collaboration and investment across multiple locations.

Growing value beyond financial returns

In April 2026, the Port completed a new stormwater treatment facility at the Mount Maunganui wharves. The system includes a one-million-litre storage tank designed to capture and treat runoff from the log yard before it enters Te Awanui Tauranga Harbour. Using first-flush capture technology, real-time monitoring systems and high-capacity pumping infrastructure, the facility is specifically designed to improve stormwater quality in a complex port environment.

The Port is investing in fully electric automated stacking cranes, which are expected to double the current container throughput, improve workplace safety and reduce carbon emissions by approximately 75% compared with a traditional straddle carrier operation. Also supporting the reduction in the Port's Scope 1 emissions. Many of these productivity and emissions-reduction initiatives are interconnected, with additional berth capacity providing the platform for future terminal automation and more efficient cargo handling.

Digital twin technologies continue to advance terminal emulation and provide operational gains. Automated planning strategies now manage a growing proportion of yard operations, while targeted optimisation has reduced the number of refrigerated container rehandling movements - supporting greater productivity, reduced fuel use and more efficient use of existing infrastructure.

32.85%
TOTAL SHAREHOLDER RETURN

Port of Tauranga delivered a Total Shareholder Return (TSR) of 32.85%, driven by share price appreciation to $8.9 (at 30 June 2026) and the semi-annual distribution.

A TOTAL ORDINARY DIVIDEND OF
20.5
cents per share has been declared by the Port compared to 16.7 cents per share in 2025, which is a 22.8% increase.

FINANCIAL PERFORMANCE

- TEUs increased by 0.4% to 1,213,494
- Total trade decreased 3.0% to 24.560 million tonnes
- Ship visits increased 0.2% to 1,445
- Health & Safety: Total Recordable Incident Frequency Rate (TRIFR) decreased to 3.9 per million hours worked for the Port of Tauranga, and 21.9 per million hours worked for Port of Tauranga and contractors combined, an increase on 2025.

Trading Performance and Market Confidence

Financially, the Port delivered a strong result, with Group Net Profit After Tax reaching $156.1 million for the year ended 30 June 2026. Revenue increased to $486.5 million, up 4.7% on the prior year. Investor confidence remains high, with the Port continuing to trade at a premium to its sector peers, reflecting its strong fundamentals, strategic positioning and disciplined capital management.

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.

INVESTMENT PORTFOLIO HIGHLIGHTS

It was a strong year for Quayside's Investment Portfolio. Listed equities, as well as real assets, drove returns, and real estate values recovered. We continued to build a more diversified and resilient portfolio for the years ahead.

Global markets had real momentum, especially in sectors tied to artificial intelligence and digital infrastructure. But it wasn't a smooth ride. Geopolitical shocks, trade tensions and shifting interest rate expectations kept volatility high throughout the year.

Real Assets and Real Estate also turned a corner. Investor confidence improved, interest rates eased, and cap rates (the rate of return expected on a property investment, based on its income) began to firm, lifting values across our well-located, well-leased assets. Real Assets, which is predominantly exposure into the kiwifruit sector, provided strong financial results on the back of another strong kiwifruit season.

Over the year, we continued broadening the base of the investment portfolio, adding global bonds and rebalancing during the year.

As an intergenerational investor, that's the point: generate strong returns, but build a portfolio that holds up through different market conditions. One that gives us a platform to keep growing.

Private Equity

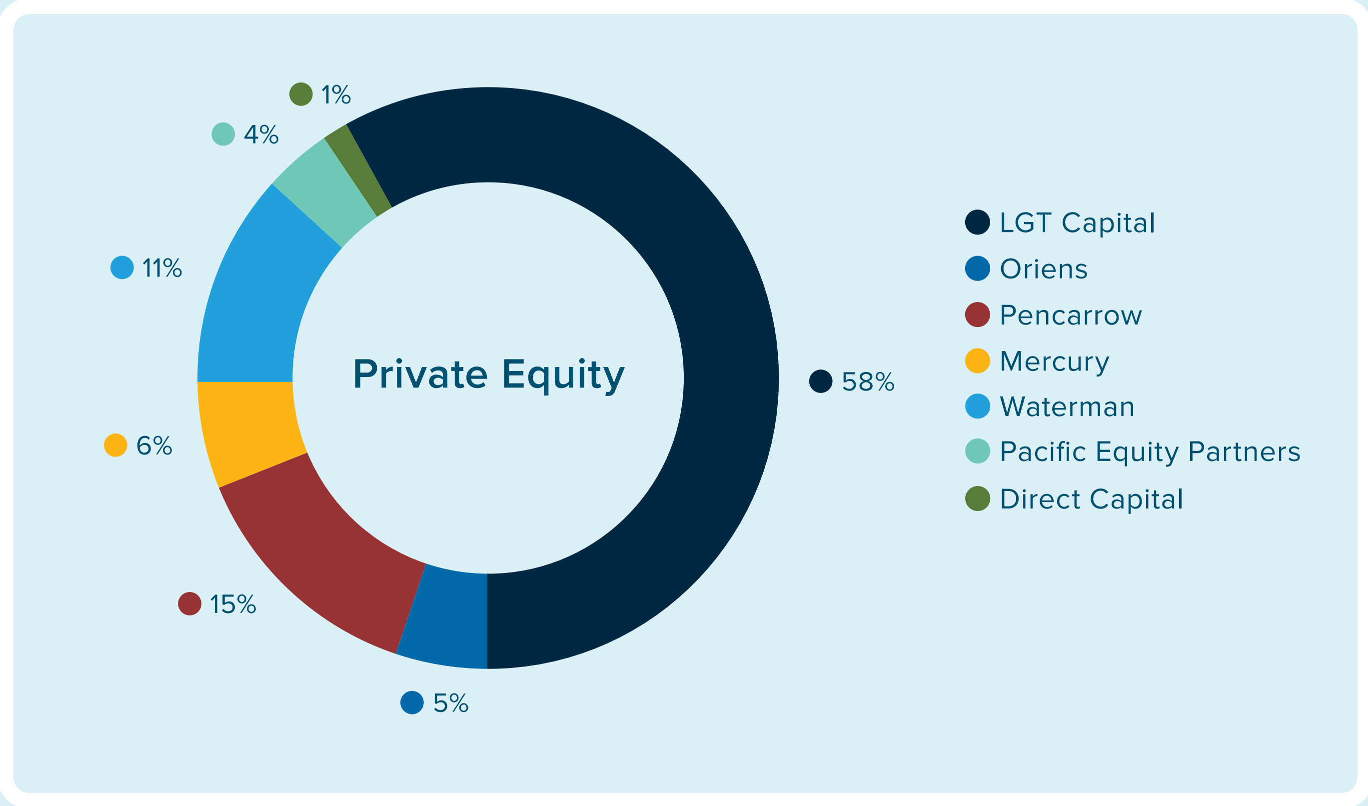
Private equity remains an important component of Quayside's portfolio. The asset class offers the potential for strong long-term value creation and provides diversification benefits through exposure to specialist managers and businesses whose performance is less reliant on public market movements. As a patient, long-term investor, Quayside believes the benefits of private equity are best realised over extended time horizons.

Quayside's managed Private Equity portfolio performed moderately over the period, and it was a slower year for realising returns. Whilst activity levels recovered over the period, liquidity pressures persisted, resulting in delayed timing of returns. This dynamic was reflective of market conditions rather than any weakening in the underlying companies, which generally continued to trade well.

The focus remains on taking a portfolio approach: partnering with high-quality managers, building a laddered vintage profile (investments made across different years to smooth out exposure to market cycles), and broadening geographic exposure over time. Quayside also continued to refine its Private Equity investment strategy during the year and undertook due diligence on Allegro Funds Ltd, which was added to the portfolio post balance date.

Some key activities that occurred with Quayside's managers in the year were:

- Waterman Capital, a key NZ-based PE manager for Quayside saw significant M&A activity for it's portfolio company New Zealand Clinical Research.
- Mercury Capital acquired a significant stake in leading financial services business Forsyth Barr.
- Another portfolio highlight was continued growth from Tend Health, a portfolio company in Pencarrow Private Equity. During the year, Tend committed to acquiring Green Cross Health's medical division, The Doctors. The transaction is expected to significantly expand Tend's patient base and strengthen its position in the primary health sector.
- PF Olsen and Forest360 merged during the year, in a transaction supported by Quayside as PF Olsen's cornerstone investor, alongside Adamantem Capital's Environmental Opportunities Fund. The merger created Australasia's largest independent forestry management company.



Listed Assets

Listed equities were a significant contributor to portfolio performance during FY26 supported by strong returns from both global and domestic equities. While investor attention remained focussed on artificial intelligence, semiconductors, data centres and digital infrastructure, the year was also characterised by increasing market concentration with a relatively small number of companies generating a disproportionate share of global equity returns.

At the same time, markets experienced significant volatility. Conflicts in the Middle East, ongoing trade tensions and uncertainty around global growth all affected investor sentiment during the year. Higher risk-free rates also affected bond prices during the period, with tariffs and geopolitical shocks also being contributing factors

Against this backdrop, Quayside continued implementing refinements to its listed equities strategy developed during late 2025. The review reflected a shift away from a thematic ETF approach towards a more direct portfolio construction framework, aligning capital with areas where earnings growth was most compelling. This included reducing exposure to Australian equities and increasing exposure to global opportunities,

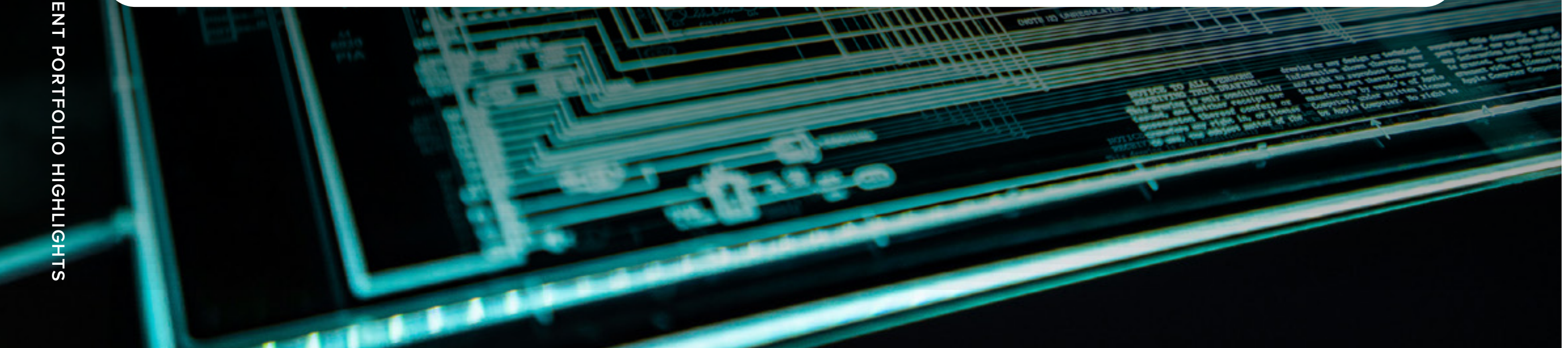
The revised strategy performed strongly during the year. The Global Equities portfolio was a standout contributor, delivering a return of 55.7% for the year compared with 28% for its benchmark.

Performance was led by holdings including Micron, Samsung and Taiwan Semiconductor, all of which benefited from growing demand for advanced semiconductor and data centre infrastructure. The results reflected both favourable market conditions and active investment decisions by the Quayside team.

Domestic equities also contributed positively despite a challenging economic backdrop. Higher interest rates and weaker economic conditions created challenges for households and businesses. However, the portfolio benefited from holdings in companies with resilient business models, strong balance sheets and attractive long-term growth prospects. In particular, Infratil was a significant contributor supported by strong operational performance and continued investment in digital infrastructure.

Fixed income also remained an important part of the portfolio. Higher interest rates provided more attractive income opportunities for fixed income investors than in recent years, while bonds continued to play a role in providing stability, income and diversification. During the year Quayside added global fixed income as a strategy, providing additional resilience and liquidity to the portfolio. This strategy is delivered by external managers to get access to deep global debt and credit markets, also supporting and enhancing the domestic exposure.

Asset Class	Return	Benchmark Return
Domestic Equities	8.2%	8.8%
Global Equities	55.7%	28%
NZ Fixed Interest	5.6%	5.5%
Global Fixed Interest	1.8%	1.7%



Property & Real Assets

Quayside's Property and Real Assets portfolio has endured a challenging market this year. The New Zealand commercial property market gradually recovered during the year, with easing interest rates and improving investor confidence supporting increased transaction activity, particularly for well-located and well-leased properties.

Tauranga Crossing reached a major milestone with the completion of Stage 3. This added Farmers as a second anchor tenant, alongside multiple key tenants. The asset maintained and grew value through its active development programme, reinforcing its role as a strong foundation within Quayside's portfolio and supporting the growth of one of the Bay of Plenty's key growth corridors.

Panorama Towers also delivered value gains over the financial year, supported by further leasing activity. The investment continues to show the benefits of Quayside's strategic partnership approach and its ability to work with high-quality partners to reposition assets into higher and better use.

Across the balance of the property portfolio, static assets remained steady, with progress continuing under Quayside's capital balancing and recycling programme. Key activities included the divestment of the Tauriko landholding to NZTA, supporting improved transport outcomes for the Bay of Plenty, and securing a major long-term lease with GEA at Portside Drive, strengthening income security within the portfolio. Quayside also completed the sale of its Fenton Street property in Rotorua, occupied by Bay of Plenty Regional Council, to Te Arawa Group Holdings, reflecting an ongoing desire for authentic and meaningful relationships with iwi partners.

Huakiwi enjoyed a strong year, supported by another positive kiwifruit season and continued operational improvements across its orchard portfolio. The business is now generating positive annual cashflow, with a cumulative $9.3 million distributed to the joint venture partners since inception, including 50% to Quayside through its ownership interest. Performance was underpinned by solid orchard yields, with SunGold production averaging 18,832 trays per hectare and green orchards returning to profitability following targeted management initiatives.

INVESTMENT PORTFOLIO HIGHLIGHTS

Key Performance Metrics:

Investment Portfolio Return

14.3% 1 year return

7.8% 3 year rolling return

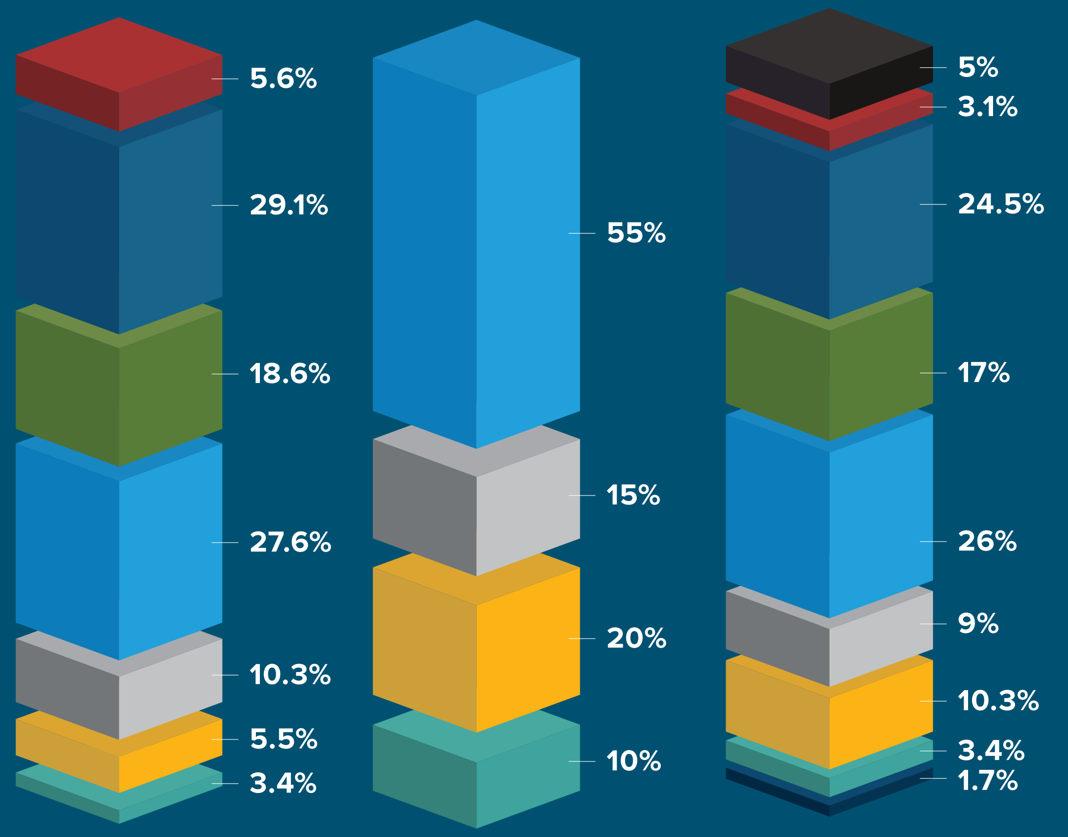
5.4% 5 year rolling return

Portfolio Valuation | **$484.9 million**

After fees and internal cost allocation.

Asset Allocation Comparison

(Net Assets)



Quayside Actual Portfolio (at 30 June 2026) | Reference Portfolio | Strategic Asset Allocation Portfolio

- Cash
- NZ Equities
- Private Equity
- NZ Fixed Income
- Global Equities
- Real Assets
- Global Fixed Income
- Real Estate
- Other Alts

The Quayside Portfolio shows how funds were invested at 30 June 2026. The Reference Portfolio is a simple model used to compare investment performance. The Strategic Asset Allocation Portfolio reflects Quayside's preferred long-term mix of investments, taking account of its objectives, risk profile and cash flow needs.

UNDERSTANDING THE TOTAL COST OF INVESTING

For the Bay of Plenty community, the important question is not just what Quayside costs to run, but whether those costs help protect and grow the regional investment fund that supports Council and helps reduce pressure on rates over time.

Two different measures help answer that question. Cost to Serve reflects the direct cost of running Quayside, including people, systems and governance.

However, this does not capture the full cost of managing the Investment Portfolio. Some investment costs are charged within externally managed funds and are deducted before investment returns are reported.

The Total Expense Ratio (TER) combines both Quayside's direct costs and these embedded investment costs to provide a more complete picture of the total cost of investing. As a result, TER is the more meaningful measure when assessing the efficiency of the Investment Portfolio and comparing costs against long-term investment performance.

For FY26, Quayside's Investment Portfolio TER was **1.10%**. This provides the Bay of Plenty community with greater transparency about the total cost of managing the fund and helps assess whether those costs are delivering value over time.

Cost to Serve | 0.49%

People, systems, governance and other direct operating costs

+

Embedded investment costs | 0.61%

External manager fees and costs deducted within investment returns

=

Total Expense Ratio | 1.10%

Total investment cost as a percentage of assets under

Cost is driven by the chosen investment strategy, not just overheads

STAND: GROWING NATURAL CAPITAL FOR LONG-TERM VALUE

Since acquiring PF Olsen in 2022, Quayside has viewed the business as a high-quality platform with strong market presence, deep industry relationships and significant long-term growth potential. From the outset, Quayside recognised that scale and strategic partnerships would be important to unlocking the full value of the investment and strengthening its position in a rapidly evolving forestry and natural capital sector.

The merger of PF Olsen and Forest360, supported by Adamantem Capital's Environmental Opportunities Fund, is the result of that strategy. The transaction transforms PF Olsen from a successful forestry services business into a larger, more capable platform with greater scale, enhanced governance, broader service offerings and improved access to growth capital.

The newly formed Stand is now Australasia's largest independent forestry management company, bringing together more than 75 years of experience, over 200 forestry professionals and approximately 480,000 hectares of forestry under management across New Zealand and Australia.

For Quayside, the merger is about creating long-term value from an investment we have backed with conviction since 2022. We believe the combination positions the business to capitalise on emerging opportunities across forestry, carbon markets and the broader natural capital sector, while building a more resilient platform capable of delivering sustainable growth over the long term.

PF Olsen and Forest360 merger

The merger of PF Olsen and Forest360 was announced in late 2025, supported by Adamantem Capital's Environmental Opportunities Fund, alongside Quayside as PF Olsen's cornerstone investor.

The transaction brought together two established New Zealand forestry businesses with complementary strengths. It created a single platform with deeper operational capability, a broader service offering and a stronger base from which to grow across New Zealand and Australia.

It also simplified PF Olsen's previous ownership structure, with over 90 shareholders, into a new co-owned structure with clearer governance, better aligned incentives and access to capital to support growth.

The transaction was recognised at the May 2026 INFINZ Awards, where the Forest360 and PF Olsen merger won the BDO Mid Market M&A Transaction of the Year. For Quayside, that recognition reflected the complexity of the transaction and the disciplined execution required to align strategic and financial objectives while protecting long-term investment interests.

Stand: growing natural capital for good

The June 2026 launch of Stand marked the point where the merger became visible as a single business, name and identity together. The name carries meaning. In forestry, a stand is a unit of trees. It also speaks to taking a position and standing for something. For Stand, that position is clear: forestry with purpose, growing natural capital for good.

The business positions itself as Australasia's most experienced and commercially astute forestry team, providing an integrated seed-to-sale consulting and management solution to investors, owners and managers of forestry assets. That proposition reflects a broader shift underway across the sector.

Forestry is no longer defined solely by harvest volumes and traditional forest management. Carbon, biodiversity, environmental resilience and responsible land use are becoming increasingly important drivers of value. As landowners and investors look to optimise the full potential of their assets, Stand is positioning itself at the centre of this transition, helping clients realise both financial and environmental outcomes from natural capital.

To do this, the business combines deep forestry expertise with advanced technology and an integrative stewardship approach. Across New Zealand and Australia, its people apply technical capability, commercial discipline and practical experience to ensure every hectare of land is optimised for its natural potential.

Combining two former competitors gives Stand more depth than either had alone: shared capability, people and culture within a single platform. For clients, that means continuity and confidence, along with access to a wider pool of expertise without losing local knowledge.

That breadth also helps the business through market cycles. Forestry continues to be influenced by fluctuating demand, freight costs, fuel prices and international market conditions. A broader base provides greater resilience while enabling continued investment in people, science, technology and innovation.

Carbon represents one of the most significant growth opportunities ahead. Stand is expanding its carbon consulting capability across New Zealand and Australia and has introduced a carbon joint venture model that enables farmers and landowners to partner with specialist Emissions Trading Scheme expertise. The business also sees growing opportunities across the wider natural capital landscape, where forestry, environmental stewardship and commercial outcomes increasingly intersect.

Aligned for the long term

For Quayside, the appeal is the alignment: commercial performance, environmental stewardship and a capital partner built for the transition to net zero. Adamantem's Environmental Opportunities Fund backs exactly that kind of growth. That fit is what makes the investment compelling.

PANORAMA TOWERS

As windows are installed and the new lift shaft bursts through the Tauranga CBD skyline, day-by-day we see Panorama Towers is set to redefine the area's commercial landscape with its 13-storey high-rise structure. A joint venture between Carrus Group, Watts Group Investments, and Quayside Holdings, the Panorama Towers building is scheduled for completion in late 2026, aligned with tenancy fit-outs and the building being fully operational in 2027.

The mixed-use development with the lower storeys and a basement dedicated to 330 car parks, including 200 publicly available spaces accessible from Harrington Street. Above the parking area, 7 levels of commercial and office space spanning approximately 9,000m^2 of net lettable area will be available, catering to a variety of businesses.

Panorama Towers anchor tenant, Asclepius Surgical, will provide a modern healthcare facility headed by internationally renowned local urologist Dr. Mark Fraundorfer. Occupying floors 6 to 12, the facility will provide a full range of surgical services, including radiology, urology, and oncology treatments for both private and public patients. Asclepius Surgical will offer six state-of-the-art operating theatres, two procedure suites, and 60 beds. It will address the critical shortage of surgical capacity in the Bay of Plenty region, providing much-needed relief to both the public and private healthcare sectors.

Under the joint venture partnership, the project has benefited from tens of millions of dollars of investment, countless hours of effort, and significant construction ingenuity. Together, these have transformed the building into a world-class medical facility that is expected to increase healthcare capacity across the Bay of Plenty by up to a third, improving access to care for the region's growing population.

Delivering the project required six separate building consents, guiding its progression from deconstruction and structural strengthening through to construction of the tower itself. The development includes more than 2,000 kilometres of steel beams and 4,500m^3 of concrete, ensuring resilience to natural hazards and achieving a 100% NBS seismic rating under the New Zealand Building Code.

The regional property asset will continue to provide value across measures – financially, socially and at a regional economic level.

TAURANGA CROSSING

Sitting within Quayside's Property and Real Assets portfolio, Tauranga Crossing is a large-format regional shopping centre in Tauriko, Tauranga, strategically located within a high-growth corridor and serving a growing Bay of Plenty catchment. The centre now comprises multiple stages with a combined lettable area of approximately 43,700 sqm, anchored by national tenants including PAK'nSAVE, The Warehouse, Event Cinemas and Farmers, JB HiFi and supported by over 100 specialty retailers.

From a portfolio perspective, Tauranga Crossing plays a dual role. It provides relatively stable, inflation-linked rental income, while also delivering value through active asset management, development and expansion. In FY26, the asset generated strong performance outcomes, including an estimated uplift in value of $78m, driven by continued capital investment and progression of Stage 3. This reflects Quayside's strategy of backing high-conviction real estate assets where it can influence growth and capture uplift through scale, development and operational improvements.

Recent initiatives include a 714-panel solar array, which generates an average of 883 kWh of electricity each day and produces around 322 MWh of renewable electricity annually.

Near-term focus is on leasing, tenant mix optimisation and converting this scale into sustainable cashflow. While market conditions are presenting some leasing challenges, the asset remains a high-conviction holding within the portfolio, supported by its strategic location, anchor tenancy and long-term growth fundamentals.

RANGIURU BUSINESS PARK

The Rangiuru Business Park is a transformative regional development with a 20+ year legacy, built on shared values and a commitment to intergenerational outcomes that span financial, social, cultural, and environmental dimensions. Through leveraging the strength of the Council's balance sheet, alongside specialist property development expertise, Quayside has funded and led the development to where it is today.

It is an enabler for the Bay of Plenty community and exemplifies a shared commitment to regional economic growth, technical excellence, and meaningful cultural and ecological outcomes that will have a lasting impact.

Development & Sales Update

Rangiuru Business Park transitioned from early-stage delivery to active use this year.

Key bulk infrastructure is now in place. The motorway interchange is operational, internal roads are complete in Stage 1, and core utilities have been delivered. We continue to construct roading networks that will enable future stages of the Business park to develop.

Sales have followed with the first land parcels in Stage 1, which have been transacted, including an 8.7 ha site for a high loading packhouse and cool storage facility for Jace Group. The site will see a large-format industrial facility with high logistical, stacking, and transportation needs, with construction underway, we will see development coming out of the ground in the coming year. Additionally, Super Yacht Coatings purchased Lot 81 with motorway visibility and Claymark is to join as their neighbours in Lot 82. Titles have been issued and vertical development on the sites has begun.

Rangiuru Business Park has evolved in response to market-driven changes. Unlike residential developments, where lot layouts are typically fixed, industrial developments must remain flexible to accommodate purchaser demands. This required the entire team — developer, consultants, and contractors — to be agile and ready to pivot quickly and at any time.

These changes were frequent and sometimes occurred during the course of construction, necessitating rapid adjustments across supply chains while minimising impacts on cost and programme.

The Rangiuru Business Park team on the ground has expanded and contracted to meet the needs of the development activities. Last year, we had seven main contractors operating within the site simultaneously, which was an unusually high level of integration for a project of this scale. This year, due to the work schedule, there are 5 – Higgins, Bay Civil, HEB Construction, JMC Civil Construction and Tapuika Iwi Authority. The team have cultivated a culture of shared responsibility, particularly around health and safety and environmental management, where contractors were encouraged to think collectively rather than individually. This has been reinforced through fortnightly all-contractor meetings focusing on environmental performance, site logistics and interface, along with site wide H&S events and reward recognition.

With multiple contractors working simultaneously across different fronts, the team navigated overlapping work areas and scopes and high interdependency through disciplined coordination and proactive engagement with regulatory bodies like the Western Bay of Plenty District Council and Bay of Plenty Regional Council.

People & Relationships

For Quayside, relationships are central to the way we work. This is expressed through our organisational values: Our People, Our Strength, Authentic Relationships and Purposeful Stewardship. At the business park, those relationships have been built across every part of the development: with mana whenua, contractors, consultants, local authorities, purchasers, tenants and the wider regional community.

The scale of the project is evident in the number of people and businesses it has touched. For Mike Speed, General Manager of Bay Civil, Rangiuru Business Park has had a direct impact on local workers, subcontractors and their families. "Across our direct staffing group, over three-quarters would have spent some time out at Rangiuru. On top of this, there would be another 50-60 subcontractor resources who have also been involved. Think of the families that this supports." That impact was particularly meaningful in a difficult market. Mike described Rangiuru Business Park Stage 1a Civils as "a lifeline for our business," noting that the timing came "just as the market entered a downturn" and helped support the team and their families through that period.

The project's delivery model also created opportunities for local and medium-sized contractors to participate in a development of regional significance. Mike Speed said Quayside's decision to award works in modest-sized packages "enabled medium sized contractors to put their hands up to be involved," ensuring local resources benefited from the project works.

For Higgins, the motorway interchange became more than a piece of infrastructure. Dean Taylor, Regional Manager, Higgins Bay of Plenty, said: "Our team of almost 200, over the life of the project, not only delivered a piece of transport infrastructure but they created a critical gateway to a development that will help shape the future of the region."

The same theme of partnership carried through the wider contractor group. Andrew Hiscox, Area Manager at HEB Construction, said the project helped establish "a strong new working relationship with the Quayside team" and reinforced that "the value of collaboration far exceeds working in isolation."

Many of the contractors and consultants have been involved from the beginning, including local Bay of Plenty contractor JMC. Jason Mather says, "Across the programme, JMC and Quayside have worked closely to maintain high standards of environmental control, including erosion and sediment management, dust suppression, stormwater controls and site stabilisation. It has required practical problem-solving across changing ground conditions, weather events and multiple contractor interfaces." He adds, they're proud to have contributed to the physical platform that will support future investment, employment and regional growth at Rangiuru Business Park.

Long-standing partnerships have also been critical to navigating a project that has evolved over more than two decades. Harrison Grierson, Head of Clients & Markets, Andrew Collins shares, "The opening of the interchange was a proud moment because it reflected the contribution of so many people over such a long period of time. We've worked alongside Quayside on Rangiuru Business Park since the earliest feasibility and planning stages, and what has always stood out is the commitment to creating lasting benefits for the region. Projects of this scale don't happen without strong relationships, shared goals and the willingness to adapt as the project evolves."

The relationship with Tapuika Iwi Authority has been central to the development of Rangiuru Business Park. Since formalising a Relationship Agreement in 2021, Quayside and Tapuika have worked together to advance cultural, environmental and economic outcomes. During the past two years, this has included the naming of roads and infrastructure assets, employment and training opportunities, cultural storytelling, wetland planting and cultural monitoring, alongside ongoing engagement and cultural inductions for contractors.

Tapuika Iwi Authority Kaiwhakahaere / General Manager, Te Hingatū Marsh shares, "Over time, the relationship between Tapuika and Quayside has grown into one based on mutual respect and a genuine commitment to achieving meaningful outcomes together. It is important to Tapuika that we honour the whakapapa and stories of our whenua while working to fulfil our aspirations, uplift our people and create opportunities for future generations. The Quayside team have demonstrated that commitment through contracts and employment opportunities, leaving an everlasting impression on Tapuika because of their authentic and genuine desire to see our people succeed. One example that stands out was when Quayside team members joined us for our Waitangi Day, Tūhono ki te Awa nui o Tapuika, River Day. It opened minds from the iwi's perspective and helped put a face to the business park."

Ecological Outcomes

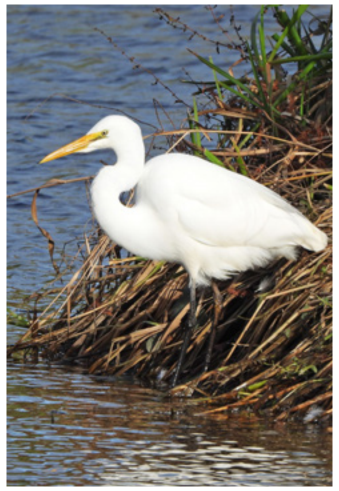
The Te Haukōpūpū wetlands at Rangiuru Business Park are continuing to demonstrate the environmental value of integrating ecological infrastructure into development.

For the project team, planting over 360,000 eco sourced plants into Te Haukōpūpū has been the achievement of a goal set back in 2021 when the Business Park's first sod was turned. The intention to design a stormwater pond that reflects the repo of the past generations, bringing back both plant and animal species that once called this region home, including the Kahikatea and the Matuku hūrepo, while improving the water quality as it tracks its way back to the Kaituna River. Seeing that vision realised has been deeply satisfying for Quayside.

During the past year, Tapuika completed its first six months of maintenance, caring for two seasons of planting and focusing on early pest plant control and monitoring the health of native species. Despite challenging weather conditions, the diverse mix of sedges, grasses and native trees is establishing well, providing natural stormwater filtration while creating habitat for new wetland ecosystems. The results are already visible, with biodiversity increasing and a growing number of native bird species making the wetlands their home.

For Te Hingatū Marsh, the wetland development shows what the partnership means in practice. "For Tapuika, it is working in collaboration to develop the stormwater pond and seeing biodiversity, flora and fauna returning to the land. This is significant for us all."

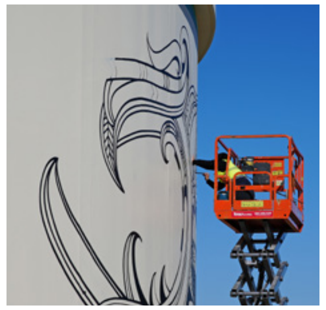
Among the species recorded are the Royal Spoonbill (Kōtuku ngutupapa), White-faced Heron (Matuku moana) and, most notably, the nationally threatened Australasian Bittern (Matuku hūrepo), a species whose numbers have declined significantly as wetland habitats have been lost across Aotearoa.

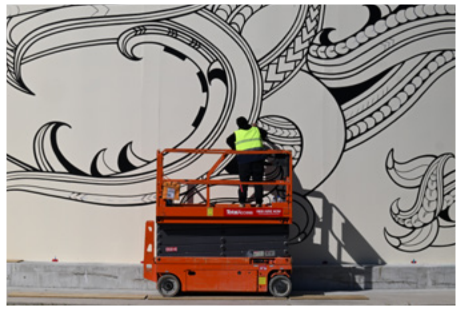


More recently, kōtuku (white heron) have also been observed within the wetlands. With only a small population (approximately 150 – 200) remaining in Aotearoa New Zealand, sightings of this rare and revered bird are significant and reflect the value of restoring and protecting wetland environments.

A joint medium-term goal between Quayside and Tapuika is to initiate a cultural environmental monitoring programme within the wetlands. This will involve regular and ongoing observations of the natural environment, blending mātauranga Māori, traditional concepts, and Western science to be able to assess and report on changes in the environment and ecosystems providing a basis for any potential adaptations of approach and maintenance. This will be an iwi-led long-term programme that will feed into the history of the Rohe for future generations.

The ecological success of Te Haukōpūpū is the result of a partnership between Quayside and Tapuika, combining infrastructure delivery with kaitiakitanga and mātauranga Māori. Together, the wetlands are improving water quality, strengthening biodiversity and creating a lasting environmental asset that will benefit the region for generations to come.





Cultural Outcomes

Cultural elements are woven into the places, spaces and experiences across the development, giving the business park depth, identity and meaning.

One example is the design of the bridge abutments, which draws on a traditional puhoro pattern unique to Te Arawa. Historically used on the hulls of waka, the pattern represents speed and agility through movement across water. Reinterpreted for Rangiuru Business Park, it reflects the movement of vehicles along the Tauranga Eastern Link and the transition as they enter the business park. Beyond its visual impact, the design provides a visible expression of mana whenua identity, ensuring Tapuika can see themselves reflected in the landscape and reinforcing a sense of belonging and connection to place.

The partnership is also creating opportunities for cultural expression beyond the built infrastructure. During stormwater works, native logs were uncovered and carefully removed from site. Tapuika Iwi Authority staff undertook NZQA-accredited training in load slinging to support the work, with the logs now being retained for carving and the creation of cultural features that will become part of the wider business park landscape.

That same commitment to cultural expression has informed the evolution of the Rangiuru Business Park brand. Developed in collaboration with Tapuika, the refreshed identity better reflects the significance of the name Rangiuru and the history of the whenua. The new logo includes elements that draw inspiration from the wetland Pukaingataru, referencing the harvesting of kūmara and the enduring relationship between people and land. It speaks to nourishment, cultivation, and abundance. It's also inspired by the Poutama pattern, symbolising growth, learning, achievement, and continual advancement. Together, the forms represent the connection between past, present, and future generations, and the partnership between Tapuika and Quayside as kaitiaki and stewards of the region's future.

Cultural storytelling is also being incorporated into the development's built environment through public artwork, including the water reservoir where local Tapuika artist Robyn Williams will bring to life the story of Whakaotirangi, who brought the seed of the kūmara to Aotearoa on her voyage on the Te Arawa canoe.

The result is a business park that reflects more than economic development. It demonstrates how cultural identity, partnership, and long-term stewardship can be woven into the fabric of a major regional asset, creating a place that honours the stories of the past while supporting prosperity for future generations.

INVESTING FOR EVERY GENERATION

How our new Distribution Policy works — and what it means for you.

In 2025, Quayside and the Bay of Plenty Regional Council undertook a thorough, collaborative review of how distributions to Council are calculated. Independent experts were engaged. Scenarios were modelled. Principles were debated and agreed. The result — adopted by the Quayside Board in February 2026 — is the clearest, most transparent distribution framework we have ever had. This article explains how it works, and what it means for every community member in the region.

$54.2m
FY26 distribution to Council
reducing rates by an average of **$405** per rateable unit

$485m
Quayside's investment portfolio
as at 30 June 2026

$25,699
Value per ratepayer
total fund of **$3.5 billion**

An intergenerational fund for the Bay of Plenty

Our purpose is to grow and preserve the fund across generations — an endowment model in which the capital base is maintained in real terms, so that the returns it generates keep flowing to Council and the community indefinitely. Not just today. Not just for the next Council Long-Term Plan. Forever.

A process built on collaboration and independent expertise

The revised Distribution Policy is the product of a detailed, structured process carried out across 2025, collaboratively with Quayside's Board and leadership team, the Bay of Plenty Regional Council, and independent external experts to review and adapt the policy to ensure it was fit for purpose now and into the future.

Designing Quayside's distribution policy is more complex than for many investment funds because the portfolio has several different objectives and sources of return.

At the centre of the portfolio is Quayside's majority shareholding in Port of Tauranga. While the investment has delivered exceptional long-term capital growth, the cash dividend yield is relatively modest compared to the size of the holding. As a long-term strategic investor, Quayside cannot simply sell shares to fund annual distributions, meaning the policy needs to recognise the difference between value being created and cash being received.

Quayside also has existing obligations, including annual interest payments on the Perpetual Preference Shares that were issued to fund a special dividend to Council. As a result, not all dividends received from the Port are available to be distributed directly to Council.

At the same time, much of the Investment Portfolio is invested in growth-oriented assets, including international equities, where a significant proportion of returns are generated through capital appreciation rather than cash income. Other assets, such as Rangiuru Business Park, are intended to deliver long-term regional benefits and are not yet producing income.

The challenge was therefore to design a policy that reflects how Quayside's portfolio actually generates returns, while still providing Council with a stable and sustainable income stream. This is particularly important given Quayside contributes around a quarter of Council's revenue. The new framework helps manage concentration risk, improve resilience and support more predictable distributions, while preserving the long-term value of the fund for future generations.

The policy was adopted by the Quayside Board on 3 February 2026, following a final briefing to Councillors. It replaces the previous Distribution Policy with a framework that is simpler, more transparent, and explicitly anchored to the long-term stewardship obligations that Quayside holds on behalf of the community.

> *"We are pleased with where the framework has landed. It reflects the unique characteristics of our portfolio, provides greater certainty around future distributions, and helps protect the fund for future generations. Just as importantly, it reflects a shared view between Quayside and the Regional Council about how the community's assets should be managed over the long term."*
>
> Sam Newbury, Chief Investment Officer

Three principles, one policy

The policy was built around three principles agreed by Quayside and Council, and importantly, helped shape the policy and mechanisms used to move forward.

Principle	What it means in practice
Intergenerational Equity	The fund belongs to future Bay of Plenty communities as much as it belongs to people alive today. The real, inflation-adjusted value of our capital must be preserved — not just maintained in name but genuinely protected against the eroding effect of inflation over time.
Transparency and Structure	How we calculate the annual distribution is written down, public, and applied consistently. There are no judgment calls or backroom adjustments. Every year's payment follows the same formula, and Council — and our community — can verify every step.
Stability and Predictability	The Regional Council plans its budget years ahead. Distributions need to be steady and foreseeable. The policy is designed to smooth out the natural ups and downs of investment markets, so Council can plan with confidence.

The foundation of protecting future generations: The Real Capital Floor

The most important protection built into the new policy is what we call the Real Capital Floor — set at $350 million as at 30 June 2025, and adjusted for annual inflation, it represents the inflation-adjusted value of the Port of Tauranga dividends that Quayside has retained and reinvested over its lifetime. In simple terms, it is the minimum level of capital that must be preserved to help ensure future generations benefit from the fund in the same way current generations do.

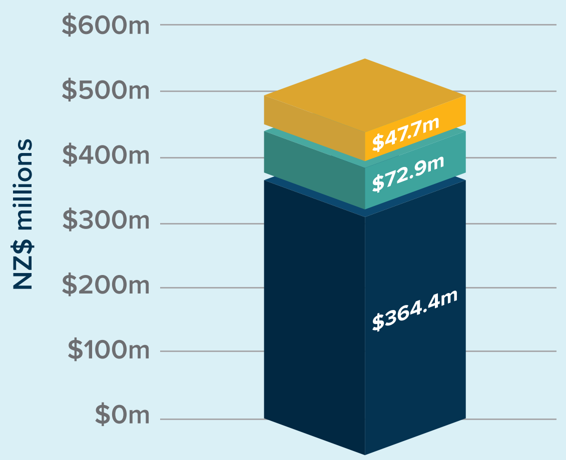
As at 30 June 2025, Quayside's investment portfolio was valued at approximately $427 million — $77 million above the floor. The floor will rise each year with inflation, so it always reflects real purchasing power.

A cushion for difficult years: The Distribution Buffer

Between the capital floor and our current portfolio sits what the policy calls the Target Distribution Buffer — approximately $70 million of additional headroom above the minimum.

Investment markets are not perfectly smooth. Port dividends can vary year to year. The buffer exists so that a difficult market environment doesn't automatically translate into an immediate cut to Council's funding. It absorbs the impact, maintaining stable distributions while Quayside navigates through.

Only if the buffer were to fall significantly, to less than half its target level, would a staged distribution reduction be considered. This is a proactive, transparent mechanism, not a reactive one. Council and the community will always have clear visibility of where the buffer sits.



Capital Adequacy

Floor + Target Buffer + Excess = NAV $485m

- Excess Buffer
- Target Buffer
- Required Floor

How the annual distribution is calculated

The annual distribution is calculated using a transparent three-part formula: a sustainable return on Quayside's diversified investment portfolio, plus 80% of the net Port of Tauranga dividend, less the independently assessed costs of strategic regional assets, such as the Rangiuru Business Park. This approach balances a reliable return to Council today while retaining capital to grow and diversify the portfolio for the future.

Part 1 · Return on investment portfolio

Global equities | Fixed income | Property | Private equity | Other

3-year average value → × (inflation + 2%)

+

Part 2 · Port of Tauranga dividend

80% to Council | 20% retained

Net of Quayside's own Port-related operating costs
Net of PPS dividend and associated cost

−

Strategic asset costs

Rangiuru Business Park

Independently assessed and deducted before distribution

=

Annual distribution

Why we retain 20% of the Port Dividend

One of the most carefully considered decisions in the new policy was the payout ratio on the Port of Tauranga dividend. Approximately 85% of Quayside's total portfolio value is currently concentrated in a single asset: the Port. That level of concentration is something our Board and the Regional Council are committed to reducing over time.

Retaining 20% of the net Port dividend each year allows Quayside to reinvest the 20% and reduce concentration risk.

The appropriate payout ratio was one of the central considerations as part of the independent review in assessing how different ratios affect both the size of Council's distributions over time and the probability of breaching the Real Capital Floor.

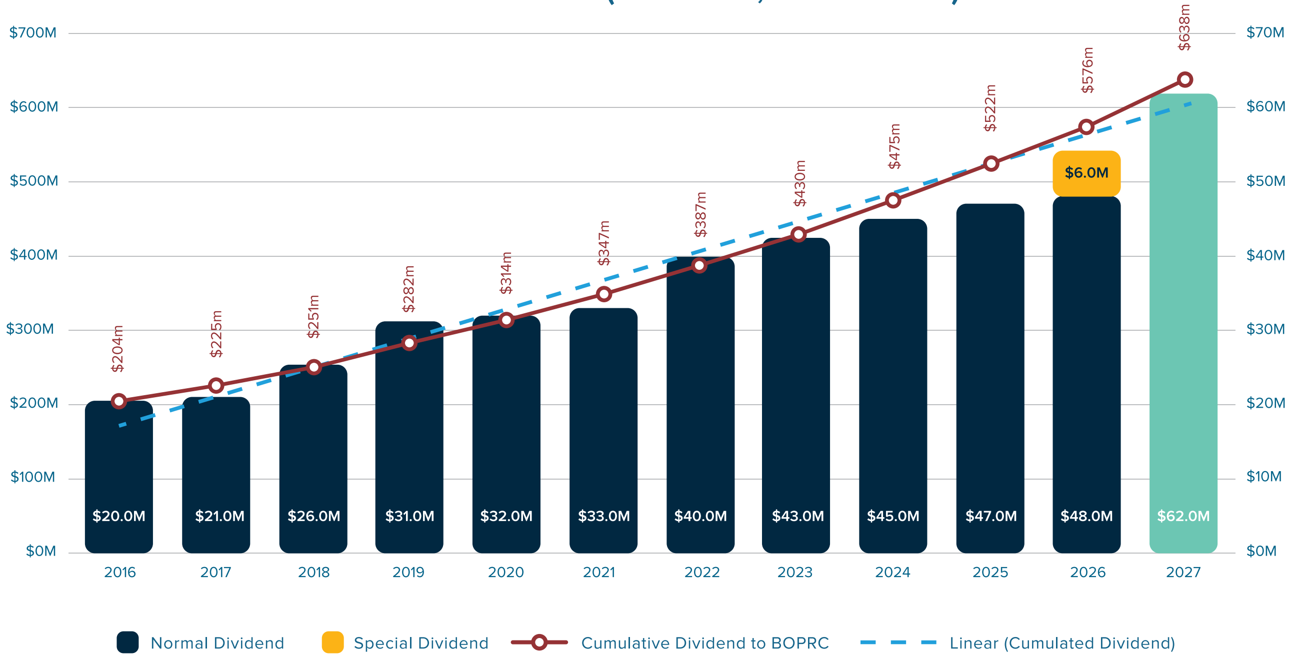
Payout ratio	What the modelling showed
90% to Council	Median annual payment reaches $99.5m by FY2035 — but carries a 21.8% probability of breaching the capital floor within 10 years. A modest income gain for a disproportionate increase in capital risk.
80% to Council	Median annual payment reaches $93.4m by FY2035, with a 17.1% probability of breach. Delivers strong, sustainable distributions while retaining capital for diversification.
70% to Council	Median annual payment of $87.3m by FY2035, with a 12.6% breach probability. Stronger capital protection, but $6m less per year for Council — not consistent with Council's strategy.

COUNCIL DISTRIBUTIONS

This year Quayside delivered a $54.2m total dividend to Council, which includes a $6.2m special dividend in June 2026.

We're proud to highlight that the total dividend distributed to the Council has now reached $575.8m.

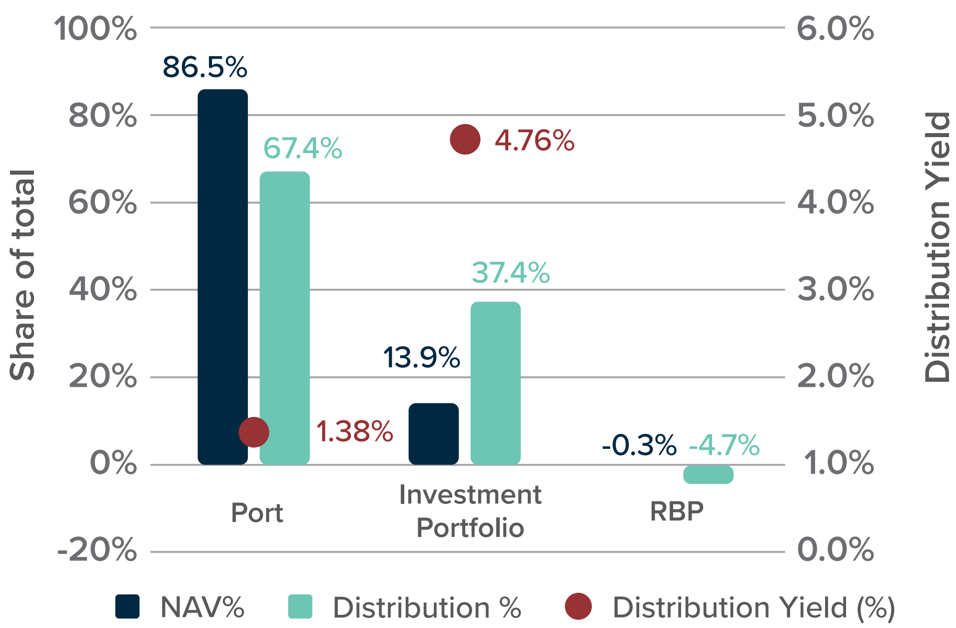
Dividend to BOPRC (2016-2027, CAGR 10.63%)



How our different assets contribute to future distributions

This graph highlights the significant contribution the Investment Portfolio is forecast to make to the total Council Distribution in 2027, based on the SOI forecasts and a distribution yield of 4.76%.

NAV Share vs Distribution Share, with Distribution Yield



NAV % (Net Asset Value %)
The percentage of Quayside's total asset value represented by each investment. It shows where Quayside's funds are invested.

Distribution %
The percentage of the total Council distribution contributed by each investment. It shows which investments generated the cash returned to Council.

Distribution Yield
The cash distribution received from an investment as a percentage of its value. A higher yield means the investment generated more cash relative to its size.

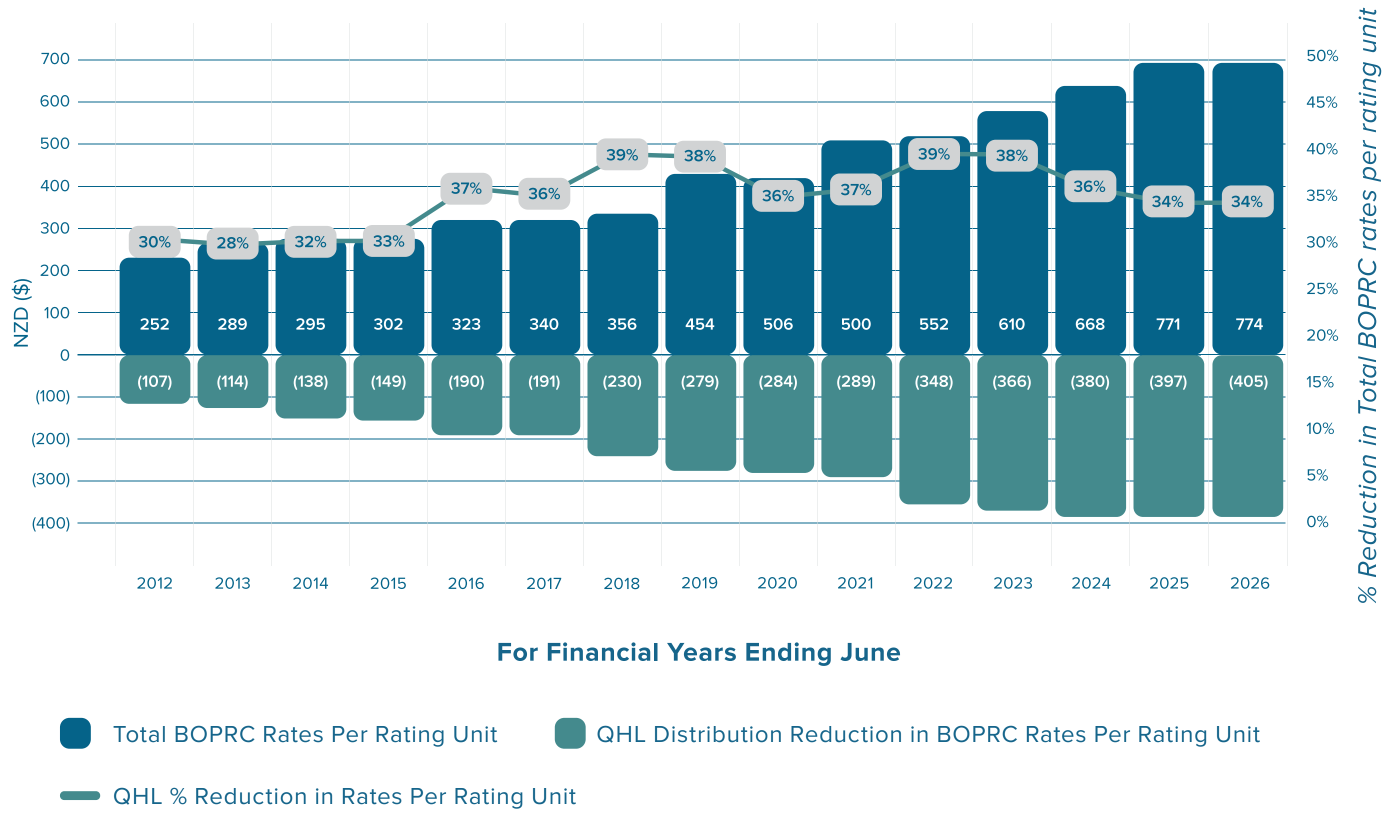
FY27 Council Distribution Allocation by Portfolio

Port of Tauranga	Investment Portfolio	Rangiuru Business Park
$41,884m	$23,097m	-$2,945m

How the Council Distribution contributes to general rates reduction

For the FY26, the average general rates bill was offset by $405 per rating unit as a direct result of the Quayside distribution. The 2026 rates reduction is calculated from a planned dividend of $48 million when rates are set. This has marginally increased X% from the previous year, but as the region is still growing, so has the number of properties, continuing to benefit from this offset.

Average BOPRC general rates decrease per property incl GST - 2012 - 2026



Note: The 2026 rates reduction is calculated from a planned dividend of $48 million when rates are set. The additional $6.2 million special dividend that Quayside paid Council in June was retained in Council reserves to fund Regional Benefit Projects as part of Annual Plan 2026/27. All rates figures include gst.

*Data source: Bay of Plenty Regional Council

ESG & CLIMATE TRANSITION

Quayside has spent the past two years responding to the requirements of the Climate-Related Disclosures framework. That work has strengthened our understanding of where climate-related risks and opportunities are most material across the portfolio, particularly in relation to real assets, investment manager practices, insurance, regulation and long-term asset values.

In late 2025 the New Zealand Government confirmed that the mandatory climate-reporting threshold for listed issuers would rise to $1 billion, taking Quayside out of scope. Ahead of the enabling legislation, the Financial Markets Authority has adopted a no-action approach, and Quayside is not preparing a mandatory climate statement for the year ended 30 June 2026.

While the obligation to report has changed, the need to manage material climate-related financial risk has not. This shift has allowed us to focus our climate-related work on the area's most relevant to investment decision-making, capital preservation, portfolio resilience and sustainable distributions to Bay of Plenty Regional Council.

This is a deliberate change in emphasis to a risk framework built to protect capital applying climate-related insight where it is most decision-useful and where it best supports Quayside's long-term, intergenerational investment mandate.

Retaining what protects long-term value

Several elements of the existing programme are fundamental to sound investment and risk management and will continue.

First, Quayside maintains a Climate Risk Register as a core internal control, providing an ongoing view of material physical and transition risks across the portfolio and ensuring emerging risks are actively monitored and managed.

Second, the organisation continues physical-risk assessments across the material holdings in its real-asset portfolio, including exposure to flooding, coastal erosion and other relevant hazards. These assessments directly inform insurance, capital expenditure planning and asset-management decisions, and are essential to protecting long-term balance-sheet resilience.

Third, climate considerations remain embedded in investment (active) manager selection and monitoring. Managers are assessed on a materiality basis, using established industry frameworks, with attention concentrated on the exposures that account for the majority of assets under management in each class.

Finally, Quayside continues to use emissions and carbon data, but with a more targeted purpose. Rather than aggregating portfolio-wide metrics for disclosure, this information is used through targeted screening of the highest-emitting exposures to assess potential exposure to regulation, carbon pricing and transition-related impacts on company performance.

A more targeted approach

Alongside these retained elements, Quayside has refocused its effort so that climate activity is proportionate and decision useful. Analysis is directed toward identifying the assets and sectors most exposed to physical damage or to becoming "stranded" as the economy transitions. Rather than managing to an absolute portfolio carbon figure, Quayside assesses whether an asset is at risk of losing value before the end of its economic life, and whether its risk-adjusted return remains acceptable.

Consistent with this, the revised Climate Transition Plan approved by the Board in March 2026 moves away from a fixed long-term portfolio emissions-reduction target, replacing it with a qualitative stranded-asset risk appetite. Full-portfolio carbon aggregation and external assurance over climate disclosures have been discontinued, as activities designed primarily to support external reporting rather than investment decision-making. This is a reallocation of effort toward what most directly protects capital and income, not a lower priority on climate risk.

Climate-related risks continue to be managed through Quayside's broader risk-management and investment frameworks. Material risks are monitored through the Climate Risk Register and considered as part of relevant investment, insurance, capital-planning and asset-management decisions. Where climate-related matters are material to portfolio value, resilience or strategic decision-making, they are reported through established governance channels, including the Board and its Audit and Risk Committee.

Aligning ESG with an intergenerational mandate

Quayside's evolution in this area is grounded in its role as a long-term, intergenerational investor. Climate risk is expected to influence asset values, earnings resilience and insurance availability over time, and managing it well remains essential to maintaining a sustainable distribution to Bay of Plenty Regional Council and supporting regional prosperity.

By moving from mandatory disclosure to targeted climate risk management, Quayside is reinforcing a consistent position: climate and ESG considerations add the most value when integrated into core investment processes rather than treated as an overlay. This allows the organisation to continue acting responsibly while keeping a clear focus on its primary objective to grow and protect the value of the portfolio for current and future generations.

AUDIT & RISK EVOLUTION

Interview with the Audit and Risk Committee Chair

Since joining the Board in 2019, Keiran Horne has helped oversee a significant evolution in how Quayside manages its reporting and risk. From strengthening governance and assurance frameworks to embedding climate-related financial risk into decision-making, the organisation has developed a more mature approach to protecting and growing regional wealth.

A broader view of risk and value

As Chair of the Audit and Risk Committee (ARC), Keiran shares that the role has expanded well beyond traditional audit oversight and preparation of financial statements. "It has evolved into a commercial value-add part of the governance ecosystem," she says. "Today, the committee's terms of reference have widened to include a focus on cybersecurity, climate-related disclosures and assurance, over how effectively the organisation's controls are working in practice. It's no longer just a protective committee; it's a value-add committee."

That framing reflects where audit and risk governance is heading more broadly. Many boards still start by staffing the committee with accountants, and financial literacy remains essential. But an audit and risk committee is really a risk and assurance committee. Its core job is giving the Board confidence that the organisation's most significant risks are identified, understood and managed in a way that supports strategy and long-term performance. Financial reporting sits at the centre of that, but it's only one part of it.

Risk, in this sense, is anything that could get in the way of Quayside delivering on its strategy and sustaining enterprise value. Keiran is clear that good risk oversight isn't just about spotting downside. Done well, it points to opportunity as well and whether that's where to lean into the portfolio or where the returns aren't worth the exposure.

As the Audit and Risk Committee has an increasing portfolio across the likes of cybersecurity, data governance, climate reporting, regulatory change, insurance and fraud risk. It all now sits inside the committee's remit alongside financial statements and controls testing, not as occasional add-ons. Enterprise risk management runs through the committee's oversight as a matter of course, and Keiran expects the ARC to understand how each of these risks may eventually show up within the organisation, not just how they look on a risk register. That breadth is what turns oversight into genuine assurance rather than a compliance checkbox.

Assurance over comfort

The same logic explains why external reviews and independent testing of controls matter so much to Keiran. It's not enough for management to say controls are in place. Effective oversight means someone at the table who understands the difference between a control that exists on paper and one that actually holds under pressure, whether that's a cyber incident, a climate-driven asset shock, or a breakdown in financial reporting discipline.

Keiran comments, "Risk and assurance go hand in hand. External advisor John Creagh helped us build the foundations of how we manage risk here, and assurance is the natural next step. You identify a risk, put controls in place, and then you have to ask: how effective are those controls, really?

That's what assurance is for. It's evolving here as our risk maturity evolves, and I think a mature approach to assurance is one of the best tools an organisation has for continuous improvement. Bringing in a fresh, external eye gives governors confidence the systems are working, and it often points to a better way of doing things."

The committee itself has to work the same way. It's a safe forum for genuine challenge between management and directors, not a rubber stamp. That's harder to build than it sounds. It requires independence, a willingness to ask uncomfortable questions, and enough trust in the room that management brings problems forward early rather than managing them quietly. That's the culture Keiran has built as ARC Chair.

A constrained portfolio

As a regional investment fund, Quayside operates with a significantly concentrated asset base. "Quayside's biggest risk in the portfolio is concentration risk," says Keiran. "This is why the Council's decision in 2024 to enable a partial sell-down of Quayside's Port of Tauranga shareholding is so important. A transaction of this scale, that is reinvested, will reduce the concentration risk and has the potential to provide greater returns, which benefits our shareholder and the community."

Over time, Quayside has sought to diversify its holdings, broaden its exposure, and build a more balanced portfolio. "You can put your money in the bank, and it will be really safe, but you won't earn much," she says. "Or you can invest for higher returns, but you need to understand the risks and whether you're being rewarded for them."

"The Board defines clear risk appetites across different areas of the business. Some risks are tightly controlled. Others are taken deliberately and managed to support returns."

That discipline is central to the ARC's contribution. The committee helps ensure risk is not considered separately from performance, but as part of how Quayside makes investment decisions, protects the balance sheet and maintains sustainable distributions to Bay of Plenty Regional Council.

Risk management maturation

One of the most visible shifts at Quayside has been the maturation of its internal capability. When Keiran first joined the Board, the organisation was growing quickly but systems and processes were still catching up. She describes it as “a bit like a lanky teenager that had grown pretty quickly.” Since then, that gap has closed. Risk management frameworks are now embedded across the business, with staff at all levels actively considering risk in their decision-making. Explaining the practicalities of the framework, Keiran provides an example “We have a low risk tolerance for health and safety, but in contrast for some aspects of the investment portfolio we’re more prepared to take on a little more risk to earn a higher return.”

ARC’s governance has helped drive better visibility of material risks, clearer ownership of controls, and a stronger link between risk appetite and assurance.

Climate risk beyond disclosure

When the mandatory climate-reporting threshold for listed issuers rose to $1 billion last year, Quayside was no longer required to prepare a mandatory climate statement for the year ended 30 June 2026. From here, the focus shifted to targeted climate risk management, with a revised Climate Transition Plan approved by the Board in March 2026. “A good strategy helps you focus on that destination in the future,” Keiran says. “But it’s also underpinned by clear values and understanding why we’re here.” The point is not that climate risk has become less important. It is that the work is now more clearly aligned with Quayside’s role as a long-term investor: protect capital, understand material exposures, and focus effort where it is most decision-useful. “We now understand the risks and opportunities,” Keiran says. “The question is what we’re going to do about them.”

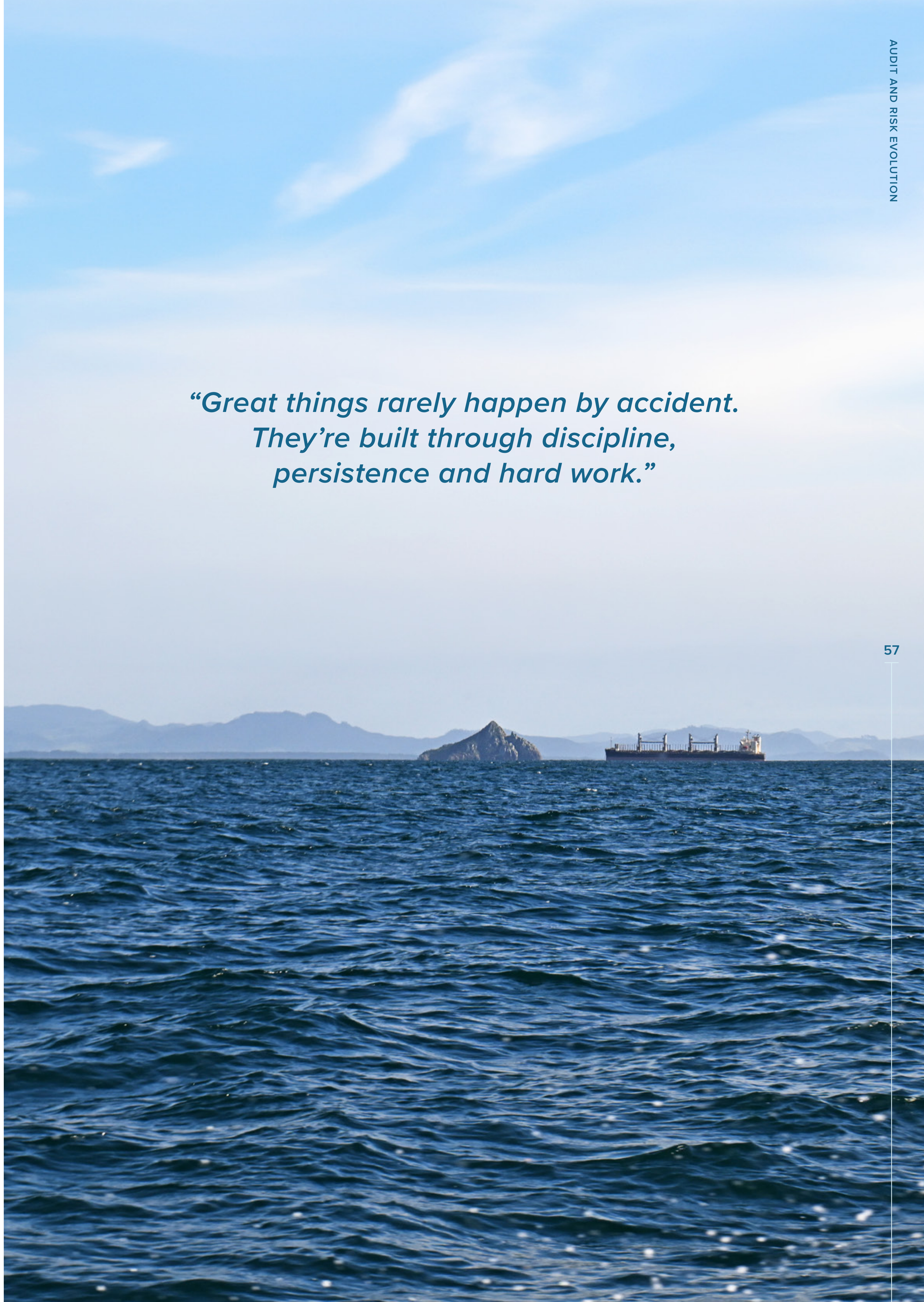
People enabling performance

When asked what has stuck with her most from her time on the Board, Keiran doesn’t point to a framework or a policy. She points to people. “I’m an accountant by background, but I hadn’t had a lot to do with financial markets before this appointment. I’ve learned a huge amount from my fellow independent directors, particularly Fraser, on financial markets and on governance more broadly. And I’ve immensely enjoyed working with Lyndon, seeing him lead by truly living the organisation’s values and bringing his team along with him. If there’s one lesson that’s stuck with me from this Board, it’s that it’s difficult to achieve anything of significance if you haven’t got the right people around the table, governors and management both.”

That’s the thinking behind how Quayside’s governance actually works. “A thought partnership model is always the best,” Keiran says. Governors and management working together, with mutual respect, clear roles, and a shared focus on performance.

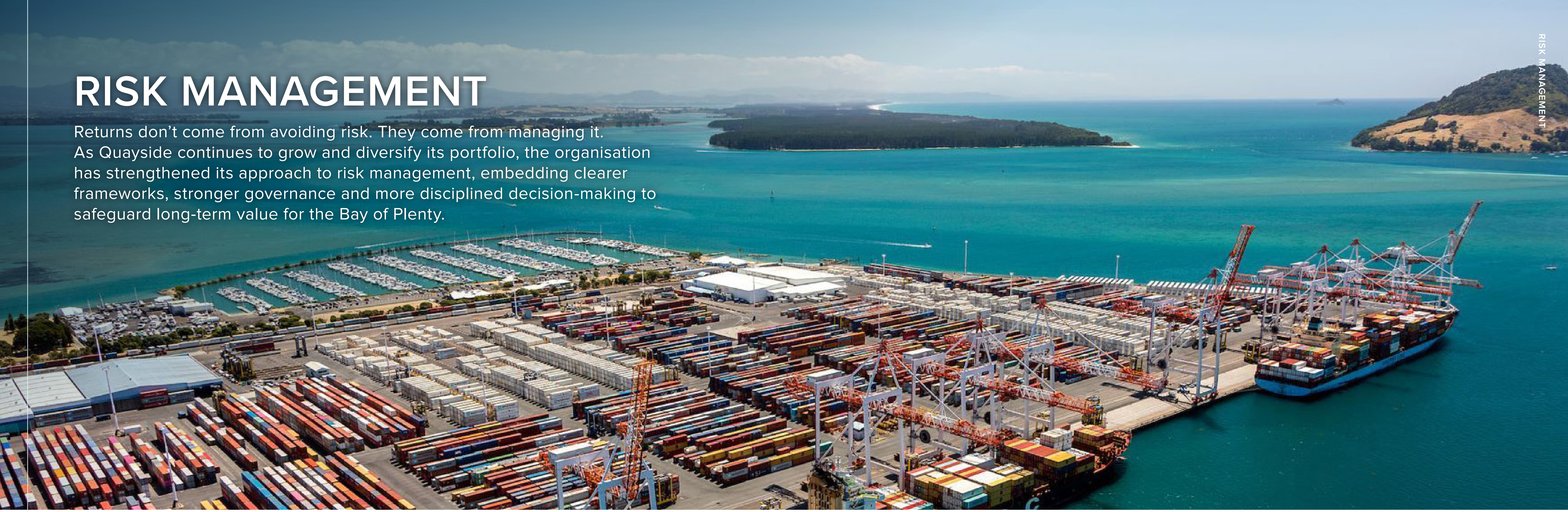
It also relies on a clear separation between the commercial entity and its public shareholder. “It’s our job to earn the income,” Keiran says. “And for the shareholder to decide how that is used for the community.” That model allows the organisation to operate with commercial discipline while still delivering regional outcomes. The ARC’s role is to support that discipline, testing whether risks are understood, controls are working, assurance is targeted, and decisions are made with the right information in front of the Board.

> *“Keiran has played a pivotal role in guiding and elevating the audit and risk function at a governance level. She has brought rigour, a progressive risk-assured approach and measured judgement. In addition to strengthening Quayside’s financial reporting, Keiran has led our strategic and enterprise risk management, Climate Related Disclosures work, whilst supporting and challenging management through periods of growth and change.”*
>
> Lyndon Settle, Chief Executive Officer



“Great things rarely happen by accident. They’re built through discipline, persistence and hard work.”

AUDIT AND RISK EVOLUTION



RISK MANAGEMENT

Returns don't come from avoiding risk. They come from managing it. As Quayside continues to grow and diversify its portfolio, the organisation has strengthened its approach to risk management, embedding clearer frameworks, stronger governance and more disciplined decision-making to safeguard long-term value for the Bay of Plenty.

Strengthening risk discipline

The Audit and Risk Committee has always provided oversight of Quayside's key risks, including financial, operational, cyber and climate-related risks. Over recent years, the ARC, together with the Board, has led a deliberate strengthening of Quayside's risk discipline, with a greater focus on how risks are identified, assessed, managed and governed in practice.

Today, risk frameworks are embedded across business decisions, controls are regularly tested and strengthened, and external reviews are used to drive continuous improvement.

This has marked an important step in Quayside's risk maturity. The organisation has moved beyond building the systems and processes required to support growth and is now using them to inform decisions, test assumptions, and manage risk more consistently.

The Reference Portfolio role in risk

A central component of Quayside's risk framework is the Reference Portfolio, approved and operational from FY25. It defines the baseline level of investment risk required to support Quayside's long-term objectives and anchors portfolio construction, monitoring and governance over time.

With 70% growth assets and 30% defensive assets, the Reference Portfolio reflects Quayside's intergenerational mandate by accepting short-term volatility in pursuit of stronger long-term returns. It also provides a clear benchmark for assessing portfolio risk and performance through market cycles.

During FY26, Quayside continued to embed the Reference Portfolio as a core reference point for investment decision-making, monitoring and governance.

While it defines the strategic level of risk, Quayside may deviate from this position where there is a clear expectation of improved risk-adjusted returns, with such deviations undertaken in a deliberate and governed manner.

A policy-driven approach

A defining feature of Quayside's maturing risk capability is the increasing emphasis on policy-driven decision making. Significant work has been undertaken to align and integrate:

- the Statement of Investment Policies and Objectives (SIPO),
- treasury and liquidity settings
- distribution policy

Governance and the three lines of defence

Strong governance remains fundamental to Quayside's risk maturity.

The organisation operates a three-lines of defence model, ensuring clear accountability and independent oversight:

- **First line – Investment, Rangiuru Business Park and operational teams**
  Responsible for identifying and managing risks
- **Second line – Internal risk and control functions**
  Provide oversight, challenge and guidance, supported by external expertise
- **Third line – Internal Audit**
  Provides independent assurance over the effectiveness of controls

Internal Audit plays a critical role in supporting the ARC. It is carried out internally, with third-party support where required, providing objective insight into whether frameworks and controls are operating as intended and identifying areas for improvement.

Positioned for long-term resilience

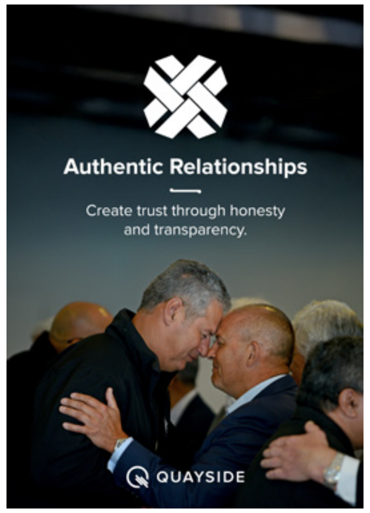
Quayside has made significant progress in building a mature and disciplined risk management capability. The evolution of the ARC, Investment Committee and Board, together with enhancements to the SIPO, Investment Risk Framework, and governance and assurance framework, has strengthened Quayside's ability to effectively identify, assess and manage risk.

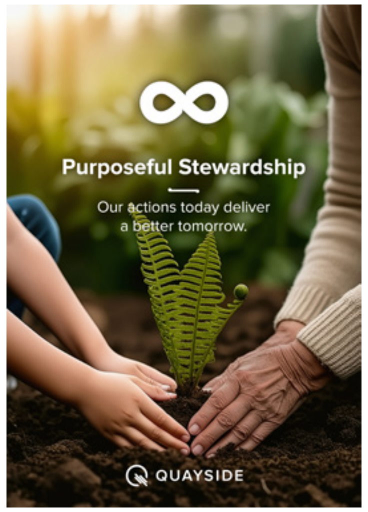
A key risk remains portfolio concentration, particularly Quayside's exposure to the Port of Tauranga. Addressing this risk remains a strategic priority, and the potential partial sell-down of this asset provides an opportunity to improve diversification, rebalance risk and further strengthen long-term resilience.

In an environment of increasing uncertainty, this disciplined and forward-looking approach remains central to protecting real capital, sustaining distributions, and delivering long-term value for the region.

PEOPLE & CULTURE

Living our Values





Frameworks don’t live on a page. They live through the people who bring them to life every day.

This year, we saw the Value of Our People, Our Strength in action across the organisation. Defined as standing beside one another and fostering a culture where together, the future is what we make it, this Value was reflected in acts both large and small, from mentoring and supporting colleagues to stepping up during significant periods of change and delivering major strategic projects.

Our monthly Values recognition programme highlighted examples of kaimahi going above and beyond for one another, including mentoring younger team members, supporting the successful Stand transaction, and providing extra leadership and support during the Long Term Plan process. These moments reinforce a culture where success is shared, people are supported to grow, and the strength of the organisation comes from the collective contribution of its people.

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 2025	Current
SLT and Tier 3 diversity:			
Female Diversity	30% - 50% band	33%	31%
Māori Diversity	30% target	11%	14%
Board diversity:			
Female Diversity	30% - 50% band	29%	33%
Māori Diversity	30% target	14%	0%

GOVERNANCE

The Perpetual Preference Shares issued in 2008, are traded on the NZDX under QHLHA, with 1,911 individual shareholders as of 30 June 2026. 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 Local Government Act 2002. Quayside has successfully achieved all stated objectives it set itself in the 2024/2025 Statement of Intent. The Group has delivered its 2026/2027 Statement of Intent to Council in accordance with the requirements of the Local Government Act 2022. The Statement of Intent for 2026 - 2027 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 the Company.
- 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 2026.

Board Composition

The Board must have at least five (5) Directors, with a minimum of three (3) being independent. As at 30 June 2026 the Board was comprised of six 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. S A Crosby and A Grayling 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
30 June 2025	2	5	0	1

	Board		Executive	
	Female	Male	Female	Male
30 June 2026	3	4	2	4

Board and Committees

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 eight times during the year while the Board's Committees met as set out in their respective charters. In the period, there were seven formal meetings of the directors of Quayside Securities Limited and seven 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 2025, together with an unmodified Audit Report, were presented to the voting shareholder on 23 October 2025. The Annual Report incorporating the audited statements for the year ended 30 June 2026, is presented with this report. The following table outlines the number of the Group's formal meetings that 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 a 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*	8	4	4	4	6
S Crosby	8		4		
D Fear*	8			4	7
A Grayling	4		2		
K Horne	8	4		1	6
F McTavish	8	1			
T White	1		1		
F Whineray	8	4	1	2	

The Board has four sub committees: an Audit and Risk Committee, People, Culture and Safety Committee, an Investment Committee and Divestment Committee.

Investment Committee

The Investment Committee was established 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 2026 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 2026 are K Horne (Chair), F Whineray and M Wynne. The Audit and Risk Committee Terms of Reference were last updated in September 2025.

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), A Grayling, S Crosby.

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. The committee members as at 30 June 2026 are D Fear (Chair), M Wynne, K Horne plus independent advisor Mark Averill. The Divestment Committee's Terms of Reference are currently being reviewed.

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 Charter was last updated in October 2025.

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. The Quayside website facilitates communication of annual and interim reports to the Perpetual Preference Shareholders, as well as the Group's 2026 - 2027 Statement of Intent.

Quayside Holdings Limited
and Subsidiaries

ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2026