PORT OF TAURANGA LIMITED ANNUAL MEETING 2025

1pm, Friday 31 October 2025

Chair – Julia Hoare

Now to the highlights and challenges of the past year for the Port of Tauranga Group.

In contrast to last year, I'm pleased to be reporting on strong growth across most cargo categories, and an improved financial performance, demonstrating Port of Tauranga's resilience amidst significant ongoing domestic and international supply chain challenges.

Total cargo volumes increased 7% to 25.3 million tonnes. Container numbers increased 5.3% to 1.2 million TEUs.

Underlying Group profit - taking out the effects of the Marsden Maritime Holdings transaction, which I will talk about shortly - was $126 million, a 23% increase on the previous year.

Leonard will go into more detail on individual cargo categories, but I think you will all agree that overall, this was an outstanding result.

For the year ended 30 June 2025, revenue increased 11.3% to $464.7 million.

Operating costs increased 8.1% to $236.3 million.

Despite the prevailing economic conditions impacting cargo volumes for our subsidiary and associate companies, they managed a 15.3% increase in earnings to $10.9 million.

The Board declared a final dividend of 9.7 cents per share to bring the total dividend for the 2025 financial year to 16.7 cents per share.

Of course, the year was not without its challenges, including the ongoing saga of our resource consent application for the Stella Passage development.

To recap the developments since our last Annual Meeting:

In December 2024, the Environment Court approved part of the project, a berth extension at the container terminal. Unfortunately, that decision was immediately appealed.

Due to the increasing urgency of the project, we opted to apply under the Fast-track Approvals Act, seeking to speed up the process. The Stella Passage project was listed in schedule 2 to the Act.

Following a judicial review in August, the High Court found that the description in schedule 2 did not fully describe the project as submitted by the Port. In short, thanks to a drafting error on the part of Government officials, the description was missing the words "Mount Maunganui wharves."

As a result, the fast-track application, which we had hoped to complete by February 2026, is on hold.

The Government has assured us that the mistake was theirs and there was no intention to break up or stymie the project.

While we wait for the error to be fixed, we have lodged a back-up application, which involves asking the Minister for Infrastructure directly to accept our application into the process. We expect that approval in the coming weeks.

To describe this long, drawn-out process as extremely frustrating – not to mention hugely costly for our company and all of New Zealand – would be an enormous understatement.

I want to stress that Port of Tauranga is in no way trying to avoid its environmental responsibilities by trying to speed up the resource consent process.

In fact, the Environment Court acknowledged that, from a Western science perspective, the development will have a minor effect in short-term, during construction, and a negligible effect in the long-term. We have protections in place for water quality, birds, marine mammals and noise.

However, we have been unable to reach agreement with multiple hapū parties on the appropriate level of mitigation for the cultural effects of the development.

We remain hopeful of reaching agreement and consultation continues. However, the urgency of the need for this project is growing.

The container terminal berths are essentially at capacity. While we could handle more containers, we are unable to accommodate any new ships.

The lack of capacity is also impacting our ability to effectively deal with congestion caused by ships arriving off schedule. Leonard will explain this shortly.

Ultimately, it is the New Zealand economy, and all New Zealanders, that suffer. This is critical infrastructure essential for efficient two-way trade for New Zealand.

The delays to construction are also inhibiting our plan to increase efficiency and reduce carbon emissions by introducing electric automated stacking cranes to the container terminal.

We are strongly focused on decarbonisation as part of our commitment to long-term sustainability, so the waiting is frustrating for us. In the meantime, we are preparing for automation through emulation testing of the proposed system.

More details on our decarbonisation plans are outlined in our second annual Climate-related Disclosures Report, just published yesterday and available on our website. Leonard will talk shortly about our plans to trial New Zealand's first fully electric straddle carrier, as well as our planned hybrid tug.

Unfortunately, our emissions actually increased for the 2025 financial year, during an unusually high refrigerated container peak season. Leonard will talk about the background and how we are looking to address this.

One of the most significant achievements of the past year was the successful acquisition of Marsden Maritime Holdings and the formation of Northport Group Limited.

A consortium comprising Port of Tauranga, Northland Regional Council and Tupu Tonu, the Ngāpuhi Investment Fund, completed the takeover of MMH. The buyout of all shares not already held by the Council led to MMH's delisting from the NZX.

Before the transaction, MMH owned 50% of Northport Limited - with Port of Tauranga owning the other half – plus around 150 hectares of industrial land adjacent to Northport. Under the new structure, Port of Tauranga now owns 50% of the merged group, the Council owns 43% and Tupu Tonu 7%.

What this means is that the port operations and the undeveloped land next door to the port are under one umbrella. Earlier this month, the Environment Court granted Northport resource consent for a major expansion, involving nearly 12 hectares of reclamation and a 250-metre wharf extension and associated capital dredging.

With the Government and KiwiRail progressing a proposal to extend the rail line to the port, this opens up incredible opportunity for growth for Northland and the Upper North Island economy.

The simpler, unified company structure will allow better coordination as the land is developed for industrial, logistics or freight operations, especially as greater pressure comes on land use around Auckland.

Turning to our governance, I'd like to thank my fellow Directors for their diligence over the past year to deliver value for you. I'm also pleased to report our Future Director, Scott Campbell, has agreed to stay on for an additional six months.

The Future Director programme is an Institute of Directors initiative to develop the next generation of directors, and we are pleased to be supporting efforts to grow governance talent in the Bay of Plenty. We have appreciated Scott's contribution to the Board in his first 12 months with us.

Today, two Directors are up for re-election to the Board.

Dean Bracewell joined the Board in December 2021. He was Managing Director of Freightways for more than 18 years. He is currently Chair of Property for Industry and a Director of Air New Zealand, the Halberg Trust and Northport Group.

Also up for re-election is Brodie Stevens. Brodie joined the Board in August 2022 following his retirement as Country Manager for Swire Shipping New Zealand. He is currently a Director of PrimePort Timaru, NZ Post and Eastland Port and is Chair of the Maritime Superannuation Fund.

I'll ask Brodie and Dean to address the meeting in due course.

I'd like to thank management and the entire Port team for their efforts in the past year, delivering excellent results.

And finally, I'd also like to thank and acknowledge you, our shareholders, for your ongoing support.

I'll now invite Leonard to share details of the Port's trade and operational performance over the past year, as well as an update on the first quarter of the 2026 financial year.

Ngā mihi nui.