

South Port New Zealand – FY26 Annual Shareholders Meeting

Presentation

Message from Chair

Mōrena, good morning, ladies and gentlemen.

Thank you all for joining us today, here in Bluff and online, for the 38th South Port New Zealand Annual Shareholders Meeting, for the financial year ended 30 June 2026. As we look forward to celebrating in February 2027, the sesquicentennial anniversary of the establishment of the Bluff Harbour Board, in 1877.

To begin, I'd like to acknowledge my fellow Directors (introductions), and the Executive Leadership Team (introductions). I also acknowledge the presence of our largest shareholder, Environment Southland (ES) represented by Cr Jeremy McPhail. You may be aware that ES sold down 14% of its shareholding earlier this month. This should promote better liquidity in the trading of South Port shares.

FY26 saw a change of Chief Executive Officer (CEO) with the appointment of Derek Nind, who you will hear from shortly.

On behalf of the Board, I would like to take this opportunity to thank Nigel Gear who completed his term as CEO in May this year, following more than 30 years with South Port, including 8.5 years as CEO. His leadership and commitment saw the Company strengthen its operational, financial, and safety performance whilst continuing to invest in strategic infrastructure to support regional growth. I would also like to thank Port General Manager, Geoff Finnerty, for stepping in as Interim CEO.

We welcomed Derek as CEO in July of this year. Originally from Southland, Derek brings extensive port-sector experience to the role, having served as CEO of CentrePort, a senior executive at Lyttelton Port, Managing Director of 360 Logistics Group – and briefly as an Independent Director of South Port. In some ways he has come full circle, having grown up in Southland and having worked at South Port as the Business Development Manager 30 years ago.

As previously advised, I will be retiring from the Board today, following 16 years of service to South Port, including the last three as Chair. The Board has completed its succession planning, and I can confirm as of today that Nicola Greer will assume the role of Chair.

Following my resignation and Michelle Henderson's as she returned to New Zealand Aluminium Smelters (NZAS) as General Manager, we welcomed two well-credentialled Directors in Jacqui Nelson and Peter Barker, subject to their election today. Following the resignation of Derek as a Director of South Port to take up his role as CEO, we recruited another strong candidate in Murray Harrington. All three have had extensive business careers and have a connection to the region.

As South Port has grown and matured as a business, we have stood up the People and Performance Committee (chaired by Cassandra Crowley) and have formalised the Health and Safety Panel as a Board committee. This will strengthen oversight of the Port's health and safety strategy, performance, risk management and legal compliance, with a particular focus on critical risks. The Committee is chaired by Jacqui Nelson, with all Directors included as committee members.

We also farewell our Intern Director, Sam Grant, who has been an observer with the Board since March 2025. This internship is part of the Southland Corporate Governance Intern Programme, which aims to build governance capability in Southland. The candidate application and selection process for our next intern is underway. I would like to thank Sam for his contribution which has gone beyond what one might expect from a young future director.

It is really pleasing to see the business in such good stead, as we report today on another record performance underpinned by the strength of the Southland economy.

Both cargo volumes and earnings increased materially, driven by higher agricultural activity, solid export demand, wind farm project cargo, and improved NZAS throughput.

As a regional infrastructure provider, South Port remains focused on supporting Southland's existing and emerging industries.

It is also very pleasing to see this lift in cargo volumes translate into a substantial increase in profit.

The Company achieved a record after-tax profit of \$16.11m, up 21.0% on last year's result.

Normalised NPAT (excluding one-offs) was \$16.14m a 16.2% increase on FY25.

Total cargo volumes increased 11.5% to 3.9m tonnes, a significant uplift and a record for the Company.

Similarly, container throughput hit record levels, increasing 18.5% to 62,000 TEU, and Tiwai Wharf volumes were up 16.1% to 0.94m tonnes, nearing historical levels.

Total revenue was up 14% to \$71.8m from, \$63.3m in FY25.

South Port's performance reflects the commitment, skill and care of our people. On behalf of the Board, I thank all staff for the crucial contribution they have made to the Company's success, and for the pride they take in supporting our customers, our community and each other. The Board values our people highly and remains focused on supporting them through strong health and safety practices, improved employment conditions, and benefits such as health insurance for all permanent staff.

Business growth has also affected infrastructure investment with a record spend in recent years on our Asset Management Plan, including upgrades to the access bridge and Town Wharf fuel berth infrastructure. Further capital was invested in growth projects including expansion at the container terminal, additional warehousing, and modernisation of the mobile plant.

The Port has now embarked on a long-term Port planning exercise, Derek will expand on this planning process shortly. Additionally, it is likely that a replacement tug and mobile harbour crane will be required in the short-to-medium term.

With a strong asset base, ongoing master planning, and an orderly leadership transition, South Port is well positioned to continue supporting regional growth while delivering long-term value to shareholders.

The Board is pleased to declare a final dividend of 20.5 cents. This translates to a full year dividend of 29.0 cents per share, up 1.0 cent from FY25.

I'll now hand over to our Chief Executive Officer, Derek Nind, to introduce himself further to you all and to share his observations of the Port to date.

CEO Address

Tēnā koutou katoa – Good morning all.

As Philip mentioned I was here in a different capacity for the last ASM, but as a privileged Southlander I am pleased to be here today as the CEO of South Port.

I began in the role in July this year, and one thing that has significantly impressed me is the attitude, ability and willingness of our staff. Over the last 3 months I have witnessed consistently instances of staff going above and beyond their own duties, stepping up to help in other departments without hesitation, which has impressed me immensely. And I reiterate the Chairs' sentiments that we could not have achieved these results without the hard work and dedication of our people.

With a rise in cargo volumes to a record 3.96 million tonnes, and container throughput reaching an all-time high of 62,000 TEU, this level of growth will require additional staffing, and we are looking to fill around 21 additional roles in the next 12 to 18 months.

Our Health, Safety and Wellbeing Strategy was developed in FY26, building on existing initiatives and practices, it provides a clear framework for how health and safety is to be led, managed and continuously improved across the organisation through to 2029. Underpinned by the four core pillars; Leadership, Culture and Empowerment; Risk Management and Critical Risks; Worker Health, Wellbeing and Psychological Safety; Capability, Systems and Engagement.

The staff-led Health and Safety Committee increased membership to 14, to broaden representation across the Port providing an open forum for discussion and feedback. An example of this was the opportunity to enhance the existing gym facilities was highlighted, which resulted in developing a functional environment for physical wellbeing and rehabilitation.

I believe it is key to not only support our staff, but the community we all belong to. South Port has in place some long-standing initiatives such as the Staff and Community Study Scholarships. In FY26 South Port contributed more than \$80,000 in sponsorship to local organisations, and we encourage our staff to be involved through volunteering in and around the community. The biennial Port Open Day held in March this year highlighted the level of interest the community has in Port operations, with large numbers turning up to tour the port, despite the unusually wet weather. This is another example of the commitment of our staff, volunteering their time on a Sunday to host the community.

Our care of the community extends to the environment we work and live in. Legislation currently before Parliament would mean South Port will no longer be a Climate Reporting Entity, as such this year South Port did not produce a climate statement, but chose to adopt a voluntary reporting model that is integrated into our Annual Report.

Included in this is the significant work done by the South Port Infrastructure and Environmental team to develop a new Discharge Agreement with Environment Southland. This work began in 2021, the current agreement has been in place since 2012. The outcome of this work is the newly developed framework which is expected to be fully operational by May 2027. Again, details of this can be found in our Annual Report.

We have been pleased to receive positive feedback from the Bluff community on our purchase and refresh of 53-55 Gore Street, Bluff, comprising 9,500m² land with existing buildings previously used for cold storage. This facility has been revamped and is now known as the Bluff Freight Centre, or BFC, and is compliant for storing dairy product.

Bulk cargo remains South Port's core trade, and it continues to deliver excellent growth, supported by the strength of the agricultural industry, forestry activity, project cargo associated with renewable energy developments, and NZAS operations.

It was also pleasing to see the growth in container volumes which had remained relatively steady at around 49,000 TEUs since 2020; however this year saw 62,000 TEU, a 26.5% increase on this average.

The agriculture sector has been one of the areas of growth for the company over the last financial year, following the trend from FY25.

The Port's well-balanced import and export mix is a strategic advantage, enabling backloading efficiencies and enhancing overall margin performance for the shipping companies.

At this time, I am pleased to be able to provide you with the trade volumes for the first quarter of FY27, ending 30 September 2026. A total of 1,025,000 MT of cargo has been handled through the Port (2026: 904,000) which represents a 13% increase, and a good beginning to the new financial year.

As Southland's economy continues to flourish, South Port's role as critical regional infrastructure becomes increasingly important. Our focus is on ensuring we have the infrastructure, capability and planning in place.

We have enlisted consultant, Dennis Koegeboehn, a seasoned port expert with more than 20 years of experience from all continents, to assist with our Port planning exercise. This involves a review of current operations, identifying improvement opportunities and assisting in developing a clear pathway for future growth.

This will be delivered in 2 stages, the first being optimisation of existing infrastructure and operations, the second will consider longer-term transformation opportunities that may require more significant capital investment.

This exercise will assist us to prioritise opportunities, considering a 20-to-30-year horizon.

Finally from me, thank you to the Board, South Port staff and the wider community for the welcome and support I have received.

I will now pass you back to the Chair to discuss potential growth opportunities.

Back to Chair

Thank you Derek.

South Port enters the new financial year with a resilient, diversified trade base, and strength across key regional industries. While market conditions remain uncertain, trade volumes through the Port for FY27 are expected to remain broadly in line with FY26. However, FY26 included non-recurring revenue from project cargo related to the handling of wind farm imports that is not expected to be repeated in FY27, but is likely to recur in FY28.

The Port is actively monitoring several regional growth opportunities including:

- Additional and extended wind farms in various stages of consent and construction. The most prospective is Mercury's Puke Kapo Hau wind farm which has reached Final Investment Decision and where construction of its 40 turbines will start next month (November 2026). It is expected to be fully operational by the end of 2028.
- Aquaculture projects such as Ngāi Tahu's Hananui 1,285ha marine farm which has now received fast track consent.
- Proposed Datagrid data centre near Makarewa in Southland, also having received fast track consent, has commenced preliminary earthworks and signed a power purchase option agreement with Mercury.
- A number of exciting early-stage but large-scale projects, including coal-to-urea conversion, hydrogen production, and silicon refining.

This is my last ASM as Chair of South Port. It has been a privilege, as the first non-Southland-based Chair, to guide this business. When I joined the Board 16 years ago the Company had just completed the negotiation of its 35-year Tiwai wharf licence out to 2043. We are now over halfway through that! And now, as I complete my term, I am pleased that we have reasonable certainty that NZAS will be part of our community for the foreseeable future. Moreover, with the upturn in agriculture, the maturing of our regional wood basket and the acceleration of our renewable energy-based industries, we have a quality problem and an exciting future.

I really like the ownership model and governance framework we now have. We have local connection through Environment Southland majority ownership, coupled with analyst and investor scrutiny through our NZX listing and the recent share placement. We have been able to attract an excellent mix of Directors to our Board and an experienced CEO with a strong local connection. But the Company is still small enough that it hasn't lost that Southland attitude of 'go the extra mile' to service our customers. We have a maturing relationship with mana whenua, the Awarua Rūnaka. And we have a deeper and safer harbour!

In short, we have all the ingredients for a bright future – so the challenge for South Port and the wider Southland community is how to take advantage of it!

That concludes the formal presentation. We now invite your questions.