

4 November 2021

**Marsden Maritime Holdings Ltd**  
**Annual Shareholder Meeting**

**Chairman's and Chief Executive Officer's Address**

**CHAIRMAN'S ADDRESS**

Nau Mai Tēnā koutou katoa, good afternoon, welcome to the 33<sup>rd</sup> Annual Shareholders Meeting of Marsden Maritime Holdings' Ltd. I'm Murray Jagger, Chairman of Marsden Maritime.

Thank you for joining us virtually today. Before we start proceedings, I have a few matters to cover:

- If you have not already voted, voting will open shortly and will remain open until we advise at the end of this meeting. I will cover how to vote shortly.
- There are three resolutions to be considered today – a vote will be held on each one.
- As you will have noted in the online meeting notice circulated on October 20, resolution four has been withdrawn and will be revised at a later date.
- All shareholders can vote on all resolutions.
- All the resolutions are ordinary resolutions and require 50% approval.
- Results will be announced soon after the conclusion of the meeting.
- We will hold a Q&A during the general business section of the meeting. You can ask a question at any time throughout the meeting, all questions will be answered in the general business section.
- We may take a few minutes to collate and review these before general business.

**WELCOME**

I would now like to introduce my fellow Directors and Management. Firstly, our Directors:

- Hamish Stevens – Chair of the Audit and Risk Committee
- Tony Gibson – Chair of the Remuneration Committee
- Benoit Marcenac – Chair of the Port Ecosystem and Land Oversight Committee
- Mark Bogle
- Kirsten Andrews
- Rabin Rabindran

And, our Chief Executive, Felix Richter.

I would also like to welcome our Legal Counsel, David Jones from Heimsath Alexander and our Audit Partner, Lloyd Bunyan from Ernst and Young.

The Notice of Meeting has been circulated to all shareholders and is taken as read.

The registry of Directors' shareholdings and interests is tabled on pages 19 to 21 of the annual report as required under the provisions of the Companies Act 1993.

In accordance with normal practice, the Minutes of the Annual Meeting held on 5 November 2020 were approved by the Directors during the year as being a true and correct record of that meeting. I therefore do not propose to have those minutes read.

Here's an agenda for today's meeting, I will run through this briefly.

I will cover:

- The financial overview,
- MMH's strategic roadmap,
- Update on the land development strategy,
- Northport and its growth opportunity,
- Our ESG framework, and
- The outlook for the year ahead.

Felix will present:

- The operational highlights,
- Update on the ecosystems, and
- Financial detail.

We will then move to:

- Voting resolutions, and
- General business.

## **FINANCIAL OVERVIEW**

The 2021 financial year has seen Marsden Maritime Holdings achieve significant progress against its strategy and deliver a record result.

Over the past 12 months, Marsden Maritime Holdings has completed four significant construction projects and seen solid growth in the commercial property, marina and marine services business units.

It has delivered against its long-term business strategy with developments that support the growth of Northport, reinforce Marsden Point's reputation as a marine services hub, grow the local economy more generally, and assist with the transformation of the wider Northland economy.

## FINANCIAL HIGHLIGHTS

Marsden Maritime is proud of the result we have delivered shareholders this year.

- We recorded a **net profit after tax** of \$14.3 million more than doubling the previous year's result of \$6.7 million.
- **Earnings from its joint venture interest in Northport Ltd** were a record \$9.5 million, up 8.1% on the same period as last year. This is on the back of strong cargo volumes.
- **Revenue from the Group's property and marina operations** were up 14.6% to \$7.2 million.
- We have seen a \$3.7 million increase in the **valuation of our investment property** - most of which we view as a reversal of last year's Covid-related \$2.97 million write-down and reflective of strong demand for commercial and industrial property.
- Marsden Maritime's **underlying earnings** grew by 9.7% to \$10.6 million – this excludes the revaluation of investment property and fair value movements as shown in the statement of profit or loss.
- Marsden Maritime Holdings paid a **fully imputed final dividend** of 11.25 cents per share on 24 September 2021. This brought the total dividend distribution for the year to 18 cents per share, up from 16 cents per share last year.

There are two other numbers that I wanted to cover:

- \$14.7 million – directly invested into the local economy - utilising local businesses development work, maintenance and professional services.
- \$12.8 million – the value of development work undertaken on site during the period - mainly covering the supermarket, Kiteotara and Kitewhara developments.

As you know, last year we released our new strategy and defined the purpose of Marsden Maritime Holdings. Our purpose is to Transform Northland's Economy. We will continue to report on these numbers, and other activity as we work to deliver on our purpose of transforming Northland's economy.

## STRATEGIC ROADMAP

Last year we developed this roadmap to show you the milestones we have achieved, what's in progress, and what's on the horizon – I would like to update you on progress.

1. In 2020 Marsden Maritime completed and defined its purpose and redefined its vision and core values.
2. We also completed designing our ecosystems – Felix will run through an operational update of the ecosystems in his address.
3. We continue to work on a land use and development strategy. Together in collaboration with Northport we are allocating the different ecosystems into different zones on our current landholdings. I will update on this shortly.
4. We have also begun looking at options for a capital funding structure – this work is still in its infancy.

### **LAND DEVELOPMENT STRATEGY**

We take a long-term view when planning the development of our land. Over the past 12 months, our land development strategy has continued to be a strategic priority for Marsden Maritime Holdings. We have completed the spatial planning process with The Property Group and are working with BuildMedia on a full visualisation of our plans. We are looking forward to presenting this once completed.

The land development strategy will categorise areas of undeveloped land into distinct ecosystems.

This will enable us to take a structured and consistent approach in determining where various industries will be situated and will allow land to be protected for the growth of Northport, while making other areas available for rapid investment and development.

As a significant landowner at Marsden Point, we are proud to be a key contributor to the area and the region's economic development. Throughout the land development strategy process, we considered the impact on the environment and community and have consulted and are working with local iwi.

We believe the completed land development strategy provides a robust blueprint that will guide Marsden Maritime's future activities whilst also contributing positively to achieving sustainable environmental, social and economic benefits.

### **NORTHPORT**

Northport continues to be a significant piece of infrastructure for Northland which is nationally important and strategically critical.

While current supply-chain issues impacting the country might be unprecedented, they demonstrate clearly the need for a resilient and geographically-astute Upper North Island

Supply Chain strategy that makes best use of the three existing ports that already serve the region.

Northport is firmly part of the national discussion on the future of the Upper North Island's supply-chain.

**Rail Link** - Whilst disappointed in the withdrawal of the four lane roading investment we are pleased that in June this year funding was allocated by the Government to build a rail link to Northport at Marsden Point.

We welcome the rail link as it will strengthen the current Upper North Island Supply Chain resilience.

We are currently engaging with KiwiRail on the design of the rail link on MMH land.

**Container Handling** - This year we reported that bulk cargo throughput at Northport was up 18% from the previous year, and annual container volumes up 9%.

Northport is investing \$8 million in infrastructure needed to support the growth of container traffic through the port.

It has bought container-handling equipment and a simulator module to train staff in its operation, expanding its container storage area and upgrading its lighting to enhance safety during 24-hour operations.

Northport now has two new reach-stacker container handlers and a new dock-truck and MAFI trailer. These will enhance substantially the port's container-handling ability.

Northport started paving an extra four hectares of its south-west development in October and will install six 35m towers with LED lights later in the year - a first for the port.

We have the ability to relieve the pressure on the supply chain and the increasing demands on the Auckland waterfront. We see realising Northport's significant growth opportunities as a staged and complementary process to supporting POAL rather than a short-term complete relocation of the Auckland port.

## **ESG FRAMEWORK**

As a listed company, we understand the role we play to deliver for our shareholders through sustained returns while also fulfilling our responsibilities to care for our community and the environment.

Marsden Maritime Holdings continues to focus on implementing a comprehensive approach to environmental, social and governance matters.

The Company's ESG framework was adopted in June 2020 and is aligned with the United Nations' Sustainable Development Goals.

Implementation, which started in this reporting period, will enable Marsden Maritime to realise the Board's expectations around environmental sustainability, social licence and excellence in governance in every aspect of operations.

We continue our journey to achieve our ESG ambitions, and are committed to being honest and transparent in communicating our progress.

You can find our report on recent ESG progress on pages 11 and 12 of our 2021 Annual Report.

## **OUTLOOK**

The company's ecosystem-based business strategy will continue to provide direction and focus for growth, and ensure that land holdings are optimised for best long-term results. As mentioned the next step in our strategic roadmap is to complete a capital structure review to enable us to fund future activity. Preliminary work has been undertaken and shareholders will be updated as soon as recommendations are finalised. This is a complex piece of work and will take some time.

We will continue to focus on driving growth in our non-port areas of activity, investing in the infrastructure that will both enable and encourage organisations interested in relocating to Marsden Point to do so. Our drive to diversify is delivering results and we remain well placed to take advantage of increased interest in Marsden Point among exporters and manufacturers currently based in Auckland.

On a regional level the signs of economic growth are equally encouraging. Northport remains firmly part of the national discussion around the future of the Upper North Island's supply-chain. This, and the role the port might play in the development of a shipyard and dry-dock that would contribute significantly to the emergence of a specialist marine construction hub locally, continues to drive interest in commercial opportunities that we might help to unlock.

### **CHIEF EXECUTIVE UPDATE**

In January next year Felix Richter will be leaving after 3.5 years. He is leaving the company in a strong position for the future. On behalf of the board I am thanking Felix for his contribution and wish him well for the future.

The Board have begun the process of appointing a new Chief Executive, and are looking to make an appointment in early 2022.

I will now hand over to Felix who will present Marsden Maritime's operational highlights, give an update on ecosystems, and provide further financial detail.

### **CHIEF EXECUTIVE OFFICER'S ADDRESS**

Tēnā koutou katoa, good afternoon everyone, thank you for joining us today.

As Murray has mentioned this year has been a great year for Marsden Maritime, we have delivered a solid result and completed significant projects.

### **OPERATIONAL HIGHLIGHTS**

This next slides show some of our operational highlights from the year, I will quickly run through some of these.

- 3,546,744 t Bulk cargo throughput at Northport, up 18% from 2,998,070 tonnes in the previous year
- 13,451 TEU Annual container volumes, up 9% on 12,314 TEU in the same period last year
- 7 new large berths at the Marina, which has achieved over 80% occupancy
- 4 significant construction projects completed
- 3 large new buildings which are almost completely tenanted

### **BUSINESS ECOSYSTEMS**

Marsden Maritime Holdings' strategy framework, developed last year, identified four business ecosystems that comprise its core business - Port, marine, commercial and industrial.

We also identified two ecosystems that expand the core business - Port Network and MMH Investment Network.

Over the next few slides, I will talk through the updates from the ecosystems at the core of our business.

### **Port**

Firstly, the port ecosystem, this includes developments that support the growth of Northport. Northport continues to be a significant piece of infrastructure for Northland which is strategically important and nationally significant.

Continuing congestion at New Zealand's major ports and the associated disruption of supply-chains around the country have given Northport the opportunity to demonstrate its ability to handle large volumes of container traffic, as well as the role it might play in a resilient, geographically-astute three-port supply chain strategy for the Upper North Island.

As part of our master planning work, Marsden Maritime Holdings has made available to Northport some of its port-adjacent land as additional lay-down area so that the port can efficiently handle the large volumes of containers arising from unexpected container-ship calls.

We also continue to see strong interest from potential tenants who will benefit from proximity to the port. We are building a 4,800m<sup>2</sup> bulk storage facility to accommodate the specific needs of Nutrinza whose operation has grown significantly.

A key piece of work that developed designs for the extension of the private road linking Marsden Maritime Holdings land with the port has been completed this year. This will provide access to the port from the balance of the company's land. Tenders for construction will be issued once any one of several development prospects on Block B is confirmed.

### **Industrial**

Our industrial ecosystem includes developments that will foster innovative and transformational businesses. Discussions with potential tenants are ongoing and the company is also developing plans for an innovation centre on our land.

The company continues to develop its land development strategy to accommodate these tenants seeking access to land and/or port access.

## **Marine**

The Marine ecosystem includes developments that grow Marsden Point as a marine destination.

We're pleased to report that berth occupation at Marsden Cove Marina is higher than ever before sitting at 80%.

Marsden Maritime built seven new berths over the reporting period and three have already been sold under licence. There are now 236 berths at the marina.

The company's boatyard has enjoyed a high degree of use over the past year, far greater than expectations when the decision was taken to expand the hardstand area by a hectare.

## **Commercial**

Finally the commercial ecosystem, this includes developments that support the local economy.

Under this ecosystem Marsden Maritime completed three significant commercial property construction projects over the reporting period – two business centres and a building to accommodate offices and a Four Square supermarket franchise.

The company continues to see high levels of interest among commercial entities in relocating to Marsden Point, and construction of roading and infrastructure continues in support of these developments.

I will cover some detail of the completed construction projects over the next few slides.

***Supermarket and Office Space*** - Construction is completed on the 900m<sup>2</sup> Four Square Supermarket at Marsden Cove Village and 900m<sup>2</sup> office space was completed.

The upper level of the two-storey supermarket building is already 50 percent tenanted and the supermarket is due to open in December.

The new supermarket is an important step to provide increased services to the local community and the beginning of further improvements on the Marsden Cove Village.

***Kiteotara Business Centre*** will ultimately comprise 24 x150m<sup>2</sup> commercial units in two buildings.

Stage One is complete and 11 of 12 units are occupied. The tenants are a very diverse mix, including boat maintenance, local building companies, canvas making and even a gym.

Construction of Stage Two is underway with completion expected in the first half of 2022. Two of the Stage Two units are already leased and there is a continued strong interest in the remaining units.

The **Kitewhara Business Centre** provides 4x600m<sup>2</sup> units suitable for retail, commercial and light manufacturing businesses.

It was completed in September 2021 and all units are already leased. The units are occupied by two local business and two businesses relocating from Auckland.

## **FINANCIAL DETAIL**

I will now take you through the financial detail.

### **Financial performance**

As you will be well aware FY2021 has been the best financial result for the company on record. Demonstrating the strong growth as a result of our strategy.

The real indicators for this success are the underlying earnings, which at \$10.6 million excluded the revaluation of company assets. Underlying earnings combines the results of Northport (\$9.5 million) and Marsden Maritime's non-port related businesses (\$1.1 million).

### **Revenue by operating segment**

There has been consistent growth across all operating segments in FY21.

This slide does show a level result for the property holdings this year. This is a result of the completion timing of some commercial developments undertaken by MMH in the reporting period.

### **Northport cargo volumes**

The cargo volumes for FY21 at Northport show a strong rebound from the disruption caused by Covid-19 last year and resulted in a record profit for Northport.

### **Financial performance relative to dividend distributions**

All this has resulted in the best financial performance of the company to date and the Board and management team are pleased to present our shareholder with a dividend payment of 18c/share.

Thank you, I will now hand you back to Murray.

**AUDITORS REPORT – MURRAY JAGGER**

The Auditor's report was published on pages 51 to 54 of the annual report and is unqualified. I have assumed that this has been read by Shareholders and I therefore do not propose to have it read to the meeting.

As the Auditors are appointed by the Office of the Auditor General we do not need to vote on this item, this is dealt with under Section 19 of the Port Companies Act which advises that the Audit Office is our Auditor.

**MEETING CLOSE – MURRAY JAGGER**

Myself and the other Directors are available to talk with you throughout the year.

I would like to thank you all for attending the Annual Meeting virtually today, and for your ongoing support to help us achieve the great result we have shared today.

Haere rā ka kite anō.