

Wednesday, 18 March 2026

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Performance and Monitoring Committee Meeting

Kaupapataka

Attachments – Volume 1

Te Rā Hui:
Meeting date: **Wednesday, 18 March 2026**

Te Wā:
Time: **1:00 PM**

Te Wāhi:
Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

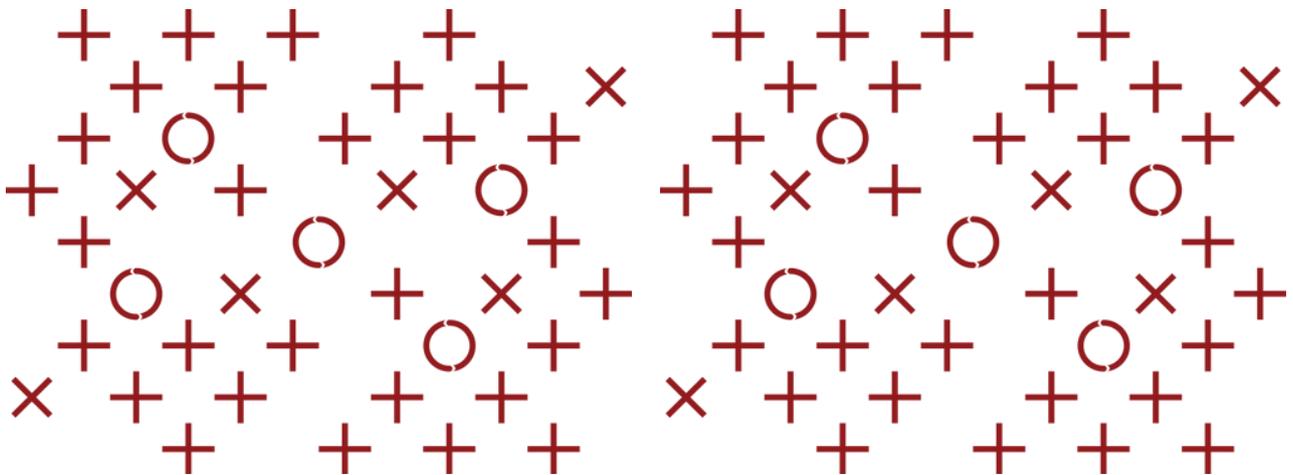
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Q2 Report

Foodeast Limited Partnership
For the 3 months ended 31 December 2025

Financial Statements prepared by Brown Webb Richardson Ltd



Chair's Report

Foodeast Limited Partnership

Quarterly Update for the period ended 31 December 2025

Dear Limited Partners,

In accordance with the Foodeast Limited Partnership Agreement, and on behalf of the Board of Directors, I am pleased to submit the quarterly report for Foodeast Haumako (FEH) for the period 1 October to 31 December 2025. The results are unaudited.

1. Highlights of the Quarter

FEH has come a long way as we reflect on the journey to operationalise FEH over the 12-months since the formal opening by the Honourable Shane Jones alongside our shareholders and key stakeholders in December 2024.



Corporate partner programme

Pitch collateral for corporate partners for FEH facility naming rights was finalised during the quarter and discussions with initial target corporates progressed. Naming rights for one of the meeting rooms was confirmed in December as the first confirmed partnership. Promotional media will be developed in February when the business community return to normal operations after the summer break. The corporate partnership market continues to be challenging but we remain positive about progress.

The Innovation Club was launched at the Future Focused Agritech event in November where Jarred Mair, Chief Insights Officer at MPI, delivered a fast-paced, interactive session exploring how technology is transforming the food, beverage and agritech sectors. He inspired attendees with how these shifts are reshaping markets, creating opportunities for innovators and investors, and illustrated how businesses can turn new ideas into results.

This was the first of what is proposed to be quarterly innovative speaker forums targeted at regional leaders as part of the Innovation Club offering. Four corporates confirmed membership of the club by the end of the quarter with active discussions progressing with a handful of others. The initiative provides a valuable new revenue stream and deepens FEH's partnership with industry.

We are finding that sales cycles are long as corporates delve into specific attributes of the corporate partnership offering that are important to them, underpinned by their current priorities, decision processes and timing. We anticipate that the programme will have a gradual build in momentum over the coming year.

Investor network

A second successful investor forum was held in October. In an exit questionnaire at the forum, investors confirmed their interest in establishing a regional investment model. 90% of attendees indicated interest in investing in and mentoring start-ups, and an encouraging 70% of investors expressing interest in supporting operations of the regional model, supporting previous informal evidence of support from potential investors.

FEH's 2025 industry survey highlighted the challenge of access to capital with 31% of respondents identifying this as a critical barrier to meet business goals. The regional investment model aims to connect, educate, energise and mobilise private sector capital to support business growth in the region. Underpinning the rationale for this model is that whilst Hawke's Bay has some of the highest densities of high-net-worth individuals in the country, it is one of the only regions in the country without a regional investor group. This means that there is:

- No coordinated business investment scene in the region
- Limited coordinated support for innovators and founders
- Limited ability to leverage private capital to support business growth
- New projects are faced with revolving doors to funding (councils, REDA, FEH, HBRIC, ...)
- Our investors and founders are heading out of region for support to raise capital that is hampering growth opportunities in the region

FEH's work to date has Hawke's Bay's regional model comprising a lower central North Island alliance with Manawatū and Taranaki to achieve scale, operational efficiencies, increased deal flow, extended networks and increased resourcing capacity. FEH will coordinate the Hawke's Bay chapter to provide momentum and a home for the regional initiative.

Plans to launch the Hawke's Bay investment model were publicly announced at the Export Insights 2025 Fuelling Growth event hosted by Business Central and NZX at Pask Winery in November. The theme of that event was about raising capital to support business growth.

Initial investor champions have been onboarded, providing credibility to the regional model. By the end of the period, two preferred corporate partners had committed to supporting the initiative. Support from preferred corporate partners will strengthen the initiative in the lead up to the launch event and, importantly, provide a new revenue stream.

Discussions have started with leading regional innovators about establishing a start-up/founder support and capital ready programme to run in parallel with the investment group to help build the pipeline of investible growth companies. Discussions will also continue with the Manawatū innovation ecosystem to leverage Hawke's Bay's exposure to capability and IP opportunities.



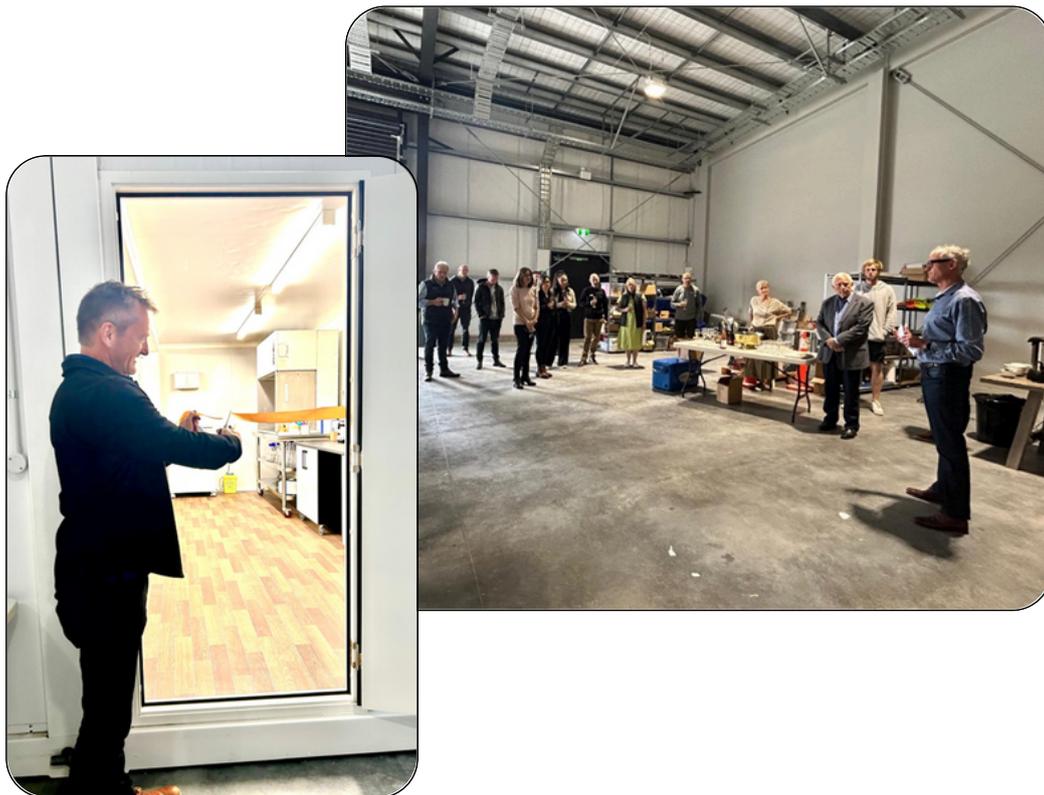
Fermentation agenda

The Hawke's Bay REDA-commissioned fermentation centre strategic case was released in September in concert with FEH's comms machine. The report identifies strong foundations for a regional fermentation centre, including Hawke's Bay's concentration of food and beverage manufacturers, established industry and research networks, and the collaborative environment at the FEH innovation hub. It also notes national challenges such as limited fermentation infrastructure and competition for specialist skills.

The strategic case recommends a staged, evidence-based approach to progressing a regional centre: build regional capability, validate demand, and form strong science and industry partnerships before considering any major investment.

Given the significant global momentum building around fermentation and scale of the opportunity for the region, we remain committed to continue with a conservative phased approach.

As a tactical step, a lab has been installed in bay 1. This was opened at a FEH Christmas morning tea held in early December attended by tenants and relevant stakeholders. The lab is now leased and operated by Mara Bio as we continue to support their development and their desire to remain in Hawke's Bay. There is interest from another innovative company for a similar lab that will be considered over the coming months.



After hosting a NZ-first 'Fermentation for Future Food' Summit in September 2025, FEH was positioned as an independent entity well-equipped to lead collaboration and strategy in this exciting and innovative area. As a strategic response, ensuring that FEH keeps Hawke's Bay on the 'novel fermentation' map, we have progressed discussions about national alignment with leaders in the novel fermentation space about developing a national fermentation strategy. Two hui have been held with stakeholders reconfirming support for FEH to coordinate this initiative. A scoping document was developed by FEH and circulated to stakeholders in December. It will be finalised and signed off by lead stakeholders in the next quarter with the aim of developing the national strategy through Q2 and Q3, subject to securing funds for this work.

Relationships with Massey University and Eastern Institute of Technology

As noted in the last quarterly report, one of the key tenets of an innovation hub is connectivity with the education sector. Education will form a key pillar in FEH's innovation agenda for the 2026/27 strategic plan. We have continued to work this quarter with Massey University and EIT to develop partnership plans that will support both organisations and their delivery of industry-relevant education and talent development.

We facilitated a visit by the EIT Executive Dean, John West to meet with Ray Geor, Pro Vice-Chancellor – Sciences at Massey University. Energetic discussions centred around Massey and EIT developing better alignment for courses and industry engagement. A letter of intent has been agreed between the three parties and awaits signing by the incoming EIT chief executive. FEH's value to the triparty collaboration centres on our connection with industry and our independence as we work to leverage a united approach to regional efforts to ensure that Hawke's Bay students are well-served and that industry benefit from a strong pipeline of appropriately qualified talent. Initial efforts will focus on the horticultural sector. In time, we aim to leverage government support for this initiative since it aligns with two of their ambitions – to streamline and make more efficient the tertiary education and industry training sectors, and to double exports by 2034.

2. Priority Areas for Quarter Three

- Continued focus on driving non-rental revenue streams to support financial sustainability.
- Formalise agreements with initial corporate partners and innovation club members, continue to onboard new partners as a matter of priority and operationalise the cycle of partner engagement and delivery of our partner obligations.
- Launch the investor network to support the development of the Hawke's Bay capital market, progress the founder/start-up support model and onboard additional preferred corporate partners to support this initiative.
- Continued work on national engagement to confirm the scope for the fermentation strategy and work with lead agencies to resource the development of the strategy.
- Cement a lease arrangement with a tenant for second laboratory in bay 1.
- Profiling projects that are currently underway in the Sustainable is Attainable programme and those who are making things happen (where possible with confidentiality constraints).

- Two events on food waste reduction are scheduled for March which is Hastings District Council's Great Food Rescue month. A workshop for upcycling food waste in hospitality and a webinar on results from Kai Commitment survey on food waste. We will trial the workshop as a paid event.
- The second FEH annual industry survey will attempt to establish the value of the Sustainable is Attainable programme to industry. These results will guide the 2026/27 events programme and our ability to build a viable funding plan to enable SiA to become self-sustaining by mid-2027.
- Sign the letter of intent with Massey University and EIT and take initial steps to better align courses and industry engagement in the horticulture sector.
- Undertake a second annual industry survey with release of survey findings in Q4 and analysis of results to feed into FEH's innovation measurement framework.

3. Tenancy Update

The shared office space continues to attract interest for new desk rentals. The space creates a great buzz and we are seeing tangible outcomes achieved from the valuable connections formed between tenants and visitors. The focus for this space now shifts to managing capacity constraints and exploring the potential to extend the shared space into tenancy 1.

One new tenant was secured this quarter with FMG moving into tenancy 2 in December taking the total to 16 tenants at the end of the period.

Tenancing the remaining large office tenancy and industrial bay remains challenging with the prevailing difficult economic conditions. There is weak interest in tenancy 1 and interest in another laboratory in bay 1, which is signalled in the due diligence column in the committed occupancy table below.

	Committed occupancy	Under due diligence	Mar '25 forecast	Dec '25 forecast	Apr '26 forecast	2026 budget	2027 budget	2028 budget
Building A	73%	27%	50%	50%	75%	87%	83%	85%
Building B	55%	5%	50%	75%	75%	59%	77%	84%

4. Regional Growth commentary

FEH has increased staff resourcing by 0.2 FTE to 2.25 FTE to increase capacity to deliver the commercial work programme. This brings direct employees to one full-time plus two part-time staff with four board members. At the end of the period, there were 50 people working on site across the tenancies, swelling up to 59 people at peak times.

A foundational role for FEH's support of productivity and innovation is the provision of a hub facility for people to meet, connect, share ideas and learn. Twenty-nine direct connections were facilitated between businesses, advisory services and networks, 17 events and workshops were hosted at FEH and there were 267 visitors during the period, with usage continuing to grow.

FEH plays a direct role in supporting tenants and visitors through providing a collaborative hub that offers ecosystem support and by facilitating advice and networks to support their growth. We are now seeing tangible evidence of outcomes having observed a number of examples.

- Two of our start-up tenants have formed a strategic collaboration that has made joint pitches for six projects.
- One start-up requires a new staff member after securing a contract to implement an innovative technology solution, which if successful, can be rolled out to other customers nationally and offshore. This project was inspired by the Sustainable is Attainable programme.
- Another start-up is scaling up what is currently a part-time operation and plans to employ two new staff members that will take up residence in the shared office space.

With FEH now getting to a point where tangible outcomes are being observed as a result of our support in some way, we will look to improve our reporting and measuring framework in this area during the coming quarters.

5. Finance

Attached to this report are the FEH financial statements for the period to 31 December 2025.

The key items to note are:

- Total rents received, inclusive of conference room income and on-charge costs less lease incentives were \$176,530 to 31 December 2025 relative to budget of \$154,813.
- Project income of \$10,141 was received from Sustainable is Attainable. This was offset by costs associated with the fermentation summit and Future Focused Agritech breakfast.
- Overall revenue for the financial year to 31 December 2025 was \$186,670 relative to a budget of \$172,312.
- Operating expenditure of \$442,072 compares unfavourably to budget of \$428,477, largely due to increasing costs of operating a facility now that it has more tenants; many of these costs are on-charged to tenants.
- Overall, the net operating loss for the financial year to 31 December 2025 was \$252,308 relative to budget net operating loss of \$256,165.

In the last quarterly report, we signalled that we would require a further capital injection of \$400,000 in the third quarter of FY2026 (January to March). Letters will be sent to Limited Partners in early February. This is the last of the calls on shareholders committed capital.

The board and staff remain focused on implementing the commercial plan which will generate non-rental income streams to facilitate financial sustainability. The current economic climate is providing a challenge.

6. Risks and issues

The FEH board reviews strategic risks monthly and has periodic deeper reviews scheduled in its annual work calendar. At the last deep review of strategic risks, the board added a new strategic risk to highlight the risk associated with looming changes to local government and associated implications for FEH's shareholding and work programme priorities.

With tenancy uptake falling behind initial budgets, operating deficits are larger than originally forecast resulting in reduced cash reserves and a shorter runway. The board's focus on delivering the commercial plan as a priority to bring on additional revenue streams through corporate partnerships (including naming rights to rooms and the overall facility), programme sponsorship and other revenue generating activity is beginning to gain traction. However, long sales cycles, the high resourcing load required to engage with corporates and the current economic climate may hinder progress.

Strategic risks along with a summary of current mitigations are outlined in the table below.

<u>Strategic risk</u>	<u>Summary mitigations</u>
Failure to deliver an effective commercial strategy to achieve operational and financial sustainability	<ul style="list-style-type: none"> • Pursue new tenants • Pursue corporate partnerships • Develop and leverage investment programme • Develop relationship with RRA, REDA and regional leadership framework
Not delivering on our contractual commitments under the funding agreement with Kānoa.	<ul style="list-style-type: none"> • Progress fermentation centre by implementing recommendations from the strategic case • Support and deliver Sustainable is Attainable • Support delivery of innovative programmes / events • Develop dashboard for innovation measures • Secure corporate partners for programmes
Loss of support from local stakeholders (including Limited Partners)	<ul style="list-style-type: none"> • Adhere to a robust stakeholder management plan • Implement an effective communications plan
Lack of understanding of what potential clients want	<ul style="list-style-type: none"> • Seek feedback about FEH from prospective tenants, clients and sector • Undertake annual survey of industry and implement the findings
Rapidly changing landscape for local government	<ul style="list-style-type: none"> • Continue to brief key stakeholders about our value proposition • Deliver on shareholder reporting obligations and expectations

7. Media

Traditional media/PR for the period included two press releases issued by FEH and loaded to the website (fermentation forum and tech breakfast).

Earned media included:

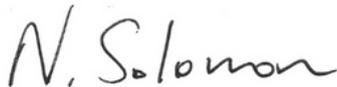
- Precision fermentation in Hawke's Bay's sights – NZ Foodtechnology News, October 2025, article on Fermentation for Future Food Summit and Hawke's Bay's emerging role in precision and novel fermentation.
- Digging for Gold: Hawke's Bay's big chance to back the next global story – The Profit, October 2025, article on Foodeast Haumako investment forum programme.
- Fermentation for Future Food Summit coverage – Food New Zealand, December 2025, article on Fermentation for Future Food Summit, including sector debate, scientific capability and regional opportunity.
- Port ownership up for debate – BusinessDesk, November 2025, mention of Foodeast Haumako within the context of Hawke's Bay Regional Council-owned assets.

Foodeast Haumako LinkedIn presence grew incrementally over the quarter. At the end of Q2, FEH had 460 followers, with 36 new followers added during the period. Eight posts were shared, generating 4487 impressions. The LinkedIn page recorded 107 visits during the quarter.

Over the quarter, the website attracted 1,700 users, with users spending an average of 28 seconds on the site. At the end of the quarter, FEH had 618 subscribers in the EDM database, with continued steady growth across the period. Three EDMs were distributed during Q2, achieving an average open rate of 46%.

New content for the website was prepared during December ('Resources' and 'What We Do' pages) and made live during January. A LinkedIn content plan has been developed to align with the publishing of the new pages.

Yours sincerely,



Nicky Solomon
Chair
Foodeast Limited Partnership
28 January 2026

Statement of Financial Performance

Foodeast Limited Partnership For the 3 months ended 31 December 2025

	NOTES	OCT-DEC 2025	JUL-DEC 2025
Revenue			
Project Income		5,727	10,140
Rent Received		93,458	176,530
Total Revenue		99,184	186,670
Gross Profit (Loss)			
		99,184	186,670
Expenses			
Cash Expenses			
Accountancy & Secretarial Fees		3,300	18,500
Audit Fees		-	-
Bank Fees		103	265
Building Costs		4,693	14,470
Cleaning		4,393	8,351
Communications & Marketing		9,493	14,073
Computer Expenses		3,979	6,723
Conference Expenses		86	86
Consultancy Fees		6,250	7,818
Directors Fees		31,725	63,450
Electricity		6,593	16,819
General Expenses		13,503	25,900
Insurance		19,981	39,909
Legal Expenses		1,275	2,095
Low Value Assets		-	964
Office Expenses		168	446
Rates		2,633	11,229
Staff Expenses		89,199	173,937
Telephone, Tolls & Internet		289	783
Travel Expenses		3,431	6,228
Total Cash Expenses		201,094	412,045
Depreciation		15,562	30,027
Total Expenses		216,657	442,072
Net Operating Profit (Loss)		(117,472)	(255,402)

This Statement is to be read in conjunction with the accompanying Notes and Accountant's Statement

Q2 Financial Report | Foodeast Limited Partnership

Statement of Financial Performance

	NOTES	OCT-DEC 2025	JUL-DEC 2025
Other Revenue			
Interest & Dividends			
Dividends Received		270	270
Interest Received		899	2,824
Total Interest & Dividends		1,169	3,094
Total Other Revenue		1,169	3,094
Net Profit (Loss)		(116,303)	(252,308)

This Statement is to be read in conjunction with the accompanying Notes and Accountant's Statement

Q2 Financial Report | Foodeast Limited Partnership

Statement of Changes in Equity

Foodeast Limited Partnership For the 3 months ended 31 December 2025

OCT-DEC 2025

Equity	
HB Regional Investment Co	
Opening Balance	8,516,575
Decreases	
Share of Profit	77,794
Total Decreases	77,794
Total HB Regional Investment Co	8,438,780
Hastings District Council	
Opening Balance	2,123,953
Decreases	
Share of Profit	19,402
Total Decreases	19,402
Total Hastings District Council	2,104,551
Progressive Meats	
Opening Balance	2,123,949
Decreases	
Share of Profit	19,402
Total Decreases	19,402
Total Progressive Meats	2,104,547
Total Equity	12,647,878

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Q2 Financial Report | Foodeast Limited Partnership

Statement of Financial Position

Foodeast Limited Partnership As at 31 December 2025

	NOTES	31 DEC 2025
Assets		
Current Assets		
Cash and Bank	3	295,634
Trade and Other Receivables		34,161
GST Receivable		15,896
Work in Progress		26,731
Total Current Assets		372,422
Non-Current Assets		
Fixed Assets		
Investment Property		
Land		1,500,000
Buildings		1,595,264
Revaluation	1	9,014,736
Total Investment Property		12,110,000
Office Equipment		69,985
Furniture & Fittings		169,359
Total Fixed Assets		12,349,345
Total Non-Current Assets		12,349,345
Total Assets		12,721,767
Liabilities		
Current Liabilities		
Trade and Other Payables	4	73,888
Total Current Liabilities		73,888
Total Liabilities		73,888
Net Assets		12,647,878
Equity		
Partners' Funds		
Hastings DC	2	2,104,551
Progressive Meats	2	2,104,547
HB Regional Investment Co	2	8,438,780
Total Partners' Funds		12,647,878
Total Equity		12,647,878

This Statement is to be read in conjunction with the accompanying Notes and Accountant's Statement

Q2 Financial Report | Foodeast Limited Partnership

Statement of Cash Flows

Foodeast Limited Partnership For the 3 months ended 31 December 2025

OCT-DEC 2025

Operating Activities

Receipts from investment properties	118,631
Receipts from customers	(2,420)
Payments to suppliers and employees	(185,569)
Dividends received	270
Interest received	852
GST	30,917
Cash receipts from other operating activities	799
Cash payments from other operating activities	(7,837)
Net Cash Flows from Operating Activities	(44,356)

Investing Activities

Proceeds from sales of property, plant and equipment	510
Payment for property, plant and equipment	(18,837)
Other cash items from investing activities	143,683
Net Cash Flows from Investing Activities	125,355

Financing Activities

Other cash items	(3,510)
Net Cash Flows from Financing Activities	(3,510)

Net Cash Flows

77,489

Cash and Cash Equivalents

Cash and cash equivalents at beginning of period	218,145
Net change in cash for period	77,489
Cash and cash equivalents at end of period	295,634

Notes to the Financial Reports

Foodeast Limited Partnership For the 3 months ended 31 December 2025

1. Building and Fitout Costs

Construction and Fitout is complete.

The market valuation on 30 June 2025 for the land and buildings are \$12,110,000.

2. Contributions

Additional contribution requests of \$400,000 in total were sent to the Limited Partners and were received in May 2025.

The Net Loss for the period is proportionately included in the respective Partners' Funds.

	DEC 2025
3. Bank Accounts	
Westpac - Debit Card	1,109
Westpac - 32 Day Notice Saver	8,681
Westpac - Business Transaction Account	285,844
Total Bank Accounts	295,634
<hr/>	
DEC 2025	
4. Trade and Other Payables	
Accounts Payable	55,829
Accrued Expenses	4,500
PAYE Payable	2,976
Receipts in Advance	10,583
Total Trade and Other Payables	73,888

Performance Report

Foodeast Limited Partnership For the 3 months ended 31 December 2025

Table 1. Summary Performance Targets, 1 July 2025 to 30 June 2026.

Service Level Statement	Performance Measure	Status at 31 December 2025
Achieve or exceed tenancy revenue targets	Building A at 80% occupancy by 30 June 2026 Building B at 80% occupancy by 30 June 2026	Confirmed occupancy Building A – 73% Building B – 55%
Ensure that mix of tenants reflects innovation mandate	At least two tenants are start-ups innovating in agribusiness, agri/hort tech, or food & beverage sectors.	Five start-ups resident
Refine and implement a commercial strategy for Foodeast Haumako, identifying specific activities that will enable financial sustainability and deliver on Foodeast Haumako’s commercial and innovation mandates	Commercial strategy reviewed and updated by board biannually; approved prior to 30 June 2025	Commercial plan reviewed quarterly
Develop an updated strategic financial model, revisiting and updating original assumptions	Financial model approved by board prior to 30 June 2025, and shared with shareholders in July 2025	Completed
Develop and deliver a programme of activities that will create, develop and support an innovation eco-system centred at Foodeast Haumako	Innovation workplan for 2025/2026 approved by the board prior to 30 June 2025	Innovation workplan reviewed by the board quarterly
Deliver industry-focused innovation support to address needs identified by Spring Insights’ industry survey	The number of business connections for business support and at events will continue to trend upwards. Improvement in the following scores from the annual survey completed again by April 2026. · Relevance 64% and impact 51%: agree/strongly agree · Known for business support: 61% · Satisfaction: NPS of 4	On track - planning for industry survey started, scheduled to be undertaken in Q3 with results released in Q4
To operate Foodeast Haumako without harm to workers, equipment, property or the environment	Development, implementation, and ongoing management of a robust health & safety system prior to any confirmed tenancy start date	H&S system regularly reviewed by board with periodic engagement scheduled with tenants
Prudent financial risk management	Investment in infrastructure requires a board-approved business case	Board approved funding for laboratory business case
Regular transparent communication with funders and shareholders	Fulfilment of reporting requirements, open invitation to funders and shareholders to attend board meetings, regular attendance at shareholder meetings on invitation Continuous and no surprises disclosure obligations met	Reporting obligations met to date with periodic shareholder briefings conducted
Governance practices and processes are appropriate, reflect best-practice, and are continually improving.	An appropriate suite of policies will be developed and annually reviewed, as documents in the board’s work plan.	Appropriate suite of policies are reviewed by rotation in the board’s annual work calendar

Performance Report

Employment practices and processes are appropriate, reflect best-practice, and are continually improving.	Development, implementation, and ongoing oversight of HR processes and systems	Appropriate HR processes and systems are in place and periodically reviewed by the board
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Financial performance reporting

Table 2. Summary of Financial Performance Indicators

Measure	Dec 25 Actual	Dec 25 Budget
Revenue	186,670	177,313
Operating expenses	412,045	428,577
EBITDA	(225,375)	(251,264)
Net profit	(252,308)	(277,763)
ROE prior to revaluations	(4.51%)	(4.96%)

Ratio of net assets to total assets

Table 3. Net Assets to Total Assets

Measure	Dec 25 Actual
Total Assets	12,721,767
Total Net Assets	12,647,878
Ratio	99%



FOODEAST LIMITED PARTNERSHIP

Statement of Intent for the Financial Year ending 30 June 2027

COMPANY DIRECTORY

FOODEAST LIMITED PARTNERSHIP

111 Avenue Rd East, Hastings 4156
06 873 8037
www.foodeast.co.nz

DIRECTORS

Nicky Solomon (Chairperson)
Tony Gray
Ashleigh Gilmour
Richard Shirtcliffe

REGISTERED OFFICE

Brown Webb Richardson,
111 Avenue Road East,
Hastings 4122

BANKERS

Westpac New Zealand Ltd

AUDITORS

Ernst & Young
100 Willis Street, Wellington 6011

LEGAL STATUS

Foodeast Limited Partnership (Foodeast Haumako) was incorporated in New Zealand on 2 July 2021 under the Limited Partnerships Act 2008 (NZBN 9429049450736). As the Limited Partners of Foodeast Haumako are Hastings District Council (16.64%), Hawke's Bay Regional Council Investment Company (66.72%) and Progressive Meats Limited (16.64%), Foodeast Haumako is a Council Controlled Organisation as defined in Section 6 of the Local Government Act 2002.

FOODEAST LIMITED PARTNERSHIP
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1. PURPOSE OF THE STATEMENT OF INTENT

This Statement of Intent (SOI) is presented by Foodeast Limited Partnership (operating as Foodeast Haumako) in accordance with Section 64(1) of the Local Government Act 2002.

The SOI specifies for Foodeast Haumako the following:

- a statement of the board's approach to the governance
- the nature and scope of the activities to be undertaken
- the financial and non-financial performance targets and other measures by which the performance of Foodeast Haumako may be judged in relation to its objectives

The annual process of negotiation and determination of an acceptable SOI is a public and legally required expression of the accountability relationship between the Limited Partnership and its Limited Partners.

2. INTRODUCTION

The Business of the Foodeast Limited Partnership is to:

- (a) Construct, establish and own the physical presence for the Hub (see definition below).
- (b) Operate and maintain the Hub with a view to achieving outcomes that include, but are not limited to:
 - i. providing a facility that encourages and facilitates collaboration, innovation and more effective sharing of resources within the Hawke's Bay region and across the greater food innovation industry within New Zealand;
 - ii. assisting in growth in the region and benefitting fruit, vegetable and other food producers in the region;
 - iii. enhancing products and returns in the food industry and leading to a better use of natural assets;
 - iv. facilitating the creation of full-time employment positions at new commercial entities and (to a lesser degree) the Hub itself, as both a direct and indirect result of the work undertaken by the Hub;
 - v. providing benefits to regions outside Hawke's Bay, including Tairāwhiti.
- (c) Subject to the provisions of the Limited Partnership Agreement, the intention is that the Business of the Limited Partnership is to be operated as a commercial enterprise using standard commercial principles including, but not limited to, endeavouring to ensure the operations of the Hub are profitable.

The Hub is defined in the Limited Partnership Agreement as the Foodeast food innovation hub which is established to:

- (a) Facilitate innovation and collaboration in the Hawke's Bay food and beverage, agritech, horticulture industries and related activities;
- (b) Have a physical presence that will be designed to be an innovation centre designed to promote more cost-effective food and beverage product innovation; and
- (c) Be a centre of excellence in food processing education and engineering services as well as providing a base for clustering food technology firms, improving co-operation and bringing in scientific and technical expertise in all areas relating to food innovation (including research activity around waste products and the co-ordination of efforts relating to sustainable packaging).

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Solid progress has been made on operationalising the facility in the 18 months since it was formally opened. Tenancing and commercial operation of the hub, and the development and implementation of a commercial plan to deliver on Foodeast Haumako's innovation mandate remain top priority.

3. CORPORATE STRUCTURE AND GOVERNANCE

The board of directors guides and monitors the business and affairs of Foodeast Haumako, in accordance with the Companies Act 1993, the Local Government Act 2002, the company's constitution and this Statement of Intent.

The board has developed a charter which describes its processes and approaches.

The board has an annual work plan, prescribing its activities over the course of a calendar year, with a strong focus on setting and monitoring strategic direction, developing and implementing commercial and innovation plans, and strategic risk management. The board meets no less than ten times per year.

The board has contracted a Chief Executive and employed core staff and regularly monitors financial budgets and forecasts.

The board has determined that its risk appetite is 'Open' which is defined as 'Willing to consider all potential options and choose the one that is most likely to be successful while also providing an acceptable level of reward'.

4. VISION

The vision for Foodeast Haumako is to become a highly influential and self-sustaining innovation hub, recognised by 2030 as the leading catalyser of commercially successful food innovation in Aotearoa New Zealand.

5. PURPOSE

To facilitate innovation and collaboration in the Hawke's Bay food and beverage, agritech, horticulture industries and related activities.

6. STRATEGIC PRIORITIES

To build a profitable and sustainable business by 2028 by:

- Operating a thriving food orientated innovation hub that is valued by industry
- Establishing ourselves as leaders in future foods
- Building a regional investment programme and corporate partnership programme that delivers financial sustainability

7. STRATEGIC ISSUES

Funding must be secured to ensure that Foodeast Haumako can realise its vision and deliver on its purpose. This is the purpose of the commercial plan. The difficult economic climate continues to

create strategic challenges relating to both securing additional funding and meeting revenue goals from tenancies.

8. NATURE AND SCOPE OF ACTIVITIES TO BE UNDERTAKEN

The physical facilities of Foodeast Haumako consist of two buildings:

1. Four industrial units that are connected to trade waste and potable water, with basic amenities (small kitchens and toilets);
2. An office building with a range of offices, meeting rooms and a conference facility.

Foodeast Haumako has dual roles:

- Managing tenancies, an event venue and securing revenues to achieve financial sustainability
- Supporting innovation in the food and agri sectors; innovation being delivered via three pillars, which are education, connection to industry and access to capital

The Foodeast Haumako team connects with the regional and national innovation ecosystem to support local innovators.

9. PERFORMANCE MEASURES AND TARGETS

Table 1 contains Foodeast Haumako’s targets for the period 1 July 2026 to 30 June 2027.

Service Level Statement	Performance Measure
New revenue is generated through delivery of the corporate partnership, innovation club and investment programmes	\$100,000 in new net revenue is generated 20 members of the innovation club 4 preferred partners for the investment group 1 government funded initiative secured
Achieve or exceed tenancy revenue targets whilst ensuring mix of tenants reflects innovation mandate	Buildings at 80% occupancy by 30 June 2026 At least three tenants are start-ups innovating in agribusiness, agri/hort tech, or food & beverage sectors
Develop and deliver a programme of activities that will create, develop and support an industry-focused innovation eco-system centred at Foodeast Haumako	Education <ul style="list-style-type: none"> Hold two leadership development events Two initiatives are delivered through a partnership with Massey and EIT Industry <ul style="list-style-type: none"> Industry survey net promoter score of ≥ 4 Event, visitor and connection numbers increased by 10% over FY2026 Active collaboration to fund development of national fermentation strategy Two case studies published describing tangible support for business Capital <ul style="list-style-type: none"> Hold two investor forums Two investment deals are completed with start-ups based in Hawke’s Bay
To operate Foodeast Haumako without harm to workers, equipment, property or the environment	Development, implementation, and ongoing management of a robust health & safety system
Prudent financial risk management	Detailed cashflow forecasts and cash runway are reported to shareholders twice per year
Regular transparent communication with funders and shareholders	Fulfilment of reporting requirements, open invitation to funders and shareholders to attend board meetings, regular attendance at shareholder meetings on invitation Continuous and no surprises disclosure obligations met Connection is maintained with shareholders on activity that is aligned
Governance and employment practices and processes are appropriate, reflect best-practice, and are continually improving.	An appropriate suite of policies will be developed and annually reviewed, as documented in the board’s work plan. Adhere to Auditor General’s procurement principles

10. FINANCIAL PERFORMANCE TARGETS

Table 2. Summary of Financial Performance Indicators, FY2027 to FY2029 inclusive.

Provisional and subject to signoff of final budget

Measure	2026/27	2027/28	2028/29
Revenue	555,353	621,914	665,696
Operating expenses	893,141	919,935	947,533
EBITDA	(181,108)	(160,591)	(140,584)
Net profit	(225,341)	(208,247)	(191,319)
ROE prior to revaluations	TBC	TBC	TBC

Long term financial expectations are that Foodeast Limited Partnership will be financially sustainable.

Income targets for commercial returns are primarily based on rental income and exclude capital gains. The implementation of the early stages of the commercial plan has generated a small amount of income from other sources, but the board recognises that full implementation of the commercial plan to generate substantial revenue will require additional investment.

11. RATIO OF NET ASSETS TO TOTAL ASSETS

The forecast capital structure and ratio of net assets to total assets for the next three (3) financial years are illustrated in the following table.

Table 3. Net Assets to Total Assets, FY2027 to FY2029 inclusive.

Provisional and subject to signoff of final budget

Measure	2026/27	2027/28	2028/29
Total Assets	12,944,828	12,720,712	12,513,728
Total Net Assets	12,944,828	12,720,712	12,513,728
Ratio	100%	100%	100%

12. LIMITED PARTNER REQUIREMENTS

12.1. Letter of Expectations

Prior to the 31st January each year the Limited Partners are invited to deliver to Foodeast Haumako their letters of expectation. These provide direction on issues that are important to the Limited Partners, and in the development of Foodeast Haumako's SOI.

12.2. Statement of Intent

By 1 March in each year Foodeast Haumako will deliver to Limited Partners its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments received from its Limited Partners received by 1 May, the Board will deliver the completed SOI to its Limited Partners on or before 30 June each year.

12.3. Half Yearly Report

By the end of February each year, Foodeast Haumako will provide to Limited Partners its Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six-month period
- Un-audited half-yearly financial statements incorporating a Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Equity and Statement of Cashflows.
- Foodeast Haumako's performance against the objectives and performance targets set out in the SOI, with an explanation of any material variances.

12.4. Annual Report

By 30 September each year, Foodeast Haumako will provide to its Limited Partners an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002 and the Companies Act.

The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report
- Financial Statements incorporating a Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts
- Comparison of Foodeast Haumako's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances
- Auditor's Report on the financial statements and the performance targets
- Any other information that the directors consider appropriate

12.5. Limited Partner Meetings

Foodeast Haumako will hold an Annual General Meeting (AGM) between 30 September and 30 November each year to present the Annual Report to all Limited Partners unless it is agreed between Foodeast Haumako and the Limited Partners that the business of the AGM will be done by resolution in writing.

Additionally, the Limited Partnership Agreement requires that the General Partner call a meeting of the Partners at least once every calendar year.

13. ESTIMATE OF COMMERCIAL VALUE

The value of Limited Partners' investment in the company as of 31 May 2026 is \$xx. This compares with the figure of \$13,010,870 as of 31 May 2025 as recorded in the audited accounts. The movements from May 2025 to May 2026 are largely attributable to yy.

Foodeast Haumako will revalue its assets annually, or when there has been significant change in the market.



ACCOUNTING POLICY & NOTES TO THE FINANCIAL STATEMENTS

To be reviewed by BWR prior to finalising the SOI in June

1. Reporting Entity

Foodeast Limited Partnership ("foodeast") was established and commenced operations in New Zealand on 2 July 2021, was incorporated in New Zealand on 2 July 2021 under the Limited Partnerships Act 2008 (NZBN 9429049450736). As the shareholders of foodeast are Hawke's Bay Regional Council Investment Company (66.72%), Hastings District Council (16.64%) and Progressive Meats Limited (16.64%), foodeast is considered a Council Controlled Trading Organisation as defined in section 6 of the Local Government Act 2002.

On the basis that it operates for the purpose of making a profit and is therefore classified for accounting purposes as a for-profit entity.

2. Statement of Accounting Policies Basis of Preparation

The financial statements are prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period. The entity has incurred negative operating cashflow, indicating potential challenges in sustaining operations without additional capital contributions. The partners have committed to additional capital contributions, and it will be received in the next financial year. Based on the budget, the entity anticipates that the committed capital contributions will be sufficient to meet its operational and financial obligations.

Statement of Compliance

The financial statements of foodeast have been prepared in compliance with NZ equivalents to IFRS (RDR).

Presentation Currency

The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest New Zealand dollar (NZ\$), except when otherwise indicated.

Historical Cost

These financial statements have been prepared on a historical cost basis, except for the Investment Property.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured. Specific accounting policies for significant revenue items are explained below:

- Sales of goods are recognised when the goods are sold to the customer.

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- Sales of services are recognised in the period by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.
- Lease revenue is recognised on a straight-line basis over the life of the lease.
- Interest received is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest method.
- Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.
- Donated assets. Where a physical asset is gifted to or acquired by Foodeast for nil consideration or at a subsidised cost, the asset is recognised at fair value. The difference between the consideration provided and fair value of the asset is recognised as revenue. The fair value of donated assets is determined as follows:
 - For new assets, fair value is usually determined by reference to the retail price of the same or similar assets at the time the asset was received.
 - For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition, and age.

Investment Property, Plant and Equipment

Investment Property is commercial land and buildings held to earn rental income and for capital appreciation. Such property is initially recognised at cost. At each balance sheet date investment property is measured at fair value, representing open market value determined annually by independent, professionally qualified valuers. A gain or loss in value is recorded in the income statement for the period in which it arises.

Plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Depreciation

Account	Method	Rate
Leasehold Improvements	Diminishing Value	10%- 40%
Office Furniture & Equipment	Diminishing Value	0% -67%
Office Furniture & Equipment	Straight Line	10.5%
Plant & Equipment	Diminishing Value	10%-20%
Vehicles	Diminishing Value	30%
Websites	Straight Line	40%

Office Furniture and Equipment purchases (excluding computer/IT equipment) are depreciated using the straight-line method of depreciation to better represent the reduction of the value of these assets over their useful life.

Income Tax

As Foodeast Haumako is a limited partnership, all income tax is attributed to the limited partners in proportion to their interest. Any income tax obligation with respect to Foodeast Haumako rests with the limited partners.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Accounts Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and receivable

Impairment is established when there is evidence Foodeast will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter-in bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits or bonds are recognised directly against the instrument's carrying amount. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Payables

Short-term creditors and other payables are recorded at cost.

Equity

Equity is the Limited Partners' interest in Foodeast and is measured as the difference between total assets and total liabilities.

Good and Services Tax

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of related asset or expense.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as operating cash flow in the statement of cashflows. Commitments and contingencies are disclosed exclusive of GST.

Employee Entitlements

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Short-term employee entitlements - Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned but not yet taken at balance date, and sick leave. These are classified as a current liability.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is past practice that has created a constructive obligation, and a reliable estimate of the obligation can be made.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs.

Contingent Liabilities

Under the terms of The Funding Agreement with MBIE, The Hub may only be used to facilitate innovation and collaboration in the Hawke's Bay food, beverage, agritech, horticulture and related activities. If The Hub ceases to be used for these purposes, then the balance of the encumbrance associated with The Grant must be repaid.

Starting one year after The Hub opens, this abates at \$2 million per year until it is fully abated after 6 years.

There are no plans to cease using The Hub for the required activities so the possibility of repaying the grant is low.

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FOODEAST LIMITED PARTNERSHIP
111 Avenue Rd East, Hastings 4156
06 873 8037
<http://www.foodeast.co.nz/>



If calling ask for Bruce Allan

File Ref:

17 December 2025

Nicky Solomon
Chairman
Foodeast Limited
via email: nickys@foodeast.co.nz

Dear Nicky

2026/2027 Shareholder Expectations for Foodeast Limited

On behalf of Hastings District Council (HDC), this letter sets out Council's shareholder expectations for 2026/2027. This is our fourth Letter of Expectations to Foodeast since its incorporation.

Overview

Council has invested strategically over a number of years to advance the vision of a food innovation hub in Hawke's Bay. Foodeast/Haumako is now playing an increasingly important role in connecting and strengthening the region's food and beverage innovation ecosystem, and we acknowledge the progress made to date in a challenging operating environment.

The Crown's Provincial Growth Fund/ Kanoa investment continues to underpin the programme and provides a sound foundation for long-term shareholder value. With HBRIC as majority shareholder, alignment of financial return expectations with Foodeast's broader purpose remains essential. Council's strong view is that food innovation must continue to be the defining foundation of Foodeast's mandate.

Tenant mix remains critical to Foodeast's long-term success. We recognise the challenges in securing the right tenants and appreciate the Board's commitment to prioritising quality and strategic fit.

Specific Expectations

1. Tenanting

Council expects quarterly updates on progress in securing tenants, including the strategic balance across anchor, emerging, and innovation-aligned occupants.

2. Commercial Strategy

Council acknowledges the Board's work to deliver the commercial plan. We particularly want to recognise and support the work you have progressed on the fermentation opportunity for Hawke's Bay and new income streams, including the innovation club, corporate partnership programme, and

TE KAUNIHERA Ā-ROHE O HERETAUNGA
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investment initiative. These activities are important and could add useful depth and connection across the food innovation and investment eco-system. We are encouraged that these activities are being designed as alternative income streams and provide a pathway to financial sustainability.

Council's expectations are as follows:

- 2.1 Maintain disciplined cost and cashflow management to ensure Foodeast continues on a trajectory toward long-term financial sustainability.
- 2.2 Ensure commercial decisions remain aligned with shareholder expectations and consistent with Foodeast's core purpose of food innovation.
- 2.3 In pursuing financial sustainability, continue to embed innovation objectives into performance measures and tenant criteria, ensuring that innovation remains central to Foodeast's identity.
- 2.4 Maintain connection with Council staff who are currently working on the concept of a Heretaunga Hastings Partners programme. While the partners programme is more about giving than investing, the individuals and businesses involved are likely to include some of the same as those in the investor group.

3. Health and Safety

We expect health and safety to be managed to a consistently high standard throughout the construction and commissioning phases.

4. Risk Management

We expect prudent management of financial risks, including maintaining sustainable tenancy revenue, operational cost discipline, and considered investment planning for future infrastructure.

5. Partners

Council expects transparent and timely communication with shareholders and with Kanoa as a funding partner. Early identification of risks to key milestones and proposed mitigations remains essential.

General Expectations

HDC operates on a "no surprises", high-transparency basis with its CCOs. Expectations include:

- Draft Statement of Intent: To be provided to shareholder councils by 1 March 2026, with early notification if this cannot be achieved.
- Continuous Disclosure: Timely notification to shareholder representatives prior to any public disclosure.
- LGOIMA Requests: Foodeast management is expected to advise shareholders upon receipt of a request and consult on the proposed response.
- Procurement: Adherence to Office of the Auditor-General procurement principles.

Forward Focus

Council is encouraged by the strengthening of Foodeast's commercial plan and the progress in building diversified revenue streams. We look forward to the Board's presentation to Council in March 2026, particularly the detailed cashflow pathway and forecasts. A clearer understanding of



projected revenue timing, cash runway, and the areas where Council can best support Foodeast will be valuable.

Council values the constructive partnership we have with the Board and management team and is keen to continue working with Foodeast in a collaborative and pragmatic way. This includes supporting, where appropriate, initiatives such as inward investment attraction, engagement with central government, and broader advocacy that helps enable Foodeast's long-term success as a regional innovation asset.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Bruce Allan', written over a light blue horizontal line.

Bruce Allan
Deputy Chief Executive
brucea@hdc.govt.nz

Copy to: Nigel Bickle, Chief Executive, Hastings District Council
Graham Watson, Chief Financial Officer, Hastings District Council
Wendy Schollum, Mayor, Hastings District Council
Gus Charteris, GM Strategy, Hastings District Council
Kim Herrick, Senior Project Manager, Hastings District Council
Michael Basset-Foss Chief Executive Officer, Foodeast
Tony Gray, Director, Foodeast



Hawke's Bay Tourism Half Yearly Report

February 2026

WWW.HAWKESBAYNZ.COM



Half Yearly Report Feb 26

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A Good Investment for Hawke's Bay



For every dollar councils invest in Hawke's Bay Tourism, the region receives \$514 in visitor spending, underpinning a visitor economy worth \$1.4 billion in output, \$750 million in GDP, and more than 7,600 jobs.

MartinJenkins advisory firm

Independent Review of the Hawke's Bay Visitor Economy and Regional Destination Marketing

November 2025

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WWW.HAWKESBAYNZ.COM



Introduction

Half Yearly Report Feb 26

The team at Hawke's Bay Tourism continue to focus on attracting visitors to our region. There are 30 regional tourism organisations (RTOs) in the country, making it a highly competitive landscape. Operators continue to report challenging times with the domestic economy. Funding available through MBIE for regional tourism boost initiatives and events has reinforced the value of the RTO.

The recent independent report on the value of the visitor economy and destination marketing by advisory firm MartinJenkins highlighted the value of an independent well-funded regional tourism organisation for Hawke's Bay. One of the outcomes was the recommendation to refresh the 2022 Visitor Strategy, and consultation work on this has commenced.

Hawke's Bay Tourism entered the new 25/26 financial year with new funding partners, reduced income, and a smaller organisation following a downsize.

The team has focused on exploiting the organisation's key assets – website, social media, and database; as well as what we can earn through media/PR activities and joint initiatives with other regions.

One local initiative has been the "Bay to Remember campaign" encouraging visitors to share the moments they have enjoyed in Hawke's Bay. The campaign has had good interaction and social media reach.

The organisation and its staffing remains vulnerable due to the limited period of committed funding, resulting in new staff appointed on fixed-term contracts to the end of the financial year and a key member of the team departing for an alternative opportunity. Only two staff remain on permanent contracts.

Ongoing discussions with councils about funding for 26/27 will dictate the future of the organisation.

David Simmons Chair – Hawke's Bay Tourism

Hamish Saxton – CEO, Hawke's Bay Tourism

KPIs at a Glance

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KPI	Measure	Performance
Market Share	<p>Grow WLG market share from 5% to 6% over a 36-month period from 01JUL'25 (Measured by MBIE's TECT – tourism electronic card transactions)</p> <p>Maintain domestic market share at current level of 3.3% in challenging economic environment.</p>	<ul style="list-style-type: none"> Tracking at 4.97% to Y/E NOV 25 Tracking at 3.21% to Y/E NOV 25
Food and Wine Country Brand Positioning	<p>Achieve EAV (Equivalent Advertising Value*) of \$3m (*EAV measured at ratio of 1:1, not a multiplier)</p> <p>Grow digital engagement and reach across web and social</p> <ul style="list-style-type: none"> Increase website sessions to 750,000pa, Increase followers by 10% <p>Further imbed GWC into Hawke's Bay's Food and Wine Country positioning. Increase impact of GWC within region's wine and tourism businesses.</p> <ul style="list-style-type: none"> Grow GWC investment & engagement through uptake of GWC assets. 	<ul style="list-style-type: none"> ✓ EAV \$347,000 (domestic) ✓ EAV \$3,824,759.50 (international) Current website sessions tracking at 182,230 to end Dec 25. (Note – the annual target of 750,000 sessions was set when paid digital campaigns were a core traffic driver. With most paid digital activity paused, total sessions should be interpreted as an organic performance indicator rather than a direct proxy for historical totals). Growth on social media channels 2.2% (see Digital Activity slide for details) ✓ Great Wine Capital's global network Conference & AGM secured for 18-22OCT 2026 ✓ 7 regional Best Of Wine Tourism winners announced and 1 global winner Numerous local promotions, international mentions and exposure on global network website https://www.greatwinecapitals.com/wine-stories/ (see also Great Wine Capitals Annual Report here) ✓ GWC Plaques and Posters distributed
Industry	<p>Maintain paid membership of HBT (24/25 FY full membership 145)</p> <p>Grow industry support - (industry support measured by contra, sponsorship, and investment in joint venture initiatives)</p> <ul style="list-style-type: none"> Industry cash contribution of \$150k pa Industry contra contribution of \$50k pa <p>Deliver annual series of workshops to build industry capability.</p> <p>Support existing tourism operators to develop new products and expand into new markets.</p>	<p>Current Full Membership – 130</p> <ul style="list-style-type: none"> ✓ \$177,828 cash contribution to DEC 25 ✓ \$95,263 contra contribution to DEC 25 ✓ \$704,901 share of MBIE Regional Boost funding for joint initiatives ✓ \$121,000 events support funding secured by HBT ✓ \$85,000 Great Wine Capitals funding ✓ 5 workshops delivered Sep/Oct 25 ✓ Coached members through product development

Key

- On Track
- In Progress
- Not on track – requires attention



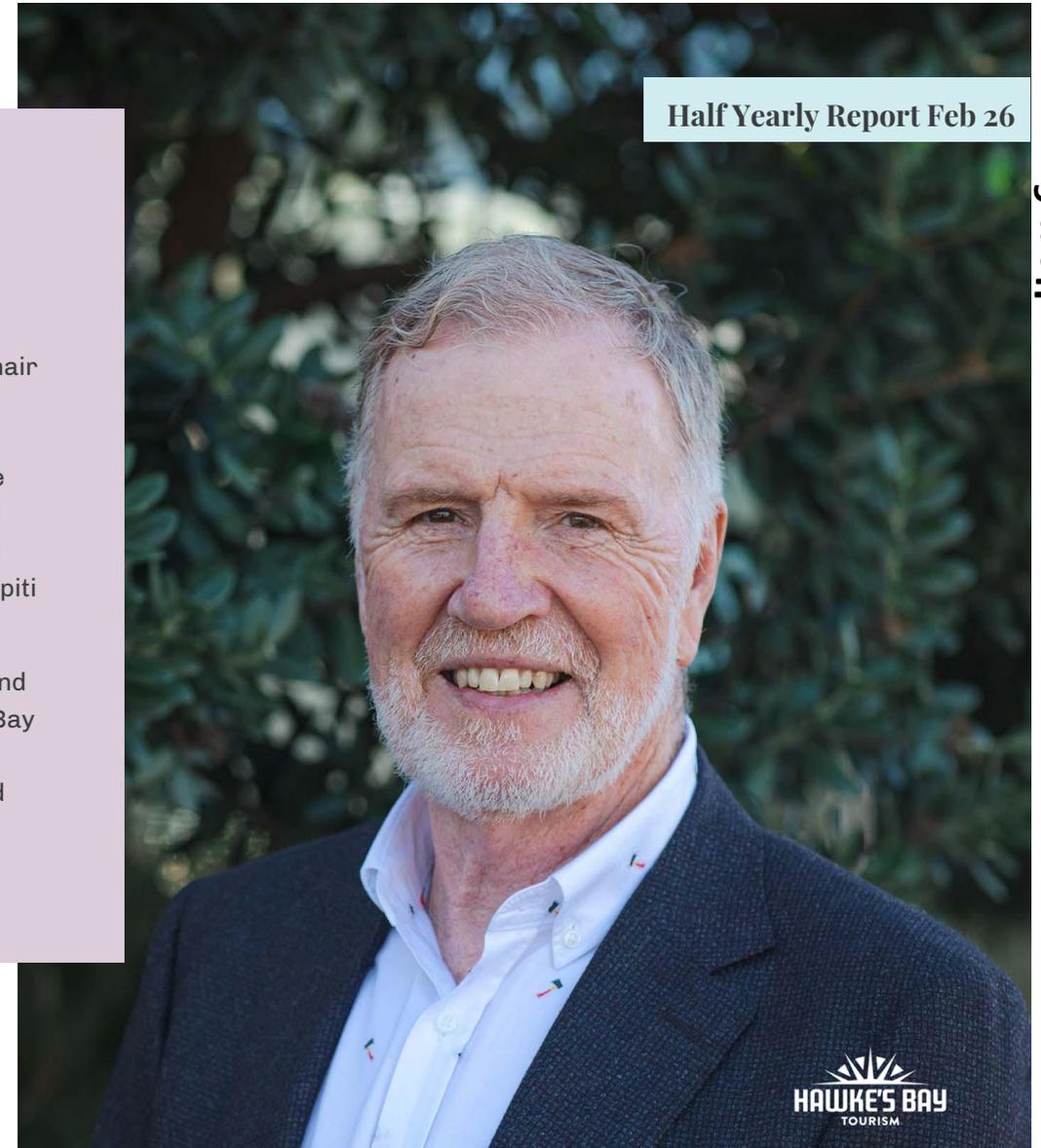
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Vale George Hickton

Hawke's Bay Tourism wishes to acknowledge the extraordinary work, influence, and leadership of the late George Hickton. George was the Chair of Hawke's Bay Tourism since its rebuild in 2010. George had been the CEO of Tourism New Zealand from 1999 until 2009 and was the driving force behind the creation and eventual global success of the 100% Pure New Zealand destination marketing campaign. He was highly respected across the national tourism landscape and also held influential tourism governance roles with Wētā Workshops, Kāpiti Island Nature Tours, Kāpiti Coast Tourism Advisory Board, Te Puia, Waimangu, and Hobbiton.

George made a significant contribution to the visitor economy, profile and positioning of Hawke's Bay, and to the successful direction of Hawke's Bay Tourism. George's personality, drive, determination, enthusiasm, influence, approachability and people skills are fondly remembered and his presence is missed.



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Governance

Long serving independent board member Dave Simmons has stepped into the role of Chair. Dave has held executive roles at Air NZ and THL and is currently chair of House of Travel's e-commerce business and a board member of Southern Travel Holdings.

He is supported by Hawke's Bay Tourism Industry Association (HBTIA) representative appointees Kris Lerner (General Manager, Porters Boutique Hotel and Chair of HBTIA) ; Kristine Kilpatrick (Head of People and Hospitality, Craggy Range Vineyards Ltd); and funder appointee Annie Dundas (Director Destination, Tātaki Auckland Unlimited).



Independent Review of the Hawke's Bay Visitor Economy and Regional Destination Marketing

The review was commissioned by Hawke's Bay Regional Economic Development Agency, and undertaken by MartinJenkins.

The purpose was to assess the value of the visitor economy in Hawke's Bay, identify the key challenges and opportunities influencing that value, consider options for improving the region's current destination marketing model, and recommend a sustainable approach for future investment and delivery.

The review confirms that the visitor economy is a significant and far-reaching contributor to Hawke's Bay's wellbeing. Visitor activity generates \$1.4 billion in total output, over \$750 million in GDP, and more than 7,600 jobs. These benefits extend well beyond direct tourism activity—supporting a wide network of suppliers and service providers, encouraging repeat visitation and long-term engagement, and creating accessible opportunities for young people, women, and Māori. Tourism also enhances local amenities and infrastructure, improves resident quality of life, strengthens cultural understanding, and contributes to community pride, social cohesion, and the attraction of new talent and investment.

The review highlights the importance of effective destination marketing and management in realising these benefits. It finds that Hawke's Bay Tourism (HBT), as the Regional Tourism Organisation, delivers strong returns on investment. At the same time, it identifies several challenges, including constrained and uncertain funding, limited performance measurement, and inconsistent buy-in to a shared regional strategy.

To strengthen the system and secure long-term value, the report recommends:

- Maintaining a single, unified RTO for Hawke's Bay
 - Refreshing the regional visitor strategy with broad stakeholder involvement
 - Strengthening engagement and transparency between HBT and Councils
 - Developing a clear and robust performance framework
 - Enhancing impact measurement and communication
 - Committing to stable, multi-year funding to enable planning and delivery
- ✓ Hawke's Bay Tourism has commenced work on refreshing the regional visitor strategy and strengthening engagement with its new council funders in order to develop enhanced performance frameworks and communications.
- ✓ To further strengthen engagement and transparency, Hawke's Bay Tourism has initiated a regional visitor economy roundtable with council funders to provide a platform for marketing and promotion coordination.

Half Yearly Report Feb 26

Visitor Strategy Refresh

A key recommendation of the MartinJenkins review was to refresh the regional visitor strategy collaboratively with councils, iwi, operators, and the community. We have commenced that process.

It is about establishing a shared regional ambition for tourism – what we want tourism to deliver for Hawke's Bay over the next 10 years, and how we work together to achieve it. The timing aligns with the upcoming long-term plan cycle, providing an opportunity to ensure tourism priorities are reflected in council planning.

We aim to understand:

- The region's ambition for tourism and how it fits within long-term plan priorities
- Outcomes desired of tourism to deliver for the community
- Actions needed to grow the value of the visitor economy in Hawke's Bay regions

This is the first stage of a two-stage consultation process. Following initial discussions, a draft regional ambition and priorities will be brought back to all councils for a joint session to seek alignment.

Work on visitor strategy refresh is being led by Dr David Ermen of Destination Capacity Ltd.

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MBIE Regional Tourism Boost Funds

MBIE's Contestable Regional Tourism Boost Funds have allowed RTOs to develop campaign initiatives aimed at international markets. Hawke's Bay Tourism has been included in six of these initiatives, benefiting the region to a value share of c.\$704,901.

An example of these initiatives is the Classic New Zealand Wine Trail initiative (Hawke's Bay, Wairarapa, Wellington, and Marlborough) which attracted \$991,000 in MBIE funding.

- Marketing activity aimed at the Australian market, led by Wellington, will commence in Australia from FEB26 to encourage travel in MAR/APR/MAY/JUN.
- Conversion partners include Qantas, Webjet, ANZCRO, Flight Centre, Tripadvisor and Wine Collective Direct.
- Australian pax will be offered free freight for a case of 15 wine bottles from any of the 3 wine regions through Wine Collective Direct.

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HAWKE'S BAY
TOURISM

HBT attracts additional ROI of c.\$704,901 (MBIE Regional boost)

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Campaign	HBT investment	MBIE investment	Partner investment / added value	HBT value share
Central New Zealand – Australia	Time, content, imagery, itinerary development	\$600,000		1/8 = \$75,000
New Zealand campaign – North America	Time, content, imagery, itinerary development	\$680,000		1/30 = \$22,667
Classic New Zealand Wine Trail - Australia	Time, content, imagery, itinerary development	\$991,000	\$739,000	1/4 = \$432,500
Kiwi North – Australia	Time, content, imagery, itinerary development	\$2,500,000		1/15 = \$166,667
New Zealand campaign – North America	Time, content, imagery, itinerary development	\$1,172,000		1/30 RTIs = \$39,067
Cycle Aotearoa – Australia	Time, content, imagery, itinerary development	\$600,000		1/9 – 9 hero regions = \$66,667
Totals				TOTAL ROI for HBT \$704,901

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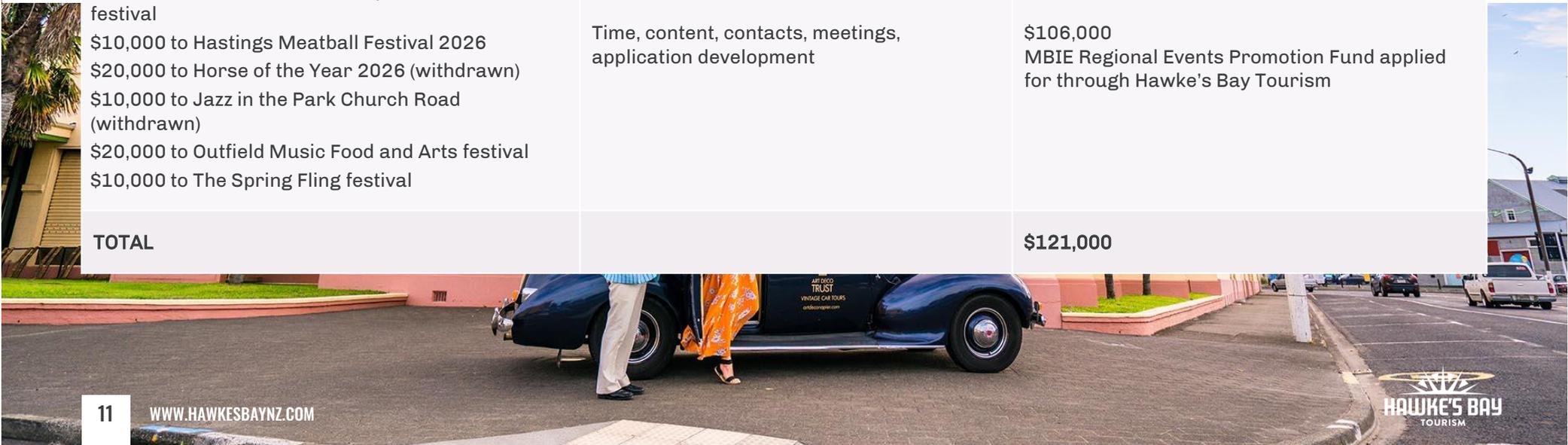


HBT attracts further ROI of \$121,000 (Events Support)

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Event	HBT investment	Partner investment
Bridge Pa	Time, content, contacts, meetings, application development, business plan	\$15,000 Air New Zealand
\$26,000 to Art Deco festival Napier 2026 \$25,000 to ASICS Runaway Hawke's Bay Marathon \$15,000 to Harvest Hawke's Bay Wine and Food festival \$10,000 to Hastings Meatball Festival 2026 \$20,000 to Horse of the Year 2026 (withdrawn) \$10,000 to Jazz in the Park Church Road (withdrawn) \$20,000 to Outfield Music Food and Arts festival \$10,000 to The Spring Fling festival	Time, content, contacts, meetings, application development	\$106,000 MBIE Regional Events Promotion Fund applied for through Hawke's Bay Tourism
TOTAL		\$121,000



Visitor Days – November

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Visitor Days: The main measure of 'busyness'. It is the cumulative sum of daily peak daytime visitor counts over a specific period (e.g., monthly). Note, it is not a count of unique people, e.g.

- Example 1: One visitor staying for 4 days contributes 4 visitor days to the total.
- Example 2: A destination has a peak visitor count of 5,000 Monday and 15,000 on Tuesday, equalling 20,000 Visitor Days.

While Hawke's Bay attracted 385,000 domestic visitor days, it also exports 405,000 domestic days (20,000 visitor day deficit). 79,000 visitor days from Hawke's Bay residents were to Auckland, 39,000 to Wellington, and c.28-30,000 to Taranua, Taupo, and Waikato. The deficit is c.600,000 visitor days YOY.

	Hawke's Bay	NCC	HDC	CHBDC
Visitor Days total	538,000			
Visitor Days (domestic)	385,000	111,800 27.4% share	154,700 38% share	48,200 11.8% share
Visitor Days (international)	159,000	50,000 29.6% share	101,700 60% share	10,100 6% share

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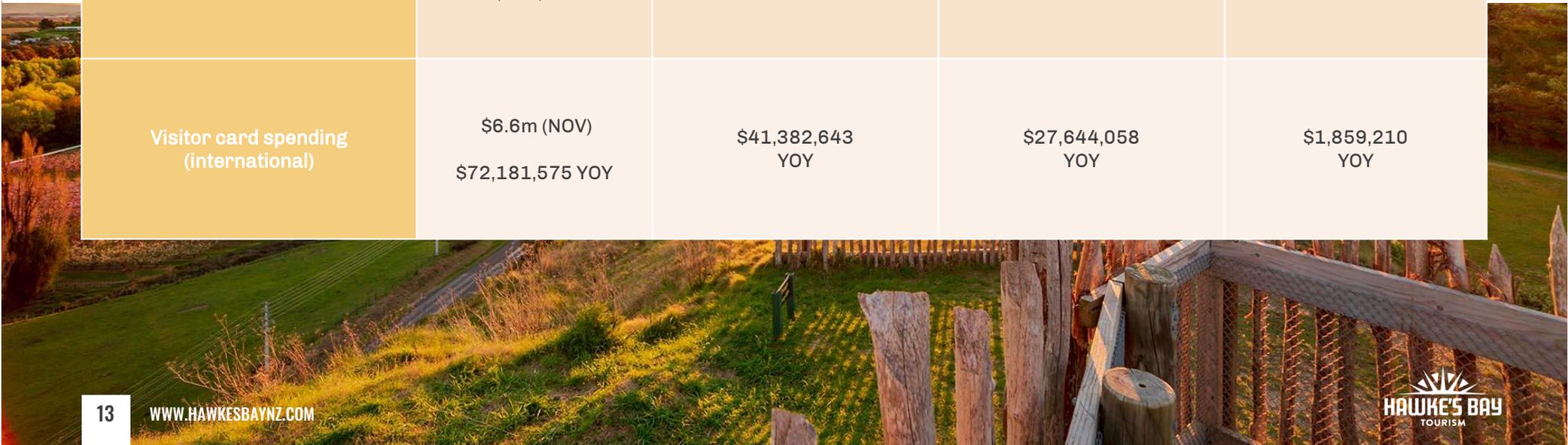


Card Spend - November

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	Hawke's Bay	NCC	HDC	CHBDC
Visitor card spending (domestic)	\$28.6m (NOV) \$356,392,177 YOY	\$154,752,051 YOY	\$164,047,423 YOY	\$21,387,784 YOY
Visitor card spending (international)	\$6.6m (NOV) \$72,181,575 YOY	\$41,382,643 YOY	\$27,644,058 YOY	\$1,859,210 YOY



Hawke's Bay Card Spend

Top 5 markets - November 2025

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Card spend was mostly on:

- Retail F&B (supermarkets) c.25%;
- Retail other (shops) c.23%;
- F&B serving (restaurants, cafes, bars) c20%;
- Retail fuel (fuel stations) c.15%;
- Accommodation c.7%
- Other tourism c.6%

Domestic	(share)	International	(share)
Wellington	14.1%	United States of America	36%
Auckland	12.3%	Australia	18%
Manawatu	9.8%	United Kingdom	14.6%
Waikato	9.3%	Rest of Europe	9.4%
Bay of Plenty	7%	Rest of Asia	7%



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Employment Overview

- 6,240 total employment in tourism industries
 - 3,130 HDC
 - 2,470 NCC
 - 390 CHBDC
- \$21.6m in employment earnings
- 58.5% in food and beverage services
- 14.3% in accommodation
- 10.1% in recreation services
- 4.4% in travel and tour services



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Aviation

Hawke's Bay Airport Ltd advise:

"Passenger demand growth remains challenging across New Zealand due to broader economic conditions and limited fleet capacity. Although capacity remains relatively flat, load factors strengthened materially during the quarter, with Auckland services consistently returning to the mid 80% range. Overall load factors at the end of December 2025 reached 83.3%, up from 81% in the same period last year, despite a 3% cancellation rate caused by weather, crew and technical issues."

c.65% of air passengers are from out of Hawke's Bay.

Visitors are a significant proportion of passengers on flights to Hawke's Bay. The resident population could not support the frequency and capacity the region enjoys without visitor passengers.

Cruise

Vision: To be the premier cruise destination in New Zealand, where passengers and crew want to disembark, and after a memorable experience, they want to return

The 25/26 cruise season equates to 52 events/days, with 60 ships visits over a 6 month (21 week) period. This is a reduction from the previous season of 67 cruise events (85 ships) over a 6 month (21 week period – av c.3 days per week). Higher costs and fees to come to New Zealand is resulting in the overall reduction in ship visits to the country.

New Zealand Cruise Association has recently assessed the value of cruise tourism for the last 2024/25 season.

<https://newzealandcruiseassociation.com/the-value-of-cruise-tourism-2024-25/>

For Napier/Hawke's Bay, the regional economic impact was NZ\$71.9 million in total output, supporting 499 jobs.

Cruise Conference 2025

Following a successful bid by Hawke's Bay Tourism and partners, the New Zealand Cruise Assn Conference and AGM was hosted in Napier on 14AUG 2025, with delegates attracted to the region from New Zealand and Australia, many who stayed on to explore and experience the region.



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Digital Activity

Social Media Snapshot

- Combined audience across Facebook, Instagram and TikTok: 121,499 followers
- Net growth followers: +3,207 followers (July–December 2025)
- @HawkesBayNZ launched on TikTok in August and has grown to over 1,000 followers organically.

Engagement across Facebook and Instagram remains strong, averaging 9%, indicating high audience interaction with content.

Organic content distribution increased by over four times during this period, reflecting stronger content performance from a lower base following the removal of paid activity.

With minimal paid promotion, aside from a small spend in December as part of the Bay to Remember Campaign, social media content generated over 2.1 million organic views (as reported by Meta platform and TikTok insights) in the six months to December 25

Digital Activity

Top content by council

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Hot pools in the middle of a rainforest? Yes...

Tue Nov 18, 8:00pm

165.9K 450
31 36

Wairoa



What's your road-trip anthem for that final...

Tue Nov 25, 11:51am

73.4K 984
25 53

Hastings



Big news, we've been named the 202...

Fri Sep 12, 10:14am

70.0K 709
67 21

Napier



Discover Te Taumata: A Sacred Summit with...

Fri Sep 19, 6:01pm

14.6K 77
1 15

Central Hawke's Bay

Digital Activity

Email Marketing (EDM)

Across the six-month reporting period, 23 EDMs were delivered across Consumer, Member and F.A.W.C! databases, reaching a combined audience of approximately 267,000.

EDM content regularly promoted regional events, seasonal campaigns and local experiences, supporting visitation and awareness across Hawke's Bay. Overall, EDM performance indicates solid engagement across broad consumer audiences, with particularly strong interaction from industry members, reflecting the relevance and value of targeted content.



Item 6

Detailed message performance

1 July 2025 - 31 December 2025 • 9 messages

[Go to custom reports](#) [Export CSV](#)

Channel	Messages	Type	Sent ↓	Deliveries	Open rate	Click rate
✉	September Consumer Send Hawke's Bay is Winning Big 🏆 ...	Regular	11/09/2025	25,524	41.3%	3.8%
✉	October Consumer Send (copy 01) ☀️ Summer starts here — Hawke...	Regular	9/10/2025	25,290	32.5%	2.9%
✉	Winter send 2025 (copy 01) Sip, Savour, Explore: Your Hawke's ...	Regular	8/08/2025	25,860	44.8%	4.0%
✉	November Consumer Send (copy 01) ... Festivals, fine wine & amp; a little...	Variate	13/11/2025	2,524	40.7%	1.6%
✉	November Consumer Send (copy 01) ... ☀️ Summer in Hawke's Bay is h...	Variate	13/11/2025	2,503	39.8%	2.1%
✉	November Consumer Send (copy 01) ... ☀️ Summer in Hawke's Bay is h...	Variate	14/11/2025	20,066	39.1%	2.1%
✉	Bridge Pa Wine Fest Comp Flights, Festival, Fun — Ente...	Regular	28/11/2025	24,937	39.6%	1.3%
✉	Bay to Remember Make this summer a Bay to Remember ...	Regular	3/12/2025	24,775	39.6%	0.91%
✉	December Consumer Send (copy 02) Christmas comes early 🎄 Win Outfle...	Regular	18/12/2025	24,554	39.3%	1.8%

Consumer EDM Performance



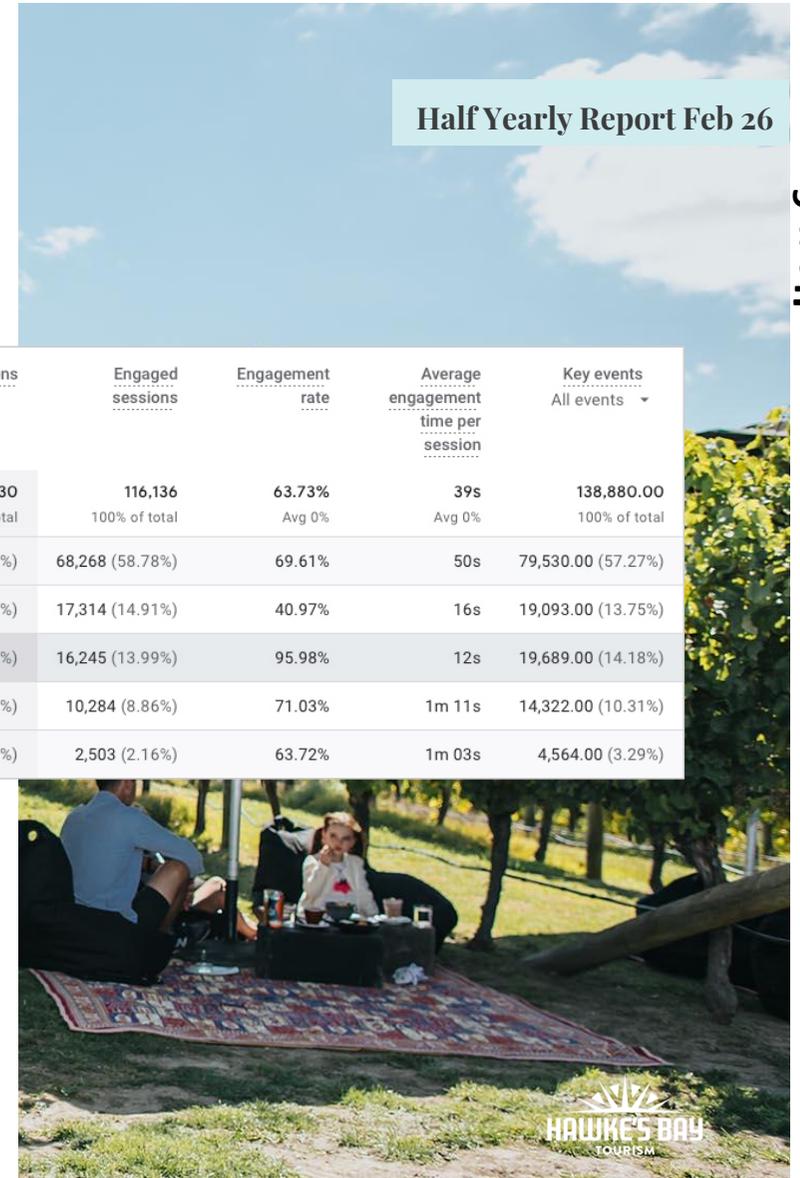
Digital Activity

Website Activity

Website sessions are currently tracking at 182,230 sessions for the 6 months until 31 December 2025. As noted above, the annual target of 750,000 sessions was set when paid digital campaigns were a core traffic driver. With most paid digital activity paused, total sessions are down on 2024/25 website sessions, where 17% of our website sessions came from paid search. Search behaviour is also shifting, with AI-powered results increasingly answering queries directly within search platforms, reducing click-through to destination websites while still delivering brand visibility.

Session primary...channel group		Sessions	Engaged sessions	Engagement rate	Average engagement time per session	Key events
Total		182,230 100% of total	116,136 100% of total	63.73% Avg 0%	39s Avg 0%	138,880.00 100% of total
1	Organic Search	98,069 (53.82%)	68,268 (58.78%)	69.61%	50s	79,530.00 (57.27%)
2	Direct	42,258 (23.19%)	17,314 (14.91%)	40.97%	16s	19,093.00 (13.75%)
3	Cross-network	16,926 (9.29%)	16,245 (13.99%)	95.98%	12s	19,689.00 (14.18%)
4	Paid Search	14,479 (7.95%)	10,284 (8.86%)	71.03%	1m 11s	14,322.00 (10.31%)
5	Referral	3,928 (2.16%)	2,503 (2.16%)	63.72%	1m 03s	4,564.00 (3.29%)

*hawkesbaynz.com traffic acquisition
 1 July 2025 – 31 December 2025*



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Digital Activity

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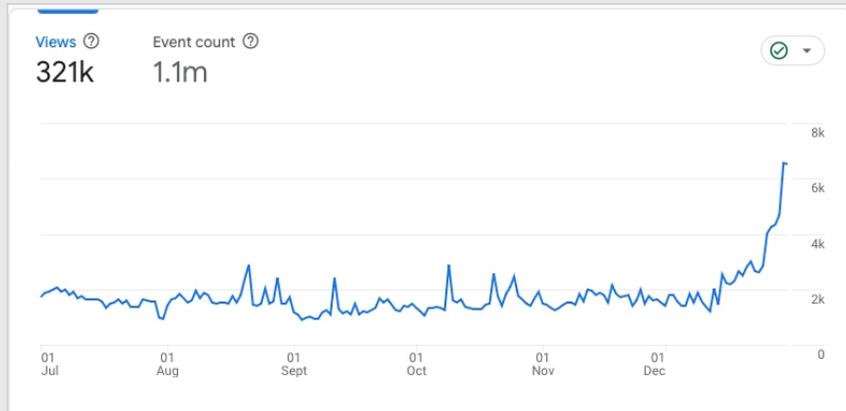
Website Engagement Overview

"Always" on search engine marketing investment was concluded at the start of the new financial year as a result of reduced income. Website sessions have receded in line with ceased SEM. Interestingly, when modest targeted spend was ignited for the Bay to Remember campaign, a spike in activity was recorded.

Website Views

1 July 2025 – 31 December 2025.

Note the spike from mid-December was as a results of a small amount of paid spend on our Bay To Remember Campaign



Views by Page title and screen class

PAGE TITLE AND SCREEN CLASS	VIEWS
What's On, Events & Festivals Official Haw...	30k
Hawke's Bay New Zealand Official Tourism ...	21k
Bay to Remember	20k
Napier Things To Do Activities Hawke's B...	13k
Hawke's Bay Attractions Family Activities ...	7.9k
Walking & Hiking Official Hawke's Bay Web...	7.5k
Hastings Things To Do Official Hawke's Ba...	6.4k

Views By Page

1 July 2025 – 31 December 2025.

Our What's On, Events & Festivals page remains the most viewed page, with the Bay to Remember page, which went live in December 2025, quickly growing in page views.



Media & Public Relations

Domestic Coverage earned July- December

Pieces of coverage: 28
Equivalent Advertising Value: \$347,000
Potential audience reach: 7,486,446

International Coverage earned July- December

Pieces of coverage: 157
Equivalent Advertising Value: NZ\$3,824,759.50
Potential audience reach: 2,314.782

Press releases: x6 Media Releases issued: F.A.W.C on a hiatus, Great Wine Ambassador announcement, Best Of Tourism Awards winners, Church Road Winery Wins Global Wine Tourism Award, Bay to Remember Launch, Report highlights value of tourism

Pro Active Media Quotes: Cruise Conference interview with TVOne, Cuisine Good Food Awards announcement quote, Taylor Swift engagement Q&A,

Blogs drafted for the Great Wine Capital's global website; Hawke's Bay Wine Families, Hawke's Bay Artisan collaboration, Inclusive Wine Tourism.

Workshop: PR and Social media workshop delivered to members by Sarah and Hilary

FAMILIS:

Total Complete: 6
Total Pending: 11

MEDIA

4 x Media famils coordinated including: AA Directions, Stuff/The Post/Waikato Times/ The Press, Uno Magazine and AAA Explorer Magazine (USA)

7 more in the pipeline including: Kia Ora magazine, Stuff (x 2), Channel Seven Australia - Better Home and Garden show, Golfer Pacific Magazine, Mid -Western Golf (USA), Otago Daily Times, Cuisine Magazine

INFLUENCERS:

2x Influencer Famils:

- Tom Sainsbury (HBT proactively approached as touring)
- TNZ Famil: Provided itinerary and hosted x3
- Malaysian and 1x Singaporean Influencers

4 Influencer famils in the pipeline including:

Nic Chan (Bridge Pa Wine Festival)
Wendy Petrie (Art Deco Festival),
x2 Kiwi North famil's: Let's Escape Together, and Britt and Mitch.

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Media & Public Relations

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MEDIA COVERAGE AND FAMILS HIGHLIGHTS		
Journalist / Publication	Details	Summary
Sunday Star Times – Travel as well as in The Post/ The Press and The Waikato Times	Dbl pg spread - https://www.thepost.co.nz/travel/360775455/cape-kidnappers-nz-luxury-lodge-quietly-does-everything-better	Famil vist to Rosewoods and Cape Kidnappers
Getaway Channel 9	X2 segments on Hawke's Bay - one on Napier and Art Deco the other with a focus on HB as a wine region https://www.youtube.com/watch?v=qCkJAMw4OnQ https://www.youtube.com/watch?v=NsNdqObZ5us	Presenter David Reyne said Hawke's Bay is recognised as one of the elite wine destinations of the world. He finished off one segment, "Anything post New Zealand is unfortunately, a bit of a disappointment".
Hawke's Bay Today	Page 3 of print paper https://www.nzherald.co.nz/hawkes-bay-today/news/hawkes-bays-craggy-range-and-its-chef-win-at-cuisine-good-food-awards/DYSL2757EFBKTCCC6G7WQZDZEY	Announcing Cuisine Best of Food awards and how well HB performed
Hawke's Bay Today	Pg 3 https://www.nzherald.co.nz/hawkes-bay-today/news/hawkes-bay-tourism-launches-bay-to-remember-summer-campaign/SVV5OKRY5ZFBIDGE5EARAEQ56BU/	Bay To Remember campaign launch
The Breeze	7min	Interview with Kim Thorp regarding his appointment as Hawke's Bay Great Wine Capital ambassador
Stuff	Travel Feature https://www.stuff.co.nz/travel/360918102/kiwi-kai-stops-giant-eclairs-cream-horns-and-meatballs-worth-making-pitstop	Inclusion in story Kiwi Kai Stops for summer
Kia Ora Magazine	Double page spread Not available online	Feature on Hawke's Bay following Anna King-Shahab's famil to the region
The Post	Double page spread and front cover header https://www.thepost.co.nz/travel/360897174/wellington-napier-wine-wellness-and-waterfronts	Feature on Hawke's Bay following Sharon Stephenson's famil – highlighting the ease of travel from Wellington to Hawke's Bay.
Uno Magazine – Bay Of Plenty glossy table top magazine	4 pages Not online YET	Four page feature on Hawke's Bay following Hayley Barnett's famil.
AA Directions	Online and in Magazine https://www.aa.co.nz/membership/aa-directions/traveller/road-trip-auckland-to-napier/	Famil visit and story on Road Trip from Auckland to Napier



Media & Public Relations

BAY TO REMEMBER – celebrating the region

Bay To Remember is a simple, powerful idea: positioning Hawke's Bay as the place where life's best memories are made. From milestone celebrations to everyday moments with friends and whānau, the campaign invites people to create, share, and celebrate their own Bay stories and enter into a competition to come back and make more memories. By showcasing real experiences across food, wine, events, cycling, and lifestyle, it builds emotional connection, drives awareness, and inspires future and repeat visitation. Crucially, the campaign enables tourism operators and members to feature their experiences within authentic visitor stories, creating meaningful engagement at every touchpoint. Powered by user storytelling, Bay To Remember turns personal moments into advocacy — strengthening the region's brand, growing reach, and expanding our consumer database.

Bay To Remember Memory Board

Our members, social media followers and visitors to the region are invited to share their "Bay to Remember" (BTR) moments —tagging @hawkesbaynz and #BayToRemember. If their social is on a public setting, their photos appear on a live digital memory board hosted on our website, creating a vibrant, shared celebration of Hawke's Bay.

Large Bay To Remember Frames

We had three 'permanent' large frames for the public to engage with, built and erected: in Napier (Marine Parade- in front of Par2) one in Hastings (at Splash Planet) and one in Central Hawke's Bay (Pourerere Beach)

Membership Engagement

Outside of the memory board, our members have been invited to use a BTR Portable frame and encourage their visitors to engage with it. We've had information cards printed with the QR code and the isites and other members are handing them out to visitors.

Airport Activity

We've showcasing our memory board on a Digital billboard out at the airport from Jan-March PHOTO of the airport

Paid For

We've utilised a small budget for some social media ads

EVENTS

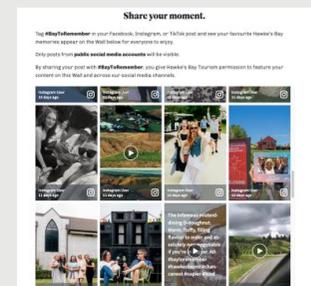
Using the portable frame's , ambassadors, polaroid cameras and bespoke photo sleeves (a great keepsake) we've been taking the BTR to a number of events including: Harvest, Black Barn Mockers, Dudes and Stellar, Bridge Pa Wine Festival and Outfield.

We will be heading to Black Barn Carl Cox, Art Deco Festival Napier and Central Hawke's Bay and the Meatball Festival.

RESULTS TO DATE

Over 30,000 views of the BTR Memory Board
The frames /Polaroid photos are in hot demand at the event with approx. 800 interactions across 4 events

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Trade and Business Events

New Zealand Cruise Conference

Hawke's Bay Tourism supported the bid to host the annual Cruise Conference which took place at Napier War Memorial on 14th August 2025 for approximately 200 delegates.

Great Wine Capitals Annual Conference 18-22OCT 2026

Hawke's Bay has won the bid to host the 2026 international conference and AGM.

Famils

Hosted 10 North American agents as part of the ECNI x Air NZ famil. They experienced 6 TMG products and had presentations from another 3 within their 24hr visit.

Supported Rosewood Cape Kidnappers with their luxury incentive for 10 agents from North America. The agents spent the day experiencing an Art Deco Trust walking tour, Te Mata Peak visit and Craggy Range Winery & Restaurant.

Webinars

Delivered a webinar to 15 US agents via Australia and Beyond Travel

Delivered a webinar to Kuoni Travel, UK

Business Events

Attended Business Events Expo in Auckland on 24th November with Napier Conferences and Events and Toi Toi Arts and Events Centre.



Regional Event Coordination

Event Funding

The Regional Events Promotion Fund (REPF) from MBIE has provided \$5 million over 2 years (2024-2026) to support the promotion of regional events to the domestic market. The contestable fund aims to encourage regional dispersal and increase visitor spend in the regions with an additional focus on encouraging seasonal dispersal by promoting events outside of the peak summer season.

The REPF was available to events which deliver a high return on investment and increase the likelihood of encouraging visitors to explore New Zealand beyond the key tourism locations. The intention of the funding is to augment the planned promotion of the event i.e. to provide up to 50% of additional funding to enhance the existing promotional budget for the event.

The coordination of managing the contracts between MBIE and the event manager is the responsibility of the RTO (Hawke's Bay Tourism)

Successful events within the Hawke's Bay

\$10,000 to The Spring Fling Festival 2025
\$15,000 to Harvest Hawke's Bay Wine and Food Festival 2025
\$20,000 to Outfield Music Food and Arts Festival 2026
\$26,000 to Art Deco Festival Napier 2026
\$10,000 to Jazz in the Park Church Road 2026
\$10,000 to Hastings Meatball Festival 2026
\$20,000 to Horse of the Year 2026
\$25,000 to ASICS Runaway Hawke's Bay Marathon 2026

Air New Zealand Events Sponsorship

As part of their Event Sponsorship programme, Air New Zealand is supporting Bridge Pa Wine Festival for 3 years (2026-2028) with contra to the value of \$15k per year on flights plus marketing support and onsite activations. The sponsorship contract also includes HBT as a partner for the airline.

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Great Wine Capitals

Annual Report

https://mcusercontent.com/79c6f53cd1df8f809651e815a/files/ddd03a91-54fd-b65d-4e10-ea9b57546fd8/Great_Wine_Capitals_Activities_Report_2025_HAWKES_BAY.01.pdf

Knowledge Exchange

The third recipient of the 2025 Knowledge Exchange programme travelled to Valparaiso and Mendoza in October. Reports have been received from all 2025 recipients and outcomes from their visits will be shared with industry in Q3.

Delegation to 2025 International Conference in Bordeaux
A delegation of 5 represented Hawke's Bay at the AGM to drive future strategy and promotion of the network which will ensure that our region continues to be recognised as a leader in global wine tourism. There were also opportunities to showcase HB wine to an international audience of 150 and for our GWC Ambassador to present at the conference day on innovation in wine tourism. Hawke's Bay negotiated a budget of NZD16k towards the B2B component of the AGM this year in October in our region.

Best Of Wine Tourism Awards

Seven regional winners were announced in September and Church Road received the global Best Of Wine Tourism award for Hawke's Bay at the conference in Bordeaux in November. All of the winners will be promoted throughout 2026.

Promotion of Hawke's Bay via GWC

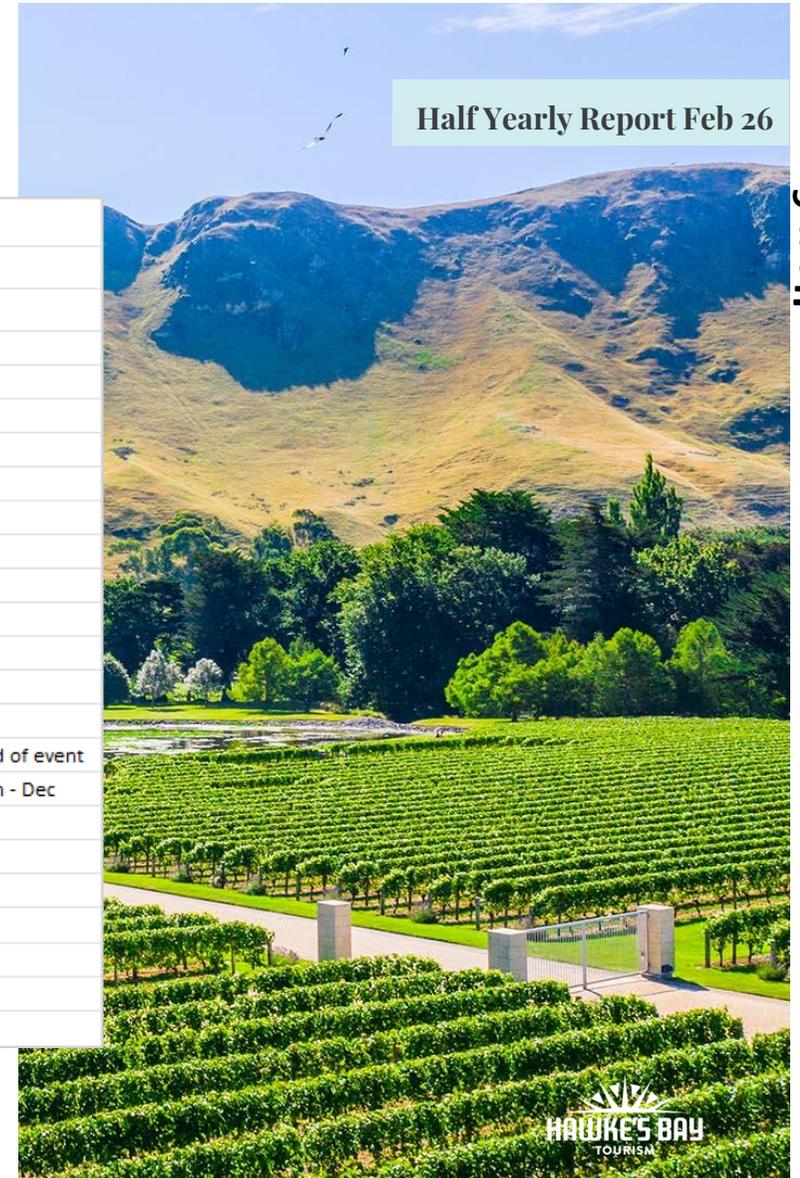
- The Hawke's Bay Wine Auction contained a GWC lot for the second year that provides national exposure of Hawke's Bay as a GWC through their channels.
- The Hawke's Bay Wine Experience pop up wine tasting for Viking cruise ship passengers commenced again for the season in Dec, with more than 4,500 passengers expected to come through and hear about Hawke's Bay as a GWC.
- Hawke's Bay and South Australia collaborated on a tasting evening held at the wine museum La Cite du Vin in Bordeaux in November to present our regions and wines to a local audience of 140.
- Hawke's Bay is profiled monthly via the GWC newsletter (global database of 3,700) and to a social media audience of close to 160,000 worldwide.

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Finance (YTD 31DEC25)

Profit & Loss			
Hawke's Bay Tourism Limited			
1st July - 31st December 2025			
	YTD Actual	YTD Budget	Var NZD
	\$	\$	\$
Income			
External/Other Revenue	8,714	700	8,014
CHBDC Funding	37,500	37,500	0
HDC Funding	231,250	231,250	0
NCC Funding	225,000	225,000	0
GWC Income	25,000	25,000	0
Industry Partner Membership/Support	148,874	135,250	13,624
Regional Events Promotion Fund	106,000	136,000	(30,000)
Total Income	782,338	790,700	(8,362)
Less Cost Of Sales			
Digital / PR	46,883	91,594	(44,711)
Events	69,780	131,000	(61,220)
GWC Expenses	42,581	54,996	(12,415)
Partner Programme	5,755	9,500	(3,745)
Trade Marketing	64,233	39,490	39,490
Total Cost Of Sales	229,232	326,580	(97,348)
GROSS PROFIT	553,106	464,120	88,986
Less Operating Expenses			
Total Operating Expenses	420,108	387,366	32,742
NET PROFIT	132,998	76,754	56,244



Item 6



WWW.HAWKESBAYNZ.COM



Item 6



16 June 2025

Chair of the Board
Hawke's Bay Tourism
19 Waghorne Street
Ahuriri, Napier 4110

Tēnā koe,

Letter of Expectation for the 2025/26 Funding Year

On behalf of Hastings District Council, Napier City Council, and Central Hawke's Bay District Council (together, "the funding councils"), we are pleased to confirm our collective support for Hawke's Bay Tourism (HBT) for the 2025/26 financial year, with funding commencing on 1 July 2025.

This Letter of Expectation sets out the shared priorities and performance expectations for HBT, as a publicly funded regional tourism organisation, to ensure that our investment continues to deliver measurable value to our communities, businesses, and the broader visitor economy.

Strategic Performance Focus Areas

The following overarching objectives are the areas the funding councils expect HBT to focus its work programme on:

- Maintaining or strengthening Hawke's Bay's market share in domestic tourism.
- Enhancing brand awareness and visitor engagement through targeted PR and digital campaigns.
- Supporting and growing industry capability and participation.
- Maximising the value of Hawke's Bay's position as a Great Wine Capital.
- Maintaining strong governance and alignment with local government strategy.

Key Performance Expectations

(12 months to June 2026)

Market Share

- Increase Hawke's Bay's share of Wellington-origin visitor spend to 6%.
- Maintain overall visitor spend (using 2024/25 as benchmark).
- Maintain Hawke's Bay's domestic card transaction share at 3.35%.
- Maintain domestic visitor numbers at 1.7 million (if measurable)

Brand Awareness & Reach

- Achieve 2.5 million social media reach.
- Achieve a minimum engagement rate of 3% across key platforms (Facebook, Instagram, TikTok).
- Achieve a click-through rate (CTR) of 1% or higher on paid campaigns.
- Report follower growth rate by platform, with a target of 10% annual growth.
- Achieve 350,000 organic website sessions and 750,000 total sessions.
- Secure \$3 million Equivalent Advertising Value (EAV) through media, with qualitative case studies showing impact.
- Deliver a minimum of 15 famils for media, influencers, and trade with post famil reporting on :
 - o Media/ social coverage generated
 - o Estimated reach/impressions
 - o operator feedback on business impact.
- Ensure fair and equitable representation of sub-regions/towns/cities within Hawke's Bay in promotional activities, digital campaigns and media coverage.

TE KAUNIHERA Ā-ROHE O HERETAUNGA
HASTINGS DISTRICT COUNCIL
207 Lyndon Road East, Hastings 4122 | Private Bag 9002, Hastings 4156
06 871 5000 | customerservice@hdc.govt.nz | hastingfdc.govt.nz



Industry Engagement & Capability

- Grow HBT membership base: 175 members, 25 Tourism Marketing Group members, 20 Support Partners.
- Increase industry financial contributions: \$150,000 cash, \$50,000 contra.
- Deliver a minimum of four industry capability workshops with >80% positive feedback positive participant feedback.
- Support tourism operators to innovate and expand into new markets, with an annual summary reporting on:
 - o Number of new products launched, including number of Māori Tourism products
 - o Number of new markets entered, including number linked to Māori Tourism
 - o High operator satisfaction with HBT support

Great Wine Capitals Programme

- Marketing and activation plan developed for engagement with industry, to attract sector funding.
- Grow industry contributions to \$100,000, to achieve a \$185,000 operating budget.
- Develop and implement KPIs to measure ROI from GWC activity.
- Deliver a visible and effective activation campaign and ensure GWC status is evident to visitors.

Governance & Strategy

- Secure required operational funding for 2026/27 with a clear funding plan.
- Provide quarterly performance reporting to funding councils.
- Continue advocacy to central and local government on the value of tourism.
- Finalise updates to the HBT Constitution to support council representation and enable a skills-based Council Board Representative appointment.
- Work with council partners to develop contingency planning for critical regional tourism activity (e.g. FAWC, HB Marathon, Visitor Guides).
- Demonstrate alignment with Council tourism and events strategies through coordinated work planning and a process to incorporate council strategic priorities.

Reporting & Engagement

We expect HBT to engage regularly and transparently with council elected members and officers, providing quarterly updates aligned to these KPIs. In addition, HBT should maintain a collaborative and proactive approach with council tourism, marketing, and events teams to ensure integration and maximum value from collective efforts.

We thank you for your continued leadership and look forward to working in partnership to grow a thriving visitor economy that delivers lasting benefits to our region and communities.

Ngā mihi nui,

SIGNED BY	 <small>Signed by: CDF42557837E483...</small>	Authorised Signatory of Contractor
NAME	Mayor Alex Walker - Central Hawke's Bay	DATE: 26 June 2025 7:28 AM NZST
SIGNED BY	 <small>Signed by: 9B4CC0968FDB44B...</small>	Authorised Signatory of
NAME	Napier City Council – Louise Miller – Chief Executive	DATE: 26 June 2025 11:37 AM NZST
SIGNED BY	 <small>Signed by: E546078637A4028...</small>	Authorised Signatory of
NAME	Hastings District Council – Nigel Bickle – Chief Executive	DATE: 27 June 2025 3:49 PM NZST

TE KAUNIHERA Ā-ROHE O HERETAUNGA
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June 16, 2025 | 15:26 robync@hdc.govt.nz

Signer Events

Alex Walker
alex.walker@chbdc.govt.nz
Security Level: Email, Account Authentication
(None)

Signature

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CD452557837E483...
Signature Adoption: Drawn on Device
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Timestamp

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Viewed: June 22, 2025 | 15:11
Signed: June 26, 2025 | 07:28

Electronic Record and Signature Disclosure:

Accepted: June 22, 2025 | 15:11
ID: f56cdb89-db31-4c9b-925e-66a1caeb8076

Louise Miller
louise.miller@napier.govt.nz
Security Level: Email, Account Authentication
(None)

Signed by:

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Signature Adoption: Pre-selected Style
Using IP Address: 103.8.143.1

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Viewed: June 26, 2025 | 09:27
Signed: June 26, 2025 | 11:37

Electronic Record and Signature Disclosure:

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ID: 4d984070-acd3-48ea-820d-f8801c265cb2

Nigel Bickle
nigelb@hdc.govt.nz
Security Level: Email, Account Authentication
(None)

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Using IP Address: 103.5.71.30

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Signed: June 27, 2025 | 15:49

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Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	June 16, 2025 15:29
Certified Delivered	Security Checked	June 26, 2025 15:59
Signing Complete	Security Checked	June 27, 2025 15:49
Completed	Security Checked	June 27, 2025 15:49
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If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

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If you elect to receive required notices and disclosures only in paper format, it may slow the speed at which we can complete certain steps in some transactions with you and delivering some services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive notices and consents electronically from us or to sign electronically documents from us.

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To advise us of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at <https://www.hastingsdc.govt.nz/contact-us/> and in the body of such request you must state: your previous email address, your new email address.

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- Until or unless you notify Hastings District Council as described above, you consent to receive through electronic means any notices, disclosures, authorisations, acknowledgements, and other documents that are required to be provided or made available to you by Hastings District Council.

Hawke's Bay Tourism

Statement of Intent 2025/26

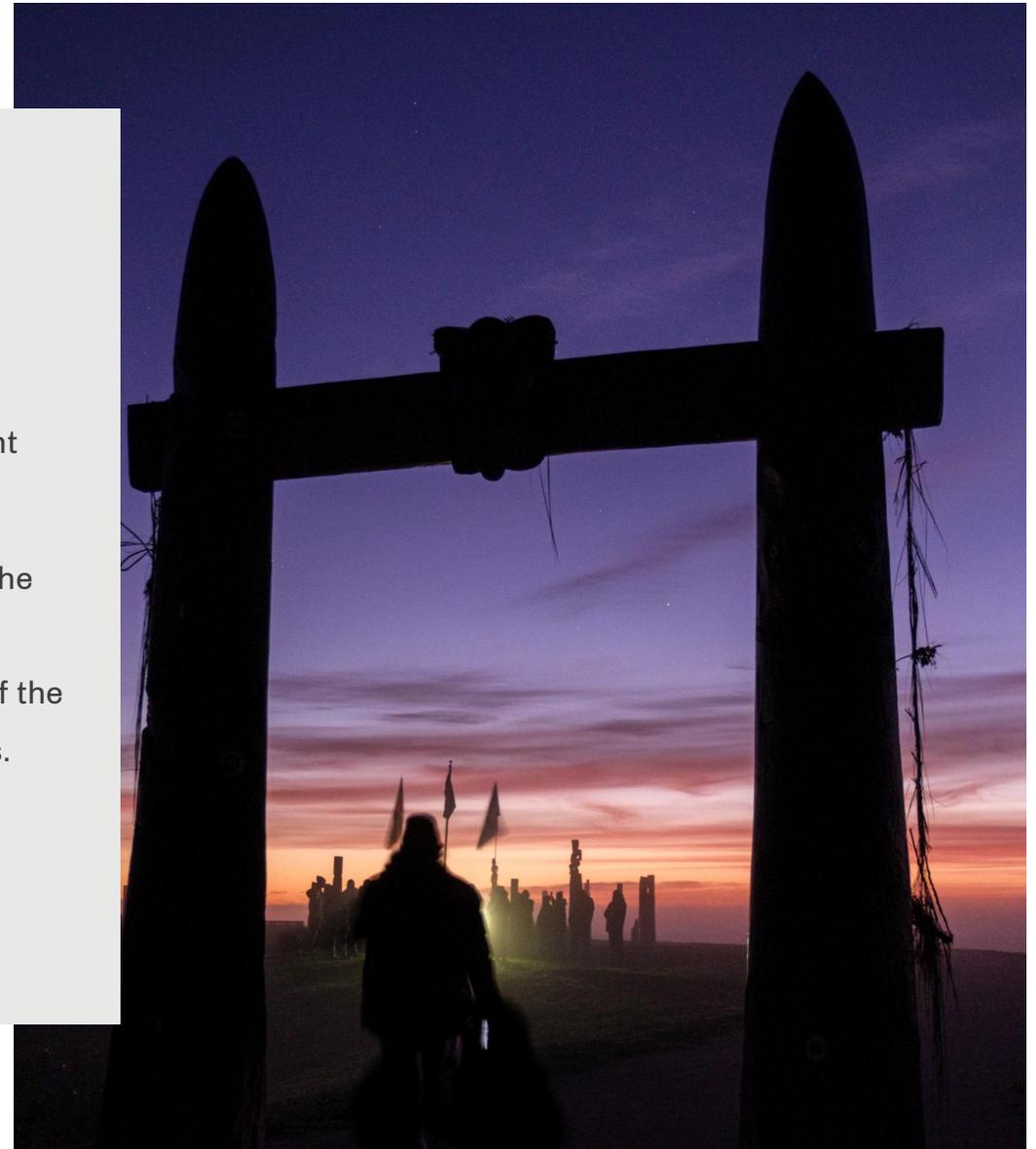
The regional tourism organisation for all of Hawke's Bay



Introduction

This Statement of Intent (SOI) is prepared by Management and the board of Hawke's Bay Tourism Ltd (HBT).

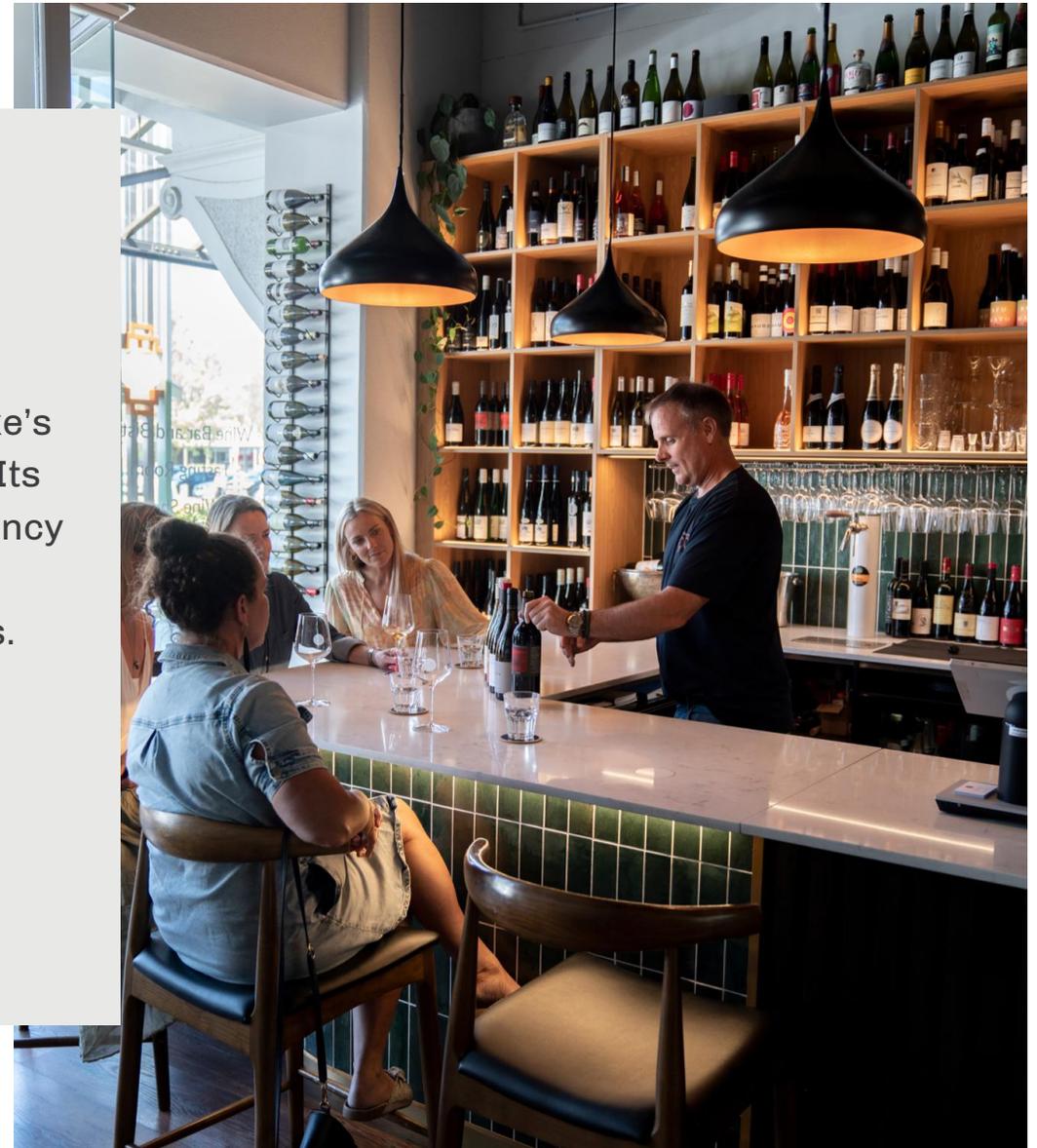
The SOI sets out the objectives, the nature and scope of the activities to be undertaken by HBT, and the performance targets and other measures by which the performance of the organisation may be assessed in relation to its objectives.



Purpose

Hawke's Bay Tourism is the official Regional Tourism Organisation (RTO) for the entire Hawke's Bay region. It is one of 30 RTOs in the country. Its primary role as a marketing and promotion agency is to generate the demand that will support business investment into products and services.

Hawke's Bay's destination positioning:
New Zealand's Food & Wine Country



Background

Hawke's Bay Tourism Ltd (HBT) was established in 2011. It is owned by its shareholders, the members of the Hawke's Bay Tourism Industry Association (HBTIA).

Until June 2025, HBT received majority funding from rates collected by HBRC (up to \$1.52m). Following the cessation of HBRC as a collections' mechanism for regional tourism, the councils of Hastings, Napier, and Central Hawke's Bay have collaborated to fund HBT to minimal viable funding of c.\$1m in order to retain RTO services until a more sustainable (hopefully national) funding solution can be achieved.

Current funding allows HBT to plan for activity with confidence through to 30JUN 2026.



Core income

\$1,200,500 for 25/26 FY

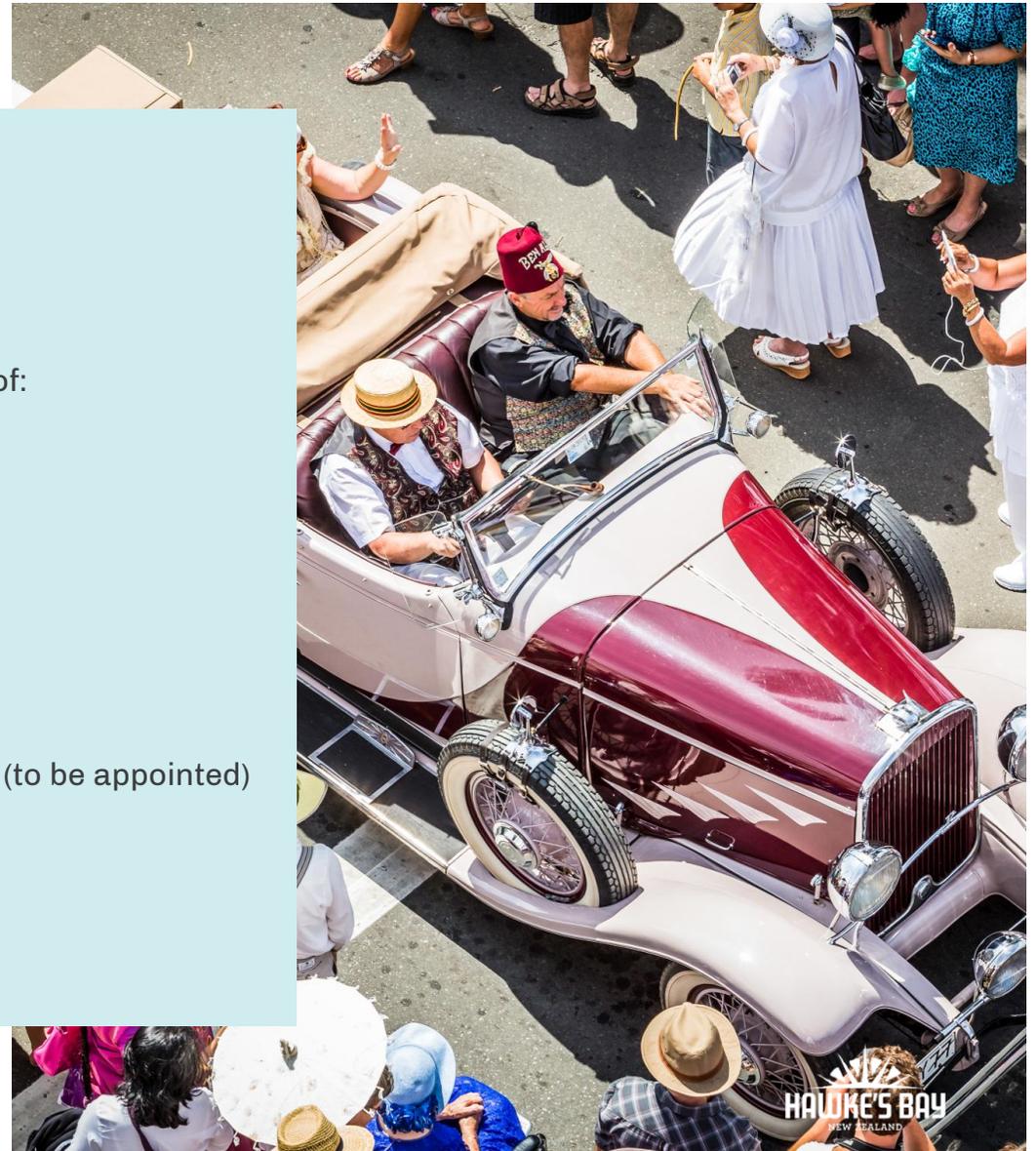
- \$987,500
 - \$462,500 HDC
 - \$450,000 NCC (12 months)
 - \$75,000 CHBDC
- \$213,000 (\$128k membership, \$85k Great Wine Capitals joint initiative)



Governance

Hawke's Bay Tourism is governed by a board comprised of:

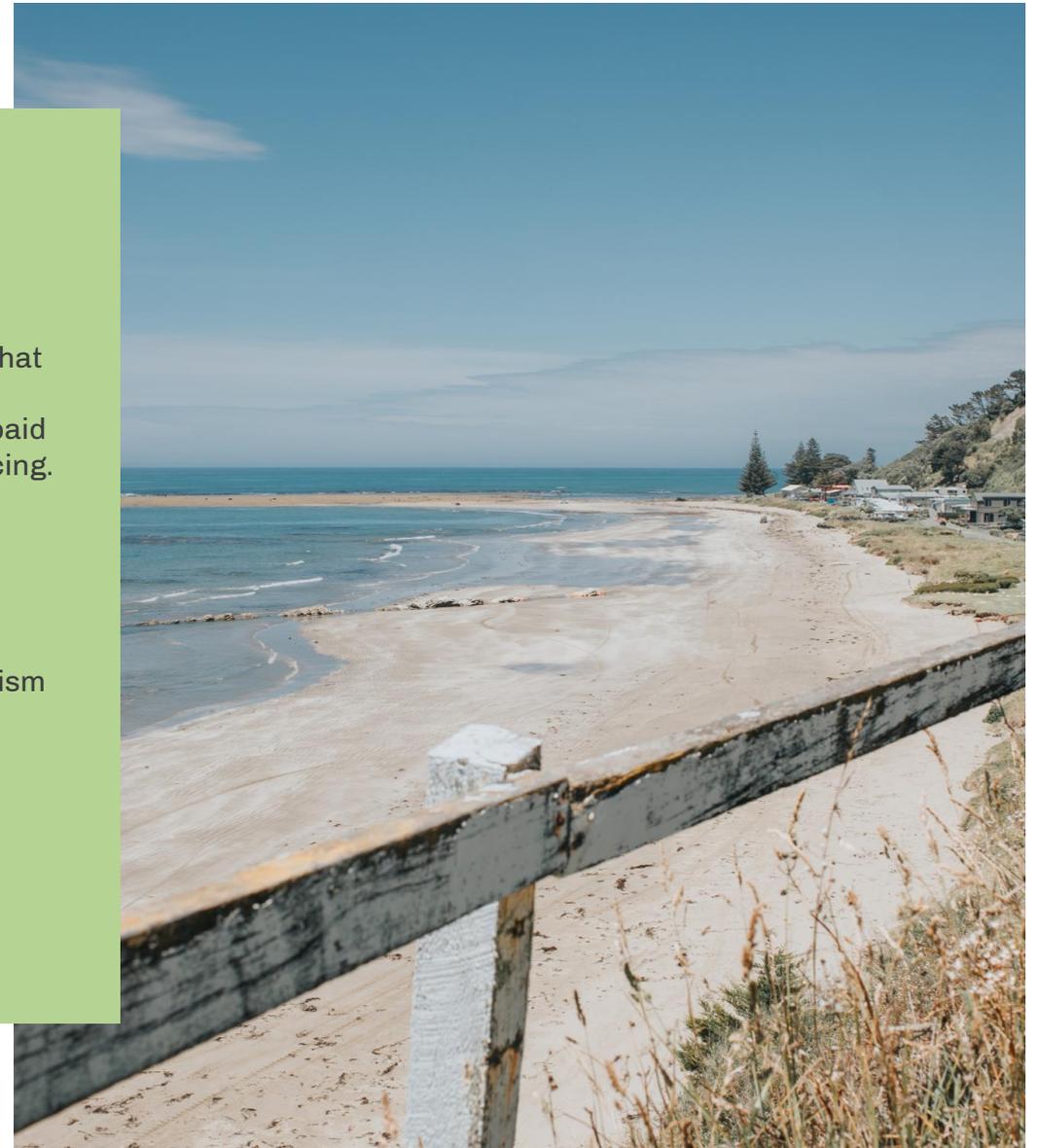
- Independent Chair (George Hickton)
- Independent Board Member (David Simmons)
- HBTIA Chair (Kris Larnner)
- HBTIA representative (Kristine Kilpatrick)
- Independ representative of local government funders (to be appointed)



Destination marketing

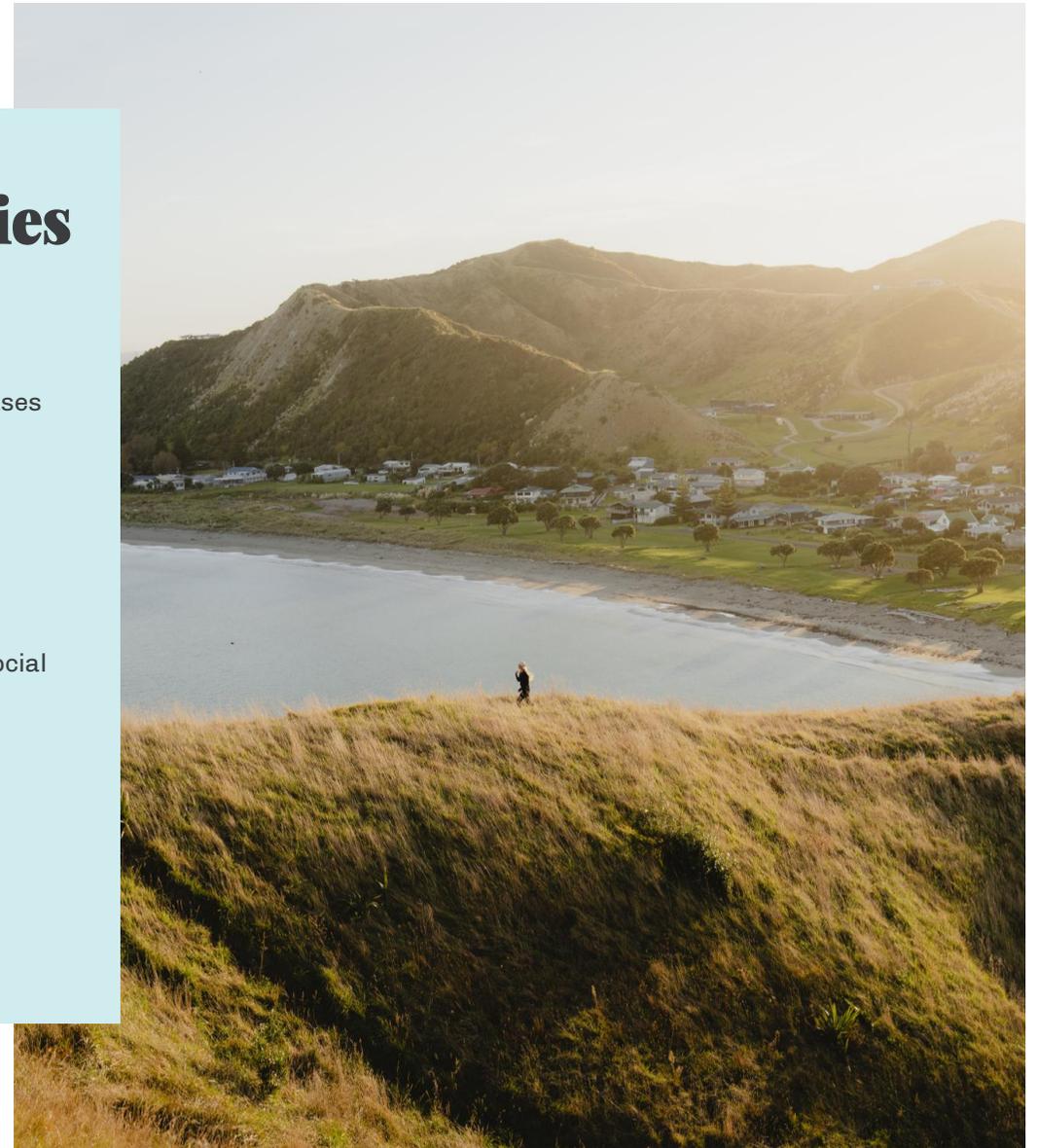
In destination marketing, we consider 3 areas of focus – exploiting assets we already **own** to amplify our messages, what we can **earn** through promotion and relationships, and **paid** advertising. For 25/26 we have signalled a departure from paid advertising in line with reduced funding and reduced resourcing.

- **Owned**
 - Website (hawkesbaynz.com), social media, database/newsletters, image/video library.
 - Great Wine Capitals membership, Best Of Wine Tourism awards
- **Earned**
 - Press releases, famils, media releases/contacts
 - Relationships with Tourism NZ, travel agents, travel wholesalers & inbound operators, professional conference organisers, cruise, trade-shows
 - Hosted familiarisations



Key brand/promotion priorities

- **PR/media/content**
 - Earning awareness in all forms of media through press releases and story development
 - Story content
 - Imagery/video
 - Hosting/famils
 - Collaboration with TNZ
- **Digital – web, socials, content**
 - Maintaining web presence, increasing awareness through social media
 - Imagery/video
- **Membership/trade – events/capability**
 - TRENZ, eXplore, MEETINGS attendance
 - TIA, RTNZ, BEIA, TEC, NZCA membership/events
 - Collaboration with TNZ
- **Famil coordination**
- **Great Wine Capitals membership**

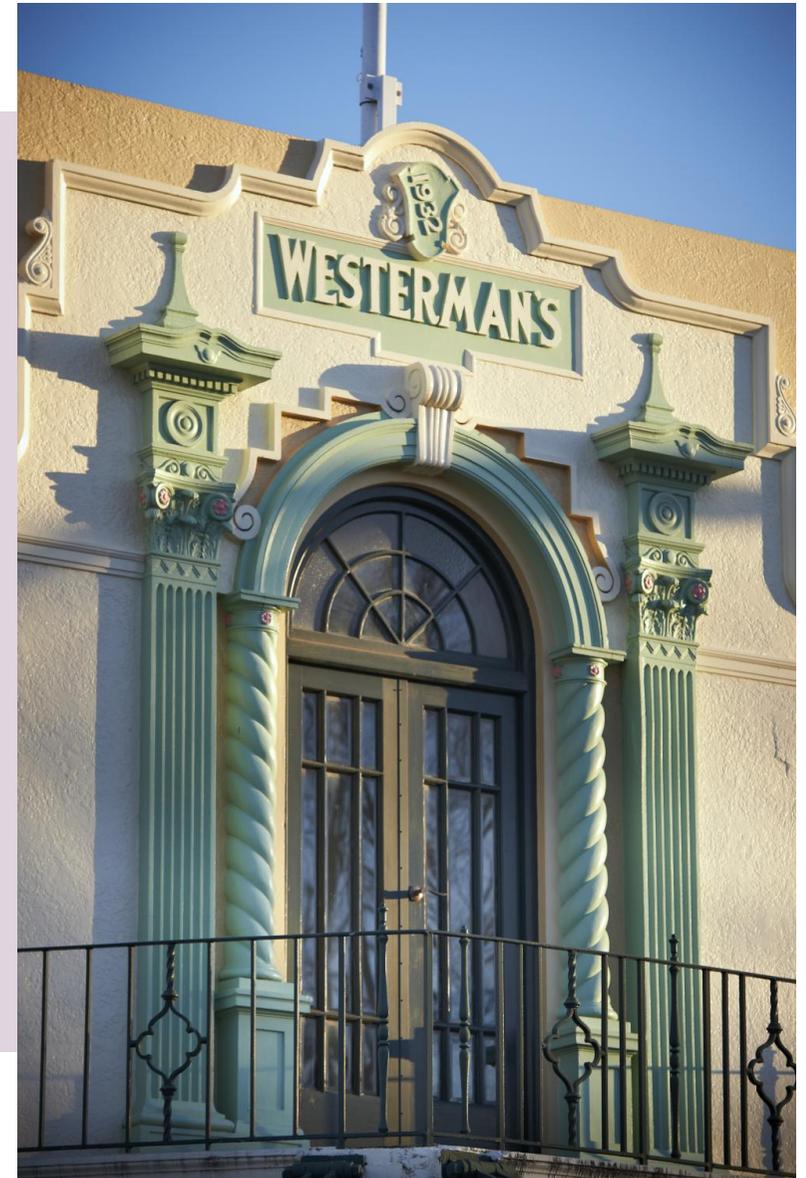


Key Performance Indicators for 2025/2026

KPI	Target	Performance
Market Share	<ul style="list-style-type: none"> • Increase market share from Wellington • Maintain Hawke's Bay's share of domestic card transactions 	<ul style="list-style-type: none"> • Grow WLG market share from 5% to 6% over a 36-month period from 01JUL'25 (Measured by MBIE's TECT – tourism electronic card transactions) • Maintain domestic market share at current level of 3.3% in challenging economic environment.
Food and Wine Country Brand Positioning	<ul style="list-style-type: none"> • Achieve EAV (Equivalent Advertising Value*) of \$3m • Grow digital engagement and reach across web and social • Further imbed GWC into Hawke's Bay's Food and Wine Country positioning. Increase impact of GWC within region's wine and tourism businesses. 	<ul style="list-style-type: none"> • (*EAV measured at ratio of 1:1, not a multiplier) • Increase website sessions to 750,000pa • Increase followers by 10% • Grow GWC investment & engagement through uptake of GWC assets.
Industry	<ul style="list-style-type: none"> • Maintain paid membership of HBT • Grow industry support** • Deliver annual series of workshops to build industry capability. • Support existing tourism operators to develop new products and expand into new markets. 	<ul style="list-style-type: none"> • Current full membership 145 • (**industry support measured by contra, sponsorship, and investment in joint venture initiatives) • Industry cash contribution of \$150k pa • Industry contra contribution of \$50k pa • Annual series of capability workshops delivered.

KPIs

HBT acknowledges that council officers have recommended more prescribed KPIs within the Letter of Expectation. From a governance perspective, the board of HBT sets the KPIs for the organisation and has done so at a high-level noting that we enter a new trading environment with uncertainty about long term sustainability, with a reduced budget, and with a recently downsized and restructured team with 2 new employees yet to be onboarded (at the time of writing). Our high-level goals are aligned with councils and remain aspirational. Capturing and interpreting good data is important to us, and many of the recommended measurements will undoubtedly be referred to in our regular reporting cycles.



Membership structure



Work Streams

Digital promotion

Consumer-focused activity, digital channels, website and social media; management of regional brand.

Travel Trade

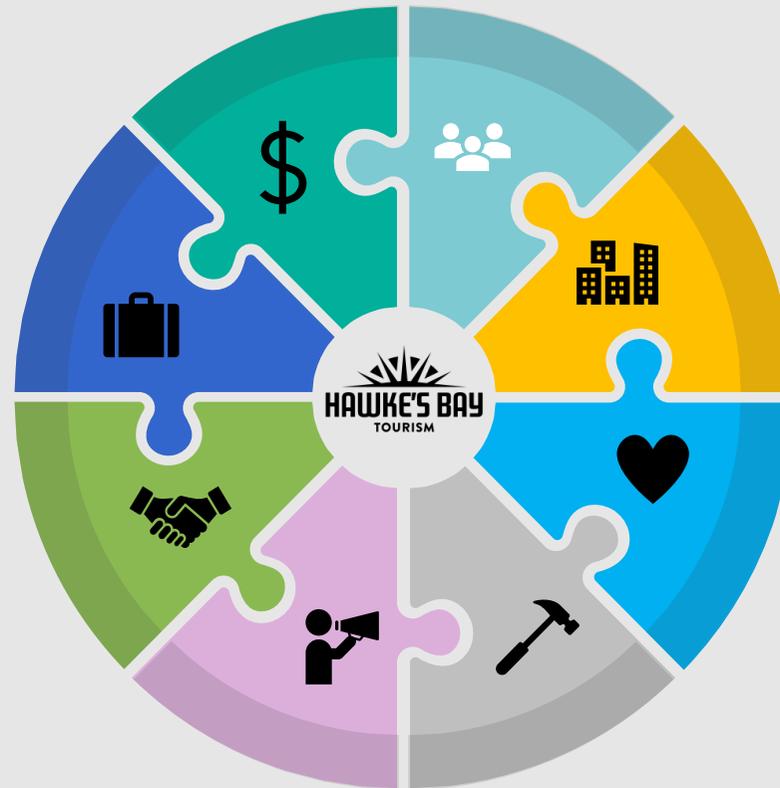
Educating offshore and onshore travel retailers and intermediaries to ensure export-ready operators, and the wider region, are readily featured.

Business Events

Supporting key conference facilities with efforts to secure bookings, while also acting as the impartial Hawke's Bay Conventions Bureau for enquiries.

Media & PR

Building relationships with regional, national and international media to secure favourable editorial coverage, including proactive and reactive stories.



Regional Events

Coordinator of Regional Event Fund proposals and funding responses when and as MBIE offers.

Membership

Management of HBTIA membership, including encouraging co-investment into promotional activities; lead activities which enhance industry capability.

Advocacy

Work with regional and national industry stakeholders to lobby for strategies and investment which positively impact the visitor economy's regional contribution.

Special Projects

Great Wine Capitals, Classic New Zealand Wine Trail joint ventures and ad-hoc opportunities that arise with MBIE funding initiatives,

Domestic Visitor Economy Overview 2024

1.7m Data from 2022

Annual domestic visitors



\$371m

Value of Domestic Tourism Electronic Card Transactions
(excludes cash & online)



771k

Domestic guest nights in commercial Accommodation
(voluntary operator survey)



5.4m Data from 2022

Annual domestic visitor days



3.31%

Share of Domestic Tourism Electronic Card Transactions

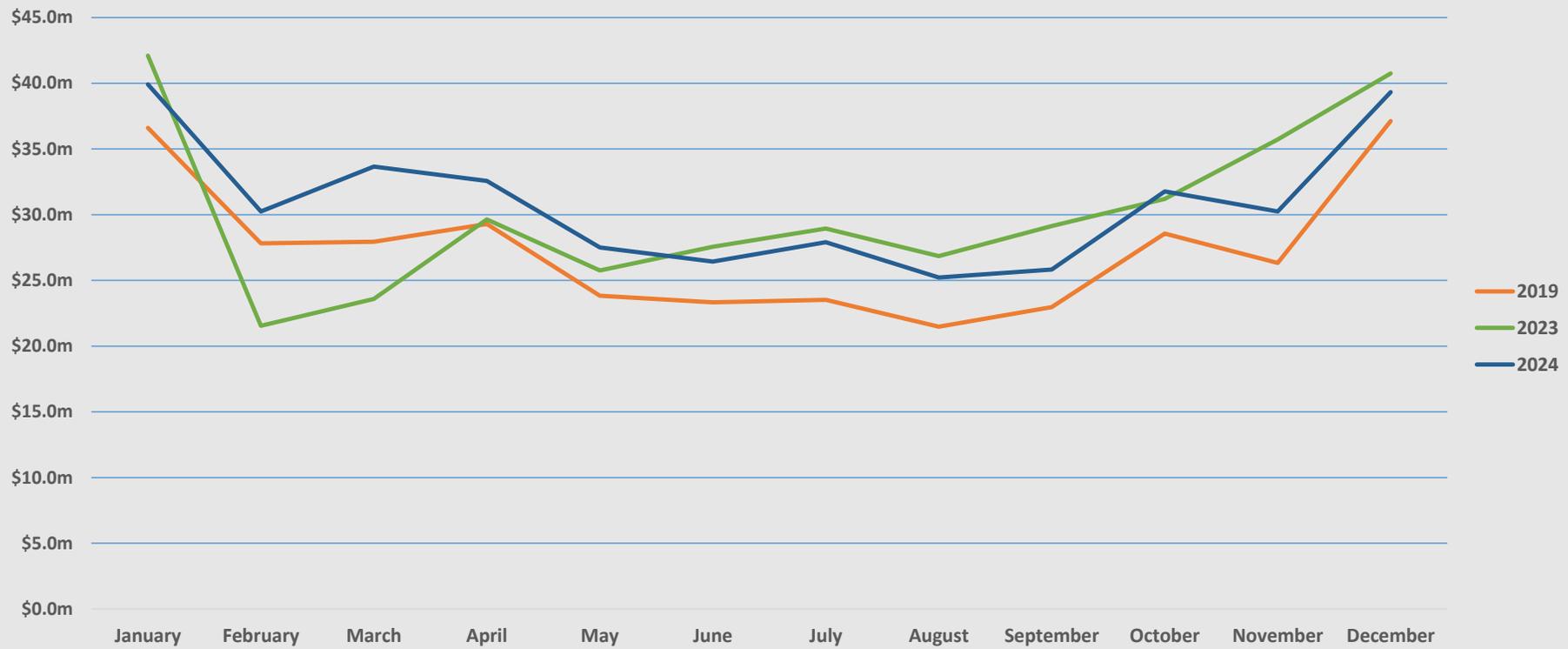


2.1

Average nights stayed per guest in commercial accommodation



Domestic Tourism Electronic Card Transactions



Market Share & Key Markets

3.31%

Hawke's Bay's share of domestic tourism spend via card transactions in year to **December 2024**

Share of TECT from 5 biggest (by \$) markets

1. Wellington	5.00%
2. Auckland	2.08%
3. Manawatu	5.26%
4. Waikato	2.20%
5. Bay of Plenty	2.78%

Tourism Electronic Card Transactions in 12 month period



Domestic tourism card transactions by district

\$371m

Hawke's Bay
total region



\$22m

Central Hawke's
Bay District

6.0% of HB Domestic TECT
vs 9.0% of HB population



\$162m

Hastings District

43.7% of HB Domestic TECT
vs 49.6% of HB population

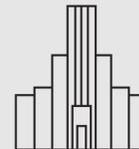


- For 12 months to December 2024
- Domestic visitors only
- Point of sale card transactions
– no cash or digital payments

\$170m

Napier City

45.8% of HB Domestic TECT
vs 36.4% of HB population



\$17m

Wairoa District

4.5% of HB Domestic TECT
vs 4.9% of HB population



Hawke's Bay's domestic market share – focus to be on WLG

5.0% = \$55.9m

Hawke's Bay's share
of 2024 domestic TECT
by Wellingtonians

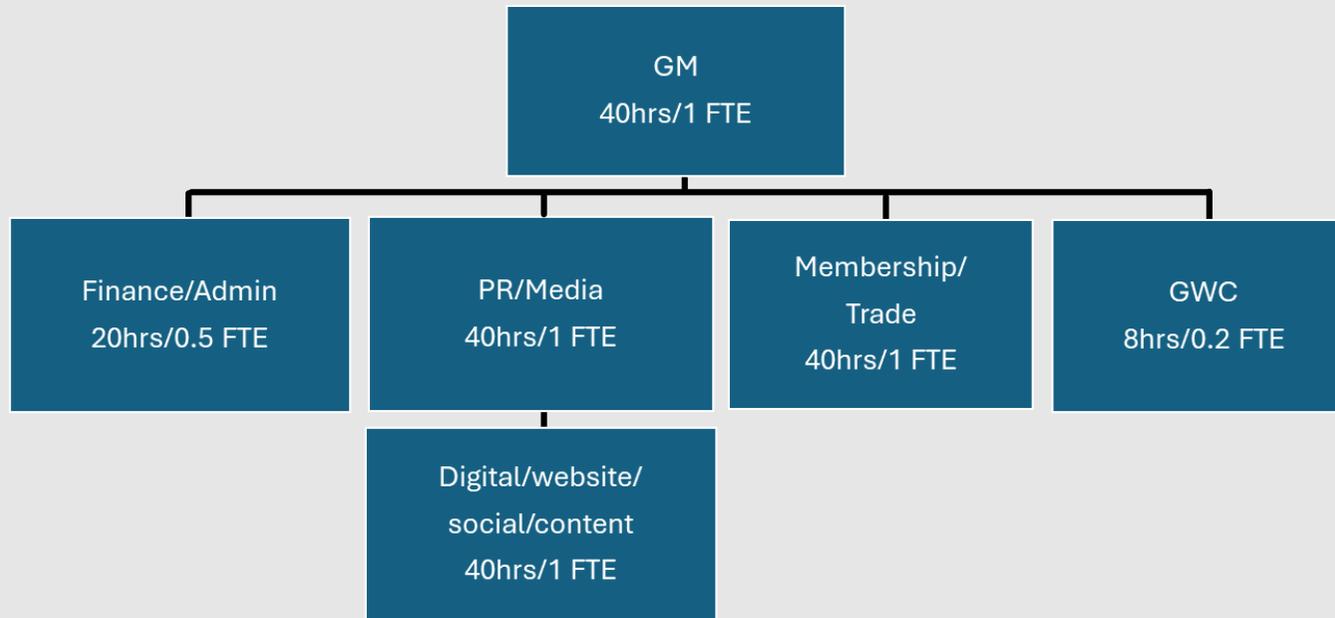
TECT value of Wellingtonian
spend in Hawke's Bay

6% market share is the stretch goal for FY26

6.0% = \$67.1m

Based on current annual domestic
TECT spend levels of \$1.12b by
Wellingtonians

Organisational chart

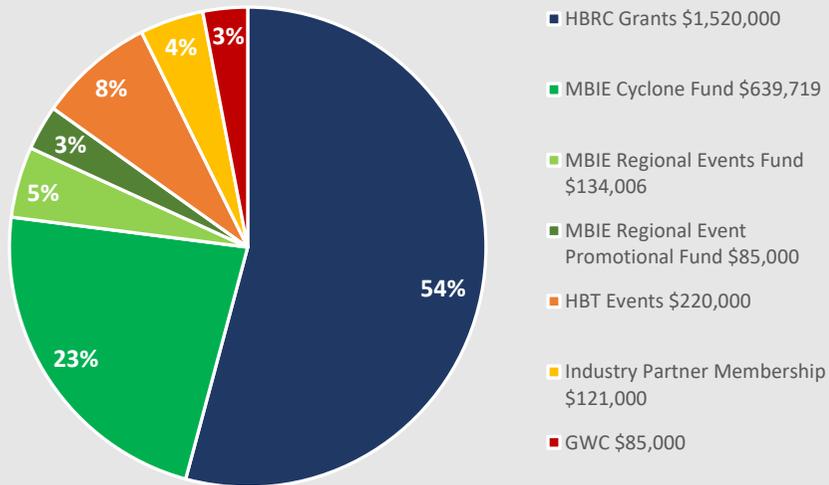


Budget	
Hawke's Bay Tourism Limited	
For the 12 months ended 30 June 2026	
	Forecast
Income	
External/Other Revenue	\$3,000
GWC Income	\$85,000
HDC Grant	\$462,500
NCC Grant	\$450,000
CHBDC Grant	\$75,000
Industry Partner Income & Membership	\$133,000
Total Income	\$1,208,500
Less Cost Of Sales	
Digital/PR	\$186,200
Events	\$3,600
GWC Expenses	\$110,000
Partner Programme	\$8,500
Trade Marketing	\$67,820
Total Cost Of Sales	\$376,120
GROSS PROFIT	\$832,380
Less Operating Expenses	
Total Operating Expenses	\$832,380
NET PROFIT	\$0

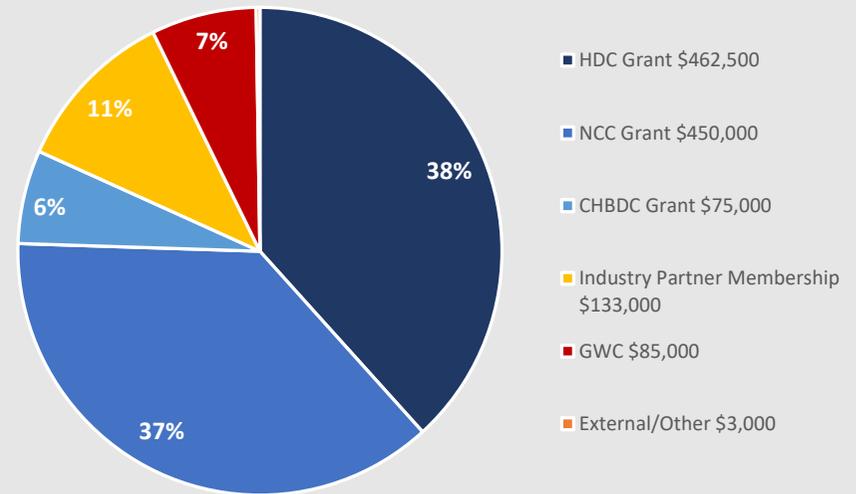


FY25 & 26 income sources

FY25 Income: \$2,808,325



FY26 Income: \$1,208,500





**Hawke's
Bay**

Arts Festival

2025 Post event report

Executive Summary

The 2025 Hawke's Bay Arts Festival supported communities in Hawke's Bay to access or practice arts, culture and creativity that supports their wellbeing, gives them ways to express themselves and to connect with others. The Festival is a vehicle for how communities can make sense of our shared experiences and use this to solve our biggest problems around how we look after each other and the planet. The Festival platforms ideas that spark curiosity, that are exciting and uniquely celebrate our cultures and place in the world. Hawke's Bay Arts Festival punches above its weight and is a source of pride and celebration for the communities it serves.

Exceptional Audience Satisfaction and Quality Ratings

Audience feedback was exceptionally positive, with 97% rating performance quality as Excellent/Very Good, 90% rating their overall experience as Excellent/Very Good, and 96% intending to attend the 2026 Festival. New wellbeing metrics showed very strong social, mental and cultural impacts.

Smaller, Stronger, Higher-Demand Festival Model

Although the 2025 Festival was delivered at a smaller scale (18 performances), it maintained the same ticketed audience numbers as 2023, demonstrating significantly higher demand per show. This validates the concentrated programming model and the strategic emphasis on fewer, higher-quality, evidence-led selections.

Effective Digital-First, Brand-Led Marketing Campaign

A refreshed brand, digital-first strategy and phased campaign delivered strong reach and engagement despite constrained budgets. Social advertising was rebuilt and achieved more than 330K combined views, while email marketing remained one of the highest-converting channels with a 45.8% open rate.

Cirque Bon Bon as a High-Performing Headline Catalyst

Cirque Bon Bon anchored early momentum and was the most mentioned and most impactful performance in audience feedback. Its strong visual identity supported brand confidence, marketing cohesion and family engagement, including uptake of the Family Pass (484 attendees).

Strong Access, Inclusion and Community Outcomes

The Festival broadened participation through 120 complimentary tickets to Moana Oceania communities, companion seats for disabled audience members, free public experiences, and a carefully balanced pricing strategy that maintained audience numbers despite the 2023 free/half-price model.

Youth Programme Delivered Significant Pathway Outcomes

Nineteen students from seven secondary schools participated in a high-impact youth career pathways programme, engaging with leading New Zealand artists and technicians. 100% reported increased confidence in their arts pathways and skills, with several students identifying new career ambitions.

Strong Partnerships and Sector Positioning

The Festival strengthened relationships with Councils, venues, tourism bodies, local businesses and national media. A major milestone was securing a two-year partnership with Creative New Zealand for 2026–2027, recognising Arts Inc.'s importance in local and national arts ecosystems.

Clear Opportunities for 2026 and Beyond

Opportunities include longer lead times, deeper segmentation of digital audiences via the Meta pixel, expanded People of Influence activity, co-designed accessibility initiatives, and exploring a tent style venue to meet strong audience demand. The Festival will continue its 10-day model with programming that balances blockbusters, culturally relevant work and pieces that sustain artistic credibility.

Successful Return and Financial Sustainability Restored

The 2025 Festival delivered an 8.6% net profit margin (subject to audit), achieving the core objective of rebuilding financial sustainability after the 2023 loss. This continues the organisation's turnaround from a \$147k deficit in 2023 to consecutive surpluses in 2024 and 2025, reducing reliance on reserves and strengthening long-term viability.

Significant Regional and Economic Impact

The Festival attracted 14% out-of-region attendees, consistent with previous years, and generated an estimated \$3 million in regional GDP through local spending on hospitality, retail and transport. Regional spread was supported by a multi-venue model including Toitoti Opera House, Blyth Performing Arts Centre and the Hastings Arts Centre.



Objectives for 2025

The key objective for the 2025 Festival was to deliver a more sustainable model, targeting a small surplus to build back reserves to safeguard the programmes that we deliver. The 2024 cancellation meant audience trust and momentum needed to be rebuilt. The Festival also aimed to deliver an expansive programme of exceptional performances, events, exhibitions and activations. Our vision was that “The Hawke’s Bay Arts Festival will provide a concentrated and curated selection of outstanding arts experiences that surprise and delight, help people understand, challenge and take action.”

It is fair to say that this was achieved based on the financial results (8.6% net profit margin, subject to audit) and audience feedback which shows high levels of satisfaction across a range of measures.

This year’s Festival was smaller but attracted the same audience numbers as 2023 showing a higher demand per show proving that the concentrated programming model is appropriate and that fewer but higher quality shows are better for Hawke’s Bay. It may also demonstrate the value of the evidence based approach to programming taken this year. For 2026, the key focus will be growing on this success aligned to our strategy and within our resources and securing a headline show early. It is anticipated that the scale of the 2026 Festival will be comparable to 2025.

What people enjoyed most & qualitative themes

- The most-mentioned single performance in audience feedback was Cirque Bon Bon. As an all ages performance this was a great draw for families and mainstream audiences.
- Frequently used words in feedback were: **spectacle, fun, skill, moving, community, local** indicating enjoyment of both large-scale spectacle and emotionally engaging work.
- High ratings for quality and overall experience show strong artistic delivery and strong audience satisfaction.



Audience Experience

- 97% of survey respondents rated the quality of performances as Excellent/Very Good (91% in 2023)
- 82% of survey respondents rated the variety of performances as Excellent/Very Good (95% in 2023)
- 72% of respondents rated the value for money as Excellent/ Very Good. This is not unexpected following a free/half-price ticketing model in 2023. (96% in 2023)
- 90% of respondents rated the overall Festival experience as Excellent/Very good. (89% in 2023)
- 96% of respondents intend to attend the 2026 Arts Festival. (not surveyed before)
- 92% of respondents stated that the Arts Festival makes the region a better place to live (95% in 2023, methodology changed 2025)
- 79% of respondents shared that the Festival introduced them to new ideas or perspectives (not surveyed before)

Wellbeing outcomes

For the first time, respondents were asked to what extent the Festival contributed to their social, mental, cultural wellbeing and connection to arts, culture, ideas and their community:

- Social Wellbeing: 89% of respondents stated Very Positively/Positively
- Mental Wellbeing: 96% of respondents stated Very Positively/Positively
- Cultural Wellbeing: 77% of respondents stated Very Positively/Positively
- Connection: 84% of respondents stated Very Positively/Positively

Access and Participation

- All Festival venues were wheelchair accessible.
- Ticket pricing was carefully considered this year following the 2023 free and half price initiative which Arts Inc. invested in as a Post-Cyclone community initiative. This was not sustainable as the cost of production has increased significantly in the last two years. Given the cost of living crisis, we were also mindful of cost sensitivity in our audience. Our average ticket price was \$52. We offered a number of free experiences also such as Arts Fest Heretaunga which will continue to grow as market awareness increases. Ultimately, the Festival still attracted the same audience number as 2023 which shows acceptance of the price point.
- The Festival partnered with Creative Capital Arts Trust and Nevertheless Trust to issue 120 complimentary tickets to Moana Oceania community members who would otherwise not have been able to attend Master of None: Brown Fala including enabling 20 Project Prima Volta participants the opportunity to see a graduate of the programme performing at the highest level.
- In 2025 the Festival offered a Family Pass which provided a discount for Cirque Bon Bon as a way to invest in accessibility and family participation for the headline show. This initiative was taken up by 484 people.
- The Festival also offers complimentary companion seats for disabled audience members. By removing the financial barrier for people who need additional support to attend, 18 people who may otherwise have been penalised were able to access the Festival.

Youth Programme

In partnership with Toitū, the Arts Festival delivered a career pathways programme for 19 young people from seven different secondary schools across the region. The benefit of offering this programme during the Festival is the concentration of high quality programming meaning that students could attend multiple performances and meet with a number of New Zealand's leading arts professionals.

- Participants were funded to attend *Guru of Chai*, *Master of None: Brown Fala*, *Holding Ground* and *Cirque Bon Bon*.
- Participants were taken on a technical tour by Sam Mense of Indian Ink Theatre Company, one of New Zealand's most celebrated production companies. One participant has subsequently decided that they want to pursue a career as a technician, which is a critical skill shortage for the creative sector.
- Participants were led through a devising workshop by Lila Crichton, a Hawke's Bay success story. Starting with Project Prima Volta, Lila headlined World of Wearable Arts in 2025 and directed *Master of None: Brown Fala* as part of the 2025 Arts Festival.
- Participants had the opportunity to meet and talk to Moss Te Ururangi Patterson, the Artistic Director of New Zealand Dance Company. Moss spoke about his professional journey to where he is today, in particular his late start as a dancer. For some of the participants, this provided a new option that they thought they were too late to pursue. As a result of meeting Moss and hearing more about his process, *Holding Ground*, a contemporary dance performance, was one of their most impactful experiences. Developing an audience for dance is a key focus for the Arts Festival.
- One participant was a dancer unsure about their future. After attending *Cirque Bon Bon*, they shared that a new range of opportunities had opened up for them beyond the classical dance route. They spoke one on one with the Producer of *Cirque Bon Bon* who advised on the path to become a cirque performer.
- After the programme, 100% of participants were more confident about their pathways into the performing arts sector and
- 100% of participants felt more confident about the skills they developed aligned to the learning outcomes

Feedback from some of the participants:

- "I had so much fun participating in EAAP. I got to meet new people, see incredible shows and listen and talk to fantastic artists/performers. It was a relaxed but productive environment, and I learnt so many new things about the performing arts."
- "Meeting like-minded people and getting to experience different types of shows, art forms and interpretations I haven't seen before or been familiar with."
- "I loved listening to all of the insight other students had and hearing their dreams and passions"

Programming model

In 2025, the Festival developed programming guidelines to align decision making strategically.

- Types of events: Blockbuster, Mind Extender, Regular and Safe, Niche and Boutique, Investing in the future
- Diversity: Gender, Culture or worldview, Disability
- Genres and Forms: Circus, Music, Theatre, Dance, Comedy, Opera, Cabaret, Family, Visual Arts etc.
- Profile: emerging or established, new or well known works, local or international, small or large scale, reputation (in sector or media), quality and artistic rigour.
- Relevance: alignment to strategy, reflecting local experience, audience favourite, current issue, historical links to the area, local creatives, commissioned, broad appeal or niche, tourism attractor, premiere.
- Audience Experience: Entertainment, Education, Moving, Shifting perspectives, High Energy, Enhance Empathy, Highlight Current Issue, Nostalgia
- Audience Motivations: Girls night out, Date night, School excursion, Team building with colleagues, Intellectual stimulation, Peer motivations, Escapism, Family day out



Key programming achievements in 2025

- The 2025 programme featured seven performances by local artists, eight by nationally significant artists and five by international artists (*Intensional Particle* and *Cirque Bon Bon*).
- Eight of the works were female led, two by Ngāti Kahungunu artists, two by Moana Oceania artists, two by Asian artists, one by local youth.
- The programme included Circus, Music, Family, Dance, Visual Arts and Theatre/Storytelling.
- The profile of the artists and artworks presented was diverse.
- The Festival premiered a new international collaboration between the New Zealand Dance Company and Japanese choreographer Hiroake Umeda. This work pushed the form of dance providing an intellectually stimulating experience for audiences.
- Local musician Dana Parkhill was supported to realise her vision of *Of Sea and Sky*, presenting a site specific performance at the National Aquarium to a boutique audience of 50 people.
- Circus has historically been an audience favourite in Hawke's Bay and *Cirque Bon Bon* proved this again by attracting 1,957 people to Toitoti Opera House. This was high energy escapism at its best and due to all ages rating made a great family day out.
- Hawke's Bay's Lila Crichton explored domestic violence in the Samoan community using language as a cultural and theatrical device in *Master of None*.
- *Streams of Consciousness* by Hawke's Bay Youth Theatre presented a new devised work made by young people reflecting on their experience of Cyclone Gabrielle.
- *Hysterical* which was presented to provide a contemporary lens to MTG's exhibition *Trailblazing Women* was a great 'girls night out' experience.
- Contrary to past ticket data, 2025 survey respondents stated their strongest interest was for theatre, followed by dance, circus and comedy. After these genres visual arts and contemporary music were most popular with talks, panels, Toi Māori and family shows as the least popular. The majority of respondents said their most impactful experience in 2025 was *Cirque Bon Bon*. This could be explained by the intention-action gap bias.
- There was strong interest for works by New Zealand and International artists, followed by Australian, Māori and Moana Oceania artists.
- One quarter of respondents are most interested in Uplifting/feel good experiences, with intellectual stimulation (20%), culturally diverse (18%), historical/storytelling (15%), experimental/avant garde (14%) and political/social commentary (9%) following.

Marketing

- A refreshed Festival brand provided a strong visual anchor for the campaign, supported by the 'Do You Love' activation layer which offered a flexible, audience-friendly way to frame individual shows, genres and community messaging.
- A lean but highly focused marketing budget required disciplined planning and careful channel selection.
- The 10th anniversary created a natural narrative centre that supported storytelling and re-engagement.
- Cirque Bon Bon acted as the hero show, providing a compelling visual lead for early launch activity.

The campaign was structured into phases covering:

Pre-launch, headline show launch, programme launch, momentum building, final push, Festival week and post-Festival wrap.

Marketing Strategy

The marketing strategy was built around the following priorities:

- Rebuild trust and visibility after the cancelled 2024 Festival.
- Drive early momentum through Cirque Bon Bon.
- Showcase the refreshed brand to signal a confident new chapter.
- Celebrate 10 years of Festival history.
- Engage local audiences while maintaining out-of-region visibility.
- Prioritise digital-first delivery supported by physical Out of House presence.
- Leverage partnerships and aligned partner channels to extend reach.
- Maintain a cohesive voice across all communications.

Marketing activity was structured around a blend of storytelling-led communications and performance marketing tactics, allowing the Festival to connect with key audience segments while using targeted digital advertising to optimise reach and conversions. These priorities guided all planning, budgeting and tactical decisions throughout the campaign.



Marketing and Communications Delivery

A multi-channel approach ensured that the campaign remained agile and responsive, while delivering consistent messaging across digital, print, Out of House and partner channels.

Digital-First Approach

A digital-first approach underpinned the entire campaign. This included:

- Using the Festival website as the main source of truth.
- Directing audiences to digital listings wherever possible.
- Incorporating QR codes in all printed collateral, driving audiences to the full programme online.
- Creating a reduced four-page printed programme to serve as a cost-effective, widely distributed entry point linking to the full 36-page digital version.
- Designing paid and organic social content to maximise shareability and conversion.
- Leveraging digital PR activity through People of Influence content, artist interviews and cross-promotion via creator, artist and partner channels, extending reach through trusted online networks.

This approach ensured clear, consistent messaging across channels with high accessibility for audiences.

Social Media Performance

Social media was a core channel for rebuilding energy and public awareness. The cancellation of the previous Festival meant social advertising required rebuilding from the ground up. The campaign established new engagement and lookalike audiences, rebuilt momentum and delivered strong results across Facebook and Instagram.

Facebook (1 September to 20 October)

- 207.4K views
- 45.7K organic views
- 161.7K paid views
- 3K link clicks
- 135 follows

Instagram

- 123.7K views
- 31.5K reach
- 1.9K interactions
- 142 follows



The campaign used a mix of genre-based targeting and custom lookalike audiences built from website visitors, engaged users and existing database/sales contacts.

Email Marketing

Email continued to act as one of the Festival’s strongest direct channels for message delivery and ticket conversion.

Mailchimp Results (1 September to 20 October)

- 114,475 sends (19 campaign messages)
- 45.8 percent open rate
- 2.2 percent click rate

High open rates demonstrate strong audience loyalty and clear message framing. Email timing aligned with social and PR activity to create cohesive momentum throughout the campaign.

Paid Media

NZME served as the backbone of the paid campaign, delivering broad regional reach and consistent reinforcement across digital and radio. NZME post campaign report shows:

- 1,433,320 impressions
- 2,139 clicks
- 0.15 percent CTR

Native video placements performed particularly well, with CTRs of up to 0.56 percent for Cirque Bon Bon.

Social Advertising

Paid social worked in tandem with organic content, using:

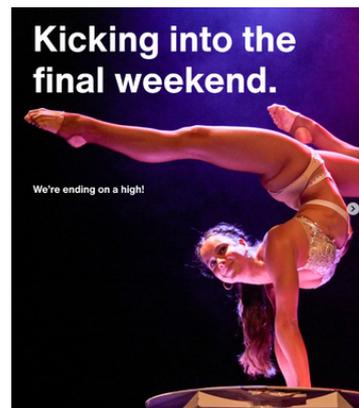
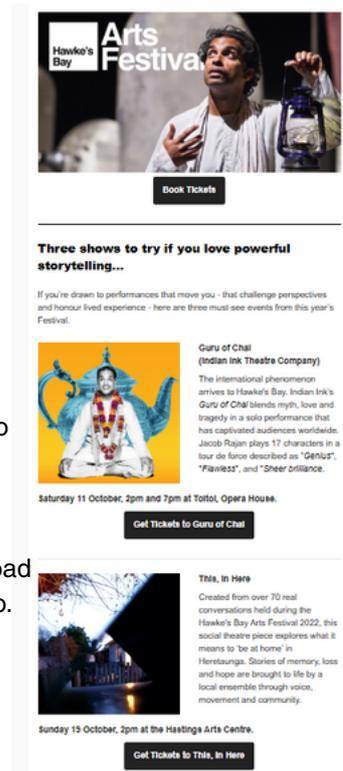
- Genre-based targeting
- Custom lookalike audiences
- Engagement retargeting
- Geographic focus on Hastings and Napier

Print And Radio

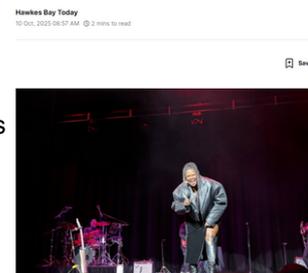
Print and radio activity was used at key moments of the campaign, particularly around the programme launch and the final push.

As part of the NZME partnership, print placements in Hawke’s Bay Today and Viva Local Life promoted six priority events using the Do You Love activation line for cross-channel consistency.

Radio activity on The Hits, ZM, Coast and Newstalk ZB reinforced urgency and amplified visibility through announcer reads, interviews and on-air giveaways.



Deva Mahal and local talent launch Hawke's Bay Arts Festival's 10th anniversary



PR And Publicity

PR supported the campaign by building confidence, awareness and storytelling around the Festival's return. Through targeted pitching and consistent narrative framing, the campaign secured coverage across both local and national media outlets, including:

- RNZ Culture 101
- RNZ Afternoons
- NZ Herald online
- Capsule
- The Big Idea
- Hawke's Bay Today
- The Hits
- Bay Buzz
- Local lifestyle and community publications
- Multiple regional event listings



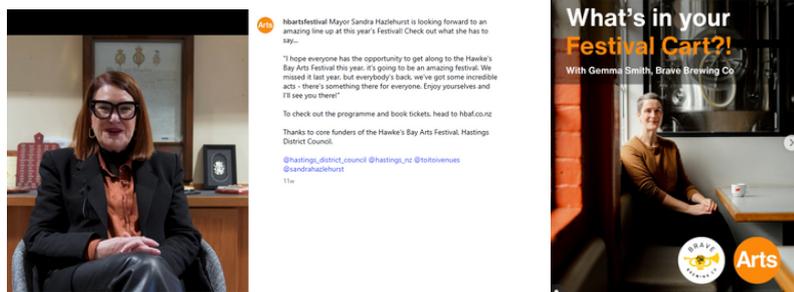
PR activity included:

- Artist interviews
- Feature angles
- Community-focused storytelling
- Programme previews and highlights
- Festival Director commentary

This supported visibility beyond the paid channels and helped reinforce the Festival's cultural relevance.

People Of Influence Campaign

The People of Influence campaign activated trusted local voices to share their Festival picks and experiences. Delivered through the *What's In Your Bag: Festival Edition* series, it invited community figures to curate and promote their recommended events, adding authenticity and local warmth to the campaign. This series reached tens of thousands of people across social media and was designed to bring the Festival to life through familiar faces, aligning strongly with the community-driven nature of the Festival.



A UGC contribution from local creator Zoe Saunders formed part of this activity. Zoe produced short-form content around Cirque Bon Bon, adding a relatable, local perspective and supporting broader reach without cost.

Partnerships And Amplification

The campaign benefitted from support across key partner networks, including:

- Hastings District Council
- Napier City Council
- Toitoti: Hawke's Bay Arts and Events
- Napier Municipal Theatre
- NZME
- Neighbourhood and hospitality partners
- Hawke's Bay Tourism
- Artist networks

Partner amplification increased organic reach and supported digital-first content distribution.

Artists were provided with a structured promotion pack including story tiles and guidance to support consistent messaging across their own channels. This enabled artists to easily promote their involvement and contributed to cohesive, Festival-aligned posts throughout the campaign.

Optimisation

Throughout the campaign, marketing delivery combined storytelling-led content with performance-driven tactics to ensure each event received tailored and effective promotion. Digital performance and sales data was monitored closely, and marketing activity was refined in response to engagement patterns, Meta data, email metrics and event-by-event ticket sales. Tactics were adjusted and optimised across the season to ensure resources were directed to the strongest-performing channels and that messaging remained aligned with audience behaviour throughout the campaign.

Top Channels amongst survey respondents

- Festival programme / booklet
- Festival e-newsletter
- Festival social media (Facebook/Instagram)
- Festival website
- Word of mouth

The Festival will continue program-led print + digital mix. Booklet and e-newsletter clearly convert well and are a great opportunity for sponsor marketing; festival-owned channels (email, social, website, programme) are more effective than one-off paid channels. Word of mouth is also strong so the Festival will encourage shareable social assets and consider referral incentives e.g. share and win or referral discount.

Tourism activity

A strategic decision was made to focus paid activity primarily on local audiences, however, out-of-region visibility was still achieved through a combination of partnerships, PR and targeted messaging. This combination extended reach beyond Hawke's Bay without significant paid spend.

- A social and email promotion offering discounted partner accommodation early in the campaign.
- Editorial coverage on RNZ, NZ Herald online, Capsule and The Big Idea
- Shared communications with Taranaki and Tauranga Festivals for Cirque Bon Bon
- Hawke's Bay Tourism support across digital channels
- Ticketholders from outside the region were 14% of the audience but represented 15% of transaction volume showing they spent proportionately more than local attendees which is consistent with 2023 results. Ticketholder locations in Eventfinda show this was made up of attendees from United Kingdom, Austria, Canada, Australia, Auckland, Wellington, Manawatu, Whanganui, Gisborne, Kapiti Coast, Bay of Plenty, Waikato, Canterbury, Southland, and Nelson.

Economic impact analysis

- Within the Hawke's Bay region, the audience was made up of 49.4% Hastings District (24.7% Havelock North, 26.8% Hastings), 31% Napier and 3% wider Hawke's Bay. Of the survey respondents, 8% were from Central Hawke's Bay.
- Average estimated spend per respondent: NZ\$240
- Based on our sample survey responses, total spend for the 6,488 attendees is between NZ\$1 million – NZ\$2.2 million over the 10 days. Allowing for multiplier effects, it is estimated that the Festival has generated over \$3 million in GDP.
- Most survey respondents were local, and only 6% of survey respondents travelled to the region and stayed overnight so much of that spend is likely on local food/cafés/merch/transport. 60% of survey respondents stated that they spent money in restaurants, cafes and bars while attending the Festival, followed by 20% on transportation, and 8% on retail.



Sponsor impact

The Festival attracted sponsorship from a range of businesses and also explored shared risk models in some instances. A list of these funders can be found below. The benefits of sponsorship are primarily brand alignment to the region’s premier arts event and the marketing package included in this association.

Arts Inc. Heretaunga maintained strong visibility for both Hastings District Council through:

- Logo placement
- Joint communications as appropriate
- Signage
- Shared promotional channels
- Event listings and community publications
- Council branding (supplied by Council officers) remained clear and consistent throughout the campaign.

There was high recall among survey respondents. Hastings District Council was the most-remembered sponsor by survey respondents (63 mentions), followed by Brave Brewing (41), Hawke’s Bay Today (35), Sainsbury Logan & Williams (35), Napier City Council (34).

Sponsor activation impact: 33% of respondents said sponsor involvement Positively/Very Positively increased their likelihood of using the sponsor’s services; another 32% said “might use them.”

CORE FUNDER		SPONSORS	
			
MEDIA PARTNERS		PRODUCTION PARTNER	
			
VENUE PARTNERS			
			
ACCOMMODATION PARTNERS			
			
HOSPITALITY PARTNERS			
			
GRANTS			
			

Partnerships

- A significant success is the confirmation of a two year partnership with Creative New Zealand to contribute towards Arts Inc.'s organisational costs for 2026 and 2027 which is a reflection of our role in the national and local arts eco-systems.
- Half of the 2025 programme was from local artists, supporting the local economy and supporting creative development connected to a national touring network. Hawke's Bay has an opportunity to increase awareness of the cultural and creative ecosystem nationally and internationally which would add dimension to the food and wine experience.
- The primary Festival venue was the Toitoti Opera House, with majority of audiences attending shows here. We also used the Blyth Performing Arts Centre in Havelock North and the Hastings Arts Centre. The Festival also partnered with the Hastings Art Gallery in a call and response exhibition approach, jointly featuring Scott Brough and Holly Morgan.
- The Festival provided backbone support to the Hawke's Bay Readers and Writers Festival to share printing costs and venue support.
- The Festival partnered with Hawke's Bay Tourism to market the Festival to their database and ran a ticket/stay/dine giveaway through their social media. Similarly Hastings City and Havelock North Business Associations also promoted the Festival and ways for businesses to be involved through their newsletters and social media.
- The Festival provided a platform for local businesses to advertise through the Festival programme and website to our engaged audience. These included Craft and Social, Atrium at Tribune, Harvest Hawke's Bay and The Art Shed.
- While pre-Festival, the Hastings Arts Centre hosted four Fotofest exhibitions in 2025 and has confirmed that Fotofest will be the 2026 Arts Festival exhibition at the Arts Centre.
- All contractors and staff for the Festival are local, creating employment opportunities for 4 FTE directly and more indirectly through the suppliers, venues and the businesses who benefit from the Festival.
- The Hastings and Havelock North iSites provided box office support for audiences that preferred to book in person (7% of revenue versus 89% online).



Financials

In 2023, the organisation operated at a \$147k deficit, requiring reserve funds to cover the loss. In 2024, the organisation reversed this position, delivering a \$76k operating surplus, representing a \$223k turnaround (152% improvement). The organisation is now on track for a further \$65k surplus in 2025, demonstrating restored financial stability and ongoing sustainability.

Projected financials below, audited accounts will be available in 2026.

Revenue	Budget	Actuals	Expenses	Budget	Actuals
Ticket Revenue	\$ 99,317.00	\$216,632.50	Contract personnel	\$145,000.00	\$ 43,100.00
Sponsorship (inkind)	\$ 50,000.00	\$75,476	Marketing & Advertising	\$ 45,000.00	\$ 80,000.00
Sponsorship (cash)	\$ 80,000.00	\$ 20,000.00	Production costs	\$ 87,350.00	\$219,022.00
Grants	\$ 50,000.00	\$42,000	Venue costs	\$ 48,000.00	\$ 32,000.00
Advertising	\$ 5,000.00	\$ 5,250.00	Office, Admin, Managem	\$158,900	\$ 76,455.50
CNZ Funding	\$100,000.00	\$ -			
HDC Funding	\$120,000.00	\$120,000.00			
Donations	\$ 40,000.00	\$ 35,395.00			
Hospitality sales	\$ 15,000.00	\$ 13,314.00			
Total	\$559,317.00	\$528,067.50	Total	\$484,250.00	\$450,577.50
Net Profit to reserves				\$ 75,067.00	\$ 77,490.00

Other quantitative results

- 18 performances over 10 days
- 4188 tickets sold
- 6488 total attendance
- 727 children attended
- 1120 ticketholders
- 3 permanent employees, 2 contractors, all local
- 13 Sponsors (cash and in-kind)
- 5 grants from Trusts and Foundations
- 15% transaction volume from outside Hawke’s Bay region including international
- \$240 average spend per survey respondent
- 2.5 average nights in the region per overnight visitor



Audience Segmentation

Culture Segments

Using a range of attitudinal questions, survey respondents were mapped to approximate Morris Hargraves McIntyre Culture Segments. At an aggregate level, we can see:

- Essence is the most significant psychographic segment amongst survey respondents which is unsurprising as it is considered the core audience for arts and culture.
 - This is followed by Entertainment/Release, Stimulation and Expression.
 - The least aligned segments are Enrichment and Affirmation.
 - This differs to historical segmentation which showed Expression (45%), Essence (26%), Enrichment (9%), Entertainment (5%), Stimulation (3%) and Affirmation (1%).
- As the 2025 segmentation methodology was different to what was used in the past and the 2025 survey used a much larger sample size, it would be pertinent to review methodology and repeat in 2026 to improve confidence in results.

Demographic Segments

Ticket purchasers: Gender

Female	78%
Male	21.4%
Gender Diverse	0.6%

Ticket purchasers: Age

0-17	1.5%
18-25	1.8%
26-35	8.1%
36-45	13.8%
46-55	27.9%
60+	46.8%

- Ethnicity: Survey respondents are predominantly New Zealand European / Pākehā (91 responses), smaller representation from Māori and other ethnicities.
- Disability: 12% indicated a disability or access need.



2025 HBAF: What worked well

- Excellent team of dedicated people who ensured success
- Duration of the Festival was sustainable for audience and small team
- Financially balanced risk across the programme to ensure small surplus to be held as reserves in line with policy
- Mix of venues gave regional spread while limiting production costs to a few venues
- Programming model based on audience data achieved a good mix of breadth and depth (reflected in 97% excellent quality rating from survey) aligned to the programming principles of:
 - Blockbusters
 - Mind extenders
 - Regular and safe
 - Niche and boutique
 - Investment for the future

Marketing specific:

The campaign delivered strong performance across all major digital channels, with Facebook, Instagram and email driving significant engagement and acting as effective conversion pathways. Social advertising audiences were rebuilt from the ground up following the cancelled 2024 Festival, and the new audiences established during the campaign performed well, contributing to steady momentum throughout the season.

Paid media activity through NZME provided consistent regional visibility, with native video placements delivering particularly strong engagement. Out of House placements across Hastings and Napier, including gateway signage, council billboards, flags and venue surrounds, ensured the Festival maintained a strong presence in the community.

PR activity supported both local and national reach, securing meaningful editorial coverage and reinforcing audience confidence in the Festival's return. The People of Influence campaign added a valuable layer of community advocacy through trusted local voices, while the refreshed Festival brand and the Do You Love activation layer ensured clear and cohesive storytelling across every channel.

The digital-first programme approach was well received and supported by strong partner amplification, including council channels, Toitōi and other local networks, all of which contributed to broad regional reach and strong campaign cohesion.



2025 HBAF: Challenges and Constraints

- The Festival budget was extremely constrained putting pressure on people in an unsustainable way in order to deliver. More spend on contractors will be required in 2026 to ensure Arts Inc. upholds its health and safety obligations.
- Free events need more investment and time for awareness to grow. Multiple grant applications for ArtsFest Heretaunga were unsuccessful despite alignment to fund priorities which limited available funds.
- Sponsorship was extremely difficult to secure in the current economic climate and budget was not met for this line. The budget was reprioritised aligned to strategy to ensure viability while managing risk.
- The marketing campaign was delivered within a lean budget, which meant national paid advertising could not be pursued at the scale required for broader reach. As a result, the campaign focused on maximising local impact while supporting out-of-region visibility through targeted digital activity and national editorial coverage.
- Tight resourcing across the campaign meant that content production needed to be carefully prioritised and managed, particularly for events where only limited supplied assets were available. This required thoughtful planning to maintain quality and consistency across social content, digital placements and print material, ensuring that all activity remained cohesive and aligned to the refreshed Festival brand.
- The national media environment during the campaign was highly active, with numerous arts and cultural events taking place across Aotearoa. Editorial decisions were often influenced by timing and competing priorities within the broader media landscape. Despite this, the Festival secured meaningful national and local coverage, while also strengthening media relationships that will benefit future years.
- With no Festival taking place in 2024, social audiences had naturally cooled, and the campaign needed to re-establish engagement patterns from a lower baseline. This created an opportunity to rebuild audiences using refined targeting, new lookalike groups and refreshed creative. Anecdotal feedback throughout the campaign highlighted how visible and energised the Festival appeared online, reflecting the effectiveness of this rebuilt foundation.



Opportunities for 2026

- The 2025 Festival established a strong foundation. We will continue with the 10 day model, prioritising works with the strongest artistic value and community impact. The programming focus will remain on culturally relevant experiences curated through a lens of accessibility and inclusion. The Festival will present works that serve the community, bringing them to the centre ensuring the audience is reflected and challenged, relationships are deepened and dialogue is sparked.
- Audience feedback continues to ask for the return of the spiegel tent so the Festival will look at a tent for smaller shows in 2026 as part of the venue mix. This will require a targeted campaign to donors and sponsors. The likely location desired is the Havelock North Village Green.
- There is potential to deepen early storytelling by securing artist content further in advance, allowing genre highlights, programme teasers and behind-the-scenes material to be introduced earlier in the campaign cycle. This would extend the engagement runway and support stronger audience connection ahead of launch.
- With the Meta pixel and linked account now established, future campaigns can make fuller use of data segmentation to refine paid and organic targeting. Additional investment into Meta advertising would allow for increased retargeting, sequential storytelling and more nuanced segmentation across theatre, circus, music and whānau audiences. These digital insights can also help inform email segmentation and website behaviour patterns.
- Building on the structured artist promotion pack developed for 2025, future iterations could expand the asset range or offer additional templates to make it even easier for artists to promote their shows. While artist-led content uptake varied, the mini interviews and artist introduction posts performed strongly across social channels, demonstrating the value of providing clear, ready-to-use assets and consistent messaging to support amplification across artist networks.
- Expanding the People of Influence activity would continue the authentic, community-led promotion achieved this year, broadening reach through trusted local voices. A longer lead-in period for organic social content would also help maintain channel momentum and support audience growth between formal campaign phases.
- There is also an opportunity to strengthen future promotion of ArtsFest Heretaunga through a more coordinated, joint approach with Hastings District Council. With additional lead time, clear planning and allocated resource, ArtsFest activity could benefit from a dedicated marketing campaign that aligns with the wider Festival brand and leverages the existing digital-first framework. This would support stronger visibility across community channels, ensure the breadth of ArtsFest programming is communicated effectively, and contribute to sustained year-round engagement with audiences in Heretaunga.
- Together, these opportunities build on the positive outcomes of 2025 and support continued growth in awareness, engagement and regional presence in future Festival campaigns.

**Item 7 Arts Inc Heretaunga Arts Festival
Communications & Marketing - Event Management - Event funding contracts
year) - 2025 HB Arts Festival - AIH KPI Assessment**

COM-23-11-26-11



2025 HAWKE'S BAY ARTS FESTIVAL - KPI REVIEW

1	Health, Safety & Regulatory Requirements	1.1	Regulatory requirements	1.1.1	All relevant HDC consents and permits are applied for on time, including all required information, and within set deadlines (1.1.2). <i>NOTE: This agreement does not guarantee the approval of consents or permits. Should the AIH Inc. fail to meet the deadlines or consent/permit requirements, requests may be declined. HDC takes no responsibility for losses incurred by the AIH Inc. for failure to obtain the necessary permits, consents or approvals.</i>	✓		
				1.1.2	DEADLINES FOR APPLICATION/SUBMISSION Resource Consent (at least 12 weeks prior to event date) ✓ Building Consent (at least four weeks prior to event date) ✓ Health & Safety Plan (at least eight weeks prior to the event date) ✓ Traffic Management Plan (road closures - at least 8 weeks prior; no closures - one month) ✓ Alcohol Licence (at least 25 working days prior to event date) ✓ Noise Management Plan (at least two weeks prior to event date) ✓ Camping Ground Exemption (at least six weeks prior to event date) ✓ Food Safety (at least four weeks prior to event date) ✓ Site security (at least eight weeks prior to the event date) ✓	✓		
				1.1.3	Copies of all relevant approvals, consents and permits are provided to HDC events team at least two weeks prior to the event.	✓		
				1.1.4	AIH Inc. complies with all regulatory requirements including Liquor licensing, food safety, noise, building, and any other as deemed necessary by HDC.	✓		
				1.1.5	AIH Inc. provides appropriate HDC staff, or contractors with access to all parts of the event as required for the purpose of monitoring the compliance of all regulatory requirements.	✓		
				1.2	Health & Safety	1.2.1	The event Health and Safety Plan shall be submitted to Hastings District Council by the deadline set out in 1.1.2. This plan must include provision for any potential severe weather event, pandemic or other restrictions based on Civil Defence, Government and Ministry of Health guidelines/directive. All event activity will be delivered in accordance with the approved plan.	✓
		1.3	Security	1.3.1	AIH Inc. will work proactively with HDC and Police to ensure an appropriate level of event security is in place, and minimises foreseeable risks, particularly relating to public safety. The event is delivered safely, with no significant risks or issues raised by Emergency Services.	✓		
		1.4	Compliance	1.4.1	Regular operations meetings as required between the parties will be coordinated by AIH Inc. to ensure that the regulatory requirements and approved plans will be executed to the required standard. HDC may request a meeting should concerns regarding the obtaining of any consents and permits deemed relevant by HDC, or the AIH Inc.s ability to comply.	✓		
		2	Venue Management	2.1	Council venue bookings & hireage	2.1.1	All Council venues are booked and used as per their agreements, terms, and conditions. All additional costs accrued are the responsibility of AIH Inc.	✓
						2.1.2	DEADLINES: Site booking (at least 8 weeks prior to event date): ✓ Signed venue hire agreement(s) (at least 4 weeks prior to event date): ✓	✓
2.1.3	All Council Public Spaces, parks etc. are returned to their original state as per individual agreements and the cost of reinstatement is the responsibility of AIH Inc..					✓		

**Item 7 Arts Inc Heretaunga Arts Festival
Communications & Marketing - Event Management - Event funding contracts
year) - 2025 HB Arts Festival - AIH KPI Assessment**

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2025 HAWKE'S BAY ARTS FESTIVAL - KPI REVIEW

3	Event Delivery & Experience	3.1	Event delivery aligns with agreed expectations and quality standards	3.1.1	Delivery against event proposal - The scale and scope of the event is aligned to the AIH Inc.s original proposal submitted to HDC for sponsorship/funding. Any variations are agreed with HDC no closer than two calendar months from the date of the event. Note: a reduction in scope may result in a reduction of funding.	✓
				3.1.2	Quality event experience - AIH Inc. will deliver a quality event experience that is well supported by the local community, as measured by event participation and post-event feedback. Event participation being the number of entries and the number of spectators (including the methodology/data used to confirm these numbers), and the post-event feedback being a combination of qualitative and quantitatively reporting on the event, the venue, and its organisation.	✓
				3.1.3	Deliver an exclusive Hastings centric community event/ 'urban stage extravaganza' that activates the city Centre streets, laneways, and pocket-parks. Working in partnership with HDC this event will be free and utilize HDC venues within the program.	✓
				3.1.4	Arts Inc will pursue partnerships with other businesses to enable collective impact and sustainable growth. HDC will facilitate relationships as required to support intended outcomes. The organisations include but are not limited to: Fotofest Fringe in the 'Stings Hawke's Bay Readers & Writers Festival Creative New Zealand Hawke's Bay Tourism Toitoti Hawke's Bay Arts & Events Centre	✓ ✓ ✓
			Audience growth and continuous improvement	3.1.5	Art Inc Heretaunga will grow and protect the arts and culture sector and the festival audience, showing evidence of progress against key activities through HBAF planning, delivery and post-event reviews: - Develop audience planning and evaluation tools to support segmentation and programming. - Implement a programme development process to improve project management, embed continuous improvement and have greater visibility of key tasks at different stages of programme development.	✓
4	Marketing, Communications and Advertising	4.1	Marketing and PR Plan	4.1.1	A comprehensive Marketing and PR plan is developed in consultation with HDC Marketing & Brand Lead/Team that demonstrates innovative and sound tactics to maximise event attendance, drive visitation, and provide opportunities for positive media coverage for Heretaunga Hastings inside and outside of the region. Reporting of execution will include examples of advertising, promotional activity and media coverage showcasing the event and 'Heretaunga Hastings' as the location and contributing to a positive brand reputation.	✓
				4.1.2	DEADLINE Presentation of the draft Marketing and PR Plan is due 18 July 2025 . Sign-off by the Marketing, Tourism & Experience Lead no later than 31 July 2025 .	✓
		4.2	Logo Use	4.2.1	AIH Inc. allows HDC to sign off on all logo use and lists where and how else acknowledgement will be made. The logos to be used will be at the discretion of HDC and will be supplied upon request.	✓
		4.3	Signage	4.3.1	AIH Inc. allows HDC rights to place signage at the event such as fence wrap, flags, pull up banners, temporary signage etc. as mutually agreed. Locations to be included within the Marketing and PR plan identified in 4.1.1	✓
		4.4	Tickets	4.4.1	AIH Inc. will provide 40 tickets/passes for HDC to use at their discretion, including but not limited to distribution to elected members, hosting of stakeholders, promotional activity, or other people/purposes as deemed appropriate by HDC.	✓
		4.5	Cross-Promotion	4.5.1	AIH Inc. allows HDC rights to promote other events and services at and through the event as mutually agreed. This may include events and activities at other HDC venues such as Toitoti, Hastings Art Gallery, Hastings Libraries and Splash Planet. Details to be included within the Marketing and PR plan identified in 4.1.1.	✓
		4.6	Rights of Association	4.6.1	AIH Inc. allows HDC rights of association with the event including issuing of media releases, social media posts, paid advertising and other promotional activity.	✓

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2025 HAWKE'S BAY ARTS FESTIVAL - KPI REVIEW



				4.6.2	AIH Inc. will provide content such as images where applicable (still and video) to be used during and post-event by HDC for the purposes of promoting the event and the district.	✓
				4.6.3	HDC will provide content to AIH Inc. by request to support the achievement of KPIs related to the promotion of Hastings including copy and images (still and video).	✓
		4.7	Joint Communications	4.7.1	In press releases and through its own publications (print and on-line) AIH Inc. will, wherever possible, refer to the event location as 'Heretaunga Hastings' and to Hastings District Council as a supporter.	✓
				4.7.2	Major announcements, as agreed, will be notified to the Council communications team within a timeframe that allows an appropriate Council spokesperson to review and provide comment.	✓
				4.7.3	All media releases and communications issued by either party to this contract relating to the event, destination references, an HDC-owned venue, and/or mentioning the other party must be signed-off by AIH Inc. and HDC. This includes email newsletters.	✓
				4.7.4	Arts Inc Heretaunga will acknowledge HDC as a sponsor at all appropriate opportunities during the event (e.g., speeches, presentations and marketing collateral).	✓
		4.8	Crisis Communications	4.8.1	AIH Inc. will, under a 'no surprises' policy, advise the HDC Team of any real or potential communications issues as they occur.	✓
5	Social, Cultural and Environmental Outcomes <i>NOTE: HDC can provide support to facilitate relationships where required.</i>	5.1	Engaging with Mana Whenua	5.1.1	AIH Inc. will engage and/or work with mana whenua as appropriate to the event. Evidence of how mana whenua were represented or engaged in the event, and/or relationships fostered should be included in the report.	✓
		5.2	Engaging with community groups	5.1.2	AIH Inc. will work with the appropriate community and cultural groups and organisations (not captured in 5.1.1) to engage with the wider Hawke's Bay community or provide additional benefits through partnerships (e.g. fundraising initiatives, disability and inclusion initiatives, participation etc).	✓
		5.3	Engaging with schools	5.3.1	Offer a Schools engagement programme for local Hastings schools to be directly involved with the event. This may include but is not limited to school visits, education and interaction, and games or competitions.	✓
		5.4	Implementing sustainable practices	5.4.1	AIH Inc. will take care where possible to implement waste minimisation practices that are in line with HDC policies and guidelines around reducing landfills and increasing recycling and reusability. An overview of activities and waste diversion outcomes will provide evidence of outcomes achieved.	✓
6	Economic Outcomes	6.1	AIH Inc. will actively support local businesses and contractors to promote economic development in the area.	6.1.1	AIH Inc. will work closely with the Hastings City and/or Havelock North Business Associations to ensure that the event is of economic benefit to the local businesses by providing programming to encourage people to shop locally, and stay in the district before and after the event.	✓
				6.1.2	Accommodation and travel bookings are made utilising the expertise of the Hastings i-SITE where practical.	✓
				6.1.3	AIH Inc. will provide opportunities for local businesses to thrive by using local suppliers and contractors where available. Evidence of this KPI should include a list of local suppliers/contractors used in event delivery.	✓
		6.2	AIH Inc. will support visitor attraction by actively promoting 'Heretaunga Hastings' as a destination with the aim of	6.2.1	AIH Inc. will actively promote Hastings District as a visitor destination on the event website, social media channels and email newsletters, including prominent links to the designated digital channels agreed by HDC. This is to be demonstrated in the Marketing and PR plan.	✓
				6.2.2	AIH Inc. provides the opportunity for a Hastings tourism activation, which may include but is not limited to an on-site stand, affiliated competition, giveaways or other targeted promotion to the AIH Inc. database.	✓

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2025 HAWKE'S BAY ARTS FESTIVAL - KPI REVIEW

			attracting the district either for the event or as a return visitor.	6.3.1	AIH Inc. will work in partnership with HDC to maximise event attendance from outside of Hawke's Bay, to be captured and reported (the percentage of total event participants in/outside the Hawke's Bay region and the methodology/data used to arrive at these numbers).	✓
				6.3.2	Minimum audience 20,000 people (HB Arts Festival) with a minimum of 10% visitors from out of region (i.e. contributing visitor nights). - Hawke's Bay attendees: 18,000 - Visitors from outside of Hawke's Bay: 2,000 Visitor nights: 4,000	NOT ACHIEVED
7	Financial Management	7.1	Financial sustainability	7.1.1	Arts Inc Heretaunga will operate a fiscally sustainable business model for the long-term sustainability of the organisation and the Hawke's Bay Arts Fest. Arts Inc will meet their annual event budget and make a net profit each event as outlined in the HBAF proposal to reinvest into event service or into building the appropriate level of operational reserves required for long term financial stability of the Festival.	✓
				7.1.2	The Hawke's Bay Arts Fest will achieve a minimum 300% return on investment from HDC core funding across all external funding sources.	NOT ACHIEVED
8	Post Event Reporting	8.1	Summary report against KPIs	8.1.1	The AIH Inc. will supply a post-event report against the KPIs in this schedule by the required date in the milestones of this agreement. NOTE: Failure to supply a report may impact future funding.	✓
				8.1.2	The report should include successes, issues, opportunities and recommendations for improvement and innovation of future events. HDC may request Arts Inc. Heretaunga to present a post-event report to Council.	✓
				8.1.3	The report must include an 'Event Economics' post-event analysis of both the economic impact and the social benefits. HDC will provide a template for reporting.	✓
				8.1.4	An Indicative post-event financial report against budget, highlighting the ongoing financial sustainability of the event. A full financial report for HBAF 2025, including the final event accounts is due at the end of the Arts Inc. Heretaunga Incorporated financial year.	✓



Directory

Directors

J E Nichols
M J Allan
C M Barrett
D R Cusack

Chief Executive

N J Flack

Registered Office

Terminal Building
Hawke's Bay Airport
111 Main North Road
P O Box 721
NAPIER 4140

Bankers

ASB Bank Limited

Solicitors

Dentons
Ford Sumner Lawyers

Auditors

Deloitte
On behalf of the Auditor General

Hawke's Bay Airport Limited
PO Box 721
Napier 4140
admin@hairport.co.nz

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

Directors' and Chief Executive Report

For the Six Month Period Ended 31 December 2025

We are pleased to share with you the highlights of our operational and strategic performance for the first half of the 2025/26 financial year. We report against Hawke's Bay Airport Limited's (HBAL) Statement of Intent (SOI) targets, effective since 1 July 2025.

Despite a 5% reduction in passenger numbers, half year performance of Hawke's Bay Airport Limited (HBAL) remains strong, with year to date Net Profit After Tax (NPAT) of \$1.644M driven by revenue increases of 8% (landing charges, carpark revenues and concessions) and disciplined cost control. Monthly passenger volumes continue to be capacity constrained through the Air New Zealand network, and a continuation in difficult economic conditions.

Beyond financial performance, HBAL has continued to advance non-financial outcomes across safety, customer experience, operational resilience and digital enablement. Key capital projects have been delivered in this half year with upgrades to runway and taxiway surfaces together with the completion of fire station construction being highlights for both the airport and the wider aviation community. We are also pleased with the impact the introduction of a dedicated customer service team has had on our customer experience, and we look forward to further enhancing this in the balance of the financial year. In the health and safety area, we have improved performance as evidenced by improving metrics and further embedding of systems into our wider campus culture. Additionally, a new food and beverage retailer commenced in the terminal in September, providing improved customer experience and commercial results.

Sustainability and resilience continues to be a key area of focus for HBAL, and we are pleased to continue to maintain our Airport Carbon Accreditation (ACA) Programme Level 4+ through to 2028. A significant rooftop solar project was completed in December 2025, and we expect this to generate enough electricity to power half the terminal requirements, with a cash payback of 4 years.

We look forward to working closely with all shareholders and stakeholders to deliver long-term performance aligned with our purpose and 10-year strategic roadmap. We have strengthened our relationships with our key stakeholders, including airlines, iwi, local authorities, and community groups. We continue to collaborate with Air New Zealand to boost our passenger numbers and promote our region which supports our desire to be a regional enabler through driving economic development, growing tourism and strengthening resilience.

Outlook

HBAL expects a strong year end financial position for FY26 with forecasted NPAT of \$2.9M pre revaluations, despite continued economic headwinds and reduced Air New Zealand capacity. Future developments at HBAL are intended to ensure we continue to be resilient, vital and fit for purpose in the years ahead. This includes the adoption of a refreshed capital evaluation framework. This framework will continue to ensure that all capital expenditure delivers strong commercial returns or achieves compliance in a cost effective manner.

HBAL has a clear 10-year strategic roadmap, with alignment across staff, shareholders and stakeholders and is clear on the priority initiatives required to move our organisation towards our 2035 vision of being a

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diversified, regional enabler and recognised leader. We look forward to working closely with all shareholders and stakeholders to deliver long-term value aligned with our purpose or connecting people, business and the region.



J E Nichols
Chair
27 Feb, 2026 7:22:49 AM GMT+13



N J Flack
Chief Executive
26 Feb, 2026 8:21:23 PM GMT+13

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

Financial Performance vs SOI Budget
For the Six Months Ended 31 December 2025

	THIS YEAR				LAST YEAR			BUDGET
	HY Actual Dec 2025	HY Budget Dec 2025	Variance \$	Variance %	HY Actual Dec 2024	Variance \$	Variance %	Budget FY 2025/26
Passenger Numbers	305,229	322,435	(17,206)	-5.3%	318,167	(12,938)	-4.1%	625,561
FINANCIAL PERFORMANCE (\$)								
Revenue								
Aeronautical	6,006,303	4,908,977	1,097,326	22.4%	5,754,278	252,025	4.4%	9,532,840
Commercial	1,797,212	2,002,268	(205,056)	-10.2%	1,493,604	303,608	20.3%	3,885,067
Business Park	184,599	269,778	(85,179)	-31.6%	193,792	15,193	-7.6%	610,140
Other Revenue	113,624	305,070	(191,446)	-62.8%	134,602	(20,977)	-16%	544,606
TOTAL REVENUE	8,101,739	7,486,093	615,646	8.2%	7,582,276	519,463	6.9%	14,572,653
Operating Expenses	3,315,496	3,201,083	(114,413)	-3.6%	3,045,900	(269,596)	-8.9%	6,370,445
EBITDA	4,786,243	4,285,010	501,233	11.7%	4,536,376	249,867	5.5%	8,202,208
Depreciation & Amortisation	1,858,634	2,127,032	(268,398)	12.6%	1,599,877	(258,757)	-16.2%	4,311,901
Gain/(Loss) on asset disposal	-	-	-	-	-	-	0.0%	-
Interest Paid (charged to P&L)	638,732	757,517	(118,785)	15.7%	684,574	45,842	6.7%	1,618,747
Profit before Tax	2,288,877	1,400,461	888,416	63.4%	2,251,925	36,953	1.6%	2,271,560
Tax	644,918	459,090	(185,829)	-40.5%	639,948	(4,970)		898,154
PROFIT AFTER TAX	1,643,959	941,371	702,587	74.6%	1,611,977	31,982	2.0%	1,373,406
Change in fair value of derivatives, net of deferred tax	(67,560)	-	67,560	-	(265,024)	(197,464)	-	-
FINANCIAL POSITION (\$)								
Total Assets	96,377,507	93,163,841	3,213,666		92,004,406	4,373,101		96,898,300
Debt	27,400,000	25,696,000	1,714,000		25,600,000	1,800,000		28,668,106
Shareholders Funds	56,484,639	58,748,221	(2,263,582)		53,839,633	2,645,006		59,360,755
FINANCIAL METRICS								
Return on Equity (year to date)	3.0%	2.1%			3.0%			3.0%
Net Gearing Ratio	32.7%	30.4%			32.2%			32.6%
Shareholders Funds/Total Net Assets	58.6%	63.1%			58.5%			61.3%

Condensed Statement of Comprehensive Income

For the Six Months Ended 31 December 2025

Note	31 Dec 2025 Unaudited \$	31 Dec 2024 Unaudited \$	30 Jun 2025 Audited \$
Aeronautical	6,006,303	5,754,278	11,173,218
Ground Transport	1,797,212	1,493,604	2,894,647
Business Park	184,599	199,792	420,205
Other Revenue	113,624	134,602	262,877
Total Revenue	8,101,739	7,582,276	14,750,947
Less Operating Expenses	(3,315,496)	(3,045,900)	(6,240,502)
Operating Profit after Operating Expenses	4,786,243	4,536,376	8,510,445
Depreciation	(1,858,634)	(1,599,877)	(3,310,951)
Fair value gain on Investment Property	-	-	519,134
Gain/(Loss) on Disposal of Assets	-	-	-
Finance Expense	(638,732)	(684,574)	(1,317,538)
Net Profit before income tax	2,288,877	2,251,925	4,401,090
Income Tax Expense	(644,918)	(639,948)	(1,122,932)
Net Profit after income tax	1,643,959	1,611,977	3,278,158
<i>Items that will not be reclassified into profit or loss:</i>			
Revaluation of Property, Plant & Equipment, net of deferred tax	-	-	435,000
Change in fair value of derivatives, net of deferred tax	6 (67,560)	(265,024)	(304,688)
Total Comprehensive Income	1,576,399	1,346,953	3,408,470

Condensed Statement of Changes in Equity

For the Six Months Ended 31 December 2025

	Issued Capital	Retained Earnings	Revaluation Reserve	Cash Flow	
				Hedge Reserve	Total Equity
Balance at 1 July 2025	13,789,155	24,407,910	16,677,572	33,603	54,908,240
Net Profit for the period	-	1,643,959	-	-	1,643,959
Cash Flow Hedge Reserve - Interest Rate Swaps (net of tax)	-	-	-	(67,560)	(67,560)
Reclassification of depreciation on revalued assets (net of tax)	-	270,212	(270,212)	-	-
Movement in deferred tax on revaluation reserve	-	-	-	-	-
Movement in equity for the period	-	1,914,171	(270,212)	(67,560)	1,576,399
Balance at 31 December 2025	13,789,155	26,322,081	16,407,360	(33,957)	56,484,639
Balance at 1 July 2024	13,789,155	21,581,538	16,783,696	338,291	52,492,680
Net Profit for the period	-	1,611,977	-	-	1,611,977
Revaluation of Property, Plant & Equipment (net of tax)	-	-	-	-	-
Cash Flow Hedge Reserve - Interest Rate Swaps (net of tax)	-	-	-	(265,024)	(265,024)
Reclassification of depreciation on revalued assets (net of tax)	-	270,212	(270,212)	-	-
Total comprehensive income	-	1,882,189	(270,212)	(265,024)	1,346,953
Distributions to shareholders (note 12)	-	-	-	-	-
Balance at 31 December 2024	13,789,155	23,463,727	16,513,484	73,267	53,839,633

Condensed Statement of Financial Position

As at 31 December 2025

Note	31 Dec 2025 Unaudited \$	31 Dec 2024 Unaudited \$	30 Jun 2025 Audited \$
Assets			
Trade and other receivables	1,675,261	1,534,735	1,206,171
Cash and cash equivalents	552,871	1,605,516	640,773
Derivatives	(86,518)	64,860	12,879
Total current assets	2,141,614	3,205,110	1,859,823
Property plant and equipment	77,261,622	72,356,523	74,519,805
Investment property	16,934,917	16,405,793	16,949,817
Right of use assets	-	-	-
Derivatives	39,355	36,980	33,792
Total non-current assets	94,235,893	88,799,296	91,503,414
Total Assets	96,377,507	92,004,406	93,363,237
Equity			
Issued capital	13,789,155	13,789,155	13,789,155
Retained earnings	25,832,140	23,463,727	24,407,910
Reserves	16,863,344	16,586,751	16,711,175
Total equity	56,484,639	53,839,633	54,908,240
Liabilities			
Trade and other payables	1,877,771	2,213,824	1,299,815
Employee benefits	277,354	196,475	247,816
Borrowings	-	-	-
Provision for retentions payable	-	-	-
Lease liabilities	151,024	151,024	-
Provision for Tax	-	-	1,116,184
Total current liabilities	2,306,149	2,561,324	2,663,815
Deferred tax liability	9,888,707	9,665,716	9,442,146
Rentals in advance	449,036	488,757	449,036
Borrowings	27,400,000	25,600,000	25,900,000
Lease liabilities	(151,024)	(151,024)	-
Total non-current liabilities	37,586,719	35,603,449	35,791,182
Total liabilities	39,892,868	38,164,773	38,454,997
Total equity and liabilities	96,377,507	92,004,406	93,363,237

These financial statements were authorised for issue by the Board on 27 February 2026.



C M Barrett Feb, 2026 9:13:30 AM GMT+13
Director & Chair of Audit, Finance & Risk Committee



M J Allan 26 Feb, 2026 5:00:21 PM GMT+13
Director

Condensed Statement of Cash Flows
For the Six Months Ended 31 December 2025

	31 Dec 2025 Unaudited \$	31 Dec 2024 Unaudited \$	30 Jun 2025 Audited \$
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Revenues	7,833,604	7,218,395	14,552,799
Interest received	20,309	135,881	189,236
	7,853,913	7,354,276	14,742,035
<i>Cash was disbursed to:</i>			
Suppliers and employees	(3,183,204)	(1,795,259)	(6,384,025)
Goods & Services Tax (Net)	(337,935)	(287,599)	(416,013)
Interest paid	(659,041)	(820,455)	(1,506,774)
Income tax paid	(682,400)	(846,963)	(1,191,718)
	(4,862,580)	(3,750,276)	(9,498,530)
Net Cash Flows from operating activities	2,991,333	3,604,000	5,243,505
Cash flows to investing activities			
<i>Cash was provided from:</i>			
Sale of fixed assets	-	-	-
<i>Cash was disbursed to:</i>			
Capital works	(4,579,235)	(5,215,962)	(7,127,300)
Net Cash Flows to Investing Activities	(4,579,235)	(5,215,962)	(7,127,300)
Cash flows to financing activities			
<i>Cash was provided from:</i>			
Borrowings received	1,500,000	2,600,000	2,900,000
<i>Cash was disbursed to:</i>			
Dividends Paid	-	-	(992,910)
Borrowings repaid	-	-	-
Net Cash Flows from finance activities	1,500,000	2,600,000	1,907,090
Net increase (decrease) in cash and cash equivalents	(87,902)	988,038	23,295
Add opening cash and cash equivalents	640,773	640,773	617,478
Closing cash and cash equivalents at end of year	552,871	1,628,811	640,773
<i>Represented by:</i>			
Cash at bank	549,468	1,594,720	639,086
Cash in hand	3,403	10,795	1,687
	552,871	1,605,516	640,773

Notes to the Financial Statements

For the Six Months Ended 31 December 2025

1 Basis of Preparation

The company is domiciled in New Zealand and its principal place of business is 111 Main North Road, Westshore, Napier.

Hawke's Bay Airport Limited is defined as a Council-Controlled Trading Organisation (CCTO) pursuant to Part 5 of the Local Government Act 2002.

Hawke's Bay Airport provides airport facilities, infrastructure and supporting aeronautical services. The Company earns revenue from aeronautical activities, retail and rental leases, car parking facilities, transport operators, advertising and tenants occupying sites within its business park.

Statement of Compliance

These unaudited condensed consolidated interim financial statements for the six month reporting period ending 31 December 2025 have been prepared in accordance with Accounting Standard NZ IAS 34 Interim Financial Reporting as applicable for Tier 2 entities.

The unaudited consolidated interim financial statements do not include all the notes normally included in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 30 June 2025 and any public announcements made by Hawke's Bay Airport Limited during the interim reporting period.

Significant Accounting Policies

The accounting policies set out in the Company's consolidated financial statements for the year ended 30 June 2025 have been applied consistently to all periods presented in these interim financial statements. New or revised standards or interpretations that have been approved but are not yet effective, have not been early adopted by the Company.

Measurement Base

The financial statements have been prepared on a going concern basis in accordance with historical cost concepts except for property plant and equipment and investment property, which has been revalued to 30 June 2025, and derivatives revalued to 31 December 2025.

Presentation Currency

These Financial Statements are presented in New Zealand dollars (\$), which is the functional currency of the Company, rounded to the nearest dollar.

Critical Accounting Estimates, Assumptions and Judgements

In the process of applying the Company's accounting policies and the application of accounting standards, a number of judgements, assumptions and estimates have been made. Sources of significant judgement, assumptions and estimation uncertainty in preparing the unaudited consolidated interim financial statements were consistent with those disclosed in the Company's Financial Statements for the year ended 30 June 2025. These are:

- (a) Fair value of investment property and investment property under development
- (b) Fair value of Property, Plant and Equipment

2 Property, Plant and Equipment

	Land & Land Improvements	Airport Infrastructure & Buildings	Other assets	Capital Work in Progress	Total
At 30 June 2025					
Fair Value	8,552,771	68,003,568	7,641,735	5,220,570	89,418,644
Accumulated Depreciation	(24,400)	(12,680,338)	(2,194,101)	-	(14,898,839)
Closing net book value	8,528,371	55,323,230	5,447,634	5,220,570	74,519,805
Opening net book value	8,528,371	55,323,230	5,447,634	5,220,570	74,519,805
Additions	-	-	-	4,575,560	4,575,560
Disposals	-	-	-	-	-
Depreciation	(487)	(1,510,001)	(348,146)	0	(1,858,634)
Transfers	24,890	-	-	-	24,890
Revaluation	-	-	-	-	-
Closing net book value	8,552,774	53,813,229	5,099,488	9,796,130	77,261,621
At 31 December 2025					
Fair Value	8,577,661	73,943,684	9,151,395	9,796,130	101,468,870
Accumulated Depreciation	(24,887)	(20,130,455)	(4,051,906)	0	(24,207,248)
Closing net book value	8,552,774	53,813,228	5,099,489	9,796,130	77,261,621

3 Investment Property

	Land and Land Improvements	Business Park Infrastructure & Buildings	Investment Property under development	Total
Fair value as at 30 June 2025	8,362,115	8,587,701	-	16,949,817
Transfers	(24,890)	-	-	(24,890)
Additions	3,750	-	6,240	9,990
Fair value as at 31 December 2025	8,340,975	8,587,701	6,240	16,934,917

4 Borrowings

There have not been any changes to the borrowing facilities with ASB Bank during the period ended 31 December 2025. It has a Sustainability Linked Loan facility of up to \$18M, a Revolving Credit Facility of up to \$10M, and an Overdraft Facility up to \$500,000 available. As at 31 December 2025, there was \$9,400,000 drawn against the Revolving Credit but no drawings against the Overdraft facilities.

The Sustainability Linked Loan facility has a maturity date 22 October 2026 coupled with an evergreen clause of renewal included in the facility agreement. A revised terms sheet has been signed awaiting facilities agreement documentation which outlines maturity to October 2029.

The average interest rate on the sustainability linked loan facility for the period ended 31 December 2025 was 4.31% p.a (30 June 2025: 5.94% p.a).

The revolving credit facility has a two-year term with a right of renewal, expiring October 2026. At 31 December 2025, the balance drawn down was \$9,400,000. This facility is covered by the terms sheet with expiry extended to October 2028 once the facilities agreement is signed. The average interest rate on funds drawn during the period ended 31 December 2025 was 4.06% (30 June 2025: 5.73%)

All facilities extended are secured by a General Security Agreement with ASB Bank. The group was in compliance with all its current financial covenants during the current period.

5 Transactions with Related Parties

Shareholders

Hawke's Bay Airport Ltd is owned by Napier City Council, Hastings District Council and the Crown. The Group enters into numerous transactions with government departments, Crown entities, State-owned enterprises and other entities controlled by the Crown and pays rates to the Napier City Council.

These transactions are not separately disclosed where they:

- Are conducted on an arm's length basis;
- Result from the normal dealings of the parties; and
- Meet the definition of related party transactions only because of the relationship between the parties being subject to common control or significant influence by the Crown

Key Management Personnel Compensation	Six months to 31 Dec 2025	Six months to 31 Dec 2024
	\$	\$
Compensation paid to key management personnel (Directors, Chief Executive and Chief Financial Officer) during the period was:	388,896	217,300

The remuneration of directors is agreed annually, after consultation with the shareholders and approved at the Company's annual general meeting. The remuneration of the Chief Executive is determined by the Board and the remuneration of key management personnel is determined by the Chief Executive and recommended to the Board having regard to the performance of individuals and market comparisons.

6 Derivatives

There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments in the six months to 31 December 2025.

The company's derivative financial instruments are all classified as level 2 and the fair values are determined using valuation techniques. The company has an outsourced treasury provider that has provided the fair values as at 31 December 2025. These valuation techniques are based on observable market data and the interest rate swaps calculation takes into account the present value of the estimated future cash flows.

Interest Rate Swaps with a total notional value of \$16,000,000 are currently in place, representing 88.9% of the Sustainability Linked loan principal outstanding at 31 December 2025. The fixed interest rates of the swaps range between 2.83% and 3.47% (30 June 2025: 2.925% and 3.02%) and the variable rates of the swaps ranged between 2.44% and 3.40% (30 June 2025: 3.38% and 5.64%) (30-day BKBM)).

7 Commitments

Operating Commitments:

There were no operating lease commitments as at 31 December 2025 (30 June 2025: NIL)

Capital commitments:

As at 31 December 2025, the Company is contractually committed to capital expenditure totalling \$578,003 (30 June 2025: \$2,502,331) relating to the fire station build, airfield lighting, runway/taxiway improvements, carpark roading upgrades and the rooftop solar installation.

8 Contingencies

There are no known contingent liabilities (30 June 2025: nil).

9 Events Subsequent to Balance Date

Subsequent to balance date, the Board of Directors has declared a dividend of 45% of Net Profit After Tax for the 30 June 2025 financial year. This will be paid during March 2026.



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Statement of intent

2026/27

Prepared by

Hawke's Bay Airport Limited

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Date

30 June 2026

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He kupu whakataki

Introduction

This Statement of Intent ("SOI") is prepared by Management and the Board of Directors of Hawke's Bay Airport Limited ("Hawke's Bay Airport") in accordance with Section 64(1) of the Local Government Act 2002.

This SOI sets out the objectives, the nature and scope of the activities to be undertaken by Hawke's Bay Airport, and the performance targets and other measures by which the performance of the company may be assessed in relation to its objectives.

The SOI is a public and legally required document, reviewed and agreed annually with shareholders, and covers a three-year period. This SOI covers the period from 1 July 2026 to 30 June 2029.

Hawke's Bay Airport is a council-controlled trading organisation ("CCTO") for the purposes of the Local Government Act 2002.

Rangatiratanga me te kāwanatanga

Ownership and governance

Hawke's Bay Airport is a Company incorporated in New Zealand under the Companies Act 1993. Governance sits with the Board of Directors, which is responsible for the strategic and overall direction of the business. Directors are appointed by the company's shareholders: Napier City Council (26%), Hastings District Council (24%), and the Crown (50%).

Refer to Appendix A for board composition, an outline of the Hawke's Bay Airport Board of Directors' role and governance objectives.

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Te Āhua me te Korahi o ngā kaupapa

Nature and scope of activities

Hawke's Bay Airport is situated approximately 10 minutes from Napier City's central business district (CBD), 20 minutes from Hastings, and 30 minutes to Havelock North. The Hawke's Bay region stretches from Wairoa in the north to Waipukurau in the south. With a growing population of 184,800 as at the last New Zealand Census (2023), Hawke's Bay has 3.5% of New Zealand's population.

Hawke's Bay Airport plays an essential role in connecting the region's people and business with the wider national and international economies, enhancing the lives of our community, customers and team. Hawke's Bay Airport facilitates the safe and efficient operation of the airport, with direct flights to Auckland, Wellington, and Christchurch serviced by Air New Zealand, and other centres within New Zealand serviced by smaller second-tier airlines. This is possible through the provision of resilient long-term infrastructure. Hawke's Bay Airport also provides the operational resilience of the airport as a lifeline utility, under the Civil Defence Emergency Management Act 2002.

Ko wai mātau

Who we are

Hawke's Bay Airport is the gateway to Hawke's Bay, and we pride ourselves on supporting the community we serve. Our purpose is to connect people, businesses, and the region in meaningful ways.

As a critical regional asset, we are committed to working alongside regional stakeholders and national partners to create positive and prosperous futures.

Ā mātau mahi

What we do

As a thriving regional airport, we provide infrastructure and operational services that facilitate passenger movements together with aircraft and helicopter movements (Regular Passenger Transport ("RPT") and General Aviation ("GA")).

Our involvement in regional strategies and long-term plans ensures that the unique needs and priorities of regional tourism, events, fast moving freight and air travel are represented by a strong, resilient airport serving a prosperous community and region, now and into the future.

We foster relationships with Iwi and Treaty partners. In the past two financial years, our relationship with mana whenua, Ahuriri Hapū, via Mana Ahuriri Trust, has been strengthening, marking a new era of collaboration and commitment to areas of mutual interest.

Building strong relationships with airlines, other New Zealand airports and our general aviation

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community is essential to enhance regional connectivity, facilitating travel and trade which in turn supports local businesses and tourism.

Having a positive impact in the community extends beyond aviation. Supporting events and organisations through targeted sponsorship, donations and aeronautical support (e.g. organising charter flights) demonstrates our commitment to the communities we serve.

Te manawaroa

Resilience

Resilience is a critical risk and opportunity for Hawke's Bay Airport as well as Hawke's Bay as a region. Resilience is a multi-faceted concept in which climate, infrastructure, operational and economic resilience all present challenges and opportunities.

We have a focus on climate and infrastructure resilience. The Airport's position close to the sea and surrounded by wetlands is a risk with climate change and sea level rise, however we are committed to the long-term future of our location and are working with councils and other regional leaders to understand, map and implement for resilient measures. In addition, we maintain our Airport Carbon Accreditation (ACA) Level 4+, with our certification being achieved in February 2026 for a period of three years.

An aligned focus by all regional stakeholders is needed to ensure river, coastal and surface flood mitigations provide greater protection for not only the Airport, but the wider residential and commercial areas of Napier also vulnerable to climate change and sea level rise.

To protect our operational resilience, Hawke's Bay Airport continues to advocate for the minimisation of reverse sensitivities and the protection of long-term airport operations through public planning processes and stakeholder engagement. Allowing developments that increase bird strike risk or noise sensitive developments in the vicinity of the airport and in proximity to flight paths will undermine the current and future operation of Hawke's Bay Airport.

Long term financial resilience is also a focus of Hawke's Bay Airport. The airport faces a constrained future if it remains aviation-only. Aviation is inherently fragile and vulnerable to global, national and local shocks. Therefore, there is a need for some revenue diversification to enable a sustainable, profitable business that delivers on our mission to connect people, business and the region in meaningful ways. We are focused on moving from an airport to an airport business - by diversifying EBITDA across all our planes, passengers and portfolio business areas.

Ngā Whakakitenga me te Whakaaetanga

Our Vision and commitment

Previously, Hawke's Bay Airport's SOI and Annual Report has focused on the high-level activities of the organisation over the coming three-year period. Leading into this SOI, Board and Management have spent considerable time to understand our long-term strategic context and align on our collective ambition for the next 10 years plus.

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This SOI is an articulation of the most important or strategic initiatives required to move our organisation towards our 2035 vision of being a diversified, regional enabler and recognised leader.

The figure below outlines our vision, what we aim to be delivering in 2035 and the critical metrics we use to evaluate our success.

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Our vision and commitment
 By 2035 Hawke's Bay Airport will be a diversified, regional enabler and recognised leader.

This ambition will take bold thinking, smart solutions and strategic leadership as well as an engaged and high performing team.

Hawke's Bay Airport	Diversified	Regional enabler	Recognised leader
We will...	Transform from an airport to a thriving airport business	Drive economic development, grow tourism and strengthen resilience	Deliver leading customer experience and operational excellence
Our future state...	Balanced revenue, and growing across aeronautical and non-aeronautical streams	A significant contributor to regional GDP and employment A leading voice in forums advancing regional prosperity, science-based resilience, biodiversity, and emission reduction goals	Air New Zealand's most important regional airport General aviation and Tier 2 airline growth A seamless experience from park to plane for up to 1 million people each year
Our ambition...	<ul style="list-style-type: none"> \$4m in non-aeronautical earnings New route partnerships with Tier 2 airlines Grow to 900,000 passengers per year 	<ul style="list-style-type: none"> Contribute over \$400m annually to the region and supports 4,000+ jobs Set national benchmarks in biodiversity and climate resilience 	<ul style="list-style-type: none"> Increase passenger spend while maintaining a high Net Promoter Score Bird strikes <4 strikes per 10,000 movements

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Ngā Whakaarotau ā Rautaki

Our strategic priorities

Global shifts and macro trends continue to shape the future and stability of aviation. However, local and national strategies are essential in defining our direction. Our strategic priorities are the actions we are prioritising to close the gap between where we are now and our vision of, by 2035, Hawke's Bay Airport being a diversified, regional enabler and recognised leader.

How we deliver on our mission and vision is by managing, monitoring and ultimately moving the dial on the things that matter. We deliver through thinking about our organisation as five aligned business areas – Planes, Passengers, Portfolio, Profile and People. People are our foundation; they are the bedrock in which the other business areas and initiatives are built from. For that reason, they underpin and complete our strategic direction by being at the bottom.

Board and Management have applied significant dedication to developing a strategic vision and sustainable underlying business with growing operational profits and stable dividends. As outlined below in the financial forecasts, there is a successful underlying business with EBITDA growing and EBITDA margin stable around 60% as well as dividends being paid annually within our dividend policy of 45% - 65% of NPAT. Gearing remains below 35% throughout the SOI period, even after the inclusion of funding for business park infrastructure or solar development as a proxy for initial diversification funding.

The initiatives needed to close the gap between current state and future ambition are outlined for each of the five business areas below.

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 We will deliver our vision and purpose through our aligned business areas and initiatives.

	Business areas	High Priority Initiatives	Planned Initiatives
 Planes	We're working to expand air services by finding and filling planes, ensuring a strong operational fit, and future-proofing our infrastructure.	<ul style="list-style-type: none"> Long term partnership between airport, Air New Zealand and Regional Tourism Operator Best practice wildlife management practices 	<ul style="list-style-type: none"> Charter aircraft programme established Home to thriving general aviation community and training ground for future aviation professionals
 Passengers	From park to plane, we're creating an innovative customer centric journey that delivers commercial returns.	<ul style="list-style-type: none"> Terminal retail strategy delivered including non food and beverage retail Car park improvements that enhance customer satisfaction and grows revenue Digital transformation integrated into the customer journey for speed, flow and ease of use 	
 Portfolio	We're developing airport land to support long-term regional growth and revenue diversification.	<ul style="list-style-type: none"> Competition for capital framework and investment model updated Grid scale solar farm delivered 	<ul style="list-style-type: none"> Campus property strategy confirmed and commercial development underway Asset management plan and master plan guides sustainable fit for purpose infrastructure
 Profile	We contribute to regional prosperity and connectivity by leading aviation growth and building community trust.	<ul style="list-style-type: none"> Partnership with regional stakeholders to deliver long term ambition 	<ul style="list-style-type: none"> Active role in local business, economic forums and sponsorship activities ACA Level 4+ maintained and biodiversity framework adopted Advocate for no increase in reverse sensitivities
 People	We're growing an engaged, high-performing team with clear expectations driven to deliver the purpose and vision of Hawke's Bay Airport.	<ul style="list-style-type: none"> Health, safety and wellbeing delivery Leadership development programme 	<ul style="list-style-type: none"> Regional skills partnership

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Ngā Kaupapa Hiranga o FY2027

Key initiatives – FY26/27

The Strategic Priorities section above detailed the initiatives needed to close the gap between current state and future ambition for each of the five business areas. The following outlines the initiatives of highest priority for FY26/27 and the SOI period.



PLANES

We're working to expand air services by finding and filling planes, ensuring a strong operational fit, and future-proofing our infrastructure.

Initiatives	Key Performance Measures
Long-term partnership between airport, Air New Zealand and Regional Tourism Operator.	<ul style="list-style-type: none"> • Long-term partnership with Air New Zealand built on an alignment of network, fleet and infrastructure expectations that support a growing and successful airline and airport in Hawke's Bay. This is measured by quarterly sessions with Air NZ Management and continued relationship building with tourism, trade and business stakeholders in Hawke's Bay.
Best practice wildlife management practices.	<ul style="list-style-type: none"> • Bird strikes per 10,000 movement reduces year-on-year through: <ul style="list-style-type: none"> ○ Operating a mature, risk-based wildlife hazard management programme that meets recognised best-practice standards. ○ Annual independent audits and customer feedback that confirms Hawke's Bay Airport wildlife management is aligned to industry expectations.

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PASSENGERS

From park to plane, we're creating an innovative customer centric journey that delivers commercial returns.

Initiatives	Key Performance Measures
Terminal retail strategy delivered including non food and beverage retail	<ul style="list-style-type: none"> Terminal retail strategy completed. Automated terminal retail investment case completed. Roll out of a reusable pop-up retail store to allow temporary retail options in any part of the terminal.
Car park improvements that enhance customer satisfaction and grows revenue.	<ul style="list-style-type: none"> Pricing reviews completed annually. Carpark system upgrade completed. Investigate valet service options to enhance revenue.
Digital transformation integrated into the customer journey for speed, flow and ease of use.	<ul style="list-style-type: none"> Continue to develop our single source of data truth through introduction of NPE AI agent. Delivery of technology roadmap for endorsement. This would include how we monitor and capitalise on terminal dwell areas and how we manage interactions with customers and stakeholders. Digital, static and directional signage review and upgrade for all signs.



PORTFOLIO

We're developing airport land to support long-term regional growth and revenue diversification.

Initiatives	Key Performance Measures
Competition for capital framework and investment model updated.	<ul style="list-style-type: none"> Capital Investment Decision Matrix implemented, including definition of hurdle rates for all short- and long-term capital expenditure.
Grid scale solar farm delivered.	<ul style="list-style-type: none"> Feasibility study completed with stop-points to assess economic risk items. If deemed feasible, consent application lodged. Partnership and development plan for Solar Farm agreed.

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PROFILE

We contribute to regional prosperity and connectivity by leading aviation growth and building community trust.

Initiatives	Key Performance Measures
Partnership with regional stakeholders to deliver long-term ambition.	<ul style="list-style-type: none"> Stakeholder Engagement Strategy updated to reflect updated strategic vision. Stakeholder Engagement Survey reviewed and showing year-on-year improvement.



PEOPLE

We're growing an engaged, high performing team with clear expectations driven to deliver the purpose and vision of Hawke's Bay Airport.

Initiatives	Key Performance Measures
Health, safety and wellbeing delivery.	<ul style="list-style-type: none"> Continuous improvement of the company's H&S management framework delivering improving KPI trends.
Leadership development programme.	<ul style="list-style-type: none"> Leadership development programme aligned with skills required to deliver strategic direction. Leadership capacity and capability developed aligned to strategic requirements. <ul style="list-style-type: none"> SLT development programme: External facilitation focusing on trust, collaboration, conflict resolution, and strategic leadership. Leadership expectations framework: Adopt and embed leadership expectations into individual performance monitoring.
Digital transformation integrated into the staff, stakeholder and customer journey.	<ul style="list-style-type: none"> Technology roadmap outlines key tasks and milestones for delivery through the SOI period. Operational efficiency enhanced through the use of digital tools (Regional Explorer, Predictive Maintenance etc). Organisational knowledge protected through technology and process improvement.

These initiatives are all expected to be delivered while maintaining legislative compliance – i.e. no significant legislative or regulatory breaches and no significant adverse audit findings by MPI, CAA or HBRC.

Other initiatives that continue to be a long-term focus include campus property development, ACA Level 4+ maintained and biodiversity framework adopted, and advocating for no increase in reverse sensitivities.

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Other strategic initiatives that continue to be a normal business as usual activity are:

- Charter aircraft programme established
- Thriving general aviation community and training ground for future aviation professionals
- Asset management plan and master plan guides sustainable fit for purpose infrastructure
- Active role in local businesses, economic forums and sponsorship activities
- Regional skills partnership

These initiatives are already under development.

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Te anganga o FY2027

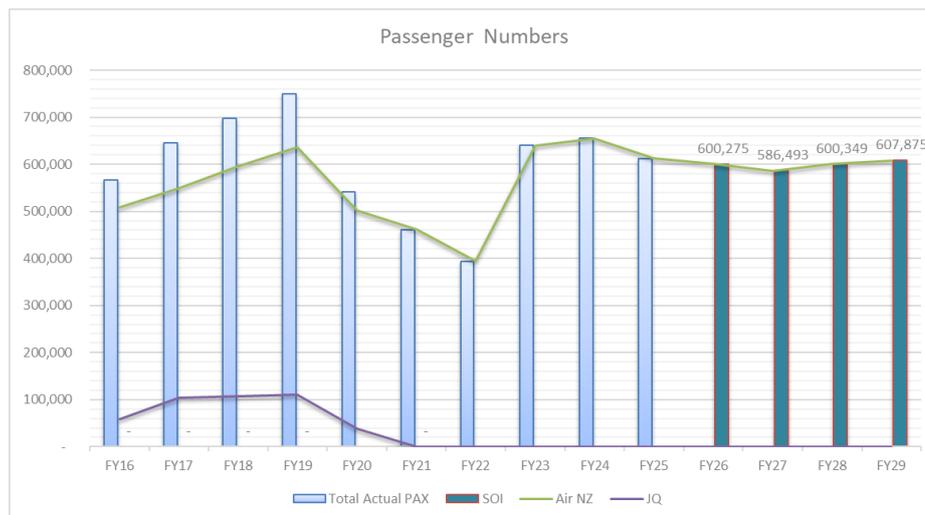
FY2027 outlook

Continued economic headwinds coupled with reduced capacity from Air New Zealand have had an impact on our operations to date with passengers being 5% below our SOI target at the end of December 2025, and this is reflected in the forecast year-end position for FY26.

Future developments at Hawke’s Bay Airport are intended to ensure we continue to be resilient, vital and fit for purpose in the years ahead, while growing commercial returns through applying hurdle rates to projects to ensure sustainable growth to our community and shareholders.

Our financial forecasts are dependent on a wide range of factors, including capacity offered by our carriers and the propensity of our community to travel. This is a consequence of our revenue streams being directly impacted by any shifts in passenger numbers.

The graph below provides the forecast for passenger movements for the three-year period covered by this SOI. It assumes modest growth amidst a challenging economic outlook and is reflective of softening passenger demand being reflected in load factors and capacity. We will continue to monitor passenger movements to ensure robustness in these numbers, or if further softening occurs, provide early warning to shareholders.



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Ngā matapaenga ā-ahumoni

Financial forecasts

The updated forecast to 30 June 2026 and the three outlying years have been based on passenger numbers and financial performance delivered to 31 December 2025 in conjunction with the passenger forecasts provided by Air New Zealand. The schedules show a continued softening in route capacity, but also passenger demand as reflected in expected load factors and both of these assumptions are reflected in our forecasts. This shows a flat 2025 exit position and further drops in expected capacity through FY2027 which shapes our financial performance.

Our per passenger charging mechanism was renegotiated in June 2025 for a period of three years but allows for resets at the completion of each of these years. These charges allow for upgrades to our infrastructure required to deliver a safe and efficient airport operation. Our cost base remains stable over this SOI period, and reflects the changes made to ownership of infrastructure (airfield lighting) and extension of operating hours through schedule changes. Capital spend continues to focus on critical infrastructure, ensuring resilience is improved, and overall customer experience gains through carpark improvements and terminal upgrades where necessary.

Hawke's Bay Airport continues to be cognisant of worldwide events, particularly extreme climate-related events and geopolitical instability. Despite these challenges, we remain confident we can deliver on our targets while delivering value to our stakeholders.

Hawke's Bay Airport Limited

Statement of Intent - Headlines and Financial Metrics

July 2026 - June 2029

	Jul 25- Jun 26 Actual/Proj	Jul 26 - Jun 27	Jul 27 - Jun 28	Jul 28 - Jun 29
Passenger Numbers	600,275	586,493	600,349	607,875
Forecast Revenue	15,766,724	16,809,110	17,565,909	17,964,873
EBITDA	9,396,280	10,269,783	10,804,066	11,009,548
EBITDA Margin	59.6%	61.1%	61.5%	61.3%
NPAT	2,856,423	3,071,465	3,030,212	2,831,985
Net Profit after Taxation Margin	18.1%	18.3%	17.3%	15.8%
Total Assets	99,810,468	105,696,912	111,313,292	114,925,640
Total Debt	30,798,797	33,010,317	34,997,795	35,192,185
Return on Equity %	4.9%	5.0%	4.7%	4.2%
Return on Equity % Pre Revaluation Adjustments	5.2%	5.2%	4.9%	4.3%
Gearing Ratio D/(D+E)	35%	35%	35%	34%
Interest Cover Ratio	5.3	5.2	5.1	5.0
Assumed Dividend Paid	1,600,000	1,700,000	1,700,000	1,600,000
Cash Flow Available for Debt Servicing (CFADS)	8,051,505	8,900,642	9,454,798	9,711,371
CFADS: Interest	4.6x	4.5x	4.5x	4.4x
Debt Service Coverage Ratio (DSCR)	4.6x	4.5x	4.5x	4.4x
EBITDA:Debt	31%	31%	31%	31%
Shareholders Funds to Total Assets	58.0%	58.1%	58.3%	59.4%

Hawke's Bay Airport Statement of Intent 2026/27

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Hawke's Bay Airport Limited

Prospective Summary Statement of Comprehensive Income

July 2026 - June 2029

	Jul 25- Jun 26 Actual/Proj	Jul 26 - Jun 27	Jul 27 - Jun 28	Jul 28 - Jun 29
<i>Passenger Numbers</i>	600,275	586,493	600,349	607,875
Revenue				
Aeronautical	10,692,652	11,553,756	11,970,197	12,069,701
Non-Aeronautical	5,074,072	5,255,354	5,595,712	5,895,172
Total Revenues	15,766,724	16,809,110	17,565,909	17,964,873
Operating Expenditure	6,370,444	6,539,328	6,761,843	6,955,326
EBITDA	9,396,280	10,269,783	10,804,066	11,009,548
Depreciation	3,996,005	4,359,546	4,809,824	5,166,068
EBIT	5,400,275	5,910,237	5,994,242	5,843,480
Fair value gain on Investment Property	535,668	567,577	584,595	560,849
Interest Expense	1,763,333	1,984,463	2,115,052	2,182,908
Profit before Income Tax	4,172,610	4,493,350	4,463,785	4,221,421
Income Tax Expense	1,316,187	1,421,885	1,433,573	1,389,436
Net Profit after Tax	2,856,423	3,071,465	3,030,212	2,831,985

Where:

- Aeronautical revenue includes aircraft landing, parking and passenger charges; and
- Non-aeronautical revenue includes carpark revenue, concessions relating to rental car and retail tenant turnover, property revenue and ground transport operations. Activities not dependent on Regular Passenger Transport (RPT) include property and business park revenues, amounting to \$1.25M.

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Hawke's Bay Airport Limited

Prospective Summary Statement of Financial Position

July 2026 - June 2029

	Jul 25- Jun 26 Actual/Proj	Jul 26 - Jun 27	Jul 27 - Jun 28	Jul 28 - Jun 29
Current Assets				
Cash and cash equivalents	500,000	500,000	500,000	500,000
Trade Receivables	1,081,100	1,152,574	1,204,467	1,231,823
Derivatives & Other	211,575	214,368	213,688	218,541
Total Current Assets	1,792,675	1,866,943	1,918,155	1,950,364
Non Current Assets				
Plant and equipment	80,385,249	84,185,843	88,315,271	90,547,333
Investment property	17,566,579	19,611,143	21,079,866	22,427,943
Other Non-Current Assets	65,965	32,983	0	0
Total Non Current Assets	98,017,793	103,829,969	109,395,138	112,975,276
TOTAL ASSETS	99,810,468	105,696,912	111,313,292	114,925,640
Current Liabilities				
	948,757	973,127	1,005,484	1,033,558
Non Current Liabilities				
Total Debt	30,798,797	33,010,317	34,997,795	35,192,185
Other Non Current Liabilities	10,215,107	10,305,069	10,399,022	10,489,564
Total Non Current Liabilities	41,013,904	43,315,386	45,396,817	45,681,749
TOTAL LIABILITIES	41,962,661	44,288,513	46,402,301	46,715,307
NET ASSETS	57,847,807	61,408,399	64,910,991	68,210,333
Capital and Reserves				
Share Capital	13,789,155	13,789,155	13,789,155	13,789,155
Reserves	18,511,919	20,701,047	22,873,427	24,940,783
Retained Earnings	25,546,733	26,918,198	28,248,410	29,480,395
TOTAL EQUITY	57,847,807	61,408,400	64,910,992	68,210,333

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Hawke's Bay Airport Limited
Prospective Summary Statement of Cashflows
July 2026 - June 2029

	Jul 25- Jun 26 Actual/Proj	Jul 26 - Jun 27	Jul 27 - Jun 28	Jul 28 - Jun 29
Cash flows from operating activities				
Cash was provided from:				
Revenues	15,710,049	16,737,635	17,514,017	17,937,517
	15,710,049	16,737,635	17,514,017	17,937,517
Cash was disbursed to:				
Suppliers and employees	(6,505,757)	(6,527,638)	(6,738,693)	(6,932,105)
Interest Paid	(1,802,402)	(1,941,594)	(2,072,183)	(2,182,908)
Income Tax Paid	(2,821,462)	(1,331,923)	(1,339,619)	(1,298,894)
	(11,129,621)	(9,801,155)	(10,150,495)	(10,413,907)
Net Cash Flows from Operating Activities	4,580,428	6,936,481	7,363,522	7,523,610
Cash flows from investing activities				
Cash was provided from:				
Sales of fixed assets	-	-	-	-
	-	-	-	-
Cash was disbursed to:				
Capital Works	(8,019,999)	(7,448,000)	(7,651,000)	(6,118,000)
Investments	-	-	-	-
	(8,019,999)	(7,448,000)	(7,651,000)	(6,118,000)
Net Cash Flows from Investing Activities	(8,019,999)	(7,448,000)	(7,651,000)	(6,118,000)
Cash flows from financing activities				
Cash was provided from:				
Borrowings received	4,898,797	2,211,519	1,987,478	194,390
	4,898,797	2,211,519	1,987,478	194,390
Cash was disbursed to:				
Borrowings repaid	-	-	-	(0)
Dividends	(1,600,000)	(1,700,000)	(1,700,000)	(1,600,000)
	(1,600,000)	(1,700,000)	(1,700,000)	(1,600,000)
Net Cash Flows from financing Activities	3,298,797	511,519	287,478	(1,405,610)
Opening Cash	640,773	500,000	500,000	500,000
Net Increase in Cash and Cash Equivalents	(140,773)	-	-	-
Closing cash and cash equivalents	500,000	500,000	500,000	500,000

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Whakapaunga pūrawa

Capital expenditure

Hawke's Bay Airport continues to invest in its infrastructure in line with passenger numbers, asset management condition assessments and Civil Aviation Authority safety and security requirements. While we continue to identify opportunities to further diversify our non-aeronautical revenue streams, the key capital focus remains on positioning the airport to be fit for the future. This means building resilience but taking opportunities to transform our site through technology enhancements. Capital expenditure is based on what we know now and could be subject to change.

Long term master planning and robust asset management planning is a foundation for Hawke's Bay Airport's capital expenditure. Capital expenditure programmes are also presented to the Board, supported by a robust business case and funding capability. Budgeted capital expenditure is summarised in the table below. Long-term capital expenditure associated with our aeronautical infrastructure is provided for as per the long-term maintenance plan, prepared and updated annually by AECOM Limited.

Hawke's Bay Airport Limited Prospective Summary of Capital Expenditure July 2026 - June 2029

	Jul 25- Jun 26 Actual/Proj	Jul 26 - Jun 27	Jul 27 - Jun 28	Jul 28 - Jun 29
Airfield, runway maintenance etc	1,470,000	1,751,000	3,489,000	2,175,000
Rescue Fire Appliance	-	-	-	-
Rescue Fire Building	3,070,000	200,000	-	-
Other Aeronautical	470,000	350,000	420,000	410,000
Terminal (including the Forecourt)	170,000	412,000	345,000	267,000
Carpark extensions and IT	1,100,000	1,490,000	1,602,000	1,511,000
Other Commercial	683,000	435,000	235,000	95,000
Civil works for land development	500,000	1,200,000	800,000	800,000
Other property	200,000	200,000	-	-
Utilities and other infrastructure	357,000	1,410,000	760,000	860,000
Total Capital Expenditure	8,020,000	7,448,000	7,651,000	6,118,000

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Ngā kaupapahere mahi kaute

Accounting policies

The accounting policies adopted by Hawke's Bay Airport are consistent with New Zealand's International Financial Reporting Standards and generally accepted New Zealand accounting practices.

The policies are included within Hawke's Bay Airport's annual report, which is available on the company's website: www.hawkesbay-airport.co.nz/our-strategy-and-future-plan/

Ngā tohanga

Distributions

The Directors will, in consultation with Shareholders, set and review the dividend policy periodically and, where fiscally prudent, recommend dividend payments that are cognisant of Hawke's Bay Airport's earnings, capital expenditure and future investment requirements.

A dividend payment was made in the 2025 and 2026 financial years. Future dividends are subject to trading conditions at the time. The company will continue to reinvest capital in core assets, and re-gear the balance sheet to support upcoming investments in airport infrastructure and resilience.

At present, the dividend policy assumes a band of 45 – 65% of NPAT as a dividend, but as previously noted this should remain subject to discussion with Shareholders as to the suitability of this approach. Additionally, any dividend payment is subject to the solvency provisions of the Companies Act 1993 and the forecast economic conditions in which the company is expected to be operating.

Hawke's Bay Airport places a strong focus on strategies of revenue diversification and resilience which underpin a sound foundation for revenue recovery and balance sheet growth. In addition, a key focus on digital transformation opportunities will place the Airport in a strong future position. These strategies will create enhanced financial returns and maximise value to Shareholders through an appropriate balance of reinvestment and dividend.

A strong net profit after tax result is forecast for the upcoming 2025/26 financial year and subsequent periods. These forecasts are included in this SOI and are conditional on New Zealand maintaining the status quo and not being materially affected by external economic shock factors.

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Ngā kōrero ka tukuna ki ngā kaiwhaipānga

Information to be provided to shareholders

Shareholders will receive:

- An annual report including audited financial statements within three months of balance date.
- A six-monthly report including non-audited financial statements within two months of balance date.
- A quarterly report within one month of the end of each quarter.
- A Statement of Intent submitted for Shareholders' consideration in accordance with the Local Government Act 2002.
- Other interim financial reports as agreed with the Shareholders.
- Reports on matters of material interest to Shareholders. Shareholders will continue to be kept informed of key developments, consistent with the Crown's 'no surprises' policy.
- Hawke's Bay Airport Limited is also required to comply with the disclosure requirements of a specified airport company pursuant to the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999.
- Compliance with the NZX Corporate Governance Code to ensure full disclosure of the CEO's base salary and both short and long-term incentives.

Ngā tukanga hopu

Acquisition procedures

The acquisition of any interest in a company or organisation will be considered to ensure it is consistent with the long-term commercial objectives of the company. Any material acquisition will be the subject of consultation with Shareholders.

Major transactions as defined by the Companies Act 1993 will require Shareholder approval.

Kua tonoa he utu paremata i ngā kaiwhaipānga o te rohe

Compensation sought from local body shareholders

At the request of the Shareholders, Hawke's Bay Airport may undertake activities that are not consistent with normal commercial objectives. In these circumstances, Hawke's Bay Airport may seek a specific subsidy to meet the full commercial cost of providing such activities. None are contemplated in the planning period.

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Te matapaetanga o te wāriu arumoni

Estimate of commercial value

The value of Shareholder equity in Hawke's Bay Airport as at 31 December 2025 was \$56.5M.

The airport's land assets and investment property have been revalued to fair value as at 30 June 2025. This resulted in an increase in Shareholders' Equity of \$870K. When considering a DCF analysis, no adjustment was taken to infrastructure assets, with this being heavily impacted by a reduced view of future income streams due to reduced capacity. The Board and Management believe this provides more relevant and reliable information to Shareholders about the business's financial position and performance.

The property, plant, equipment, and investment property (non-current assets) owned by Hawke's Bay Airport were revalued at 30 June 2025 to their estimated current market value of \$91.5M.

Hawke's Bay Airport will continue to undertake a revaluation approach to its assets on a yearly cycle or when there has been a significant change in the market, to consider the gap between current book values of the assets and liabilities versus the commercial value of the business.

Hawke's Bay Airport's total land holding is 230ha and is comprised of leasehold land (in perpetuity from Napier City Council and Hastings District Council) and freehold land.

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Āpitianga A: Te wāhi ki te Poari Ringatohu me ngā whāinga kāwanatanga

Appendix A: Board of directors role and governance objectives

The Board has four directors, two of whom are appointed by Napier City Council and Hastings District Council and two of whom are appointed by the Crown. The Board meets regularly with Hawke's Bay Airport leadership to review the company's performance and provides quarterly, half-yearly and annual business performance reports to Shareholders.

Role of the Board of Directors and governance objectives

In carrying out its principal function, the Board's specific responsibilities and objectives include:

- a) Ensuring that the company has adequate management resources to achieve its objective, to support the CEO, and has a satisfactory plan for Management succession in place.
- b) Reviewing and approving the strategic, business, and financial plans prepared by Management and developing a depth of knowledge of the company's business to understand and question the assumptions upon which such plans are based and to reach an independent judgement on the probability that such plans can be achieved.
- c) Reviewing and approving material transactions not in the ordinary course of the company's business.
- d) Reviewing operating information to always understand the state of health of the company.
- e) Considering Management recommendations on key issues, including acquisitions and divestments, restructuring, funding, and significant capital expenditure.
- f) Approving policies and overseeing the management of strategic business risks, safety, sustainability, occupational health, and environmental issues with the following aims:
 - i. To manage risk throughout the company's operation in order to protect its shareholders, employees, assets, earnings, and reputation.
 - ii. To comply with all relevant legislation.
 - iii. To encourage employees to actively participate in the management of environmental and occupational health and safety issues.
 - iv. To employ consultants where required to raise standards or improve existing conditions.
 - v. To use energy and other resources efficiently.
 - vi. To encourage the adoption of similar standards by the company's principal suppliers, contractors, and vendors.
- g) Approving and fostering a corporate culture which requires Management and every employee to operate to the highest level of ethical and professional behaviour.
- h) Setting and monitoring adherence to major policies, including capital investment, treasury, accounting and financial, executive remuneration, and delegated authority limits.
- i) Approving the appointments by, or at the request of, the company (including its affiliates) to the boards of subsidiary and associate companies.
- j) Monitoring the company's performance against its approved strategic, business, and financial plans and overseeing the company's operating results on a regular basis to evaluate whether the business is being properly managed.
- k) Ensuring ethical behaviour by the company, the Board and Management, including compliance with the company's constitution, the relevant laws, and the relevant auditing and accounting

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principles.

- l) Reporting to Shareholders on its stewardship. Information is to be communicated to Shareholders through:
 - i. The annual report, which is distributed to all Shareholders. The Board is to ensure that the annual report includes relevant information about the operations of the entity during the year, changes in the state of affairs of the entity and details of future developments, in addition to other disclosures required by the Companies Act and financial reporting requirements.
 - ii. Result announcements regarding the annual, quarterly, and half-yearly results.
 - iii. Annual statement of intent.
 - iv. Media releases.
 - v. The annual meeting, and other shareholder meetings called to obtain approval for Board actions as appropriate. The company will provide notification of Shareholder meetings at least 10 working days prior to the meeting and not later than 15 months after the previous meeting.
 - vi. The company's website.
- m) Ensuring that Shareholders can easily communicate with the company, including providing Shareholders with the option to receive communications electronically.
- n) Ensuring that the company's Shareholder reporting meets the requirements of the Owner's Expectation Manual which can be found on the Treasury's website <https://treasury.govt.nz/publications/guide/owners-expectations>, including:
 - i. Ensuring that financial reporting is balanced, clear and objective. The Board should explain to Shareholders how operational and financial targets are measured.
 - ii. Ensuring that the company provides non-financial disclosures to Shareholders at least annually. These should consider environmental, economic, and social sustainability factors and practices.
 - iii. Ensuring that the company reports to Shareholders on material risks facing the business and how these are being managed. Reporting should disclose how the company manages its health and safety risks and the performance and management of those risks.
 - iv. Ensuring that the company discloses any internal audit functions.
- o) Select and (if necessary) replace the CEO.
- p) Assess, from time to time, its own effectiveness in carrying out these functions and the other responsibilities of the Board.