



QV Statement of Corporate Intent

1 July 2021 – 30 June 2024



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Our journey

QV has been at the heart of nearly every property transaction in New Zealand for more than 125 years and counting.

Our journey began as the New Zealand Government's own Valuation Department, established in 1896 to provide valuation of properties for taxation purposes. This still remains one of our core roles today.

In 1998 came the start of a new era, necessitating a sea change in our customer focus and commercial acumen. The deregulation of the rating valuation system required a split for the government department, then known as Valuation New Zealand. The governance area was assigned to the Office of the Valuer General within Land Information New Zealand (LINZ), and a commercial arm was established as a Crown-owned Company (and later in 2005 as a State Owned Enterprise). The commercial arm – Quotable Value Limited Group (QV) was born along with new opportunities to grow and diversify.

As the new millennium dawned, we expanded QV's core competency into Australia. Our talented local team now holds several rating and taxation contracts throughout the state, including the prestigious Sydney Central Business District contract. Today we are the largest single provider of rating and taxation valuation services in New South Wales.

In the early 2000's we introduced market leading online property data and intelligence, QV Online, that would result in a very successful joint venture, Property IQ. This was eventually sold to our partners, CoreLogic, in 2016.

We have had a long history of continuous improvement for our technology, systems and processes, with our innovation providing world-leading tools for our people. We have been instrumental in leading industry change, including New Zealand's first automated valuation model and

online property data that laid the platform for all New Zealanders to have ready access to property data and information.

We grew again with the amalgamation of the Darroch and then DTZ businesses into QV, which enhanced our service offering in the commercial and industrial area. We are now able to offer extensive valuation, consultancy and property management services to commercial and industrial clients, increasing synergy opportunities for our business.

What might be our most significant chapter in the QV journey has just now begun. We have recently regained control of our website QV.co.nz from long-time custodians CoreLogic. This will be QV's key channel and will enable us to enhance our digital offering, promote and leverage our core professional services and products, and help us provide accessible property intelligence for all New Zealanders. We are excited at the future opportunities of combining our key channel with our people's outstanding property expertise, our strong brand recognition and trust.

Through all of our growth, our core strength has always been our people. We are proud to be New Zealand's largest employer of property valuation professionals and also the largest employer of graduate property consultants. We have a responsibility to nurture and develop the next generation of talented property professionals, not only to help our customers, but also as one of the many ways we contribute to the property ecosystem and support New Zealand for future generations.

Our core strengths

We are New Zealand's property experts

We employ and develop **250** property specialists, including more valuers than any other business in New Zealand

We are nationwide with local expertise

We are located across New Zealand, with **17** local offices and property professionals on the ground in every corner of New Zealand

We are trusted and have a strong brand recognition

70% New Zealand brand awareness, and trusted by **65%** of customers and ratepayers

We have world-class technology

We provide flexible, real-time, transparent information

We are owned by New Zealand and are invested in its wellbeing

We have over **125** years of expertise, give advice to support New Zealand's wealth and provide dividends to help New Zealanders

We partner and make connections to get the most out of property data

We work with Government, Councils and all the major residential banks

We are rating and taxation specialists in NSW, Australia

Over **20** years of providing rating and taxation valuations, including the CBD area of Sydney

Our scope of activities

Our focus is on providing expert valuation and property information services to the residential, rural, government and commercial sectors.

Consultancy

Specialist property valuations and property consultancy for the residential, commercial and rural sectors. Independent, specialist asset valuations for financial reporting purposes

Rating valuations

Rating solutions provided for 86% of the New Zealand Councils and 17% in NSW, Australia

Property management

Property portfolio management for public sector organisations

Property intelligence and tools

Providing market intelligence, data analytics, tools and customised solutions

QV Costbuilder

SalesDirect

Database Management

QV.co.nz

QV House Price Index

QV Quartile Index

Our customers

Brand	Customers	Core services
   QV.co.nz	<ul style="list-style-type: none"> Residential home owners, financial service providers, corporates and government Local government Rural sector Consumers Professionals Building and property professionals 	<ul style="list-style-type: none"> Residential and rural market valuations Insurance (rebuild) valuations Rating valuation assessments Asset valuations for financial reporting purposes Rural market valuations Building costs data and information Online submission of property sale notices
	<ul style="list-style-type: none"> State and local government 	<ul style="list-style-type: none"> Rating and land tax valuations Asset valuations for financial reporting purposes Compensation valuations
	<ul style="list-style-type: none"> Government, financial service providers and corporates Private property owners 	<ul style="list-style-type: none"> Commercial property and asset valuations Property management services, including lease management and negotiation, tenant liaison and communication, property maintenance and financial management and reporting

Our people

Our most important asset is our people. With over 250 property experts working across New Zealand from Cape Reinga to Stewart Island, including the Chatham Islands. We also have a team of property experts in NSW, Australia.

We are committed to growing and developing our people, employing the most graduate valuers of any valuation company in the country. Our fast track graduate programme, aimed at providing learning experiences, was recently refreshed. It provides technical expertise, mobility and mentorship to our graduates – developing them into registered valuers and multi-disciplined property experts. LinkedIn Learning is available to all our people to support their development with unlimited access, anytime, anywhere to over 16,000 courses.

Our people enjoy the varied and flexible work environment that QV offers with 100% of our people able to work remotely. We are very passionate about long service within QV and the introduction of the QV 25 Year Club recognises this contribution where we have 27 people with greater than 25 years' total service and an average service tenure of 8.5 years.

Our engaged and inclusive culture provides a gender mix of 43% female and 57% male. We have long been leaders of diversity in the property valuation industry. Female representation on the Executive is 50% and 3 of 8 on our board.

We recently launched LiveWell, our Safety & Wellbeing brand. This is where all the benefits, tools, resources, and initiatives that come under the Safety & Wellbeing umbrella are promoted. A refreshed Safety & Wellbeing policy charter outlines our commitment to Safety & Wellbeing and our expectation that all people at all levels in our business are committed to achieving the highest standard of workplace safety.

Our exceptional people, strength of the QV family culture and what's possible attitude, enables us to keep creating world class property information solutions and delivering market-leading customer experiences. We offer a wide variety of career opportunities from many different valuation services and business support functions, such as sales, product as well as marketing, contact centre, analytics, people and culture, technology and finance.



Our wellbeing contribution

Our purpose is delivering trusted property intelligence to help government, business and the public make better decisions. We are proud to strengthen the financial and physical capital with the delivery of our products and services, which will in turn assist intergenerational wellbeing.



Our market context

A buoyant property market with uncertainty beginning to emerge

Against all predictions, the property sector has outperformed most sectors of the economy, with record price increases and volumes of sales achieved. Most economists are predicting that this trend will continue in the short to medium term, with a slowing in the market to occur late in the calendar year. There are suggestions that interest rates may start to rise next year, with the quantum of any potential increase having a significant impact on the current buoyant market. The likely impact being that the current level of value increases and activity are unlikely to continue at the current pace for the full 2022 financial year.

An unknown in the current property market is the effect of new Government housing policy. Recent changes to the bright-line testing and investment taxation changes are taking the market into uncharted waters, with market commentators' reactions mixed on how they may affect the property market.

Additional regulation, policy changes and structural reforms are being contemplated and implemented. These are creating further reason for caution regarding the longer term market conditions.

The economic impacts of COVID-19 may be felt well into the 2022 financial year. Any further Alert Level 4 lockdowns could have a significant effect on our revenue.

With the uncertainty still prevailing from the pandemic and the New Zealand property sector performance, we continue to take a cautious but optimistic approach to our revenue predictions. In particular for our consultancy side of the business that has a greater risk exposure to the market conditions.

Competition continues to be high

The market uncertainty must be managed in the context of a highly competitive market, especially in the areas where we have long term contracts. Our competition continues to be aggressive to obtain sufficient market share to enable greater economies of scale that is required to provide efficient services. This also includes competition for our talented property experts where the capacity in New Zealand remains tight.

Our customers expect more for less

Like all businesses, our Government customers are having to do more with less. They are looking for new solutions to old problems, and so we must continue to meet those needs. Consumers on QV.co.nz expect accurate and timely property intelligence in real time and with self-service. With fast moving markets our customers have high expectations for their customer experience. Meanwhile, we have the added pressure of increased expectations from regulations, compliance and governance related to our business.

These demands and increased competition mean we must continue to invest in our business to remain relevant and sustainable in the future.

Impacts on our revenue

As a consequence of our market, we will be budgeting for similar revenue streams for our core business areas of rating valuation and some uplift in consultancy. Our Darroch business is also predicting a similar revenue outcome to last year, with the property management services area consolidating the extra contracts won last financial year.

It will be a foundational year for our new digital business through QV.co.nz. We will be heavily promoting our QV e-Report that provides a detailed report on a residential property, including the Real-Time Value, recent sales in the area and associated property data. Although we only expect to generate a modest amount of revenue from QV.co.nz, this year will lay the foundation for our return to consumer based products and services. Our investment in our data, products and services is expected to result in a significant increase in our digital revenue for FY23 and FY24. Additional investment in our sales team and business development will assist us with our digital revenue journey.

QV's Purpose is:

Delivering trusted property intelligence to help government, business and the public make better decisions.

We will do this by meeting the following objectives...



OBJECTIVE 1
We grow the value we deliver

1

FOCUS 1

Creating greater value for customers

2

FOCUS 2

Achieving operational excellence



OBJECTIVE 2
We are the most-trusted property experts

3

FOCUS 3

Connecting people to the information they need

4

FOCUS 4

Being recognised for property expertise

Strategic initiatives for 2022

Alignment to objectives	Focus area initiative	How we will measure progress
 <p>Objective 1 We grow the value we deliver</p>	<p>1 Creating greater value for customers</p> <ul style="list-style-type: none"> › Enrich our customer experience › Invest in our business development › Support regional NZ 	<ul style="list-style-type: none"> › Customer Net Promoter Score › New revenue › Regional coverage
	<p>2 Achieving operational excellence</p> <ul style="list-style-type: none"> › Re-engineer our core processes › Greater automation & real-time solutions › Corporate governance › Safety and Wellbeing Programme 	<ul style="list-style-type: none"> › Gross margin › Operating margin › Audit rating › PREQUAL rating
 <p>Objective 2 We are the most-trusted property experts</p>	<p>3 Connecting people to the information they need</p> <ul style="list-style-type: none"> › Invest in QV.co.nz as our primary channel to our customers › Ensure our products provide for our customer's needs › Provide property education 	<ul style="list-style-type: none"> › Brand recognition › Customer Net Promoter Score › Access to free property data and insights
	<p>4 Being recognised for property expertise</p> <ul style="list-style-type: none"> › Lift our brand and voice › Create relevant property intelligence › Align our culture for our future 	<ul style="list-style-type: none"> › Brand recognition › Brand trust › Employee Net Promoter Score

Refer to Performance Targets on pages 12–13 for detailed measures.

Our targets, policies and responsibilities

Ratio of Consolidated Shareholder Funds to Total Assets

The table below shows the ratio of Consolidated Shareholder Funds to Total Assets for the planning period (the Group's Annual Financial Year End is 30 June):

	FY22 SCI \$'000	FY23 SCI \$'000	FY24 SCI \$'000
Consolidated Shareholder Funds	13,304	14,091	14,195
Total Assets	23,370	22,510	22,764
Ratio	56.93%	62.60%	62.36%

Consolidated Shareholder Funds means the fully paid ordinary shares together with retained earnings and reserves.

Total Assets means the sum of all current and non-current assets including tangible, intangible and right-of-use assets.

Accounting policies

The consolidated financial information presented is for the Quotable Value Limited Group as at, and for the year ending, 30 June 2022 and onwards. The Group comprises Quotable Value Limited and its subsidiary, Quotable Value Australia Pty Limited.

The consolidated financial information complies with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards as appropriate for Tier 1 for-profit entities. The consolidated financial information also complies with International Financial Reporting Standards ("IFRS").

The consolidated financial information has been prepared in accordance with the Companies Act 1993, the Financial Reporting Act 2013, and the State-Owned Enterprises Act 1986 and generally accepted accounting practice in New Zealand ("NZ GAAP") as appropriate to Tier 1 for-profit entities.

The detailed accounting policies applied in the preparation of the consolidated financial information is consistent with the accounting policies disclosed in the June 2020 Annual Report, which can be found on QV.co.nz.

OUR TARGETS, POLICIES AND RESPONSIBILITIES

Financial performance targets

Financial targets for the next three financial years can be summarised as follows:

Focus Area	Measure	FY22 SCI \$'000	FY23 SCI \$'000	FY24 SCI \$'000
General				
1	Revenue	35,910	38,047	36,279
	EBITDA	2,839	3,724	3,239
	Profit after Taxation and Impairment and before Capital Gains and Dividends	542	1,167	764
	Profit after Taxation and Impairment/Revenue	1.51%	3.07%	2.11%
	EBIT/Tangible Assets (excl. Abnormal Items/Capital Gains)	3.37%	7.59%	5.21%
Shareholder Returns				
	Normalised Total Shareholder Return (Normalised End Equity - Start Equity + Ordinary Dividends - Equity Injected/Ave Commercial Value)	4.05%	8.77%	5.42%
	Normalised Dividend Yield (Ordinary Dividend Paid/Ave Commercial Value excl. special dividend)	5.12%	2.85%	4.82%
	Ordinary Dividend Payout (Ordinary Dividend Paid/Estimated Prior Operating Cash Flow) (Note – Refer to Dividend Policy on page 15)	8.60%	4.94%	8.74%
	Return on Equity (NPAT/Ave Equity) (excl. Abnormal Items and Capital Gains)	4.06%	8.52%	5.40%
Profitability and Efficiency				
	Return on Capital Employed (EBIT/Ave Debt + Equity)	5.73%	12.11%	8.14%
2	Gross Margin (Gross Margin/Revenue)	43.71%	43.63%	44.05%
2	Operating Margin (EBITDA/Revenue)	7.91%	9.79%	8.93%
Leverage/Solvency				
	Gearing Ratio (Net Debt/Net Debt + Equity)	-56.6%	-75.1%	-87.1%
	Interest Cover (EBIT/Net Interest)	17.5	25.0	9.6
	Solvency (Current Assets/Current Liabilities)	170.98%	190.61%	188.19%

Definitions for the financial performance targets above can be found at: <https://treasury.govt.nz/information-and-services/state-sector-leadership/guidance/implementation-management-monitoring-guidance/guidance-entities>.

Non-financial performance targets

The non-financial performance targets aim to measure factors that are critical to the successful delivery of QV's services in addition to meeting the financial performance measures.

- Customer Net Promoter Score (NPS) is a recognised customer satisfaction tool used by QV management to gauge loyalty and engagement of our customers. NPS is measured by asking customers to rank from 0 to 10 whether they would recommend QV to others. The NPS is the difference between the percentage that rank QV a 9 or 10 (promoters) less the percentage that rank QV a 0 to 6 (detractors).
- Supporting New Zealand by providing coverage throughout the regions. The number represents the number of regions we provide services to.
- Improvement in our environment systems and controls (ESCO) financial audit grades measured independently each year. This measure indicates the level of compliance with laws, regulations and policies.
- Maintain the Health & Safety PREQUAL rating which ensures our systems and processes are robust while allowing us to tender for certain contracts.
- Provide property information to the New Zealand open source data set. This includes media releases and information via digital platform(s).
- Enhance the credibility of our brand by maintaining the results that QV achieves to an independent third party survey. The recognition score is to the question 'have you ever heard of the company QV, also known as Quotable Value?'. The trust score is calculated from the percentage of respondents that either strongly agree or agree that QV provides trusted property information.
- Employee Net Promoter Score (eNPS) is a way to gauge how loyal and engaged our people are. eNPS is measured by asking employees to rank from 0 to 10 whether they would recommend QV as a good place to work. The eNPS is the difference between those that rank a 9 or 10 (promoters) less the percentage that rank a 0-6 (detractors), providing a score between -100 and +100.

Focus Areas	Measure	2022	2023	2024
1 3	Customer Net Promoter Score	51–56	54–57	56–58
1	Regional coverage	16	16	16
2	Audit ESCO grade	Good	Very Good	Very Good
2	Health & Safety PREQUAL	5 star	5 star	5 star
3	Data and insights available on a quarterly basis	4	4	4
3 4	QV brand recognition	82%	84%	85%
4	Trust QV's information	70%	72%	73%
4	Employee Net Promoter Score	+25	+30	+30

OUR TARGETS, POLICIES AND RESPONSIBILITIES

Corporate social responsibility

QV's data and values have a critical role in the New Zealand property market. Property is New Zealand's biggest asset class, and we recognise the role QV can play in helping the country to manage this valuable asset. Almost the entire property market in New Zealand makes reference, at some stage, to the values we calculate. Property information drives our economy and contributes to areas of taxation, construction and infrastructure planning, through to disaster planning and environmental protection. We have a central role in giving New Zealand the confidence to make property decisions. We ensure much of this information is available through digital platforms and provide transparency on the property data we hold through tools such as Update My Property. We do not take this responsibility lightly.

QV believes it is important to act professionally, ethically and responsibly in all matters. This can be seen in our view about our relationships with our employees, our customers and our environment. Our LiveWell programme provides the tools, resources and initiatives that support the Safety & Wellbeing of our people. QV strives for our people to have a consistently safe work environment, diversified workforce and the opportunity to maintain a healthy work/life balance. We also have programmes in place to reduce electricity and fossil fuel use.

Personnel policies

QV values its people and works hard to ensure our people are supported and fairly rewarded for the work they do. QV is committed to:

- Implementing effective and equitable policies and systems of remuneration, reward and recognition that encourage participation, innovation, commercial decision-making, personal development and contribution to profitability
- Identifying and implementing training and personal development activities that meet the present and evolving needs of QV and its employees and providing:
 - Open and effective two-way communication with employees
 - Operation guided by social responsibility, values and ethics
 - A safe and secure workplace for our people
 - Equality of opportunity irrespective of race, gender or age.

Compensation of key management personnel

QV Group's Remuneration and Reward approach is to pay fair and competitive market rates to attract and retain the best people and to align individual rewards with the objectives of the business. Executive remuneration is reviewed annually to ensure people are fairly rewarded for their contribution to the business. In setting remuneration QV reviews market information including from similar sectors and similar sized businesses.

QV has a formally constituted People and Culture Committee made up of at least two members of the Board. The Committee assists the Board to ensure a working environment and culture where QV can fulfil its overarching responsibilities. The People and Culture Committee is responsible for recommending terms of employment of the Executive, as well as reviewing and recommending the remuneration, incentive targets and performance of the CEO. The People and Culture Committee is also responsible for reviewing the Company's remuneration position against market movement and trends, and to recommend the total overall remuneration adjustment for QV people.

The Board is committed to ensure the remuneration practices of the Executive are appropriate, fair and transparent.

The Executive team remuneration has two components: fixed remuneration and an annual at risk component designed to reward performance within the current financial year. Each year the Board reviews and approves the key performance indicators for each Executive. The Board is also responsible for assessing the performance of the Executive and signing off the annual performance component of the QV Executive at the end of the financial year.

Capital investment and intellectual property

QV has set its capital budget in light of the evolving economic outlook and the funds the business will generate. We will increase our investment in intellectual property, technology, core business and new products over the next three years. This is critical to meeting business plan objectives and positioning QV to continue to meet customer needs in the future.

	FY22 SCI \$'000	FY23 SCI \$'000	FY24 SCI \$'000
Foundational, risk and best practice tools & systems	760	676	663
Revenue & product development initiatives	470	452	452
Cost optimisation & productivity initiatives	421	347	410
Total capital investment	1,651	1,475	1,525

Dividend policy (and Estimated Normal Dividend to the Crown)

QV's policy is to distribute to its shareholder between 50% and 60% of net operating cash flows after interest costs based on audited year end results. The dividend is ordinarily paid each October immediately succeeding the year on which it is calculated, providing this can be done without impairing QV's ability to meet its financial obligations (including debt repayment, investment and capital expenditure plans) as they fall due.

The Board manages dividend flows and total shareholder returns through a combination of operating performance, value-accretive investments and the use of gearing commensurate with the scale of our business. Internal gearing targets of 10% (allowing for peaks of 20%) are a key planning parameter for management and the Board. Gearing is calculated on a net debt basis i.e. debt less cash balances.

For bank covenant purposes the maximum gearing is 30% with net debt defined as term debt less any cash balances held with a registered bank.

OUR TARGETS, POLICIES AND RESPONSIBILITIES

The current cash on QV's balance sheet includes receipts received in advance of undertaking Council triennial valuations. The Board has also considered the ongoing economic uncertainties caused by the COVID-19 pandemic and the operational and capital investments required in FY2022. Based on these considerations, the Board has concluded that it is prudent to retain earnings from FY2022 to meet our contractual commitments and fund our required investments. The following dividends have been assumed in the financial plan.

	FY22 SCI \$'000	FY23 SCI \$'000	FY24 SCI \$'000
Estimated Normal Dividend to the Crown (alongside estimated capital expenditure plans)	620	380	660

Value of the Crown's investment in the Company

In accordance with section 14 of the SOE Act, the Board's estimates of the value of the Crown's investment in QV are:

Book Value of Crown Investment in QV	FY22 SCI \$'000	FY23 SCI \$'000	FY24 SCI \$'000
Forecast Net Asset Value as at 30 June	13,304	14,091	14,195

The Board considers that the net asset values understate the value of QV, which as a professional services company retains significant value in its people and systems. A Valuation Disclosure Statement is attached in Appendix 2; in summary it gives an estimate of the current commercial value of the QV business as at 30 June 2021 in the range of \$22.6m to \$26.3m, with a midpoint of \$24.4m.

Information to be provided to the shareholder

To enable the shareholder to assess the value of their investment in QV, any information that would normally be supplied to a controlling private sector shareholder will be made available.

Annual Reports will be submitted in accordance with section 15 of the SOE Act 1986.

Half-yearly reports will also be provided in accordance with section 16 of the SOE Act and will include an unaudited statement of financial performance, a statement of financial position, a statement of cash flows and other details necessary to permit an informed assessment of QV's performance during the period.

Quarterly reports will be provided as per the Owners Expectations document (July 2020). Reports will indicate actual performance against key financial and operating performance targets during the period and reasons for any significant departure from forecasts.

QV intends to comply fully with section 18 of the SOE Act by providing to the shareholder such additional information as may from time to time be requested.

A business plan will be made available to shareholding Ministers for discussion prior to the commencement of each financial year.

Procedure for acquisition of shares and disposals

QV will only invest in the shares of another entity when the securities acquired are likely to bring added value to QV. In any instance where QV intends to subscribe for or otherwise acquire (whether at the same time or over a period of time) 20% or more of the issued capital of any company, or make an investment representing more than 20% of the net assets of QV, it will give prior written notice to the shareholder of its intention. In the case of subsidiaries, QV will comply with the rules set out in Appendix 1. QV will not lease, sell, convey, transfer or otherwise dispose of any material part of its assets or undertaking without prior consultation with the shareholder.

Activities for which compensation is sought

Where the Government wishes QV to undertake activities or assume obligations that will, or may, result in a reduction in the surplus or net worth of QV, the Board will seek compensation to allow QV's financial position to be preserved.

Appendix 1: Subsidiaries and Associated Companies

QV will ensure at all times that:

- › Control of the affairs of every subsidiary is exercised by a majority of the directors of that subsidiary.
- › A majority of the directors of every subsidiary are persons who are also directors or employees of QV, or have been approved by the shareholding Ministers for appointments as directors of the subsidiary.

Without prior consultation with the shareholding Ministers, neither QV nor any subsidiary will sell or otherwise dispose of, whether by a single transaction or any series of transactions, and whether by a sale of assets or shares, the whole or any substantial part of the business or undertaking of QV and its subsidiaries (taken as a whole).

Where QV or its subsidiaries hold 20% or more of the shares in any company or other body corporate (not being a subsidiary of QV), it will not sell or otherwise dispose of any shares in that company without first giving written notice to the shareholding Ministers of the intended disposition.

Appendix 2: Commercial Valuation Model Disclosure Statement

The Board's estimate of the current commercial value of the Crown's equity in QV is in the range of \$22.6 million to \$26.3 million. If a single value is required, a value in the middle of the range is appropriate, being \$24.4 million.

Key points about the manner in which this value was assessed are:

- › QV and QVA were valued separately. Each business was valued using both the discounted cash flow (DCF) and capitalisation of earnings approaches.
- › For the DCF valuation, a mid-point weighted average cost of capital (WACC) discount rate of 11.5% was used in the QV valuation and a mid-point rate of 13.0% was used for the QVA valuation. The difference in WACC between QV and QVA is mainly due to differences in risk free rates of return and tax rates in New Zealand and Australia.
- › For the capitalisation of earnings approach, an EBITDA multiple range of 5.5–6.5 times was used for QV and a multiple range of 4.5–5.5 times EBITDA was used for QVA.
- › The current commercial value of the Crown's investment of \$24.4 million (i.e. the value of 100% of the equity) was calculated by taking the total of the mid-point enterprise values for QV and QVA (\$18.2 million) and adding cash (net of debt) of \$6.2 million.
- › This valuation compares with a mid-point valuation as at 30 June 2020 of \$20.9 million. The \$3.5m upward movement in QVL's enterprise value reflects the FY21 results. The mid-point discount rate used in the DCF approach for QV remained unchanged and for QVA reduced by 0.5%. The multiple range used in the earnings capitalisation approach for QV increased from 4.5–5.0 to 5.5–6.5 times and QVA remained unchanged from last year.

This independent valuation was prepared by Deloitte Limited Corporate Finance under instruction by QV.



[QV.co.nz](https://www.QV.co.nz)