

NZX AND MEDIA RELEASE

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NAPIER PORT TRADING UPDATE

Napier Port (NZX.NPH) today reports on trading conditions disrupted by the COVID-19 virus.

Financial year to date trading has been in line with expectations. In particular, log export volumes have increased by 2.9% on the prior year comparable period. However, given the current market conditions and uncertainty regarding its duration, we expect a slowdown in log exports from levels seen for the financial year to date and possible impacts on other cargo trades. While we are unable to quantify the potential financial impact at this time, these conditions represent a materially increased risk to the achievement of previous earnings forecasts.

Napier Port is closely monitoring changes to trading patterns, particularly as it affects our log export customers and the key Chinese destination market. The impact on global trade and supply chains from the coronavirus outbreak is uncertain and we continue to engage with our customers to understand the possible impacts which will vary by cargo type.

Log exports continue to sail from Napier Port however there have been reductions in log harvesting and current log inventory levels on Chinese ports remain high. Export log prices have reduced to levels seen during the sharp price correction during 2019.

We understand port operations in China are rebuilding towards normal operating capacity but it is uncertain how quickly this will occur. The trade outlook remains uncertain, and dependant on the speed of recovery in China, and other countries taking measures to manage the coronavirus risk and any resulting supply chain impacts.

Napier Port is committed to keeping the market informed, and expects to provide further information to the market when announcing its half-year to 31 March trade data during April and its half-year financial results in late May.

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About Napier Port

Napier Port is New Zealand's fourth largest port by container volume. We are the main gateway for Hawke's Bay exports and operate a long-term regional infrastructure asset that supports the regional economy. Our strategic purpose is to collaborate with the people and organisations that have a stake in helping our region grow. View Napier Port's investor centre: www.napierport.co.nz/investor-centre/