

## Napier Port Holdings Limited

### Supplemental Selected Financial Information (unaudited)

The below supplemental selected financial information provides a summary of financial information for the nine months ended 30 June 2021 (9M2021) compared to the corresponding period in 2020 (9M2020).

Except where information is denoted as being extracted directly from audited financial statements, the supplemental selected financial information is unaudited.

#### Selected financial information <sup>(1)</sup>

NZ\$000	3Q2021	3Q2020	9M2021	9M2020
Financial period	3 months ending 30 Jun 21	3 months ending 30 Jun 20	9 months ending 30 Jun 21	9 months ending 30 Jun 20
<b>Financial performance:</b>				
Revenue <sup>(2)</sup>	30,420	24,269	83,005	76,553
Result from operating activities <sup>(3)</sup>	12,836	9,343	34,129	31,079
Net profit after tax	7,867	5,886	18,441	18,316
Underlying net profit after tax <sup>(4)</sup>	6,667	4,288	17,241	15,437
<b>Balance sheet and cash flow items:</b>				
Dividends paid	5,532	-	15,532	5,000
Total assets	451,051	379,869	451,051	379,869
Cash and cash equivalents	2,517	17,955	2,517	17,955
Total liabilities	101,753	36,958	101,753	36,958
Total debt	58,718	-	58,718	-
Net cash flows from operating activities	11,844	9,580	26,407	23,006
Underlying net cash flows from operating activities <sup>(5)</sup>	11,844	7,960	26,407	21,895

#### Notes:

- The selected financial information (excluding any financial information in the selected financial information table that is identified as being underlying financial information) is extracted from unaudited financial statements of Napier Port Holdings for 9M2021. Some line items in the selected financial information include adjustments applied by Napier Port (denoted 'underlying'). An explanation of these adjustments is contained in section 1.1 below.
- Revenue relates to operating income as disclosed in the financial statements for Napier Port.
- Result from operating activities is a non-NZ GAAP measure and is as disclosed in the financial statements for Napier Port. The measure is calculated as operating income less operating expenses. The measure excludes income and expenses related to depreciation, amortisation, impairment, and retirement of operating and other assets, income and expenses arising from fair value changes, non-recurring and abnormal, and joint-venture and other investment activity.
- Underlying net profit after tax is a non-NZ GAAP measure that comprises reported net profit after tax adjusted for Initial Public Offering (IPO) costs, the receipt of the Covid-19 wage subsidy and the impairment of certain assets relating to the construction of 6 Wharf as described in section 1.1 below. Tax expense has been adjusted to reflect the tax implications of the adjustments and the tax benefit associated with the reinstatement of tax depreciation on buildings. A reconciliation to reported net profit after tax is included in section 1.2 below.
- Underlying cash flows from operating activities is a non-NZ GAAP measure that comprises net cash flows from operating activities adjusted for cash IPO costs, receipt of the Covid-19 wage subsidy and the tax implications of these adjustments on the basis that cash taxes would be paid in the corresponding reporting period. A reconciliation to reported net cash flows from operating activities is included in section 1.3 below.

## 1.1 Description of adjustments

In determining the use of adjustments, the Directors have considered only those items that they believe are required to ensure consistency and comparability of the financial information over the periods presented. The adjustments that Napier Port considers are appropriate are explained below:

- (i) removal of the one-off transaction costs relating to the IPO;
- (ii) removal of fair value movements as these are unrealised and non-core activity;
- (iii) removal of the receipt of the government's Covid-19 wage subsidy, which was subsequently repaid in full;
- (iv) removal of the impairment of joint venture as it was a one-off event;
- (v) removal of the impairment of existing infrastructure assets arising as a result of the 6 Wharf development. Certain existing seawall and paving assets are required to be removed in order for the new 6 Wharf development assets to be constructed. The impairment expense arising, recorded in the Income Statement, has been adjusted for given its unusual and non-recurring nature; and
- (vi) removal of the one-off deferred tax benefit relating to the reinstatement of tax depreciation on commercial buildings.

## 1.2 Reconciliation of underlying net profit after tax

NZ\$000	3Q2021	3Q2020	9M2021	9M2020
<b>Reported net profit after tax</b>	<b>7,867</b>	<b>5,886</b>	<b>18,441</b>	<b>18,316</b>
<b>Adjustments:</b>				
IPO transaction and related costs/ (reversals)	-	-	-	(201)
Fair value movements	(1,200)	-	(1,200)	-
Covid-19 wage subsidy	-	(2,036)	-	(2,036)
Impairment of joint venture	-	(132)	-	(132)
Impairment of infrastructure assets for 6 Wharf development	-	-	-	551
Tax impact of adjustments	-	570	-	447
Tax benefit of reinstatement of tax depreciation on buildings	-	-	-	(1,508)
<b>Underlying net profit after tax</b>	<b>6,667</b>	<b>4,288</b>	<b>17,241</b>	<b>15,437</b>

## 1.3 Reconciliation of underlying net cash flows from operating activities

NZ\$000	3Q2021	3Q2020	9M2021	9M2020
<b>Reported net cash flows from operating activities</b>	<b>11,844</b>	<b>9,580</b>	<b>26,407</b>	<b>23,006</b>
<b>Adjustments</b>				
IPO transaction and related costs	-	-	-	478
Covid-19 wage subsidy	-	(2,036)	-	(2,036)
Tax impact of adjustments	-	416	-	447
<b>Underlying net cash flows from operating activities</b>	<b>11,844</b>	<b>7,960</b>	<b>26,407</b>	<b>21,895</b>