

Item	Update
<p style="text-align: center;">Outlook</p>	<ul style="list-style-type: none"> • The global situation of unprecedented demand coupled with port congestion continues to drive supply chain disruption and a pronounced capacity shortage. In turn these developments impact the South Pacific. Ongoing congestion in LA and last months' s Covid induced port closure in Ningbo impact vessels arrivals through Australia and New Zealand. Ships become bunched which in turn disrupts our schedules as our ships wait for berth availability. Within the ports, terminals are heaving at full capacity and trucking companies are looking to pass on the waiting time cost. We do not expect the macro setting to change in the near term. ➤ Global index's that track freight rates show the World Container Index per 40 foot container 351% up vs the same period in 2020. By comparison our increases are less than 10% when compared to the global trend. We are very conscious of shipping affordability. Our increases are measured and about long term sustainability and should be evaluated in terms of the market developments. Container handling and bunker costs are rising significantly and the global charter market for vessels suitable for pacific trades has increased 305% compared with 2020. In addition to soaring costs of idle ship time Port congestion has reduced overall capacity by more than 30%. Maintaining Covid safe crewing and carrying out ship maintenance in covid times comes at a high cost. • We are transitioning to fully vaccinated crew. The challenge remains the regulatory hurdles which don't keep pace. Today many ports require crew to pass PCR tests. International crew and or crew from Fiji that have long recovered from covid and are fully vaccinated and not spreading covid fail PCR tests which result in vessels not being granted entry. Our Covid task force team are working with regulators to find transition solutions. In the meantime the chronic shortage of MIQ beds in New Zealand remains a high disruption risk to our services. • We continue encourage customers to plan buffer stocks in their supply chains wherever possible, we expect space in general to further tighten as we approach the Christmas period and Chinese New Year • On the positive side Fiji has done a magnificent job with vaccinations and airlines are advertising the resumption of flights from December. The ports of Fiji are now operating 24/7 and port worker vaccinations are on track to be fully vaxxed in September. • In Auckland the port is looking at a number of initiatives to relieve the tucking congestion. In this regard cargo owners will need to play their part and introduce after receipt and dispatch.
<p style="text-align: center;">Network Update</p>	<ul style="list-style-type: none"> • NZ - East Pacific Services – Tahiti - Southern Trader – completed her planned maintenance in Auckland during her August call. She is now planned to see out the year in the Tahiti trade • NZ - East Pacific Services – Samoa and Tonga – The Southern Moana will make an ad-hoc call in Tahiti on voyage 37, to cater for cargo overflow. We do expect to undertake some preventative crane maintenance during her next call in Auckland during September and will update when planned are confirmed

- **NZ - Fiji** – Vessels continue to experience heavy demand and are overbooked several weeks in advance, whilst all 4 ports in the service rotation are currently impacted by congestion, we are pleased to report that Fiji Ports have confirmed a return to 24-hour operations, we expect this will significantly assist productivity and therefore contribute to achieving greater schedule reliability on the Fijian end of the service.
- **Australia to Pacific** – Service ex Australia to the Pacific remains at capacity with strong weekly volumes being consolidated over NZ. Maersk recently announced the omission of Brisbane on their Southern Star Service. We are working with partners to secure additional capacity on other services for cargo ex Brisbane.
- **Fiji Interisland Services** – We had 5 fully vaccinated crew join the Capitaine Wallis in Suva, all other remaining crew onboard are fully vaccinated. Because PCR tests are extremely sensitive they pick up historical cases of COVID and give a positive reading which triggers non entry to some ports. To mitigate this risk we swapped Southern Pearl which is carrying a fully compliant crew for the Capitaine Wallis. The objective is to avoid the chance that the vessel is denied entry. Our COVID task force are working to find solutions so that the transition to fully vaccinated crew and the PCR testing anomalies can be sorted out in a way that preserves safety and service reliability.
- **Nouvapac** – The Southern Pearl v1484 NB voyage in the Nouvapac service will see the end of the vessel shifting on the service for the last several months as we undertook forced changes to facilitate vessel surveys. We expect the Capitaine Magellan to resume her planned deployment in the NZ – New Caledonia – Fiji – Vanuatu service in October.
- **Asia to Pacific** – Extremely strong demand for capacity is expected to continue well in to 2022, feeders & containers in Asia is expected to continue for the foreseeable future with vessels at capacity several weeks prior to sailing.
- **Customer Service** – Our Customer Service team will distribute a letter this month updating customers on revised processes designed to improve documentation turnaround times, document accuracy, and update you on the latest Customer Service contacts.
- **NZ CEDO's** – Ports have instituted penalties of up to NZD1000.00 for any containers arriving at the terminal without CEDO's. We will not accept any containers that are delivered without CEDO's and any penalties incurred will be passed on to the responsible parties.
- **Email domain name** – Please note that our email domains have changed during August from @npdl.co.nz to @npdlship.com. Please see revised key contact addresses attached.
- **Updated website** – Our new and updated website will come online during September. The website will be updated daily with latest vessel positions, service frameworks, trade notices and vessel schedules, further exciting developments including ecommerce functionalities are planned in the coming months.
- **Revised schedule format** – In response to your feedback we have revised our schedule formats to focus on services ex major origin locations of Australia, New Zealand, Fiji, and the Pacific Islands. We would like to thank you for your regular feedback that enabled these enhancements.

Market Update	<ul style="list-style-type: none">• The COVID-19 crises in Fiji is ongoing and contingency plans to ensure business continuity are in place. Please keep our cousins in Fiji in mind. Whilst vaccination plans in Fiji roll out at pace. Fiji Ports have a high % of vaccinated employees and good contingency planning in place however we do expect a drop in productivity. Regarding NPD's business we have 100% of employees having had their first dose of vaccination and are well prepared to manage operations through this challenging period.• The recent outbreak of the delta variant in NZ is expected to impact shipping and logistics through September. As per our notice at the outset of the outbreak all NPD and associated businesses are operational and operating in compliance with NZ level 4 restrictions.• Congestion in Auckland continues to be severe and is expected to continue for the immediate future. We expect port congestion to be ongoing for the foreseeable future and encourage customers to take advantage of expanded hours for delivery of containers. Port congestion is an issue that impacts the full supply chain and easing the problem requires action from all participants in the supply chain.• Overall demand for cargo remains at unprecedented levels and services are expected to be at capacity for the foreseeable future.• Australian East Coast ports are also experiencing delays with industrial action.• Ports across Asia and the US West Coast are also severely impacted by congestion.• The situation is both ongoing and fluid, we will communicate the latest possible receipt and delivery information for our services as soon it is to hand.• In the short term we expect schedule integrity across the pacific to continue to be impacted as local authorities take steps to manage COVID-19 risk, vessels spares continue to be both difficult to source and are subject to long lead times as well as international flight schedules.• We continue to work on vaccinating crew as they move through Fiji and continue to work with the NZ Govt on crew vaccination and access for seafarers to MIQ beds.