



## NZX MARKET ANNOUNCEMENT

### Tax Adjustment Impacts Profit Forecast

9 August 2024

On 25 July 2024 South Port provided updated guidance to the market stating that the Company expected its full year earnings to be in the region of \$8.3M to \$9.0M.

The 25 July 2024 release also referred to a one-off deferred tax expense of \$0.9M, as calculated by our external tax advisors. The deferred tax expense arose following recent changes to tax legislation regarding the deductibility of depreciation on commercial buildings.

Our Auditor has now determined that our deferred tax calculation differs from its interpretation of the accounting standard for buildings that previously had an initial recognition exemption applied.

This difference of interpretation and subsequent revised calculation equates to an additional deferred tax adjustment of \$1.35m (total adjustment now \$2.3M), which will result in a reduction of our reported net profit range to \$7.0M to \$7.5M.

While this one-off accounting adjustment will reduce our final reported profit, it will have no impact on cash flows or the underlying profitability of the Company.

ENDS

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