

Christchurch International Airport Ltd

INTERIM REPORT & FINANCIAL STATEMENTS

For the six months ended 31 December 2024



INTERIM REPORT

INTERIM FINANCIAL STATEMENTS

Interim Income Statement for the six months ended 31 December 2024

	Note	Unaudited 6 months to 31 Dec 2024 \$000	Unaudited 6 months to 31 Dec 2023 \$000
INCOME			
Operating revenue	3	120,584	115,452
Interest income		261	224
Total Income		120,845	115,676
EXPENSES			
Operating costs	4	47,626	47,909
Financing and interest costs		15,322	16,357
Depreciation, amortisation and impairment		22,448	21,691
Total Expenses		85,396	85,957
Surplus before tax		35,449	29,719
Total taxation expense		11,669	8,201
Net Operating Surplus after income tax		23,780	21,518

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2024 have been audited. The accompanying notes form part of these interim financial statements.

INTERIM REPORT

Interim Statement of Comprehensive Income for the six months ended 31 December 2024

		Unaudited 6 months to 31 Dec 2024	Unaudited 6 months to 31 Dec 2023
	Note	\$000	\$000
Surplus after income tax		23,780	21,518
Other comprehensive income			
<i>Items that may be reclassified subsequently to the income statement:</i>			
Changes in fair value of cash flow hedges (net of deferred tax)	11	(10,571)	(6,251)
Other comprehensive income for period, net of tax		(10,571)	(6,251)
Total Comprehensive Income for the period		13,209	15,267

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INTERIM REPORT

Interim Statement of Changes in Equity for the six months ended 31 December 2024

	Share Capital	Reserves	Retained Earnings	Total Equity
Note	\$000	\$000	\$000	\$000
Balance at 1 July 2023	57,600	949,276	500,484	1,507,360
Total comprehensive income for the period	-	(6,251)	21,518	15,267
Dividends paid to shareholders	-	-	(13,140)	(13,140)
Balance at 31 December 2023	57,600	943,025	508,862	1,509,487
Balance at 1 July 2024	57,600	987,095	491,095	1,535,790
Total comprehensive income for the period	-	(10,571)	23,780	13,209
Dividends paid to shareholders	-	-	(18,658)	(18,658)
Balance at 31 December 2024	57,600	976,524	496,217	1,530,341

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INTERIM REPORT

Interim Statement of Financial Position as at 31 December 2024

		Unaudited As at 31 Dec 2024	Audited As at 30 June 2024
	Note	\$000	\$000
EQUITY			
Share capital		57,600	57,600
Reserves		976,524	987,095
Retained earnings		496,217	491,095
TOTAL EQUITY		<u>1,530,341</u>	<u>1,535,790</u>
NON-CURRENT LIABILITIES			
Term Borrowings	5	565,263	331,614
Derivative financial instruments	11	-	742
Deferred taxation		227,875	231,986
Trade and other payables		4,780	278
TOTAL NON-CURRENT LIABILITIES		<u>797,918</u>	<u>564,620</u>
CURRENT LIABILITIES			
Current Portion of Borrowings	5	-	225,000
Trade and other payables		26,395	26,436
Taxation payable		13,940	13,670
TOTAL CURRENT LIABILITIES		<u>40,335</u>	<u>265,106</u>
TOTAL EQUITY AND LIABILITIES		<u>2,368,594</u>	<u>2,365,516</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,524,813	1,529,330
Investment Properties	10	800,355	785,425
Intangible Assets		2,616	2,501
Trade and other receivables		3,613	4,132
Derivative financial instruments	11	7,796	16,923
TOTAL NON-CURRENT ASSETS		<u>2,339,193</u>	<u>2,338,311</u>

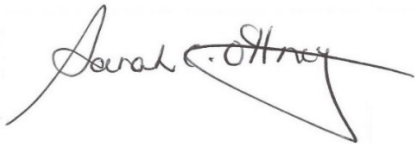
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INTERIM REPORT

Interim Statement of Financial Position as at 31 December 2024 (continued)

		Unaudited As at 31 Dec 2024	Audited As at 30 June 2024
	Note	\$000	\$000
CURRENT ASSETS			
Cash and cash equivalents		2,316	4,412
Trade and other receivables		26,478	21,395
Derivative financial instruments	11	340	1,108
Inventories		267	290
TOTAL CURRENT ASSETS		29,401	27,205
TOTAL ASSETS		2,368,594	2,365,516

For and on behalf of the Board



Sarah Ottrey
Chair



Andrew Barlass
Director

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2024 have been audited. The accompanying notes form part of these Interim financial statements.

INTERIM REPORT

Interim Statement of Cash Flows for the six months ended 31 December 2024

	Note	Unaudited 6 months to 31 Dec 2024 \$000	Unaudited 6 months to 31 Dec 2023 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Receipts from customers		118,368	109,549
Interest received		261	224
Net Goods and Services Tax received		449	1,791
		<u>119,078</u>	<u>111,564</u>
<i>Cash was applied to:</i>			
Payments to suppliers and employees		(50,121)	(50,183)
Financing and interest costs		(16,492)	(16,709)
Net income tax paid		(11,400)	(295)
		<u>(78,013)</u>	<u>(67,187)</u>
Net Cash Flows from Operating Activities		<u>41,065</u>	<u>44,377</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Cash was provided from:</i>			
Proceeds from the sale of property, plant and equipment		16	-
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment and intangible assets		(14,579)	(17,351)
Purchase of investment properties		(12,502)	(6,119)
Purchase of intangible assets		(381)	-
Net Cash Flows from Investing Activities		<u>(27,446)</u>	<u>(23,470)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Cash was provided from:</i>			
Borrowings		98,000	14,000
<i>Cash was applied to:</i>			
Borrowings		(95,000)	(18,000)
Payment of lease liabilities (principal)		(57)	-
Dividends paid	8	<u>(18,658)</u>	<u>(13,140)</u>
Net Cash Flows from Financing Activities		<u>(15,715)</u>	<u>(17,140)</u>

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INTERIM REPORT

Interim Statement of Cash Flows for the six months ended 31 December 2024 (continued)

	Unaudited 6 months to 31 Dec 2024	Unaudited 6 months to 31 Dec 2023
	\$000	\$000
Net (Decrease)/Increase in Cash Held	(2,096)	3,767
Add cash and cash equivalents at beginning of the period	4,412	4,370
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2,316	8,137
RECONCILIATION WITH NET OPERATING SURPLUS AFTER TAX		
Net operating surplus after income tax	23,780	21,518
<i>Non-cash items</i>		
Fair value hedge ineffectiveness	-	38
Amortisation of lease surrender and incentives	686	(108)
Accrued interest within derivatives	364	(65)
Depreciation, amortisation and impairment	22,448	21,691
	23,498	21,556
<i>Items Not Classified as Operating Activities</i>		
Capital items included in trade payables and accruals	(1,185)	4,135
Capital items included in prepayments	-	1,391
Net gain on asset disposals	24	-
	(1,161)	5,526
<i>Movements in Working Capital</i>		
Increase/(decrease) in trade and other payables	(98)	(3,897)
(Increase)/decrease in trade and other receivables	(5,247)	(8,245)
(Increase)/decrease in inventories	24	13
Increase/(decrease) in taxation payable	269	7,906
	(5,052)	(4,223)
Net Cash Flows from Operating Activities	41,065	44,377

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2024 have been audited. The accompanying notes form part of these interim financial statements.

Notes to the Interim Financial Statements for the six months ended 31 December 2024

1. Basis of Preparation and Accounting Policies

Christchurch International Airport Limited (CIAL) is a company established under the Airport Authorities Act 1966 and registered under the Companies Act 1993. The company is an FMC Reporting Entity under Part 7 of the Financial Markets Conduct Act 2013 and a climate reporting entity.

The interim financial statements presented are for Christchurch International Airport Limited and its wholly owned subsidiaries. As the wholly owned subsidiaries were not trading and held no assets and liabilities during and at the end of the period of review, the financial statements for the group are the same as that of the parent.

These interim financial statements were approved by the Board of Directors on 26 February 2025. The interim financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Local Government Act 2002, the Financial Reporting Act 2013, the Companies Act 1993 and the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Debt Market Listing Rules of NZX Limited. These unaudited interim financial statements comply with New Zealand equivalents to International Accounting Standards NZ IAS 34. Christchurch International Airport Limited is designated as a profit-oriented entity for financial reporting purposes.

These interim financial statements are not required to and do not make disclosure of all the information required to be included in an annual financial report. Accordingly, this report should be read in conjunction with the financial statements and related notes included in Christchurch Airport's Annual Report for the year ended 30 June 2024 ("2024 Annual Report").

The accounting policies set out in the 2024 Annual Report have been applied consistently to all periods presented in these interim financial statements, except for the adoption of new standards effective for periods commencing on or after 1 January 2024. Christchurch Airport has not early adopted any other standard that has been issued but is not yet effective.

Key Estimates and Judgements

During the preparation of the interim and annual financial statements, several estimates and judgements are made that impact the carrying value of underlying assets and liabilities – with key estimates relating to the carrying value, and impairment assessments, of Property, Plant & Equipment and Investment Property.

Based on the company's performance in the most recent six months to 31 December 2024, these estimates and judgements have been reassessed and no material adjustments have been deemed necessary for this six-month period (see further commentary in Notes 9 and 10). No revaluation of the fair value of these asset categories has been performed as at 31 December 2024.

CIAL uses underlying forecast cash flows when making some of its estimates and judgements based on forecasts of passenger and visitor growth trajectories using information available at the time of preparing these interim financial statements. As with all reasonable assumptions made at a point in time it is likely that the actual outcome will differ over time.

Climate Risk

The Board is responsible for overseeing the management of risks and opportunities for the organisation, including those relating to climate change. CIAL's Risk, Audit & Finance Committee supports the Board in this regard and has oversight of the setting and execution of CIAL's ESG strategy as well as specific responsibility for CIAL's Climate Reporting obligations.

CIAL falls within the scope of the Government's climate related disclosures reporting regime, with mandatory reporting having come into effect from the financial year ending 30 June 2024. CIAL's wider sustainability initiatives and any related targets are reported each year in a separate Annual Review.

CIAL's assessment of the potential impacts of climate change and the transition to a lower carbon economy will continue to evolve. When there is sufficient evidence-based support, the potential financial impact is incorporated into CIAL's underlying forecast cash flows for any relevant asset valuation and impairment models e.g. impact on demand, capital and operating expenditure associated with climate change initiatives and use of appropriately risk adjusted discount rates as necessary.

INTERIM REPORT

2. Segment Reporting

Reportable Segments

The company's reportable operating segments have been based on the monthly internal reporting that is received by the Chief Executive, as the chief operating decision maker. This information is used to assess performance and determine the allocation of resources.

The operating segments are based on the type of services rendered. Discrete financial information is presented to the Chief Executive to a Net Profit Before Tax level, which is used to assess segment performance. An allocation of all corporate revenues and expenses (except tax), is included within each operating segment.

Operating Segments – Services provided

Planes

This area of the business offers services that facilitate the movement of aircraft, cargo and passengers on the airfield.

Passengers

The passenger operating segment provides services to the terminal retailers, provides ground transport solutions to staff and the public and includes the terminal portion of the aeronautical charge.

Property

The property operating segment earns revenues from the provision of investment properties to landside airport campus tenants and operating the Novotel Christchurch Airport.

	Planes	Passengers	Property	Total
Unaudited six months to 31 Dec 2024	\$000	\$000	\$000	\$000
Total segment income	19,391	56,745	44,709	120,845*
Total segment expenses	15,954	39,691	29,751	85,396*
Segment Net Profit before Tax	3,437	17,054	14,958	35,449*
	Planes	Passengers	Property	Total
Unaudited six months to 31 Dec 2023	\$000	\$000	\$000	\$000
Total segment income	18,442	54,072	43,162	115,676*
Total segment expenses	15,934	38,794	31,229	85,957*
Segment Net Profit before Tax	2,508	15,278	11,933	29,719*

*Agrees to total income, total expenses, and surplus before tax on the Interim Income Statement.

Income reported above represents income generated from external customers. There was no inter-segment income in the period (31 December 2023: nil).

INTERIM REPORT

3. Operating Revenue

	Unaudited 6 months to 31 Dec 2024	Unaudited 6 months to 31 Dec 2023
	\$000	\$000
<i>Revenue from contracts with customers</i>		
Landing and Terminal charges	44,453	42,092
Ground transport and other trading activities	22,717	19,888
Total Revenue from contracts with customers	67,170	61,980
<i>Other Income</i>		
Rent and Lease income	45,252	43,624
Gain on disposal of assets	4	-
Other revenue	8,158	9,848
Total Other Income	53,414	53,472
Total Operating Revenue	120,584	115,452

4. Operating Costs

	Unaudited 6 months to 31 Dec 2024	Unaudited 6 months to 31 Dec 2023
	\$000	\$000
Staff	13,728	13,332
Asset management, maintenance and airport operations	9,217	8,806
Rates and insurance	8,697	8,177
Marketing and promotions	1,804	1,615
Professional services and levies	1,807	2,946
Commercial entity running costs	6,716	5,677
Other	5,657	7,356
	47,626	47,909

INTERIM REPORT

5. Borrowings

As at 31 December 2024, the Company has committed bank funding facilities for an aggregate \$385,000,000 (2023: \$375,000,000) with five banks (2023: six banks). In addition, the Company has an overdraft facility of \$1,000,000 (2023: \$1,000,000).

CIAL refinanced \$225,000,000 of maturing bank facilities between October and December 2024. This process added a new banking partner to the group, whilst overall reducing the number of existing bank partners by two. The refinancing extended the existing Sustainability Linked Loan for an additional three years and increased its value to \$85,000,000. The next facility set to mature is in May 2026.

Total bond funding at 31 December 2024 is \$275,000,000 (2023: \$250,000,000). A \$125,000,000 bond, maturing in April 2031, is held at amortised cost, adjusted by the fair value of the designated hedge risk. Additionally, the Company has a \$50,000,000 bond and \$100,000,000 bond, maturing in April 2027 and May 2028 respectively.

All borrowings under the bank facility and overdraft facility are unsecured and supported by a negative pledge deed. The negative pledge deed requires that no security interest is provided over any assets for borrowings, unless an equivalent security interest is created for the borrowing group and bond holders. Interest rates paid during the period, including offsetting interest rate swaps, ranged from 4.35% to 5.01% (2023: 3.4% to 6.9%). The bonds constitute direct, unsecured, unsubordinated obligations and will rank equally with all other unsecured, unsubordinated indebtedness.

During the current and prior periods, there were no defaults or breaches on any of the borrowing facilities.

CIAL was in compliance with all its current financial covenants during the current and prior periods.

The Company remains confident that any future additional financing needs will be secured given current market appetite for corporate debt, positive market engagement and ongoing engagement with existing facility providers.

The carrying value of borrowings is considered to approximate their fair value.

	Unaudited As at 31 Dec 2024	Audited As at 30 June 2024
	\$000	\$000
Less than 1 year	-	225,000
1 > 3 Years	165,000	87,000
3 > 5 Years	270,000	244,614
Greater than 5 Years	130,263	-
	<hr/> 565,263	<hr/> 556,614
	<hr/>	<hr/>
Total available funding	<hr/> 660,000	<hr/> 650,000

INTERIM REPORT

6. Related Party Transactions

Christchurch City Holdings Limited (CCHL), a wholly owned subsidiary of the Christchurch City Council (CCC), owns 75% and the New Zealand Government owns 25% respectively of the issued share capital of the company.

Christchurch International Airport Limited enters into a large number of transactions with government departments, Crown entities, State-owned enterprises and other entities controlled or subject to significant influence by the Crown. All transactions with related entities:

- are conducted on an arm's length basis;
- result from the normal dealings of the parties;
- meet the definition of related party transactions only because of the relationship between the parties being subject to common control or significant influence by the Crown.

The New Zealand Government is the majority owner of Air New Zealand, a major customer of CIAL from both an aeronautical and rental and lease perspective. Pricing agreements are renegotiated for aeronautical charges with all airline customers of CIAL, including Air New Zealand, every five years. Air New Zealand also leases several properties within the terminal and the wider CIAL campus.

	Unaudited 6 months to 31 Dec 2024	Unaudited 6 months to 31 Dec 2023
	\$000	\$000
<i>Transactions with owners during the period to 31 December</i>		
Purchases from CCC and subsidiaries	4,781	3,785
Rates paid to CCC	4,523	3,944
Revenues from CCC and subsidiaries	267	271
Amounts payable to CCC and subsidiaries	338	386
Amounts receivable from CCC and subsidiaries	-	5
Dividend to CCC and subsidiaries	13,993	9,855

Non-Shareholder Related Party Transactions

Some directors of the company are, or have been during the period, directors of other companies or organisations with whom Christchurch International Airport Ltd may transact. Such transactions are all carried out on an arm's-length basis and are conducted on normal commercial terms.

No amounts were written off or forgiven during the reporting period and outstanding balances were settled under normal trading terms.

7. Commitments

	Unaudited As at 31 Dec 2024	Unaudited As at 31 Dec 2023
	\$000	\$000
<i>Total capital expenditures committed to, but not recognised in, the financial statements</i>		
Property, Plant and Equipment and Intangibles	65,436	6,793
Investment Properties	64,998	1,702

Cashflows associated with the purchase or construction of Property, Plant and Equipment, Intangibles and Investment Properties are included in the Statement of Cashflows.

INTERIM REPORT

8. Dividends

	Unaudited 6 months to 31 Dec 2024	Unaudited 6 months to 31 Dec 2023
	\$000	\$000
2023 Final dividend paid (22.8 cents per share)	-	13,140
2024 Final dividend paid (32.4 cents per share)	18,658	-

9. Property, Plant & Equipment

The company carries land, buildings, terminal facilities, hotel business assets, sealed surfaces, infrastructure and car parking assets at fair value. Car parking and land were revalued at 30 June 2024, as outlined in the 2024 Annual Report. Sealed surfaces, infrastructure and terminal assets were revalued at 30 June 2023, as outlined in the 2023 Annual Report. Commercial buildings and hotel assets were last revalued at 30 June 2022, as outlined in the 2022 Annual Report. No revaluation of these assets has been performed as at 31 December 2024.

The company has assessed that it has one core cash generating unit ('CGU') across its PPE asset base which comprises of its terminal and airfield assets, together with two other cash generating units – the hotel and car parking assets. CIAL has performed an impairment assessment of all of these CGUs as at 31 December 2024, with no indication of impairment identified.

Motor vehicles, plant & equipment, office & computers and work in progress are carried at cost.

Additions to property, plant & equipment were \$18,085,000 for the six months ended 31 December 2024 (31 December 2023: \$13,700,000).

10. Investment Property

The company carries investment property at fair value. The company last revalued investment property at 30 June 2024 as outlined in the 2024 Annual Report. No revaluation of investment property has been performed as at 31 December 2024. CIAL has also performed an impairment assessment of its Investment Property Portfolio as at 31 December 2024, with no indication of impairment identified.

Additions to investment property were \$14,900,000 for the six months ended 31 December 2024. (31 December 2023: \$4,200,000).

11. Fair Value of Financial Instruments

There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments in the six months to 31 December 2024.

The company's derivative financial instruments are all classified as level 2 and the fair values are determined using valuation techniques. The company has an outsourced treasury provider that has provided the fair values as at 31 December 2024. These valuation techniques are based on observable market data and the interest rate swaps calculation takes into account the present value of the estimated future cash flows.

12. Contingent Assets and Liabilities

As at 31 December 2024 there were no contingent assets or liabilities (2023: nil).

13. Events Subsequent to Balance Date

On 26 February 2025, the directors approved the payment of a fully imputed interim dividend of 36.98 cents per share amounting to \$21,304,200. There were no other events occurring after balance date that could significantly affect these interim financial statements.

INTERIM REPORT

COMPARISON OF FORECAST TO ACTUAL RESULTS

The company prepares an annual Statement of Intent which is approved by shareholders and incorporates financial and performance measures for the ensuing year.

A comparison of the company's actual performance for the six months ended 31 December 2024 with those measures are as follows:

TARGETS	FY 2025 FY Target \$000	HY 2025 Actual \$000	HY 2025 Target \$000
a) FINANCIAL			
Total Revenue	232,535	120,584	115,346
EBITDAF (Earnings before interest, tax, depreciation, amortisation and fair value movements)	140,916	72,958	69,956
EBITF (Earnings before interest, tax and fair value movements)	95,877	50,510	47,258
Interest Expense	30,857	15,322	15,787
Net Profit (Loss) after tax	48,765	23,780	23,603
EBITDAF as a % of Revenue	60.7%	60.5%	60.6%
Return on Invested Capital (EBIT/(Equity+Debt)) *	4.7%	2.4%*	2.3%*
Note: HY25 actuals include accounting adjustments relating to IFRS 16 and revenue and expense gross up related to reimbursement of costs by third parties			
b) PASSENGER NUMBERS			
	FY 2025 FY Target	HY 2025 Actual	HY 2025 Target
Domestic	4,921,878	2,429,289	2,461,818
International	1,645,816	739,275	787,344
Total	6,567,694	3,168,564	3,249,162
c) RATIO OF SHAREHOLDERS' FUNDS TO TOTAL ASSETS			
	FY 2025 FY Target	HY 2025 Actual	HY 2025 Target
Debt	570,000	560,000	561,000
Equity	1,480,222	1,530,341	1,476,313
Shareholder Funds / Total Assets %	63.0%	64.6%	63.0%
Gearing (debt / (debt + equity)) %	27.7%	26.8%	27.5%
Debt / EBITDAF*	4.0	7.7*	8.0*
EBITDAF Interest Cover x	4.5	4.8	4.4

* the half year actual and target amounts are based on performance for the six-month period to date, and hence will be proportionately lower / higher than the full year target shown in the first column.

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d) CORPORATE SOCIAL RESPONSIBILITY

Performance target	Performance Measures	
	2025	Progress to 31 December 2024
Health, Safety & Wellbeing		
1. Culture - continue to develop a positive culture that enables the health, safety and wellbeing of our people.	<ul style="list-style-type: none"> Improve on the HSW factor insight in our annual culture and engagement survey. Year on year improvement in coverage and number of HSW Leadership interactions/events. 	<ul style="list-style-type: none"> The annual culture and engagement survey is planned for Feb 2025. The number and coverage of recorded HSW Leadership interactions/events is comparable to the same period in FY24.
2. Management systems – continuous improvement in systems to manage health safety and wellbeing	<ul style="list-style-type: none"> CIAL Protection workplan delivered on schedule. External audit of ISO 45001 aligned integrated management system. 	<ul style="list-style-type: none"> Workplan activity is now scheduled within our HSMS management tool Assure, this enables automated workflows and reporting. Delivery of workplan is on track. The external audit of the integrated management system is scheduled for completion in May 2025.
3. Wellbeing – enabling healthy work where our people can thrive.	<ul style="list-style-type: none"> Incorporate ISO45003:2021 Psychological Health & Safety at Work into our Health & Safety Management System. Improved knowledge of leaders’ role in enabling healthy work. Maintain or increase the wellbeing, psychological safety and work/life blend scores in our annual culture and engagement survey. 	<ul style="list-style-type: none"> Integration of psychosocial risk and promotion of wellbeing into the documented CIAL HSMS is largely complete. Improvement in the management of psychosocial risks is the focus for the remainder of the year. Progressing through ongoing ad hoc coaching with more formal learning planned for the Q4. The annual culture and engagement survey is planned for Feb 2025.
Planet/Sustainability – Toitūtanga		
Climate / Te Āhuarangi 4. Deliver a tangible reduction in the Climate impact of aviation and adapt to our changing climate.	<ul style="list-style-type: none"> Maintain airport operational greenhouse gas emissions reductions of 90% or greater (scope 1 & 2 emissions). Actively seek to support reduction in airport supply chain (scope 3) emissions to accelerate transition to low carbon aviation. 	<ul style="list-style-type: none"> Scope 1 & 2 emissions for FY24 was 92% reduced against our 2015 baseline using the market-based approach. This reduction has primarily been achieved through a combination of reduced diesel consumption, improved energy efficiency (reducing total electricity consumption from 15,221,923 kWh to 14,186,118 kWh of electricity), and the purchase of renewable energy certificates to address all remaining electricity consumption. The company have developed a Stakeholder Partnership Plan to understand where we might be able to influence future Scope 3 emissions, including our Kowhai Park development and Hydrogen Consortium partnership. CIAL is also on national Sustainable Aviation Aotearoa, and global aviation transition working groups including the IIWG/ ACAATF.

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	<ul style="list-style-type: none"> Publicly disclose and regularly review our processes relating to climate risk disclosures – identification, monitoring, and adaptation planning. 	<ul style="list-style-type: none"> The company published our Climate Related Disclosure on 17 October 2024, and is now actively working towards our FY25 CRD including preparing the additionally required transition plan.
<p>Circularity / Te Para</p> <p>5. Support a circular economy that ultimately keeps resources in circulation rather than landfill.</p>	<ul style="list-style-type: none"> Identify areas of responsibility and opportunity to support circularity Support incremental improvements in waste prevention or reduction. 	<ul style="list-style-type: none"> The deconstruction of terminal F&B providers was completed – with considerable waste diversion, and reuse of materials, including old furniture being donated to local charitable organizations. Waste Working Group are continuing on-going work to identify opportunities to improve prevention and reduction of waste to landfill.
<p>Energy / Te Pūngao me to tūāhanga</p> <p>6. Onsite renewable energy to power CIAL’s decarbonisation and support aviation’s low carbon future.</p>	<ul style="list-style-type: none"> Regularly review energy efficiency projects seeking to maintain or improve operations. Expand understanding of renewable energy and future fuels infrastructure requirements to cater for transition to low carbon aviation. 	<ul style="list-style-type: none"> In progress and on-going. The company is developing a Future Fuels strategy to understand at a high level how the energy needs of aviation and our region will develop, and CIAL’s place within that. This includes the anticipated requirements of electric, hydrogen and sustainable aviation fueled aircraft.
<p>Noise</p> <p>7. Historically, noise has been the environmental issue of greatest focus at airports around the world. Our responsibility and preference are to collaborate with all stakeholders, especially residents and businesses close to Christchurch Airport and its flight paths in relation to noise impacts.</p>	<ul style="list-style-type: none"> Noise complaints are limited to 10 per 10,000 aircraft movements per annum. Actively participate in the public consultation across Canterbury on how the latest noise contours are integrated into the Regional Policy Statement. Offers of acoustic mitigation to noise impacted properties currently eligible. Long term and ongoing program to protect CIAL from noise reverse sensitivity affects. 	<ul style="list-style-type: none"> Noise Complaints are 1.23 per 10,000 movements for the 6 months ending Dec 24. CIAL is actively engaging with ECan to review the Regional Policy Statement. Additional offers of Acoustic Treatment as per results of the 2023 noise monitoring report (published in March 23). Management progressing with set up and delivery of real time Noise Monitoring terminals, are operational, with public roll out expected to be completed by end of FY25.
<p>Biodiversity / Te Kanorau Koiora</p> <p>8. Maintain, enhance and restore Aotearoa’s native and endemic species.</p>	<ul style="list-style-type: none"> Develop a CIAL biodiversity framework founded in science and linked to the UN global goals. Develop a trusted network of stakeholder relationships to support work program. 	<ul style="list-style-type: none"> CIAL has completed our Biodiversity Framework and Baseline Inventory in December 2024. This is linked to the UN Global Goals, and understanding how our company can help support those. An internal network of stakeholders has been identified, and work will continue into 2025 to further develop the relationship with external stakeholders.

INTERIM REPORT

<u>Our People</u>		
<p>Talent</p> <p>9. Talent Management strategy is delivered ensuring the right talent is in the right place at the right time.</p>	<ul style="list-style-type: none"> ▪ Establish, monitor and report on recruitment, selection and promotion processes ▪ Succession plans reviewed every 6 months and development pathways actioned. ▪ Continued retention of critical talent 	<ul style="list-style-type: none"> ▪ A new candidate management system has been successfully implemented. Regular reporting to commence in 2025 ▪ Succession plan for key roles has been developed and shared with internal stakeholders. This is due for review early 2025 along with development pathways for any successors. ▪ CIAL continues to have low turnover with the latest rolling average sitting just above 6%.
<p>Engagement</p> <p>10. Leadership is aligned and collectively working towards addressing matters affecting/detracting from our culture.</p>	<ul style="list-style-type: none"> ▪ Improved overall engagement score in annual survey in 2025. ▪ Average Voluntary turnover remains <10%. ▪ Documented Engagement and Culture Plan developed and shared internally with quarterly progress updates. 	<ul style="list-style-type: none"> ▪ Engagement Survey will occur early 2025 with a likely change in format to more regularly quarterly pulse checks to drive timely and effective action. ▪ CIAL continues to have low turnover with the latest rolling average sitting just above 6%. ▪ An engagement and culture plan is currently in development with the support of external consultants who have performed workshops with members of the CIAL team.
<p>Purpose and Performance</p> <p>11. Individual performance goals are aligned with business goals and outcomes are improved through regular feedback.</p>	<ul style="list-style-type: none"> ▪ New performance management system (Flight Path) embedded, and 100% engagement achieved by end of FY25. 	<ul style="list-style-type: none"> ▪ The new performance management system Flightpath has been utilized for end of year reviews and goal setting. 85% of employees engaged with the new system and feedback received will allow for continued refinement.
<p>Leadership</p> <p>12. A larger array of offerings of tailored leadership development offerings.</p> <p>Development opportunities are encouraged through external channels as much as internal -Te Whariki.</p> <p>360 feedback processes are enlisted to better inform development plans.</p>	<ul style="list-style-type: none"> ▪ Continue to build leadership capability through formal and informal learning opportunities. ▪ Development of CIAL Leadership Principles before end of FY25 and introduced into individual Flight Path Plans. ▪ Improved Management & Leadership results in annual engagement survey in 2025. 	<ul style="list-style-type: none"> ▪ Building Leadership capability continues to be a key focus for CIAL. Formal training has been offered to all levels of leaders – HSW, Leadership values, digital, ESG and all people leaders have participated in an offsite leaders hui covering a strategy and development agenda. ▪ Leadership standards/principles are in draft form and will be finalized early 2025 and introduced into Flightpath. ▪ Leadership performance will be assessed through the next Your Voice online survey planned for early 2025.
<p>Diversity, Equity & Inclusion</p> <p>13. Ongoing gender pay reviews and audits</p> <p>Diversity and Inclusion Knowledge programs delivered, and activities driven internally by Employee Resource Groups</p>	<ul style="list-style-type: none"> ▪ A documented Diversity, Gender equity and engagement plan; ▪ Measure gender pay gap and develop actions to work towards a zero gender pay gap by 2030. ▪ Actions for improved gender diversity in CIAL's leadership group towards a goal of 40/40/20 (female/male/any gender). ▪ Undertake second Inclusion Review achieving improved outcomes compared to 2022. 	<ul style="list-style-type: none"> ▪ Gender Pay gap analysis has been completed and latest results confirm a significant reduction in CIAL's GPG since October 2023 (a 5% difference YoY) Work will continue towards a zero gender pay gap by 2030. ▪ Gender diversity in CIAL's leadership group has improved with 28% of leadership roles now held by females ▪ Inclusion review delayed until mid-2025.

Nature of Business

CIAL owns and operates Christchurch International Airport. The company operates predominantly in the business of providing airport facilities and services to airline and airport users. The nature of the company's business has not changed during the period.

For the current and previous reporting period, the results are for Christchurch International Airport Limited and its five wholly owned subsidiaries. As the wholly owned subsidiaries do not trade and hold no assets or liabilities, the results and financial position for the CIAL group are the same as that for the CIAL parent company.

Stock Exchange Listings

The company has two series of bonds ("CHC020" and "CHC030") which were quoted on the NZDX on 19 May 2022 and 15 April 2024 respectively. "CHC020" was issued for \$100 million of unsecured, unsubordinated, fixed rate bonds and "CHC030" was issued for \$125 million of unsecured, unsubordinated, fixed rate bonds. "CHC020" matures on 19 May 2028 and "CHC030" matures on 15 April 2031.

Credit Rating Status

Christchurch International Airport Limited's (CIAL) issuer credit rating is A-, with outlook 'Stable'. This rating is unchanged as at 31 December 2024.

Regulatory Environment

The company is regulated by, amongst other legislation, the Airport Authorities Act 1966 and the Civil Aviation Act 1990. The company is an 'airport company' for the purposes of the Airport Authorities Act 1966. The company has consultation obligations under the Airport Authorities Act 1966.

On 5 April 2023, the Civil Aviation Bill received Royal assent and became the Civil Aviation Act 2023. The new Act will be in force from 5 April 2025, repealing and replacing the Civil Aviation Act 1990 and the Airport Authorities Act 1966 with a single, new statute covering safety, security and economic regulation of civil aviation into the future.

The company is required to comply with the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010, with disclosure financial statements required to be published in November each year.