ZQN
Queenstown Airport

# ANNUAL REPORT

YEAR ENDING 30 JUNE 2025

**QAC'S REGISTERED OFFICE**

Queenstown Airport Corporation
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# CHAIR AND CEO REPORT

**We are pleased to present Queenstown Airport Corporation's annual report for the year ending 30 June 2025.**

Our strong financial performance reflects both the resilience of our business and the sustained demand for travel to and from Queenstown.

We are proud of the role we play in connecting the people of this region with friends and family in other parts of New Zealand and overseas. We're also proud to support the region's economy, and we know that when our terminal is humming, other local businesses are also doing well.

Furthermore, as a council-controlled trading organisation, Queenstown Airport makes a significant financial contribution to the community. This year, QAC will pay a total dividend of $18.8 million. As the majority shareholder, the Queenstown Lakes District Council receives $14.1 million of that which equates to $440 per ratepayer in the district. An interim dividend of $7 million was paid to shareholders in February and a further $11.8 million will be distributed this month.

Supporting the communities of the region is important to us. This year, we expanded our partnerships and sponsorship programme and launched a $50,000 community fund, open to organisations across the Queenstown Lakes and Central Otago districts, which lifts our total annual contribution to more than $200,000.

In the 12 months to 30 June this year, we welcomed 2.6 million travellers through Queenstown Airport. We are the gateway to the Southern Lakes region and, for an increasing number of people, the gateway to New Zealand. The enduring popularity of this destination underscores the importance of long-term planning and well-considered infrastructure development to ensure Queenstown Airport is fit for the future.

During the previous reporting period, we finalised a Master Plan, and we are now steadfastly focused on delivering it. We have accomplished a lot over the past 12 months, and are finalising four detailed development plans for the terminal, the airfield, landside infrastructure, and utilities and services.

Our focus on health and safety continues. Testament to this was the installation of an engineered materials arresting system (EMAS), which mitigates against the risk of an aircraft overshooting the runway and significantly increases airfield safety. Its completion on time and within budget gives us confidence in our ability to successfully undertake major capital works without disrupting airport operations.

We have swung straight into our next large project – the first terminal extension since 2015. This will provide 800m2 of new office and operational space for Air New Zealand, Planebiz, and the Aviation Security Service. The project also incorporates major electrical upgrades, which are an important investment in resilience. At the same time, we are completing the final two stages of a five-year programme to seismically strengthen the structure of the terminal.

As well as prioritising safety and resilience, we are continuously looking for ways to enhance the customer experience at Queenstown Airport, using regular surveys to inform our decisions and improve facilities. Congestion in the passenger-processing areas has been noticeably reduced by investment in self-service check-in technology and an expansion of the security screening area. A focus on increasing the food and beverage options available across the airport is also paying off. A highlight of the year was the opening of Skippers, a casual bar and eatery serving an all-day menu in the international departures lounge.

Our commitment to sustainability and progress towards decarbonisation also continues, and we are delighted to have joined the global Airport Carbon Accreditation programme at Level 4+ 'Transition', which followed a stringent assessment and verification process. We are now aiming for Level 5, which is the highest tier in the programme. Since 2019, Queenstown Airport has reduced its organisational absolute emissions by 76% and is targeting an 85% reduction by 2028. That progress is based on increasing electrification, transition to a certified renewable electricity supply, upgrading of assets and infrastructure to boost efficiency, and the recent decommissioning of the diesel boiler. Waste minimisation is another area of focus for us.

As we look to FY26 and beyond, Queenstown Airport is well-positioned to meet the evolving needs of our community, customers, and other stakeholders.

Our priorities remain clear: the health, wellbeing and safety of our people, efficient airport operations, exceptional customer experiences, and progressing our long-term infrastructure and sustainability goals. There is a lot to do, and an extended period of development and construction ahead of us, but we are confident the outcome will be an airport that will serve this region well for decades to come.

Finally, we'd like to thank our staff in Queenstown and Wānaka for their excellent work. We're also grateful to the wider airport community for their support and contributions to our achievements this year.

Kā mihi nui!

**Simon Flood**
Chair

**Todd Grace**
Interim CEO

## FAREWELL TO CHIEF EXECUTIVE OFFICER GLEN SOWRY

Glen joined Queenstown Airport in September 2021, when the aviation industry was navigating the unprecedented challenges created by the COVID-19 pandemic. From his first week – when no flights were operating – he demonstrated calm leadership and clear vision.

Under Glen's guidance, QAC crafted a 10-year Strategic Plan and then a Master Plan, setting a course for sustainable development and long-term value for the region. But perhaps Glen's most enduring legacy is the culture of transparency and collaboration he fostered, ensuring the airport is aligned with the aspirations of the community it serves.

On behalf of the board and QAC team, we wish to acknowledge Glen's substantial contribution and thank him for his service.

In May, the board named Shane O'Hare as Glen's successor. Shane is currently the CEO of Launceston Airport in Tasmania, Australia, and has global experience in the tourism and aviation sectors. We look forward to welcoming him to Queenstown in September.

# OUR COMPANY

## MISSION

Why we exist

**PROUDLY CONNECTING OUR HOME WITH NEW ZEALAND AND THE WORLD**

## VISION

Where we want to be

**AN INNOVATIVE AIRPORT THAT PEOPLE LOVE TO TRAVEL THROUGH, AND THE COMMUNITY TAKES PRIDE IN**

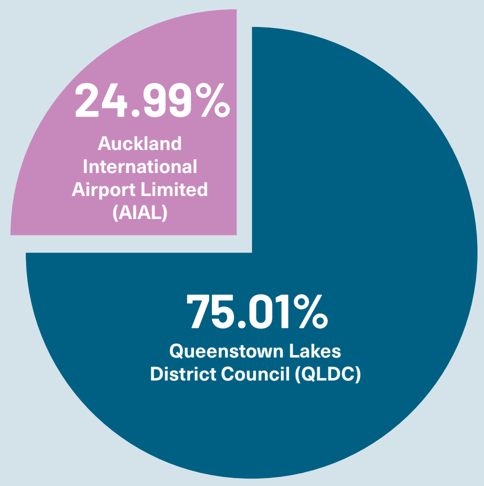
## STRATEGIC PILLARS

**EXPERIENCE**
Exceed expectations at every touch point

**RESILIENCE**
Strong and capable

**COMMUNITY**
Respect for people and place

The Queenstown Airport Corporation (QAC) is a council-controlled trading organisation (CCTO) for the purposes of the Local Government Act 2002. The company is owned by one majority and one minority shareholder.




## NATURE AND SCOPE OF ACTIVITIES

QAC's purpose is to create long-term value and benefits for its shareholders, business partners and the communities of the Queenstown Lakes District, measured against social, environmental, economic and cultural wellbeing.

QAC's primary activity is the safe and efficient operation of Queenstown Airport, facilitating air connectivity through the provision of infrastructure in the region, to meet the needs of our customers, the residents of, and visitors to the lower South Island.

This includes the provision of appropriate and sound aeronautical and associated infrastructure and facilities for the operations at the airport.

QAC also manages Wānaka Airport and the Glenorchy Airfield on behalf of the Queenstown Lakes District Council.

QAC:

- ensures effective stewardship of the airports, including meeting all relevant statutory obligations
- provides airfield, airside, terminal and landside facilities and infrastructure that deliver the required outcomes for all operators and users
- ensures the operational resilience of Queenstown Airport as a lifeline utility, as required under the Civil Defence Emergency Management Act 2002.

## QUEENSTOWN AIRPORT

At Queenstown Airport, we provide for scheduled domestic and international air services, commercial and private general aviation operations and the Lakes District base for the Otago Rescue Helicopter service.

## WĀNAKA AIRPORT

Wānaka Airport is owned by QLDC. QAC manages Wānaka Airport under a Management Services Agreement (MSA) with QLDC. Wānaka Airport facilitates scheduled domestic air services, and both commercial and private general aviation operations.

## GLENORCHY AIRFIELD

Glenorchy Airfield is owned by QLDC. QAC provides grounds maintenance services and airstrip management at Glenorchy under a Management Services Agreement with QLDC.

## REGULATORY OBLIGATIONS

Under the Airport Authorities Act (AAA) and Resource Management Act (RMA), QAC has statutory responsibilities and obligations related to land use and planning and operates in accordance with these obligations. QAC will continue to monitor and maintain regulatory compliance with the obligations set out in the district plan, QAC's designation and resource consents associated with the operation of Queenstown Airport. QAC will continue to monitor regulatory compliance at Wānaka Airport and highlight any issues to QLDC.

# OUR YEAR AT A GLANCE

**ACA 4+ TRANSITION ACCREDITATION ACHIEVED**

**AIRFIELD SAFETY PROJECT SUCCESSFULLY COMPLETED**

**DEVELOPMENT PLANNING UNDER WAY**

**SUBSTANTIAL DIVIDEND FOR SHAREHOLDERS**

**CAR PARK B REDEVELOPED**

**ELECTRIC GROUND SERVICE EQUIPMENT INTRODUCED**

**COMMUNITY SATISFACTION SCORE IMPROVED**

**NEW CAFE AND BAR IN INTERNATIONAL DEPARTURES AREA**

**$50K ZQN COMMUNITY FUND ESTABLISHED**

**DIESEL BOILER REMOVED**

**RECORD COMMERCIAL REVENUE**

**WASTE SORTING STATION ESTABLISHED**

# OUR FINANCIAL PERFORMANCE

Our financial performance reflects another strong year resulting in a substantial total dividend to shareholders. The popularity of the Southern Lakes region as a destination and home continues, with scheduled aircraft movements up 3% on FY24 and passenger numbers up 5%.

Travel on trans-Tasman flights connecting Queenstown with the eastern seaboard of Australia is 145% of pre-COVID levels, which has driven the growth, while domestic travel remains steady.

The general aviation operators based at Queenstown Airport had an exceptional year, with favourable weather conditions during the peak summer season.

Commercial performance was particularly strong and a record $31.4 million revenue was achieved – $2.4 million higher than FY24. Total revenue was $79.9 million.

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 24% from $46.2 million to $57.3 million.

Total operating expenditure was $22.6 million – up 22% on the previous year due to a combination of inflation, recruiting new team members to build our workforce, and our ongoing focus on the customer journey and operational enhancements.

The profit for the reporting period was $29.4 million, up 78% from $16.5 million in FY24.

Capital expenditure of $33.7 million reflected increasing investment in capital delivery programme, as well as core operating infrastructure, including terminal improvements and investment in carbon reduction. The most substantial projects were the installation of engineered materials arresting system (EMAS) at either end of the runway, a redevelopment of terminal car park B, and the new bar and eatery in international gate lounge.

In addition, we fully funded noise mitigation work on four properties within Queenstown Airport's noise boundaries as part of our commitment to being a good neighbour.

As at 30 June 2025, term debt was $53 million.

## FINANCIAL SNAPSHOT

| | |
|---|---|
| REVENUE | $79.9m ▲ 23% |
| EBITDA | $57.3m ▲ 24% |
| PROFIT FOR THE PERIOD | $29.4m ▲ 78% |

## TOTAL AIRCRAFT MOVEMENTS

1 July 2024 to 30 June 2025, compared with the previous year

| | | |
|---|---|---|
| SCHEDULED AIRCRAFT MOVEMENTS | 18,865 | ▲ 3% |
| HELICOPTER MOVEMENTS | 29,853 | ▲ 6% |
| FIXED-WING MOVEMENTS | 16,254 | ▲ 18% |
| PRIVATE JET MOVEMENTS | 459 | ▼ 3% |

## TOTAL PASSENGER MOVEMENTS

1 July 2024 to 30 June 2025, compared with the previous year

| | | |
|---|---|---|
| DOMESTIC MOVEMENTS | 1,657,658 | ▲ 2% |
| INTERNATIONAL MOVEMENTS | 944,225 | ▲ 10% |
| TOTAL | 2,601,883 | ▲ 5% |

### AIRCRAFT AND PASSENGER MOVEMENTS EXPLAINED

Airports report passengers and aircrafts as movements. A plane arriving in Queenstown and then departing counts as two aircraft movements. Similarly, about half of the total passenger movements are arrivals and half are departures.

# OUR CUSTOMERS


More people than ever before are travelling through Queenstown Airport, and we want them to have an exceptional experience to match our exceptional location.

## CUSTOMER SATISFACTION

We regularly survey travellers and benchmark their satisfaction with Queenstown Airport against similar airports around the world as part of the Airport Service Quality (ASQ) global measurement programme. This research is used to identify what our customers want, to prioritise improvements, and to evaluate changes.

## HOSPITALITY

A highlight of the year was the opening of a cafe and bar in our international departures lounge. Space is at a premium in this area, so this project required considerable ingenuity. From start to finish, Skippers was designed, built off site, installed, and operational in less than three months. It gives international passengers an option to sit down and dine, choosing from a menu that offers light meals, generous platters, and local beverages. If they would rather food to go, Fuel To Fly has been refreshed, and both venues are trading well.

## POPULAR POP-UPS

Several pop-ups have created excitement this year. The Hāngi Master joined forces with Mana Tāhuna to cook and serve traditional Māori kai in our forecourt in November. Soon after, we hosted a virtual reality driver training programme designed to familiarise international visitors with driving conditions in New Zealand. Most recently, NZ Ski has set up a kiosk at Queenstown Airport so inbound skiers can collect their mountain passes as soon as they land. (Savvy locals have also realised this is a great way to skip the queue.)

## PARKING

Use of our Park & Ride service has increased steadily since it resumed late in 2022. It complements the two public parking areas at the airport terminal, providing an affordable and convenient option, especially for longer stays. We were pleased to completely redevelop one of the terminal parks during the year, sealing it with asphalt to ensure a smooth and highly durable surface.

## COMMERCIAL PERFORMANCE

We're pleased to report a strong commercial performance, with an increase in revenue exceeding the rate of passenger growth. Considerable effort has gone into refreshing commercial agreements this year, as well as entering into new partnerships with Air New Zealand, PlaneBiz, and the Aviation Security Service for the back-of-house office extension now under construction.

## NON-AERONAUTICAL LAND

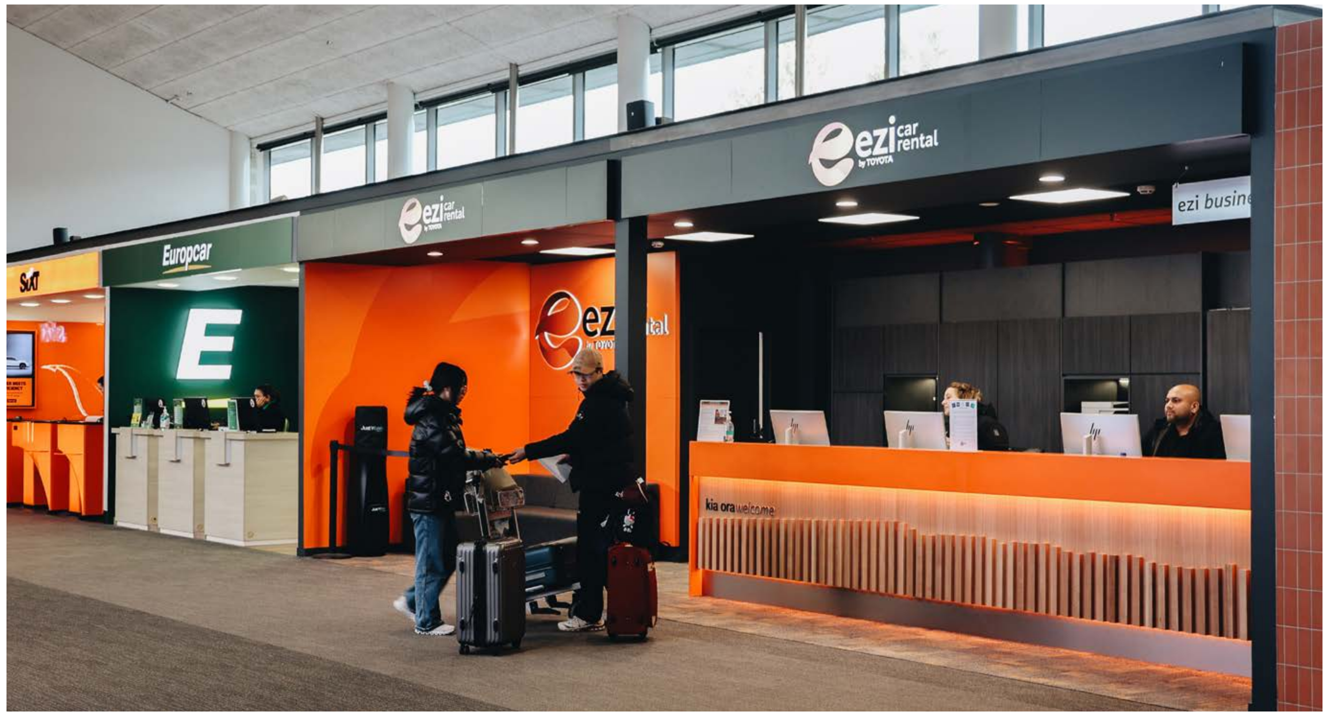
Our non-aeronautical landholding north of the airport in Frankton provides a convenient location for a wide range of businesses and we have begun investigating options for future development of 15 hectares adjacent to Hawthorne Drive. NASA ran another successful balloon campaign from Wānaka this year, launching two balloons from land next to Wānaka Airport that it leases from us. We are pleased to have supported this important scientific work for a decade now.

## E-COMMERCE

Revenue from e-commerce continues to climb, with customers using our website to compare rental car or campervan providers, then book a vehicle online. This year, we partnered with eSIMMY to make prepaid digital SIM cards available through our website. This is a rapidly growing market well aligned with our core business, making it simple for travellers to stay connected and enjoy reliable internet wherever they go.

## SUNFLOWER LANYARDS

Travelling can be challenging for those with hidden disabilities. That's why we offer the sunflower lanyard at Queenstown Airport. It's a simple way to signal to airport staff and fellow passengers that the wearer might need a little extra time, help, or understanding. The lanyards are provided free at our information desk.

# OUR INFRASTRUCTURE




Guided by our Master Plan, the largest capital works programme in Queenstown Airport's 90-year history is under way.

We are working closely with our four airline partners to ensure the infrastructure we are developing will meet their needs and enable efficient operations far into the future.

## EMAS

In March, we successfully completed the first major project – the installation of an engineered materials arresting system (EMAS), which is designed to slow an aircraft to a safe stop, should one ever overshoot the runway. Queenstown Airport is the first in Australasia to use this innovative technology, although it is well proven in the northern hemisphere, and we are glad to be leading the way in risk mitigation. The $21 million project was logistically challenging, having to be carefully staged outside operating hours. From the initial earthworks to the installation of the 4,870 EMAS blocks, the project was completed in 22 weeks, which required extraordinary teamwork. In total, more than 100 people worked on this, clocking up more than 100 night shifts.

## BACK-OF-HOUSE OFFICES

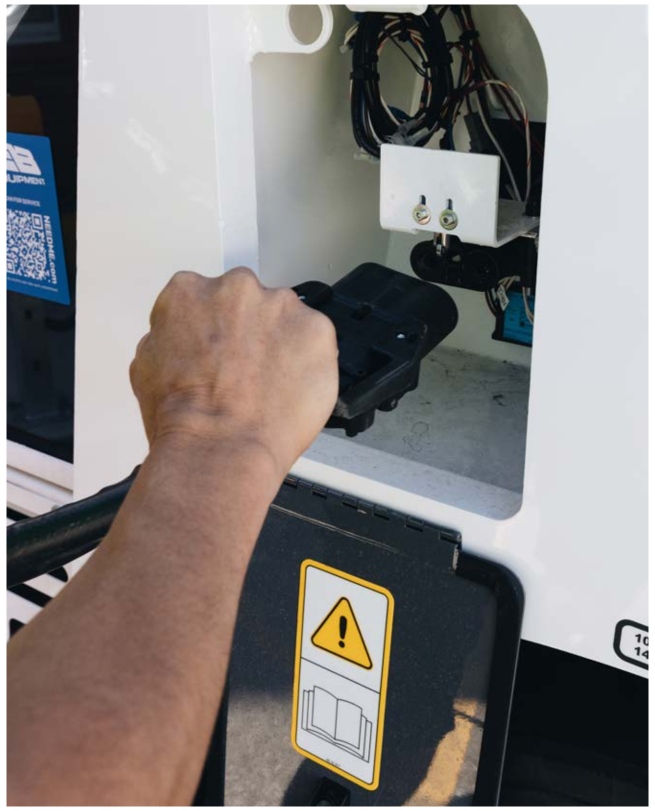
We have now started our next major project – the extension of the terminal building north towards the airfield to provide 800m2 of new office and operational space for Air New Zealand, PlaneBiz, and the Aviation Security Service. This will give airline staff working behind the scenes a much better work environment, and will improve operational efficiency. The project also incorporates significant electrical upgrades and is budgeted to cost about $12 million.

## SEISMIC STRENGTHENING

We are also spending about $10 million on the final two stages of a programme to seismically strengthen the structure of the terminal and increase its ability to withstand an earthquake. This is an important investment in resilience. Queenstown Airport is an essential community asset and we need to ensure our critical infrastructure is robust.

## HEATING AND COOLING

The upgrading of the system used to heat, cool, and ventilate our terminal continued this year. This is a complex job and some of the componentry being replaced is more than 25 years old. A cause for particular celebration was the decommissioning of a diesel boiler ahead of schedule. This means the system is now fully electric – a significant stride towards our organisational decarbonisation target.



## ELECTRIC GROUND EQUIPMENT

Six charging stations for electric ground service equipment were installed last year and it is satisfying to see them now in daily use by airline ground handlers, as they transition away from diesel equipment.

## SUSTAINABLE CONSTRUCTION

Sustainable construction guidelines have been developed to ensure all future building projects align with our environmental values. These guidelines will consider energy efficiency, low-impact materials, waste reduction, and climate resilience. By embedding sustainability into our development planning, we aim to minimise our environmental impact while creating a more resilient airport for future generations.

## CLIMATE RISK ASSESSMENT

As part of our commitment to operational resilience and environmental stewardship, Queenstown Airport has completed a comprehensive assessment of our climate-related risks and opportunities. This aims to identify and evaluate the potential impacts of climate change on airport infrastructure and operations, and will inform our strategic and development planning. The findings will be included in our Sustainability Report later this year.

# OUR COMMUNITY

We are proud to support the communities we serve across the Southern Lakes region.

Queenstown Airport connects people and businesses with the rest of New Zealand and the wider world, generating both social and economic benefits.

As a council-controlled trading organisation, Queenstown Airport is majority-owned by the community and all the people of the Queenstown Lakes District benefit from our success. Over the past four years, the QAC board of directors has declared $55 million in dividends to shareholders.

## COMMUNITY PARTNERSHIPS

We have a well-established community partnerships programme, providing more than $200,000 of financial and in-kind support to a range of organisations doing work that aligns with our strategic pillars: Community, Resilience, and Experience. This year, these included:

- Coastguard Queenstown
- Whakatipu Reforestation Trust
- KiwiHarvest
- Lake Hayes A&P Show
- Wakatipu Community Foundation
- Queenstown Chamber of Commerce Elevate Series
- Wānaka Chamber of Commerce Business Awards
- Electrify Queenstown
- Lakes District Air Rescue Trust
- Branches Trust School Camp

ZQN COMMUNITY FUND

Supported by Wakatipu Community Foundation

## ZQN COMMUNITY FUND

The ZQN Community Fund was established this year and reflects our ongoing commitment to making a meaningful difference across the Queenstown Lakes and Central Otago districts. Administered by the Wakatipu Community Foundation, the contestable fund will distribute $50,000 a year in small grants ranging from $1,000 to $5,000. In its first year, 78 applications were received and 16 charitable groups received funding to address our region's most pressing needs.

## BUSINESS LEADERSHIP

Supporting our region to prosper is an important part of our purpose. We work closely with local councils and other businesses to advance shared goals, such as reducing carbon emissions, enhancing visitor experiences, and fostering economic resilience. We actively participate in regional forums and joint projects, and support networking opportunities and business awards in Queenstown, Wānaka, and Central Otago. We also contributed start-up funding for Technology Queenstown.

## SOUTHERN WAY

Working collectively with Invercargill and Dunedin airports and the eight regional tourism organisations of the lower South Island, we support a regenerative tourism model that invites visitors to slow down and immerse themselves in our stunning region. The Southern Way initiative encourages visitors to fly into one of the three airports, explore widely, then fly out of another airport. We believe there are real benefits for everyone in spreading visitors around the region, rather than having them concentrated in a few hot spots.

## COMMUNITY SENTIMENT

The results of our third independent community sentiment survey are positive, showing a steady increase in public support, and in satisfaction with the overall airport experience among regional travellers. However, we remain mindful that trust is hard to earn and easily lost. We will continue to listen and to engage with our community, stakeholders, and partners.

## SUSTAINABILITY

We are working hard to reduce our environmental impact, to become more sustainable, and to share knowledge with partner organisations. We are committed to providing annual verified emissions data and have transferred from the Toitū carbon certification programme to Airport Carbon Accreditation, which is a rigorous globally recognised certification programme for airports. We will deliver our annual Sustainability Report, incorporating climate-related disclosures, later in the year. We will also release a Carbon Footprint Report.

**You can read more about our Sustainability Strategy and initiatives at www.queenstownairport.co.nz/sustainability-community**

Scan to read more

SUSTAINABLE ZQN

# OUR PEOPLE



Our people are the heart of our business and the key to our success.

## EMPLOYER OF CHOICE

Queenstown Airport is committed to being an employer of choice – an organisation where people feel valued, supported, and inspired to grow. Our goal is to foster a workplace that prioritises wellbeing, inclusivity, collaboration, and professional development, ensuring every member of our team feels a strong sense of belonging and purpose.

It is important that we attract and retain great people. We offer competitive salaries, flexible working practices, and a comprehensive health, wellbeing, and recognition programme. This includes free health insurance and medical checks, regular social gatherings, KiwiSaver contributions up to 4%, paid birthday leave, an activity subsidy, and paid volunteering opportunities.


## WELCOMING NEW TEAM MEMBERS

We have an ambitious work programme ahead of us and it is important we are well resourced to deliver. During the reporting period our workforce grew by 16%, with new members joining in a range of business units.

## COMMUTING

We encourage staff to walk to work, ride a bike, catch a bus, or carpool if possible. This year, we signed up to Workride, which is a salary sacrifice scheme that makes it easier for staff to buy a bike, e-bike or e-scooter at a discounted rate. We also provide Bee Cards to incentivise the use of public transport.

## ZQN COMMUNITY

Hundreds of people, other than our direct employees, work at Queenstown Airport. They include air traffic controllers, airline staff, aviation security teams, biosecurity, customs and immigration officers, police, ground handlers, retailers, hospitality staff, security staff, and cleaners. The airport is also the base for a range of general aviation operators, and an emergency rescue helicopter. We're all part of a vibrant community that ensures the airport runs smoothly, safely, and efficiently, while delivering a welcoming experience for all. We value the strong partnerships and shared commitment that unite us in serving the Southern Lakes region.

## HEALTH AND SAFETY

The health, safety, and security of our staff, airport community, contractors, and customers are always our first priority. We promote a safety-first culture and regularly review our systems and procedures to identify and mitigate risks.

We are very pleased to report that we achieved our target of a 15% reduction in total injuries.

Collaboration is key to a safe and secure aerodrome. We continue to hold regular airport community meetings and work together constructively to identify risks and opportunities for improvement. This year there was a focus on emergency preparedness, including the preparation of a passenger support process in case of an emergency. We also conducted stakeholder training in Coordinated Incident Management (CIMs) and our Emergency Operations Centre coordination and protocols. This ensures we are well resourced to respond, should it be required.

We have also introduced safety improvements to ensure the safety of passengers as they arrive and depart across the apron. We worked with our partner airlines and ground handlers to select a new passenger guidance system, which will be implemented soon.

The covered solar-powered aviation ramps that we introduced two years ago have been successful in creating a smoother passenger experiencing and improving safety, so we have expanded the fleet by two.

# BOARD OF DIRECTORS

**SIMON FLOOD**

CHAIR

**MIKE TOD**

DEPUTY CHAIR

**ANDREW BLAIR**

DIRECTOR

**JACQUELINE CHEYNE**

DIRECTOR

**DON ELDER**

DIRECTOR

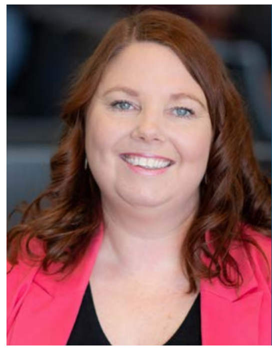
**MARY-LIZ TUCK**

DIRECTOR

# SENIOR LEADERSHIP TEAM

**TODD GRACE**

INTERIM CHIEF EXECUTIVE OFFICER



**MELISSA BROOK**

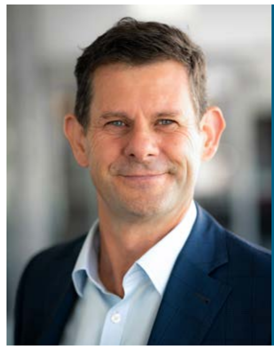
GM STRATEGY

**SARA IRVINE**

GM SUSTAINABILITY & CORPORATE AFFAIRS

**RACHEL TREGIDGA**

GM PROPERTY PLANNING



**ANDREW WILLIAMSON**

CHIEF FINANCIAL OFFICER

# COMPANY INFORMATION

| | |
|---|---|
| **LOCATION** | Queenstown Airport Corporation<br>Airport Administration, Queenstown Airport<br>Sir Henry Wigley Drive<br>Frankton<br>Queenstown 9300 |
| **MAILING ADDRESS** | Sir Henry Wigley Drive<br>Frankton<br>Queenstown 9300<br>NEW ZEALAND |
| **PHONE** | +64 (0) 3 450 9031 |
| **EMAIL** | admin@queenstownairport.co.nz |
| **WEBSITE** | www.queenstownairport.co.nz |
| **SHAREHOLDERS** | Queenstown Lakes District Council (75.01%)<br>Auckland Airport Holdings (No2) Limited (24.99%) |
| **DIRECTORS** | Simon Flood (Chair)<br>Mike Tod (Deputy Chair)<br>Andrew Blair<br>Jacqueline Cheyne<br>Don Elder<br>Mary-Liz Tuck |
| **AUDITORS** | H Rautjoki of Deloitte Limited<br>(on behalf of the Auditor General)<br>PO Box 1245<br>Dunedin |
| **BANKERS** | BNZ<br>Queenstown Store<br>36 Grant Road, Frankton<br>Queenstown<br><br>Westpac<br>Terrace Junction<br>1092 Frankton Road<br>Queenstown<br><br>ASB<br>ASB House,<br>Level 2<br>166 Cashel Street<br>Christchurch<br><br>Bank of China<br>Level 17<br>205 Queen Street<br>Auckland |

## SENIOR LEADERSHIP TEAM

| | |
|---|---|
| Interim Chief Executive Officer and Chief Operating Officer | Todd Grace<br>todd.grace@queenstownairport.co.nz |
| General Manager, Strategy | Melissa Brook<br>melissa.brook@queenstownairport.co.nz |
| General Manager, Sustainability & Corporate Affairs | Sara Irvine<br>sara.irvine@queenstownairport.co.nz |
| General Manager, Property Planning | Rachel Tregidga<br>rachelt@queenstownairport.co.nz |
| Chief Financial Officer | Andrew Williamson<br>andrew.williamson@queenstownairport.co.nz |

## SENIOR PERSONS PER CIVIL AVIATION RULES, PART 139

| | |
|---|---|
| Interim Chief Executive Officer | Todd Grace |
| Head of Assets & Airport Emergency Service | Wayne Stiven |
| Senior Manager, Regulatory & Compliance | Daniel Dodd |

# OUR FINANCES


PHOTO: Glenorchy Air

# GOVERNANCE AND STATUTORY DISCLOSURES

QAC is currently governed by a board of six directors. The board is appointed by the shareholders to govern and direct QAC's activities within the parameters of the Statement of Intent. Auckland International Airport Limited (AIAL) is the minority shareholder and appoints one director. Queenstown Lakes District Council is the majority shareholder and appoints all the other directors, including the Chair and Deputy Chair.

The board is the body responsible for all strategic and operational decision-making within the company. It is accountable to its shareholders for the financial and non-financial performance of the company.

The board of directors and management team are proud to be stewards of these important community assets and are committed to effective governance, ensuring the company meets best practice governance principles and maintains the highest ethical standards.

The board has an established Audit and Financial Risk Committee to oversee the company's financial reporting processes, system of internal control, and the external audit process, and its processes for identifying and managing financial risk, and for monitoring compliance with applicable law and its own policies. The board also has a Safety and Operations Risk Committee to oversee the company's performance and reporting related to health, safety & security and operational activities and monitor compliance with applicable law and its own policies.

## COMMITMENT

The board of directors will continue to govern the company on behalf of shareholders as a sustainable business enterprise, operating in a manner that is safe, financially stable, customer-focused, well-planned, and environmentally conscious.

## ROLE OF THE BOARD OF DIRECTORS

The board is responsible for the strategic direction and oversight of QAC's activities. This responsibility includes:

- approving strategic plans, airport master plans, budgets and the Statement of Intent
- approving capital investments and land acquisitions/disposals
- establishing procedures and systems to ensure the occupational health and safety of the company's people and contractors
- corporate policies, including financial and dividend policies, and delegated authorities
- monitoring financial performance and achievement of the strategic initiatives and SOI objectives
- appointment and monitoring of the performance and remuneration of the Chief Executive Officer (CEO)
- ensuring that the company adheres to high ethical and corporate behaviour standards
- integrity of management information systems
- assessment of business opportunities and business risks
- internal control and assurance systems
- compliance with relevant regulations and legislation
- ensuring that QAC has appropriate risk management and regulatory compliance policies in place and the company's adherence to these policies
- actively engaging with shareholders and the community to ensure alignment on objectives.

## BOARD ATTENDANCE

| DIRECTOR | POSITION | MEETINGS ATTENDED | OF A POSSIBLE | COMMITTEE |
|---|---|---|---|---|
| **Adrienne Young-Cooper** | Chair* | 3 | 3 | AFRC, SORC |
| **Simon Flood** | Chair* | 8 | 8 | AFRC, SORC |
| **Mike Tod** | Deputy Chair* | 7 | 8 | SORC Chair |
| **Jacqueline Cheyne** | Director | 7 | 8 | AFRC Chair, SORC |
| **Andrew Blair** | Director | 8 | 8 | SORC |
| **Mark Thomson*** | Director | 4 | 4 | AFRC, SORC |
| **Don Elder*** | Director | 5 | 5 | SORC |
| **Mary-Liz Tuck*** | Director | 4 | 4 | AFRC, SORC |

* Adrienne Young-Cooper chaired her last meeting on 30 October 2024 and retired from the board, having served the maximum two terms. Deputy Chair Simon Flood then became Chair, relinquishing his roles as Chair of the Audit and Financial Risk Committee and the Safety and Operational Risk Committee to Jacqueline Cheyne and Mike Tod respectively. The Queenstown Lakes District Council appointed Don Elder to the vacant director's position on 30 October 2024 and approved the appointment of Mike Tod as Deputy Chair on 13 February 2025. Mark Thomson resigned as Auckland International Airport's representative at the end of 2024 and was replaced by Mary-Liz Tuck.

**AFRC –** Audit and Financial Risk Committee **SORC –** Safety and Operational Risk Committee

## PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activity of the Company during the year was as an airport operator. The Company provides airport facilities and supporting infrastructure in Queenstown, New Zealand, and aeronautical services in Queenstown, Wānaka and Glenorchy, New Zealand. There has been no material change to the business over the reporting period.

## BOARD OF DIRECTORS

The Directors of the Company during the year under review were:

Adrienne F Young-Cooper
Simon R Flood
Michael Q M Tod
Jacqueline Cheyne
G Andrew Blair
Don Elder
Mark R Thomson
Mary-Liz Tuck

## DIRECTORS' INTERESTS

There were no director interests that had an impact on the results to declare during the year.

## SHARE DEALINGS

No director acquired or disposed of any interest in shares in the Company during the year.

## DIRECTORS' REMUNERATION

The following are particulars of directors' remuneration authorised and received during the year.

| | Appointment Date | FY25 | FY24 |
|---|---|---|---|
| Simon R Flood | (appointed 12 December 2019) | 75,133 | 74,106 |
| Michael Q M Tod | (appointed 30 October 2020) | 55,200 | 49,000 |
| Jacqueline Cheyne | (appointed 7 December 2023) | 49,833 | 26,830 |
| G Andrew Blair | (appointed 30 October 2020) | 46,000 | 49,000 |
| Don Elder | (appointed 30 October 2024) | 26,833 | - |
| Mary-Liz Tuck | (appointed 01 January 2025) | 23,000 | - |
| Adrienne F Young-Cooper | (resigned 30 October 2024) | 34,500 | 92,700 |
| Mark R Thomson | (resigned 31 December 2024) | 23,000 | 49,000 |
| | | **333,500** | **340,636** |

## REMUNERATION OF EMPLOYEES

There were 42 employees who received remuneration and other benefits in excess of $100,000 during the reporting period.

| BRACKET | | | FY25 Number of employees | FY24 Number of employees |
|---|---|---|---|---|
| $100,000 | – | $110,000 | 7 | 9 |
| $110,000 | – | $120,000 | 7 | 5 |
| $120,000 | – | $130,000 | 6 | 8 |
| $130,000 | – | $140,000 | 2 | 3 |
| $140,000 | – | $150,000 | 3 | 3 |
| $150,000 | – | $160,000 | 4 | 1 |
| $160,000 | – | $170,000 | 1 | - |
| $170,000 | – | $180,000 | 2 | - |
| $180,000 | – | $190,000 | 1 | 1 |
| $190,000 | – | $200,000 | 1 | - |
| $210,000 | – | $220,000 | - | 1 |
| $220,000 | – | $230,000 | 1 | - |
| $230,000 | – | $240,000 | - | 2 |
| $240,000 | – | $250,000 | 1 | - |
| $260,000 | – | $270,000 | 1 | 2 |
| $270,000 | – | $280,000 | 2 | - |
| $410,000 | – | $420,000 | - | 2 |
| $420,000 | – | $430,000 | 1 | - |
| $430,000 | – | $440,000 | 1 | - |
| $620,000 | – | $630,000 | - | 1 |
| $750,000 | – | $760,000 | 1 | - |
| | | | **42** | **38** |

## DONATIONS

The Company made donations totalling $3,165 during the year (2024: $9,956).

## USE OF COMPANY INFORMATION

During the year the Board received no notices from directors of the Company requesting to use company information received in their capacity as directors that would not otherwise have been available to them.

## AUDITOR

The Auditor General is the statutory auditor of the Company in accordance with the Public Audit Act 2001.
The Auditor General has appointed Heidi Rautjoki of Deloitte Limited to undertake the audit on his behalf.


Photo: Glacier Southern Lakes Heli

# DIRECTORS' RESPONSIBILITY STATEMENT

The directors of Queenstown Airport Corporation Limited are pleased to present the Annual Report and Financial Statements for Queenstown Airport Corporation Limited for the year ended 30 June 2025.

The directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice which give a true and fair view of the financial position of the Company as at 30 June 2025 and the results of operations and cash flows for the period ended on that date.

The directors consider the financial statements of the Company have been prepared using accounting policies that have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed, or otherwise disclosed.

The directors believe that proper accounting records have been kept which enable with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The directors consider that they have taken adequate steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the Financial Statements.

This Annual Report is dated 19 August 2025 and is signed in accordance with a resolution of the directors.

Simon Flood,
Chair

Jackie Cheyne,
Chair of AFRC

## STATEMENT OF SERVICE PERFORMANCE

| MEASURE | FY25 TARGET | FY25 ACHIEVEMENT | |
|---|---|---|---|
| **MASTER PLAN DELIVERY AND DEVELOPMENT PLANNING** | Complete Airfield, Terminal, Landside, and Civil Services and Utilities development plans | Achieved | Development plans completed. Detailed development planning under way. |
| | Finalise sustainable building guidelines and procurement criteria to support the infrastructure delivery programme | Achieved | Sustainable Building Guidelines document prepared. |
| **STRATEGIC PLANNING AND REPORTING** | Deliver interim and annual reports to shareholders and publish them on the Queenstown Airport website | Achieved | The company's FY24 annual report was published in August, and the company's interim report FY25 was published in February. Both are available on the Queenstown Airport website. |
| | Publish an annual Sustainability Report, including climate-related risks and opportunities, informed by scenario analysis | Achieved | The company's Sustainability Report 2024 was published in December and is available on the Queenstown Airport website. |
| **ACHIEVE AN ABSOLUTE EMISSION REDUCTION, FROM QAC OPERATIONAL ACTIVITIES, OF 85% FROM OUR BASELINE YEAR (2019) BY 2028*** | Emit no more than 134 tonnes of Non-Emergency** Scope 1 and net Scope 2 GHG (greenhouse gases) Emissions | Achieved | The verified emissions total 112.68 t $CO_2$-e, including emissions associated with emergency operations. |
| | Install a fit for purpose waste sorting facility onsite to enable the reduction of recycling waste contamination and reduce waste to landfill | Achieved | A fit-for-purpose waste and recycling sorting facility was installed onsite in October. |
| **IMPROVE OUR CUSTOMER EXPERIENCE SCORE ANNUALLY** | Quarterly customer experience surveys conducted at ZQN | Achieved | Surveys were conducted in the terminal each quarter in accordance with the Airport Council International's Airport Service Quality (ASQ) programme protocols. All compliance metrics were met. |
| | Achieve a customer satisfaction score of 4.25 or higher | Achieved | The average of the four quarterly ASQ customer satisfaction scores was 4.25. |
| **INCREASE OUR COMMUNITY SENTIMENT SCORE** | Achieve community satisfaction score of 66% | Achieved | An independent community sentiment survey was conducted in April and a community sentiment score of 69% was achieved. |
| **INCREASE THE PERCENTAGE OF PEOPLE TRAVELLING VIA PUBLIC TRANSPORT TO AND FROM THE AIRPORT ANNUALLY** | Achieve 10% increase on previous year* | Achieved | The percentage of people travelling by public transport increased by 17%, compared to FY24. |
| **INCREASE NON-AERONAUTICAL REVENUE TO 25% OF OVERALL REVENUE BY 2032** | 10% increase in revenue from our e-commerce offering on previous year | Achieved | E-commerce revenue increased by 30%, compared to FY24. |
| | First commercial partnership(s) and development agreements for the Frankton Development Precinct established | In Progress | Discussions with potential partners are ongoing. |

*The public bus serving Queenstown Airport is operated by the Otago Regional Council (ORC). The ORC provides passenger data specific to the terminal bus stop. QAC uses this data to measure the growth in bus patronage year-on-year.

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## STATEMENT OF SERVICE PERFORMANCE

| MEASURE | FY25 TARGET | FY25 ACHIEVEMENT | |
|---|---|---|---|
| **MANAGE AIRCRAFT MOVEMENTS TO REMAIN WITHIN EXISTING NOISE BOUNDARIES** | Noise modelling demonstrates compliance with operative noise boundaries | Achieved | 2024 noise modelling demonstrates compliance with operative noise boundary. |
| **MANAGE THE HEALTH, SAFETY AND SECURITY WELLBEING OF EMPLOYEES AND CONTRACTORS** | Zero employee or contractor lost-time injuries | Not Achieved | There was one employee lost-time injury recorded in June. |
| **FINANCIAL RETURN TO SHAREHOLDERS** | Interim and annual dividend paid to shareholders in line with QAC's dividend policy | Achieved | An annual dividend payment for FY24 was paid to shareholders in August. An interim dividend payment for FY25 was paid to shareholders in February. |
| **ENSURE THE MANAGEMENT OF THE AERODROME MEETS ALL HEALTH AND SAFETY, REGULATORY, AND OPERATIONAL COMPLIANCE STANDARDS** | Full compliance with all internal and external audits | Achieved | All regulatory, safety and operational compliance standards were met. |

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# FINANCIAL PERFORMANCE MEASURES

## PASSENGER AND AIRCRAFT MOVEMENTS (FY25)

| (000's) | ACTUAL | SOI | VAR. | |
|---|---|---|---|---|
| Domestic | 1,658 | 1,636 | 22 | 1% |
| International | 944 | 898 | 46 | 5% |
| **Total Passengers** | **2,602** | **2,534** | **68** | **3%** |
| **Aircraft Movements** | **18.9** | **18.6** | **0.3** | **1%** |

## INCOME STATEMENT (FY25)

| (000's) | ACTUAL | SOI | VAR. | |
|---|---|---|---|---|
| Total Revenue | 79,893 | 75,507 | 4,386 | 6% |
| EBITDA | 57,294 | 54,033 | 3,261 | 6% |
| Net Profit After Tax | 29,400 | 28,135 | 1,265 | 4% |
| EBITDA as % of Revenue | 72% | 72% | | |
| Dividends Paid | 21,205 | 14,145 | 7,060 | 50% |
| Return on Capital Employed (EBIT to Net Operating Assets) | 8.5% | 7.4% | | |

## FUNDING AND FINANCIAL COVENANTS (FY25)

| | ACTUAL | SOI |
|---|---|---|
| Closing Debt ($000) | 53,000 | 66,745 |
| EBITDA > 2 times funding expense | 10.2 | 16.5 |
| Shareholders' Funds to Total Tangible Assets > 50% | 83.5% | 82.6% |

# INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2025

| | NOTE | 2025 $ 000's | 2024 $ 000's |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from contracts with customers | 3 | 56,020 | 42,701 |
| Rental and other income | 3 | 24,004 | 22,040 |
| Other losses | | (131) | (4) |
| **Total income** | | **79,893** | **64,738** |
| **EXPENSES** | | | |
| Operating expenses | 3 | 12,453 | 9,589 |
| Employee renumeration and benefits | 3 | 10,146 | 8,979 |
| **Total expenses** | | **22,599** | **18,569** |
| **EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)** | | **57,294** | **46,169** |
| Depreciation | 8 | 10,742 | 10,272 |
| Amortisation | 9 | 146 | 118 |
| Loss on Disposal of Assets | | (11) | (18) |
| **Earnings before interest and taxation** | | **46,417** | **35,798** |
| Finance costs | 4 | 5,035 | 2,871 |
| **Profit before tax** | | **41,382** | **32,927** |
| Income tax expense | 5 | 11,982 | 16,433 |
| **Profit for the period** | | **29,400** | **16,494** |

The notes and accounting policies on pages 29 to 43 form part of and are to be read in conjunction with these financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

| | NOTE | 2025 $ 000's | 2024 $ 000's |
|---|---|---|---|
| **PROFIT FOR THE PERIOD** | | **29,400** | **16,494** |
| **Other comprehensive income** | | | |
| **Items that may be subsequently reclassified to the income statement** | | | |
| Loss on cash flow hedging taken to reserves | 16C | (1,086) | (239) |
| Income tax relating to loss on cash flow hedging | 16C | 304 | 87 |
| **Items that may not be subsequently reclassified to the income statement** | | | |
| Gain on revaluation of property, plant and equipment | 8 | 62,939 | - |
| Deferred tax on property plant and equipment | | (5,885) | - |
| **Other comprehensive income for the year, net of tax** | | **56,272** | **(152)** |
| **Total comprehensive income for the year, net of tax** | | **85,672** | **16,342** |

The notes and accounting policies on pages 29 to 43 form part of and are to be read in conjunction with these financial statements.

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## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

| | ORDINARY SHARES | ASSET REVALUATION RESERVE | CASH FLOW HEDGE RESERVE | RETAINED EARNINGS | TOTAL EQUITY |
|---|---|---|---|---|---|
| | $ 000's | $ 000's | $ 000's | $ 000's | $ 000's |
| **At 1 July 2024** | **37,657** | **336,253** | **550** | **72,044** | **446,504** |
| Profit for the period | - | - | - | 29,400 | 29,400 |
| Other comprehensive income | - | 57,054 | (782) | - | 56,272 |
| **Total comprehensive income for the period** | - | 57,054 | (782) | 29,400 | 85,672 |
| Dividends paid to shareholders | - | - | - | (21,205) | (21,205) |
| **At 30 June 2025** | **37,657** | **393,307** | **(232)** | **80,239** | **510,972** |

| | ORDINARY SHARES | ASSET REVALUATION RESERVE | CASH FLOW HEDGE RESERVE | RETAINED EARNINGS | TOTAL EQUITY |
|---|---|---|---|---|---|
| **At 1 July 2023** | **37,657** | **336,253** | **702** | **70,425** | **445,037** |
| Profit for the period | - | - | - | 16,494 | 16,494 |
| Other comprehensive income | - | - | (152) | - | (152) |
| **Total comprehensive income for the period** | - | - | (152) | 16,494 | 16,342 |
| Dividends paid to shareholders | - | - | - | (14,875) | (14,875) |
| **At 30 June 2024** | **37,657** | **336,253** | **550** | **72,044** | **446,504** |

The notes and accounting policies on pages 29 to 43 form part of and are to be read in conjunction with these financial statements.

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

| | NOTE | 2025<br>$ 000's | 2024<br>$ 000's |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 6 | 1,086 | 1,711 |
| Trade and other receivables | 7 | 4,198 | 3,842 |
| Prepayments | | 574 | 544 |
| Derivative financial instruments | 12 | - | 391 |
| **Total current assets** | | **5,858** | **6,488** |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 8 | 612,216 | 516,887 |
| Intangible assets | 9 | 5,113 | 2,751 |
| Derivative financial instruments | 12 | - | 373 |
| **Total non-current assets** | | **617,329** | **520,011** |
| **Total assets** | | **623,187** | **526,499** |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 10 | 16,179 | 2,971 |
| Employee entitlements | 11 | 1,856 | 1,786 |
| Current tax payable | | 6,106 | 11,572 |
| Derivative financial instruments | 12 | 101 | - |
| Term borrowings (secured) | 14 | 53,000 | - |
| **Total current liabilities** | | **77,242** | **16,329** |
| **NON-CURRENT LIABILITIES** | | | |
| Derivative financial instruments | 12 | 220 | - |
| Deferred tax liability | 5 | 34,753 | 31,166 |
| Term borrowings (secured) | 14 | - | 32,500 |
| **Total non-current liabilities** | | **34,973** | **63,666** |
| **EQUITY** | | | |
| Share capital | 15 | 37,657 | 37,657 |
| Retained earnings | 16 | 80,239 | 72,044 |
| Asset revaluation reserve | 16 | 393,307 | 336,253 |
| Cash flow hedge reserve | 16 | (231) | 550 |
| **Total equity** | | **510,972** | **446,504** |
| **Total equity and liabilities** | | **623,187** | **526,499** |

The notes and accounting policies on pages 29 to 43 form part of and are to be read in conjunction with these financial statements.

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# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

| | NOTE | 2025<br>$ 000's | 2024<br>$ 000's |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Cash was provided from: | | | |
| Receipts from customers | | 79,563 | 68,655 |
| Interest received | | 127 | 117 |
| Cash was applied to: | | | |
| Payments to suppliers and employees | | (23,861) | (16,918) |
| Interest paid | | (2,495) | (2,878) |
| Income Tax payments | | (16,984) | (9,981) |
| **Net cash flows from operating activities** | 20 | **36,350** | **38,994** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Cash was applied to: | | | |
| Purchases of property, plant and equipment | | (33,762) | (15,575) |
| Purchase of intangible assets | | (2,508) | (1,048) |
| **Net cash flows from investing activities** | | **(36,270)** | **(16,623)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Cash was provided from: | | | |
| Drawdown of borrowings | | 20,500 | - |
| Cash was applied to: | | | |
| Repayment of bank borrowings | | - | (7,000) |
| Dividends paid | | (21,205) | (14,875) |
| **Net cash flows from financing activities** | | **(705)** | **(21,875)** |
| Net increase/(decrease) in cash and cash equivalents | | (625) | 496 |
| Cash and cash equivalents at the beginning of the period | | 1,711 | 1,215 |
| **Cash and cash equivalents at the end of the period** | 6 | **1,086** | **1,711** |

The notes and accounting policies on pages 29 to 43 form part of and are to be read in conjunction with these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 1. CORPORATE INFORMATION

Queenstown Airport Corporation Limited (the Company or Queenstown Airport) is a company established under the Airport Authorities Act 1966 and registered under the Companies Act 1993. The Company is a reporting entity for the purposes of the Financial Reporting Act 2013.

The Company provides airport facilities and supporting infrastructure in Queenstown, New Zealand, and aeronautical services in Queenstown, Wanaka and Glenorchy, New Zealand. The Company earns revenue from aeronautical activities, retail and rental leases, car parking facilities and other charges and rents associated with operating an airport and also earns revenue from providing management services for the operation of airports.

The registered office of the Company is Level 1, Terminal Building, Queenstown Airport, Sir Henry Wigley Drive, Queenstown 9300, New Zealand.

These financial statements for the Company were authorised for issue in accordance with a resolution of the directors on 19 August 2025.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A) BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Financial Reporting Act 2013, the Companies Act 1993 and the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards ('NZIFRS') and other applicable financial reporting standards as appropriate for profit orientated entities.

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments, foreign currency bank accounts and certain items of property, plant and equipment which is based on the fair values of the consideration given in exchange for goods and services.

The financial statements are presented in New Zealand dollars. New Zealand dollars are the Company's functional currency.

The financial statements are presented rounded to the nearest one thousand dollars. Due to rounding, numbers presented may not add up precisely to totals provided.

At 30 June 2025, the Company had a working capital deficit of $71.4M (2024: $9.8M). $53.0M relates to current borrowings associated with the Company's borrowing facilities (total facility limit: $100M), which will expire on 30 June 2026. This has primarily arisen due to the reclassification of bank borrowings as current liabilities as a result of the planned alignment of the expiry of banking facilities to 30 June 2026, which will enable coordinated negotiation of new facilities that will enable the delivery of the Master Plan. The balance also includes a provision recognised in relation to additional compensation for Lot 6 (refer to Note 10 for further details). The Company has initiated a new/renewal process for bank funding facilities. Management and Directors are confident that the facilities will continue to be available once the process of agreeing terms is complete. Accordingly, the financial statements continue to be prepared on a going-concern basis as liabilities continue to be settled as they fall due.

### B) CHANGES IN ACCOUNTING POLICIES AND APPLICATION OF NEW ACCOUNTING POLICIES

The accounting policies set out in these financial statements are consistent for all periods presented.

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## C) REVENUE RECOGNITION

### Revenue arising from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when a customer obtains control of the service. The Company disaggregates revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. When selecting the type of categories to use to disaggregate revenue, the company considers how information about the Company's revenue has been presented for information regularly reviewed by the board and management. The Company provides services relating to the aviation sector. The following categories of revenue have been identified – scheduled airlines and general aviation, parking, recoveries and commercial vehicles access.

### Scheduled Airlines and General Aviation

Revenue arises at the point in time when the associated aircraft takes off or lands. Payment is due monthly (see note 7 for the payment terms).

#### Parking

Car park revenue is recognised in accordance with the hourly, daily or weekly parking charges over the time as the service is being transferred for the period when the vehicles use the carparks. For practical reasons the revenue is recorded at the time the car leaves the car park. Aircraft parking is recorded in accordance with the daily parking charges at the time the aircraft leaves the airport. The Company does not consider accrued park charges at a period end to be material based on regular assessment and any amounts are not adjusted for. Payment is due on departure from the carpark.

#### Recoveries

Revenue is recognised over the time as the lessees are continuously supplied with common areas services, utilities and amenities. The contract price is appropriately allocated to performance obligations using the input method – revenue is recognised on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation, i.e. resources consumed, relative to the total expected inputs to the satisfaction of that performance obligation. Payment is due monthly (see Note 7 for the payment terms).

#### Commercial Vehicles Access

Revenue is recognised at the point in time when the vehicles enter the transport area through the barrier. Payment is due upfront.

### Rental Revenue

Rental revenue is recognised in accordance with NZ IFRS 16 as described below.

The Company enters into lease and licence agreements as a lessor/licensor with respect to some of its land and buildings. Leases and licences for which the Company is a lessor are classified as finance or operating leases and licences. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee/licensee, the contract is classified as a finance lease or licence. All other leases are classified as operating leases or licences.

Rental income from operating leases and licences is recognised on a straight line basis over the term of the relevant lease or licence. Initial direct costs incurred in negotiating and arranging an operating lease or licence are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease or licence term. Contingent rents, such as turnover based rents, are recognised as revenue in the period they are earned.

### Interest Income

Interest income is recognised as interest accrues using the effective interest method.

## D) EMPLOYEE BENEFITS

Employee benefits including salary and wages, Kiwisaver and leave entitlements are expensed as the related service is provided. A liability is recognised for benefits accruing to employees for salaries and wages, incentives, annual leave and redundancy as a result of services rendered by employees and contractual obligations up to balance date at current rates of pay.

## E) TAXATION

### Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income.

### Deferred tax

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Income taxes relating to items recognised in other comprehensive income or directly in equity are recognised in other comprehensive income or directly in equity and not in the income statement. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset and liability giving rise to them are realised or settled, based on tax rates that have been enacted or substantively enacted by reporting date.

### Goods and services tax

Revenues, expenses, assets and liabilities are recognised net of the amount of GST, except for receivables and payables which are recognised inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense. Commitments and contingencies are disclosed net of the amount of GST.

## F) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially recognised at cost. The cost of property, plant and equipment includes all costs directly attributable to bringing the item to working condition for its intended use.

Expenditure on an asset will be recognised as an asset if it is probable that future economic benefits will flow to the entity, and if the cost of the asset can be measured reliably. This principle applies for both initial and subsequent expenditure.

Vehicles, plant and equipment, rescue fire equipment and furniture are carried at cost less accumulated depreciation and impairment losses.

All asset classes except plant and equipment are carried at fair value, as determined by an independent registered valuer, less accumulated depreciation and any impairment losses recognised after the date of any revaluation. All asset classes except plant and equipment acquired or constructed after the date of the latest revaluation are carried at cost, which approximates fair value. Revaluations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the balance sheet date. Plant and equipment is held at cost less accumulated depreciation.

Vested assets from the majority shareholder are initially measured at fair value at the date on which control is obtained.

### Revaluations

Revaluation increments are recognised in the asset revaluation reserve, except to the extent that they reverse a revaluation decrease of the same asset previously recognised in the profit for the year, in which case the increase is recognised in profit for the year.

Revaluation decreases are recognised in the profit for the period, except to the extent that they offset a previous revaluation increase for the same asset, in which case the decrease is recognised directly in the asset revaluation reserve via other comprehensive income.

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Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

### Fair Value

Where the fair value of an asset is able to be determined by reference to market based evidence, such as sales of comparable assets or discounted cash flows, the fair value is determined using this information. Where fair value of the asset is not able to be reliably determined using market based evidence, optimised depreciated replacement cost is used to determine fair value. For further discussion on fair values refer to note 8.

### Depreciation

Depreciation is calculated on either a diminishing value (DV) basis or on a straight line (SL) basis.

Expenditure incurred to maintain these assets at full operating capability is charged to the profit for the year in the year incurred.

The estimated useful lives of the major asset classes have been estimated as follows:

| | Rate % | Method |
|---|---|---|
| Buildings | 1.4% - 50.0% | DV or SL |
| Land Improvements | 1.0% - 10.0% | SL |
| Runways, Taxiways & Aprons | 1.0% - 20.0% | SL or DV |
| Car Parking | 1.0% - 26.4% | DV |
| Plant & Equipment | 1.0% - 67% | DV |

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

### Disposal

An item of property, plant and equipment is derecognised upon disposal or recognised as impaired when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit for the period the asset is derecognised.

### Capitalisation of costs

Labour and funding costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised to the asset as they are incurred. Borrowing costs are capitalised at the weighted average rate of the borrowing costs of the Company during the period the qualifying asset is being brought to intended use. All other labour and funding costs are recognised in the Income Statement in the period in which they are incurred.

Costs associated with the strategic and master planning work have been assessed and any costs of a capital nature have been disclosed in the Statement of Financial Position at year end.

## G) INTANGIBLE ASSETS

Intangible assets acquired separately (including noise mitigation on residents' properties) are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is charged on a straight line basis over the assessed estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for prospectively.

## H) IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use for cash-generating assets, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the profit for the year immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the profit for the year immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

## I) FINANCIAL INSTRUMENTS

The Company's financial assets comprise cash and cash equivalents and trade receivables. The Company's financial liabilities comprise accounts payable and accruals, borrowings, provisions, other liabilities (classified as financial liabilities at amortised cost) and derivatives (designated as a hedge).

### Financial assets at amortised costs

The Company classifies its financial assets as at amortised cost only if the asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest.

i. **Cash** in the statement of financial position and the cash flow statement comprises cash on hand, on-call deposits held with banks and short-term highly liquid investments.

ii. **Trade receivables** are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

### Financial assets at fair value

Hedging derivatives - The Company uses derivative financial instruments to hedge its risks associated with interest rates and foreign currency. Derivative financial instruments are recognised at fair value. Cash flow hedges are currently applied to future interest cash flows on variable rate loans and on variable foreign exchange rates. The effective portion of the gain or loss on the hedging instruments is recognised directly in other comprehensive income and accumulated as a separate component of equity in the cash flow hedge reserve, while the ineffective portion is recognised in the income statement. Amounts taken to equity are transferred to the income statement when the hedged transaction affects the income statement.

The Company applied Hypothetical Hedge/Matched Terms method to measure effectiveness of the hedge relationship, by comparison of hedging instrument to hypothetical derivative (in which the fair value is determined by the credit-risk free benchmark rate).

### Financial liabilities at amoritised costs

iii. **Trade and other payables** are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature. Trade and other payables are not interest-bearing.

iv. For all **borrowings**, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

### Financial liabilities at fair value

Hedging derivatives - The Company uses derivative financial instruments to hedge its risks associated with interest rates and foreign currency. Derivative financial instruments are recognised at fair value. Cash flow hedges are currently applied to future interest cash flows on variable rate loans and on variable foreign exchange rates. The effective portion of the gain or loss on the hedging instruments is recognised directly in other comprehensive income and accumulated as a separate component of equity in the cash flow hedge reserve, while the ineffective portion is recognised in the income statement. Amounts taken to equity are transferred to the income statement when the hedged transaction affects the income statement.

The Company applied Hypothetical Hedge/Matched Terms method to measure effectiveness of the hedge relationship, by comparison of hedging instrument to hypothetical derivative (in which the fair value is determined by the credit-risk free benchmark rate).

### Fair value hierarchy

The Company made judgements and estimates in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Fair value levels:

**Level 1** - The fair value of financial instruments traded in active markets (e.g. publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

**Level 2** - The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3** - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3 (e.g. unlisted equity securities).

Changes in level 2 and 3 fair values are analysed at the end of each reporting period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The Company's exposure to various risks associated with the financial instruments is discussed in Note 13. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned in Note 13.

## J) FOREIGN CURRENCIES

The financial statements are presented in New Zealand dollars, being the Company's functional currency. Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised as profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer to Note 13).

## K) CHANGES IN ACCOUNTING ESTIMATES, ACCOUNTING POLICIES AND DISCLOSURES

The Company accounts for the changes in accounting estimates prospectively in the financial statements. Therefore, carrying amounts of assets and liabilities and any associated expense and gains are adjusted in the period of change in estimate. There were no changes in the accounting estimates in the current year.

### New and amended standards and interpretations

New and revised NZ IFRS Accounting Standards and Interpretations Issued but not yet adopted All mandatory new and revised standards and interpretations have been adopted in the current year. At the date of authorisation of these financial statements, certain new standards and interpretations to existing standards have been published but are not yet effective. The Company expects to adopt these when they become mandatory. Of these, the following standard has been assessed as relevant to the Company:

NZ IFRS 18 (Presentation and Disclosure in Financial Statements) – introduces new requirements including a change in the structure of the profit and loss, management defined performance measures being included in a note to the financial statements, and enhanced aggregation/disaggregation clarification. The new standard amends the classification in the statement of cash flows. The Company has not assessed the impact of this standard but it is expected that it will impact the presentation of the financial statements. No others are expected to materially impact the Company's financial statements.

## L) SIGNIFICANT EVENTS

There were no Significant Events during the reporting period.

## M) SIGNIFICANT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, QAC has made judgements, estimates assumptions about the future, based on historical experience and other factors. These estimates and assumptions affect the application of QAC's accounting policies, and might differ from the subsequent actual results.

The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- Estimating Lot 6 provision and compensation payable - refer Note 10
- Estimating the carrying value of land and buildings – refer Note 8

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## 3. SURPLUS FROM OPERATIONS

### (a) Operating Revenue

The Company derives revenue from the transfer of services over time and at a point in time through four major revenue categories.

| REVENUE FROM CONTRACTS WITH CUSTOMERS | TIMING OF RECOGNITION | 2025 $ 000's | 2024 $ 000's |
|---|---|---|---|
| Scheduled airlines and general aviation | At point in time | 46,916 | 34,764 |
| Parking | Over time | 5,034 | 4,462 |
| Recoveries | Over time | 732 | 581 |
| Commercial vehicle access | At point in time | 3,338 | 2,894 |
| **Total revenue from contracts with customers** | | **56,020** | **42,701** |
| | | | |
| Lease rental revenue | | 23,410 | 21,122 |
| Management Fee (Wānaka Airport) | | 457 | 365 |
| Other revenue | | 137 | 554 |
| **Total revenue from rental and other income** | | **24,004** | **22,040** |

| (b) Operating Expenses | 2025 $ 000's | 2024 $ 000's |
|---|---|---|
| Administration and other | 5,464 | 4,697 |
| Professional services | 3,705 | 2,251 |
| Repairs and maintenance | 1,045 | 853 |
| Utilities | 2,239 | 1,789 |
| **Total operating expenses** | **12,453** | **9,589** |
| | | |
| Audit services include : | | |
| Audit of annual financial statements | 85 | 83 |
| Audit of disclosure financial statements | 33 | 36 |
| Other services provided – agreed upon procedures for sustainability linked loans | 3 | - |
| **Total audit services** | **121** | **119** |

| (c) Employee renumeration and benefits | 2025 $ 000's | 2024 $ 000's |
|---|---|---|
| Salaries and Wages | 9,812 | 8,638 |
| Directors fees | 334 | 341 |
| **Total employee renumeration and benefits** | **10,146** | **8,979** |

## 4. FINANCE COSTS

| | 2025 $ 000's | 2024 $ 000's |
|---|---|---|
| Interest and finance charges paid for financial liabilities not at fair value through profit or loss | 5,035 | 2,871 |
| **Net finance costs** | **5,035** | **2,871** |

Capitalised Interest for the year ended 30 June 2025 $0.6m (2024: $nil). Finance income from financial assets held for cash management purposes was immaterial and it was classified as revenue in the Income Statement. Finance costs include an estimate of use of money interest that would be required to be paid in relation to 'Lot 6' should the Land Valuation Tribunal adopt the QAC valuation.

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## 5. TAXATION

| | 2025 $ 000's | 2024 $ 000's |
|---|---|---|
| **(a) Current income tax expense** | | |
| Current income tax | 13,896 | 10,564 |
| Prior period adjustment | 55 | 4 |
| Origination and reversal of temporary differences | (1,969) | 5,865 |
| **Total income tax expense** | **11,982** | **16,433** |
| **(b) Numeric reconciliation between income tax expense and profit before tax** | | |
| Surplus before taxation per the Income Statement | 41,382 | 32,927 |
| Prima Facie Taxation @ 28% | 11,587 | 9,220 |
| Adjusted for tax effect of: | | |
| Permanent differences | 742 | (12) |
| Creation/(reversal) of temporary differences | (402) | 7,158 |
| Adjustments in relation to previous year | 55 | - |
| Amortisation of tax component of derivatives | - | 67 |
| **Income tax expense as per the Income Statement** | **11,982** | **16,433** |
| **(c) Net deferred liabilities** | | |
| Balance at beginning of the year | 31,166 | 25,077 |
| Deferred tax benefit/(charge) charged to income | (2,048) | 6,148 |
| Deferred tax benefit/(charge) charged to comprehensive income | 5,635 | (59) |
| **Balance at end of the year** | **34,753** | **31,166** |
| **The balance of deferred tax liabilities comprises:** | | |
| i Deferred tax liabilities | | |
| Intangible assets | 152 | 502 |
| Property, plant and equipment | 35,581 | 30,647 |
| Derivatives | (77) | 214 |
| Trade and other receivables | (3) | - |
| | **35,653** | **31,363** |
| ii Deferred tax assets | | |
| Trade and other payables | (711) | - |
| Employee benefits | (189) | (197) |
| | **(900)** | **(197)** |
| **Net deferred tax liability** | **34,753** | **31,166** |

## 6. CASH AND CASH EQUIVALENTS

| | 2025 $ 000's | 2024 $ 000's |
|---|---|---|
| Cash at bank | 1,086 | 1,707 |
| Cash on hand | 0 | 5 |
| **Cash and cash equivalents** | **1,086** | **1,711** |

## 7. TRADE AND OTHER RECEIVABLES

| | 2025 $ 000's | 2024 $ 000's |
|---|---|---|
| Trade receivables | 4,087 | 3,622 |
| less provision for expected credit losses | (12) | (1) |
| Revenue accruals and other receivables | 123 | 221 |
| **Closing balance** | **4,198** | **3,842** |
| **Recognised in the statement of financial position** | | |
| Current assets | 4,198 | 3,842 |
| Non-current assets | - | - |
| **Closing balance** | **4,198** | **3,842** |

Trade receivables have general payment terms of the 20th of the month following invoice. Movements in the provision for expected credit losses have been included in impairment and loss on assets in the income statement. No individual amount within the provision for expected credit losses is material.

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## 8. PROPERTY, PLANT AND EQUIPMENT

### (a) Reconciliation of carrying amounts at the beginning and end of the year

| | LAND | BUILDINGS | LAND IMPROVE-MENT | RUNWAYS, TAXIWAYS & APRONS | CAR PARKING | PLANT & EQUIP-MENT | TOTAL |
|---|---|---|---|---|---|---|---|
| | $ 000's | $ 000's | $ 000's | $ 000's | $ 000's | $ 000's | $ 000's |
| At fair value | 325,418 | 97,553 | 15,169 | 39,980 | 19,386 | - | **497,505** |
| At cost | - | - | - | - | - | 34,886 | **34,886** |
| Work in progress at cost | - | 3,589 | 441 | 1,193 | 10 | 564 | **5,797** |
| Accumulated depreciation | - | - | - | - | - | (21,320) | **(21,320)** |
| **Balance at 30 June 2024** | **325,418** | **101,142** | **15,610** | **41,173** | **19,396** | **14,130** | **516,887** |
| Revaluation | 41,697 | 19,807 | 611 | 723 | 102 | - | **62,939** |
| Additions | 9,360 | 3,558 | 66 | 22,159 | 42 | 2,175 | **37,360** |
| Disposals | - | - | - | - | - | (13) | **(13)** |
| Work in progress movement | - | 1,542 | 788 | 927 | 815 | 1,732 | **5,804** |
| Depreciation | - | (4,563) | (234) | (2,344) | (1,159) | (2,441) | **(10,742)** |
| **Movement to 30 June 2025** | **51,057** | **20,343** | **1,231** | **21,464** | **(200)** | **1,452** | **95,348** |
| At fair value | 376,475 | 116,355 | 15,611 | 60,518 | 18,371 | - | **587,329** |
| At Cost | - | - | - | - | - | 37,006 | **37,006** |
| Work in progress at cost | - | 5,131 | 1,229 | 2,120 | 825 | 2,296 | **11,601** |
| Accumulated Depreciation | - | - | - | - | - | (23,720) | **(23,720)** |
| **Balance at 30 June 2025** | **376,475** | **121,485** | **16,840** | **62,638** | **19,196** | **15,582** | **612,216** |

The Company's assets are secured by way of a general security agreement with its bank funders.

| | LAND | BUILDINGS | LAND IMPROVE-MENT | RUNWAYS, TAXIWAYS & APRONS | CAR PARKING | PLANT & EQUIP-MENT | TOTAL |
|---|---|---|---|---|---|---|---|
| | $ 000's | $ 000's | $ 000's | $ 000's | $ 000's | $ 000's | $ 000's |
| At fair value | 325,418 | 96,884 | 15,064 | 40,374 | 19,490 | - | **497,229** |
| At cost | - | - | - | - | - | 29,104 | **29,104** |
| Work in progress at cost | - | 4,773 | 10 | 478 | 778 | 451 | **6,490** |
| Accumulated depreciation | - | - | - | - | - | (19,356) | **(19,356)** |
| **Balance at 30 June 2023** | **325,418** | **101,656** | **15,074** | **40,852** | **20,268** | **10,198** | **513,467** |
| Revaluation | - | - | - | - | - | - | **-** |
| Additions | - | 5,420 | 321 | 1,598 | 1,106 | 5,958 | **14,403** |
| Disposals | - | (10) | - | - | - | (176) | **(186)** |
| Work in progress movement | - | (1,184) | 431 | 715 | (768) | 113 | **(693)** |
| Depreciation | - | (4,741) | (216) | (1,992) | (1,210) | (1,964) | **(10,123)** |
| **Movement to 30 June 2024** | **-** | **(514)** | **536** | **321** | **(872)** | **3,931** | **3,401** |
| At fair value | 325,418 | 97,553 | 15,169 | 39,980 | 19,386 | - | **497,505** |
| At Cost | - | - | - | - | - | 34,886 | **34,886** |
| Work in progress at cost | - | 3,589 | 441 | 1,193 | 10 | 564 | **5,797** |
| Accumulated Depreciation | - | - | - | - | - | (21,320) | **(21,320)** |
| **Balance at 30 June 2024** | **325,418** | **101,142** | **15,610** | **41,173** | **19,396** | **14,130** | **516,887** |

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### (b) Carrying amounts of land, buildings, runway and aprons are measured at historical cost less accumulated depreciation

| | LAND | BUILDINGS | LAND IMPROVE-MENTS | RUNWAYS, TAXIWAYS & APRONS | CAR PARKING | PLANT & EQUIPMENT | TOTAL |
|---|---|---|---|---|---|---|---|
| **YEAR ENDED 30 JUNE 2025** | **$ 000's** | **$ 000's** | **$ 000's** | **$ 000's** | **$ 000's** | **$ 000's** | **$ 000's** |
| At historical cost | 59,330 | 93,434 | 11,826 | 93,026 | 12,974 | 37,456 | **308,046** |
| Work in progress at cost | - | 5,131 | 1,229 | 2,120 | 825 | 2,296 | **11,601** |
| Accumulated depreciation | - | (41,312) | (2,402) | (27,202) | (7,575) | (24,136) | **(102,628)** |
| **Net carrying amount** | **59,330** | **57,253** | **10,653** | **67,944** | **6,224** | **15,616** | **217,019** |
| **YEAR ENDED 30 JUNE 2024** | | | | | | | |
| At historical cost | 49,970 | 89,876 | 11,760 | 70,867 | 12,931 | 35,294 | **270,699** |
| Work in progress at cost | - | 3,589 | 441 | 1,193 | 10 | 564 | **5,797** |
| Accumulated depreciation | - | (36,749) | (2,169) | (24,858) | (6,415) | (21,695) | **(91,886)** |
| **Net carrying amount year** | **49,970** | **56,716** | **10,033** | **47,202** | **6,526** | **14,164** | **184,610** |

### (c) Revaluation of land, buildings, runways, taxiway and aprons and property, plant and equipment

At the end of each reporting period, the Company makes an assessment of whether the carrying amounts differ materially from fair value and whether a revaluation is required.

Valuations are completed in accordance with financial reporting and valuation standards. Management reviews the key inputs, assesses valuation movements and holds discussions with the valuers as part of the process. Discussions about the valuation processes and results are held between the Company's management and the Board.

Land, buildings, roading and car parking were independently valued by JLL, registered valuers, as at 30 June 2025. Runways, taxiways and aprons were independently valued by Beca Valuations Limited (Beca), registered valuers, as at the same date.

#### Fair value measurement at 30 June 2025

The valuation assessments of Aeronautical and Non-Aeronautical assets have been undertaken in accordance with NZ IAS 16. Fair value is 'The amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction where Fair Value can be determined by reference to the price paid in an active market for the same or similar assets, the value of those assets can generally be determined on the basis of Market Value. Under NZ IAS 16 there is no requirement to assess (and deduct) disposal costs.

The valuation has also been prepared in compliance with NZ IFRS 13 Fair Value Measurement. NZ IFRS 13 Fair Value Measurement applies to reporting standards that require or permit fair value measurements or disclosures and provides a single NZ IFRS framework for measuring fair value and requires disclosures about fair value measurement. The Standard defines fair value on the basis of an 'exit price' notion and uses a 'fair value hierarchy', which results in a market-based, rather than entity-specific, measurement.

The Company's land, buildings, runways, taxiway and aprons and property, plant and equipment are all categorised as Level 3 in the fair value hierarchy. During the year, there were no transfers between the levels of the fair value hierarchy.

The table below summarises the valuation methodology, key valuation assumptions, fair value hierarchy levels and valuation sensitivity analysis for the significant asset classes.

| ASSET CLASSIFICATION & DESCRIPTION | ASSET CLASS | VALUATION METHODOLOGY | KEY VALUATION ASSUMPTIONS | CLOSING VALUE ($000'S) 30 JUNE 2025 | VALUATION SENSITIVITY |
|---|---|---|---|---|---|
| **Land** | Land | Market Value – based on zonal use. Direct Sales Comparison based on degree of utility within the airport area. | Airport Use zone land compared to commercial and rural values at an average rate of $87/m2, while Airport terminal land at an average rate of $1,250/m2. | 115,839 | Airport use +/- $4.8 million, Terminal area +/- $1 million (5% change in land value rates) |
| **Commercial Commercial land in the south-western area of the airport** | Land | Market Value on existing airport use. Sales comparisons for land value assessments. | Land areas assessed at $480/m2. | 27,480 | +/- $1.4 million (5% change in land value rate or discount rate for contestable land) |
| **Industrial Vacant land zoned industrial at the northern end of the airport** | Land | Market Value under a Direct Sales Comparison Approach. | Land values range between $500 – $900m². | 84,581 | +/- $4.3 million (5% change in freehold land rates) |
| **Ground Leases Land leased to third parties for aeronautical activities where the Lessee owns the improvements** | Land | Market Value using a Present Value of future rental annuities plus land value, based upon actual current lease agreements with third parties. | Majority of the ground leased sites assessed at a freehold land value of $552m2. | 66,073 | +/- $3.3 million (5% change in land value rate or discount rate for contestable land) |

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| ASSET CLASSIFICATION & DESCRIPTION | ASSET CLASS | VALUATION METHODOLOGY | KEY VALUATION ASSUMPTIONS | CLOSING VALUE ($000'S) 30 JUNE 2025 | VALUATION SENSITIVITY |
|---|---|---|---|---|---|
| **Carparking Land accommodating transportation uses including public, rental car and staff parking as well as commercial service operators** | Land | Market Value, based on zonal use, land value sales due to uncertain revenue forecasting. | Based on land sales comparison on zonal approach at $950/m^2$. | 54,935 | +/- $2.8 million (5% change in land value rates) |
| **Residential Various residential sites** | Land | Market Value under a Direct Sales Comparison Approach. | Adopted land value rate of $1,600/m^2$. | 14,472 | +/- $0.7 million (5% change in land value rate) |
| **Wanaka - Non-Aeronautical Windermere Farm and Ferguson land** | Land | Market Value under Direct Sales Comparison and Hypothetical Subdivision Approaches. | Average adopted land value rate of $8.9/m2. | 13,096 | +/- $0.70 million (5% change in average land rate) |
| **Commercial Queenstown Buildings leased to third parties and surrounding improvements** | Buildings | Commercial buildings have been valued on an investment basis, while the various surrounding improvements have been valued using an ODRC approach. | Yield rates of 4.0% applied to contestable buildings. Land values $1,000/m2 - $1,400/m2. | 5,030 | +/- $0.30 million (5% change in land value rate or discount rate for contestable land) |
| **Buildings Aeronautical Terminal Building** | Buildings | Fair Value under an Optimised Depreciated Replacement Cost (ODRC) approach. The cost of constructing an equivalent asset at current market-based input cost rates, adjusted for remaining useful life (depreciation). | Construction cost range $3,000psm to $11,500psm and depreciation rates of circa 2.0% per annum. | 109,191 | +/- $5.5 million |
| **Residential Residential improvements** | Buildings | Market Value under a Direct Sales Comparison Approach. | Dwelling values of $100,000 - $400,000 depending upon size and quality of presentation. Kerbside values. | 2,134 | +/- $0.1 million (5% change in value) |
| **Resa** | Land Improve-ments | Fair Value under the Depreciated Replacement Cost (DRC) Approach. It is based upon the principle of substitution, assuming the use of modern materials, techniques and designs. | Reference has been made to inflation indices used and construction rates compiled by Beca's cost estimators and valuations team, who are involved in aviation civil works. | 13,663 | +/- $0.6 million (5% change in DRC value) |
| **Runway, Taxiway & Aprons** | Runways, Taxiways & Aprons | | | 60,518 | +/- $3.0 million (5% change in DRC value) |
| **Carparking improvements** | Carparking | Fair Value under Optimised Depreciated Replacement Cost (DRC). | Reference has been made to inflation indices used and construction rates compiled by cost estimators and valuers for sealed areas and associated barrier arm infrastructure. | 18,371 | +/- $0.9 million (5% change to replacement rate) |

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| SENSITIVITY OF INPUTS | |
|---|---|
| **Land** | The critical elements in establishing the 'market value existing use' of land is the market rate prevailing for similar land.<br>▪ An increase in demand for land will increase the fair value, vice versa<br>▪ Rezoning, servicing upgrades or reconfiguring land can result in an increase in the fair value, vice versa |
| **Runway, Taxiway & Aprons and Land Improvements** | The critical elements in establishing the fair value of civil assets is the movement in the average cost rates for concrete, asphalt, base course and foundations, as well as the estimated remaining useful life of the assets.<br>▪ An increase to any of the average cost rates listed above will increase the fair value, vice versa<br>▪ A reduction in the estimated remaining useful life of the assets will reduce the fair value, vice versa |
| **Buildings, Plant & Equipment and Car Parking** | ▪ An increase in modern equivalent asset replacement cost will increase the fair value, vice versa<br>▪ A reduction in the estimated remaining useful life of the assets will reduce the fair value, vice versa<br>▪ An increase in the cashflow from an asset will increase the fair value, vice versa |

**(d) Carrying amounts of land and buildings, split between leased and not leased assets**

| | LAND NOT LEASED | LAND LEASED | BUILDINGS NOT LEASED | BUILDINGS LEASED | TOTAL |
|---|---|---|---|---|---|
| | $ 000's | $ 000's | $ 000's | $ 000's | $ 000's |
| At fair value | 195,251 | 130,167 | 53,957 | 43,595 | 422,970 |
| At cost | - | - | - | - | - |
| Work in progress at cost | - | - | 2,153 | 1,436 | 3,589 |
| Accumulated depreciation | - | - | - | - | - |
| **Balance as at 30 June 2024** | **195,251** | **130,167** | **56,111** | **45,030** | **426,559** |
| Revaluation | 25,852 | 15,845 | 12,280 | 7,527 | 61,504 |
| Additions | 5,803 | 3,557 | 2,206 | 1,352 | 12,918 |
| Disposals | - | - | - | - | - |
| Work in Progress | - | - | 956 | 586 | 1,542 |
| Depreciation | - | - | (2,829) | (1,734) | (4,563) |
| **Movement to 30 June 2025** | **31,655** | **19,402** | **12,613** | **7,731** | **71,400** |
| At fair value | 226,906 | 149,569 | 65,615 | 50,740 | 492,829 |
| At cost | - | - | - | - | - |
| Work in progress at cost | - | - | 3,109 | 2,021 | 5,131 |
| Accumulated depreciation | - | - | - | - | - |
| **Balance as at 30 June 2025** | **226,906** | **149,569** | **68,724** | **52,761** | **497,960** |

## 9. INTANGIBLE ASSETS

| | 2025 | 2024 |
|---|---|---|
| | $ 000's | $ 000's |
| **Cost** | | |
| Opening balance | 6,214 | 5,167 |
| Impairment of intangible assets | - | - |
| Additions/(disposals) from internal developments | 2,508 | 1,047 |
| **Total cost closing balance** | **8,722** | **6,214** |
| **Accumulated amortisation** | | |
| Opening balance | 3,463 | 3,345 |
| Amortisation expense | 146 | 118 |
| **Total accumulated amortisation** | **3,609** | **3,463** |
| **Total carrying value of intangible assets** | **5,113** | **2,751** |

The following useful lives are used in the calculation of amortisation:

| | |
|---|---|
| Pricing Project | - 1 to 3 years |
| Noise Mitigation | - 10 years |
| Planning | - 10 years |

The Company has not identified any material assets related to contracts with customers.

## 10. TRADE AND OTHER PAYABLES

| | 2025 | 2024 |
|---|---|---|
| Trade payables | 3,115 | 2,537 |
| Other creditors and accruals | 13,064 | 434 |
| **Closing balance** | **16,179** | **2,971** |

The above balances are unsecured.

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### Significant judgements and uncertainties

QAC is currently involved in a dispute with Remarkables Park Limited (RPL) regarding the amount of compensation payable for the compulsory acquisition of land, with the matter currently before the Land Valuation Tribunal (LVT). The dispute arises from differences in the property valuations.

During the year ending 30 June 2021, QAC paid $18.34 million in compensation for land known as 'Lot 6', which had been acquired under the Public Works Act 1981 (PWA) in 2019. The previous owner (RPL) subsequently indicated that it would seek additional compensation under the PWA. In July 2023, QAC received a claim for further compensation. QAC lodged this claim with the court in November 2023, and the matter was referred to the LVT. In 2024, following receipt of an updated claim from RPL and considering recent case law and forthcoming evidence exchange between the parties, QAC determined that its valuation should be based on an alternative valuation methodology to that previously used by its valuers. QAC's revised value range is between $26.2 million and $27.7 million (inclusive of the $18.34 million already paid), whereas RPL's claim stands at $73.5 million. The LVT hearing concluded in April 2025, but a decision on the compensation payable is yet to be released. The matter remains unresolved as at 30 June 2025.

As at 30 June 2025, QAC has recognised a provision in relation to this dispute, as management considers it probable that additional compensation will be required. This provision is based on the difference between the original amount paid and the revised valuation of the land, as determined by independent external valuations obtained by QAC and submitted to the LVT. The asset valuation recorded at 30 June 2025 reflects this revised valuation. The provision also includes an estimate of 'use of money' interest that would be payable should the LVT adopt the QAC valuation. The level of compensation that will be determined by the LVT outcome remains highly uncertain.

## 11. EMPLOYEE ENTITLEMENTS

| | 2025 | 2024 |
|---|---|---|
| | $ 000's | $ 000's |
| Accrued salary, wages and incentives | 956 | 1,006 |
| Annual & Alternative Leave | 900 | 780 |
| **Closing balance** | **1,856** | **1,786** |

## 12. DERIVATIVES

| | 2025 | 2024 |
|---|---|---|
| | $ 000's | $ 000's |
| Derivative financial assets (liabilities) | | |
| Interest rate swaps | (234) | 661 |
| Foreign exchange forward contracts | (88) | 103 |
| **Closing balance** | **(322)** | **764** |
| **Recognised in the statement of financial position** | | |
| Current Assets | - | 391 |
| Non-current Assets | - | 373 |
| Current liabilities | (101) | - |
| Non-current liabilities | (220) | - |
| **Total derivatives** | **(322)** | **764** |

In order to protect against rising interest rates the Company has entered into interest rate swap contracts under which it has a right to receive interest at variable rates and to pay interest at fixed rates.

In order to protect against foreign exchange rate risk the Company has entered into a forward contract to purchase AUD for the Aviramps.

## 13. FINANCIAL RISK MANAGEMENT

### (a) Foreign exchange risk management

It is the policy of the Company to enter into forward foreign exchange contracts to cover committed foreign currency payments and receipts over $0.5 million by at least 80% of the exposure generated

| | NOTIONAL VALUE (AUD) | FAIR VALUE | NOTIONAL VALUE (USD) | FAIR VALUE |
|---|---|---|---|---|
| **2025** | | | **$ 000's** | **$ 000's** |
| Less than 1 year | (78) | (3) | 275 | (53) |
| 1 to 2 years | - | - | 250 | (32) |
| 3 to 5 years | - | - | - | - |
| | **(78)** | **(3)** | **525** | **(85)** |
| **2024** | | | **$ 000's** | **$ 000's** |
| Less than 1 year | | | (7,289) | 32 |
| 1 to 2 years | | | 271 | 44 |
| 3 to 5 years | | | 187 | 28 |
| | | | **(6,831)** | **103** |

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### (b) Interest rate risk management

It is the Company policy that the parameters for the percentage of forecast core debt, including any associated derivatives, that have fixed interest rates in any period shall be within the following profiles:

| | 0-12 Mth | Yrs 2 & 3 | Yrs 4 & 5 | Yrs 6 & 7 |
|---|---|---|---|---|
| Maximum fixed rate debt | 90% | 70% | 50% | 30% |
| Minimum fixed rate debt | 30% | 20% | 0% | 0% |

The maximum term for fixing interest rates is 7 years unless specifically approved by the Board.Th

The Company has interest rate risk resulting from its floating rate borrowings under its debt facility. In order to protect against this risk, the Company has entered into interest rate swaps agreements, under which it has the obligation to transform a series of future variable interest cash flows, attributable to changes in 3 month NZD-BRR-FRA, back to a known fixed interest cash flow based on the relevant swap rate that existed at the inception of the hedge relationship. The following table details the notional principal amounts and remaining term of interest rate swap contracts outstanding as at reporting date:

| 2025 | CONTRACT FIXED INTEREST RATE (WEIGHTED AVERAGE) % | NOTIONAL PRINCIPAL AMOUNT $ 000's | FAIR VALUE $ 000's |
|---|---|---|---|
| Outstanding floating to fixed contracts | | | |
| Less than 1 year | 3.9% | 25,000 | (45) |
| 1 to 2 years | 3.7% | 5,000 | (37) |
| 3 to 5 years | 3.6% | 20,000 | (151) |
| | | **50,000** | **234** |
| Cover of principal outstanding (contracts with an effective date before 30 June 2025) | | **94%** | |

| 2024 | CONTRACT FIXED INTEREST RATE (WEIGHTED AVERAGE) % | NOTIONAL PRINCIPAL AMOUNT $ 000's | FAIR VALUE $ 000's |
|---|---|---|---|
| Outstanding floating to fixed contracts | | | |
| Less than 1 year | 1.7% | 10,000 | 360 |
| 1 to 2 years | 3.2% | 10,000 | 302 |
| | | **20,000** | **662** |
| Cover of principal outstanding (contracts with an effective date before 30 June 2024) | | **62%** | |

At 30 June 2025, if the interest rates had changed by +/- 1%, with all other variables held constant, the impact on profit before tax would have been $425,000 (2024: $220,833) lower/higher, with the impact of hedging factored into the calculation. A sensitivity of 1% has been selected as this is considered reasonable given the current level of interest rates and the trend observed both on a historical basis and market expectations for future moves.

### (c) Capital risk management

When managing capital, management ensures that the Company continues as a going concern, the Company has access to sufficient capital to fund investments, capital can be accessed at a competitive cost and optimal returns are delivered to shareholders.

The Company is not subject to any externally imposed capital requirements apart from covenants in respect of bank facilities.

### (d) Credit and liquidity risk management

Credit risk arises from cash and cash equivalents, favourable derivative financial instruments, deposits with banks and credit exposures to customers, including outstanding receivables. Credit risk is managed by the senior management and directed by the board. Only independently rated banks with a minimum rating of A (Standard & Poor's) or A1 (Moody's) are accepted. For parties where there is no independent rating, the financial department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. For some customers the Company may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets is mentioned in the Note 7 Trade & Other Receivables, and Note 6 Cash and Cash Equivalents. There are no significant concentrations of credit risk, through exposure to individual customer due to the specifics of the industry. The Company applies the IFRS 9 simplified approach to measuring credit losses, refer to Note 7 Trade & Other Receivables for further discussion.

Liquidity risk represents the risk that the Company may not have the financial ability to meet its contractual obligations. The Company evaluates its liquidity requirements on an on-going basis and reviews the treasury policy headroom levels on an annual basis. In general, the Company generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has funding in place to cover potential shortfalls.

The table below analyses the company's financial liabilities and derivative financial liabilities that will be settled on a net basis, into relevant maturity groupings based on the remaining period at year end to the contractual maturity date. The amounts disclosed in the table are the gross contractual undiscounted cash flows. Balances within 12 months equal their carrying balances.

| | CARRYING AMOUNT $ 000's | TOTAL CASHFLOW $ 000's | ON DEMAND $ 000's | < 1 YEAR $ 000's | 1 - 2 YEARS $ 000's | 3 - 5 YEARS $ 000's |
|---|---|---|---|---|---|---|
| **2025** | | | | | | |
| **Financial liabilities** | | | | | | |
| Trade and other payables | **16,179** | **16,179** | 4,279 | 11,900 | - | - |
| Borrowings | **53,000** | **56,763** | - | 56,763 | - | - |
| Derivative financial instruments | **321** | **321** | - | 101 | 221 | - |
| **Total financial liabilities** | **69,500** | **73,263** | **4,279** | **68,764** | **221** | **-** |
| **2024** | | | | | | |
| **Financial liabilities** | | | | | | |
| Trade and other payables | 2,971 | 2,971 | 2,971 | - | - | - |
| Borrowings | 32,500 | 36,408 | - | 1,954 | 34,454 | - |
| **Total financial liabilities** | **35,471** | **39,379** | **2,971** | **1,954** | **34,454** | **-** |

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## 14. BORROWINGS

| | EXPIRY DATE | LINE LIMIT $ 000's | 2025 $ 000's | 2024 $ 000's |
|---|---|---|---|---|
| **Bank Facilities** | | | | |
| ASB | 30 June 2026 | 20,000 | 10,000 | 7,500 |
| Bank of China | 30 June 2026 | 20,000 | 11,500 | 11,500 |
| BNZ | 30 June 2026 | 20,000 | 15,000 | 2,500 |
| Westpac | 30 June 2026 | 40,000 | 16,500 | 11,000 |
| **Total borrowings** | | **100,000** | **53,000** | **32,500** |

| | | |
|---|---|---|
| **Recognised in the statement of financial position** | | |
| Current liabilities | 53,000 | - |
| Non-current liabilities | - | 32,500 |
| **Total borrowings** | **53,000** | **32,500** |

The bank facilities are secured by a general security agreement over the Company's assets, undertakings and any uncalled capital.

## 15. SHARE CAPITAL

| | 2025 NO. | 2025 $ 000's | 2024 NO. | 2024 $ 000's |
|---|---|---|---|---|
| **(a) Authorised share capital** | | | | |
| Ordinary shares – fully paid. | 16,060,365 | 37,657 | 16,060,365 | 37,657 |

**(b) Ordinary shares**

All ordinary shares have equal voting rights and equal rights to distributions and any surplus on winding up of the Company.

## 16. RETAINED EARNINGS AND RESERVES

| | 2025 $ 000's | 2024 $ 000's |
|---|---|---|
| **(a) Retained earnings** | | |
| Movements in Retained Earnings were as follows: | | |
| Balance 1 July | 72,044 | 70,425 |
| Net surplus for the year | 29,400 | 16,494 |
| Dividends paid | (21,205) | (14,875) |
| **Balance at 30 June** | **80,239** | **72,044** |

| | 2025 $ 000's | 2024 $ 000's |
|---|---|---|
| **(b) Asset revaluation reserve** | | |
| Movements in the asset revaluation reserve were as follows: | | |
| Balance 1 July | 336,253 | 336,253 |
| Increase arising on revaluation of assets | 62,939 | - |
| Deferred tax movement | (5,885) | - |
| **Balance at 30 June** | **393,307** | **336,253** |

| | 2025 $ 000's | 2024 $ 000's |
|---|---|---|
| **(c) Cash flow hedge reserve** | | |
| Movements in the cash flow hedge reserve were as follows: | | |
| Balance 1 July | 550 | 702 |
| Gain/(loss) recognised on interest rate swaps | (994) | (544) |
| Deferred tax movement arising on interest rate swaps | 278 | 152 |
| Gain recognised on forward exchange contracts | (91) | 333 |
| Deferred tax movement arising on forward exchange contracts | 26 | (93) |
| **Balance at 30 June** | **(231)** | **550** |

The cash flow hedge reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in the Income Statement when the hedge relationship is discontinued.

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## 17. DIVIDENDS

On 15 August 2024 a final dividend of 88.67 cents per share (total dividend: $14,241,000) for the year ended 30 June 2024 was paid to holders of fully paid ordinary shares.

On 17 February 2025 an interim dividend of 43.36 cents per share (total dividend of $6,964,000) for the year ended 30 June 2025 was paid to holders of fully paid ordinary shares.

## 18. OPERATING LEASE ARRANGEMENTS

### (a) Company as Lessor: Operating Lease Rental

Operating leases as at 30 June 2025 relate to the commercial property owned by the Company with lease terms between 1 year to 33 years, the longest of which extends 12 years in the future. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Rental income earned by the Company from its commercial property is set out in Note 3. The Company has contractual rights under leases to the following Minimum Annual Guaranteed rentals and contracted escalations but excludes at risk receipts such as turnover rents and CPI increases:

| | 2025 | 2024 |
|---|---|---|
| | $ 000's | $ 000's |
| Less than 12 months | 16,776 | 17,587 |
| 1-2 years | 12,851 | 4,768 |
| 2-3 years | 4,714 | 3,285 |
| 3-4 years | 3,696 | 2,939 |
| 4-5 years | 2,977 | 2,928 |
| 5+ years | 2,602 | 5,090 |
| **Total operating lease rentals receivable** | **43,616** | **36,597** |

## 19. RELATED PARTY TRANSACTIONS

Queenstown Airport is 75.01% owned by the ultimate parent entity, Queenstown Lakes District Council, and 24.99% owned by Auckland Airport Holdings (No 2) Limited.

Related parties of the Company are:

- Queenstown Lakes District Council (QLDC) - shareholder
- Auckland International Airport Limited (AIAL) - shareholder
- Mark R Thomson - Chief Commercial Officer (AIAL) - director of the Company (resigned 31/12/2024)
- Mary-Liz Tuck - Chief Strategic Planning Officer (AIAL) - director of the Company (appointed 1/1/2025)

### (a) Transactions with related parties

The following transactions occurred with related parties:

All transactions were provided on normal commercial terms.

| | 2025 | 2024 |
|---|---|---|
| | $ 000's | $ 000's |
| **Queenstown Lakes District Council (QLDC)** | | |
| Rates paid | 471 | 465 |
| Rental receipts | (43) | (43) |
| Sundry payments/(receipts) | 46 | 5 |
| Wānaka Airport - management fee | (457) | (365) |
| Wānaka and Glenorchy Airport - Sundry payments | 55 | 62 |
| **Net payment to QLDC** | **72** | **125** |
| **Auckland International Airport Limited (AIAL)** | | |
| Director fees/expenses paid | 46 | 49 |
| Rescue fire training fees paid | - | 22 |
| **Net payment to AIAL** | **46** | **71** |

During the year, Queenstown Airport Corporation paid Wakatipu Community Foundation $78,000 for sponsorship and administration. Simon Flood is both the Chairman of Queenstown Airport Corporation and a member of the Investment Committee of the Wakatipu Community Foundation.

### (b) Balances with related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

| | 2025 | 2024 |
|---|---|---|
| | $ 000's | $ 000's |
| **Queenstown Lakes District Council (QLDC)** | | |
| Receivables | (48) | (69) |
| Payables | - | 8 |
| **Net (receivable) balance (QLDC)** | **(48)** | **(61)** |
| **Auckland International Airport Limited (AIAL)** | | |
| Receivables | - | - |
| Payables | - | - |
| **Net payable balance (AIAL)** | **-** | **-** |

### (c) Key Management Personnel Compensation

Key management personnel compensation for the year's ended 30 June 2025 and 30 June 2024 is set out below. The key management personnel are all the directors of the Company and the executives with the greatest authority for the strategic direction and management of the Company.

| | 2025 | 2024 |
|---|---|---|
| | $ 000's | $ 000's |
| Short-term benefits paid | 2,692 | 2,406 |
| **Total** | **2,692** | **2,406** |

## 20. RECONCILIATION OF CASH FLOWS

| | 2025 | 2024 |
|---|---|---|
| **(a) Operating Activities** | **$ 000's** | **$ 000's** |
| Net profit after taxation | 29,400 | 16,494 |
| Add/(Deduct) non-cash items: | | |
| Amortisation | 146 | 119 |
| Depreciation | 10,742 | 10,271 |
| Doubtful Debts | 11 | - |
| Deferred Tax | (1,992) | 6,089 |
| Changes in Assets and Liabilities: | | |
| (Increase)/decrease in trade receivables | (465) | 1,595 |
| (Increase)/decrease in other receivables | 98 | 1,212 |
| (Increase)/decrease in prepayments | (30) | 15 |
| Increase/(decrease) in current tax payable | (5,467) | 385 |
| Increase/(decrease) in trade and other payables | 13,197 | 2,580 |
| Increase/(decrease) in employee entitlements | 70 | 234 |
| Items within working capital that are reclassified to investing or financing activities | (9,360) | - |
| **Net cash flows from operating activities** | **36,350** | **38,994** |

## 21. CONTINGENT LIABILITIES

### (a) Noise mitigation

The Company has implemented a programme of works to assist homeowners living in the inner and mid noise boundaries to mitigate the effects of aircraft noise exposure. The Company is obligated, on an annual basis, to offer, 100% funding of noise mitigation works for Critical Listening Environments of buildings that existed on 8 May 2013 containing an Activity Sensitive to Aircraft Noise (as defined in the Queenstown Lakes District Plan) that are within the 65 dB Projected Annual Aircraft Noise Contour. The Company is offering 100% of funding of mechanical ventilation for Critical Listening Environments of buildings that existed on 8 May 2013 containing an Activity Sensitive to Aircraft Noise (as defined in the Queenstown Lakes District Plan) that are within the 60 dB Projected Annual Aircraft Noise Contour.

Offers for noise mitigation have been extended to homeowners in line with the projected annual aircraft noise contours for calendar years 2024 and 2025. Property owners have twelve months from the date of offer to determine if they wish to take the offer made by the Company for mitigation works. It is difficult to estimate the future value of the mitigation works due to the uncertainty of the level of uptake from property owners and the differing construction and acoustic treatment requirements necessary to mitigate each property.

### (b) Property Covenant

In March 2023, High Court proceedings were served on the Company seeking to modify a restrictive covenant registered against land owned by RPL and two other parties, south of the main runway. The covenant restricts the range of activities that land can be used for, for the benefit of the Airport land so long as it is operated as an airport. The Company has filed a defence and a hearing has been scheduled in February 2026.

## 22. CAPITAL COMMITMENTS

| | 2025 | 2024 |
|---|---|---|
| | $ 000's | $ 000's |
| Committed for Acquisition of Property, Plant and Equipment | 15,644 | 16,236 |
| | **15,644** | **16,236** |

## 23. SUBSEQUENT EVENTS

### Dividend

On 19 August 2025, the Directors declared a fully imputed dividend of $18,737,000 in respect of the year ended 30 June 2025.

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**INDEPENDENT AUDITOR'S REPORT**

**TO THE SHAREHOLDERS OF QUEENSTOWN AIRPORT CORPORATION LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2025**

The Auditor-General is the auditor of Queenstown Airport Corporation Limited ('the company'). The Auditor-General has appointed me, Heidi Rautjoki, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements and the performance information of the company on his behalf.

**Opinion**

We have audited:

- the financial statements of the company on pages 27 to 43, that comprise the statement of financial position as at 30 June 2025, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and

- the performance information of the company on pages 24 to 25.

In our opinion:

- the financial statements of the company on pages 27 to 43:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2025; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards; and

- the performance information of the company on pages 24 to 25 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives, for the year ended 30 June 2025.

Our audit was completed on 19 August 2025. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

**Emphasis of Matter – Uncertainies Relating to Lot 6 Provision Estimation**

Without modifying our opinion, we draw attention to Note 10 on pages 38 to 39 of the financial statements which outlines the high level of uncertainty in estimating the additional compensation that may be required to settle the ongoing dispute arising from the compulsory acquisition of Lot 6. QAC has recognised a provision representing potential cash payments, determined based on independent external valuations as at 30 June 2025.

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The Land Valuation Tribunal hearing for Lot 6 concluded in April 2025, and the decision on the compensation payable remains pending. The ultimate outcome of the decision is uncertain, and any increase in the compensation could be material. Our opinion is not modified in respect of this matter.

**Emphasis of Matter – Inherent Uncertainties in the Measurement of Greenhouse Gas Emissions**

The company has chosen to include a measure of greenhouse gas (GHG) emissions in its performance information. Without modifying our opinion and considering the public interest in climate change related information, we draw attention to pages 24 to 25 of the annual report, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

**Basis for Our Opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of the Board of Directors for the Financial Statements and the Performance Information**

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

**Responsibilities of the Auditor for the Audit of the Financial Statements and the Performance Information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error.

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Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of shareholders taken on the basis of these financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify in our audit.

Our responsibilities arise from the Public Audit Act 2001.

**Other Information**

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 3 to 23 and page 26, but does not include the financial statements and performance information, and our auditor's report thereon.

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Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Independence**

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to audit of the financial statements, we have carried out engagements in the areas of assurance on the company's disclosure financial statements and agreed upon procedures relating to the company's sustainability linked loan reporting requirements, which are compatable with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the company.

Heidi Rautjoki
**Partner**
**for Deloitte Limited**
**On behalf of the Auditor-General**
Dunedin, New Zealand