

STATEMENT OF INTENT

YEAR ENDING 30 JUNE 2025



QAC'S REGISTERED OFFICE

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INTRODUCTION

This Statement of Intent (SOI) is prepared by the board of directors of Queenstown Airport Corporation Limited (QAC) for its shareholders in accordance with Section 64(1) of the Local Government Act 2002.

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:

- 75.01% by the Queenstown Lakes District Council (QLDC)
- 24.99% by Auckland International Airport Limited (AIAL).

The SOI is a public and legally required document. It is agreed annually in consultation with shareholders and covers a three-year timeframe. This SOI covers the period from 1 July 2024 to 30 June 2027 (FY25 – FY27).

The SOI sets out the company's purpose and objectives, the nature and scope of the activities to be undertaken, and the financial targets and non-financial measures by which the performance of the company may be judged in relation to its objectives. QAC's achievements against the objectives outlined in each year's SOI are set out in its Statement of Service Performance as part of its end of year reporting.

QAC, in consultation with its shareholders, prepares a draft SOI for delivery to shareholders on or before 1 March each year, and delivers a final SOI, approved by the QAC board of directors, on or before 30 June.

STATEMENT OF EXPECTATIONS

In December 2023, QLDC, the majority shareholder of QAC, delivered a Statement of Expectations (SOE) for the three-year period commencing 1 July 2024. The SOE outlines QLDC's expectation that the SOI will include clear objectives, clear pathways for delivery and clear reporting against measurable performance targets for all objectives. This expectation is responded to in the Performance Measures section of this SOI. We will report progress each year against the commitments in this SOI in the Statement of Service Performance (SSP), which is independently audited and included in our end-of year reporting.

We will continue to proactively engage with our shareholders on the company's strategic direction. The company's 10-year Strategic Plan reflects the objectives set out in the SOE and will be updated every three years. The next update will be completed in FY26 for the FY27 to FY36 period.

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 QLDC's behalf.

We:

- ensure effective stewardship of the airports, including meeting all relevant statutory obligations
- provide airfield, airside, terminal and landside facilities and infrastructure that deliver the required outcomes for all operators and users
- ensure 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, QAC provides 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.

COMPANY VALUE

The current equity value of the Shareholders' investment of \$572.3 million, was calculated by taking the midpoint range of the enterprise value of \$607.4 million and deducting net debt of \$35.1 million. This was supported by an external valuation by Northington Partners. The Board will re-evaluate the value on an annual basis.

QAC's land, land improvements and buildings include 153.0ha at Queenstown Airport and 149.5ha owned by QAC near Wānaka Airport.



OUR COMPANY

GOVERNANCE

QAC is governed by a board of six directors. The directors are appointed by the shareholders to govern and direct QAC's activities, within the parameters of the Statement of Intent. QLDC is the majority shareholder. Auckland International Airport Limited (AIAL) is the minority shareholder. One director is appointed by AIAL. The remaining directors, including the Chair, are appointed by QLDC.

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 important community assets and are committed to effective governance, ensuring the company follows 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 and security and operational activities and to 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 SOI
- approving capital investments and land acquisitions or 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 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.

RELATIONSHIP WITH SHAREHOLDERS

The board of directors and management team are committed to engaging with the company's shareholders, both formally and informally, in an open, collaborative and constructive manner. The board works with its shareholders to ensure a 'no surprises' relationship, including timely consultation with shareholders before any significant departure from the SOI, including any significant land disposal or acquisition.

QAC meets regularly with QLDC, as follows:

- **Bi-monthly** Chief Executive/Chief Executive (CEO) meetings
- **Quarterly** Mayor and CEO/ QAC Chair and CEO meetings
- **Bi-annually** with the QAC board, QLDC councillors and Wānaka Community Board to discuss business performance, vision and direction
- **Meetings** to guide the development of the SOI through its key milestones held as required
- **Regular QLDC/QAC meetings with full Council on the Master Plan 2023 project gateways**
- **Regular engagement with the QLDC AFRC** on the Master Plan 2023 investment programme
- **Regular** QLDC/QAC Climate Action Plan progress meetings.

QAC's CEO and CFO also present the annual financial results and interim financial results to the QLDC.

QAC maintains regular engagement with AIAL. Annual meetings are held between QAC's Chair and CEO and AIAL's Chair and CEO.

The company holds its AGM within six months of the end of the previous financial year.

REPORTING TO SHAREHOLDERS

The company has adopted 30 June as its balance date. Within two months of the end of the first half of each financial year, the directors will deliver to shareholders an interim report that includes:

- a Chair and CEO's report
- a directors' responsibility statement
- unaudited financial statements
- half-yearly passenger, aircraft and general aviation movements.

Within three months of the end of each financial year, the directors will deliver to shareholders an annual report that includes:

- a Chair and CEO's report
- a directors' responsibility statement
- audited financial statements
- a Statement of Service Performance summarising QAC's performance against the SOI goals and objectives
- the Independent Auditor's Report
- annual passenger, aircraft and general aviation movements.

LEGAL AND REGULATORY REQUIREMENTS

QAC's obligations and rights are defined within legislation. QAC is required to fulfil all its statutory duties, both to QLDC and AIAL as shareholders, and to work collaboratively with QLDC to support it to achieve some of its wider statutory obligations.

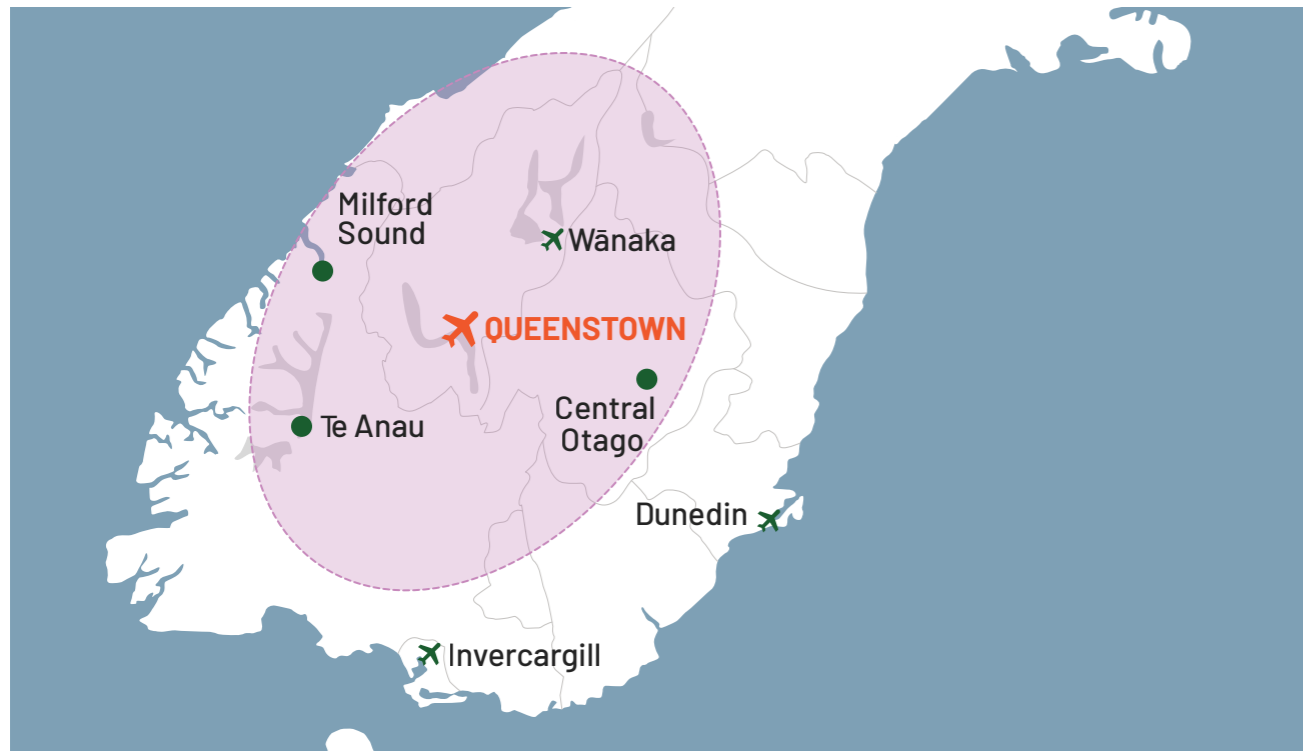
QAC is:

- an 'airport authority' under the Airport Authorities Act 1966
- a 'council-controlled trading organisation' (CCTO) under the Local Government Act 2002
- an 'aerodrome operator' under Civil Aviation Rule Part 139 and the Civil Aviation Act 1990
- Queenstown Airport is a lifeline utility under the Civil Defence Emergency Management Act 2002
- a network utility operator and a requiring authority under section 166 of the Resource Management Act 1991.

QAC also complies with the disclosure requirements of a specified airport company pursuant to the Airport Authorities (Airport Companies Information Disclosure) Regulations. The company's governance is also covered by the Companies Act 1993. QAC's aeronautical operations are governed by the Civil Aviation Act 1990 and Civil Aviation Rules Part 139.

REGIONAL CATCHMENT

Queenstown Airport is the fourth busiest airport by passenger numbers in New Zealand and connects people to the Southern Lakes region and beyond. The Southern Lakes catchment encompasses the Queenstown Lakes District, Central Otago, and parts of western Southland, including Fiordland.



COMMERCIAL ENTITY

As an airport authority, Queenstown Airport is required to operate as a commercial undertaking, including carrying out improvements where necessary. The key obligation QAC must demonstrate to the Civil Aviation Authority (CAA), as regulator, is that it has the required financial resources and capacity to meet its regulated safety outcomes.

DIVIDEND POLICY

The directors will declare dividends according to the following policy:

At their discretion, directors may declare a full year dividend each year in a range of 50% and 100% of normalised Net Profit After Tax (NPAT), after adjusting for unrealised gains and losses arising from revaluation of property or treasury instruments and material extraordinary items.

In determining the full-year dividend, the directors will consider:

- solvency;
- banking covenants and company treasury policy;
- working capital and capital expenditure requirements; and
- the interests of shareholders

An interim dividend may be declared and paid by 28 February each year. Any final dividend will be paid by 31 August each year.

Directors will determine the level of imputation credits having regard to the needs of shareholders. The directors will consider any request from the shareholders for additional dividend payments and will apply prudent governance when considering such requests.

The directors will not issue shares wholly or partly in lieu of the proposed dividend or proposed future dividends, without the written approval of shareholders.

CAPITAL SUBSCRIPTION

No new shares in the company can be issued without the consent of shareholders. The company is confident it can fund its capital plans from internal sources (cash flow and/or debt) during the three-year period covered by this SOI. The board of directors will assess this position annually as part of the SOI process.

INVESTMENT IN OTHER ENTITIES

The company must consult the shareholders prior to any investment in another entity.

SERVICES PROVIDED TO QLDC

QAC manages and operates Wānaka Airport under a management services agreement with QLDC. It also provides grounds maintenance services and airstrip management at Glenorchy Airstrip under a management services agreement with QLDC. QAC leases land that forms part of the Frankton Golf Course to QLDC.

AUDIT

The Office of the Auditor General (OAG) has appointed Deloitte to undertake the financial audit of QAC for the three years ending 30 June 2025.

ACCOUNTING POLICIES

QAC will maintain accounting records in accordance with the Companies Act 1993. QAC will prepare financial statements in accordance with the Financial Reporting Act 2013; the Companies Act 1993, the Local Government Act 2002, the Airport Authorities Act 1966 and the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999 (as amended in 2014). These include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

SHAREHOLDER AND COMMUNITY ENGAGEMENT

Queenstown and Wānaka airports are important community-owned infrastructure assets. They are bases for more than 80 businesses, the majority of which are locally owned, and are a major employer in the district. As the owner of Queenstown Airport and manager of both Wānaka Airport and the Glenorchy Airfield, we are proud to be part of this community.

We recognise the importance of balancing aeronautical activity with both the capacity of regional infrastructure and preserving what makes the region a special place to live, work and visit. Consulting our shareholders and the community is an integral part of our strategic planning, as we consider the role that air travel plays in supporting the region and its residents, and the scale and nature of future investment.

Community stakeholders will include, but are not limited to, community associations directly and indirectly affected by the airports' operations, residents' associations, iwi, the business community, regional tourism organisations, industry sector groups and those community groups specifically established around airport matters.

QAC is committed to positive engagement with local iwi and hapū. We will work to strengthen engagement with iwi and incorporate appropriate use of tikaka and te reo Māori. QAC's majority shareholder, QLDC, has established partnerships with both Aukaha and Te Ao Marama, and these organisations are mandated on behalf of iwi to work with relevant territorial local authorities. QAC will build relations with these organisations as we work to respect the whakapapa of Kāi Tahu as part of our cultural heritage initiatives. QAC will ensure that iwi values and issues are reflected in plans and initiatives.

The Queenstown Airport Liaison Committee is an independent, community-led representative committee that provides an effective interface between the airport, the surrounding community and other key stakeholders. The QALC's mandate is prescribed by the Noise Management Plan (NMP) as set out in Queenstown Airport's aerodrome designation. The QALC meets quarterly, and the committee membership, the minutes of its meetings, together with the NMP, are publicly available on the Queenstown Airport website.

In 2023, QLDC, as the owner of Wānaka Airport, established the Wānaka Airport Liaison Committee, which is independently chaired. QAC has one representative on the committee and reports to the committee on operational matters as required. The meeting minutes are published on the QLDC website.

HEALTH, SAFETY AND SECURITY

The health, safety, security and wellbeing of our employees, airport community, customers and contractors are our highest priority. QAC ensures a safe working environment and maintains the wellbeing of staff and tenants as an employer and landlord.

QAC is committed to achieving Zero Harm. We prioritise a safe aviation operational environment and a 'just culture' framework and encourage site-wide incident reporting, which is a positive indicator of a strong safety culture. QAC is responsible for maintaining stringent levels of health, safety and security as a lifeline utility and as an aerodrome operator to achieve and maintain its certification requirements under the NZ Civil Aviation Act.

We will:

- comply with all legislative requirements and industry standards
- set high standards and expectations for health, safety and security performance
- review our health, safety and security commitment policy annually
- take a collaborative approach with our staff, stakeholders, contractors and tenants to continuously improve our health, safety and security performance
- take all practical and reasonable steps to provide and maintain a healthy, safe, secure and injury-free environment for employees, contractors and visitors
- incorporate 'safety in design' into all of our infrastructure projects
- take swift and decisive action to respond to health, safety, and security emergencies
- ensure staff are appropriately informed, equipped and supported to manage health protocols and processes
- measure, benchmark and regularly report on health, safety and security performance.





QUEENSTOWN AIRPORT

MISSION, VISION AND VALUES

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**

HOW WE FLY

What our team values

DO THE
RIGHT
THING

we get
it DONE

REMARKABLE
EVERY DAY

STRATEGIC PILLARS



EXPERIENCE

Exceed expectations
at every touch point



RESILIENCE

Strong and capable



COMMUNITY

Respect for people
and place

OUR SUSTAINABILITY FOCUS

Queenstown Airport is committed to meeting the needs of the region far into the future with excellent domestic and trans-Tasman links that support tourism in the Southern Lakes region and connect residents with New Zealand and the world.

Our business focus over the period covered by this SOI is to deliver on the company's 10-year Strategic Plan for the benefit of shareholders and local communities.

Our planning considers how best to provide aviation infrastructure for the region, while strengthening the local and regional economies, and embracing innovation to serve our communities well. It is interconnected with QLDC's long-term planning, forecasts and aspirations for the district. We support our majority shareholder's ambition that the Queenstown Lakes District sets the standard for regenerative, low-impact living, working and travel.

Our Sustainability Strategy ensures we deliver shareholder value aligned to the social, environmental, economic and cultural wellbeing of the communities we serve while continuing to manage a profitable and sustainable business. When developing our strategy, we sought guidance and feedback from a range of stakeholders. This resulted in a strategy built on three pillars: people, planet and prosperity. We have set priorities under each pillar that help drive initiatives and deliver results across the business. Our strategy is reviewed annually and published on the company's website. We report on our progress, targets and challenges in our annual Sustainability Report.

Our priorities over the course of this SOI are providing leadership in the transition to a lower-carbon economy, supporting local biodiversity, and transitioning to the Airport Carbon Accreditation programme.

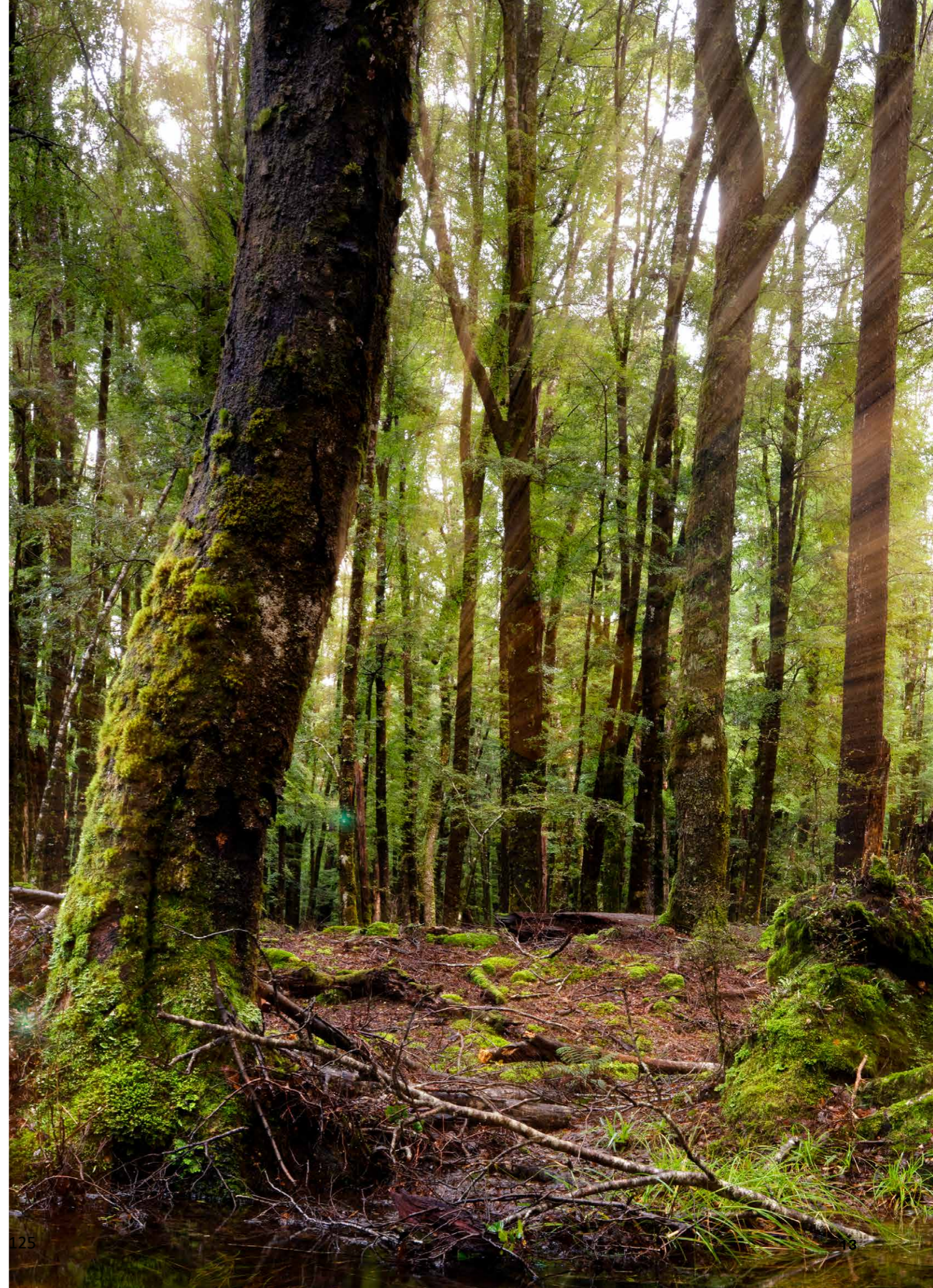
Planning for and enabling the decarbonisation of aviation is embedded in our Sustainability Strategy and long-term planning. We have a clear pathway to reach net-zero

emissions for our own operations by 2028 and all four airlines using Queenstown Airport have signed up to Fly Net Zero – the International Air Transport Association's commitment to achieve net zero carbon by 2050. This pledge brings air transport in line with the objectives of the Paris Agreement to limit global warming to less than 2°C. However, to succeed it will require significant advances in technology and a concerted effort by the entire aviation industry.

In the coming years, there will likely be an incremental annual increase in aviation-related emissions as passenger and aircraft activity grows at Queenstown Airport. While QAC is not directly responsible for aircraft emissions, we recognise aviation is a significant source of greenhouse gas emissions and is one of the most challenging sectors to abate. Airports have an important role to play in facilitating the changes required to successfully decarbonise aviation.

Queenstown Airport is committed to being a local leader in enabling lower-emission aviation and cleaner technologies and has made provision for this in its Master Plan. One of the first requirements will be increased electricity supply and more robust infrastructure. QAC is working with regional stakeholders and energy distributors to address this. We are also investigating on-site solar power generation opportunities.

We will continue to support and encourage airline partners and general aviation operators in their pursuit of carbon-reduction objectives and technologies.



SUSTAINABILITY SNAPSHOT



PEOPLE

ONE TEAM | ACCOUNTABLE | NOISE



BE AN EMPLOYER OF CHOICE AND LIVE OUR VALUES creating a safe, inclusive airport environment.



PLANET

CLIMATE | WASTE | BIODIVERSITY



BE NET-ZERO BY 2028 by implementing our decarbonisation roadmap for airport operations.
SUPPORT THE GLOBAL FLY NET ZERO BY 2050* target through infrastructure planning, collaboration and advocacy.



PROSPERITY

CLIMATE RISK | ZON | COMMUNITY



BE RESILIENT AND PREPARED, aware of and responsive to the risks and opportunities posed by climate change.



COMMUNICATE OPENLY AND REPORT REGULARLY demonstrating our commitment to achieving our sustainability goals.



LEAD WASTE MINIMISATION AND COMPOSTING across the airport campus to significantly reduce waste to landfill.



EMBED SUSTAINABILITY ACROSS OUR AIRPORT so that like health, safety and security, sustainability is what we do.



PROVIDE CERTAINTY AND CLARITY TO THE COMMUNITY around airport activity, mitigate the impact of aircraft noise and complete the residential noise mitigation programme.



ACTIVELY RESTORE OUR NATIVE HABITAT, working with key partners, for the benefit of future generations.



SUPPORT OUR REGION TO THRIVE by connecting with, and contributing to, our community socially and economically.

ZQN SUSTAINABILITY PLEDGE

Queenstown Airport is the base for dozens of businesses.

We try to lead by example in our own organisation but we also have an important role in championing and enabling sustainable practices among the wider airport community. Last year we launched the ZQN Sustainability Pledge to recognise and support like-minded businesses. Over the course of this SOI we will increase the number of signatories to the pledge.

Those signing the pledge have agreed to:

- champion the Tiaki Promise
- support renewable electricity
- prioritise a resilient built environment
- commit to reducing and eliminating waste to landfill
- support a thriving community
- measure and then reduce greenhouse gas emissions
- be an employer of choice
- join the Airport Champions Committee
- create a welcoming, inclusive and diverse airport experience for all.

EXPANDING OUR SUSTAINABILITY REPORTING

We joined the Toitū Envirocare Programme in 2019 and were pleased to progress from Toitū carbonreduce certification to Toitū net carbonzero certification in 2023. We measure the impact of our operations and map our carbon footprint in accordance with the GHG Protocol. To date, we have been audited annually by Toitū. We are now transitioning to Airport Carbon Accreditation (ACA).

Since our initial FY19 audit, our greenhouse gas emissions have decreased by 65%, meaning we have surpassed our target to reduce absolute emissions by 60%, compared with our baseline year, by 2030. Our revised target is an 85% reduction by 2028.

Airport Carbon Accreditation is the only global, airport-specific carbon standard that relies on internationally recognised methodologies. It provides airports with a common reporting framework for active carbon management with measurable goals. The programme is site-specific, allowing flexibility to take account of national or local legal requirements, while ensuring the methodology used is always robust. This will allow us to monitor and report our progress against other airports globally and ensure readers of our annual Sustainability Report can benchmark us with other entities within our industry. In accordance with the programme standards, we will begin to track emissions from a wider range of activities beyond our direct control, including aircraft emissions.

By collecting emissions data from more sources, we can prioritise efforts that will have the greatest impact on emissions reduction across the airport.

We are working with our stakeholders, including our major airline partners, in the pursuit of broader emissions reduction objectives to support the international aviation sector goal of net zero emissions by 2050.

Additional emission sources we will collect data on:

- Terminal-wide emissions, including those of our tenants, water consumption and wastewater discharge.
- Aircraft emissions associated with the landing and takeoff cycle for all aircraft landing at Queenstown Airport, as well as auxiliary power use while parked on-gate.
- Emissions associated with ground service equipment operation airside.
- Emissions associated with landside ground transport for passengers travelling to and from the airport.
- Commuting for all employees working at ZQN.

We are also in the process of reviewing internal business procedures in an effort to influence our stakeholders and supply network. This includes changes to our procurement and commercial lease frameworks to account for a broader range of considerations, including sustainability and carbon emissions. We see these changes as critical steps to building a circular economy.

INTEGRATING CLIMATE-RELATED RISKS AND OPPORTUNITIES INTO OUR RISK REGISTER AND REPORTING

It's vital that we operate a sustainable and resilient business for the long term, and a key priority for us is to understand, plan and adapt to the impacts of climate change on the business.

Adapting for climate change, including physical impacts and technological changes, will be integrated into our risk matrix and planning to ensure our infrastructure is maintained, designed and developed appropriately. We recognise that if we don't plan for changes in our climate we could face more frequent disruption of service at Queenstown Airport, which would affect the wider community.

Over the course of this SOI, we will continue to voluntarily include climate-related disclosures, based on scenario analyses, in our annual reports, aligned to the recently published XRB standards.



Scan to read our Sustainability Report and Climate-Related Disclosures 2023

OUR TARGETS



Complete a
**ZON SOLAR
FEASIBILITY
ASSESSMENT**



Support
**NATIVE
REGENERATION**
through a local carbon
sequestration project



Support the
aviation industry's
**NET-ZERO
2050 TARGET**
by planning for and
enabling the continued
decarbonisation of aviation



**AIRPORT
CARBON
ACCREDITATION**
Level 5 by 2027



**NET-ZERO
EMISSIONS**
by 2028



**85% ABSOLUTE
EMISSIONS
REDUCTION**
by 2028*



Complete a
**QAC CLIMATE
RISK
ASSESSMENT**



**SINGLE USE
CUP FREE ZON**



ELECTRIFY
our airfield to reduce
fuel consumption



**100% CERTIFIED
RENEWABLE
POWER**
on airport campus



**REDUCE WASTE
TO LANDFILL**
from the Queenstown
Airport terminal



Complete
**NOISE
MITIGATION
PROGRAMME**
by 2028



Continue our Partnerships Programme
including our legacy partnerships with
**WHAKATIPU REFORESTATION TRUST
& COASTGUARD QUEENSTOWN**



Be an
**EMPLOYER
OF CHOICE**
& maintain living
wage accreditation



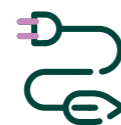
Continue to support
the Queenstown Lakes
District by delivering a
**SUSTAINABLE
ANNUAL
DIVIDEND TO
SHAREHOLDERS^A**



Publish
**ANNUAL
SUSTAINABILITY
REPORT**
including XRB aligned
climate-related
disclosures

*From our baseline year of 2019
^AQueenstown Lakes District Council is our majority shareholder holding 75.01% of shares in QAC

ZQN'S RUNWAY TO NET-ZERO



ENERGY

We've set some ambitious targets to achieve net-zero carbon emissions by 2028 at ZQN.

We recognise the biggest impact we can have, is to plan for and enable the decarbonisation of air travel. Our planning will anticipate and allow for the infrastructure required to achieve this.

Reducing our operational emissions is our immediate priority. We've prioritised three key areas of focus that contribute significantly to our emissions: Energy, Waste and Transport.

- Improve energy efficiency across the airport.
- Committed to using only renewable energy.
- Electrify our airfield.
- Provide EV charging facilities.
- Phase out and replace infrastructure that relies on diesel or CFCs to operate.



WASTE

- Go single-use cup free.
- Reduce waste to landfill.
- Improve our waste management facilities.
- Expand our composting programme.
- Include recycling and waste management requirements in procurement policies and service contracts.



TRANSPORT

- Transition company vehicle fleet to electric vehicles.
- Facilitate and enhance active and public transport connectivity to and from the airport.
- Support active and public transport for staff commuting.
- Offset flights and have preferred suppliers for company travel.

UNDERSTANDING THE AIRPORT'S CARBON FOOTPRINT

2019 - 2021

- **First carbon audit completed (2019 baseline year)**
- Toitū carbonreduce certification
- Set emissions reduction target, aiming to reduce absolute emissions by 60% against baseline year by 2030
- Began replacing operational vehicle fleet with hybrid and electric vehicles
- Offset all company travel with Air New Zealand
- The Queenstown Lakes District Council installed a gas capture and destruction system at the Victoria Flats landfill, resulting in a reduction in Scope 3 emissions associated with waste

2022 - 2023

- **Achieved 65% reduction in absolute emissions and progressed to Toitū net carbonzero certification**
- Switched to 100% certified renewable electricity supply
- Upgraded to more efficient lighting across the airport terminal
- Completed first phase of terminal heating and cooling upgrade
- Ended use of diesel generator to supplement electricity supply during peak demand
- Improved waste and recycling management across the whole airport
- Established onsite composting facility
- Invested in regional native reforestation carbon credits to offset emissions from all our compulsory emission sources measured in accordance with the GHG Protocol

2024 - 2028

- **Revised target to reduce absolute emissions by 85% by 2028**
- Achieve Airport Carbon Accreditation and increase the range of emissions we report on
- Second phase of terminal heating and cooling upgrade
- Replace Park & Ride shuttle with an electric vehicle
- Explore options for renewable energy generation on site
- Complete transition to electric operational vehicle fleet
- Investigate electric options for emergency vehicles and set replacement timeline
- Introduce energy efficiency targets
- Decommission diesel boiler
- Offset residual emissions through local native reforestation projects

USING OUR INFLUENCE

We will:

- introduce universal equipment charging stations for use by ground handling operators
- introduce power plug-in units for aircraft on the ground
- support transition to electric vehicles by businesses operating at the airport
- review procurement processes to reduce supply chain emissions
- improve cycling facilities for passengers and staff
- implement sustainable construction guidelines, reducing embodied carbon emissions for all new construction projects
- develop infrastructure to support decarbonisation of air travel





OUR PROJECTS

QUEENSTOWN AIRPORT MASTER PLANNING

A final master plan for Queenstown Airport was endorsed by shareholders in November 2023, and approved by the QAC board of directors in December 2023. Stakeholder feedback was a vital part of the process and was sought and incorporated to ensure a shared future vision. During 2023, we undertook a structured community engagement process on the Queenstown Airport draft master plan in partnership with QLDC, before a final master plan was prepared. A summary of consultation was provided to shareholders and published on our website.

The Master Plan presents the long-term vision for the airport. It outlines the land use planning and development intent of the airport. The Master Plan ensures that we seamlessly combine the elements of the land and air journey experience at Queenstown Airport, and deliver a flexible response to the evolving needs of both passengers and our community. We are committed to aligning our plans with the direction set by QLDC through its plans and strategies. The Master Plan will deliver the physical development elements of our 10-year Strategic Plan, published in 2022, and will ensure that infrastructure is delivered where and when it is needed. It also reflects the commitment we made in our Strategic Plan not to seek an expansion to the air noise boundaries at Queenstown Airport for the 10-year period to 2032.

As outlined in the Master Plan 2023, QAC is committed to a staged, gateway approach to development. Over the course of this SOI, we will move into more detailed planning, procurement, and delivery. The key projects are a Terminal Development Plan, an Airfield Development Plan, and a Landside Development Plan.

The board of directors and executive commit to open, constructive and collaborative consultation with shareholders and to proactive and early engagement with Council on the Master Plan 2023 project gateways.

This will include consultation with Council and its Audit, Risk and Finance Committee in relation to the company's capital investment programme and financial risk assessments.

WĀNAKA AIRPORT

While QAC manages the day-to-day operations of Wānaka Airport under a management services agreement, QLDC as the owner of Wānaka Airport will consult with the community on the potential future for the airport. QLDC has indicated that a Master Plan for Wānaka Airport will be prepared during the period of this SOI. QAC will work with QLDC to support that process as required.

The Civil Aviation Authority (CAA) is undertaking a review of the aerodrome certification at Wānaka. QAC is providing technical support to QLDC under the management services agreement.

QAC purchased 149ha of land adjacent to Wānaka Airport in 2016. The land is currently leased and used for agriculture and in part for NASA's global super pressure balloon programme. Permitted development on QAC-owned land is currently limited. QLDC's proposed district plan places significant focus on the maintenance of open landscape values, with resource consent applications within the rural landscape character areas often publicly notified.

Decisions regarding the future use of QAC-owned land near Wānaka Airport will be made once a long-term plan is created for the airport.

QUEENSTOWN AIRPORT TERMINAL UPGRADE

The terminal upgrade programme (TUP) at Queenstown Airport continues, delivering improved passenger security processing facilities and the continued resilience of our existing terminal infrastructure.

To support increased safety and resilience and its role as a lifeline utility, Queenstown Airport will continue its programme of seismic strengthening work as it upgrades various parts of the terminal.

As part of our Master Plan delivery, work has commenced on the Terminal Development Plan (TDP) to create a streamlined and enhanced airport experience. The terminal design will consider the full end-to-end journey to optimise passenger experience, integrate with technology, and remain adaptable to the needs of our customers and partners in the years ahead.

- **Customer Experience & Innovation** – to future-proof the terminal for changes in passenger numbers, technology, and regulatory requirements, while delivering an outstanding passenger experience that proudly reflects our region.
- **Sustainability** – Sustainability in both design and construction is a priority, with the focus being on energy efficiency, reducing emissions, and minimising waste to landfill during construction.

NOISE MITIGATION PROGRAMME

We acknowledge that noise and noise management is a significant matter to Queenstown Lakes District communities, particularly those living near Queenstown Airport. QAC is committed to mitigating the impact of noise created by its business operations on the local community by providing mitigation measures to the most affected homes to reduce the level of noise experienced by those living in them.

QAC is required to either fully or partially fund the cost of mitigation works on eligible homes in the inner and mid-noise sectors, as prescribed in the QLDC district plan. QAC has opted to fully fund the cost of mitigation works for all eligible homes to ensure mitigation measures are accessible for those homeowners who wish to implement them in their homes.

Queenstown Airport is also working closely with airlines to encourage and incentivise the deployment of new-generation, quieter, lower-emissions aircraft into Queenstown.

NORTHERN LAND DEVELOPMENT

QAC has started work on developing a precinct plan for its 15 hectares of land adjacent to Hawthorne Drive north of the airport. Early-stage feasibility analysis of the land, including geotechnical and contamination studies, has been conducted.

Detailed market analysis will be conducted to ensure robust commercial feasibility and value creation.

QAC will consult its shareholders on the scope and proposed development of the land, prior to any development commencing.



FINANCIAL PERFORMANCE & OUTLOOK

Queenstown Airport is uniquely positioned to serve the needs of the community, the tourism economy, and connect people to our district and the broader region.

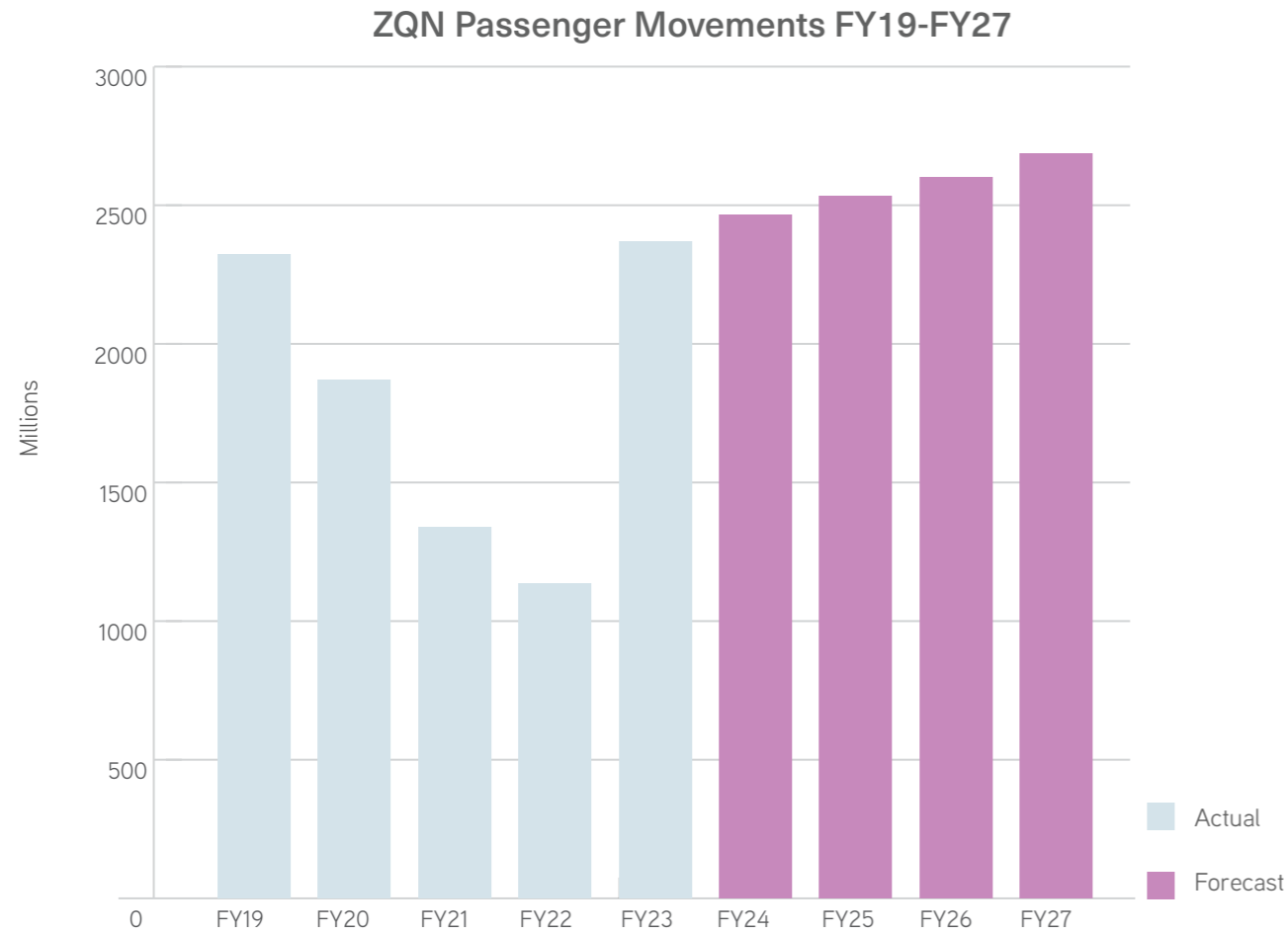
The company's forecasts are dependent on a wide range of factors, including the continued propensity of New Zealanders to travel domestically and trans-Tasman flight schedules to and from Queenstown Airport, and the recovery of global aviation and tourism.

Our business is highly indexed to passenger numbers, which are forecast to steadily increase year-on-year.

A core objective is to deliver sustainable long-term value to our community and to our shareholders, including an annual dividend. Our focus is on prudent management, operational and capital planning, and ensuring that locals and visitors alike have a high-quality experience of travel through the airport.



The graph below provides the passenger movements forecast for the three-year period covered by this SOI, based on the key assumptions that trans-Tasman scheduled services will be operating throughout the period, that strong demand for domestic travel to and from Queenstown Airport continues and that the airport will be operating within the existing noise boundaries.



When considering QAC's financial forecasts for the next three years, the following points should be noted:

- Underlying commercial revenue is subject to passenger volumes
- QAC has a relatively fixed operating cost base, particularly in respect to its major terminal and airfield assets. QAC has been able to leverage these characteristics during periods of growth
- QAC has significant elements of its cost base where cost increases are outside of its control and are likely to increase at rates higher than inflation. These include rates, insurance and electricity
- Depreciation and amortisation expenses will increase as new assets are commissioned

PASSENGER AND AIRCRAFT MOVEMENTS

(000'S)	FY24	FY25	FY26	FY27
Domestic	1,608	1,636	1,664	1,708
International	861	898	937	978
Total Passengers	2,469	2,534	2,601	2,686
Aircraft Movements	18.1	18.6	19.1	19.7

FINANCIAL PERFORMANCE SUMMARY

\$(000'S)	FY24	FY25	FY26	FY27
Income Statement				
Total Revenue	64,260	75,507	86,319	89,024
EBITDA	45,535	54,033	65,122	67,719
Net Profit After Tax	23,052	28,135	34,323	35,298
EBITDA as % of Revenue	71%	72%	75%	76%
Dividends Paid	14,875	14,145	15,305	17,356
Return on Capital Employed (EBIT to Net Operating Assets)	6.7%	7.4%	7.9%	7.2%

CAPITAL INVESTMENT

The capital expenditure programme primarily relates to capital investment in planning and development, as well as investment in building and infrastructure resilience (seismic improvement and sustainability) and core airfield investment.

The company's 10-year Strategic Plan sets the direction for the company and guides our activity and investment over the FY23 - FY32 period. The Master Plan represents a long-term planning and land use framework for airport infrastructure, and also provides indicative phasing for implementation for the decades ahead.

The company is committed to a staged, gateway approach to the investment and will engage with shareholders in advance of each gateway. This will include QAC's assessment of the financial risk associated with each gateway from the perspective of its major shareholder. QAC will specifically assess the risk associated with QAC growth assumptions and any other input that would impact on the delivery of the proposed Master Plan.

Aeronautical investment is funded and cost recovered, after consultation with airline customers, through core aeronautical charges. During FY24, QAC will consult our airline partners on aeronautical charges to commence in FY25.

QAC will consult with QLDC and its Audit, Finance and Risk Committee in relation to its Capital Programme Disclosures. QAC will:

- Present a capital reporting framework to be approved by QLDC based on the gateway investment approach.
- Present project milestone reporting and exception reporting and provide briefings to the major shareholder through its AFRC, including expectation regarding dividends.

\$(000'S)	FY24	FY25	FY26	FY27
Airfield (incl. runway, apron, and taxiway)	3,832	29,480	46,090	12,963
Noise Mitigation	810	780	530	330
Planning & Development	630	2,444	3,850	8,050
Sustaining Capital (Terminal & Airfield)	3,272	5,300	2,715	2,930
Terminal (incl. seismic improvements)	5,942	15,979	46,137	65,669
TOTAL	14,486	53,984	99,322	89,942

FUNDING AND FINANCIAL COVENANTS

	FY24	FY25	FY26	FY27
Closing Debt (\$000)	34,500	66,745	135,285	200,179
EBITDA > 2 times funding expense	15.2	16.5	9.6	6.6
Shareholders' Funds to Total Tangible Assets > 50%	86.5%	82.6%	74.2%	68.5%

Notes

1. Average shareholders' funds based on opening and closing balances.
2. Average total tangible assets based on opening and closing balances.

In FY23, QAC successfully renegotiated its banking agreements, including sustainability linked-loans. Under the loan structure, QAC has directly linked its debt to the achievement of specific sustainability targets. QAC will continue to actively manage debt facilities to ensure there is adequate funding headroom for both operating cashflows and future capital investment over the forecast period.

The combination of the outcomes of a strategic funding review in FY23 and ongoing sound financial fundamentals provides confidence that bank facilities that mature in the forecast period can be successfully negotiated.

DIVIDEND PAYMENTS

Dividend payments resumed in FY23 and are forecast throughout this SOI period in line with QAC's dividend policy.

The intention is to pay an interim dividend equivalent to 40% of the forecast annual dividend in February and the remaining 60% by 31 August each year. Actual dividends will depend on the board's consideration of matters set out in the company's dividend policy, including interests of shareholders, working capital requirements, capital expenditure requirements and the market outlook.



PERFORMANCE MEASURES

REPORTING: STATEMENT OF SERVICE PERFORMANCE

QAC produces an annual Statement of Service Performance (SSP) as part of its end-of-year reporting. We will report progress each year against the commitments in this SOI. Performance indicators will be updated annually in line with the preparation of the SOI.



KEY PERFORMANCE INDICATORS

MEASURE
MASTER PLAN DELIVERY AND DEVELOPMENT PLANNING
STRATEGIC PLANNING AND REPORTING
ACHIEVE AN ABSOLUTE EMISSION REDUCTION, FROM QAC OPERATIONAL ACTIVITIES, OF 85% FROM OUR BASELINE YEAR (2019) BY 2028*
IMPROVE OUR CUSTOMER EXPERIENCE SCORE ANNUALLY
INCREASE OUR COMMUNITY SENTIMENT SCORE
INCREASE THE PERCENTAGE OF PEOPLE TRAVELLING VIA PUBLIC TRANSPORT TO AND FROM THE AIRPORT ANNUALLY

FY25 TARGET	FY26 TARGET	FY27 TARGET
<p>Complete Airfield, Terminal, Landside, and Civil Services and Utilities development plans</p> <p>Finalise sustainable building guidelines and procurement criteria to support the infrastructure delivery programme</p>	<p>Airfield, Terminal and Landside programme delivery commences</p>	<p>Airfield, Terminal and Landside programme delivery continues</p>
<p>Deliver interim and annual reports to shareholders and publish them on the Queenstown Airport website</p> <p>Publish an annual Sustainability Report, including climate-related risks and opportunities, informed by scenario analysis</p>	<p>Deliver interim and annual reports to shareholders and publish them on the Queenstown Airport website</p> <p>Publish an annual Sustainability Report, including climate-related risks and opportunities, informed by scenario analysis</p> <p>Complete three-year review of the company's 10-year Strategic Plan, deliver to shareholders and publish on the Queenstown Airport website</p>	<p>Deliver interim and annual reports to shareholders and publish on the Queenstown Airport website</p> <p>Publish an annual Sustainability Report, including climate-related risks and opportunities, informed by scenario analysis</p>
<p>Emit no more than 134 tonnes of Non-Emergency** Scope 1 and net Scope 2 GHG (greenhouse gases) Emissions</p>	<p>Emit no more than 122 tonnes of Non-Emergency Scope 1 and net Scope 2 Emissions</p>	<p>Emit no more than 122 tonnes of Non-Emergency Scope 1 and net Scope 2 Emissions</p>
<p>Install a fit for purpose waste sorting facility onsite to enable the reduction of recycling waste contamination and reduce waste to landfill</p>	<p>Expand the QAC owned onsite ZQN composting facility to enable the increased diversion of organic waste from landfill as passenger activity increases</p>	<p>Achieve 8% reduction in total terminal waste sent to landfill, compared to baseline FY23 year (excluding aircraft waste and quarantine waste from international arrivals)</p>
<p>Quarterly customer experience surveys conducted at ZQN Achieve a customer satisfaction score of 4.25 or higher</p>	<p>Quarterly customer experience surveys conducted at ZQN Achieve a customer satisfaction score of 4.25 or higher</p>	<p>Quarterly customer experience surveys conducted at ZQN Achieve a customer satisfaction score of 4.25 or higher</p>
<p>Achieve community satisfaction score of 66%</p>	<p>Achieve community satisfaction score of 67%</p>	<p>Achieve community satisfaction score of 68%</p>
<p>Achieve 10% increase on previous year</p>	<p>Achieve 10% increase on previous year</p>	<p>Achieve 10% increase on previous year</p>

* As measured in accordance with the GHG protocol. ** Emergency vehicle use and emergency use of the diesel boiler is excluded
 *** Climate change risk assessments and adaptation requirements will be factored into these planning processes

KEY PERFORMANCE INDICATORS

MEASURE	FY25 TARGET	FY26 TARGET	FY27 TARGET
INCREASE NON-AERONAUTICAL REVENUE TO 25% OF OVERALL REVENUE BY 2032	10% increase in revenue from our e-commerce offering on previous year	10% increase in revenue from our e-commerce offering on previous year	10% increase in revenue from our e-commerce offering on previous year
MANAGE AIRCRAFT MOVEMENTS TO REMAIN WITHIN EXISTING NOISE BOUNDARIES	First commercial partnership(s) and development agreements for the Frankton Development Precinct established	Construction of Stage 1 of the Frankton Development Precinct started	Further commercial partnership(s) and development agreements established and implemented
MANAGE THE HEALTH, SAFETY AND SECURITY WELLBEING OF EMPLOYEES AND CONTRACTORS	Noise modelling demonstrates compliance with operative noise boundaries	Noise modelling demonstrates compliance with operative noise boundaries	Noise modelling demonstrates compliance with operative noise boundaries
FINANCIAL RETURN TO SHAREHOLDERS	Zero employee or contractor lost-time injuries	Zero employee or contractor lost-time injuries	Zero employee or contractor lost-time injuries
ENSURE THE MANAGEMENT OF THE AERODROME MEETS ALL HEALTH AND SAFETY, REGULATORY, AND OPERATIONAL COMPLIANCE STANDARDS	Interim and annual dividend paid to shareholders in line with QAC's dividend policy	Interim and annual dividend paid to shareholders in line with QAC's dividend policy	Interim and annual dividend paid to shareholders in line with QAC's dividend policy
	Full compliance with all internal and external audits	Full compliance with all internal and external audits	Full compliance with all internal and external audits



ACTIONS TO ACHIEVE OUR TARGETS:

REDUCE ABSOLUTE CARBON EMISSIONS BY 85% BY 2028

- Achieve **Level 5** in the global Airport Carbon Accreditation (ACA) programme.
- Maintain renewable energy certification and investigate on-site solar power generation opportunities.
- Deliver our Decarbonisation Roadmap.

IMPROVE OUR CUSTOMER EXPERIENCE SCORE ANNUALLY

- Complete quarterly Airports Council International (ACI) passenger surveys and set benchmark for continuous improvement.
- Check-in upgrade design and delivery.
- Continue the terminal upgrade, including:
 - international departure lounge
 - additional screening area
 - food and beverage offering refresh.
- Complete our terminal development planning and design.

INCREASE OUR COMMUNITY SENTIMENT SCORE ANNUALLY

- Continue to engage transparently with the communities we serve and provide regular updates on airport operations, planning and development.
- Support the implementation of the Queenstown Lakes District's regenerative tourism strategy by being a founding partner of Love Queenstown / Love Wānaka.
- Ensure heritage assets at Arranmore Farm are preserved in line with the maintenance plans developed by independent heritage consultants.
- Continue to deliver our community sponsorships and partnerships programme.

INCREASE THE PERCENTAGE OF PEOPLE TRAVELLING VIA PUBLIC TRANSPORT TO AND FROM THE AIRPORT ANNUALLY

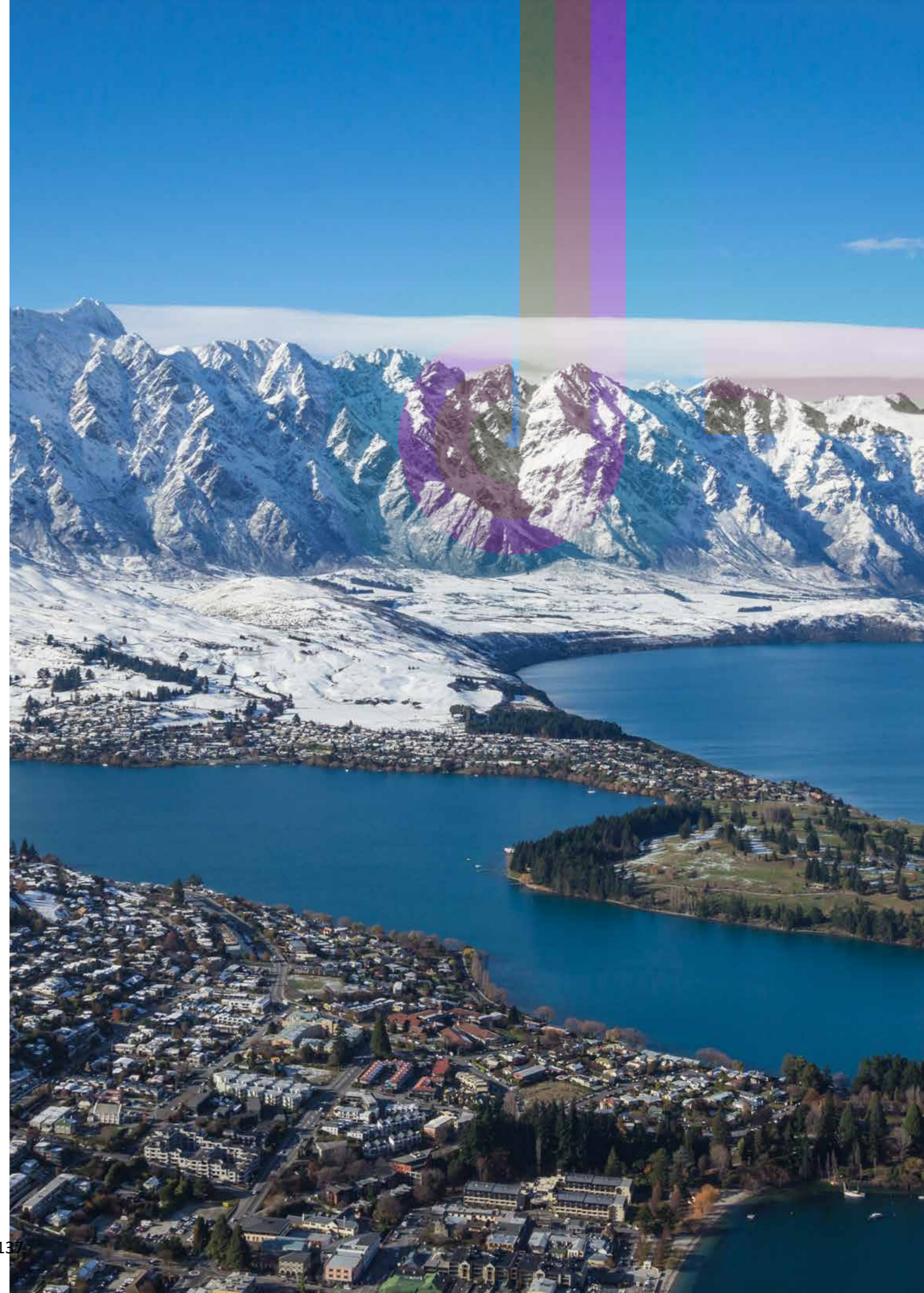
- Support QLDC, ORC and other providers to enable mode shift.
- Detailed planning prioritising people walking, cycling or taking public transport to and from the airport.
- Actively investigate option of QAC-run shuttles or ZQN to city centre buses to complement existing public transport.
- Provide, support or promote active travel and public transport options for major events.
- Develop an airport staff travel programme to incentivise lower-emissions commuting.

INCREASE NON-AERONAUTICAL REVENUE TO 25% OF OVERALL REVENUE BY 2032

- Develop a concept plan for QAC-owned non-aeronautical land on the Frankton Flats.
- Expand our e-commerce offering to create additional commercial revenue opportunities.
- Establish a plan for the use of airport landholdings adjacent to Lucas Place.

MANAGE AIRCRAFT MOVEMENTS TO REMAIN WITHIN EXISTING NOISE BOUNDARIES

- Investigate physical on-ground noise interventions and determine if they should be implemented.
- Manage the movements of non-scheduled aircraft to make the best and most efficient use of our noise boundaries.
- Facilitate quarterly meetings of the Queenstown Airport Liaison Committee. Ensure there are no unresolved noise complaints.



COMPANY INFORMATION

LOCATION

Queenstown Airport Corporation
Airport Administration, Queenstown Airport
Sir Henry Wigley Drive
Frankton
Queenstown 9300

MAILING ADDRESS

Sir Henry Wigley Drive
Frankton
Queenstown 9300
NEW ZEALAND

PHONE

+64 (0) 3 450 9031

EMAIL

admin@queenstownairport.co.nz

WEBSITES:

www.queenstownairport.co.nz
www.wanakaairport.com

SHAREHOLDERS

Queenstown Lakes District Council (75.01%)
Auckland Airport Holdings (No2) Limited (24.99%)

DIRECTORS

Adrienne Young-Cooper (Chair)
Simon Flood (Deputy Chair)
Mark Thomson
Mike Tod
Andrew Blair
Jacqueline Cheyne

SENIOR LEADERSHIP TEAM

Chief Executive Officer	Glen Sowry glen.sowry@queenstownairport.co.nz
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Chief Financial Officer	Andrew Williamson andrew.williamson@queenstownairport.co.nz
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Chief Operating Officer	Todd Grace todd.grace@queenstownairport.co.nz
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General Manager, Sustainability & Corporate Affairs	Sara Irvine sara.irvine@queenstownairport.co.nz
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General Manager, Property Planning	Rachel Tregidga rachelt@queenstownairport.co.nz
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General Manager, Strategy	Melissa Brook melissa.brook@queenstownairport.co.nz
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SENIOR PERSONS PER CIVIL AVIATION RULES, PART 139

Chief Executive Officer	Glen Sowry
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Head of Assets & Airport Emergency Service	Wayne Stiven
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Senior Manager, Regulatory and Compliance	Daniel Dodd
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ABBREVIATIONS

AIAL	Auckland International Airport Limited
ACI	Airports Council International
AFRC	Audit, Finance and Risk Committee
CAA	Civil Aviation Authority of New Zealand
CCTO	Council-Controlled Trading Organisation
CEO	Chief Executive Officer
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
F&B	Food and Beverage
FY	Financial Year – 1 July to 30 June
GA	General Aviation
GHG	Greenhouse Gas
MSA	Management Services Agreement
NPAT	Net Profit After Tax
OCB	Outer Control Boundary
ORC	Otago Regional Council
PC35	Queenstown Lakes District Council Plan Change 35 relating to airport noise boundaries
PDP	Proposed District Plan
QAC	Queenstown Airport Corporation, the company that operates Queenstown Airport and manages Wānaka Airport and the Glenorchy Airfield
QLDC	Queenstown Lakes District Council
RMA	Resource Management Act
SOI	Statement of Intent
WKA	Wānaka Airport
ZQN	Queenstown Airport



