

AIRWAYS

Delivering today, shaping tomorrow.

AIRWAYS NEW ZEALAND
INTEGRATED REPORT 2026





OUR PURPOSE

Safe skies today and tomorrow

The theme of this report, *Delivering today, shaping tomorrow*, reflects Airways' focus on providing safe, reliable and efficient services for New Zealand's aviation system today while investing in the capability, partnerships, technology and resilience needed for the future.

WHO WE ARE

Airways is New Zealand's air navigation service provider, responsible for managing one of the largest airspaces in the world.

From 19 control towers, two operating centres and technical bases across the country, we deliver modern, reliable air traffic management services, and maintain the infrastructure that supports the safe and efficient movement of aircraft across our skies. Every year, our team guides nearly 500,000 flights through New Zealand's airspace. We work with a diverse range of customers, including airlines, airports, private and commercial aircraft operators, and the New Zealand Defence Force (NZDF), to help ensure all passengers and cargo reach their destinations safely.

Through our subsidiary Airways International, we also take our expertise to the world. Airways International provides consultancy, airspace design and training services to more than 60 countries, supporting safe and integrated airspace systems through a proactive safety culture, expert knowledge and innovative technology.

We're committed to achieving our goals in a socially and environmentally responsible way that supports our people, our industry and the wider communities we serve. Airways is a state-owned enterprise established under the State-Owned Enterprises Act 1986.

FIND OUT MORE about Airways at www.airways.co.nz/about-us



STRUCTURE OF THIS REPORT

How we show value creation, performance and progress.

Airways reports against the Integrated Reporting Framework to show the short, medium and long-term value we create beyond financial performance.

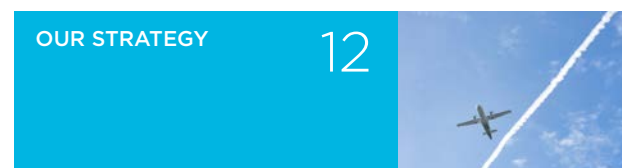
We also reference the Global Reporting Initiative (GRI) Standards to support structured, transparent disclosures. Our GRI disclosures and definitions for the 21 material topics identified through our assessment are included in [Appendix C](#).



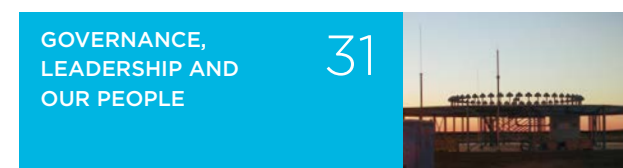
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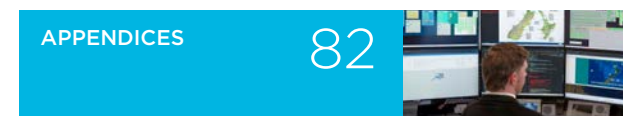
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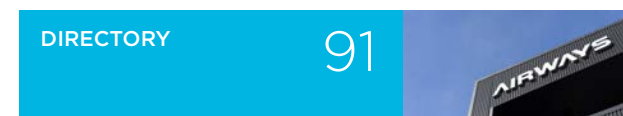
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FY26 HIGHLIGHTS

SAFETY AT A GLANCE

Safety is Airways' reason for being. In FY26, our people continued to manage New Zealand's skies safely.

491,144

FLIGHTS SAFELY MANAGED THROUGH NEW ZEALAND'S AIRSPACE

ON TARGET ●

0

CATEGORY A AIR PROXIMITY EVENTS
ATTRIBUTABLE TO AIRWAYS

ON TARGET ●

0

WORKSAFE-NOTIFIABLE EVENTS

ON TARGET ●

99.99%

CORE SYSTEMS AVAILABILITY

ON TARGET ●

96%

CUSTOMER CONFIDENCE IN
AIRWAYS' SAFETY PERFORMANCE

ON TARGET ●



KEY MILESTONES - SAFE AND RESILIENT SERVICES



REFRESHED OUR 10-YEAR STRATEGY

Refreshed Airways' strategy to support safe, resilient and sustainable aviation services as customer needs, technology and operating conditions evolve.



STRENGTHENED SAFETY AT MILFORD SOUND PIOPIOTAH

Advanced the development of a remote aerodrome advisory service for Milford, supporting safer and more resilient services in a unique aviation environment.



STRENGTHENED RESILIENCE ACROSS OUR NETWORK

Completed improvements following the Oceanic system disruption review, enhancing contingency arrangements, communication processes and operational readiness.



PROGRESSED AUCKLAND TOWER REPLACEMENT PLANNING

Continued planning and design for replacement infrastructure to support safe, resilient and efficient services at New Zealand's busiest airport.



IMPROVED SAFETY AND EFFICIENCY IN QUEENSTOWN AIRSPACE

Worked with Queenstown Airport and local operators on improvements from the Queenstown thematic safety review, helping improve traffic predictability and reduce complexity.



STRENGTHENED TRANS-TASMAN COLLABORATION

Continued collaboration with Airservices Australia across operations, workforce planning, training, safety intelligence and regional leadership.

HIGHLIGHTS ACROSS OUR PILLARS

69%

EMPLOYEE ENGAGEMENT SCORE

<5% AGAINST PLAN ●

Gender Tick and Rainbow Tick

RECOGNISED FOR INCLUSIVE WORKPLACE PROGRESS

76%

CUSTOMER ENGAGEMENT SCORE

TARGET ●

Carbon reduction

CONTINUED WORK TO REDUCE OPERATIONAL EMISSIONS



Delivering what matters most

We remain focused on delivering real value for our customers and the wider aviation system, continuing to provide safe and reliable services in a constrained operating environment.

Airways plays a critical role in keeping New Zealand's aviation system moving safely and efficiently. As customer needs, technology and operating conditions continue to evolve, we are taking a long-term view of how our services are delivered to ensure they remain safe, reliable, efficient and future fit.



DELIVERING AGAINST OUR 'SAFE SKIES TODAY AND TOMORROW' STRATEGY

In 2023, Airways launched a refreshed 10-year strategy: Safe skies today and tomorrow. The strategy is built around four strategic pillars and three phases. In 2025, Airways successfully completed the deliverables agreed under the first 'Connect' phase.

In order to have a strong foundation on which to build the aviation environment of the future, this included renewing connections between our people, with our customers and stakeholders, and with the wider industry, as well as, completing strategic projects commenced before the COVID-19 pandemic.

The strategy was refreshed in 2026, evolving the deliverables and overall approach to acknowledge the current operating context. The refreshed strategy is an evolution, taking a more customer-centric and system-wide approach, ensuring we deliver services and solutions in line with industry expectations.

In response to the challenges facing the domestic industry, we have strengthened the balance between long-term vision and short-term industry needs. This means adapting the pace of change to reflect current conditions while still embracing technology that can enhance safety, efficiency and flexibility.

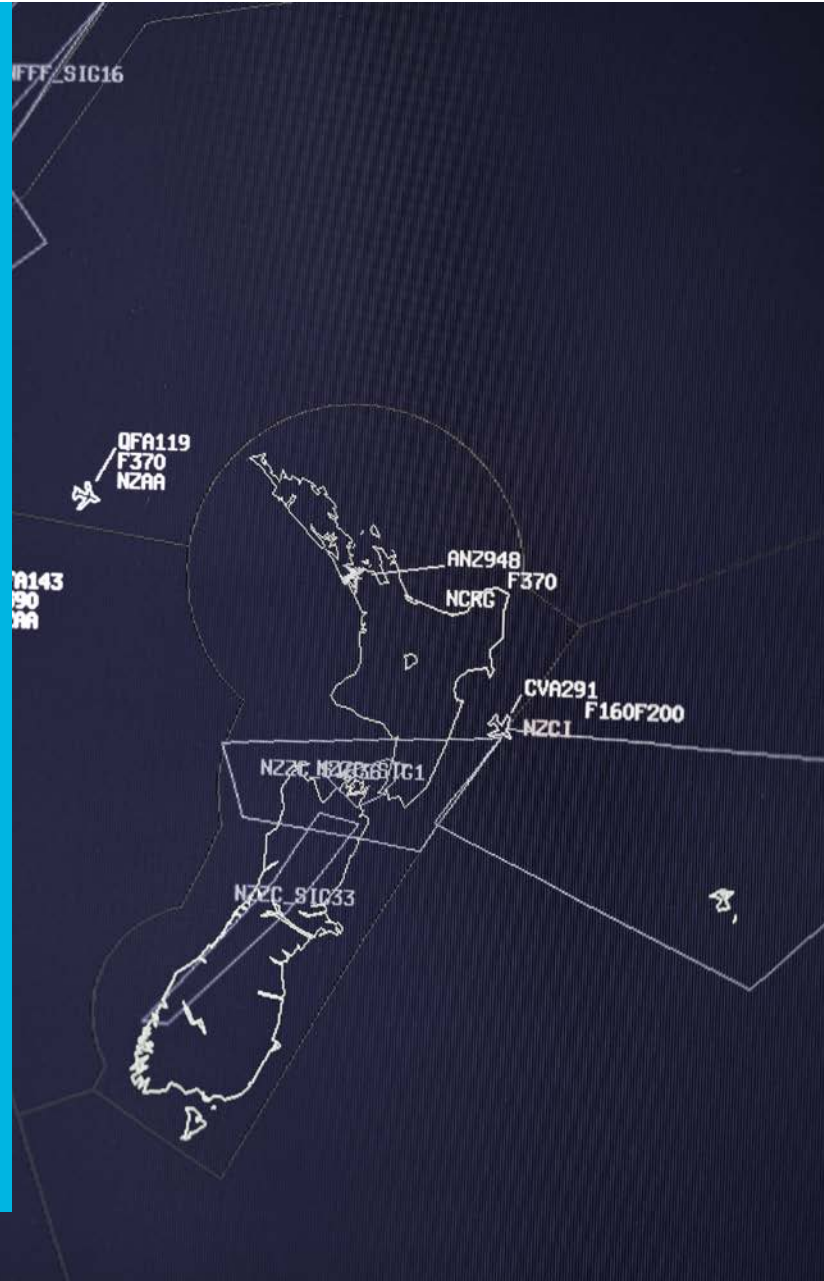
The strategy provides a framework to prioritise resourcing, align our investment and measure our progress towards an air navigation system that is safer, more resilient, efficient, sustainable and future-ready.



Working together for a stronger aviation system

We continue to strengthen our role across the aviation system by working closely with our customers, industry partners and government, including through the Aviation Council.

Airways operates as part of a complex aviation system, where achieving positive outcomes depends on strong partnerships and coordinated action across industry and government. Throughout the year, we continued to strengthen relationships with our customers and stakeholders to contribute to initiatives that support the long-term success of New Zealand aviation.



STRENGTHENING TRANS-TASMAN COLLABORATION

New Zealand and Australia's aviation systems are closely connected, with many shared opportunities and challenges. During the year, Airways strengthened its relationship with Airservices Australia through a memorandum of understanding focused on enhancing the safety, efficiency and resilience of air traffic services across the region. Workforce planning and training were identified as key areas for collaboration as both organisations prepare for future aviation demand and increasing requirements for specialist skills.

The partnership also supports collaboration across operations, safety intelligence, innovation and contingency planning, recognising that strong aviation systems are built through shared expertise and coordinated approaches. By working together, Airways and Airservices Australia are strengthening capability, supporting workforce resilience and helping ensure both organisations are well positioned for future industry needs.

During FY26, the partnership expanded beyond planning and knowledge sharing into practical initiatives, including training, recruitment and selection, simulation technology and the exchange of operational expertise. These activities are helping both organisations address common challenges and identify new opportunities to improve air traffic services.

This collaboration was recognised internationally when Airways and Airservices Australia received the Collaborative Operations for Sustainable Skies Award at the 2026 Seamless Skies Awards, recognising the practical outcomes already being achieved and the contribution both organisations are making to strengthening aviation capability across the region.



Building the future of air traffic management

We are progressing key initiatives that will shape how we deliver services into the future.

By investing in new technologies and exploring innovative approaches to airspace management, we are preparing for an aviation environment that is increasingly complex, connected and diverse. This includes supporting the safe integration of emerging airspace users while maintaining the high levels of safety and reliability our customers expect.



SUPPORTING SAFE AND RESILIENT SERVICES AT MILFORD SOUND PIOPIOTAHU

Milford Sound Piopiotahi is a unique aviation environment, with its remote location and operating conditions creating ongoing challenges for maintaining a sustainable on-site service model.

As part of our commitment to delivering safe, resilient, efficient and flexible services that meet customer needs, Airways continued progressing the Remote Aerodrome Flight Information Service (R-AFIS) project during the year.

R-AFIS will enable flight information services for Milford to be provided remotely from an operations centre located within the Queenstown air traffic control tower while maintaining safety and service continuity. R-AFIS will also introduce enhanced surveillance and monitoring capability through Automatic Dependent Surveillance-Broadcast (ADS-B), which allows aircraft to share accurate and precise location data that can be used by air traffic management services to maintain aircraft separation. ADS-B is not currently available at Milford.

Significant progress was made during the year, including the installation of cameras, ADS-B surveillance technology and supporting infrastructure at Milford. The Queenstown remote operations centre was also completed, establishing the operational environment from which the service will be delivered.

We have engaged with customers, stakeholders and CAA throughout the project to address the needs of operators while maintaining a strong focus on safety and operational performance.



Growing our people and our capability

We are investing in the skills our people need to achieve our future aspirations.

Our people are central to the safe and successful delivery of our services. During the year, we strengthened our approach to understanding future capability requirements, developing leadership and specialist talent pipelines and supporting workforce resilience.

This work helps ensure Airways has the people, skills and ability needed to respond to evolving customer, operational and industry requirements.



BUILDING A STRONGER FOUNDATION FOR PERFORMANCE AND GROWTH

Developed in response to employee feedback, Airways introduced new performance, leadership and remuneration frameworks during FY26 to support employee growth, strengthen leadership capability and create a more consistent experience across the organisation. These frameworks form an important part of our People First strategic pillar and support our long-term workforce capability needs.

The new performance framework creates greater clarity around expectations, development and feedback, helping employees understand what success looks like and how they can continue to grow throughout their careers. The leadership framework establishes a common set of leadership expectations and behaviours, placing greater emphasis on values-led leadership, coaching and development.

Alongside this, Airways introduced a new remuneration framework designed to provide greater transparency and consistency in how contribution is recognised and rewarded. Together, these changes support talent and succession planning, strengthen performance and leadership capability, and help ensure Airways remains an organisation where people can build meaningful and rewarding careers.

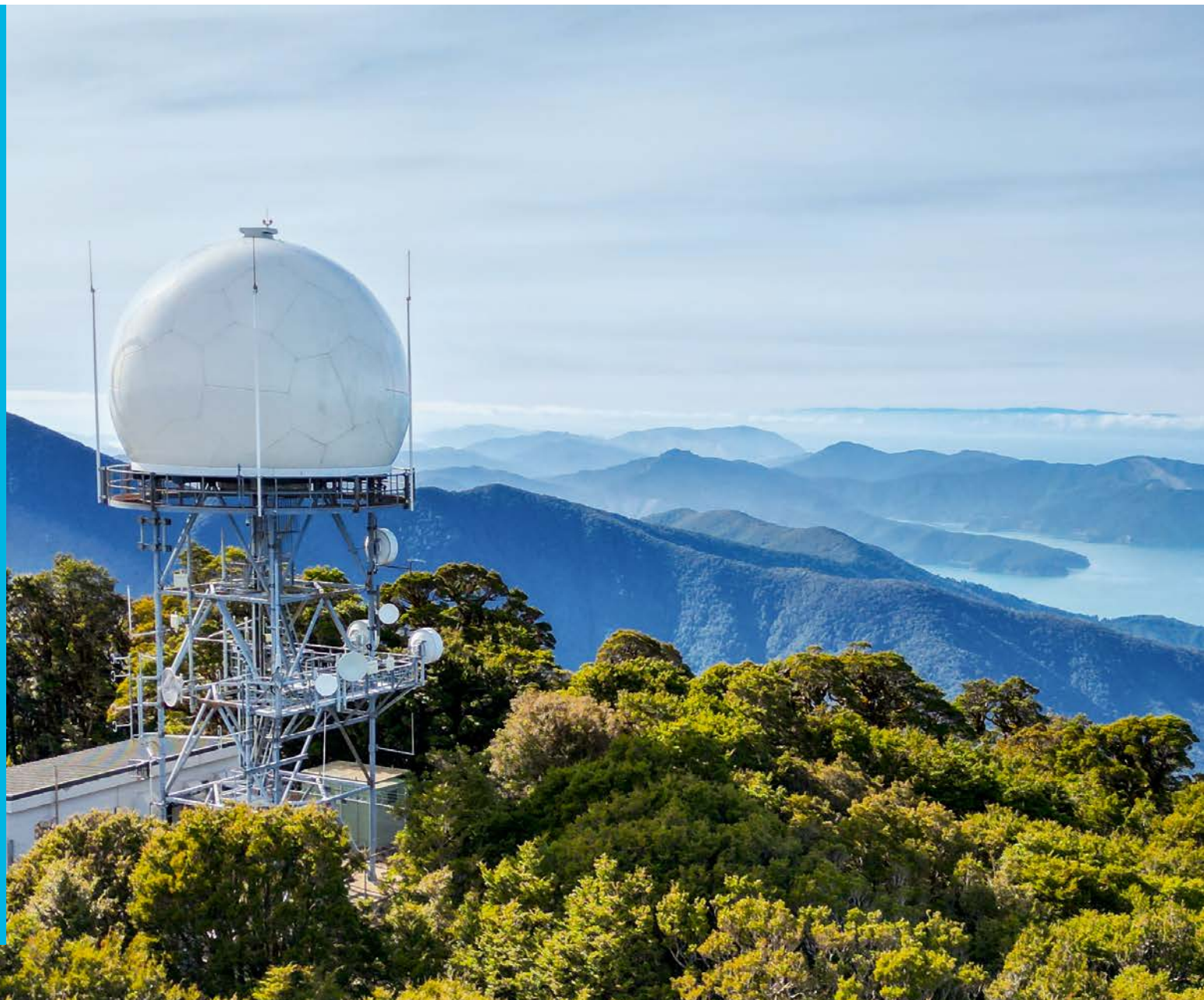
By investing in the systems and foundations that support performance, leadership and growth, Airways is building the capability needed to deliver safe, resilient and future-focused aviation services for New Zealand.



Building resilience in a changing climate

We are incorporating climate-related considerations into long-term planning and decision making.

As part of our strategy refresh, climate-related risks and opportunities were integrated into our wider Airways 10-year strategy, ensuring they are considered alongside operational, customer and commercial priorities. This approach helps strengthen organisational resilience, supports informed investment decisions and enables us to better prepare for the long-term challenges and opportunities facing New Zealand's aviation system.





CHAIR AND CEO LETTER

Continuing to deliver

FY26 was a significant year for Airways. We delivered a strong safety, operational and financial performance while navigating challenging conditions across the aviation sector and continuing to invest in the future of New Zealand aviation.

Safety remained at the heart of everything we do. During the year, Airways safely managed 491,144 flight movements and did not record any attributable Category A serious air proximity events or WorkSafe notifiable events. These results reflect the expertise and commitment of our people, who continue to provide safe and reliable air traffic services for New Zealand every day.

The Airways Group delivered a net profit after tax of \$22.8 million for the year ending 30 June 2026. This result was achieved in an operating environment shaped by fuel supply disruption and the challenges this created for the aviation sector. It reflects a strong focus on cost control, prioritising expenditure and identifying efficiencies while protecting the safety and reliability of our services. This disciplined approach supports our long-term financial sustainability and our commitment to delivering value for customers. It also enabled Airways to return value to our shareholder, the New Zealand Government, through an \$11 million dividend paid in line with our dividend policy.

Against this backdrop, Airways worked closely with customers, airports, operators and government partners to support continuity across the system. We were proud to receive overall satisfaction of 76% in our annual Voice of Customer survey, an increase of 10% from 2025.

Recognising the financial pressures facing customers, the decision was made to hold Airways prices and not implement the planned pricing increase from 1 July 2026, set out following consultation for our FY26–FY28 pricing period. This decision reflects a long-term view of Airways' role in supporting the aviation system. It recognises the immediate cost pressures facing customers while maintaining the investment needed in our infrastructure, technology and capability for the future.

Through the year, we made strong progress on the priorities that will shape our future delivery, including key infrastructure, technology programmes, stronger customer and partner relationships, continued investment in our people's capability and further integration of climate-related risks into our planning. Together, this work is strengthening the foundations Airways needs for the years ahead.

Collaboration remains central to our approach. Through partnerships across industry and government, including our work through the Aviation Action Plan, we continued to support system resilience and performance. We also commenced a significant review of our service framework to ensure the services we provide remain fit for purpose as customer needs, traffic patterns and technology evolve.



Darin Cusack
CHAIR



James Young
CHIEF EXECUTIVE



Airways is well positioned for the future, with a clear strategy, strong partnerships, a capable and committed workforce and an important role to play in supporting a safe, resilient and sustainable aviation sector for New Zealand.

A key milestone during the year was the refresh of Airways' 10-year strategy.

The aviation environment is changing rapidly, with new technologies, shifting customer expectations, workforce challenges and increasing resilience requirements reshaping the sector. While our purpose of 'safe skies today and tomorrow' and our four strategic pillars remain unchanged, our refreshed strategy provides a clearer roadmap for responding to these changes.

The refreshed strategy reinforces our focus on delivering value for customers today while preparing Airways for the future. It brings together the infrastructure, technology, partnerships and capability we need to keep contributing to a safe, resilient and sustainable aviation sector for New Zealand.

This year also brought important changes at a governance level, with the appointment of a new Chair, Deputy Chair and Board member. Darin Cusack was appointed Chair in October 2025, Danny Tuato'o was appointed Deputy Chair and Mayurie Gunatilaka joined the Board during the year. Together, these appointments bring valuable experience, fresh perspectives and strengthened

governance capability as Airways continues to deliver on its long-term strategy. Board Chair Denise Church QSO and Board member Mark Hutchinson stepped down from the Airways Board in 2025 at the completion of their respective terms. The Board and Airways thank Denise and Mark for their contributions.

As we look ahead, we remain confident in the long-term outlook for aviation. Airways is well positioned for the future, with a clear strategy, strong partnerships, a capable and committed workforce and an important role to play in supporting a safe, resilient and sustainable aviation sector for New Zealand.

We thank our customers, our industry partners, our stakeholders and our people for their continued support, collaboration and commitment throughout the year.



HOW WE CREATE VALUE

Our resources ►

► How we create value

► And achieve these outcomes

Financial

Our financial capability and flexibility

Our infrastructure

Networks and assets that support operations and services

Our expertise

Progressive, innovative, customer-focused technologies and capabilities

Our people

The skills and knowledge of our people

Our relationships

With our customers, aviation industry, communities and government

Our environment

The natural resources and environmental assets integral to delivering our services



Better work and careers

We are committed to creating a diverse workplace where people feel valued and safe. By focusing on attracting, developing and retaining our people, we will become an employer of choice in the aviation industry.



Value for all airspace users

We are committed to delivering a safe, flexible and accessible customer experience at a fair price, for current and future users, through the use of technology and innovation.



Sustainable outcomes

We will continue to play our part in championing a sustainable approach to airspace management to ensure the industry achieves its long-term objectives.

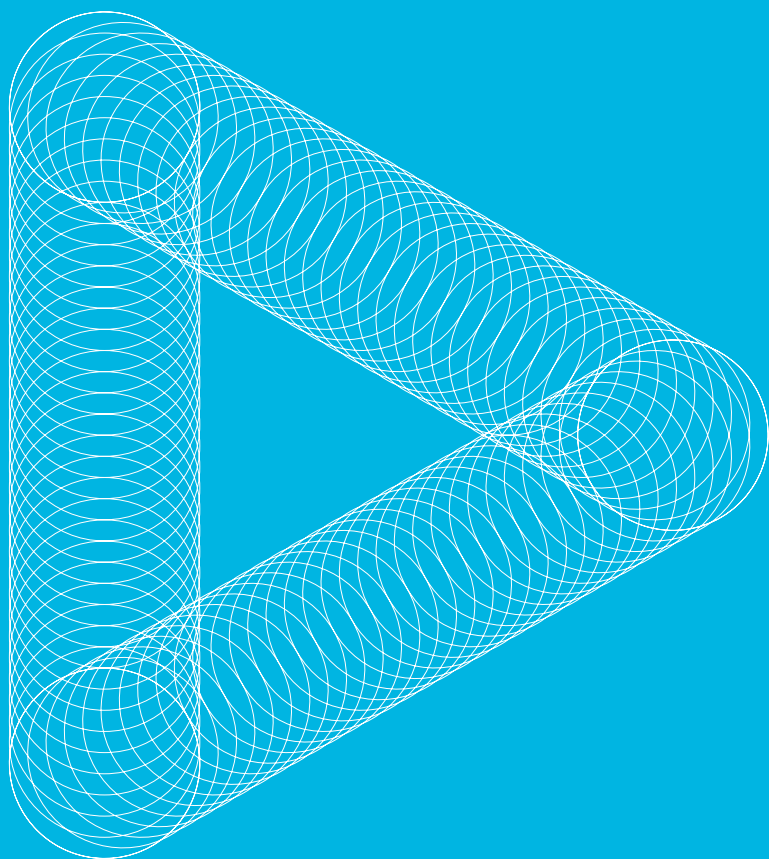


Financial sustainability

We will ensure a sustainable return to government shareholder.



Our strategy





OUR PURPOSE

Safe skies today
and tomorrow

OUR VISION IS TO

Create the aviation
environment of the future

OUR FOUR STRATEGIC PILLARS



Put our
people first



Serve
all airspace users



Support
sustainable aviation



Unlock
future growth

STRATEGIC PRIORITIES 2025/26



Future services

Ensuring we're ready to deliver safe, efficient and sustainable services that evolve with our customers' needs into the future.

- Remote Aerodrome Flight Information Service (R-AFIS) deployment into Milford
- Airspace architecture business case
- Procedure standardisation in operational units
- Flight Information Management System (FIMS) business case
- Drone detection capability



Organisational leadership and performance

Strengthening leadership and increasing investment in our people as we work to deliver our 10-year strategy.

- Leadership, performance, learning and development
- Refresh company strategy



Sustainability

Taking practical action to reduce our carbon footprint and drive sustainable progress.

- Sustainability framework
- Emissions Reduction Committee



Safety system enhancements

Prioritising health, safety and wellbeing through continuous improvement of our safety culture and practices.

- Strengthen health and safety (H&S) practices
- Mature and align risk management
- Mature Airways Group Safety Promotion Programme
- H&S practices compliance mapping



Strengthen technology foundations

Developing reliable, future-ready technology that effectively supports our operations and innovation.

- Standardise software development framework
- Product consolidation
- Corporate applications strategy



Customer and stakeholder engagement

Working closely with our customers and stakeholders to understand and best meet their needs.

- System leadership
- Review service framework
- Auckland tower replacement
- Airport service agreements

UNDERPINNED BY OUR VALUES

► We are **safe** ► We are **one Airways** ► We strive for **excellence** ► We celebrate **success**



DELIVERING ON OUR STRATEGY



Serving all airspace users

MATERIAL ISSUES

- TRUSTED PROVIDER OF SAFE AIR NAVIGATION SERVICES
- BUSINESS CONTINUITY AND CYBER SECURITY
- ASSETS AND ASSET MANAGEMENT (FOR SERVICE DELIVERY)
- INNOVATION
- AVIATION SECTOR LEADERSHIP AND COLLABORATION

VALUE OUTCOME



- VALUE FOR ALL AIRSPACE USERS

We champion customer-centricity and operational excellence to deliver safe, resilient, efficient and flexible services accessible to all airspace users at a fair price. To achieve this, we leverage technology and innovation, with a focus on delivering the services our customers need now and into the future.

Aviation is changing rapidly, creating both challenges and opportunities for airspace users and aviation service providers. Ensuring New Zealand's aviation system remains safe, efficient and fit for the future requires ongoing investment, collaboration and innovation.

During the year, we continued implementing our refreshed customer framework, strengthening how we engage with customers across the business. We also supported customers through a challenging operating environment while advancing initiatives designed to enhance safety, improve resilience and prepare the aviation system for future demands. This included progressing work under the Aviation Action Plan, advancing the review of our service framework and investing in technology, infrastructure and service innovation that will help shape the future of air traffic management.



SERVING ALL AIRSPACE USERS

REVIEWING SERVICES FOR A CHANGING AVIATION ENVIRONMENT

This year, in line with the government and industry Aviation Action Plan, we confirmed we will undertake a strategic review of our service framework in collaboration with the industry to support safe, resilient, fit-for-purpose and future-ready operations. The goal is an updated framework that reflects industry needs now and in the future, and can be confidently applied to Airways services while respecting decision-making roles and responsibilities within the industry. The framework will provide a foundation for the future and inform Airways' investment in future air navigation service technology and asset replacement, ensuring we are evolving our services in step with the industry.

The first phase of the review will see Airways engage with the industry to understand current and future aviation needs in relation to air navigation services as well as benchmarking New Zealand's air traffic management services against international practice. Future service framework design and work to establish service-level criteria will continue through 2026, supported by engagement with customers, stakeholders and industry partners. By taking a long-term, system-wide view of service delivery, Airways is helping ensure the services that matter most to customers continue to be delivered safely, reliably and efficiently while positioning the aviation system to respond to future challenges and opportunities.

Replacing Auckland Tower – a critical piece of aviation infrastructure

Work to replace Airways' air traffic control tower at Auckland International Airport continued during the year. The replacement of the tower represents a significant long-term investment in the infrastructure needed to support safe and efficient air traffic services at New Zealand's busiest airport.

The new tower will be a conventional air traffic control tower located approximately 30 metres from the existing building. At 55 metres tall, it will provide the visibility and operational capability required to support future airport operations and the changing layout of Auckland Airport. The tower is being designed to New Zealand Building Code importance level 4 (IL4) standards, recognising its role as critical national infrastructure. IL4 standard buildings are those constructed to be resilient enough to remain operational following natural disasters.

During the year, planning and design activities continued, building on earlier consultation undertaken on the project. The concept design phase was completed, with the project progressing towards sign-off and preparation for delivery. Enabling works are expected to commence on site in March 2027, with commissioning of the new tower currently forecast for late 2029.

Airways is working closely with Auckland Airport to ensure the tower replacement programme is aligned with the airport's wider development plans and supports the long-term needs of the aviation system. Once complete, the new tower will help ensure Airways can continue to provide safe, resilient and efficient air traffic services while supporting future growth at Auckland Airport and across the wider aviation network.

Establishing Ohakea as a 24-hour alternate aerodrome

As part of the Aviation Action Plan, Airways continued to work closely with MCERT and NZDF to establish RNZAF Base Ohakea as a permanent 24-hour alternate aerodrome for civil aviation.

A 24-hour alternate is important because it gives airlines a safe alternative option if aircraft cannot land at their planned destination due to weather conditions, operational disruption or other constraints. This is particularly important for international and long-haul services, providing greater certainty of a safe landing, which helps keep New Zealand connected and open for business 24 hours a day.

During the year, work progressed on funding arrangements, implementation planning and operational readiness activities, including training additional air traffic controllers to support the extended service. Airways also continued working alongside government partners to prepare for the introduction of the service and ensure it can be delivered safely and effectively.

This initiative demonstrates the value of collaboration across the aviation system, bringing together operational, regulatory and government partners to support a safer and more resilient aviation network.



SERVING ALL AIRSPACE USERS



Improving safety and efficiency in Queenstown airspace

During the year, Airways continued to work with Queenstown Airport and local operators to implement improvements arising from the Queenstown thematic safety review. These initiatives are improving the predictability of traffic flows and helping reduce complexity in one of New Zealand's busiest and most challenging airspace environments.

Strengthening resilience

In August 2025, a disruption of our main Oceanic air traffic control system prompted a shift to backup operations. Although safety was maintained throughout the event, the temporary restriction on processing flight plans caused delays and diversions for several trans-Tasman flights.

While normal operations were restored within an hour, the subsequent technical review provided valuable opportunities to strengthen our systems, processes and operational readiness. The findings informed a

programme of continuous improvement, with recommended actions completed during the year. These improvements enhanced contingency arrangements, communication processes and operational procedures, further strengthening the resilience of our air traffic management services.

Recognised for collaborative leadership across the Tasman

Airways' collaboration with Airservices Australia was recognised internationally at the 2026 Seamless Skies Awards, with the two air navigation service providers (ANSPs) receiving the Collaborative Operations for Sustainable Skies award.

The award recognised the practical work underway through the MoU signed by Airways and Airservices Australia in December 2025. The MoU formalised collaboration across operations and innovation, workforce planning and training, safety intelligence and regional leadership, providing a framework for the two ANSPs to address shared aviation challenges and strengthen operational performance across the region.

This includes collaboration in areas such as controller training, simulation technology, recruitment and selection processes, safety analytics and contingency planning. By sharing expertise and resources, Airways and Airservices are building capability and supporting workforce readiness across both organisations.

The Seamless Skies Awards are delivered by the Civil Air Navigation Services Organisation (CANSO), the representative organisation for air traffic control globally. The awards recognise organisations, initiatives and individuals driving innovation, collaboration and performance across global airspace management.

► CASE STUDY

Strengthening our customer relationships through feedback

Understanding customer needs and experiences is central to Airways' commitment to serve all airspace users. Our annual Voice of Customer survey helps us better understand how customers perceive Airways, identify areas of strength and pinpoint where we can continue to improve.

This year's survey showed strong positive momentum in customer relationships, with overall customer satisfaction increasing from 66% to 76% since the 2025 survey. Safety continued to be a real strength with a net agree score of 96%, an 8% increase from last year. More customers also reported better day-to-day interactions with Airways – 84% find us approachable and easy to interact with, increasing by 21% from last year. Customer efficiency also increased by 14% to 73%.

Through the survey, we also received feedback about pricing and value, including a need for clearer information about what drives our pricing and how charges support the services we provide. Following the survey, we are also looking at what we can do to strengthen our approach to consultation.

76% OVERALL CUSTOMER SATISFACTION INCREASING FROM 66% - 2025 SURVEY



SERVING ALL AIRSPACE USERS

Performance against KPIs

MEASURE	FY26 TARGET	FY26 ACTUAL	
Flights handled	504,845	491,144	●
Average delay per arrival	<20 seconds	15.6 seconds	●
Serious air proximity events (attributable to Airways – Category A)	Nil	Nil	●
UAV incursions (attributable to Airways, high or above assessed risks)	Nil	Nil	●
Customer experience	≥68%	76%	●
Air traffic services availability			
Main trunk	99.98%	99.99%	●
Regional	99.99%	99.96%	●
En route domestic	99.93%	100%	●
Oceanic	99.93%	99.99%	●
Flight information stations	99.70%	98.72%	●
Technology services availability			
Core system availability	99.99%	99.99%	●
Air traffic management service			
Main trunk aerodromes	99.98%	99.88%	●
Regional B and C aerodromes	99.90%	100%	●
Regional D aerodromes	99.70%	99.97%	●
Visual nav aids			
Main trunk aerodromes	99.95%	99.99%	●
Regional B, C and D aerodromes	99.90%	99.92%	●

KEY

- IN LINE OR AHEAD OF PLAN
- BEHIND PLAN BY 5% OR LESS
- BEHIND PLAN BY MORE THAN 5%

MEASURE	FY26 TARGET	FY26 ACTUAL	
Approach services			
Main trunk A+ aerodromes	99.98%	99.89%	●
Main trunk aerodromes	99.93%	99.94%	●
Regional B, C and D aerodromes	99.70%	99.95%	●
En route domestic	99.93%	99.75%	●
En route oceanic	99.93%	99.99%	●
Flight information	99.93%	100%	●
Alerting	99.93%	99.99%	●





People first

MATERIAL ISSUES

- EMPLOYEE ATTRACTION, DEVELOPMENT AND RETENTION
- HEALTH, SAFETY AND WELLBEING
- DIVERSITY AND INCLUSION
- INVESTING IN THE NEXT GENERATION

VALUE OUTCOME



We are committed to being a company people want to work for and with. To achieve this, we are focused on building a workplace where people feel valued, diversity is celebrated and our people have opportunities to grow and develop, so they can remain at the forefront of our industry and help future-proof our workforce.

As part of our 'people first' strategic pillar, we are enhancing learning and career growth, strengthening leadership capability, advancing diversity, equity and inclusion initiatives, and building the workforce capability needed to support the future of aviation.

During the year, we continued to invest in initiatives designed to strengthen leadership capability, improve employee experience and support long-term workforce sustainability. This included introducing new approaches to performance, leadership development and remuneration, responding to employee feedback and advancing diversity, equity and inclusion initiatives. Together, these programmes help ensure Airways remains a company people want to work for and with, while building the capability required to support future delivery.



PEOPLE FIRST

Keeping our people safe

The safety and wellbeing of our people remains fundamental to how we operate.

During the year, we strengthened our approach to managing critical health and safety risks, focusing on the small number of risks that have the potential to cause serious harm or fatalities if not effectively controlled. We progressed critical risk mapping across the business, improved visibility of key risks and controls, and increased leadership engagement with critical risks at operational sites.

Listening to our people

The Have Your Say employee survey remains an important tool for understanding our people's experience of working at Airways and identifying areas for improvement. In 2026, Airways recorded an overall engagement score of 69%, with results broadly consistent with the 2025 survey.

This year's results show continued strength in people experience, wellbeing, diversity and inclusion, and retention. Employees reported feeling safe to be themselves at work, supported by their managers and increasingly connected to Airways' direction and strategy.

The feedback from our people tells us that the areas we focus on in our Have Your Say work programme continue to have a direct and positive impact on shaping our culture. Feedback from the survey continues to shape organisational priorities, with work programmes focused on leadership, performance, learning and development, succession planning and workplace culture helping drive ongoing improvement across the business.

A work programme is in development that looks to address key themes and feedback to support continued enterprise-focused momentum and ongoing improvement as well as aligning with the FY27 strategic initiatives. This includes maintaining momentum on leadership development, performance and a 'one Airways' culture, and focusing attention on embedding the company strategy, strengthening leadership communication, reviewing technology foundations and lifting project delivery capabilities.

Bolstering our senior leadership capability

In line with the leadership framework, Airways continued to invest in its senior leaders with a focus on authentic leadership, safety-focused thinking, innovation and results delivery, and sustainable aviation leadership through workshops, coaching and peer learning.

Women in the workforce

Increasing the participation, progression and retention of women remains an important priority for Airways and aligns with the Aviation Action Plan focus on building a more diverse and sustainable aviation workforce.

We recognise that attracting and developing talent from across the community is critical to addressing future workforce challenges and ensuring the aviation sector benefits from a broader range of skills, experiences and perspectives.

During the year, we continued initiatives designed to strengthen the representation of women across the organisation, and create an environment where they can build long-term careers and progress into



leadership and specialist roles. This included a continued focus on leadership development, career pathways and initiatives that support employees through different life stages and career transitions.

A key milestone was achieving Gender Tick accreditation, recognising the progress made to strengthen gender equity across Airways and providing independent validation of our commitment to fostering an inclusive workplace. We also continued to review and enhance support for parents and caregivers, helping employees balance family responsibilities with career development opportunities and supporting the retention of experienced talent across the organisation.

Alongside this work, Airways continues to monitor its gender pay gap. While progress has been made, we recognise there is more work to do and remain committed to creating a workplace where everyone has the opportunity to succeed and contribute to the future of aviation.



 PEOPLE FIRST

Diversity, equity and inclusion

During the year, we continued initiatives that support broader diversity, equity and inclusion across Airways, including programmes focused on ethnic diversity, neurodiversity and rainbow inclusion.

Oversight from the Diversity, Equity and Inclusion Committee helps drive progress against our inclusion priorities.

During the year, Airways completed the renewal process for Rainbow Tick accreditation, maintaining our focus on creating a workplace where LGBTQIA+ employees feel safe, respected and able to bring their whole selves to work. We also strengthened our focus on rainbow inclusion through our partnership with Pride Pledge and were proud to be recognised as a finalist in the 2025 Pride Pledge Awards, reflecting the progress we have made in fostering an inclusive culture and supporting rainbow communities across Airways. We have also taken the first steps towards achieving Accessibility Tick accreditation.

Performance against KPIs

MEASURE	FY26 TARGET	FY26 ACTUAL
Employee experience	71%	69%
Voluntary attrition	≤7%	5.95%
WorkSafe notifiable events (significant or above)	Nil	Nil
Women in the workforce	≥30%	27.7%
Women in senior leadership	≥43%	35.0%
Gender pay gap	≤16%	15.7%

► CASE STUDY

Emerging leaders

The Emerging Leaders programme is helping build leadership confidence and capability across Airways by supporting people who are stepping into leadership or showing strong potential to lead in the future.

During the year, two cohorts graduated from the programme, bringing together people from across Airways to strengthen their leadership skills, grow their confidence and build connections with others across the organisation. Delivered in partnership with the New Zealand Institute of Management, the programme combines practical learning with reflection and coaching, with modules focused on influencing and behaviour, delegation and communication, and conversational intelligence.

Participants were nominated by their people leaders, recognising both their current contribution and future leadership potential. The programme gave participants dedicated time to better understand themselves, how others work and how to have more confident leadership conversations.

The Emerging Leaders programme is one of several leadership development opportunities Airways has put in place to support people at different stages of their careers. Running two cohorts through the year helped build a stronger pipeline of confident, capable leaders across the organisation.



PEOPLE FIRST

Our people profile

Employment type (PERMANENT, TEMPORARY)

	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Fixed	5	1	6	83%	17%	0.7%
Permanent	244	639	883	28%	72%	99.3%

Employment status (FULL-TIME, PART-TIME)

	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Full Time	206	627	833	25%	75%	92%
Part time	45	28	73	62%	38%	8%

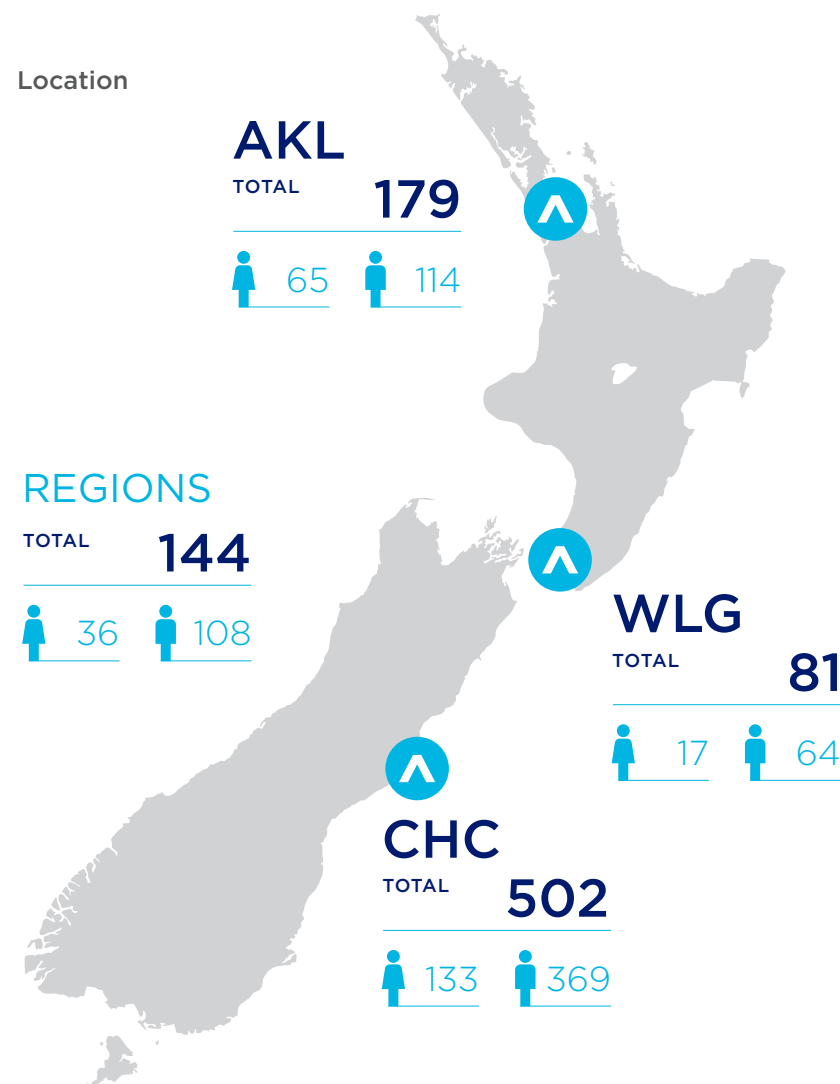
Contract type

	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
CEA	138	477	615	22%	78%	68%
IEA	113	178	291	39%	61%	32%
TOTAL	251	655	906	28%	72%	100%

Tenure

YEARS	FEMALE	MALE	TOTAL
0-5	108	229	337
5-10	41	98	139
10-15	38	74	112
15-25	28	126	154
25-35	21	63	84
35-45	12	34	46
45+	3	31	34
TOTAL	251	655	906

Location



We use headcount numbers as of end of Financial Year 26. (30th June 2026.)

Casual and contractor employees aren't included.



PEOPLE FIRST

Age profile

AGE GROUP	FEMALE	MALE	TOTAL
<Under 25	7	24	31
25-29	21	48	69
30-34	26	68	94
35-39	39	78	117
40-44	25	83	108
45-49	34	68	102
50-54	36	71	107
55-59	29	87	116
60-64	25	70	95
65+	9	58	67
TOTAL	251	655	906

New hires

AGE GROUP	FEMALE	MALE	TOTAL
<Under 25	3	11	14
25-29	4	11	15
30-34	1	8	9
35-39	2	7	9
40-44	3	4	7
45-49	6	4	10
50-54	1	1	2
55-59	2	1	3
60-64		3	3
65+	2	1	3
TOTAL	24	51	75

Voluntary Turnover

AGE GROUP	FEMALE	MALE	TOTAL
<Under 25		2	2
25-29	2	2	4
30-34	3	3	6
35-39	4	4	8
40-44	2	3	5
45-49	1	3	4
50-54	2	2	4
55-59	2	2	4
60-64	1	5	6
65+	4	6	10
TOTAL	21	32	53



Supporting sustainable aviation

MATERIAL ISSUES

- ▶ CARBON FOOTPRINT REDUCTION (FOOTPRINT)
- ▶ AVIATION EMISSIONS REDUCTION (HANDPRINT)
- ▶ CLIMATE-RELATED BUSINESS RISK
- ▶ CIRCULAR ECONOMY
- ▶ GOVERNANCE (ESG)

VALUE OUTCOME



Our 'support sustainable aviation' strategic pillar is about focusing on the issues that matter to our customers to deliver a more sustainable future, including helping to enable the reduction of emissions across the aviation sector.

During the year, we refreshed our 10-year strategy, providing an opportunity to consider how sustainability is reflected across the business. Rather than developing a stand-alone sustainability strategy or framework, we took the opportunity to further embed sustainability within our wider strategic direction. Sustainability considerations identified through the 2025 materiality assessment were incorporated into the refreshed strategy, ensuring key environmental, social and governance (ESG) priorities are aligned within our four strategic pillars.

This included integrating circular economy principles into our 'support sustainable aviation' pillar and social, cultural and engagement responsibility into our 'people first' pillar. This approach recognises that sustainability is not a separate workstream but a consideration that should inform decisions across all areas of Airways.

By incorporating sustainability into our strategy, we are better placed to consider long-term environmental, social and economic impacts alongside safety, customer outcomes, operational performance and financial sustainability.



SUPPORTING SUSTAINABLE AVIATION

This integrated approach helps ensure sustainability is considered as part of everyday decision making and reinforces our commitment to supporting a resilient aviation system for the benefit of New Zealand.

Our climate change risks and opportunities along with Airways' dedicated climate scenarios will be used to improve our climate resilience in an uncertain future world.

A circular economy

During the year, Airways established a cross-functional Circular Economy Working Group to help initiate the adoption of circular economy principles across the business. The group has started to identify opportunities to reduce waste, improve resource efficiency and strengthen sustainability outcomes through our operations and decision-making.

The group built on a range of initiatives already underway across Airways, including recycling and repurposing materials from decommissioned equipment, rehoming surplus furniture and equipment, improving waste separation practices and incorporating circular economy concepts into sustainability training. It also explored opportunities to embed circular economy thinking more consistently into project delivery, asset management and procurement activities.

Building our sustainability capability

Building our people's sustainability capability is also an important part of embedding sustainability into the way Airways operates.

During the year, we introduced a three-module sustainability training programme to help better understand Airways' sustainability priorities, the role our people can play in supporting emissions reduction and how sustainability considerations can be applied in day-to-day decision making. The programme is aligned with the 'sustainability champion' pillar of our Leadership Framework, which encourages leaders and teams to consider environmental, social and economic impacts as part of their work.

Modernising airspace architecture

Airways is undertaking a long-term, system-wide review of New Zealand's domestic surveillance airspace to ensure our airspace architecture keeps pace with changing industry needs. This modernisation initiative aims to enhance operational efficiency, safety, service delivery and environmental sustainability.

We are moving towards an optimised and standardised design that supports more flexible and resilient operations. The expected benefits include reduced delays, more efficient and direct flight paths and increased capacity for airspace users.

► CASE STUDY

Reducing emissions

Airways' Emissions Reduction Plan provides a structured pathway to reduce greenhouse gas (GHG) emissions across our business. The plan focuses on the areas where Airways can influence emissions, including employee commuting, electricity use, vehicle fleet transition, business travel, supplier engagement, freight, waste and the way sustainability is considered in property and project decisions.

Oversight of the plan is provided by Airways' Emissions Reduction Committee, which meets quarterly, and includes the CEO and senior representatives from across the business. This governance structure helps ensure emissions reduction activity is connected to business planning and supported at a leadership level.

The plan includes a strong focus on improving emissions data, reporting and accountability. GHG emissions reporting has been incorporated into Airways' financial reporting systems, with emissions data available at a cost-centre level on a monthly basis. This gives leaders greater visibility of the emissions impacts of operational and investment decisions alongside financial performance.

Airways is also developing carbon budgets for each cost centre to support future planning and provide a clearer view of progress towards emissions reduction targets. This will help business units better understand their emissions profile and further embed emissions reduction into everyday business planning.

During the year, we progressed a range of initiatives under the plan. These included the WorkRide e-bike pilot, access to a public transport subsidy for Auckland-based staff, continued transition of fleet vehicles to electric and hybrid options, consideration of solar installations at Airways sites and promotion of lower-emissions business travel choices.



SUPPORTING SUSTAINABLE AVIATION

Performance against KPIs

MEASURE	FY26 TARGET	FY26 ACTUAL
Transition vehicle fleet to EV/hybrid	≥42%	43%
Operational waste to landfill	≤43 tonnes	43 tonnes
Non-operational waste diversion	≥50%	36%

43% of our vehicles fleet were either an EV of Hybrid by the of FY26. Operational waste to landfill was on target at 43 tonnes of waste to landfill, but our non-operational waste diversion percentage was 36%, against a target of 50%.

TARGET	OPERATIONAL CARBON FOOTPRINT TARGET	ACTUAL 2026 TCO ₂ E	TARGET 2026 TCO ₂ E	% DIFFERENCE	ACHIEVED/ NOT ACHIEVED
1	10-year scope 1 and 2 reduction of 5.9% (64 tCO ₂ e) per annum (out to 2034).	606	965	-37%	Achieved
2	10-year scope 3 reduction of 4.2% (114 tCO ₂ e) per annum (out to 2034).	2,639	2,528	+4%	Not Achieved
3	Five-year scope 3 engagement target where, by 2029, 25% of Airways' suppliers have science-aligned targets.				Under way

The scope 1&2 emission reduction target was achieved this year through the use of Renewable Energy Certificates and emission reduction actions including increasing our EV/Hybrid fleet to 43%, and selling generators attached to airport lighting to Airports.

The scope 3 emission reduction target was not achieved, due in part to higher domestic air travel (14% on projects), higher air freight for the CCR replacement at Wellington airport along with further engagement in staff resulting in improved higher staff commuting survey results.

AIRWAYS' CARBON FOOTPRINT

Gross carbon footprint

Our gross carbon footprint is Airways' total carbon footprint, including air traffic services controlled GHG aircraft emissions. Our controlled emission increased with more detailed aircraft types in our controlled ATS flight emissions, which provides more accurate data but has resulted in higher emissions, along with the inclusion of RocketLab emissions for the first time.

Airways does not control the number of aircraft or rockets flying in our controlled airspace. Because of this, it would be impracticable to set targets against air traffic services controlled aircraft emissions.

Airways' gross carbon footprint

SCOPE	ISO CATEGORY	2026 TCO ₂ E	2025 TCO ₂ E	% CHANGE
1	Category 1: Direct emissions	594	478	+24%
2	Category 2: Indirect emissions from imported energy	12	622	-98%
3	Category 3: Indirect emissions from transportation	2,531	2,307	+10%
3	Category 4: Indirect emissions from products used by the organisation	108	124	-13%
3	Category 5: Indirect emissions associated with the use of products from the organisation	0	0	
3	Category 6: Indirect emissions from other sources	2,037,178	1,653,559	
Total gross emissions		2,040,422	1,657,090	+23.1%



SUPPORTING SUSTAINABLE AVIATION

Operational carbon footprint

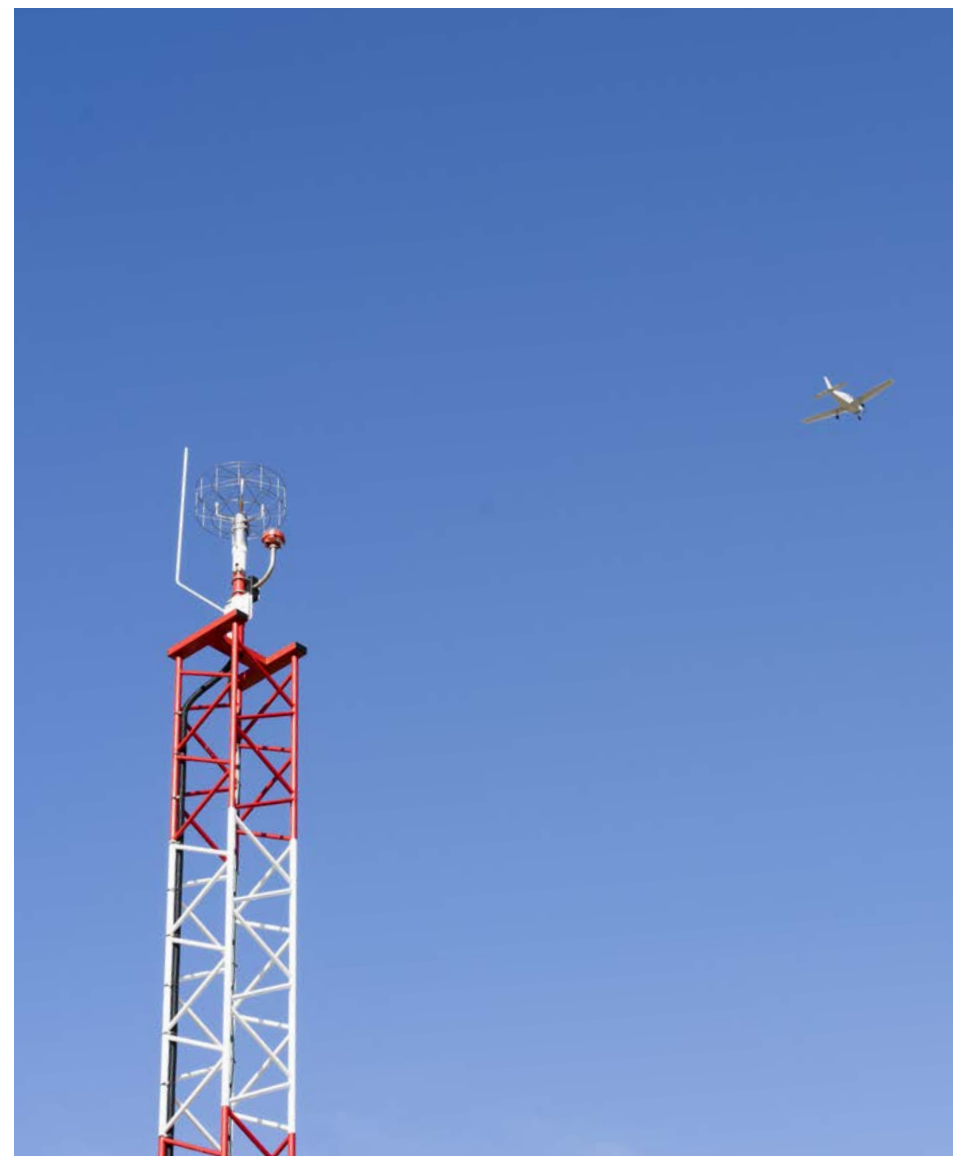
This is Airways' total gross carbon footprint, excluding air traffic services controlled and rocket emissions. Our operational carbon footprint is the GHG emissions we are working to reduce.

Airways' operational carbon footprint

SCOPE	ISO CATEGORY	2026 TCO ₂ e	2025 TCO ₂ e	% CHANGE
1	Category 1: Direct emissions	594	478	+24%
2	Category 2: Indirect emissions from imported energy	12	622	-98%
3	Category 3: Indirect emissions from transportation	2,531	2,307	+10%
3	Category 4: Indirect emissions from products used by the organisation	108	124	-13%
3	Category 5: Indirect emissions associated with the use of products from the organisation	0	0	
3	Category 6: Indirect emissions from other sources			
Total operational emissions		3,245	3,531	-8.1%

In FY25, we established Airways' first GHG emissions targets. These targets are aligned with a science-aligned approach to limit global warming to 1.5°C, in line with the Carbon Neutral Government Programme, the Climate Change Response (Zero Carbon) Amendment Act 2019, the Paris Agreement and requirements under the Toitū Carbon Reduce and Elevate programmes.

- Scope 1 and 2: Reduce emissions by 5.9% annually (64 tCO₂e) through 2034.
- Scope 3: Reduce emissions by 4.2% annually (114 tCO₂e) through 2034.
- Carbon neutrality: Achieve carbon neutrality by 2050.
- Scope 3 supplier engagement: By 2029, 25% of Airways' suppliers will have science-aligned targets.





AIRWAYS CARBON FOOTPRINT

A SNAPSHOT OF OUR CARBON EMISSIONS FOR THE YEAR

Total gross emissions

2,040,422 tCO₂e

6

Airways' total GHG emissions, including air traffic services controlled aircraft emissions – our airline customers flying in New Zealand-controlled airspace.

EMISSIONS OUTSIDE OF OUR CONTROL

OUR OPERATIONS: EMISSIONS WITHIN OUR CONTROL

Total operational GHG emissions

3,245 tCO₂e

7.9%
JET A1 FUEL

5.3%
DIESEL

38.9%
STAFF AIR TRAVEL

30.9%
STAFF COMMUTING



Unlocking future growth

MATERIAL ISSUES

- EMERGING TECHNOLOGIES
- INNOVATION
- INVESTING IN THE NEXT GENERATION
- SUSTAINABLE FINANCIAL PERFORMANCE
- AVIATION SECTOR LEADERSHIP AND COLLABORATION

VALUE OUTCOME



As aviation continues to evolve, Airways is focused on creating long-term value by leveraging our operational expertise, technology capability and industry knowledge to meet the changing needs of the aviation sector.

We are investing in the capabilities, partnerships and innovation needed to support a safe, resilient and efficient aviation system while creating opportunities for sustainable growth beyond our regulated services.

A key milestone during FY26 was the refresh of Airways International's strategic direction. The refreshed approach provides a clearer framework for how Airways International delivers value to customers, develops partnerships and applies Airways' expertise in international markets. It focuses on meeting the operational and capability needs of air navigation service providers and other aviation organisations by drawing on experience gained through operating New Zealand's air traffic management system.

Central to the strategy is a 'build once, use twice' approach, where solutions developed to support Airways' own operations can also be applied to customer challenges internationally. This helps maximise the value of technology and innovation investments while enabling proven operational solutions to be shared more broadly across the aviation sector.



UNLOCKING FUTURE GROWTH

The strategy is supported by five strategic shifts that focus on applying customer insights, strengthening partnerships, maintaining disciplined investment decisions and identifying opportunities where Airways' expertise can deliver value. Together, they help guide how Airways International prioritises effort, resources and investment.

Through this approach, Airways is building new opportunities for growth that support its long-term vision of creating the aviation environment of the future while delivering value for New Zealand and the wider aviation industry.

Strengthening regional capability through strategic partnership

Strategic partnerships are a critical enabler of AIL's growth strategy, supporting entry into new markets, strengthening delivery capability and helping aviation organisations respond to shared operational and workforce challenges.

A key example is Airways' partnership with Airservices Australia – bringing together complementary expertise from both ANSPs and showing how cross-border collaboration can deliver practical benefits for operational resilience, workforce capability and sustainable growth.

During the year, AIL signed a three-year agreement with Airservices Australia to deliver air traffic control simulation training for operational units across Australia.

The service includes the lease and deployment of Airways' mobile TotalControl simulators, remote simulation piloting and tailored support services. This model marks an important shift from traditional hardware installations to a scalable, service-led

approach and allows Australian controllers to complete high-fidelity simulator training at their home units, reducing travel, roster disruption and the cost of fixed simulator infrastructure. Airways staff can build virtual aerodromes and pilot training scenarios remotely from New Zealand, while Airservices Australia can deploy simulation capability to towers in regional sites across its network.

Airservices Australia also uses Airways' SureSelect air traffic controller (ATC) selection suite of online tests as part of a remote-first approach to candidate assessment – moving from a trial during the year to using the full SureSelect suite as their sole selection methodology. The tools support early screening to help identify candidates with strong aptitude and reduce the need for unnecessary travel and venue-based assessment. This creates a more efficient selection pathway and supports greater consistency across recruitment activity.

The partnership has also extended into ab initio ATC training, with four Airservices Australia cohorts of students travelling to New Zealand for training during the year. One cohort is now undertaking AIL's new approach control surveillance training course, developed in collaboration with Airservices Australia to meet its evolving training needs.

Once students complete academy training in New Zealand, they return to on-job training with Airservices Australia, deployed across terminal control and aerodrome units.

► CASE STUDY

Building aviation capability across the Pacific

A key component of AIL's growth strategy is supporting the development of aviation capability across the Pacific. Through the delivery of training, consultancy and technical services, AIL is helping aviation organisations strengthen workforce capability, improve operational performance and enhance safety outcomes.

During the year, Airways continued to strengthen engagement with Pacific aviation partners through regional forums and customer meetings. This included hosting the South Pacific Oceanic Airspace Group, attending the Pacific Upper Airspace Group meeting in Auckland and taking part in the Pacific Aviation Safety Office annual general meeting in Apia. These meetings provided important opportunities to connect with upper airspace customers, airport companies, air traffic services leaders, technology representatives and wider Pacific aviation stakeholders, supporting continued collaboration and shared focus on safe, resilient air traffic management across the region.

Airways also supported Pacific capability through aviation training delivered both in New Zealand and in the region. Pacific Island ATC trainees from Samoa, the Cook Islands and other Pacific nations travelled to Airways' Christchurch training academy to complete training, and we also delivered ICAO 051 Licensing Subjects training in Tonga for a cohort in country.

Together, this activity reflects a practical, partnership-based approach to building capability where it is needed while supporting the development of the next generation of Pacific ATCs.



UNLOCKING FUTURE GROWTH

Building global connections at Airspace World

Airspace World 2026 in Lisbon, Portugal provided an important platform for AIL to progress commercial growth opportunities and strengthen its position in the global air traffic management market. With a stand located at the entrance to the main hall, the team engaged with customers, partners and industry decision makers from priority markets, using the event to showcase AIL's simulation, selection and training solutions and progress conversations across the sales pipeline.

The AIL team demonstrated TotalControl simulation, including its Sim-in-a-Suitcase mobile simulation offering, SureSelect ATC selection and its new OnTrac digital ATC training and assessment platform – reflecting the connected training approach being developed to meet growing demand for efficient, scalable ATC training.

Airways' expertise was also represented in thought leadership sessions on connected training and future ATC capability, while the joint Seamless Skies Award win by Airways New Zealand and Airservices Australia reinforced the value of strategic partnership in delivering practical and innovative solutions for the aviation sector.

Delivering New Zealand's AIM modernisation programme

Following the signing of a new contract with CAA in June 2026 for the provision of aeronautical information services in New Zealand, Aeropath commenced delivery on a programme to modernise New Zealand aeronautical information management (AIM).

The agreement covers six years of service with the right of renewal and includes both the retention of baseline services and a programme of development to support regulatory and technological change.

The programme is focused on future-proofing the way aeronautical information is managed, published and used across the aviation system. It brings together Aeropath's AIM expertise with Airways' product and technology capability, supporting a transition towards more digital, efficient and connected aeronautical information services.

Performance against KPIs

MEASURE	FY26 TARGET	FY26 ACTUAL
Revenue (\$m)	270.5	296.7
Profit after tax (\$m)	16.9	22.8
Capital expenditure (\$m)	61.1	57.3
Gearing	37.6%	34.8%
Dividends (\$m)	11	11
Total shareholder return	6.8%	7.5%
Dividend yield	3.2%	3.3%
Return on capital employed	8.5%	14.3%



Governance, leadership and our people





Our Board of Directors



JOHN HOLT

TERRY PADDY

GAVIN FERNANDEZ

LOUISE EDWARDS

DARIN CUSACK
CHAIRDANNY TUATO'O
DEPUTY CHAIR

MAYURIE GUNATILAKA



OUR BOARD OF DIRECTORS CONTINUED

DARIN CUSACK CHAIR, MINSTD

Darin was appointed to the Airways Board in April 2018 and as Chair on 31 October 2025. Darin's current governance roles include directorships with Coast Waters Ltd, Ashburton Contracting Ltd, Hawke's Bay Airport Ltd, Auckland One Rail Ltd and the Civil Aviation Authority of New Zealand, as well as a role in the not-for-profit sector with the Canterbury Cricket Association.

Darin brings with him a background in aviation, transport and tourism sectors, having held chief executive and senior executive roles across airport, air navigation, aviation security and airline organisations throughout New Zealand and the Pacific region.

He recently led the Pacific Aviation Investment Program, on behalf of the World Bank Group, across six countries in the Pacific region, and the reform and restructure of the Pacific Aviation Safety Office. The programme delivered over US\$350 million of infrastructure renewal, technical assistance, regulatory oversight, policy development and capacity building.

Darin undertakes a variety of work within New Zealand as well as continuing to work across the Pacific region, supporting donor organisations in the development and preparation of investment programmes.

DANNY TUATO'O DEPUTY CHAIR, BA (HONS) MA LLB

Danny (Ngāpuhi) was appointed to the Airways Board in July 2023 and as Deputy Chair on 31 October 2025. He was admitted as a barrister and solicitor of the High Court of New Zealand in 2005.

In addition to his legal expertise, Danny has significant leadership experience as a business owner in New Zealand, a director in the public and private sectors, and a senior manager in law and education.

He is currently Managing Director in Northland law practice MWIS Lawyers Ltd, Deputy Chair of Fire and Emergency New Zealand, a member of the boards of Maritime New Zealand and Te Kura o Te Aho Pounamu. Danny was a panel member on the Air Navigation System Review commissioned by MCERT, which concluded in May 2023.

GAVIN FERNANDEZ MBA, CMINSTD

Gavin (Ngāti Maru, Ngāti Porou) was appointed to the Airways Board in March 2022. He has wide experience in governance and senior management. He began his career as a licensed avionics engineer with Air New Zealand, and holds a New Zealand and a Federal Aviation Administration private pilot licence.

He is a graduate of University of Lincoln, United Kingdom (MBA) and INSEAD, France (Finance), and a Chartered Member of the Institute of Directors.

Gavin has experience in past and present senior technical, commercial and governance roles in New Zealand, Hong Kong and North America, including work in the aviation, engineering, sustainability, environmental finance and social enterprise industries.

He aims to help businesses succeed while caring for the environment and the community. Gavin has a diverse background with Māori heritage and is a member of the rainbow community.

LOUISE EDWARDS BCOM, FCA

Louise was appointed to the Airways Board in November 2024. She is an experienced professional director and chartered accountant with over 25 years' senior management experience across a number of industries in New Zealand and overseas. She has held senior executive positions within the New Zealand financial services industry and is an experienced leader with a wealth of financial management acumen.

Her current board appointments include Deputy Chair of the National Provident Fund and the Government Superannuation Fund Authority. She is also a director of Superannuation Investments Ltd, Mutual Fund Ltd and FireSuper Trustee Ltd. Her previous executive roles include Chief Executive of Rātā Foundation and Chief Executive of Perpetual Trust.



OUR BOARD OF DIRECTORS CONTINUED

JOHN HOLT BA, PGDIP BUSADMIN, MINSTD

John was appointed to the Airways Board in January 2019. He is an experienced company director and entrepreneur with governance and executive experience across a wide range of company stages and industries.

His purpose statement is to “actively engage the world, learn, grow and share with others”. John founded Technology and Innovations New Zealand (TAINZ) at age 17 to pursue his passion for evolving innovative ideas that solve meaningful problems into successful, scalable businesses.

He is the co-founder of New Zealand technology startups Sonar6 (sold to United States company Cornerstone in 2012) and homes.co.nz (sold to New Zealand corporate Trade Me in 2021). He is currently a director and Chief Executive of Tāwhaki JV, Chair of Sovereign Technology Alliance and Managing Director of TAINZ. John has a Bachelor of Arts in military history and a postgraduate diploma in business administration.

He has had a lifelong interest in aviation and is a flying member of the Canterbury Aero Club. Since 2020, John has focused on applying his experience, connections, curiosity and skills specifically to the areas of strategy, sales and culture to improve the readiness of organisations of all shapes and sizes for the future.

TERRY PADDY BSC, MINSTD

Terry was appointed to the Airways Board in November 2022. He has over 20 years' experience in military and civilian airline aviation and was a qualified flying instructor, check training captain and CAA-appointed flight examiner.

Terry is Managing Director of software development company Cortexo and has held positions as President of the New Zealand Software Association and Canterbury Software Incorporated. He is a director of The Travel Supermarket Ltd. He is a member of the steering group for the cross-industry FlexForum, which is supporting New Zealand's electrification goals.

He was previously a member of the Electricity Authority's Innovation and Participation Advisory Group and an Advisory Board Member of the Sustainable Energy Association of New Zealand. Terry is a Member of the Institute of Directors and was previously an Associate Member of Chartered Secretaries and Administrators, and an Associate Fellow of the New Zealand Institute of Management and Leadership.

MAYURIE GUNATILAKA BSC, MSC, CMINSTD

Mayurie was appointed to the Airways Board on 1 December 2025. She is an accomplished senior leader with more than 25 years' experience in chief executive, country leader, general manager and board roles, bringing deep expertise in executive leadership, governance and large-scale infrastructure delivery.

She has extensive knowledge of New Zealand's infrastructure sector, having held delivery and governance roles across major infrastructure programmes and complex, multidisciplinary projects. Her experience includes providing corporate and governance leadership on nationally significant initiatives such as the Central Interceptor Project and serving as Chair of the Project Alliance Board for Auckland Light Rail.

Mayurie has served on the Australasian Board of Arup and is currently a Board Governor of Kristin School, a large independent not-for-profit organisation.

She is a Chartered Director of the New Zealand Institute of Directors and is currently the New Zealand Country Leader for Arup, where she also serves as Chair and Executive Director on the Arup New Zealand Board. Mayurie is a highly engaged industry leader and a strong advocate for building ambition to support a sustainable, prosperous and growing New Zealand economy.



Governance at Airways

Commitment to sound governance

Directors and management recognise the importance of robust and effective governance and are committed to delivering this at Airways.

The following sections set out the systems and processes Airways has in place to foster high standards of ethical and safety-conscious behaviour and sound decision making. It also explains how Airways ensures those systems and processes are supported by the right people and achieve the desired outcomes.

Governance framework

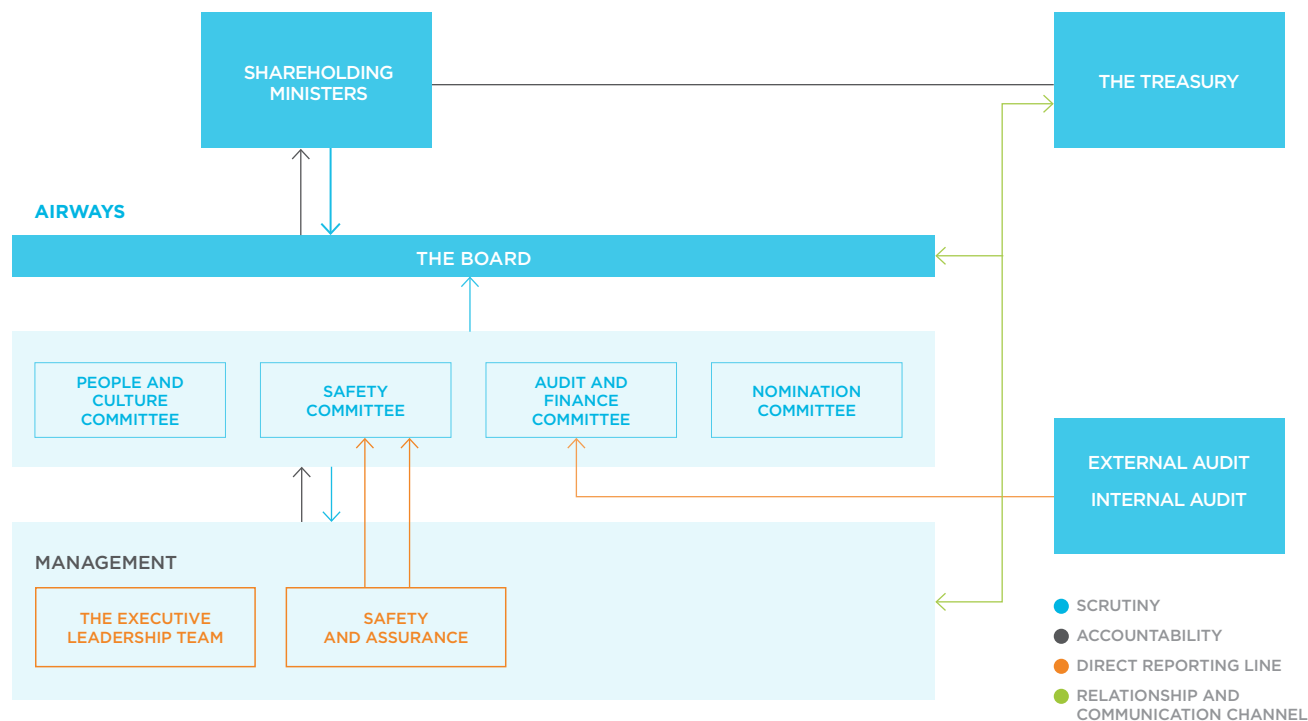
Airways operates under a range of legislative and regulatory obligations. The key principles of Airways' governance framework are established by the Companies Act 1993, State-Owned Enterprises Act 1986, Owner's Expectations Manual and Civil Aviation Act 2023:

- Airways is ultimately accountable to the shareholding Ministers, who have support from Treasury (through the Commercial Operations group).
- This accountability is achieved through the annual expectations letter issued by the shareholding Ministers and the compilation of (and reporting against) the Statement of Corporate Intent (SCI) by the Airways Board. The SCI sets out the objectives, the nature and scope of activities, the financial and non-financial performance indicators and an estimate of the current commercial value of Airways.

- The Audit Office is responsible for providing additional financial oversight, primarily through the appointment of an external auditor.
- Starting with the Board and flowing through to all areas of the company, Airways adopts a 'no surprises' policy.

- Airways must adhere to all applicable civil aviation rules and regulatory requirements to ensure continuing operational certification from the CAA, including establishing and maintaining an effective safety management system.

The key parties in Airways' governance structure and the lines of reporting and accountability between them are set out in the diagram below.



Note: The Nominations Committee was disestablished in June 2026 to enable the Board to focus on strategic priorities and projects. The Nominations Committee responsibilities are now managed by the Board Chair.



GOVERNANCE AT AIRWAYS CONTINUED

Relevant roles and responsibilities

The role of the Board is to:

- assist Airways to achieve its principal objective as set out in section 4 of the State-Owned Enterprises Act 1986
- ensure that all decisions relating to the operation of Airways are made by the Board or pursuant to the authority of the Board in accordance with the SCI
- govern Airways effectively to ensure it operates in a way that is consistent with its public accountability documents.

Having regard to its role, the responsibilities of the Board include:

- ensuring strategies and goals are in place to assist Airways in achieving its principal objective, including an annual business plan
- overseeing the performance of Airways, protecting the financial position of Airways and ensuring that it is able to meet its debts and other obligations when they fall due
- establishing appropriate governance structures, and clear lines of responsibility and accountability between the Board and management
- ensuring that Airways operates in accordance with the law, and adheres to high standards of ethics and corporate behaviour
- ensuring that Airways has appropriate processes to identify, assess, monitor and manage risk, including, but not limited to:
 - maintaining a risk register
 - ensuring directors and Airways meet their obligations under the Health and Safety at Work Act 2015

- addressing cyber security risks
- having other statutory/regulatory compliance policies in place
- reviewing and approving Airways' capital investments and ensuring:
 - approval from the shareholder for major transactions and, where required, other investments
 - consultation with and provision of information on transactions and initiatives to the shareholder, as required by the Owner's Expectations Manual
- setting a dividends policy, taking into account the requirements in the Owner's Expectations Manual, and making decisions on dividends in accordance with that policy
- appointing the CEO, setting the terms of the CEO's employment contract (including remuneration and incentives), reviewing performance and, where necessary, terminating the CEO's employment with Airways
- approving senior management remuneration and remuneration policy generally
- monitoring the performance of management, including achievement of the performance measures/milestones in the SCI and business plan
- reporting to the shareholder in accordance with legislative requirements and the Owner's Expectations Manual
- keeping the public informed of material matters or transactions in accordance with the Owner's Expectations Manual
- ensuring that Airways has put in place appropriate corporate social responsibility values, objectives and programmes, and that performance against them is appropriately monitored and reported on to the shareholder

- ensuring the quality and integrity of financial and non-financial reporting
- ensuring that Airways has a diversity policy with measurable objectives
- ensuring that all subsidiary companies act in accordance with the Owner's Expectations Manual and all other relevant communications from the shareholder.

Ensuring independence

A key component of the Board's ability to deliver robust governance is maintaining independence, in both fact and appearance, from management and from any personal interests.

To ensure this, the Board has no executive directors, and directors are not permitted to provide business or professional services to Airways, unless specifically authorised by the shareholder. These and other expectations for non-executive directors are explicitly captured in the Board Conflict of Interest Policy.

Managing conflicts of interest

All directors recognise the importance of maintaining independence and are required to record all interests, material or otherwise, in the Interests Register, which is updated and reviewed at each Board meeting. Where conflicts between a director's interests and matters being reviewed by the Board do exist, the relevant director refrains from voting and will not take part in any of the preceding discussion.

Directors' disclosures are all in relation to changes (which include adding or removing) in shareholdings of the relevant director or company directorships or other roles listed in the directors' profiles on pages 33 to 34 (or relating to a now-retired director).



GOVERNANCE AT AIRWAYS CONTINUED

Delegation of authority

In the normal course of events, day-to-day management of Airways is in the hands of management. To enhance efficiency, the Board has delegated some of its powers to the CEO while retaining ultimate responsibility for governance and oversight.

The terms and limits of any delegation are clearly documented. Unless otherwise approved by the Board, all Board authority conferred on management is delegated through the CEO. The Board must approve levels of delegation in accordance with the Delegated Authority Policy.

Only decisions of the Board acting as a body are binding on the CEO. Decisions or instructions of individual directors, officers or committees are not binding except in those instances where specific authorisation is given by the Board.

Appointing new members and ensuring a balanced Board

All new directors are appointed by the shareholder, with the Chair providing advice as part of the appointment process. The Chair is responsible for maintaining an ongoing review of the Board's membership profile, considering the need to ensure an appropriate balance of independence, skills, knowledge, experience and perspectives among directors so that the Board works effectively.

Appropriate succession planning for Chair roles (at both Board and committee level) and the requirement for a balanced Board are key considerations in all new appointments.

Currently, the Board has a sound mix of commercial, industry, technology, entrepreneurial, people and change leadership experience and well-developed governance skills and practices.

Continuing education

The Board recognises the importance of individual and collective education and skills development to maintain currency in a rapidly changing environment. Airways supports directors in their continued learning and development relevant to the profession of a directorship. Such support may vary between directors depending on individual needs. Directors take responsibility for improving their own professional knowledge and skills, utilising and supplementing this support where required. Directors are also encouraged to have an individual governance development plan.

Monitoring performance

Each year, the Board critically evaluates its collective performance, processes and procedures. The performance of individual directors is also reviewed and evaluated annually.

Over the last year, the Board has engaged an external governance specialist to undertake a comprehensive review of the Board. This included individual interviews, Board observation and feedback. The review confirmed strength areas and identified areas for practice development. In addition, the Board also applies a regular practice of reflection and feedback at the conclusion of Board meetings.

The Board also monitors and adapts to new methods of working and collaborating to ensure governance remains future fit. An example of this is the adoption of virtual environments where Board meetings have been adjusted to make best use of the online environment where appropriate.

Committees

The Board has established a number of committees, all supported by formal terms of reference that were reviewed by each committee in 2023 to ensure that they are fit for purpose and reflect best-practice corporate governance. While these committees are responsible for certain activities, ultimate accountability still resides with the Board, which receives verbal reports and meeting minutes from all committees covering their proceedings.

The Nominations Committee's objectives were to assist the Board in overseeing individual and collective development of directors, future capability reviews and consideration of special fees.



GOVERNANCE AT AIRWAYS CONTINUED

Committee	Objectives	Key roles and responsibilities
Audit and Finance Committee	Assist the Board in meeting its internal controls, financial reporting, audit and legal/regulatory compliance responsibilities.	• Review audit and assurance reports from the General Manager Safety and Assurance. • Understand key financial, commercial and business recovery risks and how they are being managed. • Understand the internal control environment and any identified deficiencies. • Review key governance policies and any material breaches thereof. • Review annual and interim financial statements and related issues and complex transactions. • Review the performance and independence of external auditors. • Oversee the internal audit function. • Review effectiveness of legal and regulatory compliance systems.
Safety Committee	Assist the Board in overseeing responsibilities with regard to ensuring Airways is a safe and secure environment for Airways' people, customers, suppliers and contractors. The information obtained through monitoring and advisory on operational safety is enabled through the Airways integrated safety management system in accordance with Airways' Just Culture.	• Assess the risks arising from Airways' operations that impact safety, security and/or business continuity. Review the adequacy of management's approach to the management of these risks, ensuring the Board is aware of all significant matters. • Provide assurance to the Board around the effectiveness of the systems that management have put in place for ensuring and monitoring Airways' operational effectiveness and improvement regarding safety, security and business continuity. • Ensure serious safety and security incidents are investigated, in accordance with Airways' Just Culture, and are monitored to ensure completion of any actions resulting from these investigations and reviews. • Monitor that adequate operational business continuity and emergency response plans are in place to ensure business-critical processes across the organisation are sufficiently resilient to continue operating effectively. • Review any issue identified by the Head of Safety and Assurance as warranting special attention by the committee. • Perform other governance functions as requested by the Board.



GOVERNANCE AT AIRWAYS CONTINUED

Committee	Objectives	Key roles and responsibilities
People and Culture Committee	Assist the Board in overseeing the management of human resources and remuneration activities at Airways.	• Set strategic human resources and remuneration policies within the policy structure approved by the Board. • Set and review, with oversight and guidance, the organisational development policies of Airways with specific focus on: – company culture – employee experience and engagement – diversity, equity and inclusion – te ao Māori – talent and succession planning – workforce planning – capability development – ways of working – union relationships. • Set appropriate employment terms and conditions for the Chief Executive. • Oversee the annual performance review of the Chief Executive. • Establish and amend the terms of any incentive plans for the Chief Executive and the executives and managers who report directly to the Chief Executive. • Receive remuneration-related recommendations from the Chief Executive for Airways staff. • Review and recommend, in accordance with the company's remuneration policies and practices, all components of the remuneration of the Chief Executive and the executives and managers who report directly to the Chief Executive. The remuneration of executives and managers who report directly to the Chief Executive is subject to prior recommendation from the Chief Executive within the parameters of the Remuneration Policy and budget provision. • Monitor any gender bias or other inappropriate bias in remuneration for directors, senior executives or other employees. • Consider such other matters relating to strategic human resources and remuneration issues as may be referred to it by the Board.



GOVERNANCE AT AIRWAYS CONTINUED

Directors' attendance

The Board held 12 meetings during the year ended 30 June 2026. Board committees also met regularly throughout the year to consider matters relevant to, and required by, their terms of reference. Director attendance at these Board and committee meetings is set out in the table below.

	Board	Audit and Finance Committee	Safety Committee	People and Culture Committee	Nomination Committee
Total meetings held	12	4	4	4	2
Darin Cusack	12	4	4	3	2
Louise Edwards	12	4	2	3	
John Holt	11		3	4	
Gavin Fernandez	12		4		2
Terry Paddy	12		4		
Danny Tuato'o	12	4		2	2
Mayurie Gunatilaka	6		2		
Denise Church	3	1	0	1	
Mark Hutchinson	5			1	

Note: The Nominations Committee was disestablished in June 2026.

External audit

The Audit Office appoints an external auditor annually. The external auditor's primary line of communication with Airways is through the Audit and Finance Committee, which reviews the proposed audit scope and approach to ensure no unjustified restrictions have been placed upon audit scope, the external auditor management letter, the results of the audit, management's responses to audit findings and the auditor's performance.

Lead audit partners are rotated every six years in line with Audit Office requirements.

Annually, the Audit and Finance Committee meets the external auditor without management present to ensure they have no issues or concerns the Board needs to be made aware of.

Legal and Internal Audit

The Legal and Internal Audit function supports the Chief Executive, Executive Leadership Team, Audit and Finance Committee and Board by providing legal, governance, compliance and internal audit advice and assurance. This includes oversight of the internal audit programme, monitoring of material legal and regulatory obligations, reporting on compliance and governance matters, and supporting management to address control weaknesses and assurance findings.

Safety and Assurance

The Legal and Audit function works alongside the Safety and Assurance team, which provides assurance over Airways' Safety Management System and the management of operational and people safety risks. Together, these assurance activities support Board and committee oversight of Airways' control environment

Insurance and indemnity

In accordance with the Companies Act 1993 and the terms of Airways' constitution, Airways has agreed to indemnify, and to effect and maintain insurance cover for, certain persons against certain costs and liabilities.



Performance and financial statements





FINANCIAL PERFORMANCE



Airways Group
Recorded a net profit after tax of \$22.8 million



Core Business
Revenue was \$273.0 million for FY26, \$0.7 million above budget

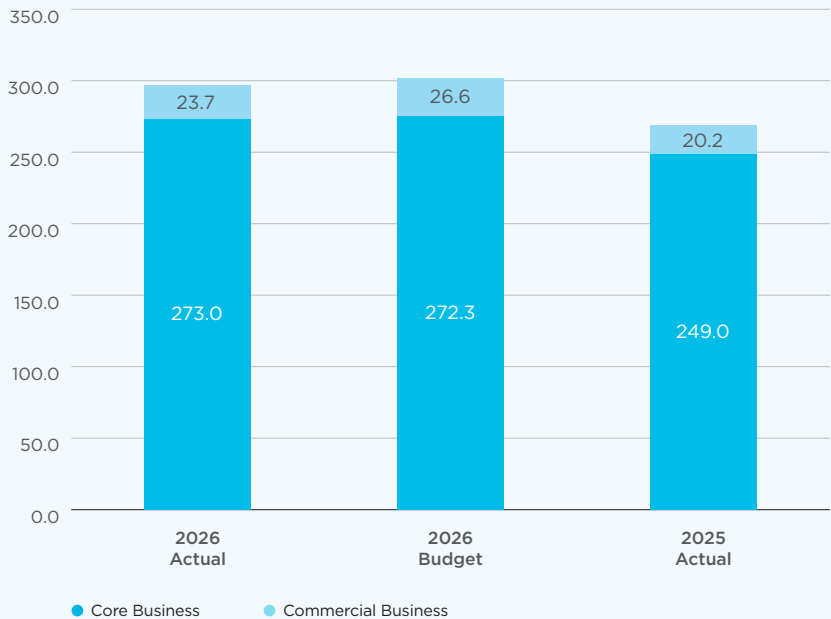


Capital Expenditure
Delivered \$57.3 million of investment

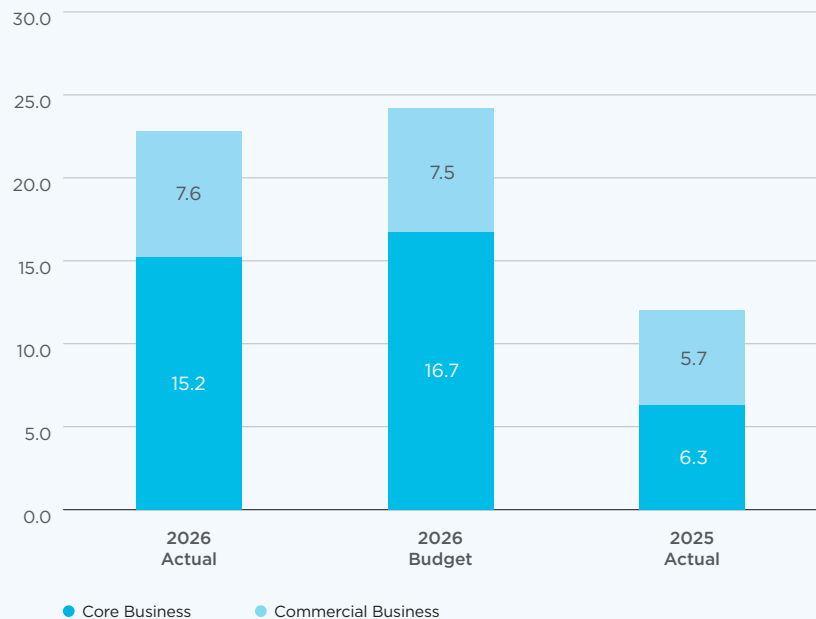


Commercial business
Recorded a net profit after tax of \$7.6 million, \$0.1 million above budget

REVENUE (\$M)



PROFIT AFTER TAX (\$M)





STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June	GROUP		Notes
	2026 (\$000s)	2025 (\$000s)	
Operating activities			
REVENUE			
Air traffic management revenue	274,000	251,135	A4.1
Other revenue	22,720	18,128	A4.1
Total revenue	296,720	269,263	
EXPENSES			
Employee remuneration	166,785	161,205	A4.3
Employee-related costs	8,232	7,799	A4.4
Depreciation	28,313	27,005	A9, A10
Amortisation	6,952	7,044	A9
Impairment	574	985	A9
Other operating costs	47,754	42,553	A4.2
Rental expense	2,590	2,716	
Total expenses	261,200	249,307	
Finance expense	(3,162)	(3,153)	
Finance income	152	342	
Net finance (expense)	(3,010)	(2,811)	
Net profit before taxation	32,510	17,145	
Taxation expense	9,707	5,204	A5
Net income after taxation attributable to equity shareholders	22,803	11,941	

For the year ended 30 June	GROUP		Notes
	2026 (\$000s)	2025 (\$000s)	
Other comprehensive income			
That may be reclassified to profit or loss when conditions are met:			
Movement in cash flow hedge reserve	(391)	(551)	
Deferred tax on other comprehensive income	109	154	A5
Total other comprehensive income	(282)	(397)	
Total comprehensive income for the year attributable to equity shareholders	22,521	11,544	

This statement is to be read in conjunction with the Notes to the Financial Statements on pages 48 to 73.





BALANCE SHEET

As at 30 June	GROUP		Notes
	2026 (\$000s)	2025 (\$000s)	
Assets			
CURRENT ASSETS			
Cash and cash equivalents	10,835	2,186	
Trade and other receivables	30,734	28,581	A7
Prepayments	6,008	5,557	
Derivative financial instruments	363	269	A6
Total current assets	47,940	36,593	
NON-CURRENT ASSETS			
Property, plant and equipment	251,839	221,223	A9
Right-of-use assets	64,177	66,512	A10
Intangibles	56,544	61,429	A9
Inventories	2,222	2,126	A11
Prepayments	1,474	748	
Derivative financial instruments	243	141	A6
Total non-current assets	376,499	352,179	
Total assets	424,439	388,772	
Liabilities			
CURRENT LIABILITIES			
Trade and other payables	23,869	20,500	A8
Provisions	2,739	3,971	A12
Lease liabilities	7,608	7,548	A10
Employee entitlements	32,040	33,156	A4.5
Derivative financial instruments	464	139	A6
Loan facility – unsecured	10,000	–	B1
Total current liabilities	76,720	65,314	

As at 30 June	GROUP		Notes
	2026 (\$000s)	2025 (\$000s)	
NON-CURRENT LIABILITIES			
Loan facility – unsecured	38,500	45,000	B1
Lease liabilities	67,124	68,583	A10
Employee entitlements	15,405	14,463	A4.5
Derivative financial instruments	191	79	A6
Provisions	2,998	–	A12
Deferred tax liability	13,155	3,608	A5
Total non-current liabilities	137,373	131,733	
Total liabilities	214,093	197,047	
Net assets	210,346	191,725	
Equity			
Share capital	166,200	159,100	A13
Hedge reserves	(144)	138	
Retained earnings	44,290	32,487	
Total equity	210,346	191,725	

This statement is to be read in conjunction with the Notes to the Financial Statements on pages 48 to 73.

The Board of Directors of Airways Corporation of New Zealand Limited authorised these financial statements for issue on 23 September 2026. The Directors do not have the power to amend the financial statements once issued.

Darin Cusack
Chair

23 September 2026

Danny Tuato'o
Director

23 September 2026





STATEMENT OF CHANGES IN EQUITY

	GROUP			
	Attributable to equity shareholders			
	Contribut- ed equity (\$000s)	Hedge reserve (\$000s)	Retained earnings (\$000s)	Total (\$000s)
Balance as at 30 June 2024	151,700	535	30,546	182,781
COMPREHENSIVE INCOME				
Net profit after taxation	-	-	11,941	11,941
OTHER COMPREHENSIVE INCOME				
Movements in hedge contracts	-	(551)	-	(551)
Tax on other comprehensive income	-	154	-	154
Total other comprehensive income	-	(397)	-	(397)
Total comprehensive income	-	(397)	11,941	11544
TRANSACTIONS WITH OWNERS				
Share issued	7,400	-	-	7,400
Dividends paid (5.82 cents per share)	-	-	(10,000)	(10,000)
Total transactions with owners	7,400	-	(10,000)	(2,600)
Balance as at 30 June 2025	159,100	138	32,487	191,725

	GROUP			
	Attributable to equity shareholders			
	Contribut- ed equity (\$000s)	Hedge reserve (\$000s)	Retained earnings (\$000s)	Total (\$000s)
COMPREHENSIVE INCOME				
Net profit after taxation	-	-	22,803	22,803
OTHER COMPREHENSIVE INCOME				
Movements in hedge contracts	-	(391)	-	(391)
Tax on other comprehensive income	-	109	-	109
Total other comprehensive income	-	(282)	-	(282)
Total comprehensive income	-	(282)	22,803	22,521
TRANSACTIONS WITH OWNERS				
Dividends paid (6.41 cents per share)	-	-	(11,000)	(11,000)
Shares issued	7,100	-	-	7,100
Total transactions with owners	7,100	-	(11,000)	(3,900)
Balance as at 30 June 2026	166,200	(144)	44,290	210,346

This statement is to be read in conjunction with the Notes to the Financial Statements on pages 48 to 73.





STATEMENT OF CASH FLOWS

For the year ended 30 June	GROUP		Notes
	2026 (\$000s)	2025 (\$000s)	
Cash flows from/(used in) operating activities			
CASH WAS PROVIDED FROM:			
Receipts from customers	295,778	265,631	
Interest received	152	342	
CASH WAS APPLIED TO:			
Payments to suppliers	(48,765)	(41,704)	
Payments to employees	(174,162)	(167,246)	
Interest paid	(3,028)	(2,951)	
Income tax paid	(51)	(178)	
Net cash flows from operating activities	69,924	53,894	E2
Cash flows from/(used in) investing activities			
CASH WAS PROVIDED FROM:			
Sale of property, plant and equipment	1,589	6,428	
CASH WAS APPLIED TO:			
Purchase of property, plant and equipment	(50,856)	(59,235)	
Purchase of intangible assets	(6,405)	(5,139)	
Net cash flows used in investing activities	(55,672)	(57,946)	

For the year ended 30 June	GROUP		Notes
	2026 (\$000s)	2025 (\$000s)	
Cash flows from/(used in) financing activities			
CASH WAS PROVIDED FROM:			
Drawdown of loan facility	10,000	5,000	
Issuance of shares	7,100	7,400	
CASH WAS APPLIED TO:			
Repayment of loan facility	(6,500)	-	
Dividends paid	(11,000)	(10,000)	
Principal elements of lease payments	(5,203)	(4,799)	
Net cash flows from/(used in) financing activities	(5,603)	(2,399)	
Net (decrease)/increase in cash held	8,649	(6,451)	
Cash at the beginning of the year	2,186	8,637	
Cash at the end of the year	10,835	2,186	

This statement is to be read in conjunction with the Notes to the Financial Statements on pages 48 to 73.





STRUCTURE OF NOTES TO THE FINANCIAL STATEMENTS

A

SECTION A

How the numbers are calculated – pages 48 to 63

This section provides further information on the basis of preparation of the financial statements and detail on components of the primary statements that are material or require significant judgement or estimates in determining their value.

- A1** Basis of preparation
- A2** Key accounting policies
- A3** Critical accounting estimates, judgements and errors
- A4** Profit or loss and other comprehensive income information
 - A4.1** Revenue from contracts with customers
 - A4.2** Individually significant items within operating costs
 - A4.3** Employee remuneration
 - A4.4** Employee-related costs
 - A4.5** Employee entitlements
- A5** Income tax and related balances
- A6** Financial assets and liabilities
- A7** Trade and other receivables
- A8** Trade and other payables
- A9** Property, plant and equipment and intangible assets
- A10** Leases
- A11** Inventories
- A12** Provisions
- A13** Share capital and reserves

B

SECTION B

Risk – pages 64 to 67

This section outlines Airways' exposure to financial risks and sets out the objectives, policies and controls in place to manage them.

- B1** Financial risk management
- B2** Capital management

C

SECTION C

Group structure – pages 68 to 71

This section describes the entities within the Group, transactions with these and other related parties, and Airways' investment in other entities outside the Group.

- C1** Group entities and ownership
- C2** Transactions with the Group and other related entities
- C3** Transactions with management and directors
- C4** CEO remuneration

D

SECTION D

Unrecognised items – page 72

This section provides information on other financial interests and exposures which are not recognised in the primary financial statements, but which management considers important in understanding the complete financial position of the Group.

- D1** Capital commitments
- D2** Contingent liabilities
- D3** Subsequent events

E

SECTION E

Other information – page 73

This section includes other required disclosures that are necessary to provide readers with an understanding of Airways' financial position and performance.

- E1** Auditor's remuneration
- E2** Reconciliation of net cash flow from operating activities to reported profit/(loss)





SECTION A: HOW THE NUMBERS ARE CALCULATED

A1 BASIS OF PREPARATION

These financial statements are for the consolidated Group (“Airways”), consisting of Airways Corporation of New Zealand Limited and its subsidiaries (refer to note C1 for further details). They have been prepared in accordance with:

- Generally Accepted Accounting Practice in New Zealand (as a result they comply with the New Zealand Equivalents to International Financial Reporting Standards Accounting Standards (NZ IFRS Accounting Standards) and other applicable New Zealand accounting standards and authoritative notices, as appropriate for for-profit Tier 1 entities. They also comply with International Financial Reporting Standards), and
- the requirements of the Financial Reporting Act 2013, the Companies Act 1993 and the State-Owned Enterprises Act 1986.

The financial statements have been prepared on a historical cost basis as modified by the revaluation of derivative financial instruments and are presented in New Zealand dollars, which is Airways’ presentation currency and the functional currency of all entities within Airways. All values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

The financial statements have been prepared on a going concern basis. The Directors have assessed Airways’ ability to continue as a going concern for the period of 12 months from the date these financial statements are authorised for issue, having regard to available cash and undrawn facilities, and the expiry and subsequent refinancing of banking facilities during the assessment period. On this basis, the Directors are satisfied that Airways has adequate funding arrangements in place and will continue to meet its obligations as they fall due and have concluded there is no material uncertainty in relation to going concern.

All components in the primary statements have been stated net of GST, with the exception of receivables and payables which include any GST invoiced.

A2 KEY ACCOUNTING POLICIES

Key accounting policies adopted in the preparation of these consolidated financial statements can be found in the specific note to which the policy applies. These policies have been consistently applied to all the years presented.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of these financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations when they become effective.

NZ IFRS 18 Presentation and Disclosure in Financial Statements – Airways have elected not to early adopt this standard, which is effective from 1 July 2027. The standard is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss and other comprehensive income, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

A3 CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ERRORS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying Airways accounting policies.

Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.





SECTION A: HOW THE NUMBERS ARE CALCULATED CONTINUED

A4 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME INFORMATION

This note provides further information about items in the statement of profit or loss and other comprehensive income that are either individually significant or involve estimates or judgements in determining their value.

A4.1 REVENUE FROM CONTRACTS WITH CUSTOMERS

Airways recognises revenue in accordance with NZ IFRS 15 – revenue from contracts with customers. Under this standard, specific performance obligations within contracts are identified, and the revenue assigned to the obligations is recognised as control of the good or service is transferred to the customer. Depending on how this control passes, revenue is recognised either at a point in time or over time.

With respect to the different sources of revenue for the Airways Group – the following accounting policies have been adopted:

Revenue type	Accounting policy	Over time vs point in time
Air Traffic Management (ATM)	Recognised at completion of the flight or aircraft movement.	Point in time
Consulting	For consultancy contracts with specified contractual obligations where Airways retains control until the work is completed, revenue is recognised once the obligations are satisfied.	Point in time
	Revenue from on-going consultancy services, or where assets are being constructed for customers that do not have an alternative use for Airways and there are contractual rights to payment for work performed, is recognised as the service is provided or asset is constructed. Revenue recognition is based on the input method utilising direct costs incurred.	Over time
Software licences	For licences with a defined term, revenue recognition is based on straight-line recognition across the life of the licence.	Over time
	Revenue for perpetual licences that grant a right to use is recognised once the licence is available for use.	Point in time
Training	Revenue recognition is based on the output method utilising the days of training provided.	Over time
Publications	Revenue from subscriptions to aeronautical information is recognised on a straight-line basis over the life of the subscription.	Over time
Data services	Data services include the ongoing provision of access to Airways data and revenue recognition is based on the output method utilising the days of services provided.	Over time





SECTION A: HOW THE NUMBERS ARE CALCULATED CONTINUED

A4.1(A) DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue derived from the transfer of goods and services, both over time and at a point in time, for each revenue type for the year is set out in the table below.

	For the year ended 30 June 2026 (\$000s)							
	ATM	Consulting	Data services	Software	Training	Publications	Other	Total
Point in time	274,000	6	254	154	–	–	2,826	277,240
Over time	–	3,496	7,216	3,720	3,607	1,441	–	19,480
Total	274,000	3,502	7,470	3,874	3,607	1,441	2,826	296,720

	For the year ended 30 June 2025 (\$000s)							
	ATM	Consulting	Data services	Software	Training	Publications	Other	Total
Point in time	251,135	154	245	523	–	–	969	253,026
Over time	–	3,520	4,945	4,720	1,971	1,081	–	16,237
Total	251,135	3,674	5,190	5,243	1,971	1,081	969	269,263

A4.1(B) ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

Airways has recognised the following assets and liabilities relating to all contract types with customers:

	2026 (\$000s)	2025 (\$000s)
Contract assets		
Current contract assets	436	115
Capitalised contract fulfilment costs	533	–
Total current contract assets	969	115

	2026 (\$000s)	2025 (\$000s)
Contract liabilities		
Current contract liabilities	2,453	1,809
Total contract liabilities	2,453	1,809

Contract assets relate to unbilled amounts on service contracts where revenue recognised exceeds the amount invoiced to the customer. Capitalised contract fulfilment costs relate to incremental costs incurred to fulfil contracts, which are recognised as an asset and amortised as the related revenue is recognised. Contract liabilities relate to amounts invoiced or received in advance of the related performance obligations being satisfied.

Of the \$1.8 million contract liability balance at 30 June 2025, \$1.2 million was recognised as revenue during the year ended 30 June 2026.





SECTION A: HOW THE NUMBERS ARE CALCULATED CONTINUED

A4.2 INDIVIDUALLY SIGNIFICANT ITEMS WITHIN OPERATING COSTS

For the year ended 30 June	2026 (\$000s)	2025 (\$000s)
Maintenance	22,274	20,789
Professional fees	4,943	3,658
Material and equipment costs	4,686	2,510
Communications	4,411	4,515
Travel	4,116	3,434
Insurance	2,709	2,782
Utilities	2,443	2,342

A4.3 EMPLOYEE REMUNERATION

For the year ended 30 June	2026 (\$000s)	2025 (\$000s)
Wages and salaries	140,556	137,570
Less: labour costs capitalised	(11,226)	(11,528)
KiwiSaver/superannuation contributions	12,711	12,228
Leave entitlement expense	24,744	22,935
	166,785	161,205

A4.4 EMPLOYEE-RELATED COSTS

For the year ended 30 June	2026 (\$000s)	2025 (\$000s)
Contractor costs	4,877	3,290
Other employee-related costs	3,355	4,509
	8,232	7,799



A4.5 EMPLOYEE ENTITLEMENTS

Superannuation

Airways contributes to various defined contribution schemes that are funded through fixed contributions into trustee administered funds. Airways has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as an employee benefit expense in profit or loss when they are due for payment to the funds.

Leave benefits

Airways recognises liabilities for annual leave, long service leave and retiring leave in the balance sheet, reflecting employee service provided up to balance date. Long service leave that has vested with employees, together with annual leave, sick leave, and salaries and wages accrued, is recognised as a current liability within employee entitlements. These current entitlements are measured at nominal value based on accrued entitlements at current rates of pay.

Long service leave and retiring leave that has not yet vested with staff is recognised as a long-term liability within employee entitlements. This non-current liability is measured at the present value of the estimated future outflows as a result of employee service provided at balance date, using actuarial estimates of future demographic trends and employee remuneration.

Total employee entitlements recognised on the balance sheet comprise the following:

	2026 (\$000s)	2025 (\$000s)
Current employee entitlements	32,040	33,156
Non-current employee entitlements		
Long service leave	2,022	1,480
Retiring leave	13,383	12,983
Total employee entitlements	47,445	47,619



SECTION A: HOW THE NUMBERS ARE CALCULATED CONTINUED

Key actuarial assumptions

The principal assumptions used in determining Airways' liability for non-vested long service and retiring leave entitlements are set out in the table below. Possible changes in these assumptions are not expected to materially impact Airways' financial position or performance.

	2026	2025
Employee decrement assumptions	Airways specific	Airways specific
Long-run wage increase	2.5%	3%
Discount rates ¹	4.53%	4.79%

1. Discount rates adopted are those specified by Treasury for reporting purposes for Crown entities.

The impact of these non-vested entitlements on the financial statements is set out in the table below.

Movement in employee decrement assumptions	2026 (\$000s)	2025 (\$000s)
Changes in discount rate	920	(716)
Additional entitlements recognised during the year	51	546
Other	677	1,048
Total movement in non-vested long service and retiring leave recognised in profit or loss	1,648	878

A5 INCOME TAX AND RELATED BALANCES

This note provides an analysis of Airways' income tax expense, and shows which amounts are recognised directly in equity and in other comprehensive income and how the tax expense is affected by non-assessable and non-deductible items.

Income tax expense

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent it relates to items recognised in other comprehensive income or directly in equity. Current tax is measured on the basis of laws enacted, or substantially enacted at the reporting year end.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax is based on the expected manner of realisation of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting year end.

Deferred tax assets arising from tax losses are recognised only if it is probable that future taxable amounts will be available to utilise those losses.

For the year ended 30 June	2026 (\$000s)	2025 (\$000s)
RECONCILIATION OF PROFIT BEFORE TAXATION TO INCOME TAX EXPENSE		
Profit before taxation	32,510	17,145
Tax at the New Zealand tax rate of 28%	9,103	4,801
Tax effect of amounts which are either non-deductible or non-taxable in calculating taxable income:		
Non-taxable income/non-deductible expenses	182	150
Foreign tax credits foregone	51	176
Utilisation of tax losses for current/prior periods	85	51
Other	286	26
Income tax expense	9,707	5,204
COMPONENTS OF INCOME TAX EXPENSE		
Foreign tax credits foregone	51	176
Movement in deferred tax	9,656	5,028
Income tax expense	9,707	5,204

At 30 June 2026, Airways has imputation credits available for use in subsequent reporting periods of \$14.6 million (2025: \$18.9 million).

Income tax included in other comprehensive income

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised in other comprehensive income:

Components of income tax recognised in other comprehensive income	2026 (\$000s)	2025 (\$000s)
Deferred tax (cash flow hedge reserve)	109	154
Income tax expense	109	154



SECTION A: HOW THE NUMBERS ARE CALCULATED CONTINUED

Deferred tax

Deferred tax assets and liabilities are offset on the face of the balance sheet when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

The components of deferred tax are set out in the table below.

	Depreciation (\$000s)	Provisions (\$000s)	Tax losses (\$000s)	Right of use asset (\$000s)	Lease liability (\$000s)	Total (\$000s)
Balance as at 1 July 2025	(28,125)	14,973	7,433	(19,269)	21,380	(3,608)
Deferred tax in respect of previous years	-	-	(85)	-	-	(85)
Deferred tax charged to net profit	(4,475)	1,614	-	687	(456)	(2,630)
Deferred tax on tax losses recognised	-	-	(6,941)	-	-	(6,941)
Deferred tax on other comprehensive income	-	-	109	-	-	109
Balance as at 30 June 2026	(32,600)	16,587	516	(18,582)	20,924	(13,155)
Balance as at 1 July 2024	(24,262)	12,739	11,007	(19,189)	20,971	1,266
Deferred tax in respect of previous years	(3)	217	(265)	-	-	(51)
Deferred tax charged to net loss	(4,618)	2,775	-	(80)	409	(1,514)
Deferred tax on tax losses recognised	-	-	(3,463)	-	-	(3,463)
Deferred tax on other comprehensive income	-	-	154	-	-	154
Deferred tax reclassification	758	(758)	-	-	-	-
Balance as at 30 June 2025	(28,125)	14,973	7,433	(19,269)	21,380	(3,608)

Airways utilised deferred taxes arising from prior year losses of \$6.9 million (2025: \$3.5 million). The losses are expected to continue being offset against future taxable profit.





SECTION A: HOW THE NUMBERS ARE CALCULATED CONTINUED

A6 FINANCIAL ASSETS AND LIABILITIES

Airways classifies all financial assets and liabilities as being measured either at amortised cost, fair value through profit or loss, or fair value through other comprehensive income (OCI). Financial liabilities (other than fair value through OCI) are recognised initially at fair value, net of any costs incurred, and subsequently measured at amortised cost using the effective interest method. The carrying value of trade and other payables approximate their fair value.

Airways uses forward exchange contracts to hedge expenditure and revenue denominated in foreign currency and interest rate swaps to hedge interest repayments on its term debt. The effective portion of changes in the fair value of hedging instruments is recognised in equity until the underlying transaction being hedged occurs.

At this point, the fair value of the hedging instrument deferred in the cash flow hedge reserve is recognised in profit or loss (as interest costs, or foreign currency denominated revenue or expenses as appropriate) or on the balance sheet (within the recognised value of any hedged asset or stock purchase). If the hedged transaction is no longer expected to take place, then the cumulative, unrealised balance recognised in equity is recognised immediately in profit or loss.

Financial assets and liabilities by category

	Derivatives used for hedging (\$'000s)	Amortised cost (\$'000s)	Total (\$'000s)
As at 30 June 2026			
Assets as per balance sheet			
Cash and cash equivalents	–	10,835	10,835
Trade and other receivables	–	29,765	29,765
Derivative financial instruments	606	–	606
Total	606	40,600	41,206
Liabilities as per balance sheet			
Trade and other payables	–	11,885	11,885
Derivative financial instruments	655	–	655
Lease liabilities	–	74,731	74,731
Borrowings and overdrafts	–	48,500	48,500
Total	655	135,116	135,771
As at 30 June 2025			
Assets as per balance sheet			
Cash and cash equivalents	–	2,186	2,186
Trade and other receivables	–	28,581	28,581
Derivative financial instruments	410	–	410
Total	410	30,767	31,177
Liabilities as per balance sheet			
Trade and other payables	–	13,224	13,224
Derivative financial instruments	218	–	218
Lease liabilities	–	76,131	76,131
Borrowings and overdrafts	–	45,000	45,000
Total	218	134,355	134,573



SECTION A: HOW THE NUMBERS ARE CALCULATED CONTINUED

The derivatives used for hedging are considered Level 2 financial instruments and are recognised on the balance sheet at their fair values, which are determined using observable inputs as follows:

- Forward exchange contract values are determined using observable forward exchange market rates at the balance date.
- Interest rate swaps are valued using the projected methodology. For floating rates, this method projects all future floating cash flows and discounts these back to the revaluation date. For fixed rates, the individual cash flows are discounted from the cash flow date to the revaluation date. The discount rate used to calculate the net present value (NPV) of the deal is the zero-coupon curve, based on a blended swaps curve obtained from Reuters.

A7 TRADE AND OTHER RECEIVABLES

As at 30 June	2026 (\$000s)	2025 (\$000s)
Trade accounts receivable	29,009	28,172
Contract assets and other receivables	1,725	409
Total trade and other receivables	30,734	28,581

Collectability of trade receivables is reviewed on an ongoing basis and uncollectible debts are written off. Airways uses the simplified model to determine expected credit loss. A provision for expected credit losses (ECL) is recognised for groups of trade receivables that have been grouped based on shared credit risk characteristics and the days past due. The amount of the ECL will reflect the specific circumstances of individual debtors, including the expected ability and intent to pay, however as a guide and based on previous historical observed default rates for different groupings:

- debt which is greater than 90 days but less than one year overdue is provided for at 10%;
- debt which is greater than one year but less than two years old is provided for at 50%; and
- debt which is greater than two years old is provided for at 100%.

In addition to this, consideration is also given to other economic factors which could contribute to further expected credit losses. There have been no significant changes to the default rates compared to the prior year. Based on the calculation performed an ECL of \$1.1 million was recognised for the year ended 30 June 2026 (2025: \$0.9 million).

The net impairment losses are recognised in profit or loss under other operating costs. Any subsequent recoveries of amounts previously provided for, or written off as bad debts, are credited against the same line item.





SECTION A: HOW THE NUMBERS ARE CALCULATED CONTINUED

The value of Airways' ECL, in proportion to total trade receivables, is set out in the table below.

	Current (\$000s)	1 to 90 days overdue (\$000s)	91 days to 1 year overdue (\$000s)	1 to 2 years overdue (\$000s)	2+ years overdue (\$000s)	Total (\$000s)
As at 30 June 2026						
Unimpaired trade receivables	26,011	2,900	86	12	-	29,009
Impaired trade receivables	48	141	159	12	749	1,109
Total trade receivables due	26,059	3,041	245	24	749	30,118
Expected credit loss	(48)	(141)	(159)	(12)	(749)	(1,109)
Trade receivables recognised	26,011	2,900	86	12	-	29,009
As at 30 June 2025						
Unimpaired trade receivables	23,440	4,246	9	4	-	27,699
Impaired trade receivables	64	194	390	15	704	1,367
Total trade receivables due	23,504	4,440	399	19	704	29,066
Expected credit loss	(28)	(85)	(70)	(7)	(704)	(894)
Trade receivables recognised	23,476	4,355	329	12	-	28,172





SECTION A: HOW THE NUMBERS ARE CALCULATED CONTINUED

A8 TRADE AND OTHER PAYABLES

As at 30 June	2026 (\$000s)	2025 (\$000s)
Trade accounts payable	12,225	13,041
Contract liabilities	2,453	1,809
Payroll-related payables	1,921	2,484
Accrued liabilities	7,013	2,815
Other payables	257	351
Total trade and other payables	23,869	20,500

Trade and other payables are unsecured, non-interest bearing and typically paid within 30 days.

A9 PROPERTY, PLANT AND EQUIPMENT, AND INTANGIBLE ASSETS

Recognition and measurement

All classes of property, plant and equipment and intangibles are initially recorded at cost. Cost is determined by including all charges directly associated with bringing the assets to their location in working condition. Capital work in progress includes expenditure on partially completed assets that management expects will form part of the asset cost at completion.

Where assets are generated internally, costs are only capitalised once a formal investment case has been prepared and approved in line with Airways' delegated financial authority policy. The costs on these projects may include both internal labour and third-party costs. The investment case must demonstrate that:

- the economic and other benefits of the asset are clearly articulated and consistent with Airways' strategy
- the cost associated with the project is within Airways' budget and can be reliably measured
- there are sufficient staffing and technical resources available to complete the project (either internally or externally)
- the asset to be created is technically feasible

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Airways and the cost of the item can be measured reliably. The carrying amount of any replaced parts is written off.

Capital work in progress

Individual projects within capital work in progress can incorporate both significant intangible and tangible elements. In these cases, Airways initially classifies each project to property, plant and equipment or intangible assets based on the understanding of the most predominant element at the commencement of the related project. Eligible costs incurred are then capitalised and included in the relevant category of work in progress based on the classification above. The assignment of these costs is an estimate while the project remains in progress. Upon project completion, final costs are reviewed and assigned to the appropriate asset category which may differ from the category assigned to a project at inception.





Depreciation and amortisation

The cost of all fixed and intangible assets (excluding freehold land and work in progress), less their estimated residual value, is written off on a straight-line basis over the asset's estimated useful economic life. Asset useful lives and residual values are assessed annually and adjusted if required.

Impairment

All assets are reviewed for potential indicators of impairment at every balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For work in progress, these indicators include any changes to the scope or expected outcome of individual projects.

In addition, impairment tests are carried out at every balance date for intangible assets within work in progress regardless of whether indicators of impairment exist.

These tests involve re-assessing the feasibility of the project, the expected cost to completion and the expected economic benefit to be realised. Where the expected economic benefit provided by the asset is lower than the expected cost to completion, the difference is booked as an impairment to the current carrying value in work in progress unless a higher amount could be realised through sale of the asset less costs to sell (fair value less costs to sell). The corresponding impairment is recognised in profit or loss.

Prior period restatement

During the year ended 30 June 2026, Airways identified that \$5.7 million of assets recorded in work in progress at 30 June 2025 had been completed and brought into use during the year ended 30 June 2025. The error has been corrected by restating each affected line item of the comparative Property, plant and equipment cost schedule as at 30 June 2025:

	As previously reported (\$000s)	Adjustment (\$000s)	As restated (\$000s)
Land	1,468	-	1,468
Buildings	78,453	1,775	80,228
Plant and equipment	214,161	3,249	217,410
Computer equipment	56,929	558	57,487
Furniture and fittings	8,370	85	8,455
Motor vehicles	3,739	7	3,746
Work in progress	80,451	(5,674)	74,777
Total property, plant and equipment	443,571	-	443,571
Internally generated intangibles	101,307	-	101,307
Licenses and acquired software	18,725	4	18,729
Work in progress	4,309	(4)	4,305
Total intangibles	124,341	-	124,341





SECTION A: HOW THE NUMBERS ARE CALCULATED CONTINUED

Property, plant and equipment

	Land (\$000s)	Buildings (\$000s)	Plant and equipment (\$000s)	Computer equipment (\$000s)	Furniture and fittings (\$000s)	Motor vehicles (\$000s)	Work in progress (\$000s)	Total (\$000s)
Average useful life	Not depreciated	20 to 50 years	5 to 40 years	3 to 10 years	5 to 20 years	5 to 10 years	Not depreciated	
Cost								
As at 1 July 2025	1,468	80,228	217,410	57,487	8,455	3,746	74,777	443,571
Additions at cost	-	8,013	35,381	1,918	203	759	50,787	97,061
Deduct disposals	-	(292)	(13,632)	(1,022)	(37)	(216)	-	(15,199)
Transfers from work in progress	-	-	-	-	-	-	(41,991)	(41,991)
As at 30 June 2026	1,468	87,949	239,159	58,383	8,621	4,289	83,573	483,442
Accumulated depreciation and impairment								
As at 1 July 2025	234	31,821	142,886	40,083	5,027	2,297	-	222,348
Depreciation charge	-	2,642	13,096	5,552	494	620	-	22,404
Deduct disposals	-	(174)	(12,290)	(1,013)	(31)	(215)	-	(13,723)
Transfers from work in progress	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	574	574
As at 30 June 2026	234	34,289	143,692	44,622	5,490	2,702	574	231,603
Net book value as at 30 June 2026	1,234	53,660	95,467	13,761	3,131	1,587	82,999	251,839





SECTION A: HOW THE NUMBERS ARE CALCULATED CONTINUED

	Land (\$000s)	Buildings (\$000s)	Plant and equipment (\$000s)	Computer equipment (\$000s)	Furniture and fittings (\$000s)	Motor vehicles (\$000s)	Work in progress (\$000s)	Total (\$000s)
Average useful life	Not depreciated	20 to 50 years	5 to 40 years	3 to 10 years	5 to 20 years	5 to 10 years	Not depreciated	
Cost								
As at 1 July 2024	1,468	74,997	218,997	62,917	8,440	3,577	45,007	415,403
Additions at cost	-	6,956	18,941	2,295	622	622	57,857	87,293
Deduct disposals	-	(1,725)	(20,528)	(7,725)	(607)	(453)	-	(31,038)
Transfers from work in progress	-	-	-	-	-	-	(28,087)	(28,087)
As at 30 June 2025 (restated)	1,468	80,228	217,410	57,487	8,455	3,746	74,777	443,571
Accumulated depreciation and impairment								
As at 1 July 2024	234	31,134	144,752	41,906	5,071	2,228	2,205	227,530
Depreciation charge	-	2,061	12,403	5,687	482	522	-	21,155
Deduct disposals	-	(1,477)	(15,151)	(7,510)	(526)	(453)	(2,205)	(27,322)
Transfers from work in progress	-	-	-	-	-	-	-	-
Impairment	-	103	882	-	-	-	-	985
As at 30 June 2025	234	31,821	142,886	40,083	5,027	2,297	-	222,348
Net book value as at 30 June 2025 (restated)	1,234	48,407	74,524	17,404	3,428	1,449	74,777	221,223





SECTION A: HOW THE NUMBERS ARE CALCULATED CONTINUED

Intangible assets

	Internally generated software (\$000s)	Licences and acquired software (\$000s)	Work in progress (\$000s)	Total (\$000s)
Average useful life	3 to 10 years	3 to 10 years	Not depreciated	
Cost				
As at 1 July 2025	101,307	18,729	4,305	124,341
Additions at cost	3,654	87	6,405	10,146
Deduct disposals	(112)	(1)	-	(113)
Transfers from work in progress	-	-	(7,977)	(7,977)
As at 30 June 2026	104,849	18,815	2,733	126,397
Accumulated amortisation and impairment				
As at 1 July 2025	44,421	18,491	-	62,912
Amortisation charge	6,840	112	-	6,952
Deduct disposals	(10)	(1)	-	(11)
As at 30 June 2026	51,251	18,602	-	69,853
Net book value as at 30 June 2026	53,598	213	2,733	56,544

	Internally generated software (\$000s)	Licences and acquired software (\$000s)	Work in progress (\$000s)	Total (\$000s)
Average useful life	3 to 10 years	3 to 10 years	Not depreciated	
Cost				
As at 1 July 2024	104,503	18,765	1,901	125,169
Additions at cost	1,404	40	6,597	8,041
Deduct disposals	(4,600)	(76)	-	(4,676)
Transfers from work in progress	-	-	(4,193)	(4,193)
As at 30 June 2025 (restated)	101,307	18,729	4,305	124,341
Accumulated amortisation and impairment				
As at 1 July 2024	42,135	18,409	-	60,544
Amortisation charge	6,886	158	-	7,044
Deduct disposals	(4,600)	(76)	-	(4,676)
As at 30 June 2025	44,421	18,491	-	62,912
Net book value as at 30 June 2025 (restated)	56,886	238	4,305	61,429





SECTION A: HOW THE NUMBERS ARE CALCULATED CONTINUED

A10 LEASES

Recognition and measurement

The determination of whether a contract is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date of a lease agreement, Airways recognises a right-of-use asset and a lease liability.

Right-of-use assets are recognised when Airways, as a lessee, has the right to use an underlying asset for the lease term.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using Airways' incremental borrowing rate. The incremental borrowing rate is the rate that Airways would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Airways has used an incremental borrowing rate as the discount rate for all leases.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Right-of-use assets

	Land and buildings (\$000s)	Plant and equipment (\$000s)	Motor vehicles (\$000s)	Total (\$000s)
As at 1 July 2025	65,409	790	313	66,512
Depreciation charges	(5,368)	(406)	(135)	(5,909)
Additions to the right-of-use assets	2,552	-	-	2,552
Adjustments to existing right-of-use assets	727	286	9	1,022
As at 30 June 2026	63,320	670	187	64,177
As at 1 July 2024	64,480	1,215	409	66,104
Depreciation charges	(5,269)	(446)	(135)	(5,850)
Additions to the right-of-use assets	369	-	-	369
Adjustments to existing right-of-use assets	5,829	21	39	5,889
As at 30 June 2025	65,409	790	313	66,512

Lease liabilities

	2026 (\$000s)	2025 (\$000s)
Maturity analysis – contractual undiscounted cash flows		
Less than one year	7,484	7,680
One to five years	26,569	27,006
More than five years	66,443	70,766
Total undiscounted cash flows	100,496	105,452
Current lease liabilities	7,608	7,548
Non-current lease liabilities	67,124	68,583
Total lease liabilities	74,732	76,131





SECTION A: HOW THE NUMBERS ARE CALCULATED CONTINUED

Amounts recognised in profit or loss

	2026 (\$000s)	2025 (\$000s)
Interest on lease liabilities	2,903	2,933

Amounts recognised in the statement of cash flows

	2026 (\$000s)	2025 (\$000s)
Total cash outflow for leases	8,103	7,581

A11 INVENTORIES

Recognition and measurement

Inventories are measured at the lower of cost and net realisable value. The costs of individual items of inventory are determined using weighted average costs.

A12 PROVISIONS

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the provision can be reliably measured.

Movement in provisions	Make good provision (\$000s)	Legal Matters (\$000s)	Other provisions (\$000s)	Total (\$000s)
Opening balance as at 1 July 2025	1,240	1,995	736	3,971
Increase/(Decrease) to provisions	1,758	561	(553)	1,766
Closing balance as at 30 June 2026	2,998	2,556	183	5,737
Represented by:				
Current	–	2,556	183	2,739
Non-current	2,998	–	–	2,998

Make good provisions relate to the estimated costs of restoring sites held under lease or concession arrangements to their required condition at the end of the arrangement. Legal matters relate to provisions for costs expected to arise from ongoing legal proceedings, including an amount relating to a dispute that was settled after balance date but prior to authorisation of these financial statements. The settlement amount was not materially different to the provision held at balance date and no adjustment has been made. Other provisions primarily relate to expected costs to remove known asbestos.

A13 SHARE CAPITAL AND RESERVES

Airways has capital of \$166.2 million (2025: \$159.1 million) issued ordinary shares which confer on the holders the right to vote at any general meeting of shareholders. This consists of 171,700,000 (2025: 171,700,000) authorised ordinary shares.

During the year ended 30 June 2024, Airways entered into a share subscription agreement with its shareholders to issue up to 20,000,000 ordinary shares at an issue price of \$1.00 per share. All shares were issued on 30 June 2024, with payment deferred to a date determined by Airways. As at 30 June 2026, \$14.5 million had been called by Airways (2025: \$7.4 million).

The cash flow hedge reserve records the portion of the gain or loss on a hedging instrument designated as a cash flow hedge that is determined to be an effective hedge.





SECTION B: RISK

B1 FINANCIAL RISK MANAGEMENT

Airways is exposed to a number of financial risks, which are managed through setting appropriate objectives and implementing prudent policies and controls. These objectives, policies and controls are managed through Airways’ Treasury Policy and summarised below.

Liquidity risk

In the short term, Airways is exposed to liquidity risk through timing differences between cash receipts from sales or facility drawdowns and cash requirements for current capital expenditure and business operating costs.

In addition, Airways is also exposed to liquidity risk in the long term through the potential unavailability of debt funding to finance future capital expenditure, business developments and loan repayments.

Airways’ primary objective in managing liquidity risk is to ensure there is sufficient liquidity and funding capacity to cover known, and a reasonable level of unforeseen, funding requirements.

Airways has three bank funding facilities and one overdraft facility. The key terms of these facilities are set out in the table below.

	Total facility	Amount		Expiry	Interest rate
		2026	2025		
Facility A	\$50m	\$15.0m	\$5.0m	31 October 2028	Floating
Facility B	\$30m	\$23.5m	\$30.0m	31 October 2027	Floating
Facility C	\$10m	\$10.0m	\$10.0m	31 October 2026	Floating
Overdraft	\$10m	-	-	31 October 2026	Floating
	\$100m	\$48.5m	\$45.0m		

The funding facility is not secured by Airways’ assets.

As at 30 June 2026, \$6.3 million (2025: \$2.5 million) of the Group’s cash balances are subject to restrictions on use under the Crown’s share subscription agreement for the DVOR/DME replacement programme. These balances are not available for general liquidity purposes but must be applied to the delivery and maintenance of ground-based navigation aids.

Subsequent to balance date but prior to these financial statements being authorised for issue, the Group executed a new agreement with its lender to extend the maturity of its expiring debt facilities. As at 30 June 2026, this agreement had not yet been executed, and the Group did not have the right to defer settlement of \$10 million drawn under Facility C for at least twelve months from balance date. Accordingly, this amount has been classified as a current liability in accordance with NZ IAS 1 Presentation of Financial Statements. Refer to D3 Subsequent Events for details of the agreement signed after balance date.





SECTION B: RISK CONTINUED

Financial liability profile

Airways' exposure to liquidity risk is represented by the maturity profile of financial liabilities, as set out in the table below. These cash flows are shown at their undiscounted, contractual values.

	Less than 3 mths (\$000s)	Between 3 mths and 1 year (\$000s)	Between 1 and 2 years (\$000s)	Between 2 and 5 years (\$000s)	Greater than 5 years (\$000s)	No stated maturity (\$000s)
As at 30 June 2026						
Interest rate derivatives – inflow	–	–	153	50	–	–
Interest rate derivatives – outflow	(68)	(98)	–	–	–	–
Foreign currency exchange contracts – inflow	7,769	9,823	6,302	5,617		–
Foreign currency exchange contracts – outflow	(7,848)	(9,846)	(6,324)	(5,570)		–
Trade and other payables	(11,885)	–	–	–	–	–
Overdraft and revolving credit facility	(498)	(11,219)	(24,516)	(15,243)	–	–
Total	(12,530)	(11,340)	(24,385)	(15,146)	–	–
As at 30 June 2025						
Interest rate derivatives – inflow	85	–	–	–	–	–
Foreign currency exchange contracts – inflow ¹	5,373	4,301	4,018	5,254	–	–
Foreign currency exchange contracts – outflow	(5,287)	(4,279)	(4,008)	(5,200)	–	–
Trade and other payables	(13,224)	–	–	–	–	–
Overdraft and revolving credit facility	(612)	(1,837)	(2,449)	(52,346)	–	–
Total	(13,665)	(1,815)	(2,439)	(52,292)	–	–

1. Foreign currency exchange contracts are settled gross and as a result the inflows associated with these contracts have been included in this analysis.

Lease liabilities are classified as financial liabilities, and their maturity profile has been separately disclosed in A10.





SECTION B: RISK CONTINUED

Interest rate risk

Airways is exposed to interest rate risk through:

- differences between cost of debt assumptions used when setting air traffic management (ATM) service pricing for three-yearly periods, and actual interest rates available when debt is drawn down; and
- fluctuations in interest rates on unhedged, floating debt.

Airways' primary objective in managing interest rate risk is to secure interest rates below pricing assumptions and the long-term average cost of debt, ensuring revenue from customers is sufficient to cover interest costs. This is achieved using interest rate swaps to secure fixed debt funding costs for forecast positions, subject to the following limits:

ATM service pricing period	Minimum hedging levels	Maximum hedging levels	Maximum swap rates
Current pricing period	25% forecast debt	90% forecast debt	Current pricing cost of debt assumption
Next pricing period	75% forecast debt	90% forecast debt	Current 10-year government bond rate, plus the current pricing debt margin

Airways' exposure to interest rate risk is set out in the table below.

As at 30 June	2026 (\$000s)	2025 (\$000s)
Hedged borrowings	42,000	45,000
Unhedged borrowings	6,500	-
Total term borrowings	48,500	45,000

Possible fluctuations in interest rates are not expected to have a material impact on Airways' financial position or performance.

The effective interest rate on borrowing in the current year was 5.04% (2025: 5.45%).

Foreign exchange risk

Airways is exposed to foreign exchange (FX) risk through:

- revenue streams denominated in foreign currencies;
- operational costs requiring payment in foreign currencies; and
- capital expenditure requiring payment in foreign currencies.

Airways' primary objective in managing foreign exchange risk is to protect foreign exchange rates implicit in project or expenditure approvals and foreign revenue streams.

Airways' exposure to foreign exchange risk is set out in the table below, which shows the New Zealand dollar value of financial exposures denominated in foreign currency (at their hedged rates, where applicable), and the quantum of forward exchange contracts in place to hedge them.

	Revenue		Expenditure ¹	
	Current trade debtors (\$000s)	Revenue contracts not yet invoiced (\$000s)	Current trade payables (\$000s)	Expenditure commitments not yet invoiced (\$000s)
As at 30 June 2026				
Amount unhedged	963	-	(171)	-
Amount hedged	2,858	11,991	(1,029)	(13,088)
Total	3,821	11,991	(1,200)	(13,088)
Percentage of exposure hedged	75%	100%	-	100%
As at 30 June 2025				
Amount unhedged	808	-	(23)	-
Amount hedged	873	4,495	(167)	(13,238)
Total	1,681	4,495	(190)	(13,238)
Percentage of exposure hedged	52%	100%	-	100%

1. Operating and capital expenditure.

Possible fluctuations in foreign exchange rates are not expected to have a material impact on Airways' financial position or performance.





SECTION B: RISK CONTINUED

Credit risk

Airways is exposed to credit risk through:

- cash and cash equivalents on deposit with banks;
- interest rate swaps and foreign exchange contracts with counterparties; and
- customers with outstanding receivables.

Airways' primary objective in managing credit risk is to minimise financial loss resulting from counterparties failing to meet obligations. The policies that have been established to meet this objective include:

- requiring a credit rating of A1 (short-term) or A+ (long-term) as rated by Standard and Poor's, or equivalent credit rating from another internationally recognised rating agency, for all banking and derivative counterparties; and
- setting a maximum exposure of \$50m to any individual counterparty.

Airways' exposure to credit risk is outlined in the balance sheet (showing cash and cash equivalents and derivative financial instruments) and note A7, setting out trade and trade receivables and the current provision in place against these balances.

Airways' five largest customers account for 81% (2025: 75%) of total revenue and 64% (2025: 70%) of total accounts receivable at balance date. No collateral is held over these receivables. No other unusual risk has been identified by Airways in relation to these companies, however overdue debts are continuously monitored to identify and address any potential specific credit risks.

B2 CAPITAL MANAGEMENT

Airways' primary objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a target gearing ratio over the medium term (five years). In order to maintain or adjust the capital structure, Airways may adjust the amount of dividends paid to shareholders, return capital to shareholders, increase or reduce debt, sell assets or reduce capital expenditure.





SECTION C: GROUP STRUCTURE

C1 GROUP ENTITIES AND OWNERSHIP

Airways Corporation of New Zealand Limited is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is Level 2, 6 Leonard Isitt Drive, Auckland, New Zealand. It is also a State-Owned Enterprise established under the State-Owned Enterprise Act 1986 with shares held in equal numbers by the Minister for State-Owned Enterprises and the Minister of Finance, on behalf of the Crown.

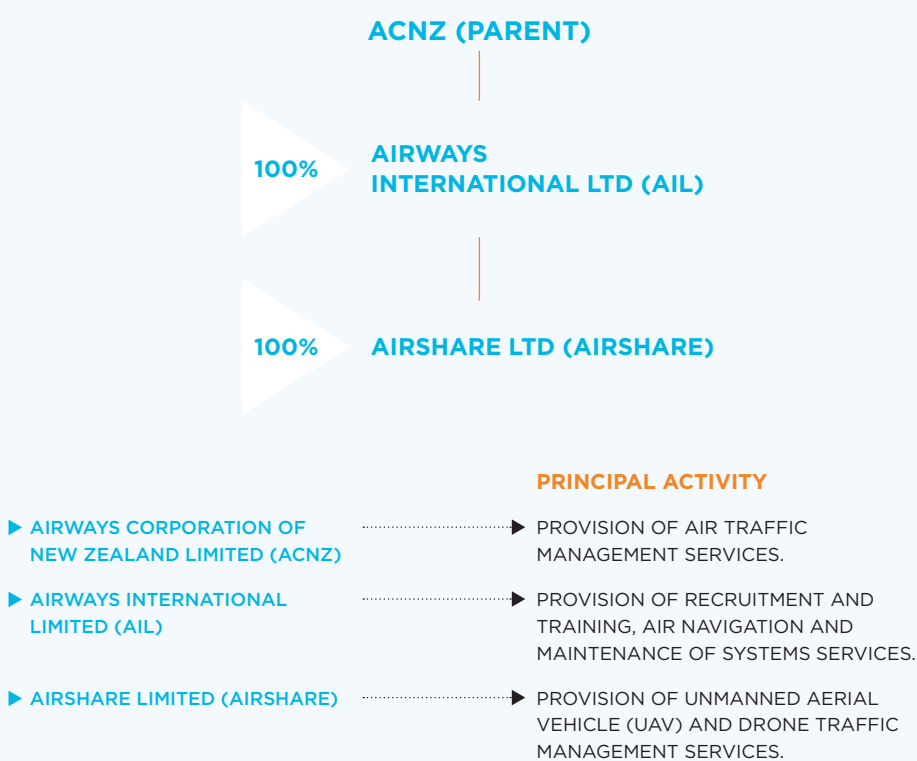
Subsidiaries are all entities over which Airways has control. Airways controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to Airways and are deconsolidated from the date that control ceases.

Accounting policies of subsidiaries are consistent with the policies adopted by the parent, and all subsidiaries share a 30 June balance date. The parent recognises its investment in subsidiaries at cost, less impairment.

The parent and its subsidiaries are listed below. All entities are incorporated in New Zealand.

On 30 September 2025, subsidiaries Airways Training Limited and Aeropath Limited were amalgamated into Airways International Limited (AIL). The change simplifies the Airways Group structure by consolidating subsidiaries under AIL and improving administrative efficiency. The Aeropath brand will continue as a division within AIL. The amalgamation is structural only and does not affect the operations, activities, or day-to-day functioning of the Airways Group.

The ownership structure of Airways as at balance date is shown in the diagram below.





SECTION C: GROUP STRUCTURE CONTINUED

C2 TRANSACTIONS WITH THE GROUP AND OTHER RELATED ENTITIES

Inter-company transactions and balances between entities within Airways are eliminated in the preparation of the Group financial statements. Airways also transacts with other government-related entities, including State-Owned Enterprises and Crown entities, in the normal course of business on normal commercial and arm's length terms.

Significant transactions and balances are as follows:

	2026 (\$000s)	2025 (\$000s)
Significant transactions		
Air New Zealand – revenue from air traffic management	156,874	146,770
RNZAF – revenue from air traffic management	11,284	9,850
Civil Aviation Authority NZ – revenue from data services	5,176	2,611
Balances outstanding at the end of the year		
Air New Zealand	13,866	13,134
RNZAF	316	194

C3 TRANSACTIONS WITH MANAGEMENT AND DIRECTORS

For the year ended 30 June	2026 (\$000s)	2025 (\$000s)
Key management compensation¹		
Salaries and other short-term employee benefits ²	3,729	4,236
KiwiSaver/superannuation contributions	92	138
	3,821	4,374
Directors' fees		
Directors' fees paid	484	392

1. Key management include the Chief Executive Officer and his direct reports.
2. No salaries or other short term employee benefits were paid to Directors.

Certain key management personnel (including Directors) have relevant interests in a number of companies to which Airways provides air navigation or related services in the normal course of business on normal commercial terms.





SECTION C: GROUP STRUCTURE CONTINUED

C4 CEO REMUNERATION

The Board is responsible for setting the Chief Executive’s remuneration and assessing performance against agreed objectives. The remuneration framework is designed to be simple, transparent and aligned with Airways’ strategic priorities, shareholder expectations and the long-term interests of the organisation. The Board is committed to ensuring executive remuneration is competitive and aligned with market standards, to attract, retain and motivate high-performing leaders.

To achieve this, Airways engages independent remuneration advisors to size executive roles, including that of the Chief Executive, against the transportation and infrastructure sectors and private sector organisations of similar size and scope. The Chief Executive’s remuneration is benchmarked against the median of Total Potential Remuneration (base salary, benefit values and on-target incentive) for comparable roles, and typically falls within 85% to 105% of that median.

The Chief Executive’s remuneration comprises fixed remuneration and a short-term incentive of 25% that places a proportion of remuneration at risk. There is no long-term incentive. The performance incentive is paid in September, after the end of the financial year, and relates to performance from the previous year, as it is paid after the balance date. Any incentive payment is not guaranteed and remains subject to Board assessment and discretion.

How Chief Executive remuneration is comprised

Component	Purpose	Disclosure wording
Fixed remuneration	Reflects the size, complexity and accountabilities of the Chief Executive role.	Fixed remuneration is reviewed annually with reference to relevant independent market data and the scope of the role.
Short-term incentive	Places a proportion of remuneration at risk and links reward to performance.	The STI is assessed 50% against company performance and 50% against individual Chief Executive performance. The Board determines any payment after assessing performance against approved measures.

FY26 short-term incentive scheme

The Chief Executive can earn a short-term incentive of up to 25% of fixed remuneration, subject to company and individual performance targets being met. The scheme does not use fixed numeric thresholds, targets or stretch levels. The Board rates achievement against each objective set out below and applies that rating to determine the amount payable, capped at 100% of the available opportunity.

FY26 company performance component | 50%

Performance area	Weighting	Objective
Operational and financial performance	20%	Deliver operational and financial performance for Core and Commercial through delivery, partnerships and market execution.
Safety and Assurance reset	7.5%	Support the reset of the Safety and Assurance team to enhance culture, safety performance and leadership.
Technology and infrastructure	7.5%	Modernise operations through key technology upgrades and infrastructure improvements, including digital AFIS, FIMS and Auckland Tower milestones.
Project delivery and prioritisation	7.5%	Improve EPMO and project delivery through agile processes, prioritisation and strengthened decision-making.
Performance and culture	7.5%	Strengthen performance and culture through leadership, process improvement and clarity.





SECTION C: GROUP STRUCTURE CONTINUED

FY26 individual Chief Executive component | 50%

Strategic area	Objective	Indicative measures
Leadership development	Design and implement a leadership development programme for the Chief Executive and Executive Leadership Team.	CEO development plan, ELT succession plans, individual development plans, 360-degree feedback and leadership development activity.
Organisation-wide leadership	Strengthen organisation-wide leadership, executive visibility, safety culture and organisational performance.	Staff engagement, HYS focus areas, July roadshow feedback, leadership-led safety and culture initiatives, and increased ELT visibility.
Sector leadership and stakeholder engagement	Position Airways as a strategic leader in the aviation sector through targeted influence and stronger stakeholder relationships.	Aviation Council endorsement, Ministry acknowledgement, industry consultation outcomes, and agreed service framework direction.
Governance	Strengthen Board governance through improved agenda planning, Board papers and executive interaction with the Board.	Agendas agreed in advance, timely Board packs, quality of Board papers, and Board feedback on executive presentations and discussions.

FY26 STI outcome

Following completion of the annual performance review process, the Board assessed performance against the objectives set out above and determined the following outcome:

Component	Weighting	Outcome achieved	Weighted contribution	Incentive payment
Company performance	50%	70.12%	35.06%	\$60,649
Individual performance	50%	81.04%	40.52%	\$70,094
Total FY26 STI outcome	100%	-	75.58%	\$130,743

FY26 is the first year this structured, objective-by-objective assessment framework has been used for the Chief Executive's STI. In FY25, the Board determined the overall STI outcome by way of Board discretion rather than against a documented set of weighted objectives, so an equivalent objective-level breakdown is not available for FY25. The FY26 STI had not been paid at balance date. The FY25 and FY24 STI outcomes, paid in FY26 and FY25 respectively, are shown for comparison below.

Single figure CEO remuneration

2026 (\$000s)	Salary and fees	Taxable benefits	Subtotal	Pay for performance			Total remuneration
				STI	LTI	Subtotal	
James Young (CEO)	668	24	692	110	-	110	802

Single figure CEO remuneration

2025 (\$000s)	Salary and fees	Taxable benefits	Subtotal	Pay for performance			Total remuneration
				STI	LTI	Subtotal	
James Young (CEO)	681	24	705	113	-	113	817

Five-year summary – CEO remuneration

		Single figure remuneration (\$000s)	Percentage STI against maximum
2026	James Young (CEO)	802	25%
2025	James Young (CEO)	817	20%
2024	James Young (CEO)	724	18.52%
2023	James Young (CEO)	631	-
2022	James Young (Acting CEO)	62	-
2022	Graeme Sumner (CEO)	1,289	-





SECTION D: UNRECOGNISED ITEMS

D1 CAPITAL COMMITMENTS

The total capital commitments for Airways at balance date are set out in the table below.

As at 30 June	2026 (\$000s)	2025 (\$000s)
Property, plant and equipment capital commitments	20,429	19,373
Intangible assets capital commitments	1,330	–
Total capital commitments	21,759	19,373

D2 CONTINGENT LIABILITIES

Airways has contingent liabilities in respect of financial guarantee contracts of \$0.2 million for bid and performance bonds (2025: \$0.6 million).

All significant legal disputes involving probable loss that can be reliably estimated have been provided for in the financial statements. There are no other significant contingent liability claims outstanding at balance date.

D3 SUBSEQUENT EVENTS

Dividend

On 23 September 2026, the Board declared a final dividend of \$6 million, payable on 25 September 2026.

Provisions

Subsequent to balance date, one of the legal matters provided for at 30 June 2026 was settled. The settlement amount was not materially different to the provision held and no adjustment has been made to the provision.

Refinancing of Loan Facility

Subsequent to balance date but prior to these financial statements being authorised for issue, the Group executed a new agreement with its lender to extend the maturity of its expiring debt facilities. This agreement extends the expiry of Facility C and the overdraft facility to 31 October 2028. As the Group did not hold a right to defer settlement of the \$10 million drawn under Facility C for at least twelve months from 30 June 2026, the classification of these borrowings as a current liability at balance date is unaffected by this agreement. This is a non-adjusting event after the reporting period and no adjustment has been made to the amounts recognised at balance date.





SECTION E: OTHER INFORMATION

E1 AUDITOR'S REMUNERATION

For the year ended 30 June	2026 (\$000s)	2025 (\$000s)
PricewaterhouseCoopers for:		
Audit Services		
Financial statement audit services as an agent of the Audit Office	319	321
Total audit services	319	321
Other assurance services		
Air navigation services pricing controls assurance engagement	–	81
Economic Value Added Key Performance Indicator compliance engagement	14	14
Student fee protection trust compliance engagement	9	9
Total other assurance services	23	104
Total auditor's remuneration	342	425

Note: the current-year amount includes \$20k of fee variations relating to FY25.

E2 RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO REPORTED PROFIT

For the year ended 30 June	2026 (\$000s)	2025 (\$000s)
NET PROFIT AFTER TAXATION	22,803	11,941
ADD/(DEDUCT) NON CASH ITEMS		
Amortisation	6,952	7,044
Depreciation	28,313	27,005
Impairment	574	985
Movement in deferred tax	(9,547)	(4,876)
Accounting gain on sale of assets	10	(1,165)
Total adjustments for items in profit not impacting cash flow	26,302	28,993
ADD MOVEMENTS IN WORKING CAPITAL ITEMS		
Increase in payables	24,394	16,529
Decrease/(Increase) in receivables	(3,575)	(3,569)
Total adjustments for items not in profit impacting cash flow	20,819	12,960
Net cash flows from operating activities	69,924	53,894





Independent Auditor's Report

To the readers of Airways Corporation of New Zealand Limited's group financial statements for the year ended 30 June 2026

The Auditor-General is the auditor of Airways Corporation of New Zealand Limited (the Group). The Auditor-General has appointed me, Christopher Ussher, using the staff and resources of PricewaterhouseCoopers, to carry out the audit of the financial statements of the Group on his behalf.

Opinion

We have audited the financial statements of the Group on pages 43 to 73, that comprise the balance sheet as at 30 June 2026, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include material accounting policy information and other explanatory information.

In our opinion, the financial statements of the Group present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting 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 for the audit of the financial statements* 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

The Board of Directors is responsible on behalf of the Group for preparing financial statements that are fairly presented and comply with NZ IFRS and IFRS Accounting Standards.

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

In preparing the financial statements, the Board of Directors is responsible on behalf of the Group for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the State Owned Enterprises Act 1986.



Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, 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. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

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

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, 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 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 Group'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 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 Group'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, 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 Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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 during 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 all of the information included in the annual report other than the financial statements, and our auditor's report thereon.

Our opinion on the financial statements 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, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements 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 Group in accordance with 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) as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have carried out engagements on behalf of the Auditor-General in the area of other assurance services relating to the Group's compliance with its Economic Value Added Reporting Framework, and engagements independently of our relationship with the Auditor-General as PricewaterhouseCoopers in the area of other assurance services relating to the Group's compliance with the terms of the Student Fee Protection Trust Deed, which are compatible with the independence requirements. Other than the audit and these engagements, we have no relationship with, or interests in, the Group.

Christopher Ussher
PricewaterhouseCoopers
On behalf of the Auditor-General
Auckland, New Zealand

23 September 2026



ECONOMIC VALUE ADDED (EVA)

	Parent 2026 (\$NZm)	Parent 2025 (\$NZm)
For the year ended 30 June		
DEBT AND EQUITY EMPLOYED		
Debt employed	161.4	188.0
Equity employed	208.2	147.3
Total debt and equity employed	369.6	335.3
Charge on operating capital	21.5	23.7
Economic Value Added	(1.5)	(12.4)
SUMMARY OF PARAMETERS FOR COST OF CAPITAL		
Risk free rate – 3-year Government Stock	3.7%	3.7%
Market risk premium	7.0%	7.5%
Company tax rate	28%	28%
Business risk factor (asset beta)	0.60	0.6
Cost of capital	7.9%	8.5%

Economic Value Added (EVA) measures the extent to which a business is performing above or below expectations. A positive EVA means the business is adding value after allowing for a normal reward to the providers of capital. The negative EVA for the current year has partly been driven by the fact Airways held prices for the first 2-months of the financial year.

The EVA reporting framework applied by Airways can be found at:
<https://www.airways.co.nz/about/performance-reports/>

Reconciliation of Economic Value Added (EVA) to net profit after tax

	Parent 2026 (\$NZm)	Parent 2025 (\$NZm)
For the year ended 30 June		
Profit after tax	15.2	3.6
Deduct: Charge on operating capital	(21.5)	(23.7)
Add back: Impairment reversals	0.6	1.0
Add back: Interest costs	2.7	2.5
Add back/(deduct): Non-cash tax charges	(1.2)	0.9
Add back: Non-cash employee costs	1.7	2.4
Add back: Depreciation on capitalised interest	1.2	1.2
Add back/(deduct): Net depreciation pricing adjustment	(0.2)	(0.3)
Economic Value Added	(1.5)	(12.4)





Independent Assurance Report

To the Board of Directors of Airways Corporation of New Zealand Limited Assurance report pursuant to the Economic Value Added Reporting Framework

Our opinion

We have undertaken a reasonable assurance engagement in respect of the compliance of Airways Corporation of New Zealand Limited (the Company) with the Company's Economic Value Added ("EVA") Reporting Framework when calculating the EVA Key Performance Indicators ("KPI's") for the year ended as at 30 June 2026.

In our opinion, the Company has complied, in all material respects, with the EVA Reporting Framework when calculating the EVA KPI's for the year ended as at 30 June 2026.

Basis for opinion

We have conducted our engagement in accordance with Standard on Assurance Engagements 3100 (Revised) *Compliance Engagements* (SAE 3100 (Revised)), issued by the New Zealand Auditing and Assurance Standards Board.

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

Board of Directors' responsibilities

The Board of Directors are responsible on behalf of the Company for compliance with the EVA Reporting Framework, for the identification of risks that may threaten compliance with the EVA Reporting Framework when calculating the EVA KPI's, controls that would mitigate those risks, and monitoring the Company's ongoing compliance.

Our independence and quality management

We have complied with the Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) or other professional requirements, or requirements in law or regulation, that are at least as demanding, which include independence and other requirements founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply Professional and Ethical Standard 3 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In our capacity as auditor and assurance practitioner, our firm also provides audit and other assurance services relating to the Company's compliance with the terms of the Student Fee Protection Deed. The firm has no other relationship with, or interests in, the Company or its subsidiaries (the Group).



Assurance practitioner's responsibilities

Our responsibility is to express an opinion on whether the Company has complied, in all material respects, with EVA Reporting Framework when calculating the EVA KPI's for the year ended as at 30 June 2026 and report our opinion to you. SAE 3100 (Revised) requires that we plan and perform our procedures to obtain reasonable assurance about whether the Company has complied, in all material respects, with the EVA Reporting Framework when calculating the EVA KPI's.

An assurance engagement to report on the Company's compliance with the EVA Reporting Framework when calculating the EVA KPI's involves performing procedures to obtain evidence about the compliance activity and controls implemented. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement throughout the specified period does not provide assurance on whether compliance with the EVA Reporting Framework when calculating the EVA KPI's will continue in the future.

Use of report

This report has been prepared for the Board of Directors as requested by the Audit Office and is provided solely to assist you in establishing that compliance requirements have been met.

Our report should not be used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any reliance on this report to anyone other than the Board of Directors of the Company, as a body, or for any purpose other than that for which it was prepared.

Christopher Ussher
On behalf of the Audit Office
PricewaterhouseCoopers
Auckland, New Zealand

23 September 2026



ADDITIONAL FINANCIAL INFORMATION

FEES AND REMUNERATION

Directors' insurance

Airways has arranged Directors' and Officers' Liability Insurance which includes cover for Directors against loss from any claims made against them arising from acts in their capacity as Directors. Certain actions are specifically excluded.

Directors' fees paid 1 July 2025 – 30 June 2026

	Amount paid	Amount recognised in profit or loss
Darin Cusack	97,630	97,630
Danny Tuato'o	66,434	66,434
Louise Edwards	55,150	55,150
Gavin Fernandez	60,665	60,665
John Holt	60,665	60,665
Terry Paddy	58,975	58,975
Mayurie Gunatilaka (appointed 1 December 2025)	34,033	34,033
Denise Church (until 31 October 2025)	33,787	33,787
Mark Hutchinson (until 31 October 2025)	16,893	16,893
Total	484,232	484,232

Directors' experience and interests are disclosed in the profiles in the Board of Directors section of this report and on the Airways website under [Board of Directors](#).

Total remuneration over \$100,000

Remuneration band	Total staff	Executive/ senior managers	Operational staff and managers
100,001–110,000	31		31
110,001–120,000	37	1	36
120,001–130,000	32		32
130,001–140,000	49		49
140,001–150,000	64		64
150,001–160,000	45	1	44
160,001–170,000	50		50
170,001–180,000	35	1	34
180,001–190,000	37	1	36
190,001–200,000	41		41
200,001–210,000	40	4	36
210,001–220,000	38	7	31
220,001–230,000	25	2	23
230,001–240,000	31	5	26
240,001–250,000	32	3	29
250,001–260,000	28	4	24
260,001–270,000	37	1	36
270,001–280,000	42	1	41
280,001–290,000	36	1	35
290,001–300,000	22	1	21





ADDITIONAL FINANCIAL INFORMATION CONTINUED

Remuneration band	Total staff	Executive/ senior managers	Operational staff and managers
300,001-310,000	20		20
310,001-320,000	12	3	9
320,001-330,000	5		5
330,001-340,000	2	2	0
340,001-350,000	2		2
350,001-360,000	2	1	1
480,001-490,000	1	1	0
520,001-530,000	1	1	0
560,001-570,000	1	1	0
610,001-620,000	1	1	0
800,001-810,000	1	1	0
	800	44	756

Financial performance against Statement of Corporate Intent (SCI) metrics

	Actual 2026	SCI Target
Profitability and efficiency		
Earnings before interest and tax (EBIT)	\$35.5	\$37.4
Earnings before interest, tax, depreciation and amortisation (EBITDA)	\$71.4	\$73.5
Operating margin	24.0%	24.6%
NOPAT	\$22.8	\$24.2
Net profit margin	7.7%	8.1%
Return on invested capital	14.3%	14.5%
Shareholder returns		
Return on equity	11.3%	11.7%
Total shareholder return	7.5%	0.2%
Dividend yield	3.3%	3.4%
Dividend payout	31.7%	39.4%
Leverage and solvency		
Gearing ratio (net) – excluding leases	15.2%	20.1%
Gearing ratio (net) – including leases	34.3%	38.4%
Interest cover (before capitalised interest)	23.6	10.9
Solvency (current ratio)	0.8	0.8
Growth and investment		
Revenue growth	10.1%	10.5%
NPAT growth	90.9%	101.6%
Capital employed growth	9.5%	14.3%
Capital renewal	2.0	2.3

Definitions for the financial performance measures above can be found at:
[Owner's Expectations](#) | [The Treasury New Zealand](#)





Appendices





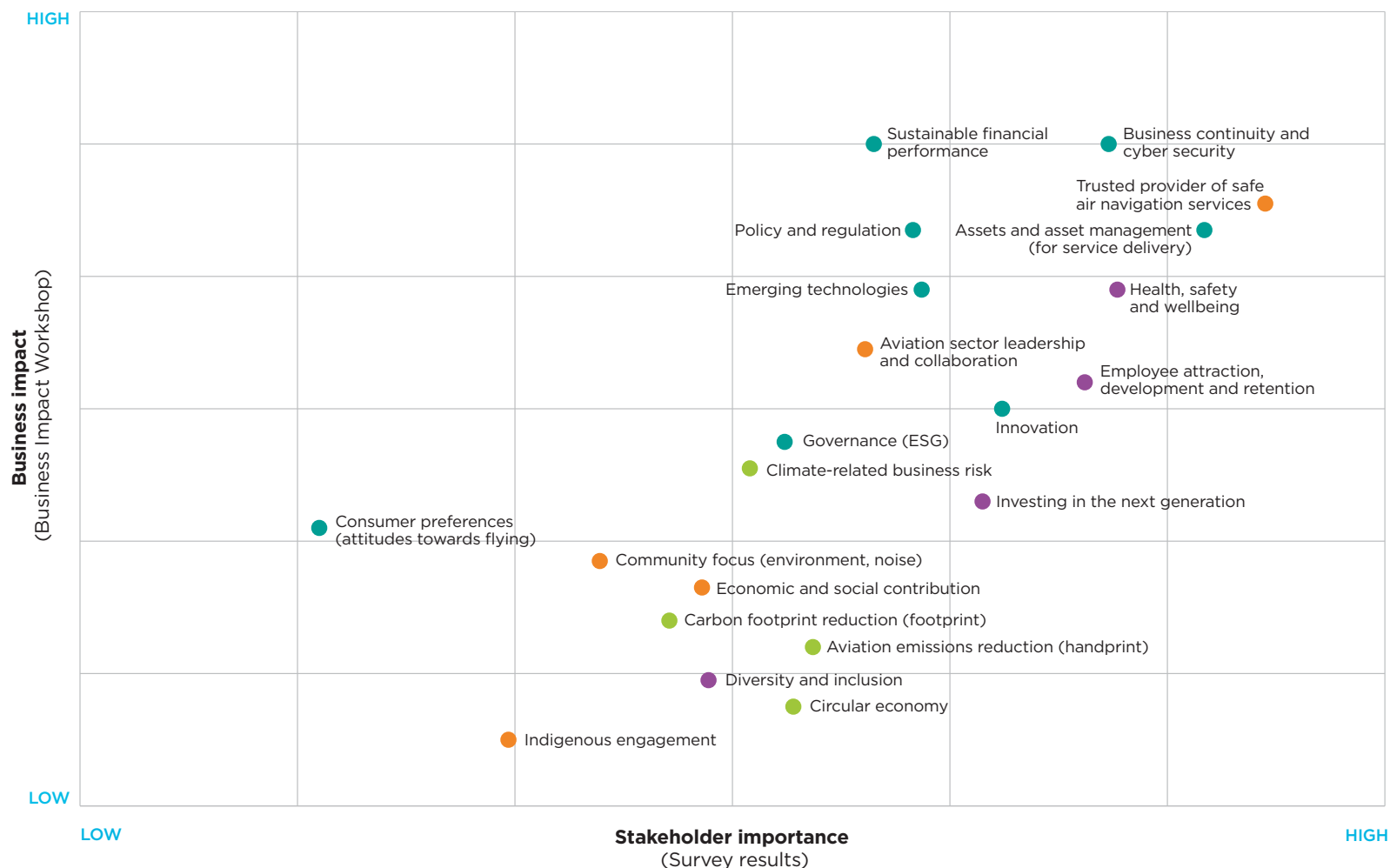
APPENDIX A: PRIORITISING MATERIAL ISSUES

A.1 Our materiality matrix

As part of our sustainability development, in 2025, we completed a materiality assessment with customers, employees and stakeholders. This materiality assessment measures issues against their importance to stakeholders and their impact on our business.

Our materiality matrix and the results of this assessment have informed our strategic direction as well as our sustainability priorities.

Material issues are aligned to our four strategic pillars and are measured as part of our KPI reporting.



● Put our people first
 ● Serve all airspace users
 ● Unlock future growth
 ● Support sustainable aviation





APPENDIX B: CUSTOMER AND STAKEHOLDER ENGAGEMENT

We recognise the importance of strong customer and stakeholder relationships in ensuring our success.

We continue to refine our communications and stakeholder engagement strategies to build their awareness and understanding of our strategy and objectives and to understand their needs and priorities.

Key topics raised by our stakeholders as material are included in our list of material topics in Appendix A. Our response to these material issues is outlined through this report.

Our main stakeholder groups:

- Our people
- Union partners – New Zealand Air Line Pilots' Association and Aviation & Marine Engineers Association
- Our government shareholder
- The Treasury
- Our regulator
- Civil Aviation Authority
- Government agencies, including the Ministry for Cities, Environment, Regions and Transport, Ministry of Business, Innovation and Employment and Ministry of Foreign Affairs and Trade
- Transport Accident Investigation Commission
- Airline customers and their representative bodies
- New Zealand Defence Force
- New Zealand airports and the NZ Airports Association
- General aviation

- Unmanned aerial vehicle users and representative bodies
- International industry associations and representative bodies, including CANSO, IATA and International Civil Aviation Organization
- Travelling public
- Media

Key areas of engagement related to our material topics through the year:

- Remote Aerodrome Flight Information Service
- Voice of Customer survey
- Operational and service developments
- Divestment of airfield power and lighting assets
- Aircraft noise





APPENDIX C: GRI INDEX

Revised version for the Airways New Zealand Annual Integrated Report 2026.

GRI standard	Disclosure	Location
GRI 2: General disclosures		
2-1	Organisational details	Notes to the financial statements: Section C, Group entities and ownership; Who we are; How we create value; Our people profile; Directory; Airways website: About us; Managing our airspace; Airways International
2-2	Entities included in the organisation's sustainability reporting	Notes to the financial statements: Section A, How the numbers are calculated
2-3	Reporting period, frequency and contact point	Chair and CEO letter; Directory
2-4	Restatements of information	There are no restatements of information this year
2-5	External assurance	Airways obtains annual third-party assurance of its GHG emissions through Toitū Envirocare. Other sustainability disclosures are not externally audited at this stage. The external assurance certificate is available on the Airways website: Sustainability.
2-6	Activities, value chain and other business relationships	Who we are; How we create value; Airways website
2-7	Employees	Our people profile
2-8	Workers who are not employees	Airways had approximately 30 active contractors during the year.
2-9	Governance structure and composition	Our Board of Directors; Governance framework; Committees
2-10	Nomination and selection of the highest governance body	Governance at Airways: Appointing new members and ensuring a balanced Board
2-11	Chair of the highest governance body	Governance at Airways: Our Board of Directors
2-12	Role of the highest governance body in overseeing the management of impacts	Governance at Airways: Relevant roles and responsibilities
2-13	Delegation of responsibility for managing impacts	Governance at Airways: Delegation of authority
2-14	Role of the highest governance body in sustainability reporting	Governance at Airways
2-15	Conflicts of interest	Governance at Airways: Managing conflicts of interest
2-16	Communication of critical concerns	Governance framework; Relevant roles and responsibilities; Safety, internal audit and assurance.
2-17	Collective knowledge of the highest governance body	Governance at Airways: Continuing education
2-18	Evaluation of the performance of the highest governance body	Governance at Airways: Monitoring performance
2-19	Remuneration policies	Airways' website: Performance reports.
2-20	Process to determine remuneration	Governance at Airways: People and Culture Committee;
2-21	Annual total compensation ratio	The annual compensation ratio is 5.95%
2-22	Statement on sustainable development strategy	Chair and CEO letter; Our strategy; Supporting sustainable aviation; Airways website: About us
2-23	Policy commitments	Airways' website: Corporate reporting





APPENDIX C: GRI INDEX CONTINUED

GRI standard	Disclosure	Location
2-24	Embedding policy commitments	Our strategy; Supporting sustainable aviation; Airways website: Corporate reporting.
2-25	Processes to remediate negative impacts	Safety, internal audit and assurance; Airways website: Corporate reporting.
2-26	Mechanisms for seeking advice and raising concerns	Airways website: Corporate reporting; Airways website: Contact us
2-27	Compliance with laws and regulations	There were no significant instances of non-compliance with laws and regulations and no fines were issued against Airways during the year.
2-28	Membership associations	Airways website: About us
2-29	Approach to stakeholder engagement	Our materiality matrix; Material issues explained; Serving all airspace users; Supporting sustainable aviation
2-30	Collective bargaining agreements	Our people profile
GRI 3: Material topics		
3-1	Process to determine material topics	Our materiality matrix; Material issues explained
3-2	List of material topics	Serving all airspace users; People first; Supporting sustainable aviation; Unlocking future growth
3-3	Management of material topics	Our strategy; strategic pillar disclosures; Performance against KPIs. Material topics are managed through strategies and action plans, defined responsibilities, KPIs and regular monitoring.
Material topic: employment		
401-1	New employee hires and employee turnover	Our people profile
401-2	Benefits that are standard for full-time employees of the organisation but are not provided to temporary or part-time employees	Airways website: Careers
401-3	Parental leave	Appendix F, Employees who took parental leave.
Material topic: occupational health and safety		
403-1	Occupational health and safety management system	Keeping our people safe; Safety, internal audit and assurance
403-2	Hazard identification, risk assessment and incident investigation	Keeping our people safe; Safety, internal audit and assurance
403-5	Worker training on occupational health and safety	Keeping our people safe
403-6	Promotion of worker health	People first
Material topic: diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	Our people profile; Our Board of Directors
405-2	Ratio of basic salary and remuneration of women to men	People first: Performance against KPIs





APPENDIX D: MANAGING RISK AND SAFETY

Managing risk at Airways

Effective risk management is fundamental to Airways’ ability to deliver safe, reliable and resilient services for New Zealand’s aviation system.

Airways operates within a complex and highly regulated aviation environment and takes a proactive approach to identifying, assessing and managing risks that may impact its people, customers, operations, technology, assets and the wider aviation system. Risk management is embedded through business planning, operational decision-making and governance processes, helping ensure risks are appropriately understood, managed and monitored.

Risk oversight is provided through Airways’ governance framework, including the Board, Executive Leadership Team, Board Safety Committee and Safety and Assurance function. Key risks are regularly reviewed and monitored through enterprise risk reporting, assurance activities and operational performance reporting.

Risk governance and accountability

Line of defence	Responsibility
First line	Operational leaders and teams own and manage risks within their areas of responsibility.
Second line	Safety and Assurance provides oversight, guidance, monitoring and assurance activities.
Third line	Independent assurance activities, audits and governance oversight provide verification of risk management effectiveness.

Airways maintains an enterprise risk management framework supported by formal policies, risk registers, assurance programmes and a Risk Evaluation Framework which provides a consistent methodology for assessing and managing risk across the organisation.

Safety management

Safety remains at the heart of everything Airways does and underpins every aspect of service delivery.

Airways operates an integrated Safety Management System that supports the identification, assessment and management of operational and people safety risks. The system supports Airways’ regulatory obligations and provides a structured approach to managing safety across operational, technical and corporate activities.

During FY26, Airways continued to strengthen critical risk management across the business, focusing on the identification, visibility and assurance of risks and controls with the potential to result in significant operational, health or safety consequences. This included progressing critical risk mapping and increasing leadership engagement with critical risks at operational sites.

Hazard identification, risk assessment and incident management

Airways uses a structured process to identify hazards, assess risks and manage safety events. This includes occurrence and hazard reporting, incident investigations, workplace inspections, leadership engagements, assurance activities, planned change processes, worker consultation and review of relevant industry learnings.

Workers can report hazards and concerns through established reporting channels, managers, Health and Safety Representatives, inspections and assurance activities. Reported hazards are assessed and assigned for appropriate investigation, action and monitoring.

Incidents are investigated to understand underlying causes and contributing factors, with a focus on learning and continuous improvement. Corrective actions are monitored until completed.





APPENDIX D: MANAGING RISK AND SAFETY CONTINUED

Just Culture

Airways maintains a Just Culture approach to support open and transparent reporting of hazards, events and concerns. This approach encourages employees to raise safety issues and supports learning, accountability and continuous improvement across the organisation.

Worker participation and consultation

Airways recognises that effective safety management depends on active worker participation. Employees contribute to health and safety through hazard reporting, investigations, inspections, risk assessments, planned change activity and assurance reviews.

Formal worker participation is supported through Health and Safety Representatives and safety forums that provide opportunities for employees and leaders to discuss health, safety and wellbeing issues, review performance and identify continuous improvement opportunities.

Health, wellbeing and safety capability

Airways provides health and safety training appropriate to employee roles and responsibilities. This includes induction, incident reporting, emergency response, risk management and role-specific operational safety training, as well as training for people with specific health and safety responsibilities.

Airways also supports employee wellbeing through initiatives and resources that help employees access support and work safely, including confidential employee assistance services, wellbeing information and flexible working arrangements where appropriate.





APPENDIX E: STAKEHOLDER ENGAGEMENT

Strong stakeholder relationships are important to Airways' ability to deliver safe, reliable and resilient air navigation services and support the long-term success of New Zealand aviation.

Airways engages with stakeholders through regular operational, strategic, regulatory and industry forums. Engagement helps Airways understand the needs and expectations of customers, employees, government, regulators, industry partners and communities, and informs service delivery, planning, investment and reporting.

Stakeholder group	How we engage	Key topics in FY26
Customers and airspace users	Voice of Customer survey, customer meetings, operational engagement, service framework engagement and consultation processes.	Safety, operational performance, service delivery, pricing, future services, customer experience and consultation.
Employees	Employee surveys, leadership communication, team engagement, health and safety participation, learning and development activity.	Safety, wellbeing, engagement, leadership, performance, capability, inclusion and ways of working.
Shareholding Ministers and the Treasury	Statement of Corporate Intent, business planning, performance reporting and regular engagement.	Company performance, strategy, financial sustainability, investment and delivery against shareholder expectations.
Regulators and government agencies	Ongoing regulatory engagement, compliance activity, project engagement and participation in aviation system initiatives.	Safety, regulatory compliance, service delivery, future airspace, resilience and aviation system performance.
Industry partners	Aviation Council participation, Aviation Action Plan initiatives, project-specific engagement and operational collaboration.	System resilience, service framework review, airport and airspace developments, future capability and operational coordination.
Airports and operators	Operational meetings, project engagement, consultation and direct relationship management.	Air traffic services, service levels, infrastructure, safety, resilience and future demand.
Communities and the wider public	Public information, media engagement, website content and project-specific communication when required.	Safe and reliable aviation services, operational changes, aircraft noise and aviation system developments.

Feedback from stakeholder engagement is considered through business planning, operational review, service development, risk management and governance processes. Where engagement relates to material issues, the outcomes also help inform Airways' reporting and future priorities.





APPENDIX F: PARENTAL LEAVE

Airways supports employees taking parental leave in accordance with New Zealand legislation and business policy. The following disclosure provides available parental leave data for the year ended 30 June 2026. Entitlement figures are not included in this disclosure, as eligibility for parental leave is not recorded.

GRI disclosure	Measure	Male	Female	Total
401-3a	Employees entitled to parental leave	Not available	Not available	Not available
401-3b	Employees who took parental leave during FY26	4	13	17
401-3c	Employees who returned to work after parental leave ended during FY26	4	6	10
401-3d	Employees still employed 12 months after returning from parental leave	7	8	15
401-3e	Return to work rate	100%	100%	100%
401-3e	Retention rate	100%	100%	100%

Notes:

Entitlement data has not been reported because eligibility is not recorded.

Return to work and retention rates have been manually calculated.

The standard return-to-work calculation cannot be applied directly because the number of employees who took parental leave includes employees who were still on parental leave at the end of FY26.

The standard retention calculation cannot be applied directly because the return-to-work figures relate to employees who returned during FY26, while the 12-month retention figures relate to employees who returned from parental leave in FY25.





DIRECTORY

Bankers

ANZ Bank New Zealand Limited
Bank of New Zealand Limited

Auditors

Christopher Ussher, with the assistance of
PricewaterhouseCoopers on behalf of the
Auditor-General

Registered office

Level 2, 6 Leonard Isitt Drive
Auckland Airport 2022
New Zealand

[AIRWAYS.CO.NZ](https://airways.co.nz)

A low-angle photograph of a modern building's facade. The word "AIRWAYS" is mounted on the building in large, white, three-dimensional block letters. The building has a dark, vertically-slatted exterior. The sky is a clear, bright blue.

