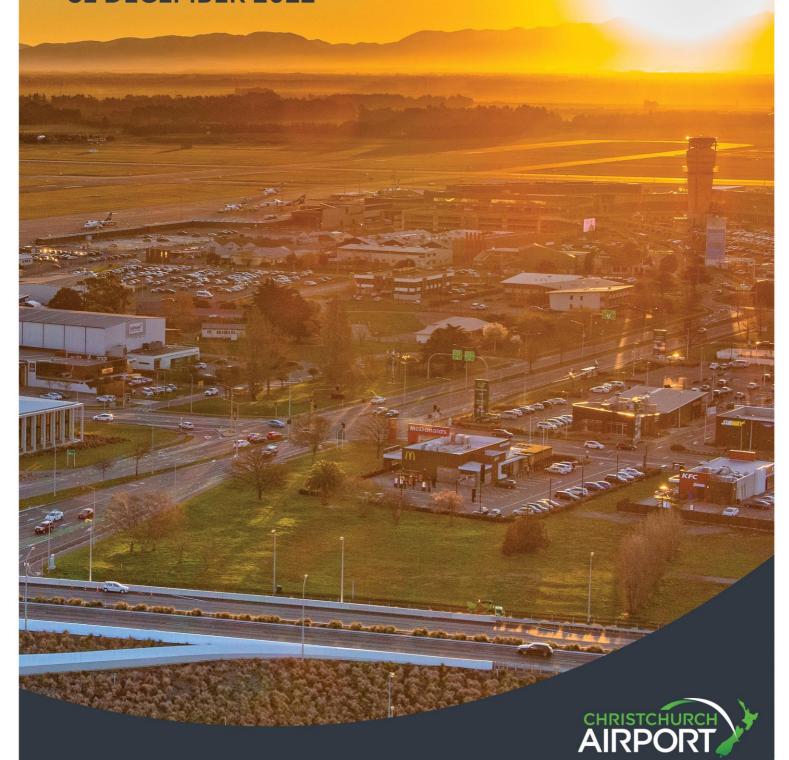


INTERIM REPORT & FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022



INTERIM FINANCIAL STATEMENTS

Interim Income Statement for the six months ended 31 December 2022

		Unaudited 6 months to 31 Dec 2022	Unaudited 6 months to 31 Dec 2021
•	Note	\$000	\$000
INCOME			
Operating revenue	3	96,347	66,512
Interest income	_	129	14
Total Income	_	96,476	66,526
EXPENSES			
Operating costs	4	38,121	33,642
Financing and interest costs		14,596	11,688
Depreciation, amortisation and impairment	<u>-</u>	21,449	21,139
Total Expenses	_	74,166	66,469
	_		
Surplus before tax		22,310	57
Total taxation expense	-	6,247	16
Net Operating Surplus after income tax	-	16,063	41

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2022 have been audited. The accompanying notes form part of these interim financial statements.

Interim Statement of Comprehensive Income for the six months ended 31 December 2022

		Unaudited 6 months to 31 Dec 2022	Unaudited 6 months to 31 Dec 2021
	Note	\$000	\$000
Surplus after income tax		16,063	41
Other comprehensive income			
Items that may be reclassified subsequently to the income statement:			
Changes in fair value of cash flow hedges (net of deferred tax)	11 _	7,187	11,772
Other comprehensive income for period, net of tax		7,187	11,772
Total Comprehensive Income for the period	<u>-</u>	23,250	11,813

Interim Statement of Changes in Equity for the six months ended 31 December 2022

		Share Capital	Reserves	Retained Earnings	Total Equity
	Note	\$000	\$000	\$000	\$000
Balance at 1 July 2021		57,600	715,290	427,696	1,200,586
Total comprehensive income for the period		-	11,772	41	11,813
Balance at 31 December 2021	_	57,600	727,062	427,737	1,212,399
	_				
Balance at 1 July 2022		57,600	848,027	480,474	1,386,101
Total comprehensive income for the period		-	7,187	16,063	23,250
Dividends paid to shareholders	_	-	-	(2,838)	(2,838)
Balance at 31 December 2022	_	57,600	855,214	493,699	1,406,513

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2022 have been audited. The accompanying notes form part of these interim financial statements.

Interim Statement of Financial Position as at 31 December 2022

		Unaudited As at 31 Dec 2022	Audited As at 30 June 2022
	Note	\$000	\$000
EQUITY			
Share capital		57,600	57,600
Reserves		855,214	848,027
Retained earnings		493,699	480,474
TOTAL EQUITY		1,406,513	1,386,101
NON-CURRENT LIABILITIES			
Term Borrowings	5	507,575	446,918
Derivative financial instruments	11	-	2,805
Deferred taxation		170,790	167,995
Trade and other payables		480	480
TOTAL NON-CURRENT LIABILITIES		678,845	618,198
CURRENT LIABILITIES			
Current Portion of Borrowings	5	50,000	124,000
Trade and other payables		17,656	18,697
Taxation payable		5,498	852
Derivative financial instruments	11		543
TOTAL CURRENT LIABILITIES		73,154	144,092
TOTAL EQUITY AND LIABILITIES		2,158,512	2,148,391
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,388,621	1,392,985
Investment Properties	10	718,734	714,192
Intangible Assets		1,019	1,314
Trade and other receivables		4,529	4,873
Derivative financial instruments	11	20,824	15,230
TOTAL NON-CURRENT ASSETS		2,133,727	2,128,594

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2022 have been audited. The accompanying notes form part of these interim financial statements.

Interim Statement of Financial Position as at 31 December 2022 (continued)

		Unaudited As at 31 Dec 2022	Audited As at 30 June 2022
	Note	\$000	\$000
CURRENT ASSETS			
Cash and cash equivalents		1,811	4,388
Trade and other receivables		22,117	14,849
Derivative financial instruments		327	-
Inventories		530	560
TOTAL CURRENT ASSETS		24,785	19,797
TOTAL ASSETS		2,158,512	2,148,391

For and on behalf of the Board

Catherine Drayton

Chair

Kathryn Mitchell

hatemarka.

Director

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2022 have been audited. The accompanying notes form part of these Interim financial statements.

interim Statement of Cash Flows for the six months ende	u 31 Dec	Unaudited 6 months to 31 Dec 2022	Unaudited 6 months to 31 Dec 2021
	Note	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers		92,840	69,338
Interest received		129	14
Net Goods and Services Tax received	_	395	
	_	93,364	69,352
Cash was applied to:			
Payments to suppliers and employees		(43,290)	(38,704)
Financing and interest costs		(14,223)	(12,178)
Net Goods and Services tax paid		-	(1,566)
Net income tax paid	_	(1,602)	
	_	(59,115)	(52,448)
Net Cash Flows from Operating Activities	_	34,249	16,904
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was applied to:			
Purchase of property, plant and equipment and intangible assets		(17,284)	(5,472)
Purchase of investment properties	_	(4,704)	(10,653)
Net Cash Flows from Investing Activities	_	(21,988)	(16,125)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Borrowings		52,000	238,000
Cash was applied to:			
Borrowings		(64,000)	(239,000)
Dividends paid	8 _	(2,838)	
Net Cash Flows from Financing Activities	_	(14,838)	(1,000)

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2022 have been audited. The accompanying notes form part of these interim financial statements.

Interim Statement of Cash Flows for the six months ended 31 December 2022 (continued)

	Unaudited 6 months to 31 Dec 2022	Unaudited 6 months to 31 Dec 2021
	\$000	\$000
Net (Decrease)/Increase in Cash Held	(2,577)	(221)
Add cash and cash equivalents at beginning of the period	4,388	4,112
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,811	3,891
RECONCILIATION WITH NET OPERATING SURPLUS AFTER TAX		
Net operating surplus after income tax	16,063	41
Non-cash items		
Amortisation of capitalised borrowing costs and fair value hedge ineffectiveness	(40)	3
Amortisation of lease surrender and incentives	328	376
Accrued interest within derivatives	(809)	128
Depreciation, amortisation and impairment	21,449	21,139
	20,928	21,646
Items Not Classified as Operating Activities		
Capital items included in trade payables and accruals	863	4,152
Net gain on asset disposals	8	-
	871	4,152
Movements in Working Capital		
Increase/(decrease) in trade and other payables	(7,251)	(9,904)
(Increase)/decrease in trade and other receivables	30	963
(Increase)/decrease in inventories	(1,037)	(10)
Increase/(decrease) in taxation payable	4,645	16
	(3,613)	(8,935)
Net Cash Flows from Operating Activities	34,249	16,904

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2022 have been audited. The accompanying notes form part of these interim financial statements.

Notes to the Interim Financial Statements for the six months ended 31 December 2022

1. Basis of Preparation and Accounting Policies

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

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

These interim financial statements were approved by the Board of Directors on 27 February 2023.

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

These interim financial statements are not required to and do not make disclosure of all the information required to be included in an annual financial report. Accordingly, this report should be read in conjunction with the financial statements and related notes included in Christchurch Airport's Annual Report for the year ended 30 June 2022 ("2022 Annual Report").

The accounting policies set out in the 2022 Annual Report have been applied consistently to all periods presented in these interim financial statements, except for the adoption of new standards effective for periods commencing on or after 1 January 2022. Christchurch Airport has not early adopted any other standard that has been issued but is not yet effective.

Key Estimates and Judgements

The financial position and performance of the company for this interim period have reflected the transition to a post-pandemic environment, with significantly more people travelling through Christchurch Airport. Domestic and international travel volumes have continued to rebound quickly following the reopening of borders in New Zealand and abroad. Year to date domestic and international travel volumes are now respectively sitting at 91.5% and 53.8% of pre-pandemic levels.

The timing of full traffic recovery to pre-pandemic levels continues to have some uncertainty, with ongoing aircraft capacity constraints and staff shortages in the aviation industry globally. Elements of constrained travel volume growth are expected to continue until the global aviation eco-system can scale back up fully to pre-pandemic levels.

During the preparation of the interim and annual financial statements, several estimates and judgements are made that impact the carrying value of underlying assets and liabilities – with key estimates relating to the carrying value, and impairment assessments, of Property, Plant & Equipment and Investment Property. Based on the company's performance in the most recent six months to 31 December 2022, these estimates and judgements have been reassessed and no material adjustments have been deemed necessary for this six-month period (see further commentary in Notes 9 and 10).

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

Segment Reporting

Reportable Segments

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

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

Operating Segments - Services provided

<u>Planes</u>

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

Passengers

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

Property

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

	Planes	Passengers	Property	Total
Unaudited six months to 31 Dec 2022	\$000	\$000	\$000	\$000
Total segment income	17,157	45,982	33,337	96,476*
Total segment expenses	15,954	37,145	21,067	74,166*
Segment Net Profit before Tax	1,203	8,837	12,270	22,310*
	Planes	Passengers	Property	Total
Unaudited six months to 31 Dec 2021	Planes \$000	Passengers \$000	Property \$000	Total \$000
Unaudited six months to 31 Dec 2021 Total segment income				
	\$000	\$000	\$000	\$000

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

Income reported above represents income generated from external customers. There was no inter-segment income in the period (31 December 2021: nil).

3. Operating Revenue

	Unaudited 6 months to 31 Dec 2022	Unaudited 6 months to 31 Dec 2021
	\$000	\$000
Revenue from contracts with customers		
Landing and Terminal charges	37,467	20,005
Ground transport and other trading activities	16,048	14,848
Total Revenue from contracts with customers	53,515	34,853
Other Income		
Rent and Lease income	37,388	26,690
Gain on disposal of assets	10	-
Other revenue	5,434	4,969
Total Other Income	42,832	31,659
Total Operating Revenue	96,347	66,512

4. Operating Costs

	Unaudited 6 months to 31 Dec 2022 \$000	Unaudited 6 months to 31 Dec 2021 \$000
Staff	12,626	12,345
Asset management, maintenance and airport operations	8,075	6,573
Rates and insurance	7,592	7,069
Marketing and promotions	843	552
Professional services and levies	1,900	1,464
Commercial entity running costs	4,020	3,373
Other	3,065	2,266
	38,121	33,642

5. Borrowings

As at 31 December 2022, the Company has committed bank funding facilities for an aggregate \$375,000,000 (2021: \$500,000,000) with six banks. In addition, the Company has an overdraft facility of \$1,000,000 (2021: \$1,000,000).

Total bond funding at 31 December 2022 is \$250,000,000 (2021: \$150,000,000). \$100,000,000 (2021: \$100,000,000) of the bond funding (maturing May 2024) is held at amortised cost, adjusted by the fair value of the designated hedge risk instrument. Additionally, the Company has a \$50,000,000 bond and \$100,000,000 bond, maturing in April 2027 and May 2028 respectively.

During the period, several maturing bank facilities were extended for periods ranging between two and five years and one facility was repaid to reflect the current reduced liquidity requirements of the company.

All borrowings under the bank facility and overdraft facility are unsecured and supported by a negative pledge deed. The negative pledge deed requires that no security interest is provided over any assets for borrowings, unless an equivalent security interest is created for the borrowing group and bond holders. Interest rates paid during the period, including offsetting interest rate swaps, ranged from 2.6% to 5.5%. (2021: 1.1% to 6.3%). The bonds constitute direct, unsecured, unsubordinated obligations and will rank equally with all other unsecured, unsubordinated indebtedness.

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

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

CIAL has several bank facilities maturing over the next 24 months. The Board has an approved refinancing strategy in place, with refinancing through the extension of existing bank facilities and the investigation of debt capital market issuance options both domestically and offshore.

The company remains confident that any further refinancing will be secured given current market appetite for corporate debt, positive market engagement and discussions with existing facility providers.

	Unaudited As at 31 Dec 2022	Audited As at 30 June 2022
	\$000	\$000
Less than 1 year	50,000	124,000
1 > 3 Years	289,575	271,918
3 > 5 Years	118,000	75,000
Greater than 5 Years	100,000	100,000
	557,575	570,918
Total available funding	625,000	700,000

Related Party Transactions

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

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

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

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

	Unaudited 6 months to 31 Dec 2022	Unaudited 6 months to 31 Dec 2021
	\$000	\$000
Transactions with owners during the period to 31 December		
Purchases from CCC and subsidiaries	3,988	3,410
Rates paid to CCC	3,856	3,579
Revenues from CCC and subsidiaries	385	340
Amounts payable to CCC and subsidiaries	651	516
Amounts receivable from CCC and subsidiaries	6	4
Dividend to CCC and subsidiaries	2,129	-

Non-Shareholder Related Party Transactions

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

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

7. Commitments

As a	Unaudited at 31 Dec 2022	Unaudited As at 31 Dec 2021
	\$000	\$000
Total capital expenditures committed to, but not recognised in, the financial statements		
Property, Plant and Equipment and Intangibles	3,385	2,121
Investment Properties	11,359	8,096

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

8. Dividends

	Unaudited 6 months to 31 Dec 2022	Unaudited 6 months to 31 Dec 2021
	\$000	\$000
2022 Final dividend paid (4.9 cents per share)	2,838	-

Property, Plant & Equipment

The company carries land, buildings, terminal facilities, hotel business assets, sealed surfaces, infrastructure and car parking assets at fair value. The company revalued all property, plant and equipment ('PPE') asset classes carried at fair value at 30 June 2022 (with the exception of the Terminal), as outlined in the 2022 Annual Report. No revaluation of these assets has been performed as at 31 December 2022.

The company has assessed that it has one core cash generating unit ('CGU') across its PPE asset base which comprises of its terminal and airfield assets, together with two other cash generating units - the hotel and car parking assets. CIAL has performed an impairment assessment of all of these CGUs as at 31 December 2022, with no indication of impairment identified.

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

Additions to property, plant & equipment were \$16,800,000 for the six months ended 31 December 2022 (2021: \$4,200,000).

10. <u>Investment Property</u>

The company carries investment property at fair value. The company last revalued investment property at 30 June 2022 as outlined in the 2022 Annual Report. No revaluation of investment property has been performed as at 31 December 2022. CIAL has also performed an impairment assessment of its Investment Property Portfolio as at 31 December 2022, with no indication of impairment identified.

Additions to investment property were \$4,700,000 for the six months ended 31 December 2022. (2021: \$7,800,000).

11. Fair Value of Financial Instruments

There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments in the six months to 31 December 2022.

The company's derivative financial instruments are all classified as level 2 and the fair values are determined using valuation techniques. The company has an outsourced treasury provider that has provided the fair values as at 31 December 2022. These valuation techniques are based on observable market data and the interest rate swaps calculation takes into account the present value of the estimated future cash flows.

12. Contingent Assets and Liabilities

As at 31 December 2022 there were no contingent assets (2021: nil) and there were no contingent liabilities (2021: nil).

13. Events Subsequent to Balance Date

On 27 February 2023, the directors approved the payment of a fully imputed interim dividend of 25.1 cents per share amounting to \$14,457,000. There were no other events occurring after balance date that could significantly affect these interim financial statements.

COMPARISON OF FORECAST TO ACTUAL RESULTS

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

A comparison of the company's actual performance for the six months ended 31 December 2022 with those measures are as follows:

TARGETS	FY 2023 FY Target \$000	HY 2023 Actual \$000	HY 2023 Target \$000
a) FINANCIAL			
Total Revenue	185,415	96,347	89,147
EBITDAF (Earnings before interest, tax, depreciation, amortisation and fair value movements)	105,492	58,226	51,872
EBITF (Earnings before interest, tax and fair value movements)	61,663	36,777	29,977
Interest Expense	25,873	14,596	12,936
Net Profit (Loss) after tax	25,769	16,063	11,498
EBITDAF as a % of Revenue	56.9%	60.4%	58.2%
Return on Invested Capital (EBIT/(Equity+Debt))	3.7%	1.9*	1.7%*
b) PASSENGER NUMBERS	FY 2023	HY 2023	HY 2023
	FY Target	Actual	Target
Domestic	4,723,790	2,336,590	2,288,559
International	977,211	479,166	413,220
Total	5,701,001	2,815,756	2,701,779
c) RATIO OF SHAREHOLDERS' FUNDS TO TOTAL ASSETS	FY 2023 FY Target	HY 2023 Actual	HY 2023 Target
Debt	569,000	561,000	572,000
Equity	1,351,600	1,406,513	1,217,804
Shareholder Funds / Total Assets %	63.7%	65.2%	61.7%
Gearing (debt / (debt + equity)) %	29.6%	28.5%	32.0%
EBITDAF Interest Cover x	4.1	4.0	4.0

^{*} the half year actual and target amounts are based on performance for the six-month period to date, and hence will be proportionately lower than the full year target shown in the first column. It should also be noted that the performance in the second half of each financial year is forecast to include any uplift in investment property revaluations, and hence in a normal year will generate a higher return ratio than in the first half of the year.

d) CORPORATE SOCIAL RESPONSIBILITY

Performance target	Performance Measures	
	2023	Progress to 31 December 2022
Health, Safety & Wellbeing		
Culture - continue to develop a positive culture that enables the health, safety and wellbeing of our people	 Maintain health, safety, and wellbeing score above 85% in our annual culture and engagement survey. Incremental increase in safety leadership conversations. 	 Activities to foster a positive HSW culture have continued, and the annual culture and engagement survey will be completed in early 2023. Informal Safety leadership conversations have continued, and a new App developed to quantify completion rates to ensure consistency across our teams. Use of the App and reporting against the metric will commence in Jan 2023.
2. Safety Management – continuous improvement in systems to manage safety and wellbeing	 CIAL Health, Safety & Wellbeing workplan delivered on schedule. Annual review of SMS and HSMS. 	 On track for delivery by end of financial year. External review of the SMS was completed as part of the CAA Aerodrome recertification audit in Nov 22 and the HSMS is scheduled for external audit in Jun 2022.
3. Wellbeing – activation of our Whare Tapa Wha	 Incremental improvement in the wellbeing and work/life blend scores in our annual culture and engagement survey. Deliver resilience workshops. 	 The annual culture and engagement survey will be completed in early 2023. Scheduling of workshops to build competency around managing psychosocial risk factors is underway with operational teams to give them tools to pro-actively manage challenging situations.
Sustainability		
 Carbon 4. We set long-term emissions reduction targets based in science, aligned with keeping global temperatures within 1.5 degrees. Our goals are as follows; to be net zero by 2030 to be absolute zero emissions for our Scope 1 and 2 by 2050 to influence reductions in our Scope 3 stakeholder's emissions where possible. 	 Maintain trend with our milestone emissions reduction goal of 84% reduction in Scope 1 & 2 by 2035 (using FY2015 carbon baseline). Renew ACA Level 4/4+ or above and look for opportunities to demonstrate continued climate leadership. Demonstrate continued responsibility and leadership in aviation transition. Actively seek to influence airport Scope 3 emissions reductions. 	 Our Emissions reduction goal is on target. Our ACA L4 renewal is scheduled for October 2023. We are on track to achieve L4 or higher by that date. This is ongoing. CIAL is participating at global level in ACA steering group for further leadership in carbon reduction best practice, as well as active participation within New Zealand context. Our scope 3 reductions influence is in progress – with our Kowhai Park renewable energy precinct, and MOU with Air New Zealand and hydrogen consortium demonstrating partnerships to accelerate de-carbonisation.

Waste

- 5. Waste is a by-product of operating a large and diverse organisation. We aim to minimise waste by redesigning our approach to better support a circular economy.
- Implement CIAL waste minimisation strategy.
- Create separated waste streams with known waste stream destinations.
- Undertake waste minimisation projects to reduce emissions and minimise waste.
- In progress and on-going.
- In progress, with the initial focus being on diverting more organic streams from general waste.
- In progress the first project, of an onsite waste sortation facility has been commissioned and operational from late January 2023.

Energy

- 6. Energy efficiency has multiple benefits for CIAL; we reduce our carbon footprint, reduce our operating costs, and minimise our demand on the national grid.
 - Beyond this, we understand the importance of clean renewable electricity generation and resilience, and the role critical infrastructure assets play in supporting the national energy transition.
- Actively pursue energy transition from fossil fuel to clean energy sources.
- Make an impact beyond Christchurch Airport terminal boundaries to create partnerships and demonstrate leadership to encourage faster energy transition uptake.
- Undertake energy efficiency projects, including LED lighting upgrades.
- In progress and on-going.
- Kowhai Park renewable energy precinct has progressed with joint venture partners being chosen to deliver phase 1 of the solar precinct.
- Our Building Management System continues to find energy efficiency improvements, and LED lighting upgrades are in progress.

Water

- 7. Christchurch is unique in using 100% naturally filtered water. Our passion is to maintain its integrity, avoid accidental contamination and minimise use of this precious resource as it passes under the airport.
- Measure, understand, and undertake to conserve water around terminal and campus.
- In progress and on-going.

Noise

- 8. Historically, noise has been the environmental issue of greatest focus at airports around the world. responsibility and preference are to collaborate with all stakeholders, especially residents and businesses close to Christchurch Airport and its flight paths in relation to noise impacts.
- Noise complaints are limited to 10 per 10,000 aircraft movements annum.
- Successful delivery of the updated noise compliance contours Environment Canterbury.
- Offers of acoustic mitigation to noise impacted properties currently eligible.
- Long term and ongoing program to protect CIAL from noise reverse sensitivity affects.

- Ongoing.
- Ecan's independent Expert panel Review underway, expect to have agreed contours by FY year end.
- Ongoing, CIAL delivering treatment to second property opted to take up the offer.
- On-going, CIAL engaging with regional and district plan review processes.

Land

- 9. Our Place is an area of unique natural beauty. We have a responsibility to protect to encourage biodiversity, and our native species.
 - improve our We aim to maintain land and remediate contaminated land.
 - We also have a responsibility to our wider stakeholders understand climate risks and mitigation, as well as airport hazards such as bird strike.
- Understand and enhance our unique dryland habitat.
- Undertake Campus landscape planning to celebrate native species and include plant succession planning.
- Monitor and understand bird migration patterns to mitigate bird strike risk.
- Insert bird strike management areas in the regional and district planning framework.
- This work is on-going and supported with "i-naturalist" citizen science program.
- Landscape planning and emphasis on natives is on-going. A map of our CIAL area has been completed with a basic understanding of biodiversity footprint.
- Ongoing, regular off airport avifauna surveys underway.
- On-going, CIAL engaging with regional and district plan review processes.

Community Engagement

- 10. To make a positive contribution to the social and community outcomes of our City and the South Island
- Demonstrate support for the city and the region, its image and activities as pandemic impacts allow. Provision of promotional space at the airport to showcase events and activities across the region.
- Re-activate the Community Fund as the pandemic allows.
- Engagement and communication with stakeholders led by the Chief Executive and GMs initiating and accepting invitations to meetings, speeches, addresses, panels and workshops.
- Senior leaders participate in and address events and functions, sharing expertise and skills.
- Support local and national charities by hosting collections within the terminal, and active engagement by staff in charity events.
- Respectfully engage with our local communities, iwi mana whenua & stakeholders in respect of CIAL's plans to explore the potential for a new airport in Central Otago.

- Established a "Meeting space in the arrivals area for event and activity related groups to gather on arrival before transport to their venue.
- Eight Community groups and projects received grants from this fund in September 2022.
- Our Chief Executive and executives spoke both in person and online to local, national, and international events.
- Senior leaders and content experts took up invitations to speak at a wide variety of events in a variety of cities here and overseas.
- More than 20 local and national charities benefitted from our hosting and supporting through staff engagement.
- We continued to engage with local communities and groups, plus respond to inquiries and stakeholders - including media - as we progress our project.

Our People

Retain and develop key talent

- 11. Review and update of Potential and Performance/areas of strategic value talent mapping exercise Succession plans confirmed, pathways actioned emerging leaders Pipeline of developed, and competency development pathways activated
- Improved retention of critical talent.
- Design and deliver emerging leaders' program.
- Retention of critical talent is a constant focus and strategies have been successful in preventing turnover.
 - Succession planning has been completed and shared with CIAL board.
- 4 employees identified as emerging leaders from across the organisation will be participating in a 6 day off site development program in 2023. All will be assigned an internal mentor once the program is completed to support the application of learning.

Develop, support and value leadership

- 12. All employees and people leaders understand the role and expectations of a 'CIAL Leader'
 - Our leaders are highly effective in coaching for performance, enabling change and are committed to supporting, empowering and developing others
 - All our leaders are accountable and recognised for their successful performance and leadership behaviours
- Incremental improvement in leadership performance and personal development and performance reviews.
- Incremental improvement leadership measures in culture and engagement survey.
- Annual culture and engagement survey delayed until 2023 with leadership measures unable to be reported on.
- Leadership development program to commence in 2023 with inclusive leadership the first focus.

Build a workforce of the future

- 13. Future oriented talent planning is embedded into operational and strategic planning
 - There is enhanced understanding of the skills we have today and the skills we will need in the future
 - We attract, recruit and develop a diverse and highly skilled workforce
- Embedding CIAL Future of Work working party and establishment of key strategic objectives.
- Internal recognition of the innovation and change being caused by Future of Work strategies.
- Incremental improvement in Innovation measures in culture and engagement survey.
- Future of Work introduced to CIAL's EPSG framework and working group will be established early 2023.
- Ongoing.
- Annual culture and engagement survey delayed until 2023 with innovation measures unable to be reported on.

Strengthen diversity, inclusion and engagement

14. Creation and implementation of a diversity, inclusion and participation strategy and engagement program which promotes diversity of thought throughout our business

- Embedding of organisation wide employee value statements that guide how we work, make decisions, and consider diverse perspectives to determine the way we treat each other.
- Ongoing support of flexible work arrangements that reflect our people's needs and the needs of CIAL.
- Incremental improvements participation and inclusion measures in culture and engagement survey.

- New values created with employee input and launched in 2022.
- Standalone flexible work guidelines introduced, and some arrangements established. Continual review of job design and work patterns to ensure optimal environment is in place for our people to perform
- Annual culture and engagement survey delayed until 2023 with participation and inclusion measures unable to be reported on

OTHER INFORMATION

Nature of Business

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

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

Stock Exchange Listings

The company has two series of bonds ("CHC010" and "CHS020") which were quoted on the NZDX on 25 May 2018 and 19 May 2022 respectively. Each issue was for \$100 million of unsecured, unsubordinated, fixed rate bonds, with "CHC010" maturing on 24 May 2024 and "CHC020" maturing on 19 May 2028.

Credit Rating Status

On December 16, 2022, S&P Global Ratings ('S&P') raised the issuer credit rating on Christchurch International Airport Ltd (CIAL) and issue credit rating on the airport's debt, to A-, with outlook 'Stable'.

Regulatory Environment

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

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