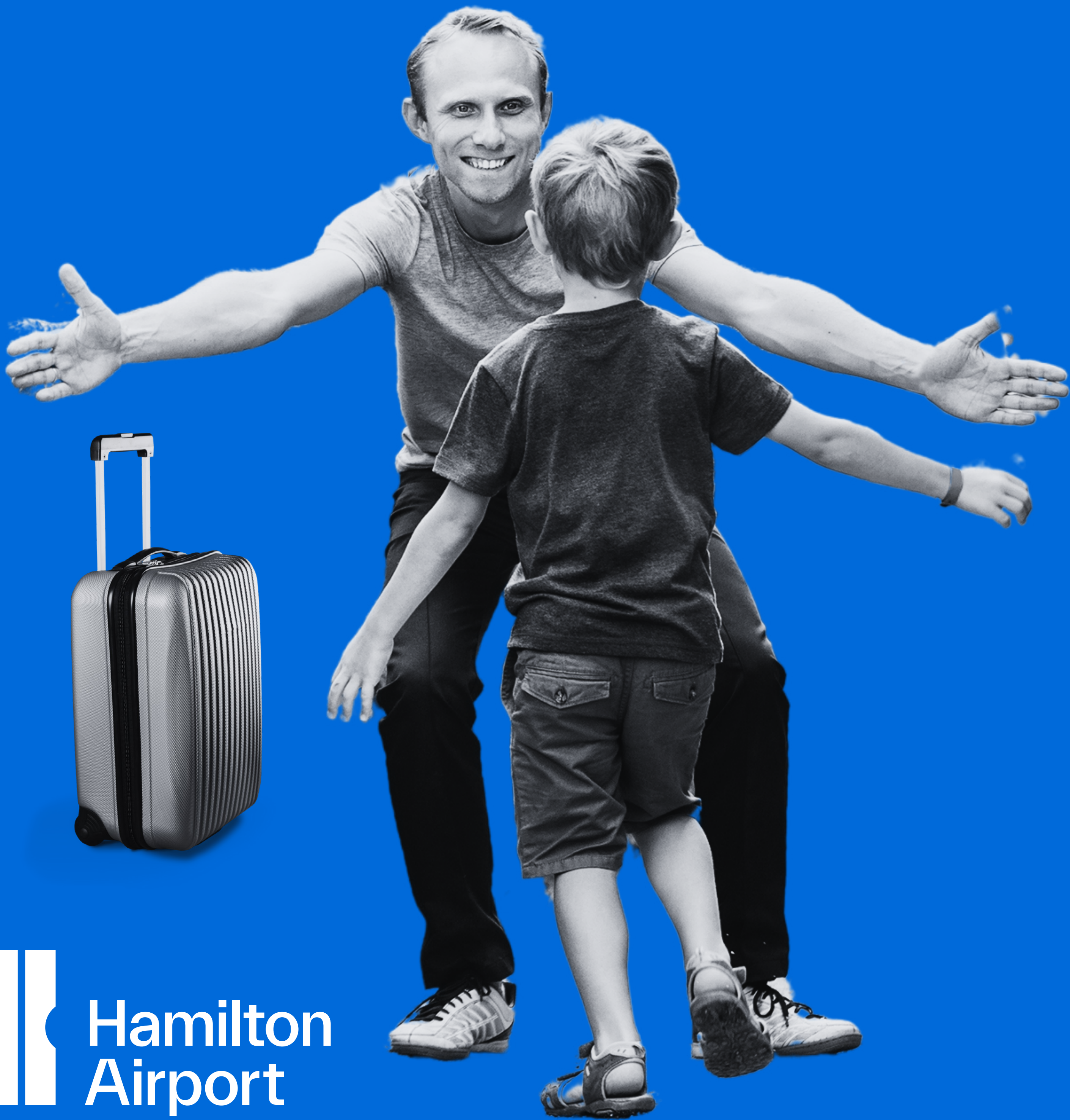
INTERIM REPORT

WAIKATO REGIONAL AIRPORT LIMITED

For the six months ended 31 December 2023



Hamilton Airport

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CHIEF EXECUTIVE'S REPORT

Key results at a glance

- 3%	Passenger volume: 195,000 Decrease of 6,000
+ 7%	Aircraft movements: 16,800 Increase of 1,200
+ 10%	Operating revenue: $10.0m Growth of $0.9m
- 8%	EBITDA excluding land sales: $3.1m Decrease of $0.2m

Net surplus after tax: $2.6m

Total shareholder funds: $236.0m

* Changes are measured compared to the six months ended 31 December 2022

COMMENTARY

Much of the narrative around the WRAL Group's successes during the last three years has been due to the diversification strategy that has sustained the Group through the most challenging times in the Airport's history.

While this is the first financial year since 2019 to have benefited from no restrictions to COVID-related travel, across the Group we are experiencing the challenges of the economic headwinds.

- The airport has experienced largely steady passenger numbers year-on-year, despite an expectation for growth, with discretionary travel reductions for both business and leisure purposes evident. A second factor has been the challenges national airline, Air New Zealand, has faced with crewing constraints on its domestic fleet further exacerbated by a global maintenance issue with Airbus engines creating conflicting demands on turboprop fleet between main centres and regions.
- The JetPark Hotel property has also not seen the recovery in customers it had expected citing the same overall economic challenges, however has still achieved growth on the same period last year.

Despite these challenges, the Group finds itself still tracking to budget for the year-to-date and full year. While behind its earnings (EBITDA) compared to the same period last year, full year year-on-year growth will still be achieved.

7% growth in aeronautical movements tells one part of a very positive story for the re-emergence of our general aviation sector. The other lies within our property investment strategy. As has been previously reported, the Group had acquired the improvements of some significant aeronautical properties in the previous year and we have been able to support the growth aspirations of our existing tenants by enabling them to move on airport to larger facilities, whilst also welcoming regular new operators to the airport.

The last six months has also seen the first credible engagement with international airlines in a decade. The Airport has been responding to genuine inquiries regarding the possibility of scheduled Trans-Tasman services. Key drivers behind these inquiries have been two-fold; firstly our strategic location in close proximity to Auckland as an alternate; and secondly as a destination in our own right with growth in the regional catchment, paired with the introduction of smaller Embraer E190 and Airbus A220 aircraft to Australian fleets, making us once again a potentially viable Trans-Tasman port.

While the property market has not been conducive to land activity, the apparent slow-down evident from our financials was not unexpected and in keeping with the staging strategy of our Titanium Park development. The 2024 financial year was always expected to live in the shadow of 2023, which saw settlement of pre-sold sections from the Central Precinct 5th Stage. Titanium Park is now substantially sold out with just three hectares of the total 30 hectares developed on the eastern side of the airport available for sale or lease.

Work has continued by Titanium Park Limited (TPL) to advance the Northern Precinct Private Plan Change. While the plan change was granted by Waipa District Council in June 2023, TPL is now working to resolve appellants' concerns over the ecological impacts of the

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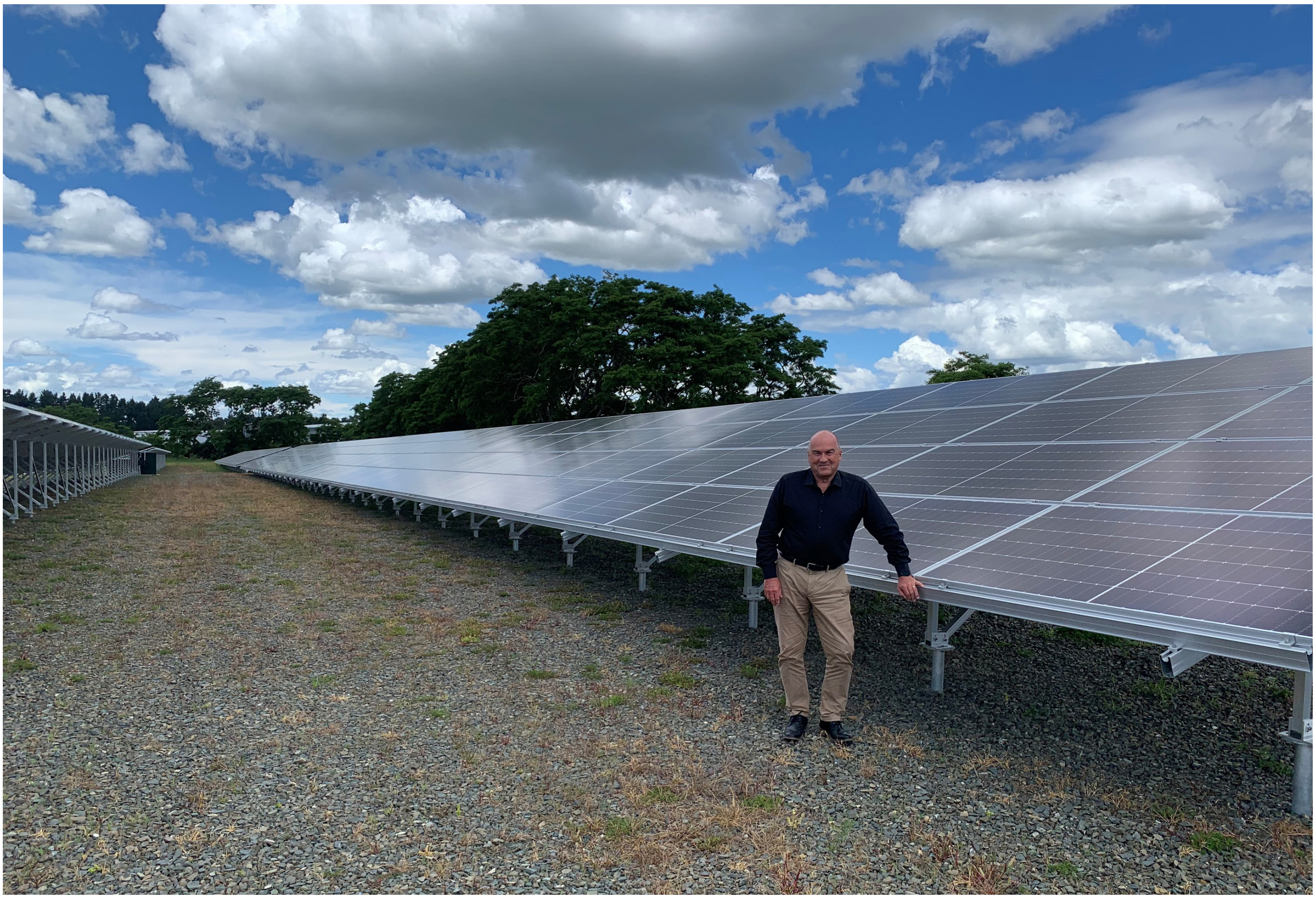
proposed development and parties have amicably agreed a preferred solution with the intention to have fully resolved over the remainder of the financial year. The 100ha of re-zoned land will ensure the Airport precinct cements its presence to be a significant regional industrial/commercial hub, with a supply of land expected to serve market demand south of the Hamilton City over the next two decades.

Hamilton & Waikato Tourism (HWT) continue to support the local tourism industry with activities returning to their more normal flow as the region is now welcoming large numbers of visitors from international markets after a challenging three year period of varying border and travel restrictions. The final workstreams funded by the $1.7 million of central government grants received over the last three years were also completed in the six month period. Looking ahead, the organisation faces some significant challenges as its funding councils complete their next round of10-year long term planning processes which will impact the future delivery model of HWT.

Shortly before completion of the six-month period, the Group was able to switch on its 0.5Mega Watt solar farm. WRAL is the first airport in New Zealand to have commissioned its own facility. Gifted the name Tama-nui-te-ra (Son of the Sun) by local iwi partners Ngaati Haua, early indications are the generation facility is delivering as expected with over half of the power requirements of the airport terminal generated on site from 100% renewable energy through the summer months to date, adding to the financial benefits. The solar farm commissioning coincided with the Airport being awarded the prestigious Level 4 certification under the global airport body ACI's Airport Carbon Accreditation scheme, one of only four airports in New Zealand and 81 worldwide to achieve this level.

The management team has been very focused on wellbeing initiatives that genuinely provide support to our people and continue to ensure that WRAL is an employer of choice, retaining our people who continue to deliver in excess of the ambitious program of work that underpins our 10-year strategy.

Mark Morgan
Group Chief Executive



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FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income & Expense

For the six month period ended 31 December 2023
(unaudited)

	2023 $ '000	2022 $ '000
Revenue		
Operating revenue	10,007	9,047
Land sales	3,623	14,723
Other gains/(losses)	-	9,591
	13,630	**33,361**
Expenses		
Operating expenses	(4,224)	(3,184)
Cost of land sales	(761)	(4,228)
Employee benefits expense	(2,684)	(2,537)
Depreciation & amortisation	(2,009)	(2,033)
Finance costs	(613)	(295)
Other losses	(173)	(147)
	(10,466)	**(12,483)**
Net surplus/(deficit) before tax	**3,164**	**20,878**
Tax expense	(587)	(3,169)
Net surplus/(deficit) after tax	**2,577**	**17,709**
Other comprehensive revenue & expense		
Revaluation of property, plant & equipment	-	-
Deferred tax	-	-
Total other comprehensive revenue & expense	**-**	**-**
Total comprehensive revenue & expense	**2,577**	**17,709**

These interim financial statements have been prepared in accordance with Tier 2 PBE Accounting Standards.

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FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity

For the six month period ended 31 December 2023
(unaudited)

	Share Capital $ '000	Retained Earnings $ '000	Revaluation Reserves $ '000	Total $ '000
Opening Balance - 1 July 2022	14,860	96,637	99,228	210,725
Net profit/(loss) after tax	-		-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	17,709	-	17,709
Dividends paid to shareholder	-	(500)	-	(500)
Closing Balance - 31 December 2022	**14,860**	**113,846**	**99,228**	**227,934**
Opening Balance - 1 July 2023	**14,860**	**114,596**	**104,476**	**233,932**
Net profit/(loss) after tax	-	2,577	-	2,577
Other comprehensive income	-	-	-	-
Total comprehensive income	-	2,577	-	2,577
Dividends paid to shareholder	-	(500)	-	(500)
Closing Balance - 31 December 2023	**14,860**	**116,673**	**104,476**	**236,009**

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FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

As at 31 December 2023
(unaudited)

	2023	2022
	$ '000	$ '000
Current Assets		
Cash and cash equivalents	626	798
Trade and other receivables	1,194	2,463
Inventories	575	500
Development property	13,690	9,012
	16,085	**12,773**
Non Current Assets		
Property, plant, and equipment	162,227	159,848
Investment property	92,620	84,470
Intangible & other non-current assets	906	788
	255,753	**245,136**
Total Assets	**271,838**	**257,909**
Current Liabilities		
Trade and other payables	1,490	5,925
Income received in advance	900	1,738
Employee entitlements	578	549
	2,968	**8,212**
Non Current Liabilities		
Provisions for Infrastructure Development	4,932	1,700
Deferred tax liability	5,719	7,063
Borrowings	22,030	13,000
	32,861	**21,763**
Total Liabilities	**35,829**	**29,975**
Net Assets	**236,009**	**227,934**
Equity		
Share capital	14,860	14,860
Retained earnings	116,673	113,846
Revaluation reserves	104,476	99,228
Total Equity	**236,009**	**227,934**

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FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows

For the six month period ended 31 December 2023
(unaudited)

	2023 $ '000	2022 $ '000
Operating activities		
Receipts from operations	9,121	10,457
Receipts from land sales	3,831	14,723
Payments to suppliers and employees	(6,283)	(6,571)
Payments for construction of development property	(1,811)	(2,318)
Payment of interest	(636)	(321)
Payment of income taxes	(2,380)	(444)
Net cash from/(used in) operations	**1,842**	**15,526**
Investing activities		
Receipts from sale of property, plant and equipment	-	4
Purchases of property, plant & equipment	(2,880)	(10,456)
Purchases of investment properties	(302)	-
Purchases of intangible assets	(16)	(193)
Net cash from/(used in) investment activities	**(3,198)**	**(10,645)**
Financing activities		
Receipts from/(repayments of) borrowings	1,810	(3,995)
Payments of dividends	(500)	(500)
Net cash from/(used in) financing activities	**1,310**	**(4,495)**
Net change in cash for the period	**(46)**	**386**
Add opening cash and cash equivalents balance	672	412
Closing cash and cash equivalents	**626**	**798**

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PERFORMANCE REPORTING

Performance against Statement of Intent

For the six month period ended 31 December 2023
(unaudited)

	SOI Full Year 30/6/24	Actual 6 months 31/12/23	Forecast Full Year 30/6/24
Financial Targets			
EBITDA excluding Land Sales	$6,000	$3,099	$5,972
EBITDA including Land Sales	$7,500	$5,961	$8,758
Net Profit before Tax	$1,000	$3,164	$2,600
Net Operating Cash Flow excl Land Sales	$6,000		
Total Debt (not exceeding)	$35,000	$22,030	$24,200
Percentage of non-landing charges revenue	60%	67%	64%
Land Sales	$3,000	$3,623	$3,623
Interest coverage	3.0x	4.9x	3.9x

The group has several non-financial performance targets covering the range of activities the group undertakes across its aeronautical activities, property, climate change response and caring for its people and community. At 31 December 2023, the Group was on track to meet substantially all of its targets except for certain targets in relation to an aeronautical development that has been deferred with agreement from the future tenants.

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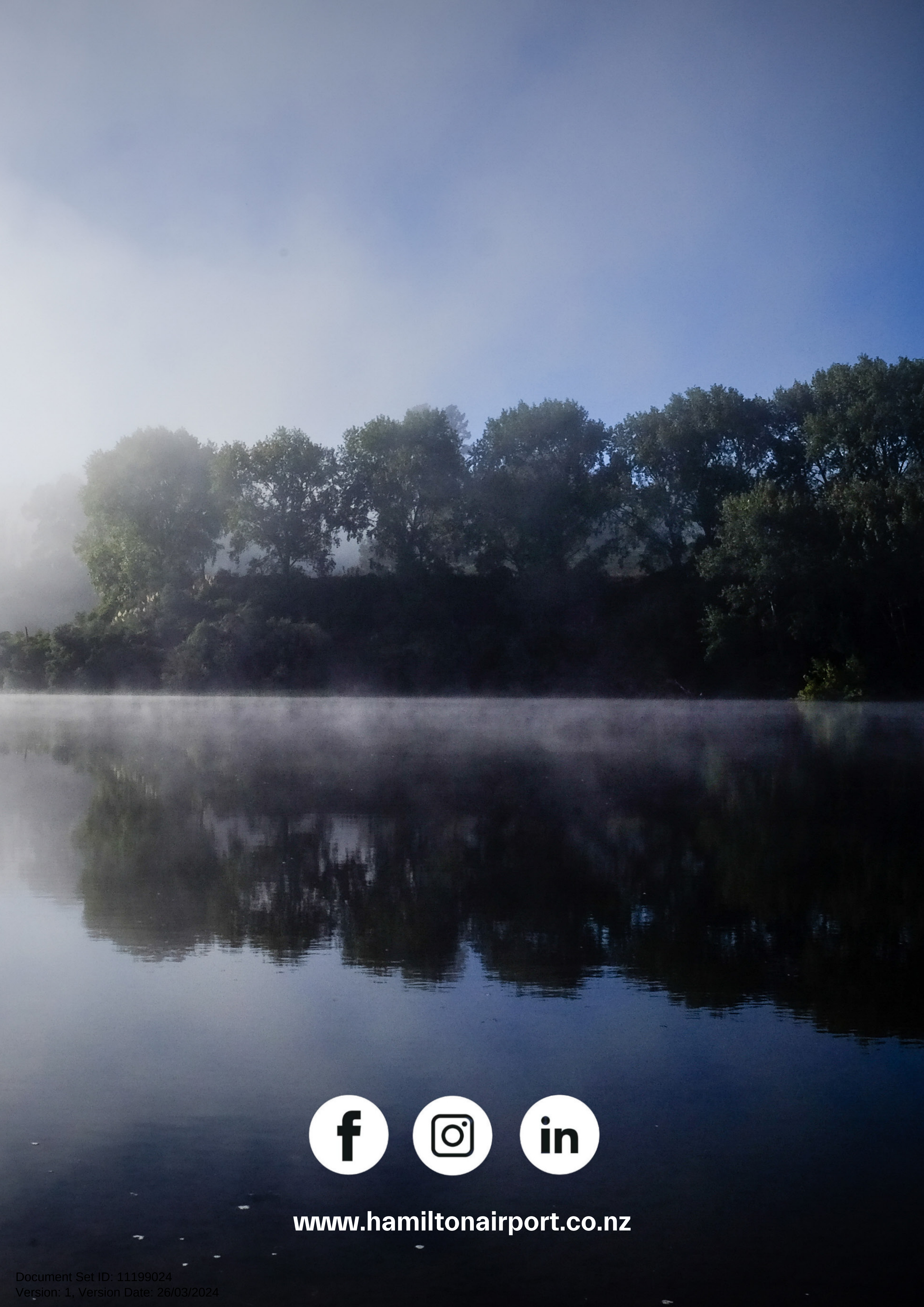

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