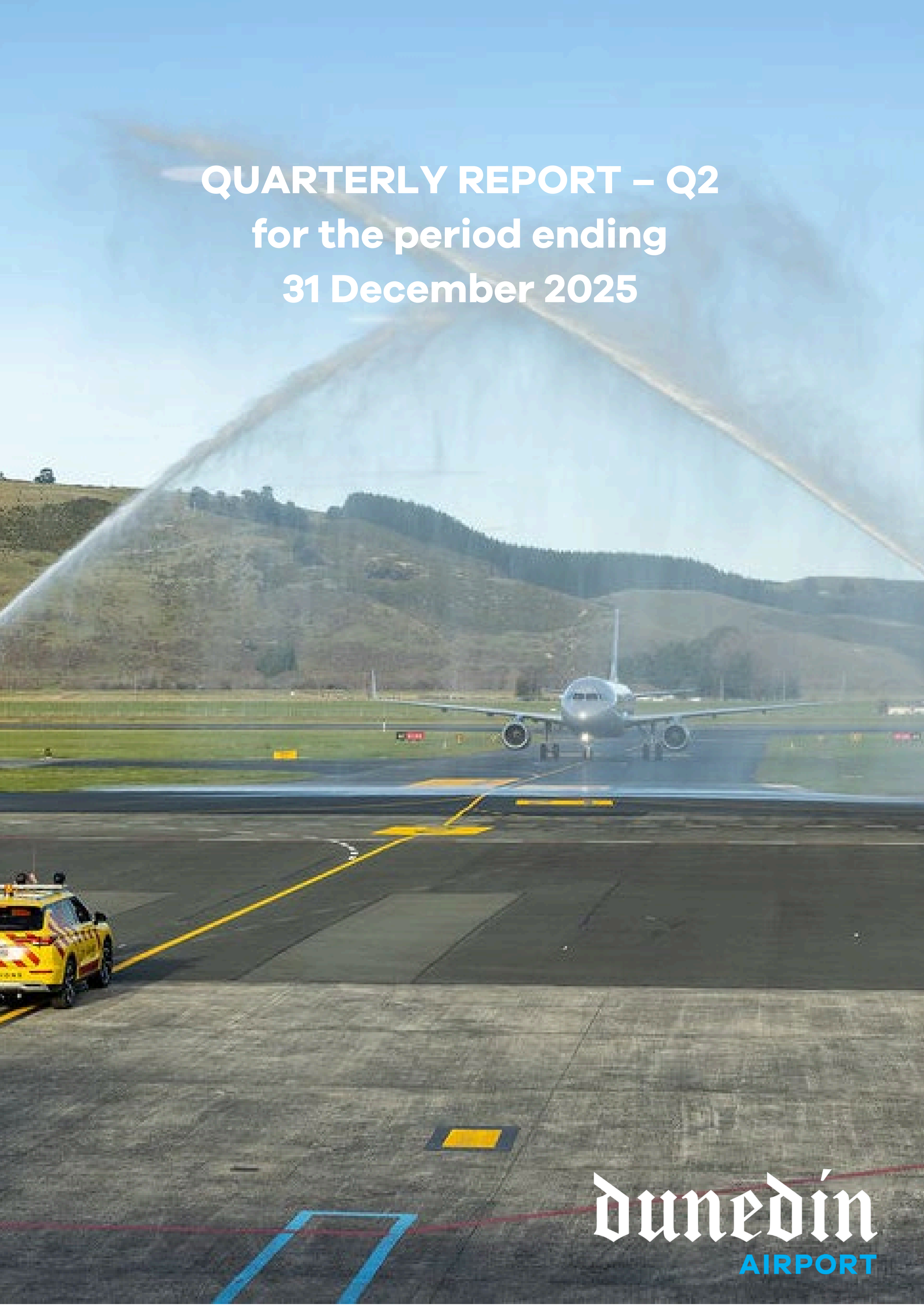
QUARTERLY REPORT – Q2
for the period ending
31 December 2025



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AIRPORT

TABLE OF CONTENTS

TABLE OF CONTENTS 2
CHIEF EXECUTIVES REPORT 3
FINANCIAL PERFORMANCE 7
OBJECTIVES & PERFORMANCE MEASURES 9
STATEMENT OF COMPREHENSIVE INCOME 12
STATEMENT OF FINANCIAL POSITION 13
STATEMENT OF CASHFLOWS 14
RECONCILIATION OF NET SURPLUS AFTER TAXATION TO CASH FLOWS FROM OPERATING REVENUE 15

Key results at a glance - 6 Months to 31 December 2025

	YTD FY26 Vs YTD Budget	YTD FY26 Vs YTD FY25	
	-6%	**1%**	Passenger traffic: 447,000 passengers
	1%	**2%**	Capacity: 551,000 seats
$	**5%**	**13%**	Operating Revenue (excl. fair value movements): $13.844m
	51%	**-4%**	Operating Surplus After Taxation: $2.935m

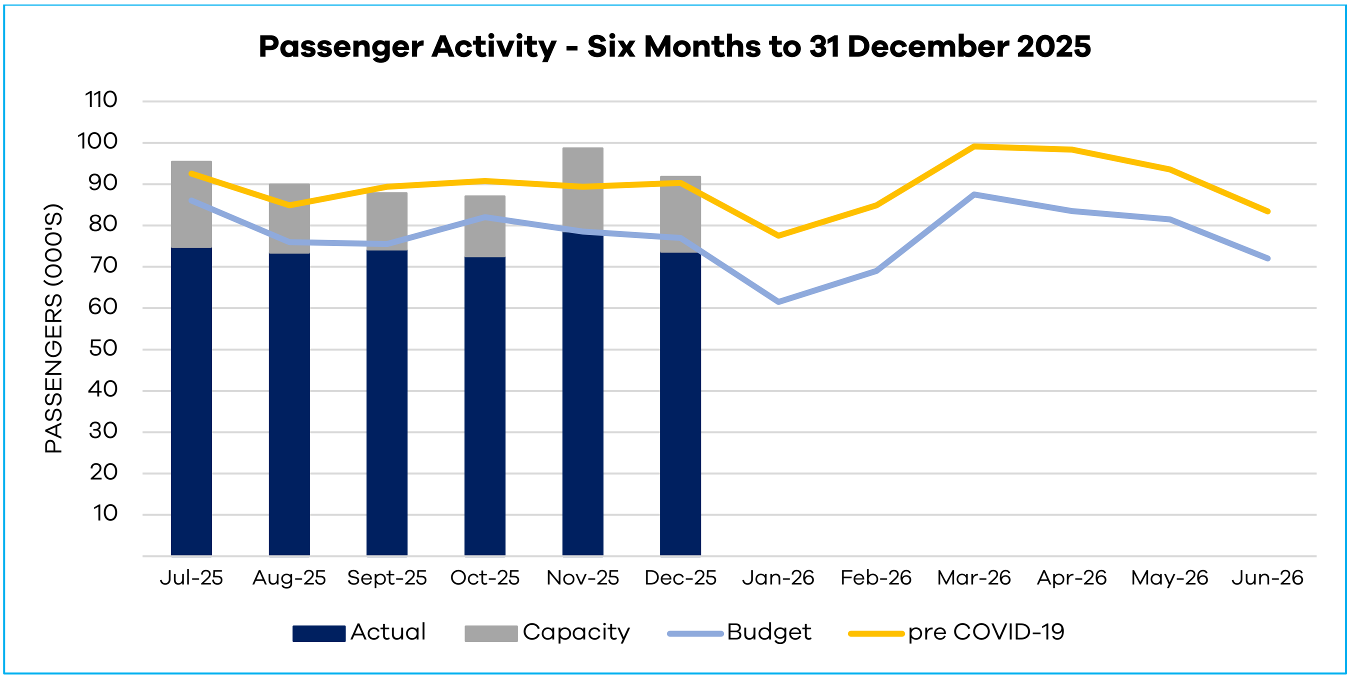
	FY26 YTD	FY25 YTD	
	3.7	**3.3**	Bird Strike Rate per 10,000 aircraft movements

CHIEF EXECUTIVES REPORT

The second quarter delivered a steady result in a still soft demand environment. Year to date to 31 December 2025, passenger volumes totalled 477,000, which is 1% ahead of the prior year but 6% below budget. This reflects ongoing softness in domestic demand and continued constraints in Air New Zealand capacity. Total seat capacity is modestly ahead of both budget and the prior year, supported by Jetstar.

Financially, operating revenue excluding fair value movements is tracking ahead of plan at $13.8 million. Operating surplus after taxation of $2.9 million is ahead of budget, underpinned by the July 2025 aeronautical charge reset and disciplined cost management, albeit slightly below the prior year comparator. The new Dunedin to Gold Coast services are performing well, with strong load factors.

Operationally, the organisation has continued to execute Flight Plan 2050 with a measured focus on core delivery. Work remains centred on the established infrastructure renewal programme, including runway rehabilitation, wastewater treatment plant renewal, and landside access and car parking planning, with governance and risk disciplines maintained as the capital programme scales.



PASSENGERS (000'S)	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	YTD
Domestic	71	69	70	69	75	70							423
International	4	4	4	4	4	4							24
Total - Actual	**75**	**73**	**74**	**73**	**79**	**74**							**447**
Budget	86	76	76	82	79	77							537
Variance	-13%	-3%	-2%	-11%	-%	-4%							-6%
Capacity	95	90	88	87	99	92							**551**
Load Factor	78%	82%	85%	83%	80%	80%							81%

Sustainability and Planning

An Emissions Reduction Strategy implemented in July 2023 identified a need for the installation of a solar energy system to contribute to emissions and grid energy reduction targets. This infrastructure development is the single biggest emissions reduction initiative Dunedin Airport has achieved to date, expected to be a significant contributor to meeting our 46.2% reduction target by 2030.

The proactive site-wide ground contamination project has been progressed for another year. Based on recent additional material sampling and information gathering, an annual update was made to the Land Contamination Investigation Report and submitted to ORC. The update verified a reduced contamination footprint both airside and landside. Whilst it is legitimate to act cautiously until certainty can be obtained, these recent results show initial risk assessments were conservative.

Other RMA planning and environmental management routines have reflected continued progress and efficient support of Masterplan construction work programme. Compliance costs have been kept to a minimum; work has been enabled to occur on time without delay whilst environmental obligations and standards have been maintained.

Safety and Security

Our dedicated Wildlife Officer continues to focus on persistent, strategic wildlife hazard management, and the coordination of operational resources involved in wildlife hazard management. Our safety and security capabilities have been further bolstered with the recruitment of a Health and Safety Advisor who will assist the Head of Safety and Compliance (and the wider operations team) with auditing, investigations, and proactive safety campaigns.

We are embarking on a review of the Dunedin Airport Safety and Security rules against observed behaviours and issued penalties to ensure the right balance between safety, security, and compliance is being achieved.

Our Assets

The first stage of the Runway Rehabilitation project has been awarded to Fulton Hogan, for construction over the 25/26 summer period. This stage involves the replacement of the runway's central "keel" and trafficked areas with high-strength (EME2) asphalt. A new asphalt plant has been erected on-site, bringing quality, programme, and sustainability benefits. Consents have been granted for the programmed expansion of the apron adjacent to stand one and the AES station, allowing this work to be completed within the Runway Rehabilitation project. This will create more manoeuvring area for fire appliances, overflow parking for general aviation, and enable a formalised back-of-stand roadway to be created.

Work continues on the Runway project's second stage, comprising drainage and geometric improvements delivered within a full pavement overlay, programmed for the 26/27 summer period.

Our Water Storage upgrade project saw the first stage completed and entered into service, with the new reticulation, pumping, and storage infrastructure now on-line. Design work for the deconstruction of the redundant water treatment building, aged concrete tanks, and for the provision of additional sprinkler water storage continues.

Handover of the Aviation Security Building is planned for early February 2026, following completion of exterior finishing and civil works.

Within the asset management workstream, we continue to capture asset metadata and condition rating, and are working through the development of the overarching Asset Management Plan (AMP).

Detailed design for the Landside Access and Carpark Design project continues, and a Multi-Criteria Analysis workshop for the Wastewater Treatment Plant project is scheduled for late-February. Preapplication meetings have been held with ORC around the interim consent application to enable operation of the current plant until the new solution is developed. This application will be lodged during March 2026.

Our Partnerships

The Gold Coast - Dunedin service continues to perform strongly, with average load factors consistently achieving 80% or higher, demonstrating sustained demand and solid market traction. Performance in the New Zealand point-of-sale market has also remained positive and is exceeding the expectations outlined in the original business case.

As a result of the continued demand for the service, Jetstar have now confirmed the addition of a fourth weekly service during the Northern Summer period (from late March). Services will be available Monday, Tuesday, Thursday and Saturday.

The outbound campaign has concluded, with continued radio sponsorship supporting awareness of the DUD–OOL service and delivering strong booking results through a House of Travel partnership.

Southern Way has successfully secured funding through Phase 2 of the Regional Tourism Boost Fund. The airport hosted the Minister of Tourism, Louise Upston, on 14 November 2025 for a media briefing announcing successful RTO recipients, attended by key stakeholders including representatives from Southern Way, Dunedin Airport and Enterprise Dunedin. The briefing reinforced the importance of collaboration to drive increased visitation to New Zealand, and working collaboratively to do so.

A Stage 2 funding submission has also been lodged with MBIE, aimed at supporting initiatives to stimulate travel from April onwards.

We are partnering again with Air New Zealand on the second Southern Way domestic campaign, supporting travel across late autumn and winter 2026.

Airport Charges

It is a legislative requirement under The Airport Authorities Act 1966 that all airport companies consult over charges with all substantial customers, before any new or altered charges are implemented.

Charges allow airports to cover aeronautical operating expenditure and generate a return (equal to the airport's weighted average cost of capital) on aeronautical assets.

The process was concluded in August 2024 and revised airport charges agreed, to be effective for the June 2025, June 2026 and June 2027 financial years.

The June 2026 financial year represents the second year of the three-year pricing round agreed to by substantial airline customers.

Daniel De Bono
Chief Executive Officer

FINANCIAL PERFORMANCE

Our financial performance outlined below is in the context of a 1.2% increase in passengers against the prior year, and a 5.8% decrease against budget.

Aeronautical Revenue	Actual 000's	Prior Year 000's	Variance to Prior Year	Budget 000's	Variance to Budget
Landing Charges	8,321	6,948	19.8%	7,852	6.0%
Non-Aeronautical Revenue					
Terminal Rentals & Concession Fees	1,408	1,382	1.9%	1,410	(0.1%)
Carparking	1,975	1,892	4.4%	2,067	(4.5%)
Property					
Rentals and Rental Housing	688	675	1.9%	681	1.0%
Dairy Farms	659	655	0.6%	599	10.0%
Other incl. Momona Garage	793	648	22.4%	568	39.6%
Total Non-Aeronautical Revenue	5,523	5,252	5.2%	5,325	3.7%
Gain/(Loss) in the value of investments (unrealised)	288	293	(1.7%)	0	n/a
Total Revenue	14,132	12,493	13.1%	13,177	7.2%
Total Expenditure	10,164	8,410	20.9%	10,481	(3.0%)
Operating Surplus before Taxation	3,968	4,083	(2.8%)	2,696	47.2%
Taxation	1,033	1,031	0.2%	755	36.8%
Operating Surplus after Taxation	2,935	3,052	(3.8%)	1,941	51.2%

Revenue

Aeronautical Revenue

Total passengers for the year to 31 December 2025 are up 1.2% against the prior year comparative. This is in the context of a 1.5% increase in capacity over the same period.

Notwithstanding the marginal increase in passengers against the prior year, at $8,321,000 for the year to date, aeronautical airport charge revenue is 19.8% ($1,373,000) up against the prior year.

The increase in passengers is compounded by a higher per passenger charge than that generated in the prior year. This is due to the increase in landing charges effective 1 July 2025 following consultation with our airline partners.

Non-Aeronautical Revenue

At $5,523,000 non-aeronautical revenue is 5.2% ($271,000) up against the prior year.

The increase in non-aeronautical revenue against the prior year is a function of:

- Carpark revenue is $83,000 ahead of the prior year. This is a function of the marginal increase in passenger numbers compounded by an increase in average length of stay attributable to the reintroduction of a trans-Tasman service.
- Administration revenue is $183,000 ahead of the prior year. This is a result of the sale of a Trident fire appliance resulting in a gain on sale of PP&E of $173,000.

Expenditure

At $10,164,000 total expenditure is 20.9% ($1,754,000) up against the prior year.

- Wages and salaries are $102,000 up against the prior year. This is a function of salaries/wage rate increases processed in the current year.
- Depreciation is $587,000 above the prior year due to an increase in the underlying cost base following an infrastructure asset revaluation as at 30 June 2025 and current year capital expenditure.
- Interest expense is $215,000 ahead of the prior year as a result of an increase in underlying borrowings from $10.750m as at December 2024 to $23.0m as at December 2025. This is offset by a decrease in our net cost of debt from 5.54% for the quarter to December 2024, vs 4.56% for the quarter to date.

Cashflow

Operating cashflows for the year to date are $3,960,000, an increase of $422,000 over the prior year.

Receipts from customers are $853,000 ahead of the prior year. This is reflective of the current year movement in aeronautical and non-aeronautical revenue, excluding fair value movements, offset by an increase in accounts receivable.

This is offset by increased payments to employees and interest in line with the increased year to date expenditure.

Investing cash outflows for the year-to-date total $8,489,000 and represent net fixed asset purchases to date.

Financing cash inflows are $5,250,000, reflecting the net drawdown of loan facilities.

Detailed financial statements are provided on pages 13 through 17.

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OBJECTIVES & PERFORMANCE MEASURES

The following provides an update YTD performance against the objectives & performance measures as set in DIAL's FY26 Statement of Intent (SOI).

Our performance against these key objectives will be reported annually in the Statement of Service Performance which forms part of the company's annual report.

Key Objectives

✓ On Track ! At Risk ✗ Not achieved

SAFETY		
Operate a secure and safe airport		
Objectives	**Key Performance Measures**	**Status**
Transform our approach to safety and security risk management	Nil Serious harm (as defined in the WorkSafe Accident and Accident Notification Definitions) to our staff, airports users or contractors	✓
	Nil Runway Incursions	✓
Promote and steward airport security	Achieve zero avoidable security incidents	✓
Enhance wildlife hazard management	Strike rate <5 strikes per 10,000 on 12-month moving average	✓

SUSTAINABILITY		
To be considered one of New Zealand's most sustainable airports		
Objectives	**Key Performance Measures**	**Status**
Increase waste diversion from landfill	Increase year on year waste diversion rate	✓
Provide transparent and authentic sustainability disclosures	Prepare and disclose our Greenhouse Gas Emissions Inventory in an Annual Sustainability Report	✓

INFRASTRUCTURE		
A world class small airport, for a world class small city		
Objectives	**Key Performance Measures**	**Status**
Maintain our assets to ensure no delays caused by DIAL to scheduled passenger operations	Zero on time performance delays to regular passenger transport operations due to airport owned infrastructure	✓
With shareholder endorsement, develop a visionary airport master plan that incorporates aviation flight forecasting, climate change resilience and adaptation considerations, and critical planning for the airport campus utilities.	Completion of Strategic Airport Development Framework	✓
Comments: All measures on track.		

NETWORK		
Nurture, expand, and grow the network		
Objectives	**Key Performance Measures**	**Status**
Work to ensure Dunedin remains a well-connected gateway, benefiting both the community and the broader regional economy	Year on year improvement in passenger volumes	!
	New regional connections	✗

CUSTOMER		
Deliver world class customer experience		
Objectives	**Key Performance Measures**	**Status**
Enhance commercial performance	Year on year increase in net Passenger Spend Rate (PSR)	✓
	Year on year increase in net Income per Passenger (IPP)	✓
	Exceed budget in Earnings Before Interest, Tax, Depreciation, Amortisation, Fair Value Movements (EBITDAF) per passenger	✓
Improve customer experience for all airport users	Undertake a critical review of the entire airport to ensure we provide a welcoming, dignified and inclusive airport experience for people of all abilities	✓
	Measure customer satisfaction through survey tools and feedback mechanisms	✓

PARTNERSHIPS

Develop and strengthen our partnerships		
Objectives	**Key Performance Measures**	**Status**
Continually develop the strength and transparency of our relationships	Achieve an overall engagement score of over 90% in our annual stakeholder engagement surveys	✓
	Invest up to a total of $40,000 in the 2026 financial year in sponsorship and donations	✓
	Work with DCHL on aligning our sponsorship policy with the DCC's strategic framework	✓
Drive meaningful engagement with mana whenua	Develop a cultural narrative	✓

PEOPLE		
Our people are our most important asset		
Objectives	**Key Performance Measures**	**Status**
Be a great place to work with a high performing team that understands our goals and the role they play	Conduct comprehensive staff engagement surveys annually, with the target of achieving an engagement score of over 85%	✓
	Maintain a rate of unplanned employee absenteeism of 3% or less	✓
Build our employment brand	Reduce the time it takes to fill employment vacancies to less than 30 days	✓

STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months to 31 December 2025	Budget 6 months to 31 December 2025	Unaudited 6 months to 31 December 2024	Audited 12 months to 30 June 2025	Budget 12 months to 30 June 2026
	000's	000's	000's	000's	000's
Operating Revenue	13,552	13,131	12,054	23,695	25,819
	-	-	-	-	-
Interest Received	25	20	53	94	36
Bad Debts Recovered	-	1	-	-	2
Gain/(Loss) On Investment	288	-	293	413	-
Depreciation Recovered	62	-	-	-	-
Gain on Sale	124	-	-	-	-
Dividend Received	82	25	93	145	50
Total Revenue	**14,133**	**13,177**	**12,493**	**24,347**	**25,907**
Audit Fee	137	94	94	209	188
Directors Fee	61	72	69	127	144
Interest Paid	478	732	263	590	2,066
Amortisation	-	-	-	-	283
Wages and Salaries	2,272	2,334	2,170	4,459	4,698
Depreciation	2,979	2,532	2,392	4,868	5,791
Operating Exp	4,235	4,717	3,422	7,626	10,070
Loss On Disposal	3	-	1	295	-
Total Expenses	**10,165**	**10,481**	**8,411**	**18,174**	**23,240**
Operating Surplus /(Deficit) Before Income Tax	3,969	2,696	4,084	6,173	2,667
Income Tax	1,033	755	1,031	1,646	747
Tax Prior Year Adjustment	-	-	-	(76)	-
Operating Suplus/Deficit After Income Tax	**2,936**	**1,941**	**3,053**	**4,603**	**1,920**
Other Comprehensive Income					
Ineffective Hedges Amortised to Expense	-	-	-	-	-
Cash Flow Hedges Gain/(Loss)	-	-	-	(193)	-
Revaluation of Property, Plant & Equipment	-	-	-	10,630	-
Income Tax on Items of Other Comprehensive Income	-	-	-	(2,933)	-
Total Comprehensive Income/(Deficit)	**2,936**	**1,941**	**3,053**	**12,107**	**1,920**

Statement of Movements in Equity

Equity at Beginning of Year	95,683	88,192	69,207	88,685	88,192
Comprehensive Income/(Deficit)	2,935	1,941	3,053	12,107	1,920
	-	-	-	-	-
Less Dividends Paid	-	-	-	5,136	1,152
Closing Equity	**98,618**	**90,133**	**72,260**	**95,656**	**88,960**
EBITDAF	**6,930**	**5,940**	**6,394**	**11,419**	**10,771**
PAX	**447,353**	**475,000**	**441,913**	**853,812**	**930,000**
EBITDF per PAX	**$ 15.49**	**$ 12.51**	**$ 14.47**	**$ 13.37**	**$ 11.58**
Cost (operating expenditure excl. Depreciation and interest)	**6,708**	**7,217**	**5,756**	**12,716**	**15,100**
PAX	**447,353**	**475,000**	**441,913**	**853,812**	**930,000**
Cost per PAX	**$ 14.99**	**$ 15.19**	**$ 13.03**	**$ 14.89**	**$ 16.24**

STATEMENT OF FINANCIAL POSITION

	Unaudited 6 months to 31 December 2025 000's	Budget 6 months to 31 December 2025 000's	Audited 12 months to 30 June 2025 000's	Budget 12 months to 30 June 2026 000's
Shareholders Equity				
Share Capital	8,800	8,800	8,800	8,800
Hedge Reserves	(51)	88	(51)	88
Property Reserves	62,498	55,046	62,503	55,046
Reserves	24,437	24,258	24,937	24,258
Current Surplus/Profit	2,935	1,941	4,603	1,920
				-
Final Dividend	-	-	(5,136)	(1,152)
	98,619	**90,133**	**95,656**	**88,960**
Current Liabilities				
Payables and Accruals	3,051	3,576	5,388	4,389
Short Term Advance	-	-	-	-
Provision for Taxations	39	443	783	(149)
	3,090	**4,019**	**6,171**	**4,240**
Non Current Liabilities				
Term Loans	23,000	24,750	17,750	49,600
Interest rate term derivatives	71	25	71	25
Deferred Taxations	23,364	19,370	23,251	19,378
	46,435	**44,145**	**41,072**	**69,003**
Total Equity & Liabilities	**148,144**	**138,297**	**142,899**	**162,203**
Represented by				
Current Assets				
Cash On Hand	6	6	6	6
Cash and Cash Equivilants	2,253	525	1,528	528
Receivables and Prepayments	2,439	2,516	2,152	2,288
Contract Assets - Current	158	283	158	283
Provision for Doubtful Debts	-	(30)	-	-
Stock on Hand Momona	27	40	30	40
Airfield Power and Lighting Consumables Inventory	87	140	98	140
	4,970	**3,480**	**3,972**	**3,285**
Non Current Assets				
Fixed Assets	141,271	132,861	137,315	157,239
Investments	1,425	1,250	1,137	1,250
Contract Assets - Term	315	567	315	283
Deferred Tax Asset	164	140	160	145
Interest Rate Hedge Derivative	-	-	-	-
	143,175	**134,818**	**138,927**	**158,917**
Total Assets	**148,145**	**138,298**	**142,899**	**162,202**

Equity Ratio (Equity / Total Assets)	66.57%	65.17%	66.94%	54.85%
Debt to Equity Ratio (Liabilities / Equity)	50.22%	53.44%	49.39%	82.33%
Gearing Ratio (Net debt / Net debt plus Equity)	18.91	21.54	15.65	35.80
Return on Equity (NPAT / Total Equity)	3.0%	2.2%	4.8%	2.2%
Return on Assets (NPAT / Total Assets)	2.0%	1.4%	3.2%	1.2%

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STATEMENT OF CASHFLOWS

	Unaudited 6 months to 31 December 2025	Unaudited 6 months to 30 December 2024
	000's	000's
Cash Flows from Operating Activities		
Cash was provided from:		
Receipts from Customers	(12,838)	(11,985)
Interest Received	(25)	(53)
Dividends Received	(82)	(93)
Cash was applied to:		
Payments to Suppliers	4,475	4,609
Payments to Employees	2,364	2,128
Interest Paid	478	263
Taxation Paid/(Refund)	1,668	1,593
Net Cash Flows from Operating Activities	**3,960**	**3,538**
Cash Flows from Investing Activities		
Cash was provided from:		
Sale of Assets	(215)	-
Cash was applied to:		
Purchase of Shares	-	-
Purchase of Fixed Assets	8,704	3,537
Net Cash Flows from Investing Activities	**(8,489)**	**(3,537)**
Cash Flows from Financing Activities		
Dividend Paid	-	2,350
Net Loan Facilities (Drawdown)/Repaid	(5,250)	(250)
Net Cash Flows from Financing Activities	**5,250**	**(2,100)**
Net Increase/(Decrease) in Cash Held	721	(2,099)
Plus Opening Cash Brought Forward	1,535	3,789
Closing Cash Held	**2,256**	**1,690**

RECONCILIATION OF NET SURPLUS AFTER TAXATION TO CASH FLOWS FROM OPERATING REVENUE

	Unaudited 6 months to 31 December 2025	Unaudited 6 months to 30 December 2024
	000's	000's
Operating Surplus after Taxation	2,935	2,933
Items not involving Cashflows		
(Increase)/Decrease in value of investments	(288)	(293)
Depreciation	2,979	2,392
Increase/(Decrease) in Deferred Tax	110	(319)
Loss/(Gain) on disposal of fixed asset	(183)	-
(Increase)/Decrease on contract assets	-	-
Movements in Operating Surplus classified as investing	-	-
Impact of changes in working capital items		
Increase/(Decrease) in payables and accruals	(1,885)	(897)
(Increase)/Decrease in receivables and provision for doubtful debts	(715)	(75)
(Increase)/Decrease in prepayments	-	6
Increase/(Decrease) in tax payable	(744)	(243)
(Increase)/Decrease in stock	14	(68)
Movements in working capital items classified as investing	1,737	102
Net Cash Flows from Operating Activities	**3,960**	**3,538**