STAR ALLIANCE

AIR NEW ZEALAND

NZX: **AIR** / ASX: **AIZ** / US OTC: **ANZLY**

Investor presentation
28 August 2026

Annual Results 2026

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The following non-GAAP measures are not audited: Adjusted CASK, Net Debt, and EBITDA. Amounts used within the calculations are derived from the audited Group financial statements and Five-Year Statistical Review contained in the 2026 Annual Report. The non-GAAP measures are used by management and the Board of Directors to assess the underlying financial performance of the Group in order to make decisions around the allocation of resources.

Refer to Slide 39 for a glossary of the key terms used in this presentation.

Contents

2026 Highlights

Nikhil Ravishankar – Chief Executive Officer

2026 was a year of rebuilding our fleet, demonstrating operational resilience and setting Our Future strategy

Financial performance was significantly and adversely impacted by **high fuel prices** resulting from the Middle East conflict and by engine availability issues

Through the extraordinary efforts of our people across the airline, we delivered a significant **step-change in operational performance**, with on-time performance and customer satisfaction reaching strong levels by the end of 2026

Engine availability improved late in the financial year. Residual risks remain but the airline enters 2027 in a considerably more reliable fleet position

Continuing to build momentum on underlying cost management and profit improvement – delivered $94m of incremental transformation benefits in 2026 and identified an additional ~$135m of annualised savings, to accrue from 2027

We reset our strategy around three strategic pillars; customer first, targeted growth, and resilient and future fit, to deliver sustainable returns to shareholders over time

2026 year in review

External forces impacted earnings but we delivered improvements in operational performance

$336m loss before taxation Compared to earnings before taxation of $164m[1] in 2025

~$465m adverse impact to 2026 earnings before tax
Engine issues ~$190m[2], net fuel price impact ~$135m and $139m[3] higher aircraft maintenance costs

$94m of incremental transformation benefits

$6.1b passenger revenue
up 4.8% on 2025

ASKs up 1.3%
Return of grounded aircraft offset by capacity response to elevated fuel prices

RASK up 3.4%
Increased yield in response to higher fuel prices on constrained capacity

Passenger Load Factor
83.7% up 0.3pts on 2025

16.0m passengers flown
up 0.6% on 2025

On-time Performance[3]
84.0% H2 2026, up 6.5pts from 2025

Customer satisfaction
84.5 H2 2026, up 0.9pts from 2025

> 5.4m loyalty members
Up 8.3% on 2025

AirlineRatings.com Seven Star PLUS
safety-rated airline 2026

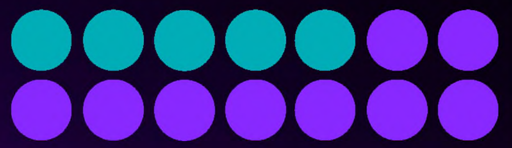
1. 2025 earnings before taxation restated. Refer to Note 27 of the 2026 Group financial statements.
2. This estimate was calculated based on internal modelling using operational assumptions, including capacity, passenger demand, revenue yield, disruption costs and historical performance across affected routes.
3. Total maintenance cost year on year increase was $144 million, including FX.
4. On-time performance (OTP) refers to 'A15', which is an industry-standard measure of arrivals within 15 minutes of scheduled arrival time.

Return of grounded aircraft means the airline ends 2026 in a materially better place than when it started

The airline is focused on mitigating residual risk and unwinding engine availability related costs

Peak AOG[1]

787



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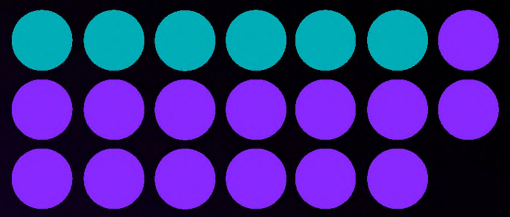
AOG of 14 aircraft

4 leased aircraft to maintain capacity

A320/1neo



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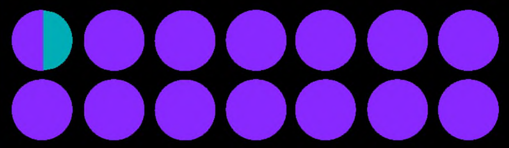
AOG of 20 aircraft

15 extra engines on hand

Now

787



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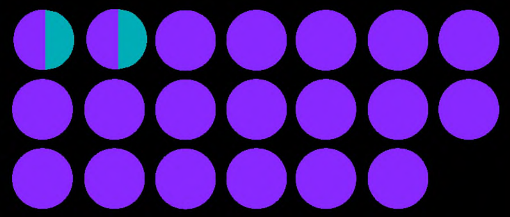
AOG of 14 aircraft

3 dry leases to maintain capacity

A320/1neo



1-2

AOG of 20 aircraft

10 extra engines on hand

- Last of the 787s returned from long-term storage in June 2026, expect up to 2 x A320/1neos to be AOG through 2027
- Of the four short-term leased aircraft used in 2026, one has been returned, one is being returned now, and the remaining two in 2028
- Renegotiating new compensation terms with Rolls-Royce and Pratt & Whitney
- While grounded aircraft are returned from long-term storage, there will still be residual risks and costs to work through, but the airline enters 2027 in a considerably more reliable fleet position

1. Aircraft On Ground or "Grounded Aircraft". Presented in this slide as aircraft grounded solely as a result of the engine issues. Does not include 2 aircraft currently in maintenance and retrofit.
2. Teal indicates aircraft on ground; purple indicates aircraft available.

Te Pae Hou | Our Future: delivering against three strategic priorities

Customer first

- Safe, reliable and punctual
- Unique Kiwi service and innovative products
- Deliver smarter, more relevant offers

What we are doing now

- Granular, clean-sheet schedule implementation
- Fine tune premium service, product and lounges
- Investment in new aircraft and interior product
- Further improve disruption management
- Dual Koru lounge proposition
- Deliver transition to offer order / NDC (Next Gen retailing)
- Shift from above-the-line to precision marketing

Targeted growth

- Targeted, profitable network growth
- Loyalty transformation and partner expansion
- Revenue diversification

What we are doing now

- Pivot to inbound premium leisure growth
- New 787s and A321neos – fit for mission
- Strengthen hub advantage and alliance network
- Grow SME market share
- Optimise inbound tourism to domestic network
- Regional connectivity and partnerships
- Maximise flight-adjacent revenue growth
- Continue loyalty partner expansion

Resilient and future fit

- Cost transformation
- Financially sustainable regional network
- Delivering on our capital management metrics

What we are doing now

- Cost out and labour productivity programmes
- Engineering and maintenance team transformation
- Unwind of cost inefficiencies as fleet returns
- New deliveries to drive superior operating economics
- Rephase 787 aircraft deliveries
- Restore capital management metrics post fuel crisis
- Advocacy and bilateral airport negotiations

Delivered to Date

84.0%
H2 2026 OTP[1]
(+6.5pts vs. 2025)

84.5
H2 2026 CSAT
(+0.9pts vs. 2025)

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787 retrofits complete; the balance by end of November 2026

Up to 20%
CASK efficiency[2] from new/returning fleet

$94 million
incremental transformation benefits; Additional $135 million annualised cost savings identified

#1
Randstad NZ #1 most attractive employer for three consecutive years (2023 - 2025) and nine times overall

1. On-time performance (OTP) refers to 'A15', which is an industry-standard measure of arrivals within 15 minutes of scheduled arrival time.
2. Relative unit economics of A321neo vs. A320ceo and of 787 vs. 777-300ER depends on sector flown and fuel price, among other factors.

Key customer metrics improved in 2026

Investment in the customer proposition, operating reliability and in our people are delivering positive customer results

	2025	H2 2026	H2 2026 vs 2025
On-time performance[1]	77.5%	84.0%	+6.5pts
Customer satisfaction ("CSAT")	83.6	84.5	+0.9pts
Controllable cancellations	2.2%	1.3%	+0.9pts

- On-time performance finished the year with continued momentum, at 84.0% in the second half of the year, up from 77.5% in 2025
- Granular, clean-sheet schedule implementation
- Commenced the Next Gen Kiosk rollout and a new and improved web check-in
- Successfully trialled Starlink on the domestic network
- Improved disrupt self-service for customers, empowering customers to find a new flight that suits them best
- Continued introduction of retrofitted aircraft, with Business Premier +3% CSAT higher than the previous product

1. On-time performance (OTP) refers to 'A15', which is an industry-standard measure of arrivals within 15 minutes of scheduled arrival time.

Higher inbound volumes across international markets. New Zealand outbound and domestic demand remains soft

ASIA

- Higher inbound passenger fares from across Asia
- Premium cabin mix and revenue growth in Q4 driving elevated RASK
- Softer cargo volumes through 2026, with improved yields

Passengers	(0.6%)
ASKs	(4.3%)
Load factor change	+2.8 pts
RASK[2]	+12.1%

NORTH AMERICA

- Flat inbound passenger demand from North America
- Sales from New Zealand remained soft, impacted by weak NZD
- Softer cargo volume through 2026, with improved yields

Passengers	+0.4%
ASKs	+1.1%
Load factor change	(0.5 pts)
RASK[2]	+1.6%

TASMAN & PACIFIC ISLANDS

- Solid passenger growth, underpinned by strong inbound Australian demand across 2026
- Capacity growth through delivery of two new A321neo leased aircraft in the past 2 years

Passengers	+5.2%
ASKs	+7.7%
Load factor change	(1.4 pts)
RASK[2]	(0.1%)

PRODUCT MIX

Premium cabin revenue growth	+14%
Economy cabin revenue growth	+3%
Ancillary revenue	+12%

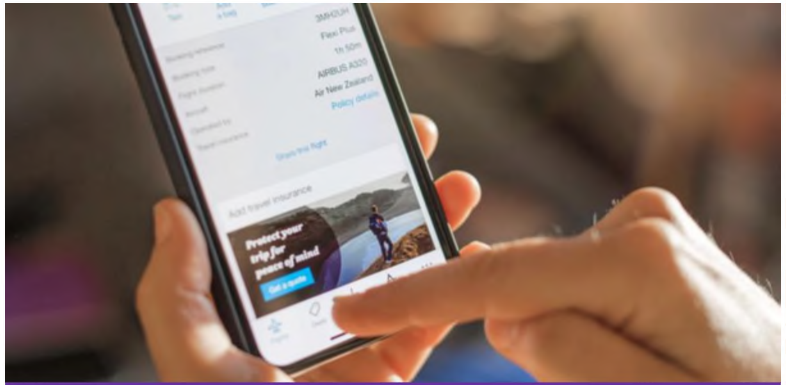
NEW ZEALAND DOMESTIC

- Reduced passenger demand offset by increased yield in response to increased fuel price
- Capacity management to match demand, with up-gauging being explored on routes with strong demand

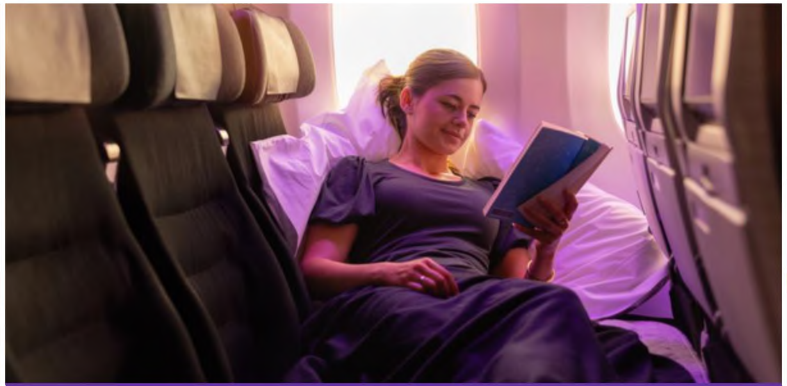
Passengers	(0.9%)
ASKs	+0.5%
Load factor change	+0.2 pts
RASK[2]	0.2%

1. Figures represent year-on-year change in 2026 compared to 2025.
2. RASK is excluding FX and unused customer credit breakage.

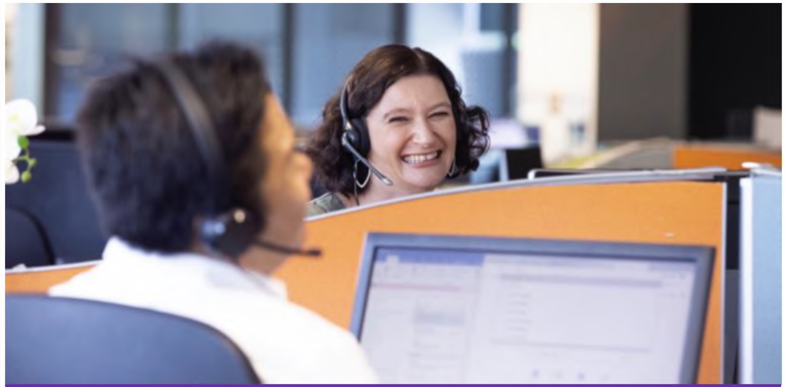
Transformation initiatives delivered an incremental $94 million of benefits in 2026



Next Generation revenue management across the full network



Direct Ancillary buy-ups



Contact Centre efficiencies, including the roll out of Live Chat

Koru programme transformation

Automated disrupt rebooking system

Cargo Revenue Management transformation

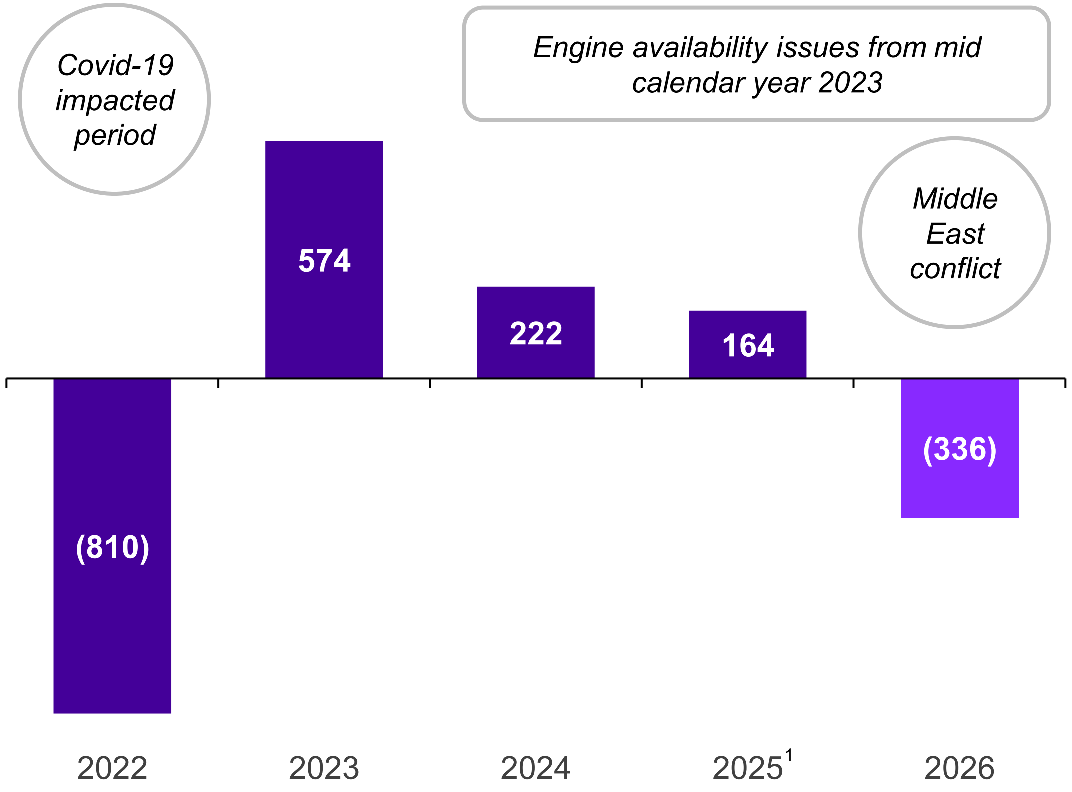
2026 Financial Performance

Richard Thomson – Chief Financial Officer (outgoing)

Financial summary

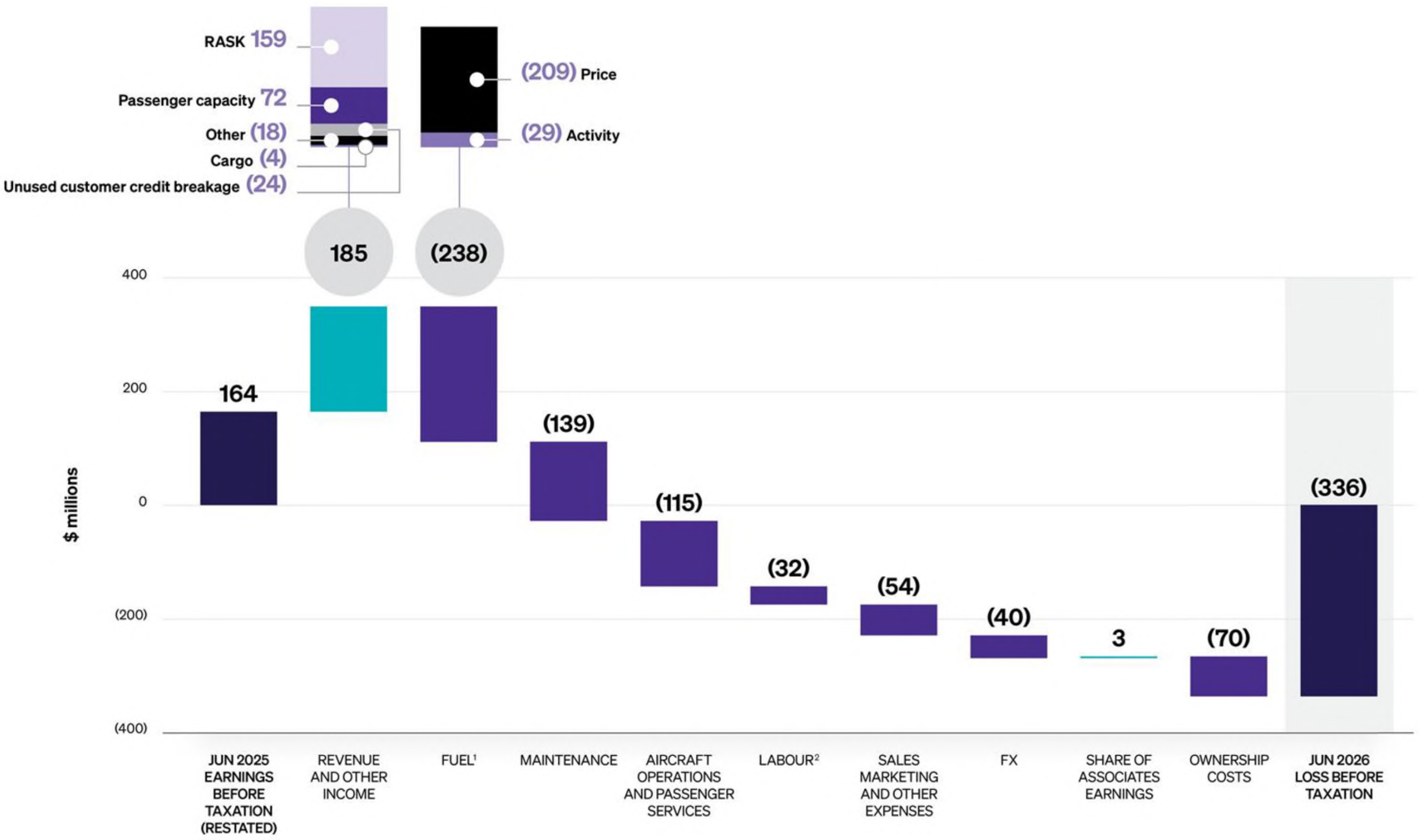
- **Operating revenue $7.0 billion**, up 3.9% on prior year
- **Passenger revenue $6.1 billion**, up 4.8% on prior year
- **Cargo revenue $484 million**, down 0.6% on prior year
- **Loss before taxation $336 million**, compared to profit before tax of $164 million in 2025[1]
- **Net loss after taxation $242 million**, compared to net profit after tax of $108 million in 2025[1]
- **Liquidity $1.6 billion[2]** (2025: $1.7 billion) and just above the target range of $1.2 billion to $1.5 billion.
- **Operating cashflow $819 million**, compared to $940 million in 2025
- **Net Debt to EBITDA 3.8x** (2025: 1.2x)[1]
- No final dividend in line with Capital Management Framework

Earnings/(Loss) Before Taxation
($ millions)



1. 2025 earnings before taxation restated. Refer to Note 27 of the 2026 Group financial statements.
2. Includes $989 million cash and $604 million in undrawn funds under revolving facilities..

Profitability waterfall



1. Refer to Slide 35 for further details on fuel cost movement.
2. Full-time equivalent staff levels were broadly flat at ~11,700.

Additional commentary

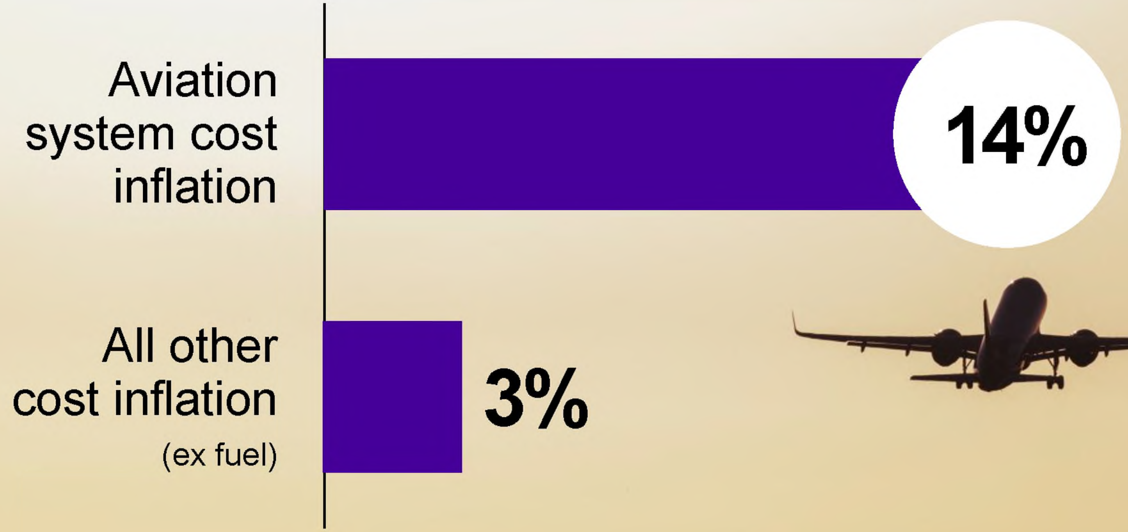
- Revenue and Other Income includes a $39m unfavourable movement in engine-related compensation received; $65m in 2026 compared to $104m in 2025
- Non-fuel costs saw moderate price inflation, with the exception of aviation system costs which increased more significantly
- Maintenance costs increased due to lifecycle maintenance and additional maintenance costs on leased engines
- This graph includes benefits of the $94 million transformation initiatives

~$465m adverse impact to 2026 earnings before taxation due to global engine issues, Middle East conflict and timing of lifecycle maintenance costs

Engine issues	~$190m Additional costs due to engine issues and delays (net of compensation received)		Continuing engine issues resulted in additional lease cost, reduced capacity and lost scale economies, partially offset by compensation received.
Middle East conflict and fuel price crisis	$205m fuel price impact net of hedging	~$70m fuel price mitigation actions	Jet fuel costs increased from US$88/barrel in 2025 to US$111/barrel in 2026. Compared to H2 forecast, earnings before tax was adversely impacted by ~$135m.
Aircraft maintenance costs	$139m Higher costs due to increased activity, timing of lifecycle maintenance events, and additional maintenance on leased engines		2026 was a peak year for aircraft maintenance. We expect maintenance costs to be $50m to $100m lower in 2027 than in 2026.

While general inflation is moderating, aviation system costs - most importantly airport charges - continue to increase

Aviation system costs continue to rise faster than general inflation



Air New Zealand’s exposure to these charges was $142 million higher in 2026[1]

6.8% System-wide landing charge inflation

5.8% Air navigation charges

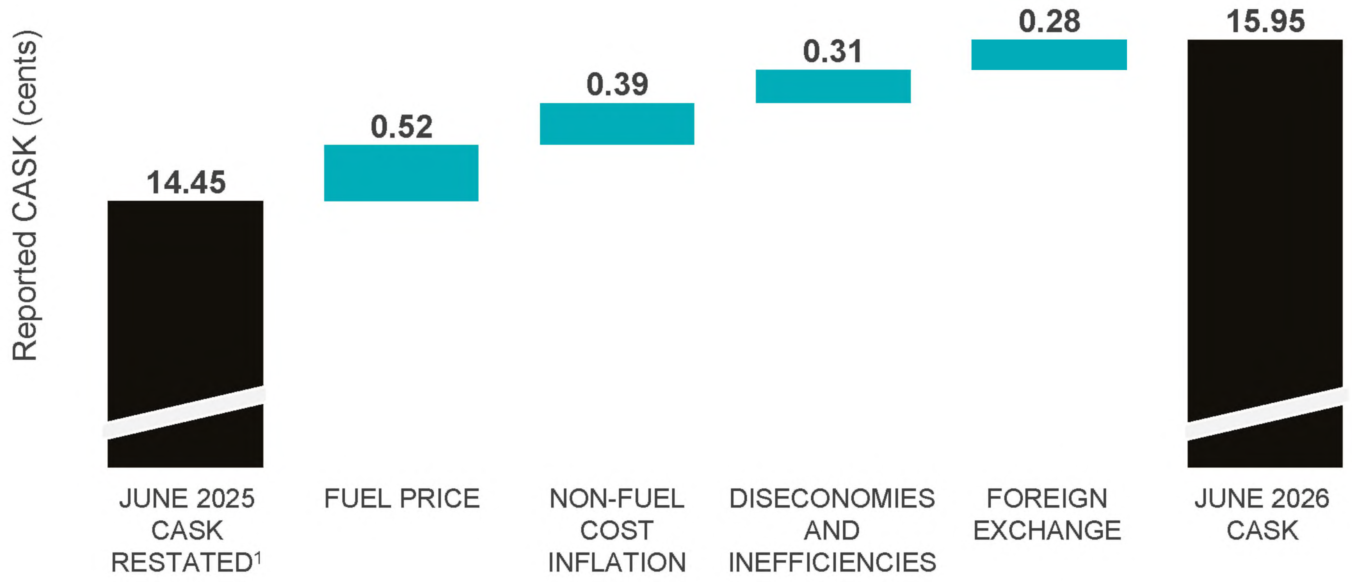
92% CAA safety and AvSec security levies

15% International passenger charges and levies[2]

The significant increase in AvSec and passenger levies is not expected to repeat in 2027, but landing charges are expected to continue running well ahead of CPI.

1. Aviation system costs increased $142 million in 2026 compared to 2025, including a $83 million increase in direct costs in the Air New Zealand income statement, and $59 million increase in passenger charges and levies paid by customers and therefore impacting demand.
2. These charges and levies are not recognised as costs in the Air New Zealand financial statements, but are costs payable by customers.

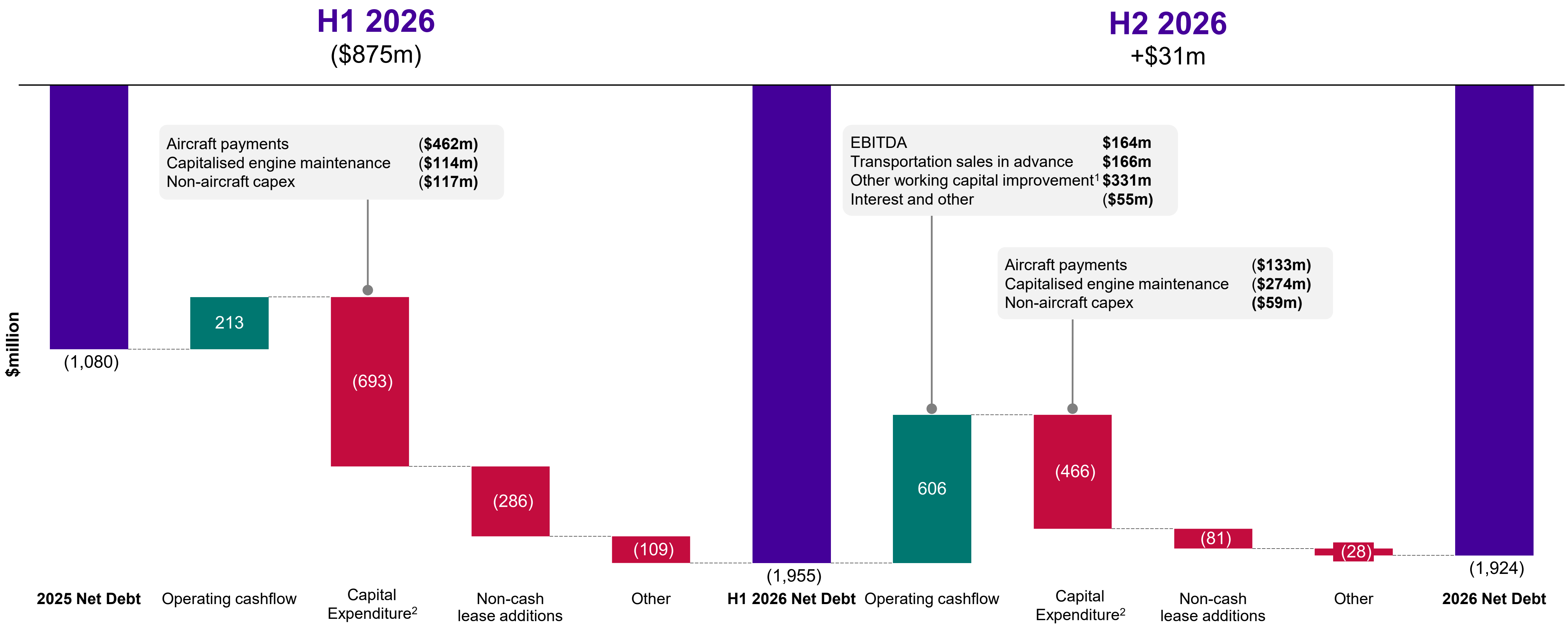
Unit cost impacted by fuel price, fleet constraints and continued price pressure across the aviation ecosystem



- **Reported CASK increased 10.4%**, largely due to increased jet fuel price and inefficiencies associated with fleet constraints.
- **Underlying CASK increased 4.8%**, excluding the impact of fuel price and FX, primarily due to:
  - Non-fuel operating cost inflation of ~4.4% across the cost base
  - Increased maintenance activity, representing 0.32c/ASK of CASK increase
  - Increased aircraft operations and passenger services pricing and activity, representing 0.23c/ASK of CASK increase

1. 2025 has been restated. Refer to Note 27 of the 2026 Group financial statements.

Net debt increased in H1 2026 but was relatively flat in H2 2026, despite the impact of the elevated fuel prices on earnings



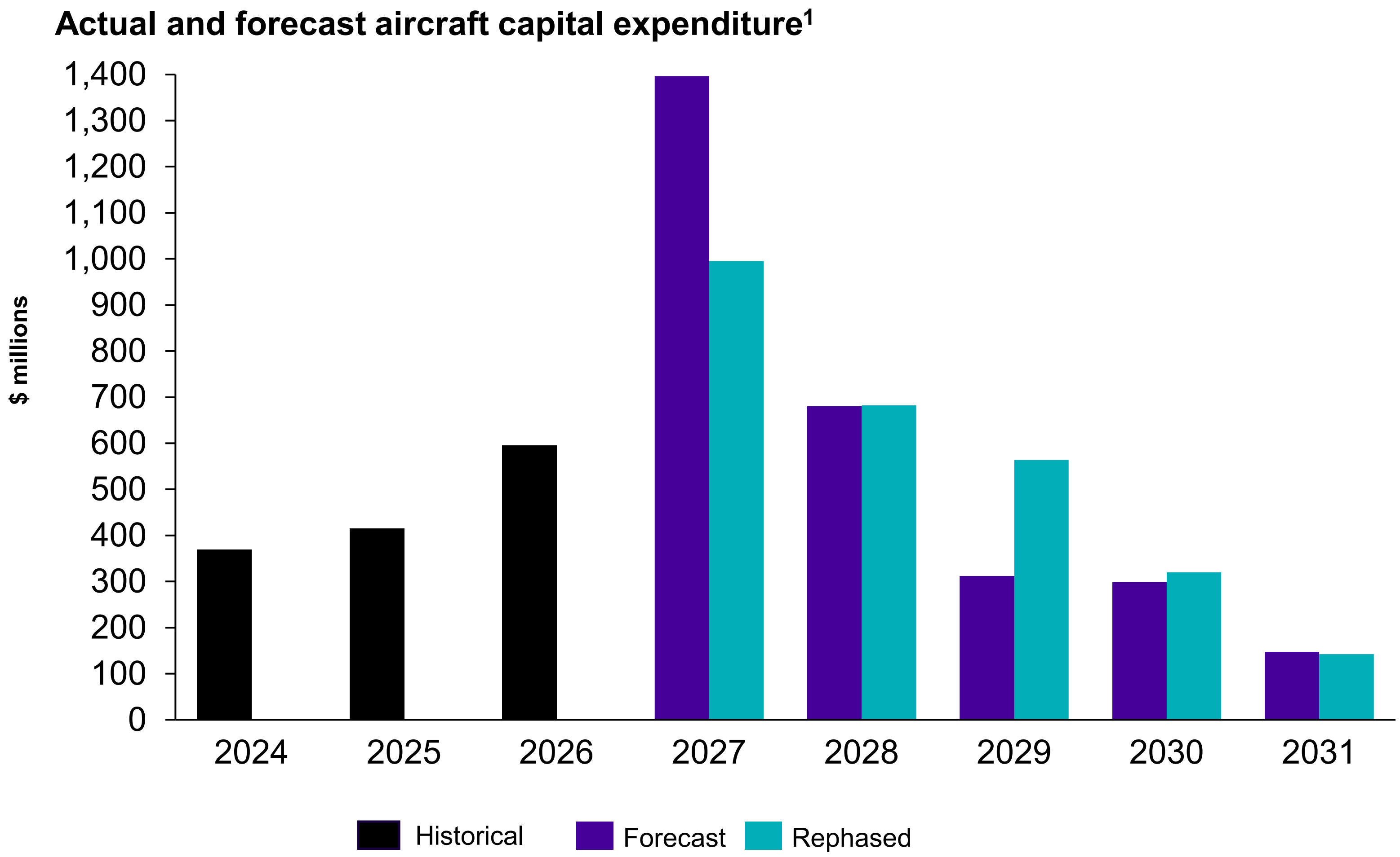
1 Excludes non-cash working capital movements.
2 Capital expenditure is primarily acquisition of property, plant and equipment, right-of-use assets and intangibles from the 2026 Group Statement of Cash Flows.

Outlook

Nikhil Ravishankar – Chief Executive Officer

Kris Cudmore – Chief Financial Officer

Fleet investment update



1. Includes progress payments on aircraft and aircraft improvements (e.g. refurbishment); excludes engine maintenance. Refer to Slide 38 for fleet delivery table. Assumes NZD/USD FX rate of 0.59.
2. Based on expected delivery dates, not contractual delivery dates.

- Forecast investment of **~$2.7 billion** in aircraft and associated assets through to 2031[2]
  - We are in active negotiations with Boeing to rephase the delivery profile of 787 aircraft, smoothing the capital investments to support capacity growth
  - There are further deliveries beyond 2031
- Chart includes the cost of interior retrofit of 14 existing 787 aircraft and refresh of seven 777 aircraft
  - **Estimated remaining cost of ~$200 million** for both programmes over the next ~2 years
  - 787 retrofit **completed by end of calendar year 2026**
  - First 777 cabin refresh starting **early calendar year 2027**
- In 2027 we expect incremental depreciation of between $110 million to $130 million, driven largely by 787 retrofit and new 787 deliveries.

Capacity set to recover in 2027

In 2026 we were still operating at ~10% below pre-Covid capacity and passenger levels, but slightly up on 2025.

Looking forward to 2027, capacity will partially recover with the return of the majority of historically grounded aircraft with improving inbound demand and strong international forward bookings.

Sector	2026			2027	
	ASKs (million)	**vs. 2025**	**vs. 2019** (pre-Covid)	**estimated % growth**	**Capacity Outlook Commentary**
Domestic	**6,439**	+1%	(9%)	**(2%) to 0%**	• H1 2027 impacted by tactical fuel-related capacity reductions • Expected delivery of 2 x new A321 in H2 2027
Tasman and Pacific Islands	**12,454**	+8%	2%	**+3% to +5%**	• New 787 deliveries in Q2 and return to service of grounded widebody aircraft in Q3 • New routes: Christchurch to Perth and Auckland to Western Sydney operating from October 2026
International long-haul	**22,153**	(2%)	(17%)	**+2% to +4%**	• Return of grounded widebody aircraft available for service and 2 new 787 deliveries in 2027 • 787 retrofit completed by Nov 2026 and rollout of 777 refresh • New routes: Christchurch to Tokyo and Singapore. Increased capacity Auckland to Singapore and Auckland to Taipei • H1 will be affected by tactical fuel-related reductions, including changes from 777 to 787 • Strong inbound forward bookings for next 6 months.
Group Capacity	**41,046**	**+1%**	**(11%)**	**+2% to +4%**	

~60% hedged against Brent Crude oil price and USD for 2027

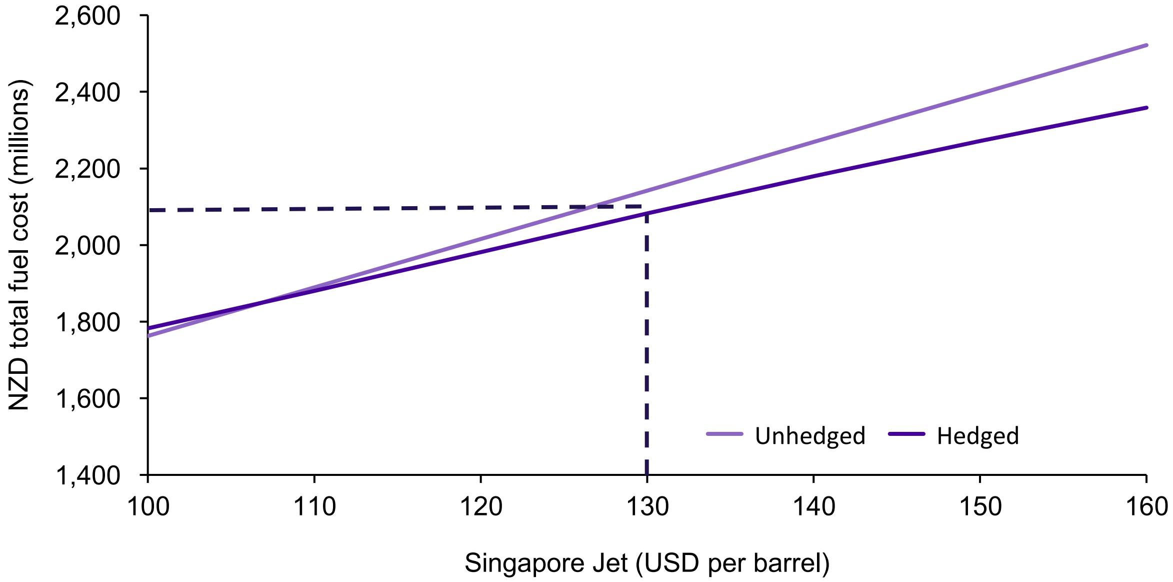
Fuel hedging

- Mostly hedged in Brent Crude with ~20% overlay of Crack spread swaps to mitigate some basis risk in H1 2027
- Brent is predominantly hedged with collar structures, with a small layer of calls
- Assuming an average jet fuel price of ~US$130 per barrel for 2027 (Brent ~US$80 per barrel and Crack ~US$50 per barrel) fuel cost would be ~$2.1 billion[1]
- 2027 hedges cover ~60% of estimated volumes of ~8.3 million barrels[2]

Foreign exchange hedging

- US dollar is ~60% hedged for 2027 at NZD/USD ~0.59

2027 Fuel cost sensitivity[1, 2, 3]



Fuel hedge position[2]		
Period	Hedged volume (in barrels)	% Brent Crude hedged
H1 2027	3,280,000	80
H2 2027	1,620,000	38

1. Includes cost of carbon and the associated hedging portfolio, in addition to SAF purchases.
2. As at 14 Aug 2026.
3. Assumes NZD/USD rate of 0.59. Scenarios assume US$5 barrel move in Brent and US$5 barrel move in Crack.

2027 Outlook

Prior to the Middle East conflict, the airline would have expected, in its central case, to return to profitability in the 2027 financial year, reflecting the underlying improvements in the business.

Given the continued uncertainty surrounding the conflict, the volatility of jet fuel prices, and with jet fuel currently around US$150 per barrel, the airline is not in a position to provide earnings guidance for the 2027 financial year at this time.

Excluding fuel, the major factors that impacted the 2026 financial result are expected to continue to have some impact in the 2027 financial year, albeit to a lesser extent:

- Disruption from engine availability is reducing substantially as aircraft return to service. However, there remains an estimated financial impact of between $70 million to $90 million in 2027 from a combination of extraordinary costs related to the engine issues and the recovery of our engines in the middle of a fuel crisis.
- We expect maintenance costs to be $50 million to $100 million lower in 2027 than in 2026.
- Aviation system costs continue to rise well above inflation, with airport charges expected to increase by upwards of 10 percent at some ports during the 2027 financial year.

The airline expects the 2027 financial year to be both a transition and recovery year, with operational performance continuing to improve even as elevated fuel prices weigh on profitability. We also expect the range of initiatives we have implemented in response to the currently elevated fuel cost will contribute to offsetting a larger portion of the elevated cost of fuel compared to the prior year.

We are seeing encouraging inbound demand, with strong forward bookings into New Zealand. This is a positive signal for tourism and for the country more broadly. New Zealand remains a highly desirable destination, and our investment in our onboard product and unique Kiwi hospitality puts Air New Zealand in a strong position to bring more international visitors to our shores.

We remain focused on executing our strategic priorities, improving financial performance and positioning the airline for long-term sustainable returns.

AIR NEW ZEALAND

Thank you

A STAR ALLIANCE MEMBER

Supplementary Information

Key capital management metrics

	30 Jun 2026	30 Jun 2025	Capital management targets[1]
Gross debt[2]	(3,188)	(2,838)	
Cash, restricted deposits and net open derivatives[2]	1,264	1,758	
Net debt[2]	(1,924)	(1,080)	
Gross debt/EBITDA	6.2x	3.0x	
Net debt/EBITDA	3.8x	1.2x	Net Debt to EBITDA ratio of 1.5x to 2.5x
Gearing	53.3%	35.9%	
Return on invested capital (ROIC)[3]	(7.8)%	7.3%	ROIC above pre-tax WACC
Total liquidity[2]	1,593	1,686	$1.2 billion to $1.5 billion
Moody's rating	Baa1 negative (investment grade)	Baa1 stable (investment grade)	Investment grade
Shareholder distributions	No dividends declared	1.25 cps interim and 1.25 cps final unimputed ordinary dividends	Ordinary dividend payout ratio of 40% to 70% of net profit after taxation (NPAT)[4]

1. Refer to Slide 37 for more information on the Capital Management Framework.
2. In $ millions.
3. Operating earnings before finance costs and taxation divided by the average capital employed.
4. NPAT is calculated on a rolling twelve-month basis.

Financial overview

	Jun 2026 $M	Jun 2025 $M	Movement $	Movement %
Operating revenue	7,016	6,755	261	3.9%
(Loss) / earnings before taxation	(336)	164	(500)	(305%)
Net (loss) / profit after taxation	(242)	108	(350)	(324%)
Operating cash flow	819	940	(121)	(13%)
Cash position	989	1,436	(447)	(31%)
Ordinary dividends declared	-	2.50 cps	(2.50) cps	(100%)

Group performance metrics

	Jun 2026	Jun 2025	Movement[1] %
Passengers carried ('000s)	16,010	15,907	0.6%
Available seat kilometres (ASKs, millions)	41,046	40,501	1.3%
Revenue passenger kilometres (RPKs, millions)	34,346	33,769	1.7%
Load factor	83.7%	83.4%	0.3 pts
Passenger revenue per ASKs as reported (RASK, cents)	14.9	14.4	3.4%
Passenger revenue per ASKs, excluding FX (RASK, cents)	14.8	14.4	2.2%
Passenger revenue per ASKs excluding FX and unused credit breakage (RASK, cents)[2]	14.7	14.4	2.6%

1. Calculation based on numbers before rounding.
2. This is RASK excluding $11 million in unused customer flexibility credit breakage (June 2025: $35 million) which has been recognised within passenger revenue.

Domestic

	Jun 2026	Jun 2025	Movement[1] %
Passengers carried (‘000s)	10,048	10,142	(0.9%)
Available seat kilometres (ASKs, millions)	6,439	6,409	0.5%
Revenue passenger kilometres (RPKs, millions)	5,351	5,311	0.8%
Load factor	83.1%	82.9%	0.2 pts
Passenger revenue per ASKs as reported (RASK, cents)	30.1	30.1	0.3%
Passenger revenue per ASKs, excluding FX (RASK, cents)	30.0	30.1	(0.2%)
Passenger revenue per ASKs excluding FX and unused credit breakage (RASK, cents)[2]	30.0	29.9	0.2%

1. Calculation based on numbers before rounding.
2. This is RASK excluding $3 million in unused customer flexibility credit breakage (June 2025: $10 million) which has been recognised within passenger revenue.

Tasman & Pacific Islands

	Jun 2026	Jun 2025	Movement[1] %
Passengers carried ('000s)	4,041	3,840	5.2%
Available seat kilometres (ASKs, millions)	12,454	11,562	7.7%
Revenue passenger kilometres (RPKs, millions)	10,657	10,055	6.0%
Load factor	85.6%	87.0%	(1.4) pts
Passenger revenue per ASKs as reported (RASK, cents)	13.3	13.3	0.5%
Passenger revenue per ASKs, excluding FX (RASK, cents)	13.2	13.3	(0.6%)
Passenger revenue per ASKs excluding FX and unused credit breakage (RASK, cents)[2]	13.1	13.2	(0.1%)

1. Calculation based on numbers before rounding.
2. This is RASK excluding $4 million in unused customer flexibility credit breakage (June 2025: $11 million) which has been recognised within passenger revenue.

International long-haul

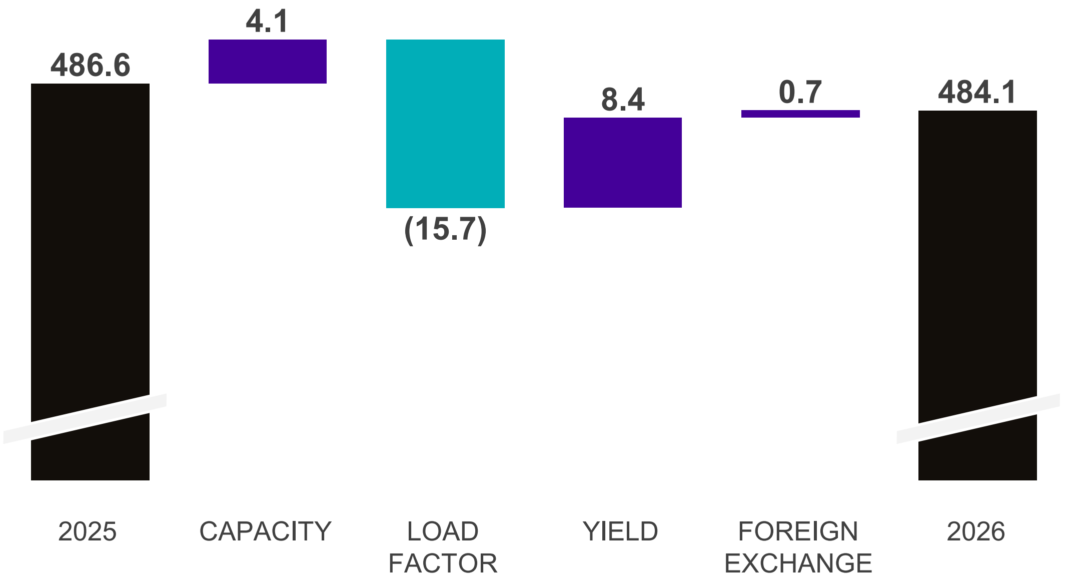
	Jun 2026	Jun 2025	Movement[1] %
Passengers carried (‘000s)	1,921	1,925	(0.2%)
Available seat kilometres (ASKs, millions)	22,153	22,530	(1.7%)
Revenue passenger kilometres (RPKs, millions)	18,338	18,403	(0.4%)
Load factor	82.8%	81.7%	1.1 pts
Passenger revenue per ASKs as reported (RASK, cents)	11.4	10.6	7.5%
Passenger revenue per ASKs, excluding FX (RASK, cents)	11.2	10.6	5.7%
Passenger revenue per ASKs excluding FX and unused credit breakage (RASK, cents)[2]	11.2	10.6	6.1%

1. Calculation based on numbers before rounding.
2. This is RASK excluding $4 million in unused customer flexibility credit breakage (June 2025: $14 million) which has been recognised within passenger revenue.

Cargo performance

- Cargo revenue of **$484 million**, down 0.6**%** on the prior year. Key drivers include:
  - Increased capacity on Asia and Tasman sectors driven by operating 777s on these routes, and additional Pacific long-haul schedule, partly offset by a reduction in Japan capacity.
  - Lower load factors, primarily on the Tasman, with capacity growth outpacing demand.
  - International cargo yield improved, supported by fuel cost pass through introduced in March 2026 in response to higher fuel prices.

Cargo revenue
($ millions)



Global engine issues and delays impacted financial performance by ~$190 million

~$295 million

Impact on earnings before tax excluding compensation[1]

Including lost revenue, WAMOS lease cost, poor aircraft operating economics, additional ownership costs, loss of scale and operating inefficiencies

Compensation received[2]

$105 million

~$190 million

Net impact on earnings before tax[1]

1. This estimate was calculated based on internal modelling using operational assumptions, including capacity, passenger demand, revenue yield, disruption costs and historical performance across affected routes.
2. Refer to Slide 34 for breakdown of where compensation has been reflected in the 2026 Group financial statements.

Compensation summary

Air New Zealand has entered into agreements with several manufacturers to compensate for the impact of engine shortages on the business. Compensation recognised in the Statement of Financial Performance arising from these agreements has been reflected in the following line items:

	June 2026 $M	June 2025[1] $M	Movement $M
Other revenue and income	65	104	(39)
Fuel	-	2	(2)
Maintenance	4	3	1
Other expenses	8	3	5
Depreciation and amortisation	26	16	10
Finance costs	2	1	1
Total compensation received from manufacturers	**105**	**129**	**(24)**

1. $22 million of the $129 million prior year compensation amount relates to other periods.

The Middle East conflict had a material impact on earnings in the second half

$million	H2 2026 Fuel Cost Forecast (Feb 2026)	H2 2026 Actual Fuel Cost	Movement
Fuel cost	741	1,069	+328
Hedging (gains)/losses	18	(105)	(123)
H2 2026 fuel cost	**759**	**964**	**+205**
Mitigations			**(70)**
H2 2026 Net Impact			**+135**

Additional commentary

- At the time of Interim Results (Feb 2026) when full year guidance provided, jet fuel price was US$85/barrel.
  Compared to the Interim Results guidance statement, fuel costs were $205 million higher than expected.
- Updated guidance provided in May 2026 was based on an assumed average jet fuel price of ~US$145/barrel for H2 2026.
  Compared to the May 2026 updated guidance, fuel costs were $16 million lower than expected.
- Mitigations include fare price increases and selective capacity reductions, alongside increased bookings through Air New Zealand for travel to Europe via Asia and the US to avoid the Middle East.

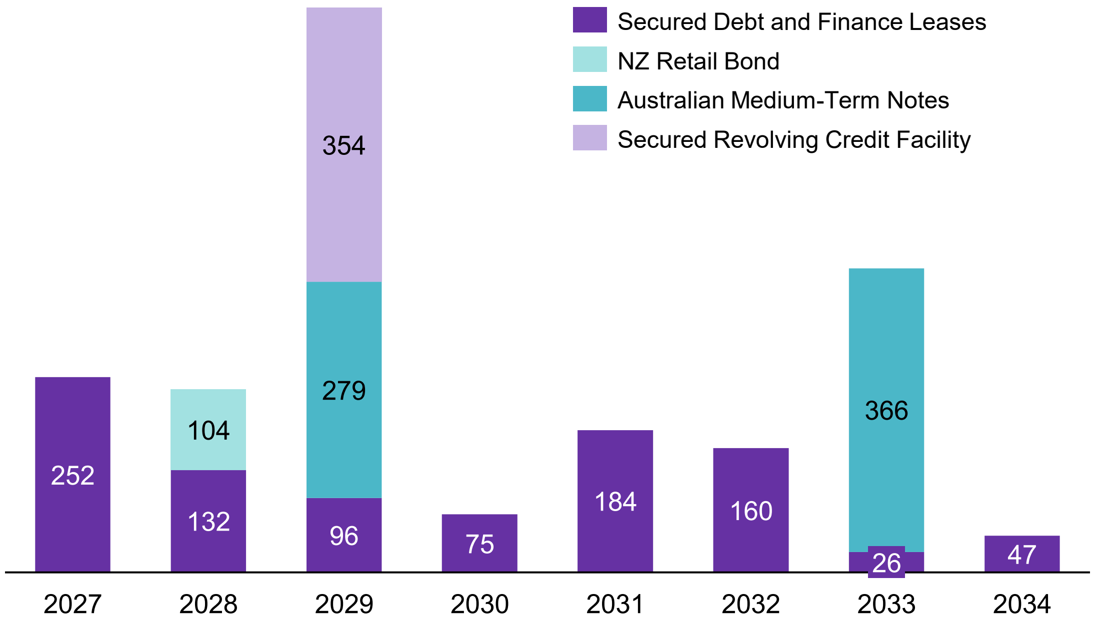
Debt structure and maturity profile

46 unencumbered aircraft at 30 Jun 2026

- Market value of unencumbered aircraft ~$1.9 billion[1]
- In addition, equity headroom of ~$2.1 billion[1] in aircraft pledged as security within debt facilities
- 15 aircraft were encumbered during H2 2026 in connection with a drawdown under the new secured revolving credit facility

777-300ER		**3x**
787-9		**2x**
A320/321neo		**6x**
A320ceo		**5x**
ATR72-600		**7x**
Q300		**23x**

Debt maturity profile at 30 Jun 2026[2]
($ millions)



1. Excludes spare engine assets and operating leases (leases without a purchase option). Aircraft valuations based on Aircraft Value Analysis Company Limited (AVAC) as at 30 June 2026. Aircraft valuations are subject to market conditions, aircraft condition, FX rates, technology advancement and other factors. Aircraft values are in USD and converted to NZD at June 2026 balance sheet rate of 0.5650. Foreign currency denominated debt outstanding as at 30 June 2026 and converted to NZD at balance sheet rates (JPY: 91.50, EUR: 0.4950).
2. Debt maturity profile excludes operating leases. Finance leases are lease liabilities with purchase options. Operating leases are lease liabilities without purchase options.

Capital Management Framework

Maintain financial resilience and flexibility

- Target liquidity range of $1.2 billion to $1.5 billion
- Net Debt to EBITDA ratio of 1.5x to 2.5x

Underpinned by our commitment to maintain investment grade credit rating metrics

Invest in core operations

- Fleet and infrastructure investments above WACC through the cycle
- Investment to support the airline's decarbonisation ambitions

Distributions

- Ordinary dividend pay-out ratio of 40% to 70% of underlying net profit after tax (NPAT)
- Return excess capital via special dividends or share buybacks

Growth capex

- Disciplined investment in value accretive capex
- Target ROIC above pre-tax WACC

1. The payout ratio for each of the interim and final dividends is calculated based on the rolling 12-month NPAT, which is divided by two, to reflect the six-monthly period.

Fleet profile – as at 30 June 2026

	Aircraft		Engines	Number in Fleet	Average Age[1] (Years)	Expected Delivery Dates – Financial Year				
						2027	2028	2029	2030	2031
International	**777-300ER**		GE90	**Core fleet: 7** **Short-term leased: 3**	14.2 14.5	-	-	-	-	-
International	**787-9[3]**		Trent 1000 (GE engines for deliveries from 2027)	**14**	9.8	2	2	2	1	-
International	**A321neo (short-haul)**		PW1100	**9**	5.9	-	-	2	-	-
International	**A320neo (short-haul)**		PW1100	**6**	6.3	-	-	-	-	-
Domestic	**A321neo (domestic)**		PW1100	**5**	3.1	2	-	-	-	-
Domestic	**A320ceo (domestic)**		V2500	**17**	12.4	-	-	-	-	-
Domestic	**ATR72-600**		PW127	**31**	8.8	-	-	-	-	-
Domestic	**Q300**		PW123	**23**	19.4	-	-	-	-	-
	TOTAL			**112[2]**	**10.3[2]**	**4**	**2**	**4**	**1**	**-**

1. Total fleet average age is seat weighted. This includes aircraft currently grounded due to engine maintenance delays.
2. This excludes short-term leased aircraft.
3. New Boeing 787 deliveries expected from 2027 to 2033 will be a mix of 787-9 and 787-10 aircraft.

Glossary of key terms

Available Seat Kilometres (ASKs)	Number of seats operated multiplied by the distance flown (capacity)
Cost/ASK (CASK)	Operating expenses divided by the total ASK for the period
Earnings before interest, tax, depreciation and amortisation (EBITDA)	Operating earnings before depreciation and amortisation, finance costs and taxation
Gross Debt	Interest-bearing liabilities and lease liabilities
Net Debt	Interest-bearing liabilities and lease liabilities less bank and short-term deposits, net open derivatives held in relation to interest-bearing liabilities and lease liabilities, and interest-bearing assets
Cash, restricted deposits and net open derivatives	Bank and short-term deposits, interest-bearing assets and net open derivatives held in relation to interest-bearing liabilities and lease liabilities
Liquidity	Cash and cash equivalents (which excludes restricted deposits) plus the outstanding amount of any revolving facility available to be drawn
Passenger Load Factor	RPKs as a percentage of ASKs
Passenger Revenue/ASK (RASK)	Passenger revenue for the period divided by the total ASKs for the period
Revenue Passenger Kilometres (RPKs)	Number of revenue passengers carried multiplied by the distance flown (demand)
Return on Invested Capital (ROIC)	Operating earnings before net finance costs and taxation divided by the average capital employed

The following non-GAAP measures are not audited: Adjusted CASK, Net Debt and EBITDA. Amounts used within the calculations are derived from the Group financial statements and Five-Year Statistical Review contained in the 2026 Annual Report. The non-GAAP measures are used by management and the Board of Directors to assess the underlying financial performance of the Group in order to make decisions around the allocation of resources.

Find information on Air New Zealand

Resources

Investor website: www.airnewzealand.co.nz/investor-centre

Monthly traffic updates: www.airnewzealand.co.nz/monthly-investor-updates

Corporate governance: www.airnewzealand.co.nz/corporate-governance

Sustainability: https://www.airnewzealand.co.nz/sustainability

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AIR NEW ZEALAND

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