ANNUAL SHAREHOLDERS' MEETING
THURSDAY 24 SEPTEMBER 2026

CHAIR'S ADDRESS

As we take a moment to reflect on the past year, I want to start by acknowledging the strength and determination of the Air New Zealand team.

2026 was a year that asked a lot from Air New Zealanders. As highlighted in our 2026 annual results – as we come to the end of dealing with engine availability disruption, we were faced with the Middle East conflict and the unprecedented surge in fuel prices which impacted our operations and our financial performance. But our team took decisive and immediate action, and adjusted operations, schedules, capacity and fares to mitigate as much of this impact as possible – for our customers, our operations, and our financial resilience.

Once again, our people delivered. Through persistent disruption, they remained committed to our customers, to each other, and to the success of this airline. I want to sincerely thank each and every one of them for their efforts. Their efforts have delivered significant improvements in our customer satisfaction and on-time performance – and that matters to our customers.

Financially, FY26 was a very difficult year. Our financial performance was significantly and adversely impacted by high fuel prices. This came on top of the ongoing impact of engine availability issues, and maintenance and aviation system cost pressures. And I will address these financial impacts shortly.

Standing back from financial performance specifically, I would like to call out five operational milestones during the year in review.

First, the operational performance of the airline, in terms of reliability and punctuality, improved significantly throughout the year – with on-time performance in the top-decile amongst global comparable airlines. This is the result of an extraordinary effort from Air New Zealanders across the business.

Second, our team has worked relentlessly with Rolls-Royce and Pratt & Whitney to return grounded aircraft to service earlier than expected, and aircraft availability improved by the end of the financial year. There are still residual risks and costs to work through, but we enter 2027 in a considerably more reliable fleet position than we have had in the last 2-3 years.

Third, we continue to make progress on the things we can control and are accelerating the cost improvement at pace. We have delivered $94 million of incremental transformation benefits during the year. And we have now identified an additional $135 million of annualised savings including both direct and indirect costs, which will accrue from the 2027 financial year to improve our overall cost base and offset expected inflation. This is an increase from the $100 million identified annualised cost savings previously announced in May and this work is ongoing.

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

In addition, aviation system costs inflation continues to impact our financial performance. New Zealand aviation costs have risen at more than twice the rate of inflation since 2019. Air New Zealand and our customers' share of these aviation system charges across New Zealand and the offshore ports we fly to, was $1.2 billion in 2026, a price increase of $142 million on 2025. However, remedying this will be a longer journey and we continue to advocate for an affordable aviation system for all New Zealanders.

We recorded a loss before taxation of $336 million, compared with earnings before taxation of $164 million in the prior year, and slightly better than the guidance range provided to the market in May 2026.

Approximately $465 million of the profit before tax impact came from three areas, namely:

- the ongoing global engine availability issues, which had an impact, net of compensation, of approximately $190 million;
- fuel price, which had an adverse impact of $135 million in the year. From an initial fuel price impact of $328 million, our hedging protection recovered $123 million of this cost increase, and through adjusting capacity and fares in response we have been able to mitigate about a third of this post-hedged fuel impact; and
- An increase of $139 million in maintenance costs excluding FX, driven by additional lifecycle maintenance and maintenance costs on leased engines associated with additional engines leased to maintain capacity and schedules during the engine availability issues.

Our attention is firmly on mitigating these external pressures as much as possible, controlling what we can control today, and improving the commercial and financial pathway for the company.

We carried around the same number of passengers as last year, at 16 million passengers, while passenger revenue increased 4.8% to $6.1 billion. While RASK increased 3.4% it was not enough to cover the significant increase in fuel cost, with about 30% of increased fuel price recovered through mitigating capacity and fare activities from March through to June.

Given the price sensitivity of air travel, airlines globally have not been able to recover the full increase in fuel costs. We took quick and decisive action through fare adjustments and capacity reductions to balance affordability for customers and maximise recovery and will continue to do so.

Capacity increased 1.3%, and while above prior year, second half capacity was about 5% below our original plan as we adjusted to the sharp increase in jet fuel price from March.

Our customer and operational metrics continue to move in the right direction. Our on-time performance increased to 84.0% in the second half of the year, up from 77.5% in 2025, and in the global top-decile amongst comparable airlines.

Our rebranded Koru loyalty programme and new multi-tier membership are resonating well with our customers, with 5.4 million loyalty members, up 8.3 percent on 2025.

Safety will always be our utmost priority. We are proud to be awarded AirlineRatings.com's Seven Star Plus safety rating in 2026.

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.

However, as mentioned at the 2026 year-end result, there remains uncertainty surrounding the Middle East conflict, and in fact the volatility of jet fuel prices has escalated further since then. Jet fuel prices have increased from around US$150 per barrel at the end of August to currently around US$170 per barrel – and this fluctuates by the day. As a result, the airline is not in a position to provide earnings guidance for the 2027 financial year at this time.

But we are controlling what we can control and while the major factors that impacted the 2026 financial result are expected to have some impact in the 2027 financial year, these will all be to a lesser extent:

- Disruption from engine availability is reducing substantially as aircraft return to service, with a financial impact of between $70 million to $90 million in 2027 from residual committed costs, compared with $190 million impact in 2026.
- Maintenance costs are expected to be $50 million to $100 million lower in 2027 than in 2026.

We are also 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.

The airline expects the 2027 financial year to be both a transition and recovery year, with operational performance continuing to improve despite elevated fuel prices weighing on profitability. We also expect the range of initiatives implemented in response to higher fuel costs to offset a greater proportion of the impact compared with the prior year.

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

And with that, I will now hand you over to Chief Executive Officer, Nikhil Ravishankar,

This is Nikhil's first Annual Shareholder Meeting as CEO. We are thrilled to have made an internal CEO appointment for the next phase of Air New Zealand's journey, and Nikhil has hit the ground running, and done an excellent job in an extremely difficult and volatile operating environment in the last 12 months.

CEO ADDRESS

Tēnā koe Therese.

Tēnā koutou e ōku rangatira,

Ki ngā mana whenua, ki a tātou katoa. Ka nui te mihi.

Kia ora and good afternoon everyone.

When we announced Our Future in June, we set out three strategic priorities.

The first priority is putting **Customers First.**

Providing safe, reliable and punctual service for our customers, delivering unique Kiwi service and innovative products, and increasing customer reach and sales with smarter, more relevant offers.

We have already rolled out simplified, granular, and airport specific scheduling across our Domestic and Regional network, which means realistic turnaround times, and have invested in both tooling and procedures for our frontline teams. In combination, these are translating to significantly improved on-time performance. We are expanding this to our Trans-Tasman, Pacific and long-haul networks to further improve reliability and punctuality. We are investing in our service proposition and lounges grounded in our unique Kiwi hospitality, improving disruption management and continuing to modernise the way we market to customers and how they buy from and interact with Air New Zealand.

The second priority is **Targeted Growth*,*** including profitable network growth, transforming our loyalty programme in line with industry leading practice, and thoughtfully diversifying our revenue streams where opportunities exist.

This means winning on key customer segments across our network including inbound premium leisure customers on our long-haul markets, leisure and VFR customers on our short-haul network, and enterprise, SME and corporate customers on our domestic routes.

This priority leverages our new and retrofitted Boeing widebody and Airbus narrowbody aircraft which are fit for mission, as well as strengthening our alliance networks, transforming our loyalty programme, and expanding flight-adjacent revenue.

And third, **Resilient and Future Fit.** Removing cost and complexity, improving labour productivity, transforming engineering and maintenance, developing a financially sustainable regional network, unwinding the temporary inefficiencies created by fleet disruption and delivering on our capital management metrics.

I will now go through each of these in turn.

The Customer First strategic initiatives we are putting in place are already delivering benefits for our customers.

Our on-time performance increased from 77.5% in 2025 to 84% in the second half of 2026.

Customer satisfaction increased from 83.6 to 84.5.

And controllable cancellations reduced from 2.2% to 1.3%.

Pleasingly, on time performance improved further in August, with 85.3% of flights arriving within 15 minutes of schedule – up from 83.1% in July and 81.8% for the same time last year. This is well above the global average for airline on-time performance, which was 73.1% in August.

These improvements matter to our customers – and have been the result of a detailed operational and resilience-driven review of our schedule that included a focused programme of initiatives across our team, and the rollout of new digital tooling in support of operational communication and decision making. We continue to invest in this area with a goal of consistently being in the top 5 airlines in the world for reliable and punctual operations.

Under our second strategic priority, targeted growth, the demand picture across the network in 2026 was mixed – but we are seeing solid inbound volumes.

Across Asia, overall passenger growth was flat on reduced capacity, but with higher inbound passenger volumes, and pleasingly strong load factors, and improved revenue per ASK.

North America also delivered strong inbound volumes on slightly higher capacity, although outbound New Zealand sales remained softer, in part reflecting the weak New Zealand dollar, resulting in flat passenger growth overall.

Tasman and Pacific Islands passenger volumes grew on strong capacity growth, supported by strong inbound volumes out of Australia.

Passenger capacity and cargo volumes were impacted in the second half of the year across all international markets, with capacity lower than planned in the second half, as we managed capacity and RASK to mitigate the surge in fuel prices.

Domestic remains challenging. Passenger demand was down and the New Zealand economy remained soft. We have been disciplined in matching capacity to demand and, where appropriate, using yield to respond to the higher fuel environment.

More generally, we continue to see encouraging trends in product and cabin mix, with Premium cabin revenue increasing by 14% and ancillary revenue by 12%.

Going forward – we are targeting sectors, destinations, and target markets to deliver profitable growth. We have completed 11 out of 14 retrofits of our Boeing 787 fleet – and the new interior product is resonating very well with customers. The remaining 787 fleet retrofit will be completed by November this year, and the 777 cabin refresh fit out will be completed in calendar year 2027.

And lastly, resilient and future fit.

We continue to make progress on the things we can control and are accelerating the cost improvement at pace. In 2026 we delivered transformation initiatives generating an incremental $94 million of EBITDA benefit in 2026 against 2025. That has come from a broad range of initiatives.

Further, we have now identified an additional $135 million of annualised savings including both direct and indirect costs, which will accrue from the 2027 financial year to improve our overall cost base and offset expected inflation.

In addition, we continue to work to build a financially sustainable regional network and deliver against our capital management metrics.

It is well known that our operational and financial performance in the last few years has been hindered by our constrained fleet capacity due to the engine availability issues and resulting grounded aircraft.

At the peak of the engine disruption, five of our 14 Boeing 787s, and six of our Airbus A320 and A321neo aircraft were grounded; almost 20% of our total jet fleet. This created disruptions for our customers, operational complexity and significant financial cost.

We have carried the fixed costs of aircraft, people, infrastructure and systems and we incurred additional costs through leased aircraft and engines to protect the network and schedule. While we received some compensation from engine partners, this was not enough to offset the financial costs incurred.

Today the picture is very different.

The last 787 was returned from long-term storage in June – an incredible milestone and a huge thank you to our teams around the business who persevered to make this happen sooner than expected.

And on the narrow-body fleet, we expect the last of these to return to service during calendar year 2027.

There are still residual risks to availability through 2027, and we are still carrying the cost of temporary leased aircraft and engines in the system. It takes time to bring returning aircraft fully into the selling and operating schedule.

We are in continuous discussions with both Rolls-Royce and Pratt & Whitney on extending compensation.

While risk remains, the fundamental point is that the fleet constraint which has shaped this airline over the last three years is materially reducing, and the airline enters the 2027 financial year in a considerably more reliable fleet position. This gives us more options around capacity, network deployment and operating efficiency.

A key decision we have taken is to smooth the aircraft investment profile in the near term and to bring it down medium term.

Following the most recent delays of two Boeing 787s from earlier this year to later this year, and a quicker than expected return of grounded aircraft, we are in negotiations with Boeing to further rephase the delivery profile to smooth capital investment and realign fleet deliveries with our targeted capacity growth.

In the 2027 financial year, given the additional aircraft capital investment, we do expect to see incremental depreciation of between $110 million to $130 million compared to 2026, but this depreciation profile will increase at a measured pace with the smoothing of aircraft capex investment.

We want the right aircraft, but we also want them at the right time.

In closing, this has been another demanding year for Air New Zealand, and our people have continued to rise to the challenges we have faced. I am incredibly proud of the commitment, professionalism, and care they have shown for our customers and for each other.

We have a lot of work to do to counter the impact of the fuel crisis, but we enter the new financial year with a clear strategy, a stronger operation and confidence in the future of Air New Zealand.

Our customers remain at the heart of everything we do. We will continue to work hard to maintain and improve our operational performance, while delivering the exceptional product and service experience our customers expect from Air New Zealand.

We have one of the most valuable brands in New Zealand, we have the strongest loyalty programme, we are consistently ranked one of New Zealand’s most attractive employers, and we are back to commanding strong customer preference.

Thank you to those investors who have stuck with us over the last six years of crises and continue to support Air New Zealand during this current fuel crisis. It is worth reiterating that, prior to the Middle East conflict, the airline would have expected, in its central case, to return to profitability in the 2027 financial year, controlling what we can control, and reflecting the strong underlying improvements that we continue to deliver.

Thank you. I will now hand you back to Therese to take questions on the 2026 performance and to chair the formal part of the meeting.