

Monthly **investor update**



Contents

5 October 2021

- August 2021 traffic highlights
- Operating statistics table
- Recent market announcements and media releases

August 2021 highlights

Group traffic summary	AUGUST			FINANCIAL YTD		
	2021	2020	% *	2022	2021	% *+
Passengers carried (000)	503	350	43.9%	1,578	1,063	51.0%
Revenue Passenger Kilometres(m)	355	262	35.5%	1,203	761	60.7%
Available Seat Kilometres (m)	564	718	(21.4%)	1,761	1,591	12.5%
Passenger Load Factor (%)	62.9%	36.5%	26.4 pts	68.3%	47.8%	20.5 pts

Year-to-date RASK ¹	% change in reported RASK (incl. FX)	% change in underlying RASK (excl. FX)
Group	17.8%	18.2%
Short Haul	(7.4%)	(7.4%)
Long Haul	6.3%	11.4%

Please note that the available seat kilometre (capacity) numbers included in the tables within this disclosure do not include any cargo-only flights. This is because these capacity numbers are used to calculate passenger load factors and passenger RASK

* % change is based on numbers prior to rounding.

+ The year to date percentage movements have been adjusted on a daily weighted average basis. The adjustment takes into account the difference in days for the accounting month of July 2020 (33 days) compared with July 2021 (32 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

¹ Reported RASK (unit passenger revenue per available seat kilometre) is inclusive of foreign currency impact, and underlying RASK excludes foreign currency impact.

Monthly investor update



Operating statistics table

Group	AUGUST			FINANCIAL YTD		
	2021	2020	% *	2022	2021	% **
Passengers carried (000)	503	350	43.9%	1,578	1,063	51.0%
Revenue Passenger Kilometres(m)	355	262	35.5%	1,203	761	60.7%
Available Seat Kilometres (m)	564	718	(21.4%)	1,761	1,591	12.5%
Passenger Load Factor (%)	62.9%	36.5%	26.4 pts	68.3%	47.8%	20.5 pts
Short Haul Total	AUGUST			FINANCIAL YTD		
	2021	2020	% *	2022	2021	% **
Passengers carried (000)	499	342	46.0%	1,570	1,046	52.6%
Revenue Passenger Kilometres(m)	315	187	69.0%	1,115	593	91.1%
Available Seat Kilometres (m)	441	365	20.6%	1,502	928	64.5%
Passenger Load Factor (%)	71.5%	51.1%	20.4 pts	74.2%	63.9%	10.3 pts
Domestic	AUGUST			FINANCIAL YTD		
	2021	2020	% *	2022	2021	% **
Passengers carried (000)	478	332	43.8%	1,456	1,022	44.9%
Revenue Passenger Kilometres(m)	252	166	52.0%	779	538	47.2%
Available Seat Kilometres (m)	336	269	24.9%	980	719	38.6%
Passenger Load Factor (%)	74.9%	61.6%	13.3 pts	79.5%	74.8%	4.7 pts
Tasman / Pacific	AUGUST			FINANCIAL YTD		
	2021	2020	% *	2022	2021	% **
Passengers carried (000)	21	9	124.5%	114	24	377.4%
Revenue Passenger Kilometres(m)	63	21	203.8%	336	55	521.0%
Available Seat Kilometres (m)	105	96	8.5%	522	210	153.1%
Passenger Load Factor (%)	60.6%	21.7%	38.9 pts	64.4%	26.2%	38.2 pts
Long Haul Total	AUGUST			FINANCIAL YTD		
	2021	2020	% *	2022	2021	% **
Passengers carried (000)	4	8	(48.7%)	9	17	(47.9%)
Revenue Passenger Kilometres(m)	40	75	(47.4%)	88	168	(46.6%)
Available Seat Kilometres (m)	124	353	(64.9%)	258	663	(60.3%)
Passenger Load Factor (%)	32.1%	21.4%	10.7 pts	34.2%	25.4%	8.8 pts
Asia	AUGUST			FINANCIAL YTD		
	2021	2020	% *	2022	2021	% **
Passengers carried (000)	1	4	(73.3%)	2	8	(71.3%)
Revenue Passenger Kilometres(m)	9	36	(73.7%)	22	78	(71.7%)
Available Seat Kilometres (m)	77	122	(36.7%)	157	271	(41.0%)
Passenger Load Factor (%)	12.3%	29.6%	(17.3 pts)	13.8%	28.7%	(14.9 pts)
Americas	AUGUST			FINANCIAL YTD		
	2021	2020	% *	2022	2021	% **
Passengers carried (000)	3	4	(23.2%)	6	9	(25.0%)
Revenue Passenger Kilometres(m)	30	39	(23.3%)	67	91	(25.0%)
Available Seat Kilometres (m)	46	231	(79.9%)	101	392	(73.7%)
Passenger Load Factor (%)	65.1%	17.1%	48.0 pts	65.8%	23.1%	42.7 pts

* % change is based on numbers prior to rounding

+ The year to date percentage movements have been adjusted on a daily weighted average basis. The adjustment takes into account the difference in days for the accounting month of July 2020 (33 days) compared with July 2021 (32 days). This is because Air New Zealand operates on a 4,4,5 accounting calendar but closes the annual accounts on 30 June.

Air New Zealand operates primarily in one segment, its primary business being the transportation of passengers and cargo on an integrated network of scheduled airline services to, from and within New Zealand. The following operational data and statistics is additional supplementary information only.



Market Announcements

(during the period 31 August 2021 to 4 October 2021)

Air New Zealand announces resignation of Chief Operating Officer

4 October 2021

Chief Operating Officer Carrie Hurihanganui has resigned from Air New Zealand to take on the role of Chief Executive at Auckland Airport. Carrie intends to take up her new role early in 2022.

Air New Zealand Chief Executive Officer Greg Foran says Carrie's extensive career with the airline has been an inspiration to many within the company.

"Joining over 22 years ago as an international cabin crew member and rising to lead more than 6000 people, Carrie has developed exceptional leadership skills and operational knowledge. It will be very sad to see her leave the company, but great to see her lead an organisation we work so closely with."

"Carrie has done an exceptional job, especially since Covid began to impact our business. It was no small feat to keep our operations running across engineering, airports, airline operations, properties, supply chain, cabin crew and pilots during a constantly changing crisis. The industry may not be out of this yet, but it will be nice to know Carrie isn't too far away as we work together to rebuild aviation for New Zealanders."

The airline will get underway with a process to appoint a successor in the coming months.

Air New Zealand 2021 Notice of Annual Meeting

17 September 2021

Air New Zealand shareholders are invited to join Air New Zealand's Annual Shareholders' Meeting 2021 which will be held as a virtual-only meeting on Thursday 28 October 2021 at 1.00pm. A physical meeting will not be held due to continued uncertainty about applicable restrictions on gatherings through October.

The Notice of Meeting and Voting Form are attached. An electronic copy of these documents is available on the company's website: <https://www.airnewzealand.co.nz/annual-meeting>.

The Notice of Meeting and Voting Form are being emailed to shareholders who have provided the company's share registrar with an email address and will be mailed in hard copy where the share registrar does not hold a shareholder's email address.

Guidance on meeting participation is included in the Notice of Meeting. Shareholders will also be able to access the meeting link and Portal Guide from the Company's website, <https://www.airnewzealand.co.nz/annual-meeting>.

Shareholders joining via the online platform will be able to vote and ask questions during the meeting. You will require your shareholder number (found on your proxy form) for verification purposes. Questions can be submitted in advance of the meeting using the proxy form, or during the meeting by asking questions via the

Monthly **investor update**



online platform. The Chairman will answer as many of the most frequently asked questions as possible during the meeting.

Shareholders can also appoint a proxy and direct their votes in advance of the meeting. Please see the Notice of Meeting for instructions.

Air New Zealand updates on impact of Domestic lockdown and Tasman

17 September 2021

Air New Zealand is providing an update on the impact of the New Zealand national lockdown and of the ongoing suspension of trans-Tasman Quarantine Free Travel (QFT) on the Company's short term financial performance, as well as an update on liquidity.

As previously advised, earnings guidance was suspended on 26 August 2021 due to the uncertainty associated with the introduction of a nationwide Alert Level 4 in New Zealand and the duration of the suspension of trans-Tasman QFT. Following a month of constrained trading it remains unclear how long these Alert Levels, the suspension of trans-Tasman QFT and associated travel restrictions will continue, as well as how demand will recover when the restrictions are lifted. However, for so long as these travel restrictions remain in place, the estimated impact on the company's financial performance is as follows:

- Monthly impact of nationwide New Zealand Level 3 or 4 travel restrictions is approximately \$45 million to \$55 million, including the benefit of any wage subsidies received;
- Monthly impact of an Auckland-only Level 3 or 4 travel restriction, with the rest of New Zealand operating at Level 1 or 2 is approximately \$25 million to \$35 million, including the benefit of any wage subsidy; and
- Monthly impact of suspension of New Zealand to Australia travel is approximately \$20 to \$25 million.

Operation of cargo flights is continuing with approximately 50 flights per week and the Company is observing strong demand for air travel across regions in New Zealand that are currently under Level 2 restrictions.

As advised at the Company's Annual Results on 26 August, the reduction in operating cash flow, together with planned cash payments relating to aircraft in coming months, means the Company has begun to draw down further on the Crown standby loan facility ("the Facility"). The Company has recently requested additional drawdowns on the Facility which, including those drawings, will total \$435 million. Remaining available funds under the Facility are \$1.065 billion.

Earnings and cash flow guidance remain suspended.

Media Releases

(during the period 31 August 2021 to 4 October 2021)

Air New Zealand to introduce 'no jab, no fly' for international travellers

3 October 2021

Air New Zealand is asking customers to get ready for international travel by getting vaccinated. From 1 February 2022, the airline will require customers travelling anywhere on its international network to be fully vaccinated.

Monthly *investor update*



"We're getting ready to reconnect with the world and letting customers know what they need to do to be ready to take off when we can," says Air New Zealand's Chief Executive Officer Greg Foran.

"Being vaccinated against COVID-19 is the new reality of international travel – many of the destinations Kiwis want to visit are already closed to unvaccinated visitors. The quicker we get vaccinated, the sooner we can fly Kiwis to places like New York, Vancouver and Narita.

"We've been hearing from both customers and employees that this measure is important to them. It came through loud and clear in our recent consultation process with employees and we want to do everything we can to protect them. Mandating vaccination on our international flights will give both customers and employees the peace of mind that everyone onboard meets the same health requirements as they do."

These requirements will sit alongside the measures the airline already has to keep New Zealand safe.

"It's not just customers who will be required to be vaccinated – it's everyone on board an Air New Zealand aircraft travelling internationally, adding to the health and safety measures we already have in place. Another tool in our toolbox.

"As with anything, there will be some that disagree. However, we know this is the right thing to do to protect our people, our customers and the wider New Zealand community. We'll spend the next few months making sure we get this right, ensuring it works as smoothly as possible for our customers. This also gives anyone wanting to travel from next year plenty of time to get their vaccination.

"To take some of the friction out of the travel experience and to help our customers know exactly what they need to travel before even getting to the airport, we're continuing to work on rolling out the International Air Transport Associations (IATA) Travel Pass app."

The airline continues to work closely with the Government and airport groups on the Reconnecting New Zealanders plan.

Air New Zealand's vaccination requirement will apply to all passengers aged 18 and older arriving or departing Aotearoa on an Air New Zealand aircraft. Customers who are not vaccinated will be required to present proof that vaccination was not a viable option for them for medical reasons.

IATA Travel Pass

Using Timatic, the IATA Travel Pass will check customers' health information against flight details to ensure they are meeting entry requirements for that destination, and the airline.

The app is based on decentralized technology which means there is no central database holding passenger information. Passengers have complete discretion as to whether they share their data or not and they can delete their data at any time on the app, without fear of this being stored.

Air New Zealand and MBIE join forces to scope out Sustainable Aviation Fuel industry

27 September 2021

Air New Zealand's journey to net-zero has reached another significant milestone on 27 September with the Airline and the Ministry of Business, Innovation and Employment (MBIE) joining forces to bring Sustainable Aviation Fuel (SAF) one step closer to becoming a reality in New Zealand.

Air New Zealand and MBIE have signed a Memorandum of Understanding to run a closed RFP process that invites leaders in innovation to demonstrate the feasibility of operating a SAF plant at a commercial scale in New Zealand.

Monthly **investor update**



Air New Zealand Chief Operational Integrity and Safety Officer David Morgan said the partnership with MBIE is an incredibly positive and important step in addressing the challenges and opportunities of producing SAF in New Zealand.

"Sustainable Aviation Fuel is critical to aviation decarbonisation and can reduce aviation emissions by more than 80 percent. But we can't do it alone. Air New Zealand and MBIE have a shared interest in developing a SAF supply chain in New Zealand and we are confident this process will bring us one step closer to it being a reality."

"COVID-19 has had a huge impact on Air New Zealand, but it has not slowed our commitment to take ambitious action on climate change. If anything, it has demonstrated that air transport is vital to sustaining our local economies through tourism and trade, but it is critical we find a more sustainable way to fly."

SAF is a fuel made from waste materials such as used cooking oils, landfill waste, or forestry and agricultural residues. It has the potential to reduce carbon emissions by more than 80 percent compared with traditional jet fuel. However, there is a shortage - currently less than 1% of aviation fuel supplied in the world is SAF.

Air New Zealand is working proactively with the Government and inviting others in the private sector to address the challenges posed by aviation carbon emissions and create a pathway to a sustainable aviation fuel industry in New Zealand.

Commercially producing SAF in New Zealand would not only help lower New Zealand's emissions and reduce waste but will also create jobs and economic opportunities in our regional communities.

This MOU is the latest example of Air New Zealand taking ambitious action on climate change by leading and advocating for action on decarbonisation with the goal of achieving net zero emissions by 2050.

Air New Zealand switches out single-use plastic in new trial

24 September 2021

New eco-serviceware has graced tray tables in Air New Zealand's international economy cabin in a new trial to reduce plastic and carbon emissions.

The airline recently tested two different casserole dish materials, bagasse and rotatable plastic, along with a birchwood cutlery alternative on four of its Rarotonga flights. Switching to a more sustainable serviceware option has the potential to remove around 28 million single-use plastic dishes and knives, forks and spoons from inflight every year.

Air New Zealand Chief Customer and Sales Officer Leanne Geraghty says now is the right time to be looking at the materials the airline uses inflight.

"The serviceware flying today was designed more than a decade ago. With an acute awareness of the impacts of plastic pollution, we're delivering serviceware that is designed for the culinary experiences of the future and reduces vast amounts of single-use plastic from our operation.

"We're on a journey to reduce the impact of our serviceware on the environment by moving away from single-use plastics and trialling more sustainable serviceware across some of our international flights.

"Our Future Aircraft Cabin Experience (FACE) programme has been in motion for a number of years now, working on the future experience for our customers. COVID-19 has however, given us a chance to accelerate some of that work. We want to build back better than before and moving towards more sustainable alternatives inflight is a key focus area of our strategy.

"We looked at everything from carbon emissions to raw materials which fed into what serviceware we used in the trial, and in future, expect to roll out across our network.

Monthly *investor update*



“We also have plans to trial bamboo cutlery alongside the birchwood to see what works best for our customers.”

Other moves Air New Zealand has taken to reduce waste and plastic include:

- Reinjecting a range of sealed and unused inflight products like bottled water, cookies and boxes of tea, which has saved more than 36 million products going to landfill.
- Since 2018, the airline has also transitioned 55 million single-use plastic items to lower-impact alternatives, or removed them entirely, across its global network and ground locations.

Air New Zealand adds more flights between Northland and the capital

21 September 2021

Following the success of the temporary Wellington to Kerikeri service, to keep Northland connected with the rest of the country, Air New Zealand will add an additional temporary service between Whangarei and Wellington between 29 September and 5 October.

The airline will run a direct daily service between Whangarei and the capital using its Q300 turboprop fleet, using the aircraft operating between Auckland and Whangarei to optimise connectivity.

Air New Zealand Chief Customer and Sales Officer Leanne Geraghty says that when the airline was looking at which Northland Airports it could operate longer flights from, Kerikeri provided the quickest solution for its customers.

“Flights from Northland to the capital require additional fuel and Kerikeri Airport has the operational capacity to support our requirements. With an increased demand for flights from Northland, we have looked at where else we could add more seats.

“On a temporary basis, we have found a solution that will allow us to fly both the Auckland to Whangarei route as well as a Wellington to Whangarei route.”

With Auckland at Alert Level 3 this week, Air New Zealand is extending its temporary service between Wellington and Kerikeri from 29 September until 5 October.

Northland Mayor Sheryl Mai says “we are delighted that Air New Zealand has been willing to look at ways to provide temporary flights between key cities while the country remains at split Alert Levels.

“These flights will keep residents in Northland connected with the rest of the country, while also giving local tourists the opportunity to visit us for a short break and help boost our economy”.

Should Auckland stay in Alert Level 3 for longer, Air New Zealand will look at extending these Northland services.

Air New Zealand to operate quarantine flights between Australia and New Zealand

17 September 2021

Following the announcement from the New Zealand Government that quarantine-free travel is to remain suspended for a further eight weeks, Air New Zealand will be operating a limited number of quarantine flights between Australia and New Zealand to help get people home.

Due to this, and the ongoing uncertainty of the length of the Australian Government pause, quarantine-free services between 25 September and 30 November with the two nations will be cancelled.

Monthly **investor update**



For customers flying to Australia:

The Australian Government has provided Air New Zealand with a limited number of managed isolation spaces meaning the airline can now operate a handful of quarantine flights to help get people back to Australia.

All current flights from New Zealand to Australia between 25 September and 30 November will be cancelled. Customers will receive a cancellation email and be given a credit for their flight.

The quarantine flights from New Zealand to Australia will be available to book from 10am NZT, Monday 20 September. Once customers have booked their flight, they will automatically receive an MIQ room allocation. The cost of mandatory isolation is not included in the flight booking.

Flights will be available for customers to book via the Air New Zealand website. The airline asks that customers do not contact its call centre as these flights are available online only, and there will be no waitlist.

For customers flying to New Zealand:

For New Zealanders wanting to return home from Australia, the airline will be operating quarantine flights for customers who secure an MIQ space made available by the New Zealand Government.

All current flights from Australia to New Zealand between 25 September and 30 November will be cancelled. Customers will receive a cancellation email and be given a credit for their flight.

The airline's quarantine flights from Australia to New Zealand will be available to book following the release of the Government's managed isolation rooms at 9am NZT, Monday 20 September.

Air New Zealand asks that customers please align their MIQ booking with a day that matches the airline's new schedule. Customers will have 48 hours to book their flights following securing an MIQ room.

All flights to New Zealand will be available for customers to book via the Air New Zealand website, or via a travel agent. The airline asks that customers do not contact its call centre.

Air New Zealand Chief Customer and Sales Officer Leanne Geraghty says so long as there are MIQ spaces available in either Australia and/or New Zealand, the airline will continue to operate flights to reconnect customers with their friends and whānau.

"We understand this continues to be a very distressing time for people trying to get home. We're committed to doing everything we can to get customers back to where they need to be as safely and quickly as possible.

"Our teams have worked tirelessly to get these managed return flights up and running so we can reconnect customers with their loved ones. Should we receive additional allocations, these will be made available for customers to book online only, and we recommend that customers continue to check our website for updates."

Once the quarantine flight schedule is confirmed, it will be available to view on the Air New Zealand [Travel Alerts](#) page.

Air New Zealand and Airbus to research future of hydrogen-powered aircraft in Aotearoa

16 September 2021

Monthly **investor update**



Air New Zealand and aircraft manufacturer Airbus have announced a joint initiative to research how hydrogen-powered aircraft could be part of their fleet by 2030.

In a first for the Asia-Pacific region, the two organisations have signed a Memorandum of Understanding (MoU) to cooperate on a joint research project to better understand the opportunities and challenges of flying zero-emission hydrogen aircraft in New Zealand.

Under the MoU, Air New Zealand will analyse the impact hydrogen aircraft may have on its network, operations and infrastructure, while Airbus will provide hydrogen aircraft performance requirements and ground operations characteristics to support Air New Zealand to develop its decarbonisation roadmap.

Air New Zealand Chief Executive Officer Greg Foran says the MoU is an exciting step towards understanding how hydrogen-powered aircraft could become a reality in New Zealand.

“New Zealand has a unique opportunity to be a world leader in the adoption of zero emissions aircraft, given the country’s commitment to renewable energy which can be used to generate green hydrogen and our highly connected regional air network. This agreement brings us a step closer seeing low carbon solutions in place for our shorter domestic and regional flights in the next decade.

“At this stage, both hydrogen and battery electric aircraft are still on the table as potential options for our shorter domestic flights, along with Sustainable Aviation Fuel (SAF) for long haul operations. This research will help to inform future decision making as we work towards net zero emissions by 2050.”

Air New Zealand Chief Operational Integrity and Safety Officer Captain David Morgan says the MoU is an opportunity for the airline to be part of the design and definition of how a hydrogen-powered aircraft might fit into its own operations.

“We’ll be working closely with Airbus to understand opportunities and challenges, including achievable flying range and what ground infrastructure or logistics changes may be required to implement this technology in New Zealand.”

Airbus Asia-Pacific President Anand Stanley says the company chose to work with Air New Zealand because of its commitment to sustainability, reputation for technical excellence and alignment with the manufacturer’s own decarbonisation goals.

“This agreement with Air New Zealand will provide us with important insights about how we could put a zero-emission aircraft into service. The joint study will enable us to gain invaluable feedback on what airlines will expect and their preferences in terms of configuration and performance.

Airbus is currently looking at three concepts for hydrogen-powered aircraft, including a turboprop, turbofan and blended wing option.

Ko te reo ‘Kia Rere’

13 September 2021

Araraurangi (Air New Zealand) is inviting Kiwis to join them in helping the Māori language fly, by sharing its Kia Rere app with the public, just in time for te Wiki o te reo Māori.

The app, created by Air New Zealand in partnership with NZ Māori Tourism and produced by Kiwa Digital, has been available for staff to practice and improve their reo. It has a range of interactive features including audio learning and the ability to create a mihimihi and share the user’s journey in te reo Māori.

Cultural Development Manager Henare Johnson says this app is a culmination of many people’s work to help te reo beginners feel confident with pronunciation and expand their Māori language vocabulary.

Monthly **investor update**



"Araraurangi is a huge supporter of Māori culture and encourages sharing the culture through the use of te reo. We wanted to create an app to help our people on their te reo journey and at the same time give Aotearoa the opportunity to learn and feel comfortable using te reo with us."

"I would consider we are still very much at the start, but this is a really exciting step, in our cultural journey to share te reo Māori with each other and our customers. This is a huge part of how we manaaki (care for) te reo Māori at Air New Zealand."

"We're so proud to fly with the language under the Mangōpare – the symbol on the tail of all our aircraft – and we want to share that pride with the rest of Aotearoa. Whether you want to learn the te reo National Anthem, fine tune your pronunciation of place names or prepare a mihi, the Kia Rere app can support you on your journey."

Kia Rere references a longer kōrero by Tā Tīmoti Kāretu; "ko te reo kia tika, ko te reo kia rere, ko te reo kia Māori," the language needs to be correct, the language needs to be heard far and wide, the language needs to be Māori in ethos.

Kia rere is ready to download in the [App Store](#) and on [Google Play](#).

Air New Zealand updates domestic network after Alert Level changes

6 September 2021

Air New Zealand is making changes to its domestic network between Wednesday 8 September and Tuesday 14 September in response to the recent alert level changes around the country.

Air New Zealand Chief Customer and Sales Officer Leanne Geraghty says that while the airline is well versed at navigating the various alert level changes, it may take a couple of days for some offerings to return to normal.

"It's encouraging to see the rest of NZ move to Alert Level 2. Our customers can expect to see our lounges in Wellington, Christchurch, and the regions reopen; and valet services resume in Christchurch. While the country has been under Alert Level 3 and 4 for the past few weeks, it may take a few days to return to our full lounge service offering, but we'll be working with suppliers to ensure this is as seamless as possible."

"In line with the Government's announcement, Wellington, Christchurch and regional lounges will be operating with a capacity limit"

"Our famous inflight cookie however, will be saving its appearance for another day as food and beverage onboard remains suspended."

"We're looking forward to giving customers across New Zealand a warm Air New Zealand welcome soon."

For those in Auckland, or those wishing not to travel, we have extended our Covid-19 flexibility policy for domestic travel out to 31 October 2021. This means, in addition to allowing a waiver of the change fee, customers can place their booking in credit if their travel plans have changed.

Customers will be required to wear masks within airports, lounges and on all flights.