

Auckland Airport

Update for debt investors

October 2022



Important Notice

Debt investor update

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This presentation is dated 19 October 2022.

Agenda

1. Company overview
2. Our continuing journey
3. Financial information

Appendices



Company overview



Auckland Airport, a gateway to New Zealand...

Auckland Airport is the largest and busiest airport in New Zealand with an extensive domestic aeronautical network, connecting Kiwis from Kaitiaki to Invercargill

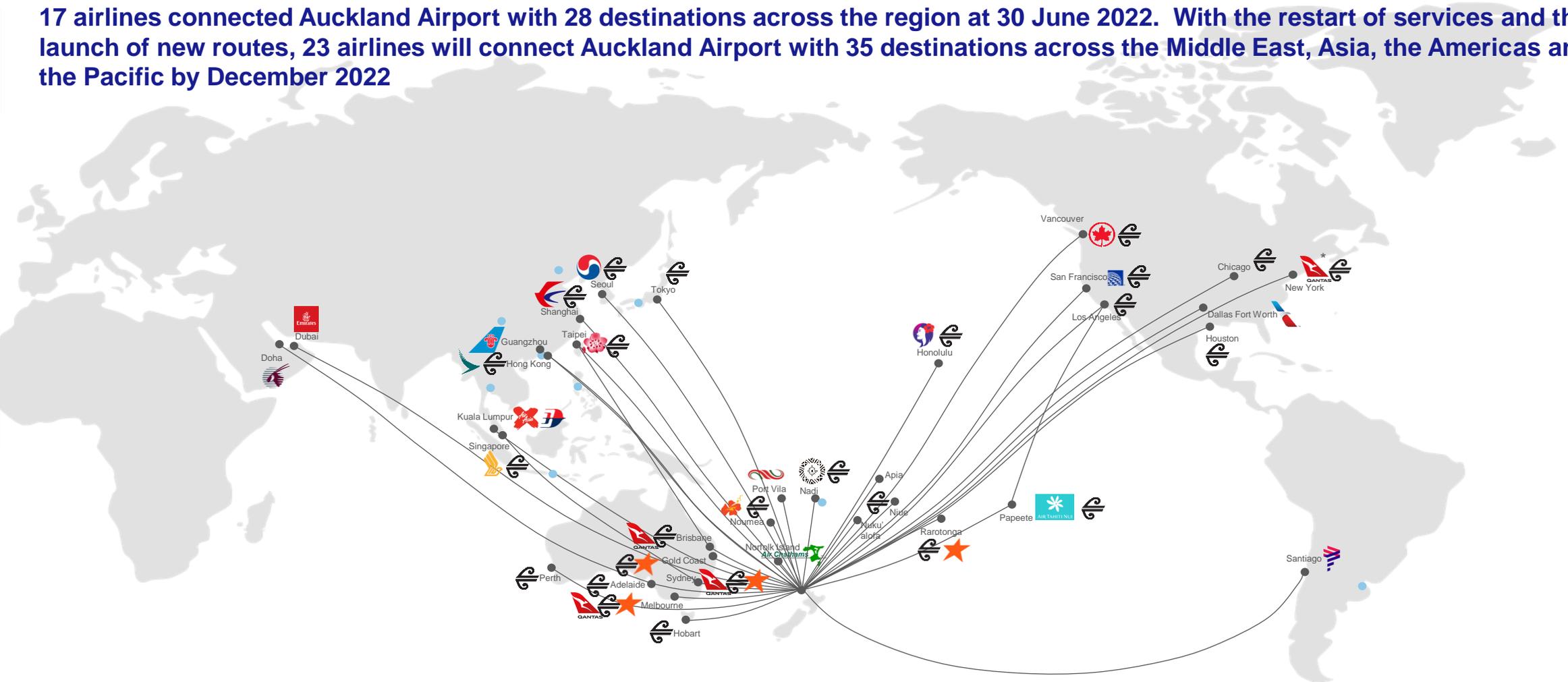


- New Zealand's largest commercial airport serving the country's largest city
- Auckland Airport has an extensive domestic network serving 22 destinations
- Significant market share with 2/3rds of all domestic sectors either originating or ending in Auckland¹
- Processed 9.6 million domestic passengers in the year to 30 June 2019 and 4.3 million in the year to 30 June 2022
- Hub to Air New Zealand, the country's main domestic carrier
- Located on 1,500 hectares of freehold land 26km from Auckland's central business district
- No flight curfew, capable of operating 24 hours a day, 7 days a week from a single 3,635m runway
- Provision for a second runway in the future will cater for Auckland's aviation requirements for the foreseeable future

...and connecting New Zealand to the world

17 airlines connected Auckland Airport with 28 destinations across the region at 30 June 2022. With the restart of services and the launch of new routes, 23 airlines will connect Auckland Airport with 35 destinations across the Middle East, Asia, the Americas and the Pacific by December 2022

- Company Overview
- Our continuing journey
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Suspended routes



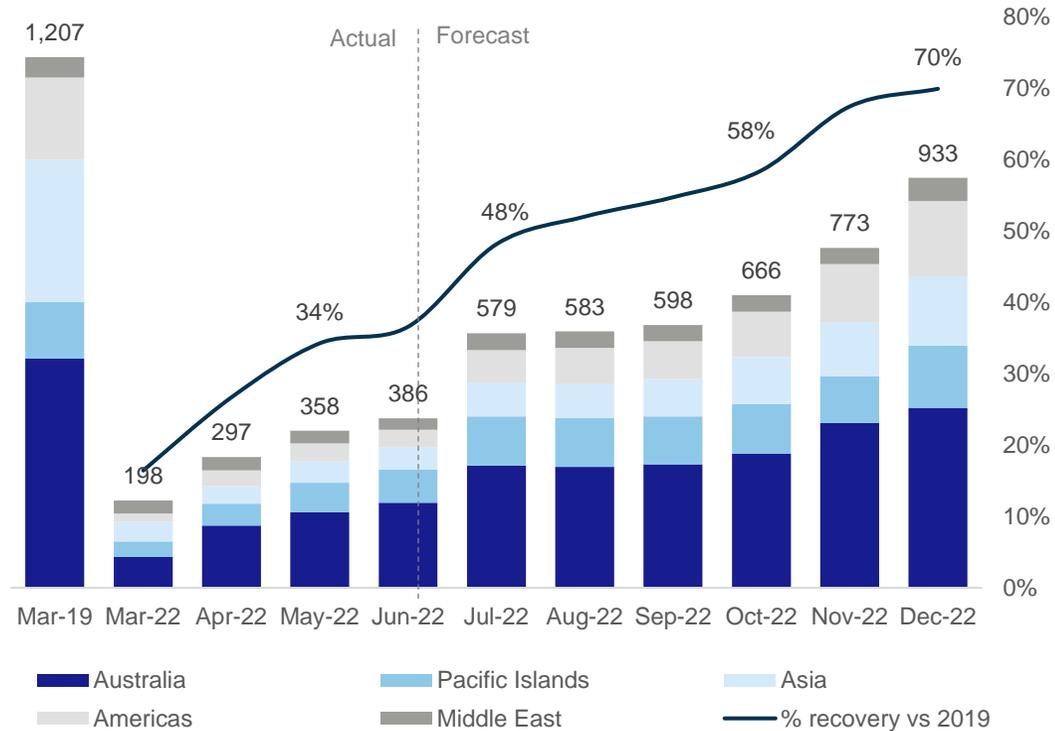
Suspended airlines



The recovery in travel is underway

International seat capacity serving Auckland is expected to significantly increase over the remainder of the calendar year as airlines restart previous Auckland services and launch new routes

AKL international seat capacity (000's)



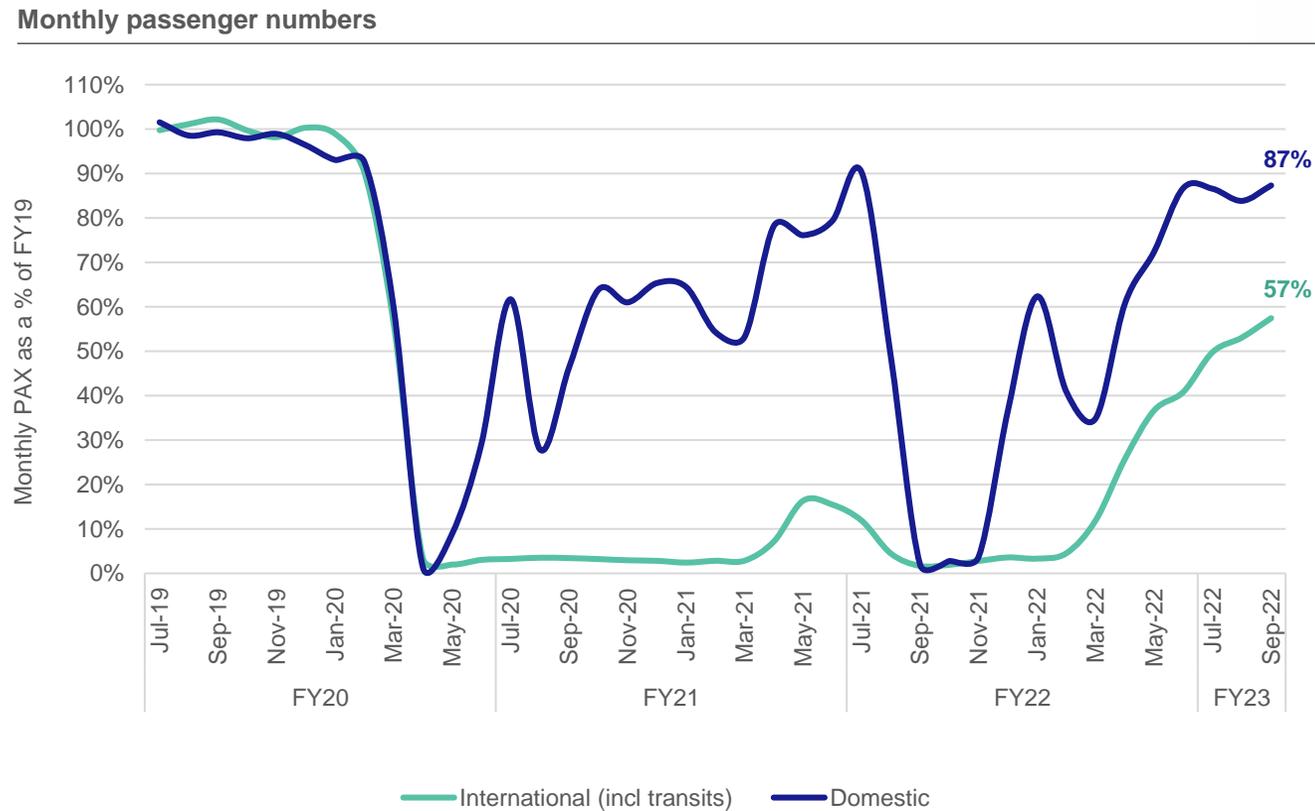
Source: Sabre

Announced and launched airline restarts

June		Hong Kong
		Rarotonga
July		Adelaide, Cairns, Hobart, Honolulu, Houston, Noumea, Papeete, Sunshine Coast
		Honolulu
		Los Angeles via Papeete
Sept		Norfolk Island
		New York 
Oct		Taipei-Brisbane
		Chicago
		Dallas 
		San Francisco
Nov		Vancouver
		Kuala Lumpur via SYD 
Dec		Dubai direct

AKL is open with passenger numbers recovering

The Delta and subsequent Omicron outbreaks had a significant impact on aeronautical activity for much of the year. With the removal of almost all of New Zealand's travel restrictions, we have seen a strong recovery in both domestic and international travel during the second half of the financial year



Results at a glance



1. Refer Appendix for reconciliation of reported profit after tax to underlying profit after tax
2. Net capital expenditure additions after \$6.9m of capex write-offs and impairments

Credit highlights

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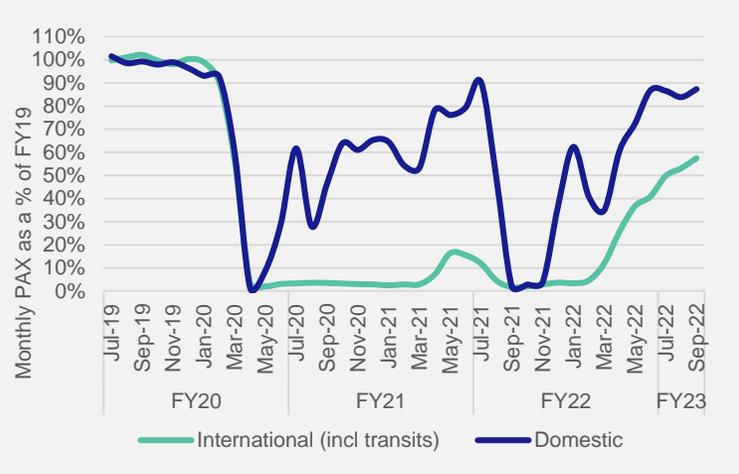
Key gateway to New Zealand



Significant freehold asset base



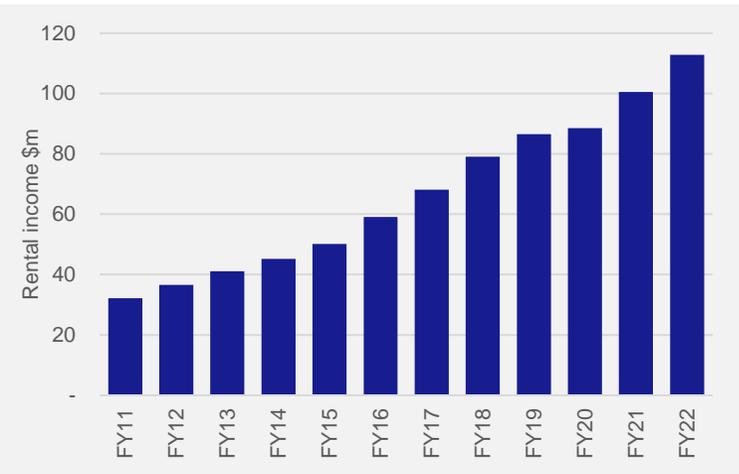
Benefiting from the recovery post COVID-19



Investment grade credit rating



Significant commercial property portfolio



Proactive capital management



Our continuing journey



Our continuing journey

Diverse and complementary business activities

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Aeronautical



Retail



Transport



Investment Property



Hotels



Queenstown Airport



Four key projects underway whilst four remain on hold



Artist impression of the new domestic terminal



Artist impression of the new Transport Hub



Driving the recovery in our consumer business



Exciting fashion outlet centre planned



 100+ stores

 23,000+

Illustrative only, actual layout will vary

Significant commercial property portfolio continues to grow



Sustainability is central to who we are

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Purpose Kaupapa

85%

Customers rate their overall experience as 'excellent' or 'very good' by 2030

100%

Of procurement activity is aligned with sustainable procurement guidelines ISO20400 by 2030

TSR

Rolling 3 year total shareholder return exceeds cost of equity by 1%

Place Kaitiakitanga

Net Zero

90% reduction in scope 1 and 2 carbon emissions by 2030 from a 2019 baseline

20%

Reduction in potable water use by 2030 from 2019 levels

20%

Reduction in waste to landfill by 2030 from 2019 levels

People Whānau

40 | 40 | 20

Gender balance across Auckland Airport's Board, Leadership Team and its direct report populations by 2025

Safety

Year on year improvement in number of high-quality safety observations per employee

20%

Of people leaders of Māori / Pasifika ethnicity by 2030

Ethnicity

Workforce reflective of the ethnicity of New Zealand by 2030

Community Hapori

40%

Of employees participating in community volunteer programme by 2030

Apprenticeship

Create a pathway for women, Māori and Pasifika into trades with

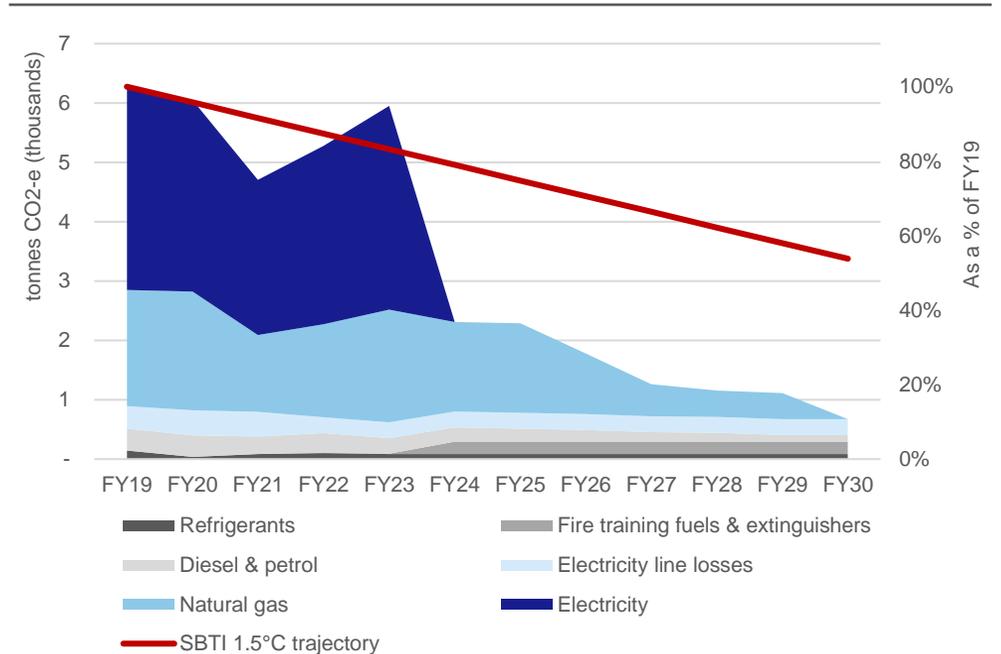
30% of total trade staff sourced from a targeted apprenticeship scheme by 2030

Clear path to net zero established

Auckland Airport recognises that climate change and the role carbon plays is one of the most significant issues facing the global aviation industry. As a result, climate change considerations are integrated across all elements of strategy, planning and operations, underpinning the long-term sustainability of the business

- The impacts of flooding and inundation on Auckland Airport's operations have been modelled under three climate scenarios to inform the design of infrastructure upgrades
- Our Net Zero pathway, aligned to the 1.5°C warming trajectory, will see a 90% reduction in scope 1 & 2 carbon emissions by 2030 through:
 - phasing out the use of natural gas in the terminal through incremental replacement of gas boilers with electric alternatives;
 - using 100% renewable electricity likely from 2024 (a mix of on- and off-site generation);
 - transitioning our vehicle fleet to electric; and
 - using the least harmful refrigerants available
- We recognise we have significant scope 3 emissions and are taking steps to address these. Decarbonisation of scope 3 activities will be the focus in the coming year
- The most important role an airport can play is to ensure that the right infrastructure is in place to support the wider decarbonisation of the aviation sector, including the adoption of low emissions aircraft technologies and fuels. We have made sure that our 30-year masterplan makes provision for these needs

Scope 1 & 2 decarbonisation pathway to net zero



Financial information



Travel restrictions drove underlying losses in recent years

For the year ended 30 June \$m	2022	Restated 2021 ⁴	2020	2019	2018
Revenue	300.3	281.1	567.0	743.4	683.9
Expenses ¹	155.8	110.0	306.6	188.6	177.5
Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI)	144.5	171.1	260.4	554.8	506.4
<i>EBITDAFI Margin</i>	<i>48%</i>	<i>61%</i>	<i>46%</i>	<i>75%</i>	<i>74%</i>
Share of profit / (loss) from associates	(12.8)	21.1	8.4	8.2	16.7
Gain on sale of associates ²	-	-	-	-	297.4
Impairment on investment in JV	-	-	(7.7)	-	-
Derivative fair value movement	1.7	(0.5)	(1.9)	(0.6)	(0.7)
Property, plant and equipment revaluation	(1.4)	(7.5)	(45.9)	(3.8)	-
Investment property revaluation	204.4	527.3	168.6	254.0	152.2
Depreciation expense	113.1	120.9	112.7	102.2	88.9
Interest expense	53.7	94.0	71.8	78.5	77.2
Taxation expense	(22.0)	30.0	3.5	108.4	155.8
Reported profit after tax	191.6	466.6	193.9	523.5	650.1
Underlying profit/(loss) after tax³	(11.6)	(39.4)	188.5	274.7	263.1

1. 2020 includes capital expenditure write-offs, impairments and contractor termination costs of \$117.5 million, redundancy costs of \$5.9 million and credit losses of \$7.3 million in 2020. 2021 includes a net reversal of \$16.9 million of fixed asset impairment and termination costs and a \$4.2 million reversal of expected credit losses

2. Sold the 24.6% shareholding in North Queensland Airports in March 2018

3. A reconciliation between profit after tax and underlying profit after tax is included in the Appendix

4. The 2021 comparatives are restated following the IFRIC decision on cloud computing. Refer to note 2 of the Financial Statements to the Annual Results for the year ended 30 June 2022

Investment property the mainstay, plus PAX growth

For the year ended 30 June \$m	2022	2021	2020	2019	2018
Airfield income	60.9	64.0	100.6	127.6	122.1
Passenger services charge	33.8	24.2	133.0	185.1	179.1
Retail income	22.7	17.8	141.5	225.8	190.6
Car park income	26.2	28.7	50.3	64.2	61.0
Rental income	129.7	115.2	109.2	107.8	97.6
Other income	27.0	31.2	32.4	32.9	33.5
Total revenue	300.3	281.1	567.0	743.4	683.9

- Airfield income decreased 5% on the prior financial year with lower parking and domestic landing charges in 2022 partially offset by growth in international landing charges
- Revenue from the Passenger Services Charge grew 40% as a result of the growth in higher yielding international passengers following the reopening of the country's border, partially offset by the reduction in domestic passengers seen in the financial year
- Retail income rose by 28% reflecting the partial reopening of the international retail offering in the final quarter of the financial year
- Car parking income fell by 9% largely as a result of the reduction in domestic passengers in the financial year compared to 2021
- Investment property rental income grew 12% following the completion of facilities for Hellmann Worldwide Logistics and Geodis Wilson. Three quarters of the investment property rent growth reflected new properties commissioned in the year plus the annualised growth from new properties commissioned part way through FY21. The remainder was due to rental increases across the existing portfolio, net of approximately \$1.0 million of extra rent abatements to selected tenants in FY22

Balance sheet remains strong

As at 30 June \$m	2022	Restated 2021 ¹	2020	2019	2018
Cash	24.7	79.5	765.3	37.3	106.7
Trade and other receivables	28.5	25.4	34.7	69.0	71.5
Other current assets	21.6	20.9	37.0	-	0.2
Current assets	74.8	125.8	837.0	106.3	178.4
Property, plant and equipment	6,986.1	6,826.5	6,060.8	6,577.1	6,378.0
Investment properties	2,897.4	2,641.4	2,054.2	1,745.4	1,425.6
Investment in associates	166.5	154.4	114.7	105.7	104.4
Derivative financial instruments	28.1	29.2	230.4	162.6	110.4
Total assets	10,152.9	9,777.3	9,297.2	8,697.1	8,196.8
Borrowings	1,476.6	1,392.8	2,145.2	2,190.5	2,060.3
Other liabilities	525.4	455.0	514.9	473.7	454.4
Total liabilities	2,002.0	1,847.8	2,660.1	2,664.2	2,514.7
Equity	8,150.9	7,929.5	6,637.1	6,032.9	5,682.1
Total liabilities and equity	10,152.9	9,777.3	9,297.2	8,697.1	8,196.8

Notes:

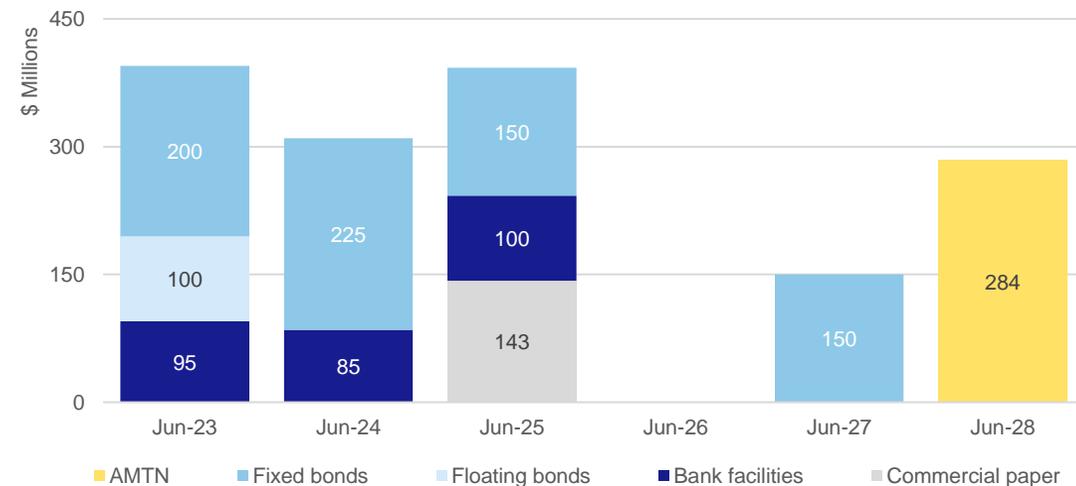
1. The 2021 comparatives are restated following the IFRIC decision on cloud computing. Refer to note 2 of the Financial Statements to the Annual Results for the year ended 30 June 2022

Credit metrics

Prudent capital management as the business positions for the recovery in aviation

- Drawn debt of \$1,477 million, an increase of 6% or \$84 million on June 2021
- Committed undrawn bank facility headroom of c.\$955 million (2021: \$832 million), and \$23 million in available cash (2021: \$79 million) as at 30 June 2022
- In February 2022, Auckland Airport's banking syndicate approved revised EBITDA based interest coverage covenants to cater for the uncertain trajectory of the aviation recovery
- Refinanced nearly \$230 million of bank facilities maturing over FY23 with another \$425 million under documentation
- S&P A- long term credit rating maintained on stable outlook during COVID

Drawn debt maturity profile for the twelve months ending 30 June (as at 31 August 2022)



Credit metrics and key lending covenants

For the year ended 30 June	Key metric	2022	2021
Gearing ¹	≤ 60%	15.6%	15.3%
Interest coverage ²	≥ 1.25x	2.58x	2.07x
Debt to enterprise value		12.3%	11.6%
Net debt to enterprise value		12.1%	10.9%
Funds from operations interest cover ³	≥ 2.5x	2.6x	1.5x
Funds from operations to net debt ³	≥ 11.0%	6.4%	3.9%
Weighted average interest cost ⁴		4.32%	5.43%
Average term to maturity (years)		2.29	2.92
Percentage of fixed borrowings		71.5%	80.4%

- ¹ Gearing defined as nominal value of debt plus derivative liabilities divided by nominal value of debt plus derivative liabilities plus the book value of equity
- ² Interest coverage defined as reported NPAT plus taxation, interest expense, revaluations, derivative changes and depreciation (broadly EBITDA) divided by interest expense
- ³ S&P A- rating threshold
- ⁴ 2021 includes one off close out costs for interest rate swaps, USPP notes and associated cross currency swaps of \$23.5m. Excluding these costs the weighted average interest cost was 4.16%

Regulatory and aeronautical pricing

Consultation with airlines on aeronautical prices for PSE4 is now underway and due to be completed by June 2023

- Prices for FY23-27 (PSE4) will be determined following airline consultation over the remainder of the financial year considering the “building block” forecasts:
 - commissioning of aeronautical infrastructure projects;
 - operational expenditure;
 - recovery in passengers and aircraft movements; and
 - weighted average cost of capital / target return
- Charges for FY23 have been held constant at FY22 prices while this consultation is undertaken¹. A decision on aeronautical prices for FY24 through FY27 is scheduled to be made by June 2023 with changes to take effect from 1 July 2023
- Aeronautical prices for PSE4 will be set to achieve a full target return over the five years, including making up the FY23 shortfall – an approach is supported by Air New Zealand and BARNZ
- Separately, the Civil Aviation Bill is before Parliament – as currently drafted, it retains the ability for airports to set aeronautical prices
- Commerce Commission currently reviewing the “Input Methodologies” – i.e., the rules and processes that underpin regulatory information disclosures (and inform aero price setting calculations). This review is due to be completed no later than December 2023



Auckland Airport airfield

Outlook

As we look to the 2023 financial year, we continue to face uncertainty regarding the pace of recovery of international travel. Reflecting this, Auckland Airport is providing the following guidance for FY23

- Capital expenditure of between \$600 million and \$700 million¹ including completing existing roading, airfield and investment property projects and progressing the design and enabling activity for the terminal integration programme

Category	Forecast range	
	Low \$M	High \$M
Aeronautical	209.0	261.0
Infrastructure and other	66.0	78.0
Property development	185.0	205.0
Retail and car parking	140.0	156.0
Total capital expenditure	600.0	700.0

- Underlying earnings of a profit after tax between \$50 million and \$100 million based on anticipated domestic and international² passenger numbers of 7.8 million and 6.2 million respectively



Talofa, beautiful Samoa is back!

Long-term fundamentals remain strong

Aeronautical capacity is expected to increase over the remainder of the year as airlines restart previous services and launch new routes. However, the new world of travel presents opportunities and challenges

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Drivers of growth



Regional hub: With American Airlines returning in Sept-22, Auckland Airport will offer eight non-stop connections to the US and Canada, the most of any in Australasia

Enablers



Global vaccine rollout, coupled with a coordinated international effort in reducing restrictions, will drive the recovery

Challenges for the recovery



Rising operating costs for airlines and staff shortages will slow the recovery in some markets



Strong recovery in demand for travel to and from New Zealand as a safe destination to travel



Next generation aircraft and fleet availability creates opportunity for attractive destinations



WHO advice is that border closures are not an effective means of controlling the spread of a virus. There is, however, downside risk should governments return to knee-jerk border-closing response

Thank you



Appendices



Appendix: Board of directors

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Dr Patrick Strange
Chair



Tania Simpson
Director



Dean Hamilton
Director



Christine Spring
Director



Julia Hoare
Director



Mark Binns
Director



Liz Savage
Director



Mark Cairns
Director

Appendix: Management team

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Carrie Hurihanganui
Chief Executive



Anna Cassels-Brown
GM Operations



Melanie Dooney
GM Corporate Services



Jonathan Good
GM Technology and Marketing



André Lovatt
GM Infrastructure



Phil Neutze
Chief Financial Officer



Scott Tasker
GM Customer & Aeronautical
Commercial



Mark Thomson
GM Property & Commercial



Mary-Liz Tuck
GM Strategic Infrastructure
Planning & Transformation

Appendix: Underlying profit reconciliation

For the year ended 30 June (\$m)	2022			2021 Restated		
	Reported profit	Adjustments	Underlying profit	Reported profit	Adjustments	Underlying profit
EBITDAFI per Income Statement ¹	144.5	-	144.5	171.1	-	171.1
Investment property fair value increase	204.4	(204.4)	-	527.3	(527.3)	-
Property, plant and equipment revaluation	(1.4)	1.4	-	(7.5)	7.5	-
Fixed asset write-offs, impairments and termination costs ¹	-	6.9	6.9	-	2.5	2.5
Reversal of fixed asset impairments and termination costs ¹	-	-	-	-	(19.4)	(19.4)
Derivative fair value movement	1.7	(1.7)	-	(0.5)	0.5	-
Share of profit of associate and joint ventures	(12.8)	17.2	4.4	21.1	(15.7)	5.4
Depreciation	(113.1)	-	(113.1)	(120.9)	-	(120.9)
Interest expense and other finance costs	(53.7)	-	(53.7)	(94.0)	-	(94.0)
Taxation expense / (credit)	22.0	(22.6)	(0.6)	(30.0)	45.9	15.9
Profit after tax	191.6	(203.2)	(11.6)	466.6	(506.0)	(39.4)

- Auckland Airport made the following adjustments to show underlying profit after tax for the years ended 30 June 2022 and 2021:
 - we have reversed out the impact of revaluations of investment property in 2022 and 2021. An investor should monitor changes in investment property over time as a measure of growing value. However, a change in one particular year is too short to measure long-term performance. Changes between years can be volatile and, consequently, will impact comparisons. Finally, the revaluation is unrealised and, therefore, is not considered when determining dividends in accordance with the dividend policy;
 - consistent with the approach to revaluations of investment property, we have also reversed out the revaluations of the land and building classes of assets within property, plant and equipment in 2022 and the land class of assets within property, plant and equipment in 2021;
 - we have reversed out the impact of capital expenditure write-offs, impairments and termination cost expenses and reversals in 2022 and 2021. These fixed asset write-off costs, impairments and termination costs are not considered to be an element of the group's normal business activities and on this basis have been excluded from underlying profit;
 - we have also reversed out the impact of derivative fair value movements. These are unrealised and relate to basis swaps that do not qualify for hedge accounting on foreign exchange hedges, as well as any ineffective valuation movements in other financial derivatives. The group holds its derivatives to maturity, so any fair value movements are expected to reverse out over their remaining lives. Further information is included in note 18(b) of the financial statements;
 - in addition, we have adjusted the share of profit of associates and joint ventures in both 2022 and 2021 to reverse out the impacts on those profits from revaluations of investment property and financial derivatives; and
 - we have also reversed out the taxation impacts of the above movements in both the 2022 and 2021 financial years.

Glossary

Debt investor update

Auckland Airport	Auckland International Airport Limited
COVID	COVID-19
EBITDA	Earnings before interest, taxation and depreciation
EBITDAFI	Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates
JV	Joint venture
NPAT	Net profit after tax
O&D	Original and destination
PAX	Passenger
TSR	Total shareholder return
USPP	United States Private Placement

Indicative terms sheet for fixed rate bonds due 9 May 2028

This Terms Sheet is prepared in respect of an offer by Auckland International Airport Limited (**Auckland Airport**) of up to NZ\$150,000,000 (with the ability to accept up to NZ\$75,000,000 in oversubscriptions at Auckland Airport's discretion) of fixed rate bonds (**Bonds**) under its master trust deed dated 9 July 2004 (as amended and restated from time to time), as modified and supplemented by the supplemental trust deed dated 21 October 2022 entered into between Auckland International Airport Limited and The New Zealand Guardian Trust Company Limited (**Supervisor**) (together, **Trust Documents**).

Important Notice

The offer of Bonds is being made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**). Except for the interest rate and maturity date, the Bonds will have identical rights, privileges, limitations and conditions as Auckland Airport's:

- (a) 4.28% NZ\$100,000,000 fixed rate bonds maturing on 9 November 2022 which are quoted on the NZX Debt Market under the ticker code AIA200;
- (b) 3.97% NZ\$225,000,000 fixed rate bonds maturing on 2 November 2023 which are quoted on the NZX debt market under the ticker code AIA210;
- (c) 3.64% NZ\$100,000,000 fixed rate bonds maturing on 17 April 2023 which are quoted on the NZX debt market under the ticker code AIA220;
- (d) 3.51% NZ\$150,000,000 fixed rate bonds maturing on 10 October 2024 which are quoted on the NZX debt market under the ticker code AIA230; and
- (e) 3.29% NZ\$150,000,000 fixed rate bonds maturing on 17 November 2026 which are quoted on the NZX debt market under the ticker code AIA240,

(together, **Quoted Bonds**) and therefore are of the same class as the Quoted Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014 (**FMC Regulations**).

Auckland Airport is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) for the purpose of that information being made available to participants in the market and that information can be found by visiting <https://www.nzx.com/companies/AIA>.

Investors should look to the market price of the Quoted Bonds to find out how the market assesses the returns and risk premium for those bonds.

Dated 25 October 2022

Issuer	Auckland International Airport Limited.	
Description of Bonds	Direct, unsecured, unsubordinated, fixed rate debt obligations of Auckland Airport ranking equally and without preference among themselves and equally with all other outstanding unsecured and unsubordinated indebtedness of Auckland Airport (except indebtedness preferred by law).	
Purpose	General corporate purposes.	
Joint Lead Managers	Bank of New Zealand and Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand Branch).	
Credit Ratings	Expected Long-Term Issue Credit Rating	Long-Term Issuer Credit Rating
	A- S&P Global Ratings	A- S&P Global Ratings
	Further information about S&P Global Ratings credit rating scale is available at www.standardandpoors.com . A credit rating is not a recommendation to invest in the Bonds and may be subject to revision, suspension or withdrawal at any time.	
Issue Amount	Up to NZ\$150,000,000 with the ability to accept up to NZ\$75,000,000 in oversubscriptions at Auckland Airport's discretion.	
Opening Date	Tuesday, 25 October 2022, immediately following release via NZX of the notice required by the FMC Regulations in connection with the offer.	
Closing Date	11:00am on Thursday, 27 October 2022.	
Rate Set Date	Thursday, 27 October 2022.	
Issue Date and allotment date	Wednesday, 9 November 2022.	

Maturity Date	Tuesday, 9 May 2028.
Interest Rate	The aggregate of the Base Rate and the Margin on the Rate Set Date. The Interest Rate will be announced by Auckland Airport via NZX on or shortly after the Rate Set Date. The Interest Rate will not change after the Rate Set Date.
Base Rate	The semi-annual mid-market swap rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Joint Lead Managers in accordance with market convention with reference to Bloomberg page ICNZ4 on the Rate Set Date and expressed on a semi-annual basis, rounded to 2 decimal places, if necessary with 0.005 being rounded up.
Indicative Margin and actual Margin	The indicative margin range is 0.95 per cent to 1.00 per cent per annum for the Bonds. The actual Margin for the Bonds, (which may be above or below the abovementioned indicative margin range), will be set by Auckland Airport (in consultation with the Joint Lead Managers) on the Rate Set Date following a bookbuild by the Joint Lead Managers. The actual Margin will be announced by Auckland Airport via NZX on or shortly after the Rate Set Date.
Interest Payment Dates	9 May and 9 November in each year until and including the Maturity Date.
First Interest Payment Date	9 May 2023.
Frequency of interest payments	Semi-annually (half annual amount) in arrears on each Interest Payment Date. If an Interest Payment Date falls on a day that is not a Business Day, the relevant payment will be made on the next day which is a Business Day, without adjustment, interest or further payment as a result thereof.
Issue price / Principal Amount	NZ\$1.00 per Bond.
Minimum Principal Amount and minimum holding amount	The Minimum Principal Amount and minimum holding amount in respect of the Bonds is NZ\$10,000 and multiples of NZ\$1,000 thereafter.

Record Date	10 calendar days before an Interest Payment Date or, if not a Business Day, the immediately preceding Business Day.
Business Day	A day (other than a Saturday or Sunday) on which registered banks are generally open for business in Wellington and Auckland.
Quotation	The Bonds will be quoted under NZX Debt Market Ticker Code: AIA250.
Expected date of initial quotation and trading on the NZX Debt Market	It is expected that quotation on the NZX Debt Market will occur on Thursday, 10 November 2022.
Registrar	Link Market Services Limited.
ISIN	NZAIAD0250L8.
Repo-eligibility	Auckland Airport intends to apply to the Reserve Bank of New Zealand for the Bonds to be included as eligible securities for domestic market operations.
Early repayment	<p>In the case of an event of default as set out in the Trust Documents, which is continuing unremedied, the Supervisor may, and immediately upon being directed to do so by an extraordinary resolution (as defined under the Trust Documents) of holders of Bonds of this series must, declare the principal amount and accrued interest on the Bonds to be immediately due and payable.</p> <p>If the Bonds are declared due and payable prior to the Maturity Date, interest will be payable at the Interest Rate from the most recent Interest Payment Date to and including the date of repayment.</p>
Governing law	New Zealand.

Who may apply	<p>All of the Bonds are reserved for clients of the Joint Lead Managers, primary market participants and other approved financial intermediaries.</p> <p>There is no public pool for the offer. Investors wishing to purchase the Bonds should contact their broker or financial adviser. In respect of any oversubscriptions or generally, any allotment of Bonds will be at Auckland Airport's discretion, in consultation with the Joint Lead Managers. Auckland Airport reserves the right to refuse to make any allotment (or part thereof) without giving any reason.</p> <p>Each investor's broker or financial adviser will be able to advise them as to what arrangements will need to be put in place for the investor to trade the Bonds including obtaining a common shareholder number (CSN), an authorisation code (FIN) and opening an account with a primary market participant as well as the costs and timeframes for putting such arrangements in place.</p>
Singapore Securities and Futures Act Product Classification	Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (the SFA), Auckland Airport has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Bonds are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).
Selling restrictions	The selling restrictions set out in the schedule to this Terms Sheet apply.

The dates and times set out in this Terms Sheet are indicative only. The indicative margin, issue amount, dates and times are subject to change. Auckland Airport has the right in its absolute discretion and without notice to amend the indicative margin and issue amount, close the offer early, to extend the Closing Date, or to choose not to proceed with the offer. If the Closing Date is extended, subsequent dates may be extended accordingly.

Any internet site addresses provided in this Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet.

Copies of the Trust Documents will be made available by Auckland Airport for inspection during usual business hours by any bondholder at the office of Auckland Airport at the address below (or such office as Auckland Airport may notify the bondholders from time to time).

Investors are personally responsible for ensuring compliance with all relevant laws and regulations applicable to them (including any required registrations). Investors should seek qualified, independent legal, financial and taxation advice before deciding to invest.

For further information regarding Auckland Airport, visit <https://www.nzx.com/companies/AIA>.

Address details

Auckland International Airport Limited

First Floor
4 Leonard Isitt Drive
Auckland Airport
Manukau 2022

Bank of New Zealand

Level 6, Deloitte Centre
80 Queen Street
Auckland 1142
New Zealand

Westpac Banking Corporation

(ABN 33 007 457 141)
(acting through its New Zealand branch)
Westpac on Takutai Square
Level 8, 16 Takutai Square
Auckland 1010

Schedule – Selling restrictions

Part A - Initial Selling Restrictions

The Bonds may only be offered in New Zealand in conformity with all applicable laws and regulations in New Zealand. In respect of the initial offer of Bonds by Auckland Airport under this Terms Sheet (**Initial Offer**), no Bonds may be offered in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction and the selling restrictions set out below in this Part A. This Terms Sheet may not be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction and the selling restrictions set out below in this Part A. For the avoidance of doubt, the selling restrictions set out below in this Part A apply only in respect of the Initial Offer.

No action has been or will be taken by the Issuer which would permit an offer of Bonds to the public, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

By its subscription for or purchase of the Bonds, each bondholder agrees to indemnify the Issuer, the Joint Lead Managers and the Supervisor and each of their respective directors, officers and employees for any loss, cost, claim, fine, damages, liability or expense sustained or incurred by any of them by reason of any breach of the selling restrictions.

United States of America

The Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

None of Auckland Airport, any Joint Lead Manager nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts in relation to the Bonds, and each of Auckland Airport and the Joint Lead Managers has complied and will comply with the offering restrictions requirements of Regulation S.

The Bonds will not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of all Bonds of the Tranche of which such Bonds are part, as determined and certified by the Joint Lead Managers, except in accordance with Rule 903 of Regulation S. Any Bonds sold to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the distribution compliance period require a confirmation or notice to the purchaser at or prior to the confirmation of the sale to substantially the following effect:

"The Bonds covered hereby have not been registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United

States, or to or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Bonds and the closing date except in either case pursuant to a valid exemption from registration in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S."

Until 40 days after the completion of the distribution of all Bonds or the Tranche of which those Bonds are a part, an offer or sale of the Bonds within the United States by the Joint Lead Managers or any dealer or other distributor (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Regulation S.

Member States of the European Economic Area

In relation to each Member State of the European Economic Area, no Bonds have been offered and no Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in that Member State except that an offer of Bonds to the public in the Member State may be made:

- (a) to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the Joint Lead Managers nominated by Auckland Airport for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of the Bonds shall require Auckland Airport or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression **offer of the Bonds to the public** in relation to any Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds and the expression **EU Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of Sales to UK Retail Investors

No Bonds have been offered and no Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in the United Kingdom except that it may make an offer of the Bonds to the public in the United Kingdom:

- (a) to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the Joint Lead Managers for any such offer; or
- (c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (**FSMA**),

provided that no such offer of the Bonds shall require the Issuer or the Joint Lead Managers to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression **offer of Bonds to the public** in relation to any Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Other UK Regulatory Restrictions

No communication, invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) has been or may be made or caused to be made or will be made in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA applies to Auckland Airport.

All applicable provisions of the FSMA with respect to anything done in relation to the Bonds in, from or otherwise involving the United Kingdom must be complied with.

Japan

The Bonds have not been and will not be registered in Japan pursuant to Article (4), Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the **FIEA**) in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement as provided for in "ha" of Article (2), Paragraph 3, Item 2 of the FIEA. A Japanese Person who transfers the Bonds shall not transfer or resell the Bonds except where the transferor transfers or resells all the Bonds en bloc to one transferee. For the purposes of this paragraph, **Japanese Person** shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Singapore

This Terms Sheet has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Terms Sheet and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds has not been, and will not be, circulated or distributed, nor have the Bonds been, nor will they be, offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions

specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Hong Kong

No Bonds have been offered or sold or will be or may be offered or sold in Hong Kong, by means of any document, other than (a) to **professional investors** as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a **prospectus** as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Bonds may be issued or in the possession of any person or will be issued or be in the possession of any person in each case for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to **professional investors** as defined in the SFO and any rules made under the SFO.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (**Corporations Act**)) in relation to the Bonds (including this Terms Sheet) has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission (**ASIC**) or any other regulatory authority in Australia. No person may:

- (a) make or invite (directly or indirectly) an offer of the Bonds for issue, sale or purchase in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) distribute or publish, any Terms Sheet, information memorandum, prospectus or any other offering material or advertisement relating to the Bonds in Australia,

unless:

- (i) the minimum aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;
- (ii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives; and
- (iv) such action does not require any document to be lodged with, or registered by, ASIC or any other regulatory authority in Australia.

By applying for the Bonds under this Terms Sheet, each person to whom the Bonds are issued (an **Investor**):

- (a) will be deemed by the Issuer and each of the Joint Lead Managers to have acknowledged that if any Investor on-sells the Bonds within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Corporations Act) with ASIC unless either:
 - (i) that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act to whom it is lawful to offer the Bonds in Australia without a prospectus or other disclosure document lodged with ASIC; or
 - (ii) the sale offer is received outside Australia; and
- (b) will be deemed by the Issuer and each of the Joint Lead Managers to have undertaken not to sell those Bonds in any circumstances other than those described

in paragraphs (a)(i) and (a)(ii) above for 12 months after the date of issue of such Bonds.

This Terms Sheet is not, and under no circumstances is to be construed as, an advertisement or public offering of any Bonds in Australia.

Part B - General Selling Restrictions

The Bonds may only be offered for sale or sold in New Zealand in conformity with all applicable laws and regulations in New Zealand. No Bonds may be offered for sale or sold in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction. No offering document or other offering material in respect of the Bonds may be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction. No action has been or will be taken by the Issuer which would permit an offer of Bonds to the public, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

By its subscription for or purchase of the Bonds, each Holder agrees to indemnify the Issuer, the Joint Lead Managers, and the Supervisor and each of their respective directors, officers and employees for any loss, cost, claim, fine, damages, liability or expense sustained or incurred by any of them by reason of any breach of the selling restrictions.