



NELSON AIRPORT
Good things start here.



STATEMENT OF INTENT
TAUĀKĪ WHAKAMAUNGA ATU
2025/2026



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I. INTRODUCTION

Nelson Airport Limited (“NAL”) is a Council Controlled Trading Organisation under section 6 of the Local Government Act 2002.

This Statement of Intent (SOI) is presented by the Directors of NAL in accordance with section 64 of the Local Government Act 2002.

This SOI is for the 2025/26 Financial Year to 30 June 2026, and for the two following financial years.

This SOI addresses the relevant requirements in the Statement of Expectation sent by Group shareholders to Infrastructure Holdings Ltd (IHL) dated 20 November 2024.

II. STRATEGIC CONTEXT

A. PURPOSE

Our Vision - Tō Tātou Tirohanga Whakamua

To be a world class airport where zero emissions aircraft operate.

Kia noho hei taunga rererangi o te ao e whakahaere ana i ngā waka rererangi kore tuku.

Our Purpose - Tō Tātou Whāinga Matua

To contribute to a sustainable and prosperous Nelson-Tasman.

Kia tāpae atu ki a Whakatū-Aorere hei wāhi whakauka, tōnui hoki.

Our Mission - Tā Tātou Kaupapa

Nelson Airport provides sustainable airport infrastructure that connects Nelson-Tasman to the world.

E whakarato ana te Taunga Rererangi o Whakatū i ngā hanganga taunga rererangi e noho ai a Whakatū-Aorere ki te ao whānui.

Nelson Airport facilitates business opportunities by optimising the use of land and developing commercial facilities.

E whakahaere ana te Taunga Rererangi o Whakatū i ngā ara pakihi mā te arotau i te whakamahinga o te whenua me te whanake whare arumoni.

Nelson Airport supports excellent experiences that add to visitor satisfaction.

E tautoko ana te Taunga Rererangi o Whakatū i ngā wheako pai e whakanui ana i ngā painga ki ngā manuhiri.



NELSON AIRPORT STATEMENT OF INTENT 2024/2025

OUR VALUES Ō TĀTOU UARA

Teamwork - Mahitahi

"The combined action of a group, especially when effective and efficient"

We work together, using our collective skills and expertise to meet the needs of our customers and to help Nelson Airport succeed.

Openness - Ngākaunui

"Willing to consider new ideas; unprejudiced"

We're open to new ideas and opinions, encourage curiosity and embrace change and innovation.

Continuous Improvement - Whakapai ake

"A thing that makes something better or is better than something else"

We constantly challenge ourselves to explore opportunities to improve the quality and efficiency of the business.

Accountability - Noho haepapa

"The condition of being responsible for your actions"

We hold ourselves accountable for the outcomes of our actions, good and bad.

Safety - Marutau

"The condition of being protected from or unlikely to cause danger, risk, or injury"

Safety is our top priority, informing every decision we make and the daily activities we perform.

Integrity - Ngākau Pono

"The quality of being honest and having strong moral principles"

We are honest, open, ethical, and fair in all of our actions.

B. NATURE AND SCOPE OF ACTIVITIES

NAL was incorporated in 1996 and purchased the assets and undertakings of the Nelson Regional Airport Authority in March 1999.

On 1 July 2023 NAL became part of the Infrastructure Holdings Ltd (“IHL”) Group, corresponding with NAL’s ordinary shares being transferred from Nelson City and Tasman District Councils respectively to IHL. NAL is a wholly owned subsidiary of IHL.

The airport is a key strategic asset and contributor to the prosperity and sustainability of the Nelson Tasman region. Its commercial operations and services deliver significant benefits to the region. Its primary service is moving people in and out of the region safely and efficiently. In the 2024 financial year passenger volumes were 915,641, making NAL the busiest regional and the fifth busiest airport overall, by passengers, in New Zealand.

Through Air New Zealand, Nelson Airport has direct links with the key cities of Auckland, Wellington, and Christchurch. Originair and Sounds Air provide provincial links to Wellington, Palmerston North, Hamilton, Tāupo and Westport, as well as the Kāpiti Coast. Golden Bay Air also provides flights to the towns of Tākaka and Karamea located at the top of the South Island.

The airport supports a diverse range of businesses that service aircraft or require access to air services or airport land and building infrastructure, such as the New Zealand Flying Doctors, aviation colleges and helicopter and

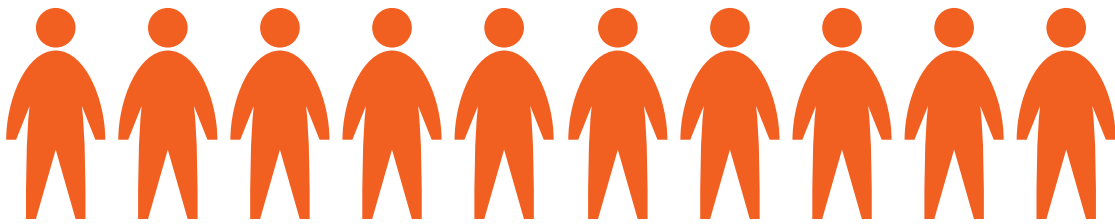
general aviation operators.

Nelson Airport connects Nelson-Tasman to the rest of New Zealand and the world. With the region’s high dependency on air access and relative isolation from road, rail and sea connections, Nelson Airport is critical to delivering on the region’s development and growth aspirations. In particular, the airport contributes to the:

- growth and efficiency of the region’s economy
- attraction and retention of talent in the region
- resilience of the region and its ability to respond to emergencies
- attraction of investment in local operations of international aeronautical players
- ability of locals to connect with the world

NAL may also grant and administer sub-leases of the land, buildings or installations vested in NAL for any purpose complementary to the ongoing safe and efficient operation of the airport.

NELSON AIRPORT BY THE NUMBERS



886,300

Nelson Airport's passengers for the 12 months to 31 December 2024



1347m
of sealed runway

118.8h of operational
land area



1.4 million pax, the
terminal capacity per
annum



1000+ total
carparks



\$164 million, our
total asset value



26.5 FTE*, our
employees (29 total)



1,052,495, the total number of
seats flown for the 12 months to 31
December 2024

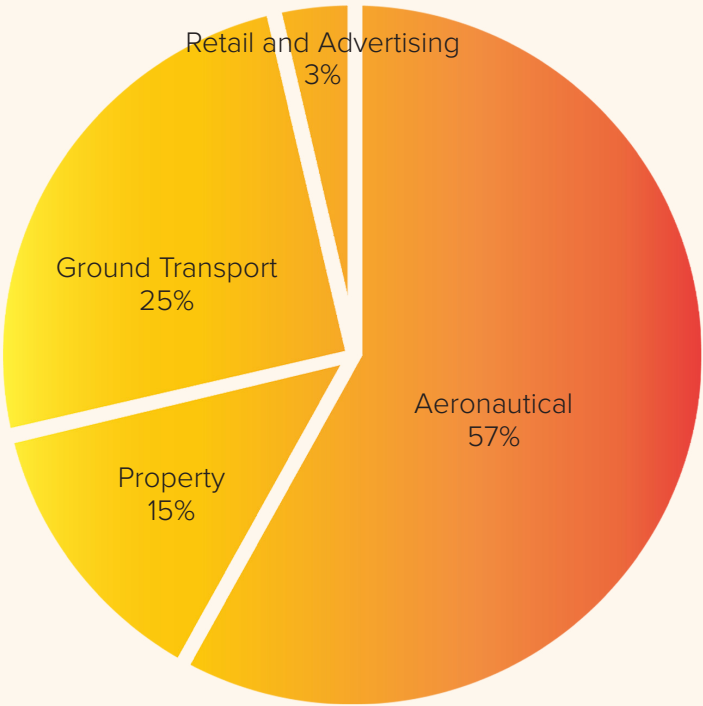


REVENUE ANALYSIS

The revenue streams earned reflect the scope of airport activities. The diagram below illustrates a summarised view of the forecast revenue split for the 2025/26 financial year.



2025/26 REVENUE FORECAST BY REVENUE STREAM



PASSENGER PERFORMANCE

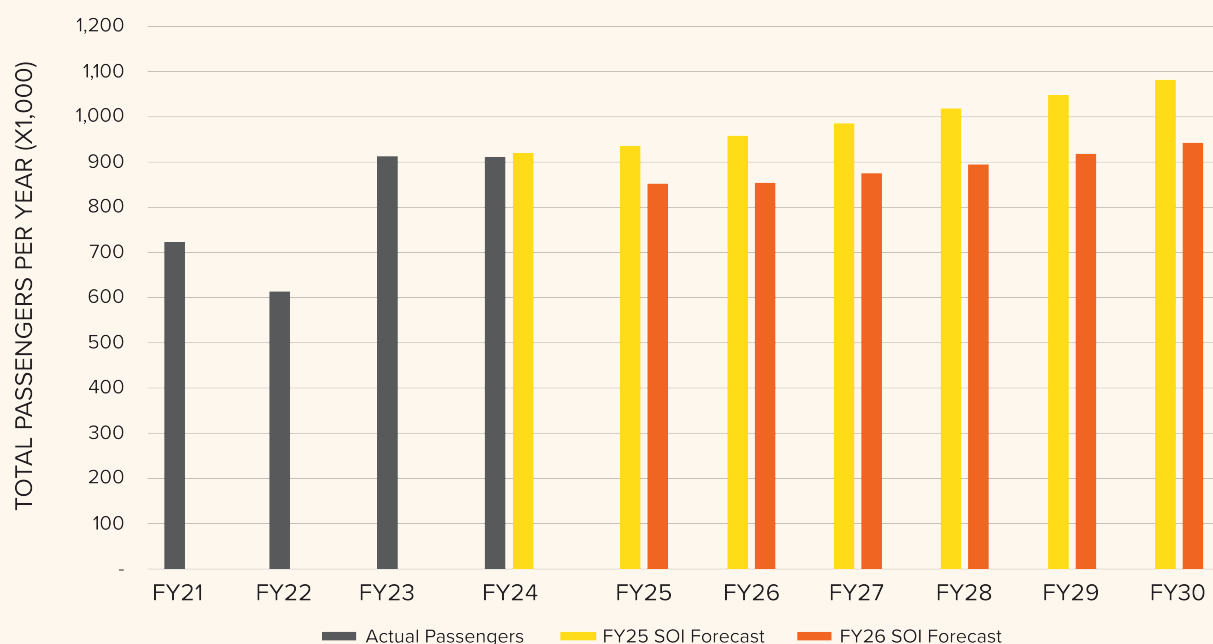
Passengers travelling through the airport underpin NAL's financial performance. Aeronautical Charges earned by the airport to fund the facilities and services provided for aeronautical activities are directly proportionate to passengers and aeronautical activity. Additionally, other significant income streams have a strong correlation to total passenger numbers including Ground Transport and Retail and Advertising.

NAL's passenger volumes have been constrained by a variety of factors recently including airline reductions to flight schedules and their challenges with poor on-time performance and overall reliability. Although we have seen recent improvements in cancellation rates and delays, capacity reductions continue to hamper the passenger recovery. This is expected to continue well into the medium term due to Air New Zealand's engine maintenance

issues, particularly with its A320 NEO aircraft. Although jets don't currently fly to the regions, there is a trickle-down impact on regional schedules as some jet services, especially between Wellington and Christchurch, are replaced with turboprops.

Despite this, passenger demand appears resilient and we're confident that, once capacity is restored, growth in passenger volumes will follow. The subdued passenger outlook feeds through into lower growth in EBITDA and Net Profit After Tax (NPAT) than was forecast in last year's SOI. In response, NAL is seeking to adjust and fine tune its charges, in particular a thorough review of aeronautical and parking. Elsewhere, NAL is taking proactive steps to improve efficiency and reduce costs to match the expected pace of growth.

HISTORICAL VS FORECAST TOTAL PASSENGERS



C. OBJECTIVES

NAL has developed strategic areas to improve business performance and encourage growth. These strategies are underpinned by a series of initiatives and key performance indicators.



Health, Safety and Wellness

Provide a safe and secure airport, underpinned by a strong safety culture and an effective safety management system.



Customers and Stakeholders

Build strong relationships with all our partners, stakeholders and communities of interest.



People, Culture and Values

Be an employer of choice in the region.



Risk Management

Safeguard strategic objectives, assets and business performance through informed decision making.



Operational Excellence

Pursuit of collaborative, efficient, safe and reliable performance to deliver sustainable airport operations.



Infrastructure and Property

Invest in and maintain buildings and infrastructure that support our strategic and sustainability objectives.



Environmental Sustainability

Minimise the ecological impact of the airport through sustainable practices and a long-term commitment to environmental health and resilience.



Financial Performance

Contribute directly and indirectly to the economic prosperity of the region.

OUR APPROACH

People, Culture and Values

Retain and grow employee talent and expertise

Enhance employer brand, recruitment processes and systems

Financial Performance

Maintain and optimise strong financial performance and reporting systems

Expand and diversify revenue streams

Ensure access to working capital and long-term borrowing via IHL at favourable cost

Operational Excellence

Maintain best practice airside safety standards

Maintain best practice wildlife hazard management standards

Promote effective communication and co-operation between airside stakeholders

Maintain skilled and responsive Airport Emergency Service personnel

Customers and Stakeholders

Enhance customer experience at the airport

Engage with stakeholders on the airport's development plans, environmental impacts, and opportunities for collaboration and partnership.

Health, Safety and Wellness

Implement and promote health and wellness programmes and initiatives

Maintain fit for purpose and best practice health and safety systems

Zero Harm Commitment to employees, PCBU, customers: Every person returns home safe and well at the end of the day.

Infrastructure and Property

Maintain a long-term master plan that supports the vision, goals, and objectives of the airport.

Maintain a Strategic Asset Management system, aligned with ISO55000

Risk Management

Maintain a risk management framework that informs our resource allocation and decision making regarding critical risk areas

Promote a risk management culture within all levels of the organisation

Environmental Sustainability

Manage our carbon emissions and environmental impact

Nelson Resource Management Plan noise compliance

D. PERFORMANCE MEASURES AND TARGETS

FY26 TARGETS

People, Culture and Values

Measure		Target
	Build upon employee engagement	Engagement score increased by 10% Establish employee recognition program
	Great Place to Work Certification	Apply for certification

Health, Safety and Wellness

Measure		Target
	Employee volunteer leave (2 days) supporting local sustainability projects	25% staff participation
	Conduct audits and inspections to monitor and evaluate the health and safety performance and compliance of the airport	External Audit undertaken
	Routine safety walks in collaboration with stakeholders to identify and report hazards and risks	Management to undertake at least one safety walk every month

Infrastructure and Property

Measure		Target
	Capital projects approved and delivered on time and on budget	Main apron project completed

D. PERFORMANCE MEASURES AND TARGETS

FY26 TARGETS

Financial Results

Measure		Target
	EBITDA ¹ (based on PAX forecast)	\$11.1m
	Dividends declared to the shareholder (IHL)	\$1.5m
	Stay within NAL's debt credit metrics as set by IHL	Gross leverage ratio ² ≤ 4.5 Funds from operations /Debt ³ ≥ 11%

Customers and Stakeholders

Measure		Target
	Refreshed airport website	Website roll out delivered
	Refreshed airport brand	Brand roll out delivered
	Cultural design framework	Stage 1 installation complete

¹Earnings before interest, taxes, depreciation, amortisation, and other non-operating income/expenses

²Total third-party debt at year end/EBITDA before other income and expenses (maintained at <4.5). Third party debt is via IHL

³Total third-party debt at period end/Equity at period end (maintained at > 11%). Third party debt is via IHL.

D. PERFORMANCE MEASURES AND TARGETS

FY26 TARGETS

Environmental Sustainability

Measure		Target
	Airports Carbon Accreditation	Develop a Carbon Management Plan
	Review and identify fossil fuel reduction opportunities	Map consumption and identify reduction opportunities
	Review and identify waste reduction opportunities across airport	Conduct waste audit, evaluate opportunities and develop priority plan



III. FINANCIAL PERFORMANCE

A. PROSPECTIVE SUMMARY FINANCIAL STATEMENTS

Prospective Summary Statement of Comprehensive Income (\$ million)

	FY25 FORECAST	FY26	FY27	FY28
Total Operating Revenues	18.0	19.2	21.9	23.2
Total Operating Expenses	(7.2)	(8.1)	(8.6)	(9.0)
EBITDA	10.8	11.1	13.3	14.2
Loss on Disposal of Fixed Assets	(0.1)	(0.3)	-	-
EBITDA after Other Income / Expenses	10.7	10.8	13.3	14.2
Depreciation and Amortisation	(5.0)	(5.3)	(5.5)	(5.6)
EBIT	5.7	5.5	7.8	8.6
Finance (Expense) / Income	(1.7)	(1.8)	(2.1)	(2.6)
Profit before Income Tax	4.0	3.7	5.7	6.0
Income Tax	(1.7)	(1.9)	(2.4)	(2.6)
Net Profit after Income Tax	2.3	1.8	3.3	3.4

Prospective Summary Statement of Financial Position - As at Year End (\$ million)

	FY26	FY27	FY28
Assets			
Current Assets	1.8	2.1	2.2
Property, Plant and Equipment	174.5	182.0	197.0
Total Assets	176.3	184.1	199.2
Liabilities			
Current Liabilities	3.1	3.3	3.5
Total Loan Finance	40.2	46.1	59.3
Other Non-Current Liabilities	23.6	23.6	23.6
Total Liabilities	66.9	73.0	86.4
Total Net Assets	109.4	111.1	112.8
Total Equity	109.4	111.1	112.8

A. PROSPECTIVE SUMMARY FINANCIAL STATEMENTS

Prospective Summary Statement of Cashflows (\$ million)

	FY26	FY27	FY28
Cash Opening Balance	0.0	0.1	0.1
Cash In			
Cash from Operations	22.0	25.0	26.6
GST Received	0.0	0.0	0.3
Cash drawn from Loan Facility	9.7	7.1	13.2
Total Cash Inflows	31.7	32.1	40.1
Cash Out			
Operational Expenses	11.2	9.8	9.8
Income Tax Paid	1.4	2.2	2.5
Dividends	1.4	1.5	1.6
Capital Expenditure	15.1	14.6	23.6
GST Paid	0.0	0.7	0.0
Loan Payments (principal and interest)	2.5	3.3	2.6
Total Cash Outflows	31.6	32.1	40.1
Cash Closing Balance	0.1	0.1	0.1

Note: Cash balances will be maintained at minimal levels whilst the MOCL finance facility remains active.

B. TEN-YEAR PROJECTED CAPITAL EXPENDITURE PROGRAMME

The following table shows the projected capital expenditure forecast for the current financial year plus 10 additional years.

Ten-Year Total Capital Expenditure Forecast

	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35
Total Capex (\$m)	9.7	13.7	12.9	20.6	8.8	9.5	13.3	8.3	14.2	14.4	13.4

Prospective Summary Statement of Capital Expenditure (\$ million)

	FY26	FY27	FY28
Runway, Aprons and Taxiways	3.7	0.7	5.4
Stormwater / Erosion / Drainage	2.9	1.0	3.8
Airport Emergency Services	0.6	1.7	-
Other Airside Infrastructure	2.0	-	0.3
Landside Roading and Carparks	0.6	7.9	9.3
Commercial Property Developments	1.1	0.5	0.5
All Other Forecast Capital Expenditure	2.9	1.3	1.3
	13.7	12.9	20.6

C. TEN-YEAR PROJECTED DEBT PROFILE

The following table shows the projected debt levels for NAL for the current year plus 10 additional years.

Total Third-Party Debt Forecast

	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Total Debt (\$m)	31.2	40.2	46.1	59.3	60.0	61.0	65.6	64.3	69.1	73.3	76.1

D. KEY FINANCIAL COVENANTS

Prospective Key Ratios and Indicators - As at Year End

	NOTE	FY26	FY27	FY28
Leverage Ratio	1	3.6	3.5	4.2
Funds from Operations / Debt	2	19.7%	18.0%	15.9%
Shareholder's Funds to Total Assets Ratio	3	0.62	0.60	0.57

Notes

1. Leverage Ratio = (Total Loan Finance / EBITDA)
2. Funds from Operations / Debt = ((EBITDA before other Income/Expenses - Cash Interest - Cash Taxes) / Total third-party debt at year end). All debt is sourced via IHL
3. Shareholder's Funds to Total Assets Ratio = (Total Equity / Total Assets)

E. ACCOUNTING POLICIES

The reporting entity for accounting and financial reporting purposes is Nelson Airport Limited. Nelson Airport Limited has a balance date of 30 June.

For financial reporting purposes NAL is a “for-profit public sector entity”. By virtue of the size of the business, and by election, NAL reports under the Reduced Disclosure Regime to Tier 2 requirements.

NAL has undertaken General Purpose Financial Reporting utilising the revaluation model based on the accounting concept of Fair Value. Significant valuation work was undertaken towards this end and underpins the reporting of Property, Infrastructure and Leasehold Interest at fair value.

NAL reports internally on a monthly accounting cycle with actuals for the Balance Sheet and Income Statement being presented to management and the Board monthly. Progress against budgets and forecasts is regularly monitored internally and reported against.

Accounting policies are set out in detail in NAL's Annual Report which is available from Nelson Airport Ltd's website at: www.nelsonairport.co.nz.

F. DIVIDEND POLICY

NAL will use best endeavours to maximise the annual dividend pay-out to the shareholder, whilst remaining within prudent debt ratio limits that provide for the ongoing successful operation, growth, and development of the airport.

G. COMMERCIAL VALUATION

The commercial value of the shareholder's investment in the company is considered by the directors to be not less than the shareholder's funds as disclosed in the Statement of Financial Position published in the last Annual Report.

A reassessment of the value of the shareholder's investment in NAL may be undertaken as required from time to time by the shareholder or directors.

The fair value of assets is supported by valuations of land, buildings, infrastructure, and the leasehold interest in the aerodrome land by independent registered valuers as required.

H. PROCEDURE FOR ACQUISITION OF OTHER INTERESTS

If the directors believe NAL should invest in or otherwise acquire any interest in any other organisation, they will obtain the prior approval of the shareholder by special resolution, unless the total cost is less than \$50,000. In this case, prior approval will not be required but the shareholder will be advised in writing within 14 days.



IV. NON-FINANCIAL PERFORMANCE

A. SUSTAINABILITY, RISK MANAGEMENT AND REPORTING

NAL is committed to reducing its impact on the environment, including its contribution to climate change, as well as providing transparency to the community on the potential impacts of climate change on airport operations.

Risk Management

NAL is undertaking a comprehensive review of its risk management framework and risk management culture. This work is reflected in the FY26 targets and will lead the airport towards an enhanced, robust and practical risk management approach.

Carbon reduction

NAL has committed to two specific goals for carbon emissions reduction:

- An 80% reduction of Scope 1 and 2 gross carbon emissions from our base year of 2020FY to 2035FY, and
- Net zero carbon emissions by 2050

Whilst NAL is not a member of the Climate Leaders Coalition, the first point above aligns with the coalition's goal of contributing to holding the increase in global warming to 1.5 degrees. NAL's performance against this target will be independently verified. Achieving this result for Scope 1 and 2 emissions requires NAL to transition to 100% on-site renewable energy for both terminal and tenant services.

Climate change

Several initiatives are underway to both reduce our carbon footprint and build resilience against natural events including those caused by climate change, including:

- Proactively pursuing confirmation of the Project 2-Zero Notice of Requirement and Private Plan Change to protect the airport's ability to host zero-emission aircraft and develop green energy generation as a permitted activity

- Continued stormwater infrastructure replacement and improvement programme
- Promoting the e-Bus service to increase its use
- Reviewing what we measure for carbon reporting to build a more complete view of our impact
- Participation in the Mission to Zero employee commuting programme

Waste Minimisation

NAL will focus on reducing waste and increasing recycling, including within construction projects. This is being pursued as part of an initiative to engage more deeply with airport tenants and suppliers to establish environmental champions and raise the priority of environmental management across all airport operations and projects.

Climate Related Disclosures

Consistent with the requirements of Group shareholders and Infrastructure Holdings Limited (IHL), NAL commenced reporting against the Climate-Related Disclosures (NZ CS 1-3) standards in FY24. The reporting will be matured through three phases: scoping, qualitative and quantitative compliance over three years, with full compliance anticipated for the 2026 Climate Report.

B. HEALTH AND SAFETY

NAL has a Civil Aviation Authority approved Safety Management System (SMS) in place, ensuring compliance of our airside operations. Our SMS is also independently audited annually by an aviation consultancy. NAL continues to evolve the system, which allows for more efficient and effective reporting of risks, hazards and incidents and provides a better overview of the health and safety environment at any given time. Continual improvement is a pillar of the system, and we will continue to deliver advancements in managing safety.

We recognise that procedures and processes can only provide a certain level of assurance however, and that the main hazard at the airport is that created by people.

We continue to see open and honest communication with operators and stakeholders as the key element in driving a successful safety culture. NAL holds regular safety and security discussions with stakeholders to drive improvements where businesses co-exist. NAL is also an active member of the Safety Managers Forum created by the NZ Airports Association.

C. CUSTOMERS, STAKEHOLDERS AND IWI

Nelson Airport is committed to providing high standards of customer service and to maintaining strong relationships with our stakeholders and partners.

Our annual Customer Satisfaction Survey provides us with customer satisfaction metrics across the range of airport facilities and services, and is used each year to focus our efforts on areas for continued improvement. We're determined to maintain our 2024 "Excellent" satisfaction score, and in the coming financial year we'll be developing a Customer Experience Strategy to guide further focus on this area.

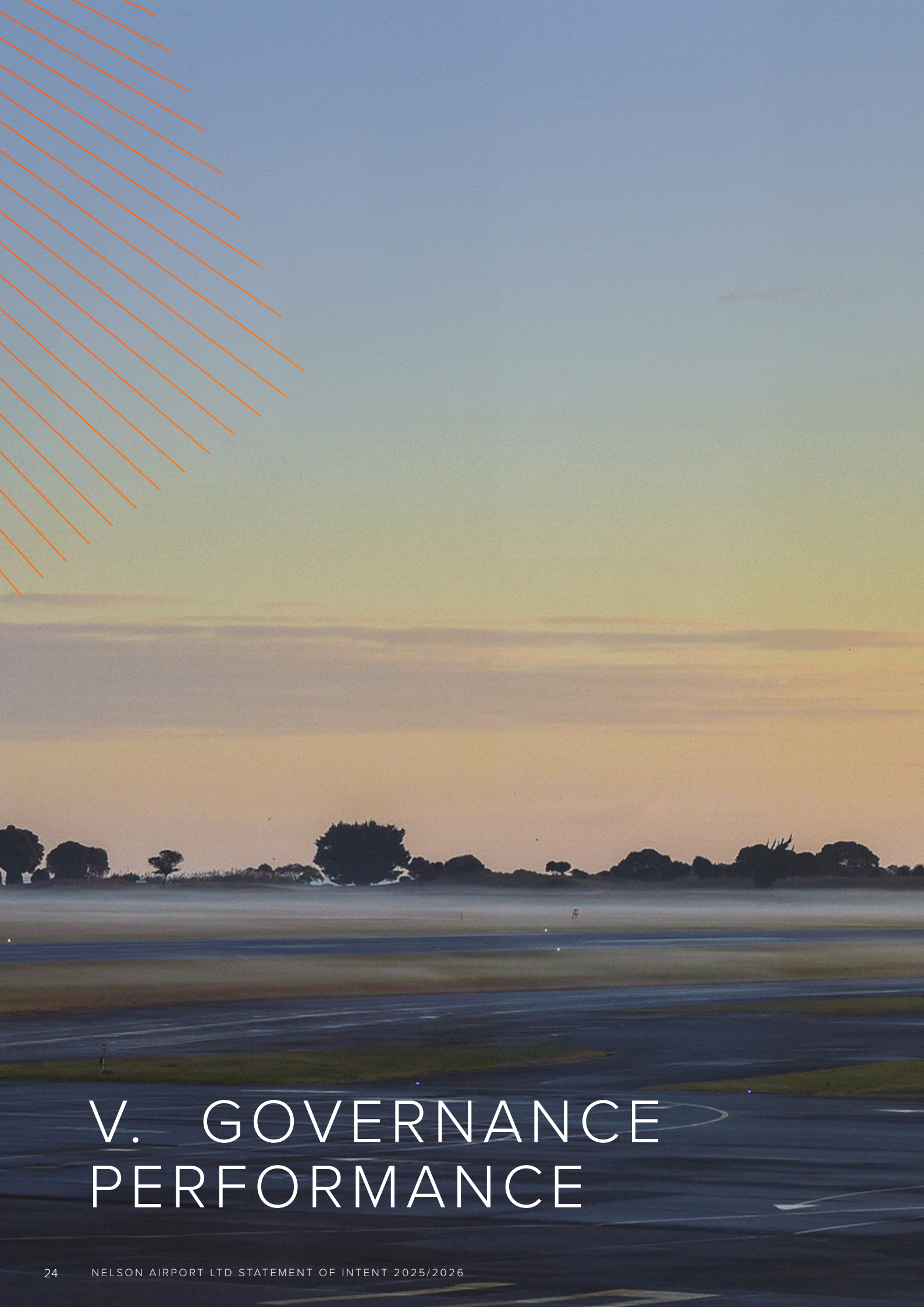
We maintain strong lines of communication with our airline customers, airport tenants and other airport operators through regular formal and informal meetings, e-newsletters and collaboration on a wide range of activities.

We build and maintain relationships with the wider Nelson-Tasman community as well, including through the Nelson Airport Noise Environment Advisory Committee, through our extensive community sponsorship programme, an active programme of community engagement opportunities and the provision of regular

information via our website, social media channels, dedicated customer service portal and our regular stakeholder e-newsletter.

We continue to build our relationship with iwi. In 2024 we supported the development of a draft Cultural Framework as a foundation for the elevation of cultural storytelling and design at Nelson Airport. The next step is the implementation of design projects in the terminal.

Alongside this, we continue to grow our cultural capability internally. All staff have had the opportunity to attend Te Reo Māori classes since early 2023 and senior leaders attended Te Tiriti o Waitangi workshops in the 2024 calendar year. Several staff will continue their te reo learning with Te Ataarangi in 2025.



V. GOVERNANCE PERFORMANCE

A. APPROACH TO GOVERNANCE

The Board's approach to governance of NAL is to preserve and enhance shareholder value in the long term.

The Board is responsible for the Business Plan and Statement of Intent and is accountable to the shareholder within the framework provided by the constitution of NAL, the provisions of the Companies Act 1993 and the Local Government Act 2002.

The board must:

- Ensure that NAL uses its best endeavours to meet its objectives as defined in the Statement of Intent.
- Ensure that NAL complies with its legal obligations.
- Make any decisions as to policy that is not the preserve of general management and day to day administration.
- Employ the Chief Executive, including entering into a performance management agreement, reviewing performance, and setting remuneration.
- Ensure sound financial management of NAL.
- Ensure NAL meets all health and safety obligations.

The Board consists of a minimum of four and a maximum of six non-executive directors, appointed by the shareholder in accordance with the constitution.

The Board meets at least nine times per year. The individual directors' attendance record is maintained and reported in the Annual Report. NAL employs sound financial management and systems, providing reports to the board on monthly and year-to-date performance. The Board also receives a Chief Executive's Report at each board meeting, which addresses issues related to NAL's performance against its objectives.

All directors will use their best endeavours to ensure NAL achieves the objectives as defined in this document and will comply with the requirements of its constitution and the Statement of Intent.

All board members comply with the New Zealand Institute of Directors' Code of Proper Practice for Directors.

Fees for the Board are set by the shareholder in accordance with a policy jointly approved by Nelson City Council and Tasman District Council.

B. INFORMATION TO BE PROVIDED TO THE SHAREHOLDER

NAL operates on a 'no surprises' basis in respect of significant shareholder-related matters, especially on matters likely to cause community or political concerns, to the extent possible in the context of commercial sensitivity and confidentiality obligations.

Half-Yearly and Quarterly Reports

To be delivered to the shareholder by 28 February, 31 May and 30 November.

The half-yearly report will include:

- A Directors' Report which includes commentary on NAL's operations and performance against non-financial performance measures
- A condensed Statement of Comprehensive Income
- A condensed Statement of Changes in Equity
- A condensed Statement of Financial Position
- A condensed Statement of Cash Flows
- Appropriate Notes to the condensed Financial Statements

The half-yearly report (The Interim Report) will be published on NAL's website following adoption by the shareholder. Quarterly reports will not be published on the website but made available to the shareholder and be similar in format to the half-year report but exclude a Directors' Report.

When presenting the half-yearly report, the Board will indicate any significant movement expected in the final year-end position if applicable.

Statement Of Intent

- Draft to be delivered to the shareholder on or before 1 March in the year preceding the financial year to which the draft Statement of Intent relates.
- Comments from the shareholder on draft Statement of Intent, if any, to be provided to NAL by 1 May.
- Final Statement of Intent to be delivered to the shareholder following consideration of any shareholder comments by 31 May, or later if allowed by the shareholder. In any case not later than 30 June.
- Final Statement of Intent to be made available to the public following adoption by the shareholder.

The Statement of Intent will contain prospective financial information in the form of forecasts for the current year and following two years, as well as a 10-year projected debt profile and capital expenditure profile. The financial forecasts will include a summary Statement of Comprehensive Income; Statement of Financial Position; Cashflow Statement; Earnings Before Interest and Tax (EBIT); Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA); Leverage Ratio; Funds from Operations / Debt and Ratio of Shareholder's Funds to Total Assets.

Annual Report

- To be delivered to the shareholder by 30 September and not less than 20 working days before the date fixed for holding the Annual Shareholders' Meeting
- To be made available to the public by 30 September

Within three months after the end of the financial year, the Board will deliver an audited Annual Report which fulfils the requirements of the

Local Government Act 2002 and is prepared to comply with the requirements of the Financial Reporting Act 2013.

The Annual Report will include:

- A Directors' Report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to dividend
- A Statement of Comprehensive Income disclosing actual and budgeted revenue and expenditure and comparative actual figures from the previous year
- A Statement of Changes in Equity with actuals and comparative figures from the previous year
- A Statement of Financial Position with actuals and comparative figures from the previous year
- A Statement of Cash Flows with actuals and comparative figures from the previous year
- An Auditor's Report on the above statements and the measure of performance in relation to objectives

Annual Shareholder Meeting

- Annual Shareholder Meeting to be held by 31 December each year
- Annual Report to be delivered to the shareholder not less than 20 working days prior to the Annual Shareholder Meeting
- Written Notice of Meeting to be delivered by not less than 10 working days before the meeting

Written notice of the time and place of a meeting of the shareholder will be sent to the shareholder and Group shareholders and to every director and auditor of NAL not less than 10 working days before the meeting. The notice must be in accordance with the requirements of Schedule 1 of the Companies Act 1993.

C. ROLE OF THE IHL GROUP

NAL works closely with the other members of the IHL Group to share knowledge, implement best practice and realise synergies. Examples of where the Group has, or is, sharing best practice and realising synergies include risk management, health and safety, funding, climate change, accounting services, dividend policy, communications and property management.



