AIRPORTS VANUATU

Annual Report 2025



















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Airbus A330-200 landed

On 2 January 2025, Port Vila International Airport successfully received an Airbus A330-200 aircraft operated by Air China Cargo.

This Code E long-haul aircraft marks a significant milestone, as the recent airport upgrades were specifically designed to accommodate such wide-body aircraft, enabling direct flights from major markets including China and other long-haul destinations.



Code E

About Us

Who We Are
Airports Vanuatu Limited (AVL) is a wholly government-owned company responsible for the management and operation of Vanuatu's three international airports—Port Vila, Santo, and Tanna. Since its establishment in 21 September 1999 AVL has played a central role in enabling safe, reliable, and efficient air connectivity for the nation.

With a workforce of approximately 217 employees across the three airports, AVL delivers critical aviation services including Air Navigation, Aviation Security, Aircraft Rescue and Firefighting, and Passenger Terminal services. All operations are aligned with International Civil Aviation Organization (ICAO) standards, ensuring safety, compliance, and operational excellence.

"Connecting Vanuatu to the world through safe, secure, and efficient aviation services."

Our Commitment

Safety and Security
Maintaining the highest levels of operational safety, security, and regulatory compliance across all airports.

Service Excellence
Delivering efficient, reliable, and customer-focused airport experiences.

Sustainability
Investing in resilient infrastructure and environmentally responsible practices.

People Development
Empowering Ni-Vanuatu employees through training, skills development, and leadership pathways.

What We Do
AVL is Vanuatu's primary aviation gateway facilitating the movement of people, goods, and services across the country and beyond.

Our core responsibilities include:
- Managing and maintaining airport infrastructure
- Ensuring safe and efficient aircraft operations
- Supporting airline partners and stakeholders
- Ensuring passenger safety
- Enabling domestic and international connectivity

Our Role in Vanuatu's Economy
AVL plays a vital role in supporting national development. As the country's primary aviation infrastructure provider, we enable tourism, trade, and investment—key drivers of economic growth.

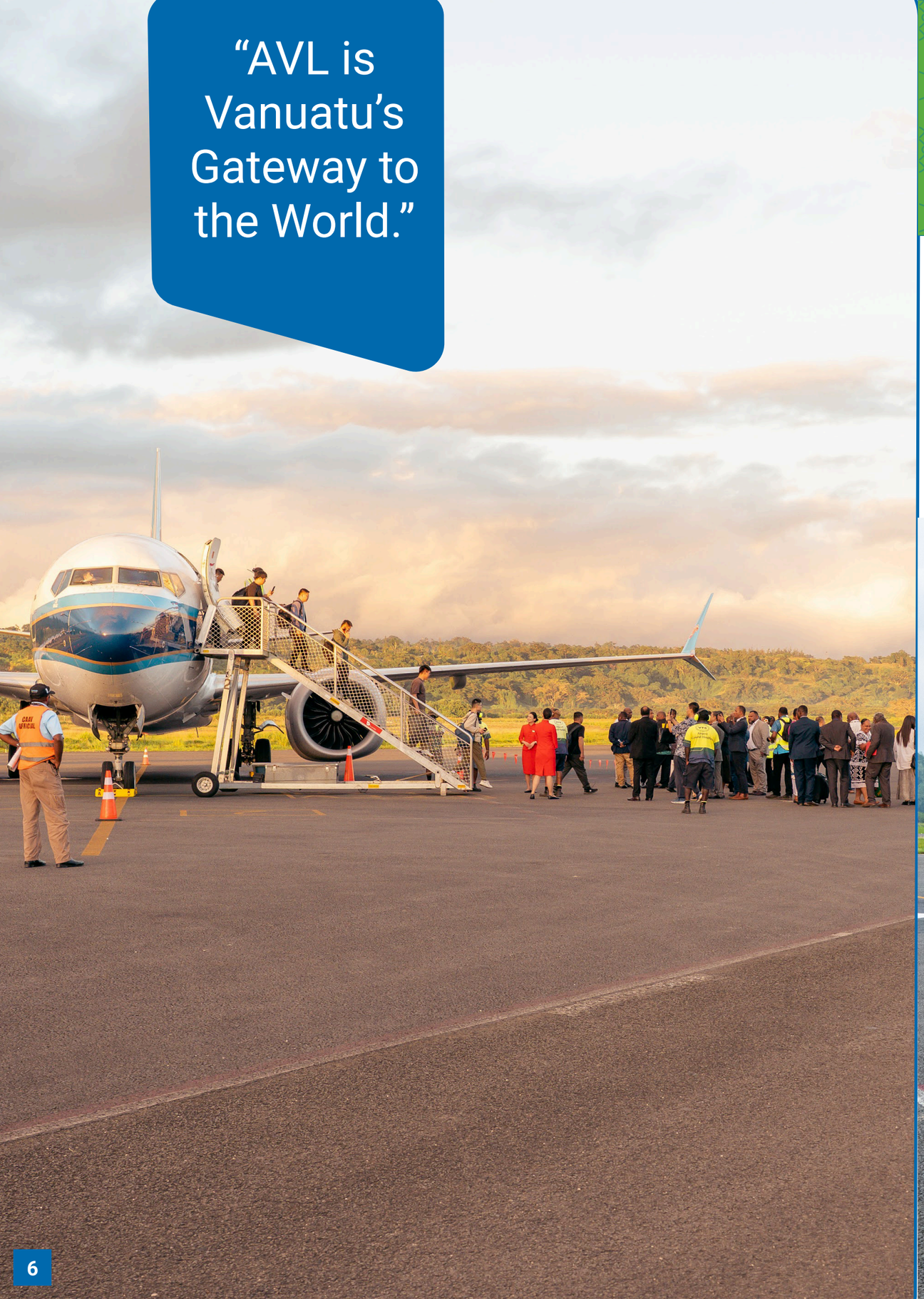
Our airports serve as the main entry points for international visitors and critical links between islands, supporting both local communities and regional development. By maintaining reliable and efficient operations, AVL ensures Vanuatu remains accessible and competitive within the Pacific region.

"Our airports are more than infrastructure—they are gateways to opportunity, growth, and connection."









"AVL is Vanuatu's Gateway to the World."

MISSION

In the interest of all stakeholders, AVL seeks to be world-class in safety, security and customer service, has sound financial performance and to be recognised as a good corporate citizen and key contributor to the economy of the Republic of Vanuatu.

VISION

Developing a sustainable hub in the South Pacific, to be the pride of Vanuatu, enabling people to connect.



Core Values

Be Fair - Integrity

Lead as one - Teamwork/Unity

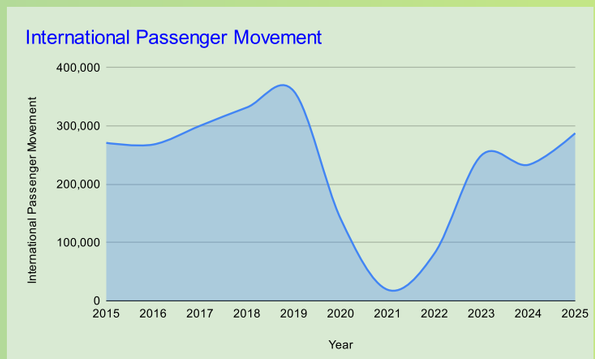
Own it - Accountability

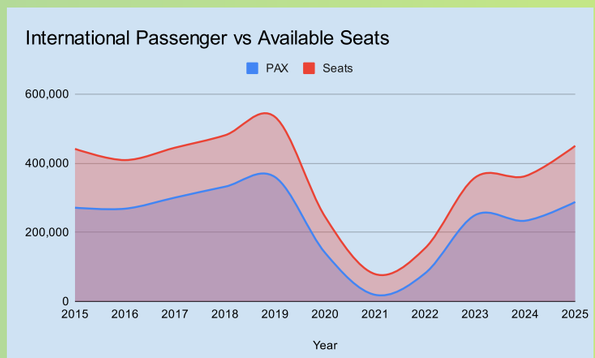
Never give up - Perseverance

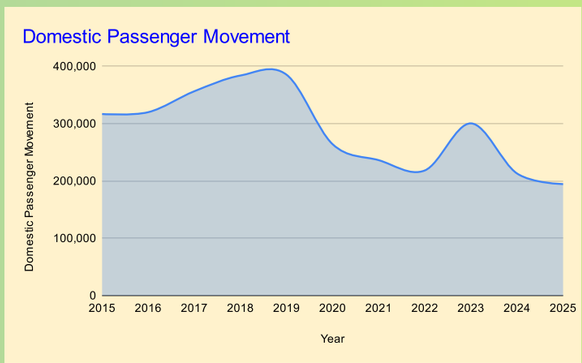
Give Respect - Respect

2025 at a glance

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
International Passenger Movements											
International Arrivals	135,511	133,894	149,958	165,658	179,755	68,578	6,673	40,215	125,936	114,431	143,214
International Departures	135,493	134,200	150,315	166,155	179,777	71,748	12,263	41,206	123,613	118,859	144,362
Total International Movement	**271,004**	**268,094**	**300,273**	**331,813**	**359,532**	**140,326**	**18,936**	**81,421**	**249,549**	**233,290**	**287,576**
Domestic Passenger Movements											
Domestic Arrivals	159,221	160,049	178,237	192,540	194,605	133,722	119,363	110,781	151,915	107,529	96,903
Domestic Departures	157,619	159,948	178,284	191,451	190,873	130,434	116,897	107,571	148,593	105,544	97,657
Total Domestic Movement	**316,840**	**319,997**	**356,521**	**383,991**	**385,478**	**264,156**	**236,260**	**218,352**	**300,508**	**213,073**	**194,560**
Aircraft Movements											
Domestic Arrivals	7,903	7,662	8,447	8,813	9,209	8,066	6,896	6,477	7,841	6,490	5,661
Domestic Departures	8,153	7,914	8,759	8,800	8,948	7,724	6,708	6,280	7,577	6,212	5,642
International Arrivals	1,647	1,533	1,660	1,744	1,945	1,031	376	559	1,322	1,222	1,538
International Departures	1,641	1,534	1,653	1,744	1,948	1,082	412	583	1,302	1,212	1,544
Total Aircraft Movement	**19,344**	**18,643**	**20,519**	**21,101**	**22,050**	**17,903**	**14,392**	**13,899**	**18,042**	**15,136**	**14,385**
Aircraft Seats											
Domestic Arrivals Seats	243,979	237,159	269,111	289,978	293,090	216,559	197,874	165,336	195,943	149,767	148,336
Domestic Departures Seats	247,807	241,864	274,791	290,300	288,326	211,648	194,500	161,489	192,105	144,335	148,362
International Arrivals Seats	220,077	204,250	222,503	240,361	266,779	122,108	39,068	76,162	181,156	181,422	224,323
International Departures Seats	221,158	204,483	222,188	240,255	266,629	122,639	39,814	77,866	177,266	180,899	225,701
Total Seats	**933,021**	**887,756**	**988,593**	**1,060,894**	**1,114,824**	**672,954**	**471,256**	**480,853**	**746,470**	**656,423**	**746,722**
Load Factor											
Load Factor Domestic Arrivals	65	67	66	66	66	62	60	67	78	72	65
Load Factor Domestic Departures	64	66	65	66	66	62	60	67	77	73	66
Load Factor International Arrivals	62	66	67	69	67	56	17	53	70	63	64
Load Factor International Departures	61	66	68	69	67	59	31	53	70	66	64







Passenger Traffic Overview

Passenger movements in 2025 reflect a continued but fragile recovery in Vanuatu's aviation sector following the severe impacts of COVID-19 in prior years.

After the sharp decline in 2021 due to global border closures, both international and domestic traffic have progressively improved. However, recovery has remained uneven and below pre-pandemic levels, particularly in the international segment.

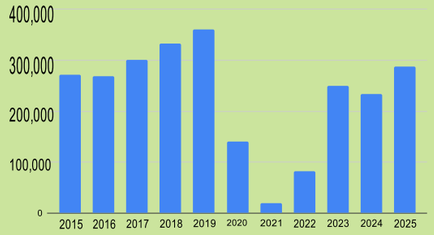
During the reporting year, passenger volumes were constrained by limited airline capacity, with the full effects of the 2024 liquidation of Air Vanuatu continuing to impact connectivity, frequency, and available seats across key routes.

The presence of Virgin Australia, which commenced services to Vanuatu in 2023, has provided important support to international access. Nonetheless, overall capacity remains below historical levels, limiting the pace of recovery.

Domestic traffic has shown relatively greater resilience, supported by essential travel demand and inter-island connectivity, although it too remains influenced by broader sector constraints.

Overall, 2025 results indicate that while demand for air travel is returning, the pace of recovery is highly dependent on airline capacity restoration and market stability. Strengthening airline partnerships and rebuilding route networks will remain critical to achieving sustained growth.

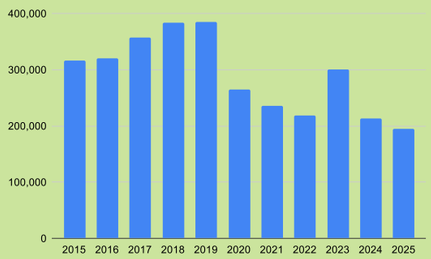
Total International Passenger



287,576
passenger



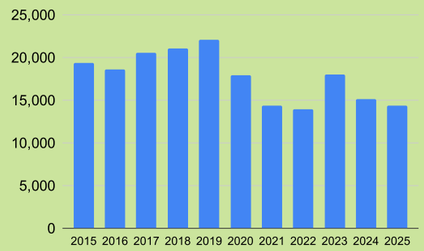
Total Domestic Passenger



192,560
passenger



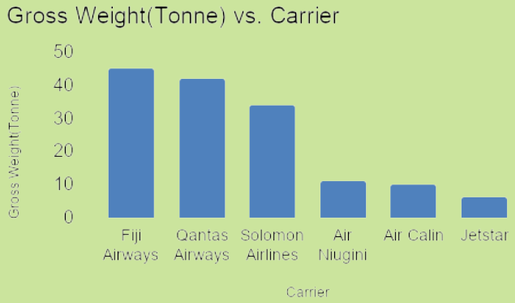
Total Aircraft Movement



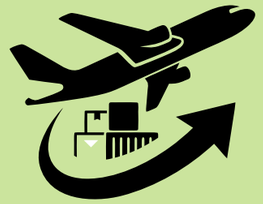
14,385
movement



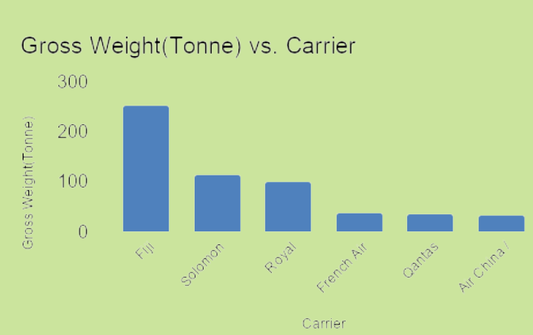
Cargo Exported by top 6 Carrier



148
Tonne



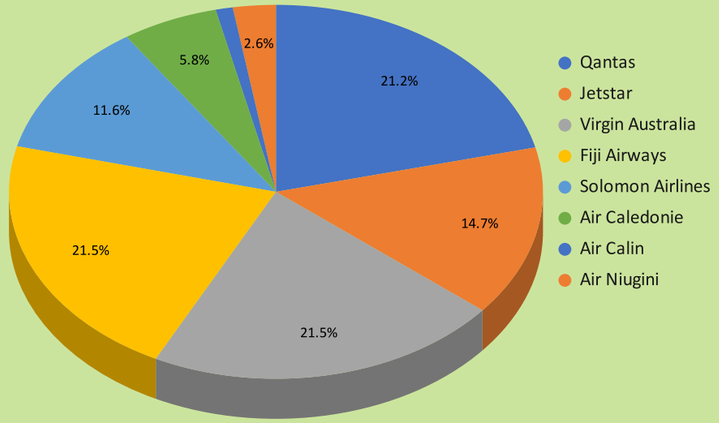
Cargo Import by top 6 Carrier



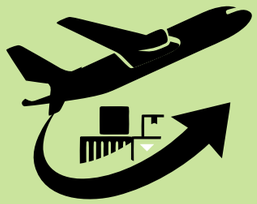
571
Tonne



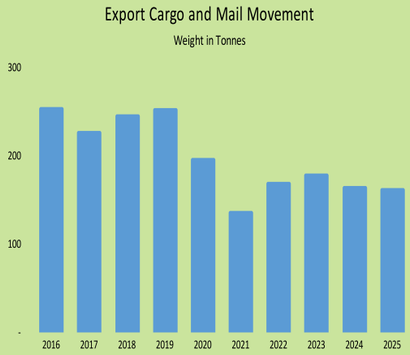
Schedule Passenger Airline turnaround



Total Annual Export Cargo & Mail Movement



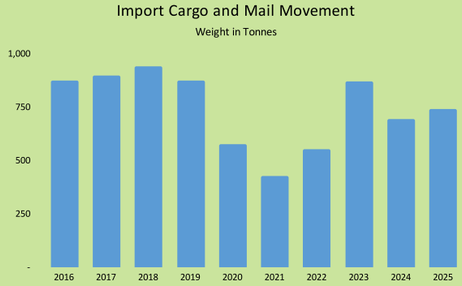
164
Tonne



Total Annual Import Cargo & Mail Movement



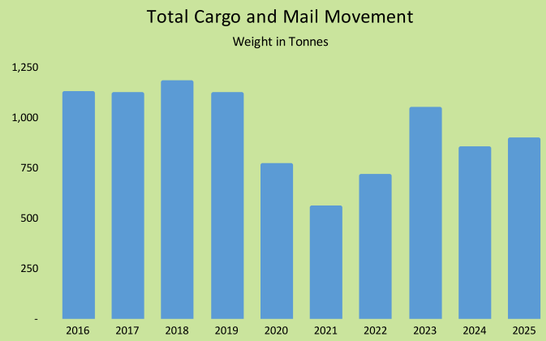
742
Tonne



Total Annual Cargo and Mail Movement



906
Tonne



"Tanna Airport."

Chairman & Chief Executive Report

"2025 marked a year of recovery and strategic progress for Airports Vanuatu Limited"

CHAIRMAN & CHIEF EXECUTIVE OFFICER'S REPORT

Airports Vanuatu Limited (AVL) & Vanuatu Terminal Services Limited (VTS)

Dear Shareholders,

On behalf of the Board of Directors and Management, we are pleased to present the Annual Report of Airports Vanuatu Limited (AVL) and its subsidiary, Vanuatu Terminal Services Limited (VTS) for the financial year ended 30 September 2025.

Overview and Operating Environment

The 2025 financial year was defined by resilience, recovery, and transition across Vanuatu's aviation sector. Operations continued to recover from COVID-19 while adapting to the liquidation and restructuring of Air Vanuatu and responding to the December 2024 magnitude 7.3 earthquake.

Despite these challenges, AVL maintained safe, secure, and reliable airport operations across all locations. Passenger activity reached 513,267 movements, cargo throughput totalled 906 tonnes, and VTS handled 964 aircraft turnarounds, reflecting a steady progression toward operational stabilisation.

While passenger volumes remain below pre-pandemic levels, key international routes—particularly Brisbane—continued to drive recovery, signaling a transition from recovery to stabilisation of the aviation network.

Operational Performance

AVL's core operational departments demonstrated strong performance and resilience throughout the year.

Compliance

During the year, Airports Vanuatu Limited (AVL) continued to strengthen aviation safety, regulatory compliance, and operational excellence across the organisation. AVL maintained compliance with Civil Aviation Rules through the renewal of key certifications, implementation of a proactive Safety Management System (SMS), enhanced technical oversight, and data-driven safety monitoring. Significant progress was also made in workforce capability and succession planning through targeted training and leadership development, while ongoing improvements to safety systems and regulatory processes supported greater operational resilience. Despite changes in the operating environment during the year, including increased passenger movements and industry transitions, AVL remained committed to continuous improvement, ensuring the highest standards of safety, compliance, and risk management across all airport operations.

Air Navigation Services (ANS) delivered a major milestone with the commissioning of the VT 800 million NAVAID Project, significantly enhancing navigation capability across Port Vila, Santo, and Tanna. The team also played a critical role in restoring airport operations within five days following the earthquake. Continued investment in workforce capability and digital aviation systems, including Performance-Based Navigation and satellite-based navigation initiatives, is strengthening long-term operational safety.

Airport Operations maintained standards of safety and service delivery across airside, terminal, rescue and firefighting, and maintenance functions. Key airports achieved ICAO aerodrome certification, reinforcing compliance with international operational standards.

Aviation Security (AVSEC) remained fully compliant with ICAO Annex 17 requirements. The successful ICAO USAP audit confirmed no Significant Security Concerns, reflecting the strength of AVL's aviation security framework. Investments in CCTV systems and screening equipment further enhanced security capability.

Vanuatu Terminal Services (VTS) underwent significant expansion during the year, assuming total responsibility of all international airline ground handling operations. The business scaled up rapidly to meet increased demand, supported by substantial workforce growth. While operations are strengthened, ongoing focus is required in staffing capacity, training, and systems to support future growth.

Financial and Strategic Performance

AVL and VTS recorded a consolidated **profit/loss of VT 80,411,751** reflecting improved operational activity and strengthened revenue streams from both aeronautical and non-aeronautical sources.

The Company continued to fulfil its Community Service Obligations by maintaining regional connectivity and ensuring continuity of essential services across outer island airports.

Governance and Compliance

The Board maintained strong oversight of risk, compliance, and corporate governance throughout the year.

The organisation continues to operate within a robust governance framework, ensuring transparency, accountability, and alignment with national objectives.

Significant Events

The year was marked by two major events that reshaped the operating environment:

- The liquidation of Air Vanuatu, resulting in substantial debts being written off and changes across airline services and ground handling operations
- The December 2024 earthquake, which tested operational resilience and saw the successful reopening of Port Vila International Airport to jet operations within five days of the event.

These events highlighted the strength, coordination, and responsiveness of AVL and VTS teams.

Outlook

Looking ahead, AVL is entering a phase of stabilisation and growth. Key priorities include:

- Strengthening financial sustainability
- Investing in resilient and modern infrastructure
- Advancing digital aviation systems
- Enhancing customer experience and service delivery
- Building workforce capability

New airline routes and increased capacity planned into 2026 are expected to support continued recovery and growth in passenger and cargo volumes.

Acknowledgement

We extend our sincere appreciation to the Government of Vanuatu, airline partners, stakeholders, and customers for their continued support. We also acknowledge the dedication and professionalism of our staff, whose commitment has been instrumental in navigating a challenging but progressive year.

Signatories



Chairman of the Board

Jesse Benjamin
Airports Vanuatu Limited



Chief Executive Officer

Jason Rakau
Airports Vanuatu Limited

Our People

"Building a skilled, safe and future-ready Workforce"

Our people are the driving force behind AVL's operations across Port Vila, Santo and Tanna airports. Through capability, commitment and collaboration, we ensure safe, secure and world-class aviation services for Vanuatu



"Investing in Local talent."







1 Our Commitment

2 Workforce Snapshot 2024-2025

204	62	32%	5
EMPLOYEES	NEW HIRES	FEMALE WORKFORCE	ATC CADETS SPONSORED
Across Port Vila, Santo and Tanna	Joined AVL during the year	Supporting greater diversity in aviation	Investing in the future of aviation in Vanuatu

3 Training & Development

Leadership & Management Workshops

Executive Team & Line Manager

Professional Certifications

Airways International (NZ) - Radio Principles & Communication Systems (x8)

IBEForUM - Certified CHRO (x1)

Technical Skills Development

Sponsorship of five (5) Ni-Vanuatu for Air Traffic Controller Cadet training in Fiji

Governance Excellence

Effective Director Course - Governance Institute of Australia Canberra

4 Recruitment & Talent Acquisition







We strenghthened our workforce with 62 new hires in 2025 across key operational areas.

KEY APPOINTMENTS

Santo International Airport:

- **6** Aviation Rescue & Fire Fighting Services Officers
- **13** Aviation Security Officers
- **3** Housekeeping Officers
- **1** Supervisor Maintenance

Port Vila International Airport:

- **5** Housekeeping Officers
- **5** Aviation Rescue & Fire Fighting Services Officers
- **18** Aviation Security Officers
- **5** Customer Services Officers
- **1** Air Traffic Controller Officer & Examiner
- **5** Air Traffic Controller Cadets

The departments most staffed are: Operations, Aviation Security Services, and Air Traffic Services.

Our Leadership Team



Jesse Benjamin
Chairman



David Warfe
Vice Chairman / Director



Jason Rakau
Chief Executive Officer



Jackie Trief
Director



Romella Bue
Director



Eliu Luen
Group Head Vanuatu Terminal Services Ltd



Smithy Samuel
Manager Cargo Services



Robert Wane
Manager Ground Handling Services

Regulated Air Cargo Agent
Airport Ground Handling Services



Anna Alexis
Group Head Aviation Security Services



Luvic Lui
Manager Aviation Security Services

Aviation Security Services



Rowland Kalsong
Group Head Operations



Damas Liatlatmal
Airport Manager Port Vila



Edward B Natuoivi
Airporrt Manager Tanna



Hamish Malokle
Airport Manager Santo

Airport Operations - Vila, Tanna, Santo
Infrastructure
Customer Service



Kevin Abel
Group Head Air Navigation Services



Melinda Reynolds
Manager Air Traffic & Aeronautical Information Services



Steward Moli
Manager Air Traffic Safety Electronic Personnel

Aeronautical Telecommunication
Air Traffic Service
Aeronautical Information Services



Jorick Sarginson
Group Head Safety & Compliance

Safety and Compliance



Sinclair Rakau
Group Head Finance



Samuel Ebely
A/Manager Finance



Kelma Kalo
Manager Human Resource



Sailosi Rezel
Manager Information & Communication Technology

Finance
Human Resource
Information and Communication Technology

Corporate Governance

1. Introduction and Purpose

This report outlines the corporate governance framework for Airports Vanuatu Limited (AVL) and its subsidiary, Vanuatu Terminal Services (VTS), as of 2025. AVL is committed to operating a world-class airport business that prioritizes safety, security, and customer service while contributing to the economic growth of Vanuatu. The Board of Directors is responsible to the Shareholders (Government of the Republic of Vanuatu) to ensure the safe operation of the three international airports in accordance with aviation laws and global safety principles.

2. The Board of Directors

The Board maintains the highest level of Corporate Ethics and brings independence, accountability, and judgment to maximize benefits for shareholders, employees, and the community.

Board Structure:

The Board comprises four directors, appointed through a public advertisement process managed by the Commercial Investment Unit. Successful candidates are then appointed by the Minister of Finance and Economic Management, with the approval of the Council of Ministers.

The Board of Directors is responsible for providing strategic oversight and ensuring that Airports Vanuatu Limited operates in accordance with the Commercial Government Business Enterprise Act No. 22 of 2024. In carrying out their duties, Directors:

- Act honestly, in good faith, and in the best interests of the Company
- Exercise due care, diligence, and sound judgment in all decisions
- Ensure the Company remains financially sustainable and able to meet its obligations
- Oversee compliance with applicable laws, regulations, and the Company's constitution
- Monitor performance against the Statement of Corporate Intent and Business Plan
- Maintain high standards of integrity by avoiding misuse of position or information
- Declare and appropriately manage conflicts of interest
- Uphold and promote the Company's Code of Conduct and ethical standards
- Actively contribute to effective Board governance and decision-making processesVTS Board: As an associated company, VTS maintains its own Board of Directors but operates under AVL's corporate policies.

VTS Board: As a subsidiary company, VTS maintains its own Board of Directors.

3. Executive Management and Accountability

- Accountability for AVL operations is delegated through a structured management hierarchy:Accountable Executive: The Chief Executive Officer (CEO) is the designated senior management official accountable to the Board of Directors. In the event of rule parts unter the Civil Aviation Authority Vanuatu (CAAV), the CEO is the ultimate person responsible and accountable to call rule parts and for ensuring all activities are financed and carried out according to the CAAV regulations.
- Senior Persons: Legal responsibility for specific operational areas is assigned to "Senior Persons" approved by the CAAV, including Group Heads for Operations, Aviation Security, Air Navigation Services, and Safety and Compliance.
- Managerial Continuity: The management system includes formal provisions for the delegation of functions during the absence of any key personnel to ensure operational continuity

4. Safety and Risk Management

Safety is the prime consideration in all AVL activities.

- Safety Policy: AVL identifies and minimizes risks arising from activities to provide the highest reasonable standard of safety across all services.
- Safety Management System (SMS): AVL maintains an integrated SMS to identify hazards and analyze data related to airport operations.
- Non-Punitive Reporting: AVL endorses a "No Shame No Blame" reporting policy. Employees who report unpremeditated errors will not face disciplinary action, encouraging the identification of hazards before they result in incidents.
- Quality Assurance (QA): The Group Head Safety and Compliance manages an internal QA program that includes regular internal audits and monitoring of safety indicators to ensure compliance with Civil Aviation Rules (CAR).

5. Ethical Standards and Code of Conduct

The AVL Code of Conduct governs all operations and the behavior of personnel on duty.

- General Principles: All employees must act ethically, honestly, and in the best interests of AVL while complying with the letter and spirit of the law.
- Conflict of Interest: Employees are prohibited from using their positions for personal benefit or engaging in outside activities that conflict with AVL interests without written consent.
- Anti-Corruption: Inducements, bribes, or illegal payments are strictly prohibited.
- Equal Employment Opportunity (EEO): AVL is an EEO employer, making all recruitment and promotion decisions based on merit and experience while maintaining a workplace free of discrimination and harassment.

6. Corporate Principles and Stewardship

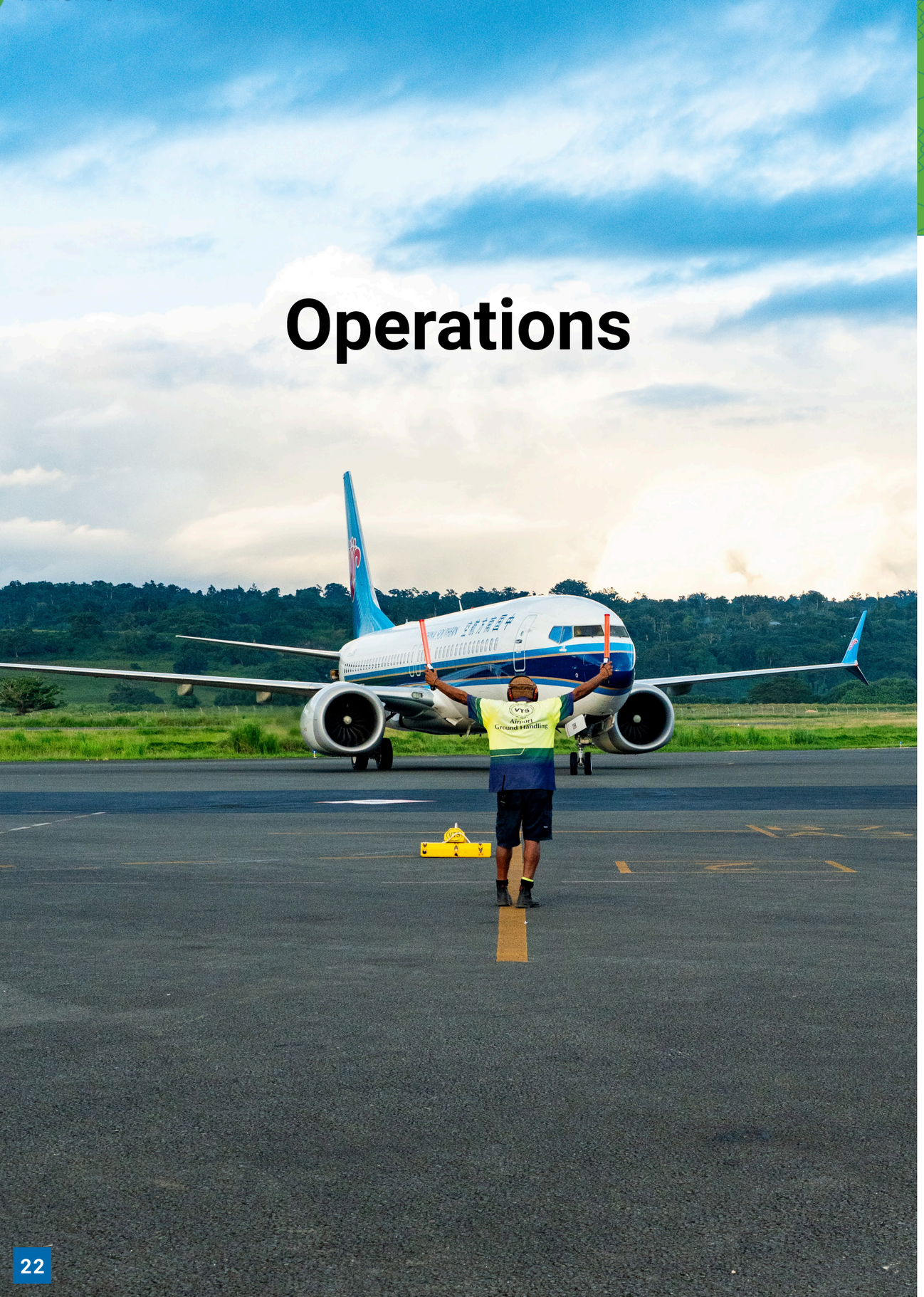
- Environmental Policy: AVL is committed to minimizing the environmental impact of its operations through waste reduction and efficient resource use.
- Data and Asset Management: Policies are in place to protect intellectual property, ensure the integrity of accounting records, and maintain the security of information technology assets.
- Transparency: Regular management review meetings, including Group Head and SMS reviews, ensure that significant issues are addressed by senior management and improvements are implemented systematically.

7. Conclusion and Commitment

Airports Vanuatu Limited remains steadfast in its mission to uphold the highest standards of integrity, safety, and accountability. The governance framework detailed in this report serves as the foundation for our 2025 strategic objectives, ensuring that AVL not only meets its statutory and regulatory obligations but also exceeds the expectations of our stakeholders. By fostering a culture of transparency and professional work ethics, we continue to drive the economic growth of Vanuatu while providing a safe and world-class experience for all airport users.



Operations



Air Navigation Services

1. Executive Summary

The 2024/25 financial year was a period of profound resilience for the Air Navigation Services (ANS) department. Operating against a backdrop of compounding national crises—including the tail-end of COVID-19 recovery, the aftermath of Twin Cyclones Judy and Kevin, the liquidation of the national carrier, and a major earthquake—ANS remained steadfast in its mission. Despite these challenges, the department successfully spearheaded the landmark 800 Million Vatu NAVAID Project, ensuring the modernization of Vanuatu's critical aviation infrastructure.

2. Operational Context & Challenges

This reporting period was characterized by "unprecedented volatility," requiring the department to manage high-stakes transitions:

- **Legacy Recovery:** Continued efforts to restore service levels following the 2020–2022 pandemic and the 2023 Twin Cyclones Judy & Kevin
- **Air Vanuatu Liquidation (May 2024):** The sudden grounding of the national fleet created a significant shock to domestic and international traffic patterns. ANS played a vital role in coordinating with new regional entrants and managing the re-establishment of domestic charter and scheduled services.
- **December 17 Earthquake:** The magnitude 7.3 earthquake caused immediate disruptions. ANS personnel worked tirelessly with PWD engineers to inspect and certify the control towers and navigation aids, allowing Bauerfield International Airport to safely reopen to jet traffic within 5 days.

3. Major Achievements: Infrastructure & Human Capital

The 2024/25 period saw the successful convergence of high-value infrastructure upgrades and a critical expansion of our technical workforce.

A. The 800 Million Vatu NAVAID Project

The department successfully led and commissioned the Government-funded NAVAID Project, a generational leap in the safety and reliability of Vanuatu's airspace.

- Port Vila (Bauerfield): Complete installation and commissioning of new NDB, VOR, and DME systems.
- Santo (Pekoa) & Tanna (Whitegrass): Installation of new NDB/DME units, significantly enhancing approach precision at our primary domestic hubs.

B. Tanna Airport Solar Airfield Ground Lighting (AGL)

A major milestone was reached on August 3, 2025, with the official switching on of the new Solar Airfield Ground Lighting (AGL) system at Tanna Airport.

- **Joint Leadership:** This project was a triumph of inter-departmental collaboration, jointly led by ANS, the Public Works Department (PWD), and the Tanna Airport Team.
- **Sustainable Infrastructure:** Funded by the Vanuatu Government, the 100% solar-powered system enables the first-ever night landings at Whitegrass Airport.
- **Operational Impact:** The removal of daylight-only restrictions facilitates 24/7 medical evacuations and enhances tourism by allowing evening flight schedules, directly benefiting the people of Tafea Province

C. Strategic Workforce Development & Localization

To support this new infrastructure, the department achieved significant growth in its technical workforce:

- **Engineering (ATSEP):** Recruited three (3) ATSEP Cadets who have completed their probationary period and are now integrated into the 24/7 technical roster.
- **Air Traffic Control (ATC):** Recruited five (5) ATC Cadets who successfully passed their ICAO theory courses at the Fiji Airports Aviation Academy. They have received their CAAV training licenses and



commenced On-the-Job Training (OJT) at the Vila Control Tower.

- **Flight Service Operations:** Successfully licensed a "home-grown" Flight Service Operator, trained entirely in Port Vila, who is now actively assisting the local roster.

4. Strategic Impact

By simultaneously commissioning the navigation aids, lighting the Tanna airfield for night operations, and expanding our team of licensed professionals, ANS has built a resilient foundation for the future of Airports Vanuatu. These achievements, realized despite the liquidation of the national carrier and the December earthquake, demonstrate our commitment to maintaining a safe and modern aviation gateway for the Republic.

5. Looking Ahead: 2025/2026 Strategic Roadmap

As we transition into the next financial year, the ANS Department is shifting focus from infrastructure recovery to high-precision modernization. Our 2025/2026 agenda is defined by major international partnerships and the digital transformation of Vanuatu's airspace.

A. French Technical Assistance: Performance-Based Navigation (PBN)

Through a strategic partnership with French Technical Assistance (2024–2026), the department will finalize and implement the National PBN Plan for Vanuatu.

- **Precision Approaches**: The rollout of improved RNP APCH (Required Navigation Performance Approach) procedures will allow for safer, more efficient landings in all weather conditions.
- **Standardized Departures:** Implementation of SIDS (Standard Instrument Departures) will optimize climb profiles, reducing fuel burn for airlines and enhancing safety.

B. Digital Communication Upgrades (AFTN to CRV)

A critical overhaul of our ground-to-ground communication is underway with the AFTN Upgrade to CRV (Common Regional Virtual Private Network).Timeline: 2024–2028.

- **Impact:** This shift from legacy systems to a modern IP-based network ensures seamless, high-speed data exchange with regional neighbors, stabilizing our coordination with Fiji, Australia, and New Zealand.

C. South PAN Project: Satellite-Based Augmentation

In collaboration with Australia and New Zealand (2024–2026), the South PAN (Southern Positioning Augmentation Network) project will provide sub-meter positioning accuracy across Vanuatu's airspace.

- Reliability: This satellite-funded initiative will provide a vital layer of redundancy to our ground-based NAVAIDs, ensuring that even in remote areas, aircraft have access to world-class navigation data.

Closing Statement

By bridging the gap between legacy infrastructure and future satellite-based technologies, the ANS Department is ensuring that Airports Vanuatu Limited remains a leader in regional aviation safety. We enter 2026 with a stronger roster, modernized ground aids, and a clear flight path toward a digital, resilient future.



Aviation Security (AVSEC)





Overview of AVSEC

The International Civil Aviation Organization (ICAO), the United Nations specialist aviation agency, has a significant impact on the development of aviation security standards and practices within Vanuatu. Vanuatu is a signatory to ICAO, Annex 17 to the Chicago Convention – Standards and Recommended Practices – Security – Safeguarding Civil Aviation against Acts of Unlawful Interference. For Vanuatu to continue to participate in international air transport it is essential that it meets the requirements imposed on States by Annex 17.

AVSEC is responsible for undertaking a set of duties listed in Part 9 of the Civil Aviation Act No.16 of 1999, Aviation Security Act NO.10 of 2007 and CAR Part 140. These activities are mainly the screening of departing international passengers and their baggage for dangerous items, access controls, patrolling of the security-designated areas and the guarding of aircraft.

AVSEC MAIN CLIENTS







Human Resource
AVSEC conducted two separate recruitments for Port Vila and Santo Airport in 2024. (Port Vila, 29 - Santo, 13):

- In 2025, AVSEC conducted another recruitment for Port Vila Airport. A total of 18 officers.
- From October 2024 to September 2025, AVSEC department has a total of 96 staffs, this includes Santo airport.

Trainings
Most of the upskills trainings both international and internal trainings are on hold from 2024 and 2025 due to the financial status of the company.

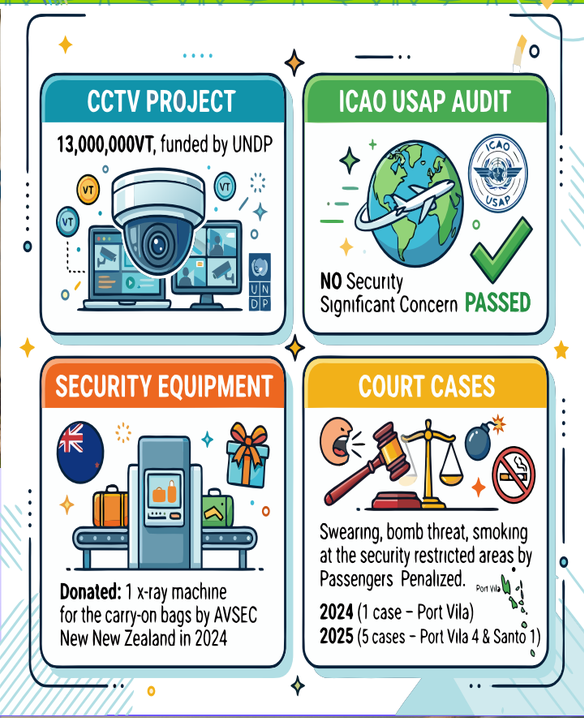
- AVSEC refresher DG training for 2024 is conducted online by ACI
- Mandatory AVSEC Trainings such as refresher trainings and screener's trainings conducted internally by the AVSEC training officer.

Compliance – External & Internal Audits

- The ICAO USAP Audit was conducted on the 04th – 13th November, 2024.
- AVSEC addressed around 80% of the PASO/CAAV and internal audit findings for 2024 and 2025.

Challenges

- Staff retention
- Upskill training
- Security Equipment - needs replacement
- Facilities - Limited space at the departure screening area.





Airport Operations

AIRPORT OPERATIONS

The Operations Department, headed by the Group Head of Operations who reports to the CEO, oversees airport management across Tanna, Santo, and Port Vila, with each airport managed by its own Airport Manager. Supervisors at each airport are responsible for daily operations, ensuring activities comply with service standards and regulations.

ACKNOWLEGEMENT

This year, the airport completed several key upgrades, including installing a new air conditioning system in Port Vila's departure lounge, and collaborating with the Trade and Tourism Department to support terminal repairs and enhance the car parks across all three airports.

Business recovery is underway, with rising passenger traffic indicating positive growth. Additionally, Port Vila, Tanna, and Santo airports achieved ICAO aerodrome certification, ensuring international safety and operational standards.

Key operational areas include:

- **Airside Operations:** managing airside and apron activities with a focus on safety.
- **Terminal Operations**: comprising four units—Customer Services, Housekeeping, Car Parking, and Landside Maintenance—dedicated to providing a seamless, clean, and comfortable experience for passengers.
- **Aviation Rescue and Firefighting Services (ARFFS):** responsible for safety and emergency response.
- **Maintenance:** ensuring the proper upkeep and functionality of airport facilities and equipment.

Thanks to the dedication of management, staff, and stakeholders, AVL has navigated another challenging year successfully. Special appreciation goes to the Board of Directors, led by Chairman Mr. Yves Melep, the Shareholders, and AVL's CEO for their ongoing support.

Group Head Operations,

Rowland Kalsong

AIRPORT TERMINAL OPERATIONS

About

The Terminal Operations encompass four Sections:

- Customer Services,
- Housekeeping,
- Car Parking, and
- Landside Maintenance

To ensure better traffic management AVL has procured an automated car parking system to optimize traffic management and increase non-aeronautical revenue. Assessments is being carried out for Santo and Tanna Airports.

The Terminal Operations team ensures seamless passenger experience. Services which includes:

- passenger meet and greet,
- lost and found,
- information desks,
- passenger assistance,
- and border control support,
- maintaining a clean, safe, and efficient environment for arriving, departing, and transiting passengers.



DUTY-FREE SHOPING

Last year AVL engaged in a partnership program with the Vanuatu Tourism (VTO) and Ministry of Trades and Commerce (MTC) for Terminal repairs across of AVL's three airports.



Business Lounge



VIP Lounge

To ensure better traffic management, AVL has procured an automated car parking system to optimixe traffic management and increase non-eronautical revenue assessment is being carried out for Santo and Tanna airport

COMMING SOON!

CAR PARKING AND CHARGING SYSTEM





Airport Operations

AIRPORT AVIATION RESCUE & FIRE FIGHTING SERVICES

About

The Aviation Rescue and Firefighting Services (ARFFS) section, part of airport operations, is responsible for ensuring that fire prevention and response regulations are properly issued and adhered to across all facilities within their jurisdiction. The Fire Chiefs at the three airports oversee the overall efficiency and administration of the ARFFS, including supervising Station Officers and ensuring the effective execution of all rescue fire duties.



SANTO



TANNA



MUTUAL AID AGREEMENT FOR EMERGENCY RESPONSE

AVL has established mutual aid agreements with Vanuatu Police and the Vanuatu Fire Service. These agreements are reviewed and, if necessary, revised annually by the Airport Manager, Fire Chiefs, and the Police.

EMMERGENCY PREPAREDNESS

The Airport Managers are responsible for ensuring that the Airport Emergency Plans are regularly tested through a full-scale aerodrome emergency exercise



Airport Operations

AIRPORT AIRSIDE OPERATIONS

Our Airside Operations oversee ground services, focusing on passenger safety and comfort. They ensure order and discipline across all AVL Airports' airside activities. We coordinate slot allocations with ground handling services to provide adequate parking space, including apron and runway management, as well as FOD prevention. Our primary goal is to prevent serious injuries, major aircraft accidents, and incidents involving airside vehicles and equipment.

HIGHLIGHT

Qantas and Jet Star successfully commenced operations to Port Vila, while traditional airlines continue to expand, increasing the demand for apron space and safety oversight. Additionally, the earthquake and natural disaster had prompted other airlines to operate humanitarian aid flights, further diversifying the mix of unscheduled flights.

PORT VILA













SANTO



TANNA



AIRPORT MAINTENANCE

The Maintenance team under the Airport Operation is responsible for the upkeep of airport infrastructure, including runway and taxiway repairs, vegetation management, fencing, and general facilities maintenance. We ensure that all infrastructure, facilities, equipment, and vehicles are maintained to safety standards, reducing downtime and providing a secure environment for all airport users.



AVL & VANUATU TOURISM OFFICE

Last year AVL engaged in a partnership program with the Vanuatu Tourism (VTO) and Ministry of Trades and Commerce (MTC) for Terminal repairs across of AVL's three airports.

Safety and Compliance

1. Executive Summary

The Safety & Compliance Department remains the cornerstone of Airports Vanuatu Ltd.'s commitment to operational excellence and regulatory integrity. Throughout the past year, the department has transitioned from a purely oversight role to a proactive partner in organizational growth. By fostering a culture of "Safety First," we have successfully navigated complex certification renewals and structural changes to our operating certificates.

Our focus has remained steadfast on the effective implementation of the Safety Management System (SMS) and the provision of high-level technical support to all business units. Through strategic capacity building and data-driven monitoring, we continue to ensure that AVL not only meets but exceeds the Civil Aviation Rules (CAR) requirements, securing our position as a leader in regional aviation safety.

2. Regulatory Oversight & Compliance

The department provides rigorous oversight to ensure AVL upholds its mandates under the following Civil Aviation Rule Parts:

- CAR Part 139: Aerodromes
- CAR Part 171: Aeronautical Telecommunication Services
- CAR Part 172: Air Traffic Services (ATS)
- CAR Part 175: Aeronautical Information Services (AIS)
- CAR Part 140: Aviation Security Service Organizations (ASSO)
- CAR Part 109: Regulated Air Cargo Agent (RACA)

3. Key Achievements & Operational Impact

Achievement	Operational Impact
CAR Part 175 Extension	Secured a 5-year certificate validity for AIS, ensuring long-term stability for aeronautical data management.
CAR Part 109 Renewal	Successful 2-year extension for RACA, maintaining the integrity of the cargo supply chain.
Bespoke SMS Database	Developed a centralized system to collect, track, and report safety data, allowing for real-time effectiveness monitoring.
Certificate Restructuring	Successfully separated CAR Part 139 certificates for Port Vila, Santo, and Tanna Airports, allowing for site-specific safety management.
Cross-Departmental Synergy	Strengthened collaboration with ANS, Airport Operations, AVSEC, and RACA, resulting in a unified approach to risk mitigation.

4. Capacity Building & Succession Planning

The Safety & Compliance Department serves as AVL's internal "Center of Excellence." We play a pivotal role in the organization's succession strategy by identifying high-performing technical staff and transitioning them into our department.

- Upskilling - New recruits from technical areas are mentored in safety and compliance leadership, preparing them for future managerial or executive roles.
- Leadership Pipeline - Our success is evidenced by the fact that several current Managers and Group Heads are alumni of this department.
- Industry Contribution - Our influence extends beyond AVL; we take pride in the fact that few Civil Aviation Authority Vanuatu (CAAV) staff, including key technical personnel, originated from AVL, testament to o department's role.

5. Work in Progress & Future Plans

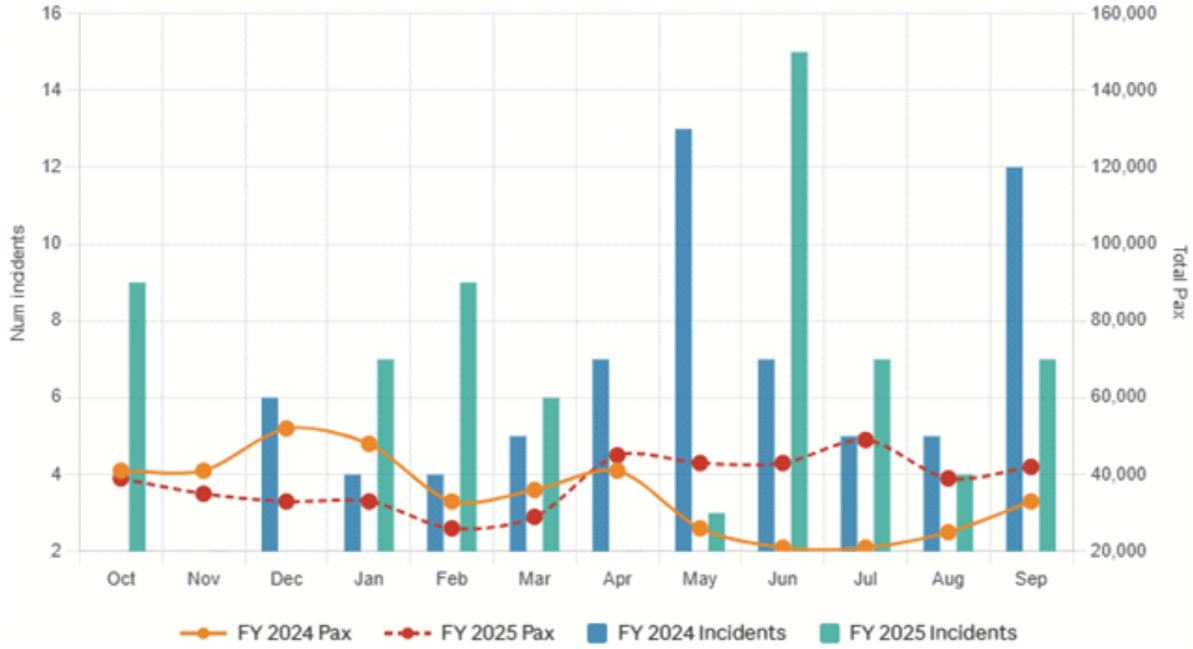
While we celebrate our successes, the department is committed to continuous monitoring and improvement:

- Workforce Expansion: We are currently in the process of recruiting three additional staff members to join our dedicated team, with further expansion planned to meet growing operational demands.
- System Optimization: Continued refinement of our safety database to incorporate predictive trend analysis.
- SMS Maturity: Moving beyond compliance to achieve a "Proactive" SMS maturity level across all three island gateways.
- Stakeholder Engagement: Enhancing our support framework for technical managers to ensure certification requirements are met seamlessly and without operational friction.
- Regulatory certification: Aim to achieve certificate validity extension from one year to five years for all applicable certificates.

6. Incident Performance and Analysis

FY24 and FY25 were shaped by significant operational changes that influenced both passenger traffic and incident trends. The post-COVID recovery period, the cessation of Air Vanuatu's international operations in May 2024, the introduction of QF and JQ flights in September 2024, the transition to a new ground handling service provider, and the additional passenger movements associated with the December 2024 earthquake response all contributed to changes in airport activity. Overall, these factors help explain the variation in pax numbers across the two years and the movement in incident trends during periods of operational change.

Reported Incidents by month



6. Conclusion

The Safety & Compliance Department is more than a regulatory watchdog; we are the guardians of AVL's mission and vision. By aligning our safety paths with organizational core values, we provide a dynamic environment where safety drives development. We look forward to another year of elevating Vanuatu's aviation standards and protecting every passenger that passes through our gates.

"Striving for Continuous Improvement. Ensuring a Safer Sky for Vanuatu."



"One-Stop Excellence in Ground Handling and Cargo Operations."

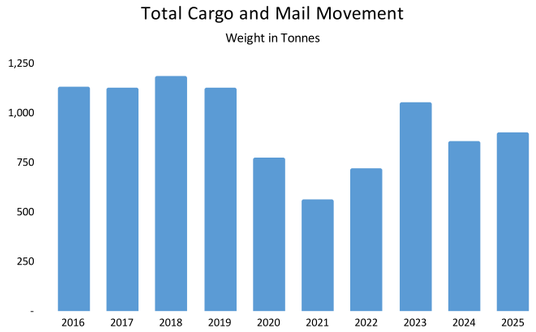
Vanuatu Terminal Services Limited

Cargo

Pre-COVID, cargo movement peaked in 2018 at 1,190 Tonnes before declining to 566 Tonnes in 2021. Since then, a steady increase reaching 906 Tonnes in 2025. The growth included a notable spike in 2023 on relief supplies for twin Cyclones Judy and Kevin. Excluding disaster relief, the incline was driven by Fiji Airways' flight schedules and cargo strategy, post covid. Virgin had an embargo, while Qantas and Jetstar started moving cargo late in the year 2025.

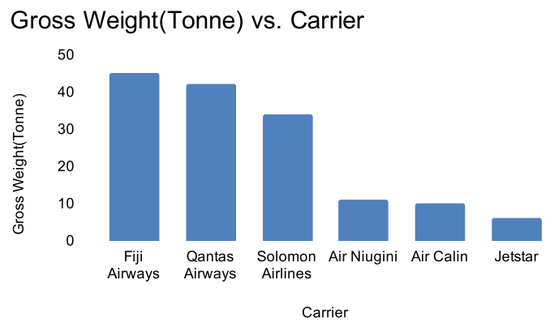
VTS continues to facilitate economic demand rather than a direct influence on cargo movement. Outgoing cargo and mail currently average 21% of total movement. VTS previously assisted the Department of Industries with a pilot export program; however, this initiative did not continue beyond the initial shipments.

The categories of goods exported are; Kava, Consolidated

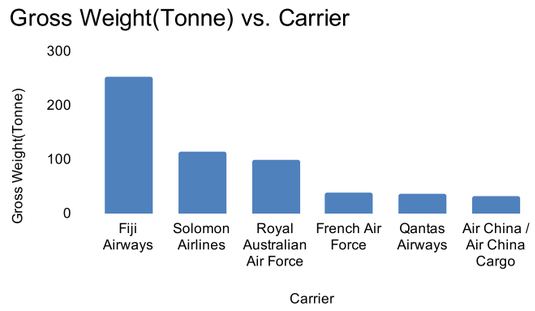


cargo, Mail bags/EMS, Valuable Goods/Money, Aircraft parts, Personal Effects, Live animals, Human Pathology/ Animal Specimens, Pharmaceuticals, Coffee & Cocoa beans, Sea cucumber, Fuel samples, Nonie and Tamanu oils. Primary destination Ports include Brisbane, Sydney, Auckland, Nadi and Noumea.

Top six carriers with Export Cargo



Top six carriers with Import Cargo:



Six categories of Imported goods in 2025 are: Consolidated Cargo, Medical Supplies, Humanitarian Relief, A/C Parts, Readymade Garments and Auto Parts. Five of the primary Port of Origins include Brisbane, Sydney, Auckland, Nadi and Noumea

KPIs

The Cargo department KPI was maintaining operations and facilitating cargo according to standards and documented manuals. This will lead to the next two KPI. One is the Annual CAR 109 certification expanding to two years or five years certification and the second is gauging customer satisfaction at 70% or more. We achieved the 2-year certification. The customer Satisfaction KPI could not be achieved as we need mechanisms in place to measure customer satisfaction. This will be addressed with the ISO9001 certification.

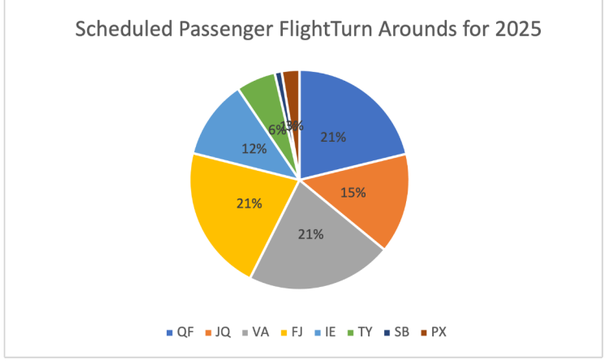
Vanuatu Terminal Services Limited

Challenges

The cargo department is a mature department. When the vacant positions are addressed, then operations should be as normal.

Ground Handling

Starting from only handling charters, itinerants, medivacs, cargo relief flights and military, there was a significant growth when VTS was contracted by the Qantas group in August 2024. With the winding down of AVOL ground handling in February 2025, all airlines moved over to VTS in March 2025. The total turn arounds approximately handled for the year was 964. The breakdown of the total was, Qantas at 204, Jetstar at 142, Virgin Airways at 207, Fiji Airways at 207, Solomon Airlines at 112, Air Calin at 10, Air Caledonia at 56 and Air Niugini at 25.



KPIs

The KPI for the Ground Handling Department was to achieve through negotiations with Air Vanuatu Operations Ltd, to handle its aircraft and its client airlines. However, this was achieved from insolvency rather than negotiations.

Challenges

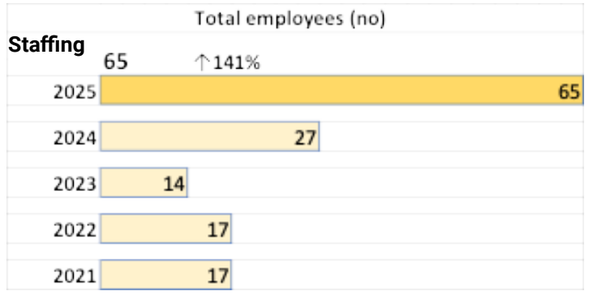
1. Resource and Manpower Constraints: The synchronization of flight arrivals frequently requires the simultaneous handling of three to four aircraft. Operating seven days a week with staff on six-day rotations has led to significant fatigue, posing a risk to safety, Standard Operating Procedures (SOPs), and On-Time Performance (OTP). It is essential to recruit additional cleaners and introduce part-time Front of House (FOH) and Back of House (BOH) staff in 2026.

2. Training Overload: Mandatory airline-specific training, coupled with minimum staffing levels, has created a training overload. Staff are currently struggling to balance rigorous training requirements with demanding flight schedules.

3. Performance and Culture: We are experiencing difficulties meeting airline-specific KPIs due to soft-skill gaps and inconsistent SOP adherence among new hires. New management roles and HR will focus on addressing these performance and cultural issues.

4. Proactive Data Management: VTS must prioritize internal data collection regarding safety, security, and performance. Establishing internal reporting mechanisms will allow us to identify and document operational deficiencies proactively, rather than reacting to monthly performance reports from airlines.

Staffing





In Corporate, each client Airline KPIs and Safety drive, requires a Compliance and Training officer and a Safety Officer for VTS. The two positions are filled, and they report to GH VTS. Their primary tasks are to manage both safety and compliance within VTS, against clients and international standard KPIs.

There is no HR officer. With the insurge in staff numbers, an HR officer is much needed. This position will ensure all staff have proper contracts, their welfare catered to and grievances addressed.

A Qantas Airport Manager was hired, to enforce all Qantas directives in Port Vila Airport. This was a position is funded by Qantas. The position reports directly to GH VTS.

For the year 2025, there is only one Accounts staff. She performs cashier, accounts receivable and accounts payable tasks. 2026 will bring new recruitment for a Cashier, another assistant accountant and a manager.

The Cargo Department is currently composed of six fully trained staff members, including the Santo Cargo office. The team is managing two primary personnel changes: the Export Supervisor position remains vacant following a 2025 resignation, and currently training a replacement for the Santo Senior Officer, who is set to retire in 2026.

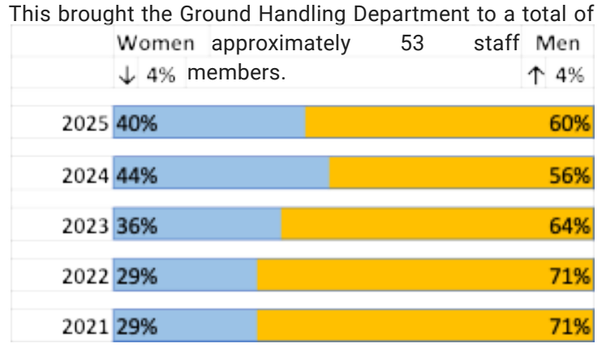
The Ground Handling Team originally consisted of only three staff members: a manager and two supervisors. Additionally, there was a part-time ramp supervisor in Santo supported by eight part-time staff from AVSEC and ARFFS. To accommodate expanding operations, a mass recruitment was initiated. Primarily former Air Vanuatu staff we engaged to ensure a rapid buildup. The key milestones were as follows:

- September 2024: Following training in July and August, 15 new staff (8 BOH, 1 LOD, and 6 FOH) officially joined VTS to support the launch of Qantas and Jetstar flights.

- March 2025: Following Air Vanuatu's termination of international ground handling contracts in February, a second wave of recruitment eventuated. New staff completed training and were engaged by March to support all incoming airlines.

- April – June 2025: Recruitment continued with one LOD in April, followed by 18 staff (4 BOH, 12 FOH, and 2 LOD) in the next phase. In June, an additional 12 staff (7 BOH, 2 FOH, and 3 AC) joined the team.

This brought the Ground Handling Department to a total of



Customs Brokers and Freight Forwarding

In 2021 this department was created to ensure VTS is a “One Stop Shop” for cargo. However, the Principal broker left after a year. Then the compiler continued until she was certified as the Principal Broker in 2024. But then she also left late in 2025 for another opportunity outside.

General KPIs for the year 2025

These are the following projects submerged within each annual operational activities, derived from the key opportunities to take advantage of.

1. Investment into our People
   a. Mandatory Airline Trainings are addressed
2. Investment into GSEs
   a. 10 Baggage Trolleys purchased
   b. 1 Ground Power Unit purchased
3. Investment into Non-aeronautical revenue initiatives
   a. Not Achieved
4. Investment into ISAGO certifications
   a. Not Achieved, deferred to 2026
5. Investment into ISO9001 certification
   a. Not Achieved, deferred to 2026
6. Negotiate and achieve contract on Ground Operations for Air Vanuatu

Vanuatu Terminal Services Limited

a. Not Achieved

7. Assistance through the Trade Policy Framework Update

a. WIP

8. Participate in driving the Vanuatu Government Trade Agendas on the Trade Facilitation Agreement, through the Trade Facilitation Steering Committee membership

a. Member of TFSC

9. Secure a Membership in the council at the Vanuatu Chamber of Commerce and Industry.

a. Member of VBRC

10. Secure Membership of IATA Council

a. Not Achieved

11. Open an office in the Central Business District (CBD)

a. Not Achieved



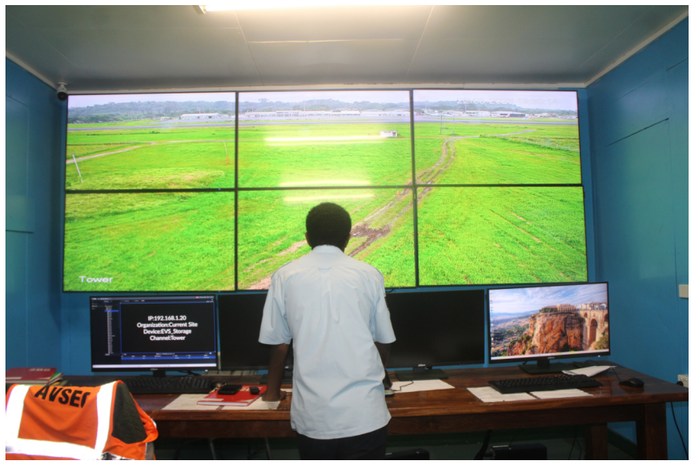
Donor Partnership



AVL received Australian Government assistance to procure a FOD sweeper valued at A$84,866.50. The equipment will improve airside safety by helping remove debris from runways, taxiways and apron areas, reducing aircraft damage risks and supporting aviation safety compliance.

AVL received a fire truck for Tanna Airport from the Government of Japan, valued at US$429,953.00. The donation strengthens emergency response and Aircraft Rescue and Fire Fighting capability at Whitegrass Airport, supporting safer and more compliant airport operations.





AVL received US$120,000 in support from the Government of Japan through UNDP for the installation of a CCTV surveillance system. The system strengthens airport security, monitoring, incident response, and overall operational resilience across AVL's airport operations.



AVL completed improvements to the Solar Aerodrome Ground Lighting system and floodlights at Tanna Airport with support from the Vanuatu Government, at a cost of VT150 million. The upgrade enhances runway visibility, supports safer aircraft operations during low-light and reduced visibility conditions, and strengthens operational resilience at Whitegrass Airport.



AVL progressed the VT800 million NAVAID Project with support from the Vanuatu Government to strengthen air navigation safety and reliability across Vanuatu's airports. The project improves critical navigational aid infrastructure, supporting safer aircraft guidance, better approach capability, and stronger operational resilience during poor visibility and challenging weather.

Donor Partnership



Air Traffic Controller support funded by the New Zealand Government, valued at NZ$75,000, enabled Fiji Airports personnel to assist during a staffing shortage.



AVL participated in the Commonwealth Heads of Government Meeting in Samoa with support from the New Zealand Government. The funding assisted AVL's participation and engagement in regional discussions and cooperation.

Our International & Domestic Airline Partners

COMMUNITY SERVICES COMMITMENT

"Supporting Vanuatu beyond commercial aviation"



AVL identifies several essential services and infrastructure provisions that are uncompensated or unprofitable. As part of its ongoing community services commitment, AVL continues to deliver and provide these services and infrastructure development and maintenance to the Republic of Vanuatu, despite the financial challenges of maintaining essential but loss-making aviation services and infrastructure required for national security and connectivity.

While required under the Commercial Government Business Enterprise Act to operate profitably, AVL continues to incur significant unrecovered costs to meet regulatory obligations and national interest.
These services include;



Non-profitable airport operations: The continued operation of Santo (SON) and Tanna (TAH) airports, which do not generate profit on the basis of air traffic alone. It is unlikely in the near term that the expected volume of air traffic will make the core business profitable. AVL is looking to introduce other revenue streams in respect of these airports to offset the operational losses.



Government agency concessions: The provision of real estate and facilities free of charge to government agencies such as the Vanuatu Police Force, Customs, Immigration, Biosecurity, and Meteorological Services.



VIP Lounge facilities: The provision of VIP Lounge real estate and facilities free-of-charge to government agencies.



Rescue and Firefighting Services: AVL provides rescue and firefighting services support to the Vanuatu Fire Service in response to off-airport fire incidents in Port Vila, Santo, and Tanna, free of charge.



Air Vanuatu facilities: The provision of aircraft hangar and maintenance workshop space to the national airline, free of charge.



Air Vanuatu's ongoing operations: AVL supports ongoing operations whilst carrying significant outstanding debts from the national airline, without repayment agreements successfully established.



Provision of air navigation infrastructure and maintenance services is a regulatory obligation for Vanuatu in respect of international air traffic. While Vanuatu receives upper airspace remuneration for these services, AVL does not receive these funds directly and therefore bears all associated costs of this provision

FINANCIAL REPORT

Airports Vanuatu Ltd & Vanuatu Terminal Services Ltd - Consolidated

Financial Year 1 Oct 2024 to 30 Sep 2025 - Unaudited

Financial Highlights

Total Revenue
VT930.0M
↑ 27% vs prior year

Net Income
VT80.4M
vs (VT197M loss) prior year

Total Assets
VT11.35 B
↑ 1.3% vs prior year

Financial Highlights

Airports Vanuatu Limited (AVL), consolidated with its subsidiary Vanuatu Terminal Services Ltd (VTS), delivered a strong financial turnaround in FY2024/25. The Group recorded a net income of VT 80.4 million — a significant improvement from the net loss of VT 196.7 million in the prior year.

Total revenue grew by 27% year-on-year to VT 930.0 million, driven primarily by strong growth in international passenger service fees (VT 352.2M), ramp handling (VT 110.2M), and concession income (VT 62.0M). Operating expenses were reduced by 8.5% to VT 829.6 million, reflecting improved cost discipline and the absence of the large doubtful debt provision (VT 171.7M) recognised in the prior year.

Balance Sheet Commentary

Total assets increased by VT 143.3 million (1.3%) to VT 11.35 billion in FY2024/25. The improvement in current assets (rising from VT 297.3 million to VT 599.7 million) reflects a significant recovery in the Group's cash position and a substantial increase in accounts receivable, consistent with higher revenue activity.

Fixed assets declined modestly from VT 10.91 billion to VT 10.75 billion, reflecting depreciation charges of VT 202.1 million, partially offset by capital investment. Total equity strengthened by VT 80.4 million to VT 2.74 billion, supported by the Group's return to profitability. Long-term debt remains the primary source of financing at VT 8.10 billion, with marginal repayment progress compared to the prior year.

Consolidated Balance Sheet

As at 30 September 2025 — Unaudited (VT)

	2024/2025	2023/2024
ASSETS		
Cash & Equivalents	16,304,033	(37,931,919)
Accounts Receivable	511,902,347	248,943,437
Inventory	3,403,473	3,403,473
Other Current Assets	68,042,597	82,843,593
Total Current Assets	**599,652,450**	**297,258,584**
Fixed Assets	10,746,274,483	10,906,409,242
Investments & Other Non-Current Assets	1,144,487	131,510
Total Non-Current Assets	**10,747,418,970**	**10,906,540,752**
TOTAL ASSETS	**11,347,071,420**	**11,203,799,336**
LIABILITIES		
Accounts Payable	224,635,376	186,819,703
Tax Liability	124,666,927	72,214,343
Other Current Liabilities	142,306,287	148,786,957
Total Current Liabilities	**491,608,590**	**407,821,003**
Long Term Debt	8,101,222,018	8,122,149,259
Other Non-Current Liabilities	11,996,407	11,996,407
Total Non-Current Liabilities	**8,113,218,425**	**8,134,145,666**
TOTAL LIABILITIES	**8,604,827,015**	**8,541,966,669**
NET ASSETS	**2,742,244,405**	**2,661,832,667**
EQUITY		
Retained Earnings	(998,406,972)	(801,681,195)
Current Earnings	80,411,742	(196,725,777)
Other Equity	3,660,239,635	3,660,239,635
TOTAL EQUITY	**2,742,244,405**	**2,661,832,663**

FINANCIAL REPORT

Airports Vanuatu Ltd & Vanuatu Terminal Services Ltd - Consolidated

Financial Year 1 Oct 2024 to 30 Sep 2025 - Unautided

Consolidated Statement of Financial Performance

For the year ended 30 September 2025 — Unaudited (VT)

	2024/2025	2023/2024
REVENUE		
International Passenger Service Fees	352,243,260	285,117,569
Ramp Handling	110,172,214	924,575
Concession Fees	62,009,162	53,821,397
Aviation Security Revenue	48,760,698	34,798,048
Duty Free	28,902,540	23,272,040
Domestic Passenger Service Fees	25,207,564	28,902,991
Terminal Handling – General Cargo	30,904,573	34,386,910
Landing / Navigation / Security (Intl)	90,370,562	68,130,386
Freight Forwarding Fees	17,348,117	419,596
Ground Handling – Other Flights	12,894,190	13,871,403
Advertising & Other Revenue	151,179,118	188,681,094
TOTAL REVENUE	**929,991,998**	**732,326,009**
EXPENSES		
Salaries & Wages	339,626,351	259,225,957
Depreciation	202,058,420	197,106,811
Electricity & Utilities	44,772,037	37,676,487
Insurance	41,149,894	40,651,250
Repairs & Maintenance	40,718,474	26,271,112
Staff Overtime & VNPF	21,902,172	29,208,805
Consultancy Fees	18,393,749	1,027,631
Land Rent	8,973,086	6,818,355
Subscriptions & Communications	25,698,920	24,107,661
Fuel	8,965,449	11,474,613
Doubtful Debt Provision	—	171,733,865
Other Operating Expenses	77,345,516	102,021,793
TOTAL EXPENSES	**829,604,068**	**907,324,340**
OPERATING PROFIT / (LOSS)	**100,387,930**	**(174,998,331)**
Other Income (incl. gain on disposal)	1,943,802	1,155,770
Interest Income	106,306	392,257
Interest Expense	(22,026,287)	(23,275,462)
NET INCOME / (LOSS)	**80,411,751**	**(196,725,766)**

Notes to the Financial Statements

Unaudited — For the year ended 30 September 2025

1. Basis of Preparation

These consolidated financial statements have been prepared on an accrual basis and present the combined financial position and performance of Airports Vanuatu Limited (AVL) and its subsidiary Vanuatu Terminal Services Limited (VTS). These statements are unaudited and prepared for management reporting purposes. All amounts are expressed in Vanuatu Vatu (VT) unless otherwise stated.

2. Revenue

The Group's primary revenue streams are aeronautical charges (passenger service fees, landing, navigation, ground Handling and security fees) and non-aeronautical income (concessions, duty free and cargo handling). International passenger service fees remain the single largest revenue line at VT 352.2 million (FY24: VT 285.1M), reflecting the continued recovery and growth of international air travel through Vanuatu's airports.

Ramp handling revenue grew substantially to VT 110.2 million (FY24: VT 0.9M), contributing to Vanuatu Terminal Services takeover of all Ground Handling activities from Air Vanuatu.

3. Expenses

Total expenses decreased by 8.5% to VT 829.6 million (FY24: VT 907.3M). The prior year included a significant doubtful debt provision of VT 171.7 million attributed to Air Vanuatu's liquidation. This was not repeated in FY2024/25. Salaries and wages (including all staff costs) increased to VT 339.6 million (FY24: VT 259.2M), reflecting growth in the Group's workforce to support expanded operations.

Depreciation of VT 202.1 million (FY24: VT 197.1M) continues to reflect the capital-intensive nature of airport infrastructure. Combined insurance costs of VT 41.2 million and consultancy fees of VT 18.4 million (FY24: VT 1.0M) were notable movements during the year.

4. Long-Term Debt & Interest

Long-term debt stood at VT 8.10 billion at year-end (FY24: VT 8.12B), representing the primary funding source for the Group's airport infrastructure. Interest expense for the year was VT 22.0 million (FY24: VT 23.3M), reflecting the Group's ongoing debt service obligations.

5. Equity & Retained Earnings

Total equity increased to VT 2.74 billion (FY24: VT 2.66B), supported by the net income of VT 80.4 million recorded in the year. Accumulated retained losses stand at VT 998.4 million (FY24: VT 801.7M), reflecting the historical losses of the Group during Covid19 and Air Vanuatu's Limitation write-off. Other equity of VT 3.66 billion represents contributed capital and reserves.

6. Contingencies & Going Concern

The Directors are satisfied that the Group has the resources to continue operating as a going concern for the foreseeable future. The Group holds significant long-term infrastructure assets and benefits from its statutory role as the operator of Vanuatu's airports. No material contingent liabilities have been identified as at the date of preparation.

Disclaimer

These financial statements are unaudited and have been prepared for internal management reporting purposes only. They do not constitute audited financial statements and should not be relied upon for investment or lending decisions. An independent audit will be conducted in accordance with the requirements of Airports Vanuatu Limited's governing legislation.