



27 August 2026

ASX Market Announcements Office
ASX Limited
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SYDNEY NSW 2000

Lodged electronically via ASX Online

Qantas Group Appendix 4E and Annual Report 2026

Qantas Airways Limited, in accordance with the ASX Listing Rules, attaches the following documents relating to its results for the full year ended 30 June 2026:

- Appendix 4E; and
- Qantas Group Annual Report 2026.

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Authorised for release by the Qantas Board of Directors.



Results for Announcement to the Market

Qantas Airways Limited (Qantas) and its controlled entities (the Qantas Group or the Group) Results for Announcement to the Market are detailed below. Financial comparisons are of results for the year ended 30 June 2026 compared with the results for the year ended 30 June 2025.

	June 2026 \$M	June 2025 \$M	Change \$M	Change %
Revenue and other income	25,516	23,823	1,693	7.1%
Statutory profit before tax	1,828	2,262	(434)	(19.2%)
Statutory profit after tax	1,289	1,605	(316)	(19.7%)
Statutory profit after tax attributable to members of Qantas	1,289	1,605	(316)	(19.7%)
Underlying profit before tax ¹	2,064	2,394	(330)	(13.8%)

DIVIDENDS AND OTHER SHAREHOLDER DISTRIBUTIONS

(A) Dividends paid and announced

During the year ended 30 June 2026, the Group paid the 2025 final dividend comprising of a base dividend of \$250 million, distributed as a fully franked final dividend of 16.5 cents per share, and an additional distribution of \$150 million, distributed as a fully franked special dividend of 9.9 cents per share. The dividends were paid on 15 October 2025.

The Group also paid the 2026 interim dividend comprising of a base dividend of \$300 million, distributed as a fully franked interim dividend of 19.8 cents per share. The dividend was paid on 15 April 2026.

In August 2026, the Board has resolved to approve the 2026 final dividend comprising of a base dividend of \$300 million, distributed as a fully franked final dividend of 19.8 cents per share. The record date for determining entitlements to the dividends is 16 September 2026. The dividends will be paid on 14 October 2026.

(B) Share buy-backs

In February 2026, the Group announced an on-market share buy-back of up to \$150 million. The buy-back did not commence during the year ended 30 June 2026. On 27 August 2026, the Group announced the decision not to proceed with the buy-back. Accordingly, there were no on-market share buy-backs completed by the Group during the year ended 30 June 2026.

Other Information

	June 2026	June 2025
Net assets per ordinary share	\$ 0.99	0.52
Net tangible assets per ordinary share ²	\$ 0.62	0.12

	June 2026	June 2025
Statutory Earnings Per Share ³	cents 85.4	105.2
Diluted Earnings Per Share ⁴	cents 84.5	104.0

¹ Underlying Profit Before Tax (Underlying PBT) is a non-statutory measure and is the primary reporting measure used by the Qantas Group's Chief Operating Decision-Making (CODM) bodies, being the Chief Executive Officer, Group Leadership Team and the Board of Directors, for the purpose of assessing the performance of the Group. Refer to Note 2(B) of the Financial Report for the year ended 30 June 2026, within the Annual Report 2026.

² Net tangible assets is calculated as net assets reduced to exclude intangible assets.

³ Statutory Earnings Per Share is measured using the weighted average number of shares outstanding during the period, excluding unallocated treasury shares.

⁴ Diluted Earnings Per Share is measured using the weighted average number of shares outstanding during the period, excluding unallocated treasury shares, and is adjusted for the effects of all dilutive potential ordinary shares.

Other Information continued

ENTITIES OVER WHICH CONTROL, JOINT CONTROL OR SIGNIFICANT INFLUENCE WAS GAINED OR LOST DURING THE PERIOD

The Qantas Group incorporated the following entities during the period:

- 100 per cent of QantasLink Pty Ltd on 11 December 2025

The Qantas Group disposed of the following entities during the period:

- 41 per cent interest in Capacity Optimisation Group Pty Ltd on 8 August 2025

OWNERSHIP INTEREST IN INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

	June 2026	June 2025
	%	%
Capacity Optimisation Group Pty Ltd (formerly Airport Co-Ordination Australia Pty Ltd)	-	41
Fiji Resorts Pte Limited	21	21
Hallmark Aviation Services L.P.	49	49
HT&T Travel Philippines, Inc.	28	28
Holiday Tours and Travel (Thailand) Ltd.	37	37
Holiday Tours and Travel (GSA) Ltd.	37	37
Jetstar Japan Co. Ltd. ⁵	33	33
PT Holiday Tours & Travel	37	37

OTHER

Additional Appendix 4E disclosure requirements and further information, including an explanation of the financial results for the reporting period, results of the Group and segments, and other factors affecting the results for the current period, are contained in the Annual Report 2026. Refer to the Review of Operations for a commentary on the results for the period, which is also supported by Operational Statistics disclosed within Appendix 4E.

ASIC GUIDANCE

To comply with Regulatory Guide 230 issued by ASIC in December 2011, Qantas is required to make a clear statement about whether information disclosed in documents other than the financial report has been audited or reviewed in accordance with Australian Auditing Standards.

The Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A. This report should also be read in conjunction with any public announcements made by Qantas in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* (Cth) and ASX Listing Rules.

The Consolidated Financial Statements contained within the Annual Report, which this report is based upon, have been audited by KPMG.

2026 ANNUAL GENERAL MEETING

Qantas advises under ASX Listing Rule 3.13.1 that it will hold its 2026 Annual General Meeting (AGM) on Friday 6 November 2026, commencing at 11:00 am (AEDT). This will be a hybrid meeting at the Hyatt Hotel Canberra, 120 Commonwealth Avenue, Yarralumla ACT 2600 and online via an online meeting platform, which will give all shareholders a reasonable opportunity to participate in and attend the AGM.

Shareholders will be provided with further details regarding the AGM in the 2026 Notice of Meeting. The Notice of Meeting will be available on the ASX Company Announcements Platform and Qantas' Investor website at <https://investor.qantas.com/investors/?page=annual-general-meeting>.

The closing date for receipt of nominations from persons wishing to be considered for election as directors under ASX Listing Rule 14.3 is Thursday 17 September 2026.

⁵ On 4 August 2026, the Group announced a binding agreement with Japan Airlines to facilitate the divestment of the Qantas shareholding in Jetstar Japan to a new Japanese capital-led ownership structure with completion expected by June 2027.

Operational Statistics

		June 2026	June 2025
TRAFFIC AND CAPACITY			
QANTAS DOMESTIC (INCLUDING QANTASLINK)			
Passengers carried	'000	21,392	21,401
Revenue Passenger Kilometres (RPKs)	M	25,519	25,376
Available Seat Kilometres (ASKs)	M	33,449	32,479
Seat Factor	%	76.3	78.1
JETSTAR DOMESTIC			
Passengers carried	'000	16,697	15,848
Revenue Passenger Kilometres (RPKs)	M	20,721	19,834
Available Seat Kilometres (ASKs)	M	23,072	22,150
Seat Factor	%	89.8	89.5
GROUP DOMESTIC			
Available Seat Kilometres (ASKs)	M	56,521	54,629
QANTAS INTERNATIONAL			
Passengers carried	'000	8,913	8,379
Revenue Passenger Kilometres (RPKs)	M	56,421	53,007
Available Seat Kilometres (ASKs)	M	66,772	62,571
Seat Factor	%	84.5	84.7
JETSTAR INTERNATIONAL			
Passengers carried	'000	8,790	7,680
Revenue Passenger Kilometres (RPKs)	M	30,483	27,230
Available Seat Kilometres (ASKs)	M	34,328	30,768
Seat Factor	%	88.8	88.5
JETSTAR ASIA			
Passengers carried	'000	153	2,593
Revenue Passenger Kilometres (RPKs)	M	254	3,935
Available Seat Kilometres (ASKs)	M	336	4,836
Seat Factor	%	75.6	81.4
GROUP INTERNATIONAL			
Available Seat Kilometres (ASKs)	M	101,436	98,175
QANTAS GROUP OPERATIONS			
Passengers carried	'000	55,945	55,901
Revenue Passenger Kilometres (RPKs)	M	133,398	129,382
Available Seat Kilometres (ASKs)	M	157,957	152,804
Seat Factor	%	84.5	84.7
Aircraft at end of the year	#	372	363

QANTAS

Annual Report 2026





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Disclaimer

This Report contains summary information about Qantas Airways Limited and its related bodies corporate (Qantas Group) and their activities for the 12-month period ended 30 June 2026, unless otherwise stated.

This Report contains forward-looking statements and statements of opinion. The forward-looking information in this Report is based on management's expectations and reflects judgement, assumptions, estimates and other information available as at the date of this Report and/or the date of Qantas' planning or scenario analysis processes. There are inherent limitations in scenario analysis and it is difficult to predict which, if any, of the scenarios might eventuate. Scenario analysis relies on assumptions that may or may not be, or prove to be, correct and may or may not eventuate, and scenarios may be impacted by additional factors to the assumptions disclosed. Scenarios do not constitute definitive outcomes or probabilities. Due to the inherent uncertainties and limitations associated with measuring greenhouse gas emissions data, and around possible policy, market and technological developments, references to the forward-looking information in this Report are estimates only, and readers should not place undue reliance on such information.

No representation or warranty is made regarding the accuracy, completeness or reliability of the forward-looking statements or opinions contained in this Report, or the assumptions on which either is based. All such information, by its nature, involves significant known and unknown risks, uncertainties and other factors, many of which are outside of the control of Qantas, and actual results, circumstances and developments may differ materially from those expressed or implied in this Report. Except as required by applicable laws or regulations, Qantas does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events. To the maximum extent permitted by law, Qantas and its officers do not accept any liability for any loss arising from the use of the information contained in this Report.

Financial Snapshot

Underlying Profit Before Tax

\$2.06 billion

down \$330 million¹

Statutory Profit After Tax²

\$1.29 billion

down \$316 million

Net Impact of Middle East³

\$420 million

Capital returned to shareholders

\$700 million

Customer Net Promoter Score⁴

Qantas **+7pts**

Jetstar **+1pt**

New aircraft delivered

17

¹ This and other performance data comparisons on this page are between FY26 and FY25, unless stated otherwise.

² Statutory Profit After Tax includes impact of the closure of Jetstar Asia and legal provision increases.

³ Increased annual fuel cost of \$610 million (net of hedging) minus the net benefit of mitigations.

⁴ Domestic and International Net Promoter Scores FY26 compared to FY25.

Five-Year History

FINANCIAL PERFORMANCE

		2026	2025	2024	2023	2022
Revenue and other income	\$M	25,516	23,823	21,939	19,815	9,108
Statutory Profit/(Loss) Before Tax	\$M	1,828	2,262	1,884	2,472	(1,191)
Statutory Profit/(Loss) After Tax	\$M	1,289	1,605	1,251	1,744	(860)
Underlying Profit/(Loss) Before Tax ¹	\$M	2,064	2,394	2,078	2,465	(1,859)
Underlying Earnings/(Loss) Before Interest and Tax (EBIT)	\$M	2,348	2,639	2,279	2,682	(1,558)
Operating Margin ¹	%	9.2	11.1	10.4	13.5	(17.1)
Statutory Earnings Per Share	cents	85.4	105.2	75.9	96.0	(45.6)
Return on Invested Capital (ROIC) ¹	%	32.2	50.8	57.9	103.6	(31.6)
Share price at 30 June	\$	10.62	10.74	5.85	6.20	4.47
Base Dividend per Share ²	cents	39.6	33.0	–	–	–
Special Dividend per Share ²	cents	–	19.8	–	–	–
Cash flow from operations	\$M	3,893	4,253	3,441	5,085	2,670
Net Free Cash Flow ¹	\$M	(75)	440	554	2,460	2,430
Net on balance sheet debt	\$M	5,362	4,165	3,311	1,998	2,617
Net Debt ¹	\$M	6,161	5,029	4,106	2,885	3,937
Net capital expenditure ¹	\$M	3,968	3,853	3,148	2,666	398
On-market share buy-backs ³	\$M	–	431	869	1,000	–
Dividends ⁴	\$M	600	800	–	–	–

STATISTICS

		2026	2025	2024	2023	2022
Available Seat Kilometres (ASK) ¹	M	157,957	152,804	141,357	117,258	50,633
Revenue Passenger Kilometres (RPK) ¹	M	133,398	129,382	116,895	97,693	34,363
Passengers carried	'000	55,945	55,901	51,798	45,725	21,257
Seat Factor ¹	%	84.5	84.7	82.7	83.3	67.9
Aircraft at end of year		372	363	347	336	322

¹ Refer to the Review of Operations on pages 15 to 26 for definitions and explanations of non-statutory measures.

² Includes Interim and Final Dividends in each respective financial year.

³ Financial Year 2024/25 includes \$31 million related to the completion of the \$900 million on-market share buy-back announced in financial year 2023/24. This excludes \$17 million executed in June 2024 and paid in July 2024 due to T+2 settlement, which is included in Financial Year 2023/24.

⁴ Includes Interim and Final Dividends in each respective financial year (2026: \$300m Interim Dividend paid on 15 April 2026 and \$300m Final Dividend to be paid on 14 October 2026).

Chair's Message

This has been a year of significant progress, with the Group having delivered strong earnings, a transformed flying experience for our customers and industry leading on-time performance, all as the global aviation industry faced disruption from the conflict in the Middle East.

For the 2025/26 financial year, the Group recorded a \$2.06 billion Underlying Profit Before Tax, down \$330 million on the previous year, despite a \$420 million net impact from the conflict.

Throughout the year, Qantas and Jetstar's dual brand strategy continued to provide a strategic advantage for the Group and Qantas Loyalty maintained its momentum delivering value for our frequent flyers.

The Group's performance was impacted in the final four months of the year due to the significant increase in the cost of fuel, which reached record highs. Management moved quickly, adjusting fares and capacity, and their actions partially offset the impact on earnings. That is what allowed the Group to keep investing in our historic fleet renewal, our customers and our people. The next-generation aircraft joining the fleet are redefining what customers experience on board. We are investing on the ground as well, with work continuing across our airports and our lounge network, so customers feel the difference at every stage of their journey.

We also continued to return value to our shareholders. We returned \$700 million in fully franked dividends during the financial year, though the \$150 million on-market share buy-back announced in February did not

proceed, given the change in conditions. The Board has also determined that a further \$300 million fully franked final dividend for financial year 2025/26 will be paid to shareholders.

Delivering a result of this quality in a year like this one says a great deal about the resilience of the Group and the benefits of its portfolio of businesses.

Safety

Safety continues to be our number one priority, and we have robust safety management plans in place across the Group.

Tragically, in September 2025 a worker died at our Sydney freight terminal. Our thoughts continue to be with their family and friends. Following the incident, we conducted a comprehensive investigation and Qantas Freight made a number of changes to our systems, controls and safety culture as a result. SafeWork NSW is conducting a separate investigation and we are cooperating with them.

In recognition of the seriousness of this matter, the Board has reduced the workplace safety scorecard for the 2025/26 short-term bonuses to zero. Further detail can be found in the Remuneration Report on page 45.

Chair's Message continued

Qantas flight credit class action

During the year the Group settled the Qantas flight credit class action, which is subject to Federal Court approval. The settlement does not impact affected customers' entitlement to a refund, and we continue to encourage customers who hold COVID credits to seek a refund from Qantas.

Board renewal

We continued to renew the Qantas Group Board this year.

In March, we welcomed Alison Watkins as an independent Non-Executive Director. Alison has been an outstanding leader across some of Australia's largest businesses, and brings unique insights and skill set as a current Reserve Bank Monetary Policy Board Member.

Her appointment is subject to a shareholder vote at the Qantas Group 2026 Annual General Meeting in November. If approved, six of our nine Directors will have joined the Board since 2023.

Looking ahead

The Group's strong performance leaves us well placed for what will be a very exciting period ahead.

Across the 2026/27 financial year, the Group will take delivery of up to 31 new aircraft, 24 of them for Qantas, including the first of our Project Sunrise Airbus A350-1000ULRs, which will change the way Australia connects with the world.

With the largest fleet renewal in the airline's history under way, one of the world's best loyalty programs, a strong balance sheet and a highly skilled workforce, Qantas is well placed to shape the next era of aviation.

I would like to thank shareholders for their continued support and look forward to keeping you updated as the airline grows.



John Mullen



CEO's Message

This was a year in which the investment we have been making across the Group really delivered for our customers.

We welcomed 17 new aircraft into the fleet, opened up new parts of the network and strengthened the foundations for growth in the years ahead. More flights left on time and customer satisfaction reached its highest level in a decade, all in a year that tested the whole aviation industry.

Delivering strong earnings

We again delivered a strong financial performance across the Group's integrated portfolio, against the backdrop of the Middle East conflict and significantly higher fuel costs. Qantas continued to see growth at the premium end of the market while Jetstar went from strength to strength and continued to deliver great value, with almost half of its customers travelling for under \$150 at a time when many households are facing heightened cost of living pressures.

In the first half, Qantas and Jetstar saw growing demand across every market and the benefits of new next-generation aircraft joining our fleet. In the final four months of the year, the conflict in the Middle East disrupted global aviation and pushed fuel prices to record highs, which had an impact on demand from some large corporates and Government customers, but also saw demand for our flights to Europe soar.

Qantas Loyalty continued to deliver value for frequent flyers with a record number of reward seats booked and double-digit earnings growth that provided stability while the flying businesses carried a higher fuel bill.

By consistently delivering strong earnings like this we're able to continue investing in the largest fleet renewal in our history.

Delivering for our customers

Improving on-time performance has been a consistent area of effort across the business, including in our engineering, flight operations, airports and cabin crew teams.

This year more than 81 per cent of Qantas domestic and regional flights departed on time across the year to June, our best result since 2019. We were named Australia's most on-time airline for the eighth year in a row and, in June, Qantas was ranked as the most on-time major airline in the world.

That improvement in our reliability helped drive our customer satisfaction result. Qantas' Net Promoter Score improved seven points year on year, with Jetstar also seeing improvement.

We kept investing in the customer experience, with upgrades to our lounges, to our digital channels and investment in our onboard product. That included the rollout of Qantas Economy Plus across our 737, A220, A321XLR and shortly our A330 fleets, offering customers more legroom, along with priority boarding and increased overhead locker space.

Supporting our people

Building an airline our people are proud to belong to continues to be a priority, and this year employee engagement improved again.

I want to thank our 32,000 people, who safely carried our 56 million customers to where they needed to be. In recognition of what they delivered, we are again providing \$1,000 in shares to more than 25,000 eligible non-executive employees. This is the second year of the annual plan, and it means that as Qantas grows and the business improves, our people directly benefit.

CEO's Message continued

Investing for the future

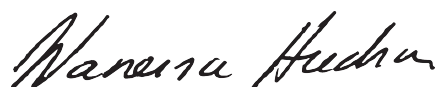
New aircraft are arriving every few weeks, helping us to connect Australians to more of the people and places they love, and further improving the inflight experience. We are also upgrading cabins across several Qantas, QantasLink and Jetstar fleets.

To support that investment in our core businesses in Australia, in February we made the decision to sell our one-third stake in Jetstar Japan. The sale is expected to be finalised by June 2027.

There is a lot for customers and our people to look forward to. In the next year we will receive the first of our history-making Project Sunrise aircraft, open our new Sydney International Business Lounge, begin

direct flights from Sydney to Las Vegas, and see our first Qantas and Jetstar services take off from the new Western Sydney Airport.

As we look ahead, our focus is on further enhancing the customer experience, investing in our people, and delivering for our shareholders.



Vanessa Hudson

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Board of Directors



John Mullen

BSc

Independent Non-Executive Director and Board Chair

Age: 71

John Mullen was appointed to the Qantas Board as an Independent Non-Executive Director in April 2024, and as Board Chair in September 2024.

He is Chair of the Nominations Committee.

John is currently Board Chair of Brambles Limited and of Treasury Wine Estates Limited, and a Director of Brookfield Infrastructure Partners. He is scheduled to retire from the board of Brookfield Infrastructure Partners in December 2026.

Previously, John was Chair of Telstra Group Ltd and Toll Holdings.

John has extensive experience in international transportation and logistics, with more than two decades in senior positions with some of the world's largest transport and infrastructure companies. From 2011 to 2016, John was Chief Executive Officer of Asciano, Australia's largest ports and rail operator and prior to this, John spent 15 years with DHL Express, serving as the global Chief Executive Officer from 2005 to 2009.

Prior to DHL, John spent 10 years with the TNT Group, with four years as the Chief Executive Officer of TNT Express Worldwide based in the Netherlands.

Former appointments also include the US National Foreign Trade Council in Washington (2008–2010), and Member of the UNICEF Task Force on Workplace Gender Discrimination and Harassment (2018–2019).



Vanessa Hudson

BBus

Qantas Group Chief Executive Officer and Managing Director

Age: 56

Vanessa Hudson was appointed as Qantas Group Chief Executive Officer and Managing Director on 6 September 2023.

She is a Member of the Safety, Health, Environment and Security Committee. Vanessa is also a Director of a number of controlled entities of the Qantas Group.

Vanessa was previously Group Chief Financial Officer for four years, including through the pandemic and the airline's recovery.

She served as Qantas' Chief Customer Officer, with responsibilities spanning all aspects of the customer experience and strategy.

Joining Qantas in 1994, she has held a variety of senior commercial, customer and finance roles across the Group, in Australia and overseas, including Executive Manager of Sales and Distribution, Senior Vice President for Qantas across the Americas and New Zealand, Executive Manager of Commercial Planning and Executive Manager for Product and Service. In these various roles her responsibilities ranged from sales, channels, revenue management and network planning to transformation in catering, airports and network.

Vanessa has a Bachelor of Business from the University of Technology Sydney and is a Chartered Accountant.



Belinda Hutchinson AC

BEC, FCA, FAICD

Independent Non-Executive Director

Age: 73

Belinda Hutchinson was appointed to the Qantas Board in April 2018.

She is Chair of the Audit Committee, a Member of the Nominations Committee and a Member of the Safety, Health, Environment and Security Committee.

Belinda is also a Non-Executive Director of Thales Australia and Goodstart Early Learning.

She was Chancellor of the University of Sydney between February 2013 and June 2024; and was Chair of the Future Generation Global Investment Company between May 2015 and June 2021.

Belinda has over 30 years' experience in the financial services sector, working in senior roles at Citibank and Macquarie Group. She also has extensive board experience, having formerly served as Chair of QBE Insurance Limited, and as a Director of Telstra Corporation Limited, Coles Group Limited, Crane Group Limited, Energy Australia Limited, TAB Limited, Snowy Hydro Trading Limited, Sydney Water and AGL Energy.

Belinda was awarded a Companion of the Order of Australia (AC) in 2020 in recognition of her service to business, tertiary education and scientific research, and for her philanthropic endeavours to address social disadvantage.

Board of Directors continued



William Douglas Parker

BEC, MBA

Independent Non-Executive Director

Age: 64

William (Doug) Parker was appointed to the Qantas Board in May 2023.

He is a Member of the Safety, Health, Environment and Security Committee and a Member of the People and Remuneration Committee.

Doug was CEO of American Airlines from 2013 to March 2022, and Chair of the Board until April 2023.

Previously, Doug was Chair and CEO of US Airways. He has served as Chair, President and CEO of America West Airlines from 2001 until the merger of US Airways and America West in 2005.

Doug was also previously Vice President, Assistant Treasurer and Vice President of Financial Planning and Analysis for Northwest Airlines. From 1986 to 1991, he held several financial management positions with American Airlines.

He is a member of the AerCap Holdings Board of Directors, the Vanderbilt University Board of Trust and the Medal of Honour Museum Foundation Board of Directors.

Doug earned a Bachelor of Arts in Economics from Albion College in 1984 and a Master of Business Administration from Vanderbilt University in 1986.



Dr Nora Scheinkestel

LLB (Hons), PhD, FAICD

Independent Non-Executive Director

Age: 66

Dr Nora Scheinkestel was appointed to the Qantas Board in March 2024.

She is Chair of the People and Remuneration Committee, a Member of the Audit Committee and a Member of the Nominations Committee.

Nora is currently a Non-Executive Director of Brambles, and Origin Energy.

She is an experienced company director with 30 years' experience as a Non-Executive Chair and Director of companies in a wide range of industries. Nora has a long track record in highly regulated sectors as well as with companies undergoing major technological and cultural transformation.

Previous directorships of publicly listed companies include Westpac Banking Corporation (2021–2024), Telstra Corporation Limited (2010–2022), the Atlas Arteria group (2014–2020), which she chaired, Ausnet Services Ltd (2016–2022), and Orica Limited (2006–2015).

Nora is a published author, a former Associate Professor in the Melbourne Business School at Melbourne University and a former member of the Takeovers Panel.

Nora was awarded a centenary medal for services to Australian society in business leadership. Nora holds a Doctor of Philosophy and a Bachelor of Law (Hons) from the University of Melbourne and is a Fellow of the Australian Institute of Company Directors.



Dr Heather Smith PSM FAIIA

BEC (Hons), PhD

Independent Non-Executive Director

Age: 61

Dr Heather Smith was appointed to the Qantas Board in August 2023.

She is a Member of the People and Remuneration Committee and a Member of the Audit Committee.

Heather is a Non-Executive Director of ASX Limited and Challenger Limited. She has extensive experience in public policy, innovation and technological change, national security and economic reform and a deep knowledge of government and the public sector.

She has more than 20 years' experience working in the Australian Public Service at senior levels, culminating in being Secretary of the Department of Industry, Innovation and Science (2017–2020). She has also served as Secretary of the Department of Communications and the Arts, and held senior positions in the departments of Prime Minister and Cabinet, Foreign Affairs and Trade, and the Treasury, as well as the Office of National Intelligence.

Heather has a PhD in Economics from the Australian National University (ANU). She is currently a Distinguished Advisor at the ANU's National Security College (NSC) and was National President of the Australian Institute of International Affairs (2023–2026). She also co-led the 2024 Independent Review of Australia's National Intelligence Community.

Heather was an independent director of the Reef Restoration and Adaptation Program (2022–2026).

Board of Directors continued



Antony Tyler

BA (Jurisprudence)
Independent Non-Executive
Director
Age: 71

Antony (Tony) Tyler was appointed to the Qantas Board in October 2018.

He is Chair of the Safety, Health, Environment and Security Committee and a Member of the Nominations Committee.

Tony was Director General and Chief Executive Officer of the International Air Transport Association from 2011 to 2016. Prior to this, Tony spent over 30 years with Cathay Pacific Airways Limited. His career includes several management and executive roles in Hong Kong, the UK, Italy, Japan, Canada, the Philippines and Australia before serving in the role of Chief Executive Officer from 2007 to 2011.

He is a Non-Executive Director of Bombardier Inc, BOC Aviation Limited and Trans Maldivian Airways Limited and a Fellow of the Royal Aeronautical Society.



Alison Watkins

BCom, FCA, FAICD Life
Independent Non-Executive
Director
Age: 63

Alison Watkins was appointed to the Qantas Board in March 2026.

She is a Member of the People and Remuneration Committee and a Member of the Audit Committee.

Alison is currently a Non-Executive Director of CSL Limited, Wesfarmers Limited and PGA of Australia, and also Chancellor of the University of Tasmania and a member of the Ian Potter Foundation board.

She is an experienced Chief Executive and Non-Executive Director. Her previous roles include Group Managing Director of Coca-Cola Amatil Limited, Chief Executive Officer of GrainCorp Limited and Berri Limited, and Managing Director of Regional Banking at ANZ. Alison spent 10 years at McKinsey & Company from 1989 to 1999 and became a partner of the firm in 1996 before moving to ANZ as Group General Manager, Strategy.

Alison has been a Non-Executive Director of Australia and New Zealand Banking Group Limited, the Business Council of Australia, Just Group Limited and Woolworths Limited.

Alison is a former Victorian President and National Board Member of the Australian Institute of Company Directors.

Alison holds a Bachelor of Commerce (University of Tasmania), is a Fellow of Chartered Accountants ANZ, and a Life Fellow of the Australian Institute of Company Directors.



Dion Weisler

BASc (Computing), Hon. LLD
Independent Non-Executive
Director
Age: 59

Dion Weisler was appointed to the Qantas Board in March 2025.

He is a Member of the Safety, Health, Environment and Security Committee and a Member of the Audit Committee.

Dion currently serves as a Non-Executive Director of BHP, Intel Corporation, and Thermo Fisher Scientific Inc.

He brings extensive global executive experience, particularly in the global information technology sector, with a strong focus on transformation, commercial strategy, capital discipline, and stakeholder engagement.

From 2015 to 2019, Dion was a Director and the President and Chief Executive Officer of HP Inc., later serving as a Director and Senior Executive Adviser until May 2020. Prior to that, he held senior executive positions at Lenovo Group Limited, served as General Manager of Conferencing and Collaboration at Telstra Corporation, and held various roles at Acer Inc., including Managing Director of Acer UK.

Dion brings experience in transforming megatrends into growth and valuable insight on the power of innovation, technology, and data. His experience also demonstrates insights into strategy development in the global energy transition, where safety, decarbonisation and stakeholder management are critical.

Group Leadership Team



Rob Marcolina

Group Chief Financial Officer

Rob Marcolina commenced as Chief Financial Officer in September 2023. He is responsible for Group Finance, Group Procurement, Treasury, Investor Relations, Fleet, and Strategy.

He joined Qantas in October 2012 as Executive Manager, Group Strategy. His role later expanded to include responsibility for Transformation, Human Resources, and IT across the Qantas Group.

Prior to joining Qantas, Rob was a Partner with Bain & Company in Los Angeles and Sydney – working across multiple industries, with an emphasis on media, technology and telecom businesses.

Rob holds a Bachelor of Commerce (Economics) from the University of Melbourne and a Master of Business Administration from the Kellogg School of Management at Northwestern University in the USA.



Andrew Glance

**Chief Executive Officer,
Qantas Loyalty and Customer**

Andrew Glance was appointed Chief Executive Officer of Qantas Loyalty and Customer in December 2025. He first joined the Group Leadership Team (GLT) in March 2024, as the Chief Executive Officer of Qantas Loyalty.

Andrew has responsibility for the over 18 million-member Qantas Frequent Flyer program as well as the Group's customer strategy and insights. As part of his expanded portfolio, Andrew oversees customer strategy and insights across the Group, providing one view of the customer across Qantas, Jetstar and Qantas Loyalty and helping improve the customer experience for millions of passengers every year.

Prior to joining the GLT, Andrew was the Executive Manager of Commercial Partnerships and Qantas Business Rewards, having worked in a number of senior roles in Qantas Loyalty since 2016. He has also held senior finance positions across the organisation, including in flight operations, catering and inflight services, since joining Qantas in 2002.

Andrew has a Bachelor of Commerce, Major in Accounting, from the University of Western Sydney and is a Certified Practising Accountant.



Markus Svensson

**Chief Executive Officer,
Qantas Domestic**

Markus Svensson commenced in the role of CEO Qantas Domestic in October 2023, having joined the Group Leadership Team in November 2022 as Chief Customer Officer.

He has previously served as the Executive Manager of Network, Revenue Management and Alliances, where he was responsible for a large part of the commercial strategy for Qantas International and Qantas Domestic. Since joining the Group in 2011, he has also held the position of Regional General Manager for Qantas, based in London, after serving as Head of Group Strategy and Head of International Revenue Management.

Before joining the Group, Markus held senior roles at Bain & Company and in telecommunications in Australia, Sweden, and Korea.

Markus holds a Master of Business Administration from Australian Graduate School of Management and a Master of Science in Industrial Engineering and Management from University of Linköping, Sweden.

Group Leadership Team continued



Stephanie Tully

**Chief Executive Officer,
Jetstar Group**

Stephanie Tully was appointed to the role of CEO Jetstar Group in November 2022.

As CEO of the Jetstar Group, she is accountable for operational, customer, commercial and financial performance across all the Jetstar businesses, including Jetstar Australia and New Zealand, and Jetstar Japan.

During her over 20 years with the Qantas Group, Stephanie has led teams across strategy, operational and commercial areas of the organisation, including time in senior leadership positions with Qantas Airlines and Qantas Loyalty.

In the three years prior to her joining Jetstar, Stephanie was the Qantas Group's Chief Customer Officer where she was responsible for all aspects of the customer experience and strategy across the Group including digital, lounges, the inflight experience, marketing and customer care.

Stephanie has held Board Director positions including with Aviation Aerospace Australia from 2021 to 2025 and The Association for Data-driven Marketing and Advertising (ADMA) from 2014 to 2019.

Stephanie holds a Bachelor of Commerce (Honours) from the University of Melbourne.



Cam Wallace

**Chief Executive Officer,
Qantas International and Freight**

Cam Wallace was appointed CEO of Qantas International and Freight in June 2023. In December 2025, Cam also assumed responsibility for Qantas' digital channels and its inflight and on-ground products and services, including lounges.

He has more than two decades' experience in the airline industry, including various senior leadership roles at Air New Zealand. He was the airline's Chief Customer and Commercial Officer between 2016 and 2020. In this role, he was responsible for global sales and distribution, revenue management, brand and marketing, market development, freight, and the airline's frequent flyer business.

Prior to joining the Qantas Group in 2023, Cam was CEO of MediaWorks, a New Zealand-based digital, out-of-home advertising and commercial audio business.

He served as the Chairman of the Radio Broadcasters Association from late 2020 to 2023.



Danielle Keighery

**Group Chief Brand and
Corporate Affairs Officer**

Danielle Keighery was appointed Group Chief Brand and Corporate Affairs Officer in October 2025. She first joined the Group in March 2024, as the Chief Corporate Affairs and Communications Officer.

Danielle has more than 20 years' experience leading integrated corporate affairs, customer and marketing functions for high-profile companies in the aviation, telco, media, and wealth management sectors.

Danielle spent over a decade at Virgin Australia, holding various senior roles including Chief Customer Experience Officer and Group Executive of Brand, Marketing and Public Affairs. She was previously Chief Brand and Corporate Affairs Officer at Crown Resorts, leading the business' brand and reputation strategy and, prior to that, Chief Customer Officer at Bank of Queensland.

Danielle holds a Bachelor of Arts from the University of Sydney and has held roles across a number of philanthropic boards including CARE Australia, The Biennale, and Virgin Unite.

Group Leadership Team continued



Fiona Messent

Group Chief Sustainability Officer

Fiona Messent was appointed Chief Sustainability Officer in January 2025 and is responsible for the Group's sustainability strategy and targets, and the Qantas Climate Fund.

She first joined the Group in 2019 and, prior to her current role was the Executive Manager for Climate Change.

Fiona has two decades' experience working in the sustainability sector, including roles at the United Nations and World Bank, advising corporates, government and non-government organisations on strategy, policies, and climate financing.

She holds a Bachelor of Commerce and a Bachelor of Economics with Honors from La Trobe University, and a Master of Public Policy from Columbia University.



Andrew Monaghan

Group Chief Risk Officer

Andrew Monaghan commenced as Chief Risk Officer in November 2023 and is responsible for leading the Group's risk, safety and security, cyber security, and assurance functions.

Prior to this, Andrew served as Group Executive Manager of Safety.

He has deep operational experience, gained since first joining the Group in 2005, including as Chief Operating Officer for Qantas and QantasLink, in addition to roles in human resources, finance and audit.

Andrew has been a Director of the Royal Flying Doctor Service since 2022 and is a member of the Aviation Safety Advisory Panel for the Civil Aviation Safety Authority (CASA).

He has a Bachelor of Engineering from the University of Wollongong.



Kate Towey

Group General Counsel and Company Secretary

Kate Towey joined the Qantas Group as General Counsel in August 2025, with responsibility for the Group's Legal and Data and Privacy Governance teams. She was appointed Company Secretary in September 2025.

She joined Qantas from international law firm Allens, where she had a 25-year career specialising in corporate law and mergers and acquisitions.

She also serves as a Panel Member of the Australian Takeovers Panel, and was a former Director of OzHarvest Limited (2017–2025).

Kate holds a Master of Laws from the University of Sydney, a Bachelor of Laws from the University of Technology, Sydney, and a Bachelor of Economics (Honours) from the University of Sydney.

Group Leadership Team continued



Catherine Walsh

Group Chief People Officer

Catherine Walsh joined the Qantas Group as Chief People Officer in February 2024.

In this role, she is responsible for all aspects of the Group's Human Resources and Industrial Relations functions, with a key focus of improving relationships with its people as the Group enters a period of growth and change.

Catherine began her career in employment law and has accumulated more than two-decades experience leading human resources teams across large, complex organisations, including PwC Australia, Spotless Group, and Australia Post.

She has a Bachelor of Laws (Honours) and a Bachelor of Commerce from the University of Melbourne.



Rachel Yangoyan

Group Chief Technology, AI and Transformation Officer

Rachel Yangoyan was appointed Chief Technology, AI and Transformation Officer in December 2025. Rachel has accountability for the Group's Technology, AI strategy, data and analytics, and enterprise technology driven transformation programs.

Prior to her current role, Rachel joined the Group Leadership Team as Chief Executive Officer of QantasLink in November 2023.

She has more than 20 years of leadership experience across aviation operations, customer experience, and business transformation. This includes as the Executive Manager of Qantas Aircraft Programs and as the Executive Manager of Customer Experience and Operations.

Rachel also served as a Director of the Qantas Superannuation Plan for more than eight years and is a graduate of the Australian Institute of Company Directors.

Rachel holds a Bachelor of Business from the University of Technology Sydney and is a Chartered Accountant.

Review of Operations

For the year ended 30 June 2026

RESULTS HIGHLIGHTS

Underlying Profit/(Loss) Before Tax	Statutory Profit/(Loss) After Tax	Statutory Earnings/(Loss) Per Share
2,064 \$M	1,289 \$M	85.4 cents
2,064 2,394 2,078 2,465 (1,859)	1,289 1,605 1,251 1,744 (860)	85.4 105.2 75.9 96.0 (45.6)
FY26 2,064 FY25 2,394 FY24 2,078 FY23 2,465 FY22 (1,859)	FY26 1,289 FY25 1,605 FY24 1,251 FY23 1,744 FY22 (860)	FY26 85.4 FY25 105.2 FY24 75.9 FY23 96.0 FY22 (45.6)

Group Results

The Qantas Group (referred to as the Qantas Group or the Group) reported Underlying Profit Before Tax¹ (Underlying PBT) of \$2,064 million for financial year 2025/26, a \$330 million decrease compared to financial year 2024/25. During the financial year, resilient travel demand underpinned Group capacity growth of 3 per cent, with strong growth in freight revenue and Qantas Loyalty earnings, while the fleet renewal program saw another 17 new aircraft delivered alongside continued investments in customer experience.

The result was impacted by the Middle East conflict, which had a net Group impact on Underlying EBIT of approximately \$420 million in the second half of financial year 2025/26. The impact was primarily driven by higher fuel costs² in the second half of financial year 2025/26. The Group responded swiftly through fare increases, domestic capacity reductions and capacity redeployment enabled by its multi-gauge fleet to capture international spillover traffic. These actions, along with disciplined financial management, maintained the Group's financial strength with strong liquidity, Net Debt at the middle of its target range and a Moody's investment grade credit rating of Baa2 stable.

The Group's Statutory Profit Before Tax was \$1,828 million, a decrease of \$434 million compared to financial year 2024/25, and Statutory Profit After Tax was \$1,289 million. Statutory profit includes costs associated with the closure of Jetstar Asia, costs of managing and responding to the cyber incident in July 2025, redundancy costs arising from organisational restructuring, and legal provisions and related costs in relation to the Qantas Flight Credits Class Action, which are not otherwise included in Underlying PBT.

Other key financial metrics compared to financial year 2024/25:

- Statutory Earnings Per Share of 85 cents per share, down 19 per cent
- Group Operating Margin³ of 9 per cent, down 2 percentage points compared to financial year 2024/25
- Operating cash flow of \$3,893 million, down 8 per cent primarily due to Middle East impact and increased tax outflows
- Net capital expenditure⁴ of \$3,968 million, up 3 per cent

The Group's integrated portfolio continued to drive value beyond the individual businesses. Group ASKs⁵ increased 3 per cent compared to financial year 2024/25, including Jetstar deploying its new fleet and the return to service of the final A380 for Qantas International, which provided capacity and network flexibility in response to the Middle East conflict.

Ongoing resilient travel demand supported performance with Group Domestic Underlying EBIT of \$1,440 million and Group International Underlying EBIT of \$561 million. Within Group International, Qantas Freight (Freight) delivered strong revenue in the second half of financial year 2025/26 supported by technology infrastructure and e-commerce demand. Qantas Loyalty maintained its strong business momentum, achieving \$625 million Underlying EBIT, reflecting ongoing program enhancements and increased engagement across the Group.

Group Unit Revenue⁶ increased by 5 per cent, driven by strong performance from the Jetstar Group, including the impact from the closure of Jetstar Asia in July 2025. Total Unit Cost excluding fuel⁷ increased 4 per cent in financial year 2025/26, reflecting industry cost increases, net CPI⁸ post-transformation activity, higher depreciation and amortisation and net finance costs from fleet investments, and growth in Qantas Loyalty activity. Total Unit Cost⁹ increased by 6 per cent driven by elevated fuel prices following the Middle East conflict.

¹ Underlying Profit Before Tax (Underlying PBT) is the primary reporting measure used by the Qantas Group's Chief Operating Decision-Making (CODM) bodies, being the Chief Executive Officer, Group Leadership Team and the Board of Directors, for the purpose of assessing the performance of the Group. The primary reporting measure of the Qantas Domestic, Qantas International, Jetstar Group and Qantas Loyalty operating segments is Underlying Earnings Before Net Finance Costs and Income Tax Expense (Underlying EBIT). The primary reporting measure of the Corporate segment is Underlying PBT as net finance costs are managed centrally. Refer to the reconciliation of Underlying PBT to Statutory Profit Before Tax on page 26.

² Fuel cost impact of \$610 million, net of approximately \$400 million benefit from fuel hedging program.

³ Group Operating Margin is Group Underlying EBIT divided by Group Total Revenue.

⁴ Net capital expenditure is equal to net investing cash flows in the Consolidated Cash Flow Statement and the impact to Invested Capital from the disposals/acquisitions of leased aircraft.

⁵ Available Seat Kilometres (ASKs) is calculated as the total number of seats available for passengers, multiplied by the number of kilometres flown.

⁶ Unit Revenue (RASK) is calculated as ticketed passenger revenue divided by ASKs.

⁷ Total Unit Cost excluding fuel is calculated as Underlying PBT less Total Revenue, share of net profit/(losses) of investments accounted under the equity method and fuel, divided by ASKs.

⁸ Consumer Price Index.

⁹ Total Unit Cost is calculated as Underlying PBT less Total Revenue and share of net profit/(losses) of investments accounted under the equity method divided by ASKs.

Review of Operations continued

For the year ended 30 June 2026

RESULTS HIGHLIGHTS (CONTINUED)

Group Fleet and Investments

The Group's fleet renewal program continued with the delivery of five new A321LRs, one new A320neo, five new A220-300s, and six new A321XLRs. In addition, the Group took delivery of one mid-life A319-100, two A330-300s through a dry lease arrangement with Finnair, five mid-life Q400s, four mid-life 737-800s and two mid-life E190s. With seven A321XLRs, 12 A220-300s, 25 A321LRs, and five A320neos now in the fleet, the Group is seeing significant incremental fuel and scale efficiencies, and improved customer and employee sentiment from this technology. At the end of financial year 2025/26 new technology fleet represented approximately 30 per cent of the Group's narrowbody ASKs.

Customer Experience

Alongside investment in new fleet, the Group continued to enhance the customer experience on the ground and in the air. During the year, the Group invested in the refurbishment of the Los Angeles, Auckland and Sydney international business lounges. Qantas Economy Plus was introduced across the Qantas 737, A321XLR and QantasLink A220 fleets, featuring extra legroom and priority boarding, alongside continued investment in Wi-Fi connectivity across the Group's fleet with the majority of the Qantas fleet expected to be Wi-Fi enabled by the end of 2027. The launch of the New Reward Flight search tool also improved members' ability to access flight rewards across Qantas, Jetstar and partner airlines.

Group Domestic

For Group Domestic operations, the dual brand strategy continued to optimise the Group's strategic proposition, with leading offerings maintained across all key segments of the market. The Group Domestic Underlying EBIT margin¹⁰ for financial year 2025/26 was 13 per cent. Group Domestic RASK increased 4 per cent relative to financial year 2024/25 driven by pricing and capacity management in response to the Middle East conflict.

Qantas Domestic delivered an Underlying EBIT of \$907 million, achieving an Underlying EBIT margin of 11 per cent. Performance was supported by resilient leisure and resource market demand but was impacted by reduced large-corporate and government-purpose travel due to uncertainty created by the Middle East conflict which reduced travel demand in the fourth quarter. Investment in fleet health and continued investment in customer and operations drove improved on-time performance and the highest NPS¹¹ outcome post-COVID. Jetstar's domestic network delivered an Underlying EBIT of \$533 million and an Underlying EBIT margin of 16 per cent. Its performance was driven by capacity growth supported by new fleet and strong price sensitive leisure demand, against the backdrop of the fuel impact from the Middle East conflict.

Group International

Group International operations performed well with growth in premium and point-to-point markets and good demand to leisure destinations with Jetstar. During the year the final A380 return to service enabled dynamic capacity management in response to the Middle East conflict, pivoting 787-9 capacity onto Europe routes. Qantas International (including Freight) reported an Underlying EBIT of \$371 million. Jetstar's Australian international network¹² reported an Underlying EBIT of \$279 million driven by higher yields and load factors and the launch of four new routes in the second half of financial year 2025/26. Unit Revenue in Group International increased by 5 per cent driven by growth in premium cabins in financial year 2025/26. The Group International (including Freight) operating margin for financial year 2025/26 was 4 per cent and includes the impact of the Middle East conflict on fuel cost, with revenue recovery impacted by longer booking windows.

Jetstar Asia ceased its operations on 31 July 2025, recording an Underlying EBIT loss of \$31 million with an additional \$48 million of restructuring costs associated with the closure recognised outside of Underlying PBT in financial year 2025/26. The closure of Jetstar Asia reflects the Qantas Group's strategy of recycling capital under its Financial Framework to improve long-term returns, support fleet renewal and strengthen core markets.

Qantas has also signed a binding agreement with Japan Airlines to facilitate the change in Jetstar Japan's shareholder structure through a share buy-back transaction. The transaction will allow the Qantas Group to redirect capital investment towards Qantas and Jetstar's domestic and international operations in Australia.

Qantas Loyalty

Qantas Loyalty continued its strong performance, delivering an Underlying EBIT of \$625 million with 242 billion points earned and 202 billion points redeemed. The result reflects the segment's ongoing importance to the Group's integrated portfolio, with a 6 per cent growth in active members, 9 per cent increase in points earned, and 9 per cent increase in points redeemed during financial year 2025/26. Drivers include continued strong engagement with partners, including David Jones, and the continued scaling of Classic Plus and Qantas Business Rewards to further support the Qantas Loyalty earn and burn Flywheel¹³.

¹⁰ Underlying EBIT margin, also referred to as operating margin, is calculated as the Underlying EBIT divided by Total Revenue.

¹¹ Net Promoter Score (NPS), customer advocacy measure.

¹² Includes Jetstar Australia international long haul, short haul and trans-Tasman. Excludes New Zealand Domestic, Jetstar Asia and Jetstar Japan.

¹³ Qantas Loyalty performance is a function of points volume earned and redeemed and member growth.

Review of Operations continued

For the year ended 30 June 2026

RESULTS HIGHLIGHTS (CONTINUED)

Net Debt and Distributions

The Group's Financial Framework remains core to the Group's strategy, driving sustainable financial strength to support both ongoing investment and shareholder returns while maintaining flexibility to deal with changes in external factors. As at 30 June 2026, Net Debt¹⁴ under the Financial Framework was \$6.2 billion, at the middle of the Group's target range of \$5.5 billion to \$6.9 billion for financial year 2025/26. The Board has resolved to approve a base dividend of \$300 million, to be distributed as a fully franked final dividend of 19.8 cents per share¹⁵. The Board has also decided not to proceed with the additional \$150 million on-market share buy-back announced in February 2026.

Qantas International Update

Qantas International's fleet transformation commenced in 2017 with the delivery of its first next-generation 787-9 aircraft, enabling the launch of ultra-long haul routes, including Perth-London, Perth-Paris, Perth-Rome and Auckland-New York following the retirement of the 747 fleet in 2020. This next generation fleet has delivered the highest NPS and profitability of any aircraft type in the international network, providing the foundation for the next phase of fleet renewal.

The fleet renewal program will continue through the introduction of the A220, A321XLR, 787-9, 787-10 and A350-1000ULR progressively replacing current-technology aircraft across the Group. 12 Project Sunrise aircraft are expected to enter service from calendar year 2027, enabling non-stop Sydney-London and Sydney-New York services and approximately \$400 million of annual EBIT¹⁶ uplift at scale. By financial year 2030/31, approximately 70 per cent of ASKs are expected to be operated by next-generation aircraft, with premium cabin mix increasing from 19 per cent in financial year 2025/26 to 28 per cent by financial year 2030/31.

The A380 fleet played a critical role in serving trunk routes and supporting the post-COVID recovery as well as recent demand created from the Middle East conflict. However, as the A380 global production has stopped, operational and maintenance costs continue to increase. With Project Sunrise and additional 787-9 deliveries confirmed from calendar year 2027, retirement of the A380 fleet will occur from calendar year 2028 to optimise capital efficiency whilst preserving network reach through the new widebody fleet. The A330 and 737 fleets are also expected to be fully retired by the mid-2030s.

¹⁴ Under the Group's Financial Framework, includes net on balance sheet debt and capitalised aircraft lease liabilities.

¹⁵ Calculated using number of shares on issue as at 30 June 2026.

¹⁶ Earnings Before Interest and Tax.

Review of Operations continued

For the year ended 30 June 2026

FINANCIAL FRAMEWORK ALIGNED WITH SHAREHOLDER OBJECTIVES

The Group's Financial Framework aligns business objectives with those of shareholders with the aim of achieving top quartile shareholder returns by targeting maintainable Earnings Per Share (EPS) growth over the cycle. The Financial Framework is built on three clear priorities and associated long-term targets:

1. Maintain optimal capital structure Minimise cost of capital by targeting a Net Debt range of 2.0x - 2.5x EBITDA where ROIC ¹⁷ is 10 per cent Deliver against climate targets	2. ROIC > WACC¹⁸ through the cycle Deliver ROIC > 10 per cent ¹⁹ ESG included in business decisions	3. Disciplined allocation of capital Base Dividend, grow Invested Capital with disciplined investment, return surplus capital to shareholders Prioritise projects that exceed both ESG and ROIC targets
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MAINTAINABLE EPS GROWTH OVER THE CYCLE



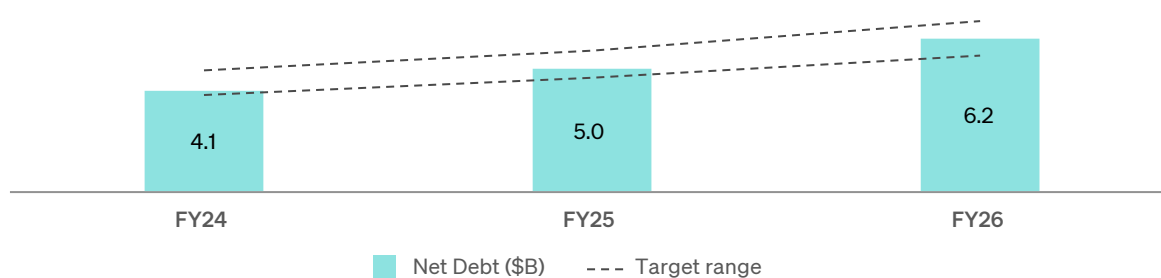
TOTAL SHAREHOLDER RETURNS IN THE TOP QUARTILE

Maintaining an Optimal Capital Structure

The Group's Financial Framework targets an optimal capital structure to achieve the lowest cost of capital. The range is based on a Net Debt to EBITDA range of 2.0-2.5 times where Return on Invested Capital (ROIC) is 10 per cent. This capital structure optimises the Group's cost of capital and preserves financial strength with the objective of enhancing long-term shareholder value. The Group's optimal capital structure is consistent with investment grade credit metrics and provides flexibility while protecting the Group's investment grade Baa2 rating with Moody's Investor Services.

At 30 June 2026, Net Debt was \$6.2 billion, at the middle of the Net Debt Target Range. The Net Debt range is forward-looking and calculated on a financial year basis. At an average Invested Capital of \$7.2 billion²⁰, the optimal Net Debt range is \$5.5 billion to \$6.9 billion for the financial year 2025/26. The Net Debt target range is expected to increase over time with growth in Invested Capital and cash earnings from continued investment in fleet.

Net Debt Profile FY24 to FY26 (\$ billion)



Debt Analysis	June 2026 \$M	June 2025 \$M	Change \$M	Change %
Net on balance sheet debt ²¹	5,362	4,165	1,197	29
Capitalised aircraft lease liabilities ²²	799	864	(65)	(8)
Net Debt	6,161	5,029	1,132	23

¹⁷ Return on Invested Capital (ROIC %) is a non-statutory measure and is the primary financial return measure of the Group. ROIC % is calculated as Return on Invested Capital EBIT (ROIC EBIT) for the 12 months ended for the reporting period, divided by 12 months average Invested Capital. Invested Capital is net assets (excluding cash, debt, other financial assets and liabilities, finance lease receivables and tax balances) including capitalised aircraft lease assets (adjusted to exclude aircraft lease return provisions from Invested Capital and include owned aircraft accounted for as finance lease receivables).

¹⁸ Weighted Average Cost of Capital, calculated on a pre-tax basis.

¹⁹ 10 per cent ROIC allows ROIC to be greater than pre-tax WACC through the cycle.

²⁰ Average Invested Capital as of 30 June 2026.

²¹ Net on balance sheet debt includes cash and cash equivalents, interest-bearing liabilities and fair value hedge of debt.

²² Capitalised aircraft lease liabilities are measured at fair value at the lease commencement date and remeasured over the lease term on a principal and interest basis. Residual value of capitalised aircraft lease liabilities denominated in foreign currency are translated at a long-term exchange rate.

Review of Operations continued

For the year ended 30 June 2026

FINANCIAL FRAMEWORK ALIGNED WITH SHAREHOLDER OBJECTIVES (CONTINUED)

ROIC > WACC Through the Cycle

ROIC for the 12 months to 30 June 2026 was 32.2 per cent. This ROIC was based on an average Invested Capital of \$7.2 billion which remains below pre-COVID levels.

Calculated on a 12-month rolling basis, ROIC has declined 18.6 percentage points from 50.8 per cent as at 30 June 2025 to 32.2 per cent as at 30 June 2026. Invested Capital was materially impacted by COVID as assets continued to depreciate or were impaired, while capital expenditure was reduced to preserve cash during the pandemic. As a result, the Group's current level of Invested Capital remains low and the reported ROIC is elevated. Group ROIC is expected to moderate in the near term and revert to more sustainable levels as Invested Capital rebuilds with continued investment in fleet.

Disciplined Allocation of Capital

The Qantas Group takes a disciplined approach to allocating capital, aiming to grow Invested Capital and return surplus capital to shareholders. Net Capital Expenditure totalled \$3,968 million during financial year 2025/26.

Upon considering the forward outlook for the business under its Financial Framework, the Board has resolved to approve a base dividend of \$300 million, distributed as a fully franked final dividend of 19.8 cents per share. The record date for determining entitlements to the dividend is 16 September 2026. The dividend will be paid on 14 October 2026.

The Board has decided to not proceed with the previously announced on-market share buy-back of up to \$150 million. This was announced in February 2026 as an additional distribution, supported by surplus capital at the time. Impacts of fuel volatility from the Middle East conflict have since then absorbed the expected surplus capital. Recent re-escalations and continued fuel volatility do not support keeping the share buy-back open.

Maintainable EPS Growth Over the Cycle

Statutory Earnings Per Share was 85 cents per share for financial year 2025/26. The decrease from financial year 2024/25 was primarily driven by higher fuel costs arising from the Middle East conflict, which adversely impacted Statutory Profit After Tax.

CASH GENERATION

Cash Flow Summary	June 2026 \$M	June 2025 \$M	Change \$M	Change %
Operating cash flows	3,893	4,253	(360)	(8)
Investing cash flows	(3,968)	(3,813)	(155)	(4)
Net Free Cash Flow	(75)	440	(515)	>(100)
Financing cash flows	1,160	42	1,118	>100
Cash at beginning of year	2,213	1,718	495	29
Effect of foreign exchange on cash	(24)	13	(37)	>(100)
Cash at end of the period	3,274	2,213	1,061	48

Operating cash inflows for financial year 2025/26 were \$3,893 million. This was lower than the prior corresponding period with the adverse impact of the Middle East conflict and increased tax outflows, which included a true-up relating to the financial year 2024/25. The underlying level of cash generation remained strong supported by benefits from fleet investment, transformation and growth in Qantas Loyalty.

Net capital expenditure was \$3,968 million, which included 29 aircraft deliveries, capitalised maintenance expenditure and investments in customer experience.

Net financing cash inflows for financial year 2025/26 were \$1,160 million. This includes \$3,024 million drawdown of debt, offset by \$768 million debt repayments, \$309 million in net aircraft and non-aircraft lease principal repayments, \$87 million in treasury share acquisitions, and dividends paid of \$700 million.

The Group continues to retain significant flexibility in its financial position, funding strategies and fleet plan to ensure that it can respond to changes in market conditions and earnings scenarios.

Review of Operations continued

For the year ended 30 June 2026

FLEET

The Group's strategic priorities for fleet planning are centred on three key principles: the right aircraft for the right route, maintaining flexibility and maintaining competitiveness. The determination of the optimal fleet plan, including the availability of new technology, balances the level of capacity growth required in the market, the competitive landscape and whether the investment is earnings accretive.

Consistent with the Financial Framework, the Group retains order book flexibility and balance sheet strength that supports new aircraft deliveries through the cycle. Similarly, the existing fleet profile enables the Group to respond to changes in market conditions through fleet redeployment, refurbishment, lease extension or return and owned aircraft retirement.

Following the closure of Jetstar Asia, all 13 existing A320-200 aircraft returned to Australia in financial year 2025/26. Of these, seven aircraft were redeployed to Jetstar Australia and New Zealand; with six to replace exiting leases and one to meet underlying demand. Four aircraft from the Jetstar Group were transferred to Network Aviation to accelerate the renewal of the F100 fleet. The remaining two of the 13 aircraft have been sold.

At 30 June 2026, the Qantas Group fleet²³ totalled 372 aircraft.

Fleet Summary (Number of Aircraft)	June 2025	Additions: New Deliveries	Additions: Mid-life Deliveries	Additions: Dry Leases	Transfers	Exits	Exits: Wet Leases	June 2026
737-800	75	–	4	–	–	–	–	79
787-9	14	–	–	–	–	–	–	14
A380-800	10	–	–	–	–	–	–	10
A330-200	16	–	–	–	–	–	–	16
A330-300	12	–	–	2	–	–	(2)	12
A321XLR	1	6	–	–	–	–	–	7
Total Qantas	128	6	4	2	–	–	(2)	138
A220-300	7	5	–	–	–	–	–	12
E190 ²⁴	30	–	2	–	–	–	–	32
Q200/Q300	14	–	–	–	–	(14)	–	–
Q400	38	–	5	–	–	–	–	43
F100	16	–	–	–	–	(4)	–	12
A319-100	8	–	1	–	–	–	–	9
A320-200	15	–	–	–	4	–	–	19
Total QantasLink	128	5	8	–	4	(18)	–	127
A320-200	56	–	–	–	(4)	(2)	–	50
A321-200	6	–	–	–	–	–	–	6
A321LR	20	5	–	–	–	–	–	25
A320neo	4	1	–	–	–	–	–	5
787-8	11	–	–	–	–	–	–	11
Total Jetstar	97	6	–	–	(4)	(2)	–	97
A321-200F	6	–	–	–	–	–	–	6
A330-200F	2	–	–	–	–	–	–	2
747-400F ²⁵	2	–	–	–	–	–	–	2
Total Qantas Freight	10	–	–	–	–	–	–	10
Total Group	363	17	12	2	–	(20)	(2)	372

Future Fleet

The Group updated its fleet plan to reflect latest OEM²⁶ guidance and continues to manage capital expenditure in accordance with the Financial Framework. Project Sunrise remains on track, with five A350-1000ULR aircraft expected by November 2027. Jetstar's first A321XLR delivery has been planned for financial year 2029. As new aircraft continue to enter the fleet, the Group is progressing the retirement of older aircraft, with the A380 fleet planned to commence retiring from calendar year 2028, and the A330 fleet from calendar year 2026. Qantas continues to work with Airbus and Boeing on firming up additional A350 and 787 orders to replace these retiring aircraft and meet future growth requirements.

²³ Includes Qantas Airways, Jetstar Australia and New Zealand, Qantas Freight and QantasLink and excludes aircraft operated by Jetstar Japan and capacity hire aircraft to Jetstar Australia, from Jetstar Japan.

²⁴ Includes 30 E190 aircraft wet leased from Alliance Airlines.

²⁵ Two 747-400F aircraft wet leased from Atlas.

²⁶ Original Equipment Manufacturer.

Review of Operations continued

For the year ended 30 June 2026

GROUP PERFORMANCE

The Qantas Group reported an Underlying Profit Before Tax of \$2,064 million for financial year 2025/26, a decrease of \$330 million from the Underlying Profit Before Tax of \$2,394 million reported in financial year 2024/25.

Net passenger revenue increased by 7 per cent, driven by strong premium demand across the Group International markets, strong demand for Group Domestic leisure travel and fare increases to partially offset higher fuel costs. Net freight revenue increased, driven by strong bellyspace strength as Middle East disruption concentrated capacity on Qantas corridors. Other revenue increased with the ongoing business momentum of Qantas Loyalty and the acceleration of the Loyalty Flywheel.

Operating expenses (excluding fuel) grew above capacity primarily due to industry costs (airport and aviation charges), and price increases driven by CPI net of transformation benefits. Fuel costs increased significantly above capacity due to an elevated fuel price environment since March 2026 following the Middle East conflict. Share of net profit of investments was unfavourable compared to financial year 2024/25, driven by the share of losses of Jetstar Japan, which was materially impacted by foreign exchange losses on its lease liabilities.

	June 2026	June 2025	Change	Change
	\$M	\$M	\$M	%
Group Underlying Income Statement Summary²⁷				
Net passenger revenue	21,814	20,411	1,403	7
Net freight revenue	1,414	1,298	116	9
Other	2,288	2,114	174	8
Revenue	25,516	23,823	1,693	7
Operating expenses (excluding fuel)	(15,184)	(14,228)	(956)	(7)
Fuel	(5,724)	(5,003)	(721)	(14)
Reversal of impairment of assets and related costs	–	13	(13)	(100)
Depreciation and amortisation	(2,248)	(2,012)	(236)	(12)
Share of net (loss)/profit of investments accounted for under the equity method	(12)	46	(58)	>(100)
Total underlying expenditure	(23,168)	(21,184)	(1,984)	(9)
Underlying EBIT	2,348	2,639	(291)	(11)
Net finance costs	(284)	(245)	(39)	(16)
Underlying PBT	2,064	2,394	(330)	(14)

		June 2026	June 2025	Change	Change (%)
Operating Statistics					
Available Seat Kilometres (ASK)	M	157,957	152,804	5,153	3
Revenue Passenger Kilometres (RPK) ²⁸	M	133,398	129,382	4,016	3
Passengers carried	'000	55,945	55,901	44	—
Seat Factor ²⁹	%	84.5	84.7	(0.2)	(0.2) pts
Operating Margin	%	9.2	11.1	(1.9)	(1.9) pts
Unit Revenue (RASK)	c/ASK	11.56	11.05	0.51	5
Total Unit Revenue	c/ASK	16.15	15.59	0.56	4
Total Unit Cost	c/ASK	(14.84)	(14.05)	(0.79)	(6)
Total Unit Cost ex. Fuel	c/ASK	(11.22)	(10.78)	(0.44)	(4)

Group capacity for the year (ASK) increased 3 per cent driven by growth across Qantas' Domestic and International operations. Revenue Passenger Kilometres increased 3 per cent and the Group's Seat Factor remained largely flat at 85 per cent. Group Unit Revenue increased 5 per cent to 11.56 c/ASK, including the impact from fare increases in the fourth quarter as fuel price escalated.

Total Unit Cost increased 6 per cent predominantly due to elevated fuel costs, industry cost increases (including airport and aviation charges) and CPI. These cost pressures were partially offset by transformation initiatives, with approximately half of transformation benefits generated through revenue initiatives.

²⁷ Underlying expenses differ from equivalent statutory expenses due to items excluded from Underlying PBT, such as those items identified by Management as not representing the underlying performance of the business. Refer to the reconciliation on page 26.

²⁸ RPK is calculated as total number of passengers carried, multiplied by the number of kilometres flown.

²⁹ Seat Factor is calculated as RPKs divided by ASKs. Also known as load factor or load.

Review of Operations continued

For the year ended 30 June 2026

SEGMENT PERFORMANCE

	June 2026	June 2025
Segment Performance Summary	\$M	\$M
Qantas Domestic	907	1,056
Qantas International	371	596
Jetstar Group	723	769
Qantas Loyalty	625	556
Corporate	(278)	(292)
Unallocated/Eliminations	—	(46)
Underlying EBIT	2,348	2,639
Net Finance Costs	(284)	(245)
Underlying PBT	2,064	2,394

QANTAS DOMESTIC

Revenue	Underlying EBIT	Operating Margin
8,026 \$M	907 \$M	11.3 %
8,026 7,615 7,241 6,980 3,448	907 1,056 1,063 1,270 (765)	11.3% 13.9% 14.7% 18.2% (22.2%)
FY26 8,026 FY25 7,615 FY24 7,241 FY23 6,980 FY22 3,448	FY26 907 FY25 1,056 FY24 1,063 FY23 1,270 FY22 (765)	FY26 11.3% FY25 13.9% FY24 14.7% FY23 18.2% FY22 (22.2%)

Metrics		June 2026	June 2025
ASKs	M	33,449	32,479
Seat Factor	%	76.3	78.1

Performance

Qantas Domestic reported an Underlying EBIT of \$907 million, a decrease of 14 per cent compared to financial year 2024/25. Financial performance was strong prior to the Middle East conflict, with the fourth quarter result impacted by higher fuel prices and reduced corporate demand.

Leisure demand remained resilient across the year, supported by the prioritisation of travel over other discretionary spend, while the resource market also remained resilient overall as continued strength in intra-Western Australia offset mine closures in Queensland. Corporate and SME³⁰ share remained stable at 79 per cent and 53 per cent respectively.

In response to the Middle East conflict, capacity and pricing actions were taken to address higher fuel prices with RASK up 5 per cent (March 2026 to June 2026). Large corporates and government travel was impacted by increased cost focus arising from economic headwinds and uncertainty created by the Middle East conflict, reducing demand in the fourth quarter. This contributed to a 2 percentage points reduction in Seat Factor compared to financial year 2024/25.

Revenue performance was offset by elevated fuel costs and industry costs (airport and aviation charges) escalating above CPI, resulting in an operating margin of 11 per cent. Operating margin excluding EIS³¹ was 13 per cent.

Fleet

The Qantas Domestic fleet transition progressed to plan during financial year 2025/26, with the fleet growing to seven A321XLR aircraft and 12 A220-300 aircraft, with economic benefits building with scale. EIS and fleet transition costs remained flat relative to financial year 2024/25, as increased A321XLR training costs were offset by the completion of the Q400 fleet transition.

Customer and People

On-time performance improved by 4 percentage points to 81%, while NPS increased by 7 points to 40, achieving the highest NPS score post-COVID. These outcomes reflect continued investment in fleet health and operational reliability, supporting market-leading operational performance. The customer experience was further enhanced through the introduction of Economy Plus, improvements to upgrade programs and the commencement of Wi-Fi rollout on the A320 family.

³⁰ Small and Medium Sized Enterprise.

³¹ Entry into service.

Review of Operations continued

For the year ended 30 June 2026

QANTAS INTERNATIONAL (INCLUDING FREIGHT)

Revenue	Underlying EBIT	Operating Margin
9,925 \$M	371 \$M	3.7 %
9,925	371	3.7%
9,161	596	6.5%
8,666	556	6.4%
7,749	906	11.7%
3,706	(238)	(6.4)%
FY26 9,925	FY26 371	FY26 3.7%
FY25 9,161	FY25 596	FY25 6.5%
FY24 8,666	FY24 556	FY24 6.4%
FY23 7,749	FY23 906	FY23 11.7%
FY22 3,706	FY22 (238)	FY22 (6.4)%

Metrics		June 2026	June 2025
ASKs	M	66,772	62,571
Seat Factor	%	84.5	84.7

Performance

Qantas International (including Freight) reported an Underlying EBIT of \$371 million, a decrease of 38 per cent compared to financial year 2024/25. Pre-Middle East conflict performance supported the Group's fleet renewal strategy, with continued outperformance of ultra-long haul routes and premium cabins.

Demand across international markets remained strong, increasing in the fourth quarter as travel demand shifted from the Middle East, with revenue increasing 8 per cent on 7 per cent capacity growth compared to financial year 2024/25.

Operating margin was 4 per cent, a decline relative to financial year 2024/25, impacted by higher fuel costs arising from the Middle East conflict, which had a disproportionate impact on the A380 fleet, increased operating costs across the legacy A330 and A380 fleets, customer investments³² and incremental EIS growing ahead of Project Sunrise.

Qantas Freight reported strong revenue in the second half of financial year 2025/26 supported by technology infrastructure and e-commerce demand. Freight fleet network optimisation continued to support cost performance.

Network and Fleet

Qantas International Seat Factor was largely flat relative to financial year 2024/25 supported by strong demand in the second half of financial year 2025/26 as disruptions across Middle East corridors redirected demand onto the Qantas network.

The return to service of the final A380 provided critical network flexibility, enabling dynamic capacity management in response to the Middle East conflict and supporting the redeployment of 787-9 capacity into higher returning European markets. Demand for the non-stop London service remained high, with a premium cabin Seat Factor of 95 per cent and economy cabin Seat Factor of 89 per cent.

Premium cabins continued to outperform economy with premium cabin revenue increasing 15 per cent and premium cabin yield increasing 5 per cent relative to financial year 2024/25. Strong demand for premium cabins and the performance of the 787-9 fleet continued to provide confidence in Project Sunrise and the Group's fleet renewal program.

Customer and People

Qantas International recorded an NPS uplift of 5 points to 28 in financial year 2025/26 driven by investments in customer experience, including the rollout of Wi-Fi across all the 787-9 fleet and on 22 A330 aircraft, the opening of the Auckland lounge precinct, and an improvement in operational performance with on-time arrival increasing by 2 percentage points to 83% in financial year 2025/26.

³² Customer investments including Wi-Fi and lounge refurbishments (Los Angeles, Auckland and Sydney International Business lounges).

Review of Operations continued

For the year ended 30 June 2026

JETSTAR GROUP

Revenue	Underlying EBIT	Operating Margin
6,022 \$M	723 \$M	12.0 %
6,022 5,711 4,922 4,235 1,440	723 769 497 404 (796)	12.0% 13.5% 10.1% 9.5% (55.3)%
FY26 6,022 FY25 5,711 FY24 4,922 FY23 4,235 FY22 1,440	FY26 723 FY25 769 FY24 497 FY23 404 FY22 (796)	FY26 12.0% FY25 13.5% FY24 10.1% FY23 9.5% FY22 (55.3%)

Metrics		June 2026	June 2025
ASKs	M	57,736	57,754
Seat Factor	%	89.1	88.3

Performance

The Jetstar Group reported an Underlying EBIT of \$723 million, reflecting a 6 per cent decrease in earnings compared to financial year 2024/25. The result was supported by strong price-sensitive leisure demand, with record passenger numbers driving Seat Factor up by 1 percentage point to 89 per cent. The Jetstar Group's³³ capacity remained broadly flat notwithstanding the closure of Jetstar Asia, while fleet efficiency and network expansion supported more low fares and the launch of new leisure destinations, including Brisbane-Cebu and Melbourne-Colombo. Ongoing transformation initiatives helped offset CPI increases and maintain operational stability.

Jetstar's Australian domestic network delivered an Underlying EBIT of \$533 million, with capacity growth of 4 per cent relative to financial year 2024/25, reflecting strong leisure demand in a price sensitive environment. The operating margin of the domestic business was 16 per cent, driven by ancillary revenue growth, efficient new fleet and strong load factors.

Jetstar's Australian international network reported an Underlying EBIT of \$279 million, with strong performance in key markets. Capacity increased 11 per cent relative to the financial year 2024/25, driven by additional fleet deliveries and continued network expansion. Jetstar's Australian international network delivered an 11 per cent margin, with ongoing leisure demand strength supporting the launch of four new routes in the second half of financial year 2025/26: Avalon-Denpasar, Brisbane-Queenstown, Brisbane-Rarotonga, and Maroochydore-Denpasar. Jetstar Japan's share of loss was impacted by \$46 million of adverse foreign exchange losses in comparison to financial year 2024/25 on lease liabilities, resulting in an overall loss in the period.

Jetstar Asia ceased operations on 31 July 2025, recording an Underlying EBIT loss of \$31 million in financial year 2025/26 and \$48 million of strategic restructure costs included outside of Underlying Profit Before Tax. The closure of Jetstar Asia supports Qantas Group's strategy of recycling capital to improve long-term returns, support fleet renewal and strengthen core markets. Qantas has also signed a binding agreement with Japan Airlines to facilitate the change in Jetstar Japan's shareholder structure through a share buy-back transaction. The transaction will allow the Qantas Group to redirect capital investment towards Qantas and Jetstar's domestic and international operations in Australia.

Fleet

Jetstar Australia received five A321LRs and one A320neo aircraft in financial year 2025/26, increasing the total new fleet³⁴ to 25 A321LRs and five A320neos. The new fleet represented approximately 47 per cent³⁵ of Jetstar Australia's narrowbody capacity in financial year 2025/26, with each replacement aircraft delivering \$10 million³⁶ of EBITDA³⁷. The new fleet delivered financial benefits through growth and efficiency gains, expanded network opportunities, and an improved customer experience.

Customer and People

The Jetstar Group also delivered customer experience improvements through initiatives such as the introduction of Points Plus Pay upgrades on international flights and further customer choice on ancillary products. Progress continued on the 787 Wi-Fi rollout, with two aircraft reconfigured during the year. The Jetstar Group also reached a new four year Enterprise Bargaining Agreement with pilots. Investment in fleet renewal and operational performance supported stable NPS across the Australian domestic network and a strong uplift across the Australian international network. Jetstar Australia domestic on-time performance remained above 70 per cent, with cancellation rates stable across the Jetstar Group.

³³ Consolidated entities only: Jetstar Australia and New Zealand and Jetstar Asia.

³⁴ Fleet count of deliveries to Jetstar Australia as at 30 June 2026.

³⁵ Includes Jetstar Group narrowbody capacity (excluding Jetstar Asia and Jetstar Japan).

³⁶ Benefits per replacement aircraft.

³⁷ Earnings before interest, tax, depreciation and amortisation.

Review of Operations continued

For the year ended 30 June 2026

QANTAS LOYALTY

Revenue ³⁸		Underlying EBIT		Operating Margin ³⁸	
2,880 \$M		625 \$M		21.7 %	
2,880	FY26 2,880	625	FY26 625	21.7%	FY26 21.7%
2,575	FY25 2,575	556	FY25 556	21.6%	FY25 21.6%
2,573	FY24 2,573	511	FY24 511	19.9%	FY24 19.9%
2,189	FY23 2,189	451	FY23 451	20.6%	FY23 20.6%
1,334	FY22 1,334	292	FY22 292	21.9%	FY22 21.9%

Metrics		June 2026	June 2025
QFF members	M	18.9	17.6
Points earned	B	242	222
Points redeemed	B	202	185

Qantas Loyalty reported an Underlying EBIT of \$625 million reflecting 12 per cent growth for financial year 2025/26 driven by increased member engagement and continued program enhancements across the portfolio. The positive momentum of the Qantas Loyalty Flywheel was reflected in a 9 per cent uplift in points earned and a 9 per cent increase in points redeemed in financial year 2025/26.

Members and Programs

Membership growth was driven by increased program engagement resulting from investment in digital experience and program expansion. Total membership increased by more than one million new members, up 7 per cent from financial year 2024/25, with approximately 40 per cent of new members under the age of 30. Active membership³⁹ increased by 6 per cent, while members earning across two or more categories increased by 8 per cent during financial year 2025/26. New program offerings continued to drive member engagement, including the New Reward Flight search tool launched in March 2026, which has generated more than 20 million searches across Qantas, Jetstar and partner airlines.

Qantas Business Rewards (QBR) membership grew 11 per cent relative to financial year 2024/25 to more than 706,000 members, with one in four Australian SMEs now participating in QBR. Continued growth in membership and partner engagement contributed to a 29 per cent increase in QBR earnings. Retail earn expanded through the David Jones partnership, with more than 200,000 members opting in to earn Qantas Points. Further program enhancements announced in February 2026, including Status Credit rollover and on-the-ground status earn, will be released before the end of 2026.

Earn

Points earned grew across Qantas Loyalty's diverse portfolio, including Financial Services, QBR and Retail. Financial Services delivered a resilient performance through ongoing portfolio diversification. More than 260,000 new Qantas Points-earning credit cards were acquired during financial year 2025/26, maintaining a market share above 35 per cent. Revised commercial terms were agreed to extend points partnerships with the five largest credit card partners.

Growth continued across non-financial services, with Qantas Home Loan customers increasing 30 per cent compared to financial year 2024/25, with approximately \$3 billion total loans settled since launch. The Uber partnership expanded further, engaging more than one million members earning Qantas Points across rides and deliveries, while Qantas Insurance customers increased 16 per cent compared to financial year 2024/25.

Burn

Total rewards redeemed by members reached 10 million in financial year 2025/26. Total Flight Reward seats⁴⁰ booked increased more than 3 per cent to over five million, with Classic Plus adoption accounting for more than 25 per cent of seats redeemed during financial year 2025/26. On-the-ground points redeemed increased 12 per cent, with points redeemed across the retail portfolio increasing 17 per cent relative to financial year 2024/25. This included a 40 per cent increase in points redeemed with partner Ticketek, reflecting a strong response in first-time redeemers.

Hotels, Holidays and Tours TTV⁴¹ bookings grew 3 per cent, despite bookings between March 2026 and June 2026 being impacted by the Middle East conflict, while TripADeal earnings increased 26 per cent compared to financial year 2024/25.

³⁸ During the year ended 30 June 2026, the Group revised the presentation of revenue within the Qantas Loyalty operating segment for external transactions where Qantas Loyalty acts as an agent between customer and supplier. The revenue within the Qantas Loyalty operating segment is now presented net of direct costs when Qantas Loyalty acts as an agent, which is consistent with the treatment in the Consolidated Income Statement. Comparatives for financial year 2024/25 have been restated, resulting in External segment revenue and other income decreasing by \$288 million in Qantas Loyalty and increasing by \$288 million in Unallocated/Eliminations. There is no change to Underlying EBIT and no impact to consolidated balances. Comparative Operating Margin figures for Qantas Loyalty for the year ended 30 June 2025 have also been restated. Periods prior to 30 June 2025 have not been restated and remain consistent with the previous presentation of revenue and expenses for the Qantas Loyalty segment.

³⁹ Members who have earned or redeemed more than one Qantas Point in the past 12 months.

⁴⁰ Flights booked using Qantas points, including Classic, Classic Plus and Upgrades comprising all Group Airlines and Partner Airlines.

⁴¹ Total Transaction Value of bookings made using cash and/or Qantas Points (includes TripADeal).

Review of Operations continued

For the year ended 30 June 2026

RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX

The Statutory Profit Before Tax was \$1,828 million for the financial year ended 30 June 2026.

Underlying PBT

Underlying PBT is a non-statutory measure and is the primary reporting measure used by the CODM bodies for the purpose of assessing the performance of the Group. The objective of measuring and reporting Underlying PBT is to provide a meaningful and consistent representation of the underlying performance of each operating segment and the Qantas Group.

Items that are identified by Management and reported to the CODM bodies as not representing the underlying performance of the business are not included in Underlying PBT. The determination of these items is made after consideration of their nature and materiality and is applied consistently from period to period.

Items not included in Underlying PBT primarily result from revenues or expenses outside the ordinary course of business. These may relate to business activities in other reporting periods, major transformational/restructuring initiatives, transactions involving investments, gains/losses on sale and/or impairments of assets and other transactions.

		2026	2025
RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX	Note	\$M	\$M
Underlying PBT		2,064	2,394
<i>Items not included in Underlying PBT</i>			
- Closure of Jetstar Asia and related costs	2(A)iii.	(48)	(39)
- Employee Ownership Plan (non-executive) financial year 2024/25 award		(26)	-
- Cyber incident	34(A)	(15)	-
- Organisational restructure costs		(33)	-
- Legal provisions and related costs	34	(114)	(93)
Total items not included in Underlying PBT		(236)	(132)
Statutory Profit Before Income Tax Expense		1,828	2,262

In the 2025/26 financial year, items outside of Underlying PBT included:

Item outside of Underlying PBT	Description
Closure of Jetstar Asia and related costs	(\$48) million for the strategic restructure of Jetstar Asia and its related costs, including incremental accelerated depreciation of (\$30) million and impairment of (\$6) million due to Jetstar Asia fleet redeployment resulting in earlier retirement of F100 aircraft and the disposal of two Jetstar A320-200 aircraft, and (\$12) million relating to fleet transfer and other costs.
Employee Ownership Plan (non-executive) financial year 2024/25 award	(\$26) million for the financial year 2024/25 Employee Ownership Plan announced in August 2025 and awarded to non-executive employees in September 2025. The 2025/26 Employee Ownership Plan has been recognised in Underlying PBT in the 2025/26 financial year.
Cyber incident	(\$15) million for the costs of managing and responding to the recent cyber incident.
Organisational restructure costs	(\$33) million for redundancies arising from organisational restructure changes during the 2025/26 financial year.
Legal provisions and related costs	(\$114) million for the Qantas Flight Credits Class Action, comprising a (\$105) million legal provision and (\$9) million of related costs, recognised in Other Expenditure.

In the 2024/25 financial year, items outside of Underlying PBT included:

Item outside of Underlying PBT	Description
Closure of Jetstar Asia and related costs	(\$39) million for the announced strategic restructure of Jetstar Asia and its related costs, including Redundancy and related costs of (\$31) million and Other expenditure of (\$8) million.
Legal provisions and related costs	(\$93) million of legal provisions and related costs, comprising (\$85) million in additional legal provisions recognised in Other expenditure and (\$8) million of legal and related costs associated with ongoing legal matters. The Group reached a compensation agreement in December 2024 and a pecuniary penalties decision was handed down in August 2025 in relation to the ground handling outsourcing Federal Court case.

Review of Operations continued

For the year ended 30 June 2026

MATERIAL BUSINESS RISKS

The aviation industry operates in a dynamic and inherently uncertain environment, shaped by factors including market competition, evolving customer preferences, macroeconomic conditions, geopolitical developments, cyber security threats, regulatory change, and volatility in fuel prices and foreign exchange rates. The industry also remains exposed to external shocks/events such as aviation incidents, natural disasters, climate change impacts, international conflicts, pandemics and other unforeseen “black swan” events that may significantly disrupt operations.

The Qantas Group (Group) proactively prepares for a broad range of scenarios to safeguard its market position, support delivery of its financial targets, deliver operational outcomes, meet travel demand and customer expectations. The Group is exposed to a range of material business risks capable of affecting its strategic and financial objectives. In managing these risks, the Group maintains an ongoing focus on strengthening its control environment, underpinned by systematic analysis of incidents and their underlying causes to continually refine its risk management approach.

The Group's Risk Management Framework provides a consistent and structured approach to identifying and managing uncertainty, encompassing both threats and opportunities. The Framework supports the Group in protecting and creating value, building organisational resilience, and achieving its strategic priorities. It is embedded across business activities and strategic decision-making, ensuring risk considerations are systematically integrated into how the Group operates and grows.

Strategic Risk	Risk Management Approach
Operational and People Safety	The Group's ‘safety first’ approach is embedded across all operations and underpins the ongoing identification and management of current and emerging safety risks to people and customers, in the air and on the ground. The Group's response to managing this risk includes: – Strengthening safety outcomes through enhancements to critical safety controls, procedural updates, traffic management initiatives, equipment upgrades, and longer-term infrastructure and automation investments. – Maintaining and operating under regulatory approved systems covering aircraft airworthiness, maintenance and operational activities, supported by formally approved procedures, qualified and licensed personnel, and authorised manuals. – Operating a robust safety reporting system, reinforced by detailed operational and workplace assurance programs, to underpin regulatory compliance and provide assurance over the effectiveness of critical processes and controls.
Physical Security (People and Assets)	The Group is committed to protecting its people, customers, aircraft and other assets from physical security threats and interference. Security measures are implemented across the network in compliance with regulatory requirements, with the Group maintaining active engagement with Australian and international government agencies and security partners. The Group's response to managing this risk includes: – Comprehensive threat and operational risk assessment program, supported by ongoing collaboration with key government agencies and security partners, including Australian embassies overseas. – Network-wide security measures for passengers, baggage, cargo, catering and stores, in line with regulatory requirements. – Extensive controls to safeguard flight systems, including aircraft flight decks access controls and physical aircraft security at ports. – Geopolitical threat monitoring and ongoing assessment of overflight patterns to inform flight planning decisions.
Market Demand	Demand is a key factor in the Group's planning and capacity development. Unforeseen and/or sustained change in market demand and/or change in capacity settings could result in a capacity/demand imbalance impacting on the Group's ability to maximise its market position. The Group's response to managing this risk includes: – Leveraging the dual-brand strategy and next-generation aircraft to maintain capacity flexibility across domestic, international and regional markets. – Active monitoring of demand indicators, including consumer confidence, corporate booking trends and macroeconomic conditions, to identify and respond to emerging risks and opportunities. – Dynamic and adaptive approach to capacity, routing, cost management and commercial strategy as market conditions evolve.

Review of Operations continued

For the year ended 30 June 2026

MATERIAL BUSINESS RISKS (CONTINUED)

Strategic Risk (cont.) Risk Management Approach (cont.)

Liquidity and Fuel Price Volatility (including Foreign Exchange)

The Group's ability to maintain sufficient liquidity is inherent in providing for its operating needs and sustaining strategic investments. Fuel prices and foreign exchange rates remain volatile, influenced by ongoing geopolitical tensions, including disruption related to the Middle East conflict, which are expected to continue to affect operating costs in the near term. Foreign exchange volatility similarly reflects global political uncertainty and a shifting interest rate environment, both of which influence the Australian dollar and the Group's foreign currency-denominated cash flows.

The Group's response to managing this risk includes:

- Maintaining diverse funding sources and minimum liquidity thresholds to support operating needs and strategic investment.
- Fuel hedging program aligned with the Treasury Risk Management Policy, using fuel derivative collars and outright options to manage fuel price risk. These instruments are actively adjusted as market conditions warrant.
- Ongoing optimisation of capacity, revenue management and network deployment to minimise earnings volatility arising from market fluctuations.
- Disciplined application of the Group's Financial Framework to safeguard liquidity position while progressing strategic priorities.

Cyber Security and Data Loss

The cyber threat landscape continues to intensify, driven by artificial intelligence (AI) enabled threats (including frontier AI models), heightened geopolitical and state-sponsored activity, greater reliance on shared and third-party infrastructure, and a demanding regulatory environment.

While AI presents opportunities to strengthen cyber defences, it also enables threat actors to operate with greater speed and precision, increasing their ability to disrupt critical systems and services. Common techniques include social engineering, compromise of user and privileged accounts, and denial-of-service attacks.

Cyber espionage remains a persistent global threat, with threat actors increasingly targeting credentials and sensitive data through sophisticated intelligence-gathering and social engineering techniques. The aviation industry's reliance on interconnected operational technology networks and third-party service providers continues to heighten exposure to supply chain cyber risks.

The Group's response to managing this risk includes:

- Ongoing investment in cyber threat intelligence, monitoring and detection capabilities to strengthen the identification and response to cyber threats.
- Embedding security-by-design principles, identity and access management controls, and cyber awareness programs across the Group.
- Enhancing cyber resilience through strengthened third-party risk management, cyber supply chain oversight and regular incident response testing and recovery exercises.
- Maintaining robust cyber governance, oversight and assurance frameworks, supported by industry collaboration and alignment to recognised standards.

Customer Experience

Customer satisfaction and trust are fundamental to the Group's commercial success. Operational challenges such as cancellations, poor on-time performance (OTP) and mishandled baggage risk undermining the Group's brand strength, particularly in a competitive market where customer expectations continue to rise.

The Group must adapt to long-term changes in consumer preferences in relation to its service offerings, market trends, and attitude towards travel, including digital expectations. Any failure by the Group to predict or respond promptly to such changes may adversely impact the Group's future operating and financial performance.

The Group's response to managing this risk includes:

- Continued investment in operational reliability, customer experience initiatives and digital capabilities to improve customer satisfaction and loyalty.
- Enhancing customer recovery mechanisms covering complaint resolution, rebooking options, and product and service quality remediation.
- Progressing targeted customer investment priorities, including aircraft refurbishment, international Wi-Fi roll-out, lounge network refresh and fleet renewal across Qantas and Jetstar.
- Advancements in cyber security to safeguard customer personal data.
- Embedding a continuous improvement culture in core business units and delivering a multi-year customer experience transformation program to better meet evolving customer needs and maintain a strong market position.

Review of Operations continued

For the year ended 30 June 2026

MATERIAL BUSINESS RISKS (CONTINUED)

Strategic Risk (cont.) Risk Management Approach (cont.)

Competition	The Group operates in highly competitive aviation and loyalty markets. Competition from domestic and international carriers, including some with greater financial resources, lower cost structures or government support, may impact market share, passenger demand, yields and revenue performance. Competitive pressures may increase through changes in industry capacity, airline expansion, strategic alliances, mergers, acquisitions and new market entrants. Australia's aviation policy settings continue to support competition, contributing to sustained competitive intensity on international routes. The aviation industry's high fixed-cost base can amplify the financial impact of prolonged pricing and capacity pressures. The Loyalty business also operates in a competitive environment, with airlines, financial institutions, retailers and other loyalty providers continuing to expand customer acquisition, engagement and rewards offerings. The Group's response to managing this risk includes: - Leveraging the dual-brand strategy and established governance processes to optimise network and fleet planning. - Fleet renewal program, introducing modern, fuel-efficient aircraft to reduce operating costs, enhance customer experience and support sustainable travel offering. - Continued investment in customer experience, loyalty programs, and technology-enabled solutions to sustain leadership in key customer segments. - Monitoring aviation policy settings and engagement with regulators to manage competitive impacts across domestic, international and loyalty markets.
Industrial Relations	The Group operates in a highly regulated employment market, where a large proportion of the employees are represented by unions under collective bargaining arrangements. Political and regulatory shifts, particularly changes to the Fair Work Act (Cth) could have material implications for the Group's industrial relations strategy and operational flexibility. In parallel, the Group is experiencing continued pressure from employee groups and unions seeking substantial wage increases and stronger job security provisions. These expectations, if not managed effectively, could escalate into enterprise bargaining disputes and industrial action, including work stoppages. The Group's response to managing this risk includes: - Early and ongoing union engagement to support constructive dialogue, address workforce concerns and progress enterprise agreement negotiations. - Ongoing monitoring of the industrial relations environment, including emerging risks from legislative and regulatory reforms. - Business continuity planning and testing to support operational resilience in the event of industrial action.
Policy or Regulatory Change	The Group operates in a highly regulated environment where changes in government policy, legislation and regulation may impact operations, demand, costs, competitive dynamics and long-term strategic outcomes. The Group's response to managing this risk includes: - Maintaining proactive engagement with governments, regulators, industry bodies and strategic partners to inform policy development and support commercial and industry outcomes. - Monitoring emerging legislative, regulatory and policy developments, including competition, consumer, cyber, privacy, critical infrastructure, trade and tourism reforms, to assess impacts and support compliance. - Strengthening regulatory compliance through governance frameworks, stakeholder consultation, competition law guidance and targeted training to support informed decision-making and robust competitive conduct.

Review of Operations continued

For the year ended 30 June 2026

MATERIAL BUSINESS RISKS (CONTINUED)

Strategic Risk (cont.) Risk Management Approach (cont.)

Climate Change

The Group recognises that aviation is a hard-to-abate industry and is committed to taking steps in the air and on the ground to reduce its environmental impact and respond to climate-related risks. These include both physical risks (such as increased extreme weather events) and transition risks (such as the development of alternative fuels and changes to government policies, laws and regulations).

The Group's response to managing this risk includes:

- Managing emissions through reduction targets, fleet and operational transformation and support for a competitive sustainable aviation fuel (SAF) industry in Australia.
- Applying climate scenario analysis to inform strategic planning, alongside robust governance, carbon market programs, and policy monitoring and advocacy.
- Maintaining climate targets, including a 25 per cent reduction in net Scope 1 and Scope 2 emissions from 2019 levels by 2030; SAF procured equivalent to 10 per cent of jet fuel consumption by 2030; and net zero emissions by 2050.
- Engaging with investors, customers and regulators to ensure climate disclosures reflect evolving expectations and reporting obligations.

Supply Chain

The Group depends on third-party providers for critical operations including fleet expansion and replacement, aircraft maintenance slots, aircraft parts procurement and other critical business processes. The Group also remains exposed to reputational damage from risks associated with modern slavery, sanctions and cyber incidents, amongst others originating within its supply chain, which may erode stakeholder trust.

The Group's response to managing this risk includes:

- Monitoring global and domestic supply markets, supplier performance and emerging risks to prioritise critical spare parts, maintenance activities and operational requirements.
- Proactively managing supplier dependencies and investing in high-risk assets, inventory and operational mitigations to support continuity and resilience.
- Building operational resilience through network planning, schedule optimisation and contingency measures to minimise the impact of supply chain disruptions.
- Strengthening supplier due diligence, ongoing monitoring, compliance controls, business continuity planning and contingency arrangements to manage sanctions, modern slavery and supplier disruption.

New Business Models

As brands aim for a seamless customer journey, the rapid adoption of AI-driven search tools and evolving digital channels is creating disintermediation risk for the Group's distribution and loyalty businesses, requiring proactive management to preserve direct customer engagement and program relevance.

The Group is investing in both defensive and growth-oriented strategies to protect its competitive position, including:

- Enhancing the Group's distribution strategy and digital capabilities to improve content control, customer choice, channel efficiency and the direct booking experience.
- Expanding the coalition business through innovative business models, new partnerships and enhanced member experiences to strengthen customer engagement and loyalty.
- Investing in technology platforms, proprietary AI capabilities and customer experience initiatives to deliver a more seamless end-to-end customer journey and maintain strong customer relationships in an evolving digital landscape.

An overview of the Group Risk Management Framework is contained in the Qantas Group Business Practices Document available at www.qantas.com.

Condensed Corporate Governance Statement

For the year ended 30 June 2026

OVERVIEW

Corporate governance is core to ensuring the creation, protection and enhancement of shareholder value. The Board maintains, and requires that Qantas Management (Management) maintains, the highest level of ethics at all times.

The Board comprises a majority of Independent Non-Executive Directors who, together with the Group CEO and Managing Director, have an appropriate balance of skills, knowledge, experience, independence and diversity to enable the Board as a collective to effectively discharge its responsibilities.

The Board has endorsed and adopted the ASX Corporate Governance Principles and Recommendations (ASX Principles) 4th Edition throughout 2025/26.

Accordingly, Qantas has disclosed its 2026 Corporate Governance Statement in the Corporate Governance section on the Qantas website. As required, Qantas has also lodged its Corporate Governance Statement with the ASX.

The following is a summary of the key aspects of the Corporate Governance Statement.

THE BOARD LAYS SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board has adopted a formal Charter, which is available in the Corporate Governance section on the Qantas website.

The Board is responsible for agreeing and reviewing the strategic direction of Qantas and monitoring the implementation of that strategy by Management.

The CEO is responsible for the day-to-day management of the Qantas Group with all powers, discretions and delegations authorised, from time to time, by the Board.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

THE BOARD IS STRUCTURED TO BE EFFECTIVE AND TO ADD VALUE

At 30 June 2026, the Qantas Board comprised nine Directors. Eight Directors are Independent Non-Executive Directors, seven of whom have been elected by shareholders, and one who has been appointed to fill a casual vacancy. The Qantas Group CEO, who is an Executive Director, is not regarded as independent.

Details of the Directors, their qualifications, skills, experience and tenure are set out on pages 8 to 10 of the Qantas Annual Report 2026.

The Board has four Committees:

- Audit Committee
- Nominations Committee
- People and Remuneration Committee
- Safety, Health, Environment and Security Committee.

Each of these Committees assists the Board with specified responsibilities that are set out in the Committee Charters, as delegated and approved by the Board.

Membership of and attendance at 2025/26 Board and Committee Meetings are detailed on page 35 of the Qantas Annual Report 2026.

BOARD SKILLS AND EXPERIENCE

The Board Skills and Experience Matrix is set out below. It sets out the skills and experience considered crucial to support the effectiveness of the Board and its Committees. For the year 2025/26, the Directors' skills and experience were self-assessed.

Strategy, Customer and Transformation



Finance/Capital Investment



People and Organisational Leadership



Transportation/Operations



Climate and Environment



Governance



Safety and Risk



Digital and Technology



● Extensive ● Considerable ● Some ● Limited

Further details on the skills listed above can be found in Qantas' 2026 Corporate Governance Statement.

Condensed Corporate Governance Statement continued

For the year ended 30 June 2026

THE BOARD INSTILLS A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

The Board has established a Corporate Governance Framework, comprising Non-Negotiable Business Principles (Principles) and Group Policies, which forms the foundation for the way in which Qantas and its controlled entities (Qantas Group or Group) undertake business. The Principles and Group Policies, including the Qantas Group Code of Conduct and Ethics, are detailed in the Qantas Group Business Practices document. This Framework is supported by a rigorous Whistleblower program, which provides a protected disclosure process for all disclosing persons, and an Anti-Bribery and Corruption Policy, which outlines appropriate behaviour for all Qantas Group personnel.

The Qantas Group Share Trading Policy sets out guidelines designed to protect the Qantas Group and its personnel (including Directors) from intentionally or unintentionally breaching the law. The Qantas Group Share Trading Policy prohibits personnel from dealing in the securities of any Qantas Group listed or unlisted entity while in possession of material non-public information.

In addition, certain nominated Qantas Group personnel are also prohibited from entering into any hedging or margin lending arrangement or otherwise granting a charge over the securities of any Qantas Group listed or unlisted entity, where control of any sale process relating to those securities may be lost.

THE BOARD SAFEGUARDS THE INTEGRITY OF CORPORATE FINANCIAL REPORTING

The Board and the Audit Committee closely monitor the integrity of all corporate reports. Qantas has a sound system of risk management and internal controls in place to verify the half-year and annual financial reports and confirm the declarations provided by the CEO and CFO to the Board.

The Board and the Audit Committee also monitor the independence of the external auditor. Qantas rotates the lead external audit partner every five years and imposes restrictions on the employment of personnel previously employed by the external auditor. Qantas rotated its lead external audit partner during the 2021/22 financial year. While the next rotation had been scheduled to occur following completion of the 2025/26 financial year audit, the appointment of a new lead external audit partner was brought forward to May 2026 following the resignation of the former lead external audit partner from KPMG.

As part of its oversight of external audit arrangements, the Audit Committee undertook a competitive external audit tender process during the 2024/25 financial year for appointment from the 2026/27 financial year. Following a comprehensive evaluation of the tender submissions, the outcome of the external audit tender process resulted in the Audit Committee recommending and the Board approving the continuation of KPMG as the Group's external auditor.

The Qantas Group is committed to verifying the integrity of all other periodic corporate reports it releases to the market that are not audited or reviewed by the external auditor. Information regarding the verification process is disclosed in our 2026 Corporate Governance Statement.

THE BOARD MAKES TIMELY AND BALANCED DISCLOSURES

Qantas is committed to ensuring that trading in its shares takes place in an orderly and informed market by having transparent and consistent communication with all shareholders. Qantas has an established process to ensure that it complies with its continuous disclosure obligations at all times, including a bi-annual confirmation by all Executive Management that the areas for which they are responsible have complied with the Group's Continuous Disclosure Policy. Qantas continues to strengthen these processes through its Market Disclosure Committee (MDC), which is responsible for reviewing all information forwarded pursuant to the Continuous Disclosure Policy and for deciding / making a recommendation to the CEO or Chair (as appropriate) on its disclosure.

Qantas proactively communicates with its shareholders via the ASX and its web-based Newsroom, with all materials released by the Group made available to all shareholders at the same time. Additionally, the Qantas Board receives copies of all material market announcements for review and approval of release to the market, as well as a final copy promptly after they have been made.

Condensed Corporate Governance Statement continued

For the year ended 30 June 2026

THE BOARD RESPECTS THE RIGHTS OF SHAREHOLDERS

Qantas has a Shareholder Communications Policy which promotes effective two-way communication with shareholders and the wider investment community and encourages participation at general meetings. Qantas actively maintains a corporate site and investor portal which outlines the Company's corporate governance policies and procedures and includes an array of information to assist investors with making informed decisions.

Additionally, Qantas actively conveys its publicly-disclosed information and seeks the views of its shareholders, large and small, in a number of forums, including at the Annual General Meeting (AGM), Qantas Investor Days and, as is common practice among its major listed peers, through periodic meetings with current and potential institutional shareholders.

Shareholders also have the option to receive communications from, and send communications to, Qantas and its share registry electronically, including email notifications of significant market announcements. Qantas is focused on reducing our carbon footprint whilst providing timely corporate updates and disclosures. As such, Qantas will no longer send physical meeting documents unless a shareholder requests a copy be mailed.

The external auditor attends the AGM and is available to answer shareholder questions relevant to the audit.

THE BOARD RECOGNISES AND MANAGES RISK

Qantas is committed to embedding risk management practices to support the achievement of business objectives and fulfil corporate governance obligations. The Board is responsible for reviewing and overseeing the risk management framework for the Qantas Group, including that the Group is operating with due regard to the risk appetite set by the Board, and for ensuring the Qantas Group has an appropriate corporate governance structure. Within that overall framework, Management has designed and implemented a risk management and internal control system to manage Qantas' material business risks.

During 2025/26, the Audit Committee undertook its annual review of the effectiveness of Qantas' implementation of its risk management system and internal control framework.

The internal audit function is carried out by Group Audit and Risk and is independent of the external auditor. Group Audit and Risk provides independent, objective assurance and consulting services on Qantas' system of risk management, internal control and governance.

The Audit Committee approves the Group Audit and Risk Internal Audit Charter, which provides Group Audit and Risk with full access to Qantas Group functions, records, property and personnel, and establishes independence requirements. The Audit Committee also approves the appointment, replacement and remuneration of the internal auditor. The internal auditor has a direct reporting line to the Audit Committee and also provides reporting to the Safety, Health, Environment and Security Committee.

THE BOARD REMUNERATES FAIRLY AND RESPONSIBLY

The Qantas Executive remuneration objectives and approach are set out in the Remuneration Report from page 40 to 64 of the Qantas Annual Report 2026.

Information about the remuneration of Executive Management is disclosed to the extent required, together with the process for evaluating performance, in the Remuneration Report from page 40 to 64 of the Qantas Annual Report 2026.

Non-Executive Directors do not receive any performance-based remuneration. Further information has been disclosed in the Remuneration Report from pages 62 to 64 of the Qantas Annual Report 2026.

Directors' Report

For the year ended 30 June 2026

The Directors of Qantas Airways Limited (Qantas) present their Report, together with the Financial Statements of the consolidated entity comprising Qantas and its controlled entities (Qantas Group) and the Independent Audit Report, for the year ended 30 June 2026. In compliance with the provisions of the *Corporations Act 2001* (Cth), the Directors' Report is set out below.

DIRECTORS

The Directors of Qantas at any time during or since the end of the year are:

John Mullen

Vanessa Hudson

Belinda Hutchinson AC

Doug Parker

Dr Nora Scheinkestel

Dr Heather Smith PSM

Antony Tyler

Dion Weisler

Alison Watkins (appointed 02 March 2026)

Todd Sampson (retired 31 July 2025)

Details of the Directors' qualifications, experience and any special responsibilities, including Qantas Committee memberships, are set out on pages 8 to 10.

PRINCIPAL ACTIVITIES

The principal activities of the Qantas Group during the year were the operation of international and domestic air transportation services, the provision of freight services and the operation of a frequent flyer loyalty program.

DIVIDENDS AND OTHER SHAREHOLDER DISTRIBUTIONS

The Directors announced a fully franked final dividend of \$300 million (19.8 cents per ordinary share) for the year ended 30 June 2026. The final dividend will be franked and follows a fully franked interim base dividend of \$300 million (19.8 cents per ordinary share) paid during the year. The total combined 2025/26 interim and final dividends announced were \$600 million (39.6 cents per ordinary share).

In February 2026, the Directors announced an on-market share buy-back of up to \$150 million. The Group provided an update to the market in April 2026, advising that having regard to the uncertainty driven by the conflict in the Middle East, the planned buy-back had not yet commenced. In August 2026, the Directors announced that they had made a decision not to proceed with the buy-back.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Qantas Group that occurred during the financial year under review that are not otherwise disclosed in this Report.

REVIEW OF OPERATIONS

A review of, and information about, the Qantas Group's operations, including the results of those operations during the year, together with information about the Qantas Group's financial position, appears on pages 15 to 30.

Details of the Qantas Group's strategies, prospects for future financial years and material business risks have been included in the Review of Operations to the extent that their inclusion is not likely to result in unreasonable prejudice to the Qantas Group. In the opinion of the Directors, detail that could be unreasonably prejudicial to the interests of the Qantas Group, for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage, has not been included.

EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

Refer to Note 35 of the Financial Report for events which occurred subsequent to the balance sheet date. Other than the matters disclosed in Note 35, since the end of the year and to the date of this Report, no other matter or circumstance has arisen that has significantly affected or may significantly affect the Qantas Group's operations, results of those operations or state of affairs in future years.

Directors' Report continued

For the year ended 30 June 2026

DIRECTORS' MEETINGS

The number of Directors' meetings held (including meetings of Committees of Directors) and attendance of Directors during 2025/26 is as follows:

	Qantas Board															
	Scheduled Meetings		Unscheduled Meetings		Scheduled Sub-Committee Meetings ²		Unscheduled Sub-Committee Meetings ²		Audit Committee ¹		Safety, Health, Environment and Security Committee ¹		People and Remuneration Committee ¹		Nominations Committee ¹	
	Attended	Held ³	Attended	Held ³	Attended	Held ⁴	Attended	Held ⁴	Attended	Held ³	Attended	Held ³	Attended	Held ³	Attended	Held ³
Directors																
John Mullen ⁵	10	11	4	4	2	2	2	2	–	–	–	–	–	–	2	2
Vanessa Hudson	11	11	4	4	2	2	2	2	–	–	4	4	–	–	–	–
Belinda Hutchinson	11	11	4	4	2	2	2	2	5	5	4	4	–	–	2	2
Doug Parker	9	11	1	4	–	–	–	–	–	–	4	4	4	5	–	–
Dr Nora Scheinkestel	11	11	4	4	–	–	1	1	5	5	–	–	5	5	2	2
Dr Heather Smith	11	11	4	4	–	–	–	–	5	5	–	–	5	5	–	–
Antony Tyler	11	11	4	4	–	–	–	–	–	–	4	4	–	–	2	2
Alison Watkins ⁶	4	4	2	2	–	–	–	–	2	2	–	–	2	2	–	–
Dion Weisler ⁷	11	11	4	4	–	–	–	–	5	5	4	4	2	2	–	–
Todd Sampson ⁸	–	1	–	2	–	–	–	–	–	–	–	–	–	1	–	–

1 All Directors are invited to, and regularly attend, Committee meetings in an ex officio capacity. The above table reflects the attendance of a Director only where he or she is a Member of the relevant Committee.

2 Sub-Committee meetings convened for specific Board-related business.

3 Number of meetings held during the period that the Director held office.

4 Number of meetings held during the period that the Director held office and was required to attend.

5 The Board Chair attends all Committee Meetings.

6 Alison Watkins was appointed as a Non-Executive Director on 02 March 2026, and as a member of the Audit Committee and a member of the People and Remuneration Committee on 02 March 2026.

7 Dion Weisler was appointed as a member of the Audit Committee on 27 August 2025, and ceased being a member of the People and Remuneration Committee on 27 August 2025.

8 Todd Sampson retired as a Non-Executive Director on 31 July 2025.

Directors' Report continued

For the year ended 30 June 2026

DIRECTORSHIPS OF LISTED COMPANIES HELD BY MEMBERS OF THE BOARD AS AT 30 JUNE 2026 – FOR THE PERIOD 1 JULY 2023 TO 30 JUNE 2026

John Mullen	Qantas Airways Limited	Current, appointed 22 April 2024
	Brambles Limited	Current, appointed 1 November 2019
	Treasury Wine Estates	Current, appointed 1 May 2023
	Brookfield Infrastructure Partners	Current, appointed 5 May 2021
	Telstra Corporation Limited	Ceased, appointed 1 July 2008 and ceased 17 October 2023
Vanessa Hudson	Qantas Airways Limited	Current, appointed 5 May 2023
Belinda Hutchinson	Qantas Airways Limited	Current, appointed 12 April 2018
Doug Parker	Qantas Airways Limited	Current, appointed 23 May 2023
	AerCap Holdings N.V.	Current, appointed 15 April 2026
Dr Nora Scheinkestel	Qantas Airways Limited	Current, appointed 1 March 2024
	Brambles Limited	Current, appointed 1 June 2020
	Origin Energy Limited	Current, appointed 4 March 2022
	Westpac Banking Corporation	Ceased, appointed 1 March 2021 and ceased 13 December 2024
Dr Heather Smith	Qantas Airways Limited	Current, appointed 24 August 2023
	ASX Limited	Current, appointed 29 June 2022
	Challenger Limited	Current, appointed 20 January 2020
Antony Tyler	Qantas Airways Limited	Current, appointed 26 October 2018
	Bombardier Inc.	Current, appointed 11 May 2017
	BOC Aviation Limited	Current, appointed 12 May 2016
Alison Watkins	Qantas Airways Limited	Current, appointed 2 March 2026
	CSL Limited	Current, appointed 18 August 2021
	Wesfarmers Limited	Current, appointed 1 September 2021
Dion Weisler	Qantas Airways Limited	Current, appointed 31 March 2025
	BHP Group Ltd	Current, appointed 1 June 2020
	Intel Corporation	Current, appointed 17 June 2020
	Thermo Fisher Scientific Inc	Current, appointed 1 March 2017

QUALIFICATIONS AND EXPERIENCE OF EACH PERSON WHO IS A COMPANY SECRETARY OF QANTAS AS AT THE DATE OF THIS REPORT

Kate Towey – Company Secretary	– BEc (Hons) (USYD), LLB (UTS), LLM (USYD) – Appointed as Company Secretary on 1 September 2025 – Joined Qantas on 1 August 2025 – 2014 to 2025 – Partner at Allens, Sydney – 1996 to 2004, 2010 to 2014 – Various roles at Allens, including Senior Associate and Solicitor – Admitted as a solicitor of the Supreme Court of NSW in 1995
Benjamin Jones – Company Secretary	– LLM (USYD), LLB, BSocSci (Policy) (UNSW) – Appointed as Company Secretary on 20 July 2021 – Joined Qantas on 9 September 2013 – Admitted as a solicitor of the High Court of Australia and the Supreme Court of NSW in 2008 – 2008 to 2013 – Solicitor at Herbert Smith Freehills – 2013 to present – Football Australia, Disciplinary and Ethics Committee Member – 2013 to present – Football NSW, General Purposes Tribunal (Deputy Chair 2018 to present)
Benjamin Elliott – Company Secretary	– BBC, AGIA – Appointed as Company Secretary on 18 February 2020 – Joined Qantas on 14 August 2013 – 2021 to present – Head of Secretariat and Corporate Governance – 2018 to 2021 – Manager, Group Secretariat – 2014 to 2018 – Manager, Corporate Governance – 2013 to 2014 – Manager, Public Company

Directors' Report continued

For the year ended 30 June 2026

DIRECTORS' INTERESTS AND BENEFITS

Particulars of Directors' directly, indirectly or beneficially held interests in the issued capital of Qantas at the date of this Report are as follows:

Directors	Number of Shares ¹	
	2026 ²	2025 ³
John Mullen	99,965	92,125
Vanessa Hudson	1,289,391	1,289,391
Belinda Hutchinson	88,670	85,145
Doug Parker	100,000	100,000
Dr Nora Scheinkestel	66,940	61,925
Dr Heather Smith	24,515	24,515
Antony Tyler	52,000	52,000
Alison Watkins	24,000	n/a
Dion Weisler	30,750	20,000

1 Includes restricted ordinary shares held by the Employee Share Plan Trust.

2 Shares held as at date of 2026 Annual Report (27 August 2026).

3 Shares held as at date of 2025 Annual Report (5 September 2025).

Rights held in trust under the Non-Executive Director Fee Sacrifice Share Acquisition Plan¹:

Directors	Number of Rights	
	2026 ²	2025 ³
John Mullen	9,831	7,840
Belinda Hutchinson	4,420	3,525
Dion Weisler	12,490	–

1 Refer to page 64 for information regarding the operation of the Non-Executive Director Fee Sacrifice Share Acquisition Plan.

2 Rights held as at date of 2026 Annual Report (27 August 2026).

3 Rights held as at date of 2025 Annual Report (5 September 2025).

Rights held in trust under the Long Term Incentive Plan for Ms Vanessa Hudson at the date of this Report are as follows:

Rights granted under:	Number of Rights	
	2026 ¹	2025 ²
2024-2026 Long Term Incentive Plan	335,000 ³	335,000 ³
2025-2027 Long Term Incentive Plan	450,000 ⁴	450,000 ⁴
2026-2028 Long Term Incentive Plan	284,000 ⁵	–
Total Rights	1,069,000	785,000

1 Rights held as at date of 2026 Annual Report (27 August 2026).

2 Rights held as at date of 2025 Annual Report (5 September 2025).

3 Following the testing of performance hurdles as at 30 June 2026 and the Board's approval of the 2024-2026 Long Term Incentive Plan (LTIP) vesting outcome, 89.07 per cent of the 2024-2026 LTIP awarded to Ms Hudson vested and will convert to shares that are subject to a further one-year trading restriction.

4 Performance hurdles will be tested as at 30 June 2027 to determine whether any Rights vest to Ms Hudson.

5 Performance hurdles will be tested as at 30 June 2028 to determine whether any Rights vest to Ms Hudson.

Directors' Report continued

For the year ended 30 June 2026

PERFORMANCE RIGHTS

Performance Rights are awarded to select Qantas Group Executives under the Qantas Long Term Incentive Plan (LTIP). Refer to pages 51 to 53 for further details.

The following table outlines the movements in Rights during the year:

Performance Rights Reconciliation	Number of Rights	
	2026	2025
Rights outstanding as at 1 July	8,132,584	8,814,267
Rights granted during the year	2,139,500	3,313,000
Rights forfeited during the year	(292,614)	(601,784)
Rights vested and converted to shares during the year	(2,917,274)	(2,890,585)
Rights lapsed during the year	–	(502,314)
Rights outstanding as at 30 June	7,062,196	8,132,584

Rights will be converted to Qantas shares to the extent performance hurdles have been achieved. The Rights do not allow the holder to participate in any share issue of Qantas. No dividends are payable on Rights. The fair value of Rights granted is calculated at the date of grant using a Monte Carlo model and/or Black-Scholes model.

The following Rights were outstanding and unvested at 30 June 2026:

Name	Testing Period	Grant Date	Value at Grant Date	Number of Rights	
				2026	2025
2023–2025 Long Term Incentive Plan ¹	30 Jun 25	4 Nov 22	\$4.24	–	2,917,441
2024–2026 Long Term Incentive Plan ²	30 Jun 26	3 Nov 23	\$3.13	2,029,858	2,078,416
2025–2027 Long Term Incentive Plan	30 Jun 27	25 Oct 24	\$5.93	2,950,704	3,136,727
2026–2028 Long Term Incentive Plan	30 Jun 28	7 Nov 25	\$4.80	2,081,634	–
Total				7,062,196	8,132,584

1 Following the testing of performance hurdles as at 30 June 2025 and the Board's approval of the 2023-2025 vesting outcome, 100 per cent of Rights vested and converted to shares on the day of the release of the 2025 Annual Report.

2 Following the testing of performance hurdles as at 30 June 2026 and the Board's approval of the 2024-2026 vesting outcome, 89.07 per cent of Rights will vest and convert to shares.

Directors’ Report continued

For the year ended 30 June 2026

REMUNERATION REPORT

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Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT

COVER LETTER TO THE REMUNERATION REPORT

Dear Shareholder

2025/26 was a year of continued progress for the Qantas Group, against a background of considerable volatility and uncertainty. We delivered further operational improvements for customers and employees and a strong financial performance against the backdrop of significant impacts arising from the Middle East conflict.

2025/26 performance summary

The Qantas Group achieved an Underlying PBT of \$2,064 million. Despite significant headwinds, we benefited from continued demand for travel across the portfolio, our dual-brand strategy and the growing benefits from new aircraft entering the fleet.

The conflict in the Middle East caused a significant challenge for global aviation, disrupting global fuel supply chains and resulting in large increases in fuel costs. These remain elevated and volatile. Our management team took immediate action to mitigate these impacts including making international network changes and capacity adjustments and implementing fare increases. These and other actions ensured the impact of a \$610 million increase in fuel costs (net of hedging) was materially reduced to \$420 million on Underlying PBT.

Qantas Loyalty delivered double-digit earnings growth for the year, underlining the value of our integrated flywheel model.

Operational performance continued to improve during the year. Qantas Domestic's on-time performance (OTP) for the year was at its highest level in seven years, while its Net Promoter Score (NPS) was at its highest in a decade. Qantas' RepTrak score was 74.2 for the June quarter, its highest level in three years, and back in the 'strong' category. These improvements reflect ongoing focus of, and investment in, the customer experience, fleet renewal and operational execution.

Safety remains the Group's first priority. Tragically, during the year, one of our colleagues was killed in the freight operations in Sydney. A comprehensive investigation has been undertaken, and safety improvements have been implemented involving employees, unions and suppliers. The Board and management are committed to providing a safe place of work, to learning from all incidents and continuing to improve processes, systems and safety culture. Ongoing vigilance, strong safety leadership and continuous improvement in both operational and workplace safety practices remain high priorities for the year ahead.

Our work to restore employee engagement continued. Pleasingly, there has been a further improvement on last year, with employee engagement lifting to 72 per cent. However, there is more to be done. Our focus in the coming year will be on developing our leaders, increasing engagement and building an even higher performing culture. In recognition of the contribution of our staff, we are pleased to once again offer eligible non-executive employees \$1,000 in Qantas shares under the employee share ownership plan.

Progress also continued against our climate transition plan, including reducing our net Scope 1 and 2 (location-based) emissions by 12 per cent against the 2019 baseline. This was achieved through a five-fold increase in Sustainable Aviation Fuel procurement, execution of fleet and operational improvement initiatives and continued compliance with carbon credit schemes. More details are provided in our 2026 Sustainability Report.

In sum, our management team delivered a strong financial performance against a backdrop of acute external operational challenges while also addressing the needs of our customers, people and the environment.

Reflecting that performance, the Board has determined the following remuneration outcomes for 2025/26.

Variable remuneration outcomes in 2025/26

Short Term Incentive Plan

The 2025/26 Group Scorecard metrics are allocated 50 per cent to financial outcomes (Underlying PBT) and the balance across other categories (see page 44). The amount of Underlying PBT required to meet the threshold on the financial metric was \$2,100 million. Our result was \$2,064 million, which in the normal course would result in a zero outcome for 50 per cent of the scorecard.

Performance against the metrics in the balance of the scorecard equated to 58 per cent reflecting outperformance in some categories.

The Board decided to make two adjustments to this outcome.

In relation to the fatality in our freight operations, the Board decided to reduce to nil the component within the scorecard dealing with workplace safety which accounts for 5 per cent. The actual result would have contributed 4 per cent to the outcome.

In relation to the financial metric, the Board exercised discretion to grant the threshold result of 25 per cent. The Board considered that this adjustment was merited given management's efforts delivered a result which only fell short of threshold by \$36 million in the context of a \$2,064 million result. This was achieved despite the adverse fuel cost impact of \$610 million (net of hedging), while also delivering excellent performance across a range of operational, customer and people measures.

The Board believes that this outcome aligns reward outcomes with underlying business performance.

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (CONTINUED)

We are conscious that the external environment remains volatile. The Board has decided to maintain the same structure for assessing performance on Underlying PBT for the year ahead, but if there is a significant change in fuel price we will determine whether exercising discretion is appropriate again.

The final 2025/26 Group Scorecard outcome, after the above adjustments, is 49 per cent of maximum, or 79 per cent of target. For the CEO, this results in a STIP outcome for 2025/26 of \$1.3 million which is 35 per cent lower than the 2024/25 outcome of \$2 million. The aggregate Executive Management STIP outcome of \$3 million is 32 per cent lower than 2024/25 outcome.

Items excluded from Underlying PBT

In finalising the variable remuneration outcomes, the Board considered all items excluded from Underlying PBT and any material incidents which occurred during the year. We reviewed the outworkings of the cyber incident in July 2025 and the extent to which any further adjustments to incentives were required. The Board reduced the CEO and Executive Management's STIP outcome in 2024/25 by 15 per cent. In July 2026, the Office of the Australian Information Commissioner (OAIC) completed its preliminary inquiries into the 2025 cyber incident and closed the matter without commencing a Commissioner-initiated investigation. The OAIC's preliminary inquiry report set out that the information available did not support a conclusion that Qantas was likely to have breached the Privacy Act. The OAIC found that Qantas identified, escalated and contained the incident promptly, and that its incident response was consistent with established cyber security standards. The Board therefore determined that no further adjustment to incentive outcomes was required. A representative complaint brought in 2025 is still open with the OAIC. Qantas continues to cooperate with that process.

We also considered the settlement of the class action regarding Qantas flight credits during COVID that was brought against the airline in August 2023. The class action related to flights scheduled during January 2020 and November 2022 that were cancelled by Qantas. The events that occurred during this time were factored into the remuneration adjustments in relation to the 2022/23 STIP and LTIP outcomes for the former CEO and accountable Executive Management. This period is one in which the Group did not meet the expectations of many of its customers and other stakeholders. Our CEO and the current management team have shown through the results delivered this year their unrelenting focus on addressing the needs of all our stakeholders. The Board did not believe that the class action settlement required any further adjustment.

Long Term Incentive Plan

The 2024–2026 LTIP partially vested at 89.07 per cent. The Group achieved a TSR of 64 per cent over the three-year performance period, which led to a relative TSR ranking of 6 out of the 18 airlines in the global airline peer group (71st percentile or 91 per cent vesting) and a ranking of 21 out of 95 in the ASX 100 peer group (being above the 75th percentile and therefore 100 per cent vesting).

The Group's Reputation under the RepTrak performance measure continued to improve during 2025/26, reaching its highest level over three years. The June 2026 quarter score was 74.2, with the rolling 12-month average to 30 June 2026 being 69. This places Qantas back in the 'Strong' category and resulted in a 76.2 per cent vesting against the reputation metric.

More details of all aspects of remuneration for KMP are provided in the Remuneration Report.

Changes to the Remuneration Framework for 2026/27

The People and Remuneration Committee continues to review the remuneration framework to ensure it remains fit for purpose, aligned with the Group's strategy and stakeholder interests, and supports sustainable long-term value creation.

As noted above, we have returned to the 'Strong' category in RepTrak's reputation measure. The Reputation measure was introduced in 2023 to show, both internally and externally, how seriously the Board regarded the need to repair the damage to the Group's reputation and was not intended to be a permanent measure. Last year, in light of improvements to date, the weighting of the RepTrak measure in the 2026–2028 LTIP was reduced to 20 per cent. Given the continued improvement this year, the Board has decided to remove the reputation measure for the 2027–2029 LTIP. Reputation will continue to be tested against the RepTrak metric in the two LTIP grants still on foot as well as in the STIP scorecard through measures such as NPS, OTP and employee engagement.

The LTIP performance measures will revert to the two relative TSR measures: Qantas' TSR performance relative to a global airline peer group and relative to ASX 100 companies, equally weighted.

To more closely align the CEO's remuneration with long-term shareholder value and limit fixed pay increases, the CEO's LTIP opportunity will be adjusted to 250 per cent of Base Pay in 2026/27. This adjustment will address the competitiveness of the CEO's total remuneration in a manner where the CEO will only benefit if shareholder wealth is realised.

We encourage you to read the 2026 Remuneration Report in full and welcome your feedback.



Dr Nora Scheinkestel

Chair, People and Remuneration Committee

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

1 KEY MANAGEMENT PERSONNEL

The remuneration of Key Management Personnel (KMP) – the CEO, direct reports to the CEO (Executive Management) who are determined to be KMP and Non-Executive Directors – is disclosed in this Report, including former KMP that ceased employment in 2025/26. KMP is defined as those persons having authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly, including any director (whether Executive or otherwise) of that entity.

Name	Position	Term as KMP
Current Executive KMP		
Vanessa Hudson	CEO	Full Year
Andrew Glance	CEO Qantas Loyalty and Customer	Full Year
Rob Marcolina	Group Chief Financial Officer	Full Year
Markus Svensson	CEO Qantas Domestic	Full Year
Stephanie Tully	CEO Jetstar Group and Jetstar Airways	Full Year
Cameron Wallace	CEO Qantas International and Freight	Full Year
Current Non-Executive Directors		
John Mullen	Non-Executive Director and Chair	Full Year
Belinda Hutchinson	Non-Executive Director	Full Year
Doug Parker	Non-Executive Director	Full Year
Dr Nora Scheinkestel	Non-Executive Director	Full Year
Dr Heather Smith	Non-Executive Director	Full Year
Antony Tyler	Non-Executive Director	Full Year
Alison Watkins	Non-Executive Director	Commenced 2 March 2026
Dion Weisler	Non-Executive Director	Full Year
Former Non-Executive Directors		
Todd Sampson	Non-Executive Director	Ceased 31 July 2025

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

2 OVERVIEW OF THE EXECUTIVE REMUNERATION FRAMEWORK OUTCOMES FOR 2025/26

CEO's 2025/26 STIP outcome

79%
as a % of target or 49% of maximum

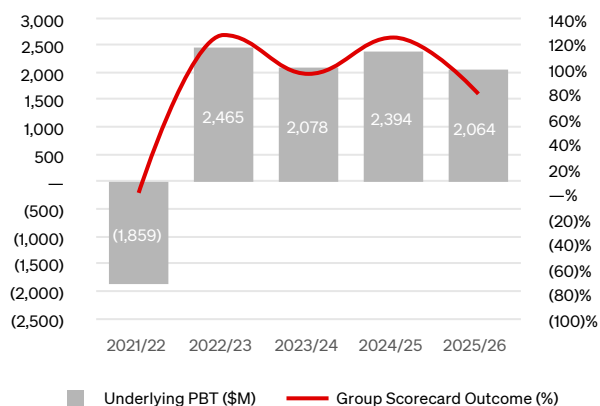
Executive Management STIP outcomes

78% to 81%
Range of STIP outcomes as a percentage of target, or 45% to 46% of maximum

Vesting of the 2024-2026 LTIP

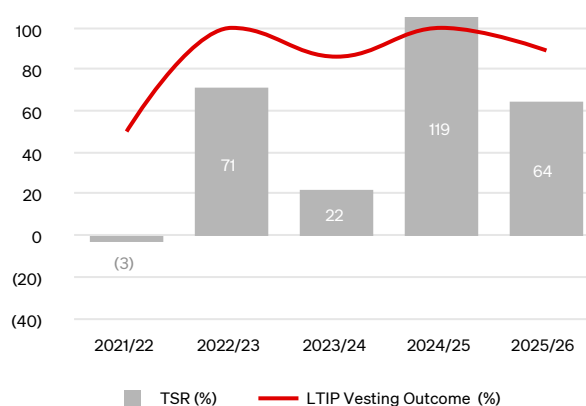
89.07%

Underlying Profit Before Tax (PBT) (\$M) and Group Scorecard Outcome



- The Board determined that the STIP would not operate in 2021/22. This was replaced by the Recovery Retention Plan (RRP), which paid out in full in 2022/23.
- Underlying PBT is the primary reporting measure used by the Qantas Group's Chief Operating Decision-Making bodies, being the CEO, Group Leadership Team and the Board, for the purpose of assessing the performance of the Group. Statutory Profit/(Loss) After Tax for 2025/26 was \$1,289 million (2025: \$1,605 million; 2024: \$1,251 million; 2023: \$1,744 million and 2022: (\$860) million).

Qantas Three-Year Total Shareholder Return (TSR) Performance and LTIP Vesting Outcome

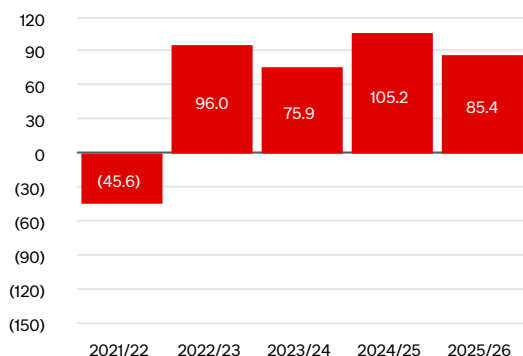


- TSR Performance applying the LTIP performance test methodology (which uses the average closing share price over the six months preceding the test date of 30 June).

QANTAS' FINANCIAL PERFORMANCE HISTORY

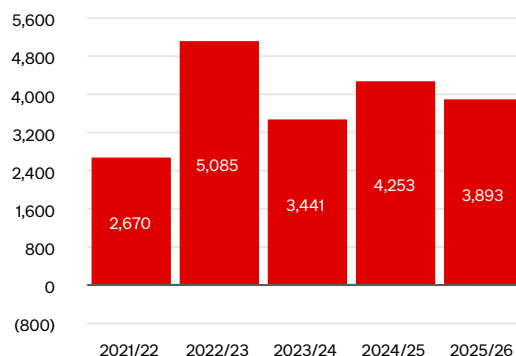
In addition to the Underlying PBT graph above, the following graphs outline a five-year history of key financial metrics:

Statutory Earnings Per Share¹



¹ Statutory Basic Earnings/(Loss) Per Share (cents).

Operating Cash Flow (\$M)



Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

3 GROUP SCORECARD OUTCOME 2025/26

The 2025/26 Group Scorecard included the following measures of financial and operational performance, which the Board considers to be critical indicators of performance and drivers of shareholder value. The table below summarises performance versus threshold, target and overdrive for each Scorecard category.

Category (Outcome Range)	Weighting	Measures	Targets and Outcome			
			Threshold (50% of Target)	Target (100% of Target)	Overdrive (160% of Target)	Actual Outcome
Group Financial Measure (0-80%)	50%	Underlying PBT (\$ billion)	2.1 2.064	2.45	2.7	—%
		Net Promoter Score (NPS): Qantas Airline	29	32	35	37
Customer and People (0-48%)	30%	Jetstar Airline	18	21	24	20
		On-Time Performance	75.5	78.5	81.5	80.5
		People	71	73	75	72
		Board's assessment of Operational Safety				10%
Operational and Workplace Safety (0-24%)	15%	Workplace Safety measures percentage improvement (Events per million hours worked):				
		Total Recordable Injury Frequency Rate (TRIFR)	23.5	20.4	17.3	20.8
		Lost Workcase Frequency Rate (LWCFR)	12.3	10.7	9.1	11.4
Climate (0-8%)	5%	Scope 1 GHG emissions reduction (tCO2-e)	127,000	141,100	155,200	149,500
		Onshore waste diversion from ground operations (%)	47.1	52.3	57.5	62.1
		Reduction in single-use plastic (units)	12.5	13.9	15.3	19.1
2025/26 Group Scorecard Outcome (0-160%)	100%	Scorecard result before Board exercised discretion				58%
		Scorecard result after Board exercised discretion on Workplace Safety measure				54%
		Scorecard result after Board exercised discretion on Group Financial measure				79%
		Scorecard result out of a maximum possible Scorecard outcome				49%

The maximum STIP Award for Executive Management is 140 per cent of Base Pay.

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

Performance Assessment of 2025/26 Group Scorecard Measures

Group Financial Measure	The Group reported Underlying PBT of \$2,064 million for 2025/26, below the \$2,100 million threshold result. Performance over the first three quarters was broadly in line with, or ahead of, target; however, fourth quarter results were materially impacted by the closure of the Strait of Hormuz, which caused significant disruption to global energy supply.
Customer and People	Qantas Airline achieved record-high customer satisfaction in the second half, exceeding NPS targets across its network in 2025/26, while Jetstar delivered strong International growth and stable Domestic NPS despite challenging operational conditions. These results were underpinned by continued investment in the customer experience. The Group also benefited from ongoing operational improvements with market leading OTP and aircraft availability. The Group continued to invest in initiatives aimed at strengthening engagement, inclusion and leadership capability across the workforce. Employee engagement improved to 72 per cent, representing a year-on-year increase and demonstrating continued cultural progress. However, the result was below the target set for the year, reflecting the ongoing focus required to achieve the organisation's longer-term engagement ambitions.
Operational and Workplace Safety	Management measures and monitors mandatory and non-mandatory reporting rates, Flight Data Analysis Program (FDAP) rates, and technical dispatch reliability as indicators of operational (aviation) safety performance. Operational safety performance measured by these indicators has been strong again in 2025/26 with improvement in mandatory reporting rates and stability in non-mandatory reporting rates and FDAP rates. The suite of safety performance metrics continues to inform and identify key trends for action improvement. Overall, this was determined by the Board to equate to target performance. Performance against workplace safety measures (Total Recordable Injury Frequency Rate and Lost Work Case Frequency Rate) achieved the threshold level but not the target. In September 2025, the Group was devastated by the loss of a Freight colleague in a fatal workplace accident at Sydney Kingsford Smith Airport. A comprehensive investigation has been undertaken, and safety improvements have been implemented involving employees, unions and suppliers. In the Board's opinion, the Qantas Group maintains an unrelenting focus on continuously improving the systems, controls, capabilities and culture that keep our people and operations safe. Throughout the year, the Group invested in strengthening the management of the risks that could result in a fatality or serious injury if not managed well, improved assurance activities, investment in AI, contractor safety initiatives, runway incursion and lithium battery risk management, and greater safety partnership across industry. The Group also advanced its psychosocial risk management program, embedding stronger frameworks, leadership accountabilities and support mechanisms to protect psychological health and safety. Through the Safety Academy and other safety capability-building initiatives, safety leadership continued to develop across the business. Together, these efforts reflect the Group's commitment to never standing still on safety and to continually raising the standard of safety performance across all areas of the business.
Climate	For the 2025/26 Group Scorecard, targets were set for reductions in Scope 1 GHG emissions (measured in tCO₂-e) through SAF procurement and operating efficiencies, reductions in the total volume of onshore waste to landfill, and removal of single-use plastics. Reductions in Scope 1 GHG emissions exceeded the target due to a range of effective operating improvement initiatives, particularly the engine overhaul program, and the strategic procurement of SAF contributing to higher-than-contracted SAF emissions abatement (approximately 85 per cent versus 80 per cent contracted). Onshore waste diversion outperformed target, driven predominantly by strong results at Freight terminals through metal recycling, and at Sydney T3 Lounge through organics diversion. Single-use plastics removal exceeded target through continued focus on eliminating plastic cups across international and domestic flights and eliminating plastic wrapping from kids kits.
Board Discretion	The Board exercised discretion in relation to the following matters: a) The component score in Workplace Safety was reduced to zero following a contractor fatality in the Group's freight operations. Comprehensive investigations were undertaken, and learnings from the incident are being implemented to improve systems, controls, capabilities and culture to strengthen management of risks that could result in fatalities or serious injuries. The Board exercised its discretion within the construct of the scorecard in recognition of the seriousness of the event to reduce this component to zero. b) The Board exercised its discretion to allow a threshold outcome on the Underlying PBT measure in recognition of management's actions to mitigate the impact of higher fuel prices through network, capacity and pricing initiatives. In the context of a \$610 million fuel price impact (net of hedging), a \$36 million shortfall in the Underlying PBT of \$2,064 million, and performance in the other non-financial components of the scorecard, the Board concluded that a threshold outcome appropriately reflected the underlying performance of the business and was aligned with shareholder outcomes.

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

Why did Qantas select the performance measures in the 2025/26 Group Scorecard?

Group Financial Measure	Underlying PBT is the primary financial performance measure for the Qantas Group and therefore the primary performance measure under the STIP. Underlying PBT provides meaningful and consistent representation of the underlying performance of the Group.
Customer and People	Delivering exceptional customer service is key to the overall success of the Group, which utilises NPS – a measure of how strongly the Group's customers would promote its services – to assess performance. Individual NPS targets are set for Qantas Airlines and Jetstar Domestic. Punctuality is a key contributor to customer satisfaction and is a leading measure to drive NPS. OTP is measured by the Bureau of Infrastructure, Transport and Regional Economics (BITRE), as the number of flights operating on-time (on an on-time departure basis) as a percentage of the total number of flights operated. Engagement of employees across the organisation is a holistic approach to measuring employees' experience at work and provides a predictive indicator of organisational performance. The measure is shaped by the cumulative effects of everyday experiences rather than isolated incidents. Employee Experience is assessed using a validated, evidence-based measure obtained through a voluntary survey sent to all employees.
Operational and Workplace Safety	Safety is the Group's first priority. The Safety, Health, Environment and Security Committee performs an assessment of both Workplace Safety performance and Operational Safety performance for use in the Group Scorecard. The objective of the Workplace Safety targets is to keep the Group's employees safe at work and reduce employee injuries. Targets were set in relation to: - Total Recordable Injury Frequency Rate (TRIFR) - Lost Work Case Frequency Rate (LWCFR) Operational Safety performance is assessed against outcome-based measures (including operational occurrences that pose a significant threat to the safety of employees and customers) and risk-based lead indicators commonly associated with aviation industry accidents, such as flight data trends, technical dispatch reliability and reporting rates. The Board retains an overriding discretion to scale down the STIP outcome (or reduce it to zero) in the event of a material aviation safety incident or in the event where safety outcomes do not meet our expectations. This 'safety override' discretion is in addition to, and does not qualify, the Board's overall discretion over STIP Awards.
Climate	Qantas Group is committed to reducing its net emissions through its climate transition plan (see the 2026 Sustainability Report for more detail). Accordingly, the emissions reduction target in the Group Scorecard is aligned with the Group's interim target to reduce net Scope 1 and 2 emissions by 25 per cent by 2030 (compared with 2019 levels). Emissions abatement from the mandatory procurement of SAF has been excluded from the Scorecard climate targets as it is considered a standard outcome of business operations. Qantas Group's waste targets reflect a continued focus on reducing the total volume of onshore waste directed to landfill and removing single-use plastics from operations. These targets were set with consideration of operational and commercial requirements while maximising opportunities appropriate to the Group. The Group continues to prioritise the removal or replacement of high-volume, passenger facing items, source separation of materials and frontline engagement. The Scorecard climate targets are split into two categories: - Scope 1 GHG emissions reduction from the procurement of SAF and operational improvement initiatives to reduce fuel burn - Onshore waste diversion from landfill and single-use plastic removal initiatives

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

Annual Incentive Outcomes for 2025/26

The CEO and the CFO are assessed on the Group Scorecard Result. This reflects their roles in leading the overall business. Other Executive Management, who are responsible for segments of the Group's business, are assessed both on the Group Scorecard outcomes and on delivery of individual objectives that are relevant to their role. Individual performance is assessed against a scorecard comprising four categories: Segment Financial, Operations and Customer, Safety and Risk, and People. The combined outcome is then multiplied by the Group Scorecard outcome to further emphasise the importance of all executives working together to deliver the group result. Outcomes for this year are concentrated. The Board believes this reflects the generally high standard of performance across Executive Management and the effectiveness of their combined stewardship of the Group during this very challenging year.

Behaviours and conduct are also evaluated, to ensure the manner in which outcomes are achieved is fully considered, including whether the Executive demonstrated alignment with Qantas Group Behaviours.

The following table outlines the 2025/26 STIP maximum opportunity and outcome for the CEO and Executive Management.

\$'000s	Total STIP Award	STIP Cash Award ¹	STIP Deferred Shares ²	Total STIP Paid as a % of Target	Total STIP Received as a % of Maximum Opportunity	Total STIP Forfeited as a % of Maximum Opportunity
Current Executives						
Vanessa Hudson	1,344	672	672	79%	49%	51%
Andrew Glance	538	269	269	79%	45%	55%
Rob Marcolina	620	310	310	79%	45%	55%
Markus Svensson	620	310	310	79%	45%	55%
Stephanie Tully	664	332	332	81%	46%	54%
Cameron Wallace	614	307	307	78%	45%	55%

1 To be paid in September 2026.

2 Restricted shares expected to be allocated on 4 September 2026. Shares awarded under the 2025/26 STIP are subject to a two-year deferral period.

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

4 LONG TERM INCENTIVE PLAN OUTCOME 2024-2026

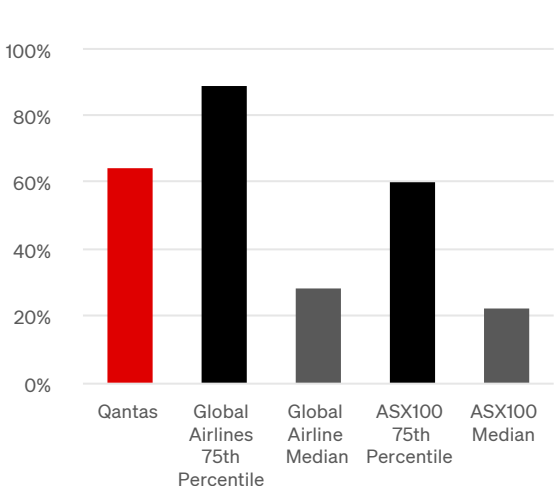
Qantas TSR Performance	Qantas TSR Rank vs 18 Global Airlines	Qantas TSR Rank vs ASX 100	Reputation	Vesting of 2024-2026 LTIP
64%	6th	21st	74.2 (Quarter ending 30 Jun 26) 69 (12-month rolling average scores to 30 Jun 26)	89.07%

The three-year performance measures under the 2024-2026 LTIP are:

- Qantas' relative TSR compared to a global airline peer group,
- Qantas' relative TSR compared to ASX 100 companies, and
- Reputation; as measured by RepTrak.

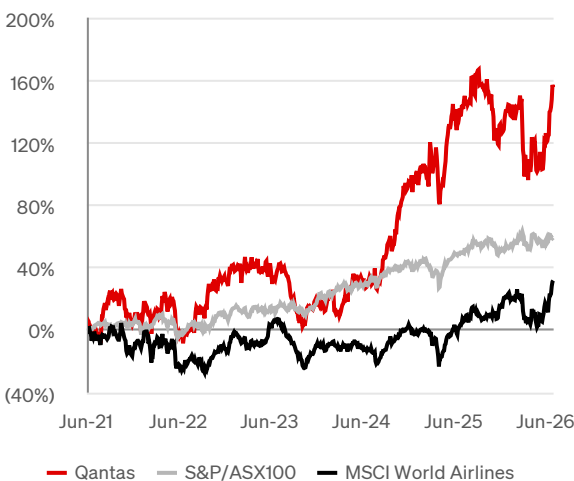
Qantas' TSR performance over the past three years ranked 6th of companies in the global airline peer group, resulting in a 91 per cent vesting outcome for this measure. Qantas' TSR performance ranked 21st among companies in the ASX 100 peer group, resulting in a 100 per cent vesting outcome for this measure.

Qantas' Three-Year TSR Performance¹ vs Peer Groups (%)



¹ TSR performance, applying the LTIP performance test methodology (which uses the average closing share price over the six months preceding the test date of 30 June 2026).

Qantas' Five-Year TSR Performance



At the time of introducing the Reputation measure into the LTIP, a full recovery in Qantas' reputation was expected to take approximately five years. Management committed to accelerating this recovery over a three-year period, targeting a return to a strong reputation level by June 2026. Qantas' reputation score concluded the year in the strong range with a score of 74.2 for the quarter ending 30 June 2026.

For the 2024-2026 LTIP, the vesting outcome is determined by the average of the previous 12 months' rolling 12-month scores as to 30 June 2026. This average was 69 for the 2024-2026 LTIP, resulting in a 76.2 per cent vesting for this tranche. Vesting commenced at an average score of 65.7, which was set at the time of the LTIP grant as the performance level required to achieve a quarterly score of 70 by 30 June 2026.

The aggregate of the three measures results in 89.07 per cent of Rights awarded under the 2024-2026 LTIP vesting and converting to shares that are subject to a further one-year trading restriction. Further detail is provided in section 5.

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

5 EXECUTIVE REMUNERATION STRUCTURE FOR 2025/26

The structure of the Executive Remuneration Framework is as follows:

Base Pay	Fixed Annual Remuneration inclusive of superannuation	100% Cash			
Annual Incentive Also referred to as the Short Term Incentive Plan (STIP)	An annual incentive opportunity assessed through a Balanced Scorecard, including: - Group financial and non-financial measures - Individual performance objectives¹	50% Cash			
		50% Shares	Deferral Period		
		Performance	Restriction		
Long Term Incentive Also referred to as the Long Term Incentive Plan (LTIP)	Award of Rights Three performance measures: - Qantas' three-year TSR performance relative to a global airline peer group - Qantas' three-year TSR performance relative to ASX 100 companies - Reputation, as measured by RepTrak. Rights convert to shares on vesting with a one-year restriction.		Performance Rights	Shares	
		Performance	Restriction		
		Year 1	Year 2	Year 3	Year 4

Forfeiture applies

¹ Excluding CEO and CFO who are 100 per cent aligned to the Group Scorecard.

Base Pay

(Also referred to as Fixed Annual Remuneration) Base Pay is a guaranteed salary level, inclusive of superannuation. Base Pay for the CEO and Executive Management is reviewed annually with reference to external market data that best mirrors the size, complexity, and challenges in managing Qantas' businesses.

Base Pay (Cash), as disclosed in the remuneration tables, excludes superannuation (which is disclosed as Post-Employment Benefits) but does include salary sacrifice components such as motor vehicles.

In performing a Base Pay review, the Board makes reference to external market data, including comparable roles in other listed Australian companies. Remuneration is benchmarked against ASX50 companies and a revenue-based peer group of other listed Australian companies. The Board believes these are the appropriate benchmarks as these are the comparator groups whose roles best mirror the size, complexity and challenges in managing Qantas' business. They are also the peer groups with which Qantas competes for Executive talent.

Effective 1 July 2025, Base Pay for Ms Hudson and other members of Executive Management increased by approximately three per cent, with the exception of Mr Glance, Mr Svensson and Mr Wallace. Base Pay for these executives had previously been set below their respective predecessors and at the lower end of the benchmark range for comparable roles. Following a period of sustained strong performance (between 18 months and two years), their Base Pay was realigned to reflect their performance.

Annual Incentive

STIP Overview The STIP is the annual incentive plan for the CEO and Executive Management. Each year, Executives may receive an award that is a combination of cash and deferred shares to the extent that the plan's performance conditions are achieved, subject to the exercise of Board discretion.

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

Calculation of STIP Awards	STIP Awards are calculated as follows: For the CEO and CFO, the STIP Award is calculated by multiplying their Base Pay by their individual Target Opportunity and by the Group Scorecard Result. Reflective of their roles in leading the overall business, their annual incentive outcome is driven by delivery of the Group Scorecard objectives. For other Executive Management who are responsible for segments of the Group's business, their STIP Award is also dependent on delivery of individual objectives that are relevant to their role.		
Opportunity Level	STIP opportunities are expressed as a percentage of Base Pay and vary by role, as set out below.		
	% of Base Pay	CEO	Executive Management
	Target	100%	80%
	Maximum	160%	140%
	The minimum outcome is nil. This may occur where threshold performance is not achieved for each STIP measure, where individual performance does not warrant an award, or where the Board determines that no award be made. From 2025/26, the CEO's maximum STIP opportunity is 160 per cent being the maximum available under the Group Scorecard, and the maximum STIP opportunity for Executive Management reduced from 160 per cent to 140 per cent of Base Pay.		
Performance Conditions – Group Scorecard	The Group Scorecard contains a mix of Group financial and non-financial measures. A detailed description of the 2025/26 Group Scorecard measures and outcomes is provided on pages 44 to 46.		
Performance Conditions – Balanced Scorecard	The CEO and the CFO are assessed on the Group Scorecard Result, while other Executive Management, who are responsible for segments of the Group's business, are assessed both on Group Scorecard outcomes and on delivery of individual objectives that are relevant to their role. Behaviours and conduct are also evaluated, to ensure the manner in which outcomes are achieved is fully considered, including whether the Executive demonstrated alignment with Qantas Group Behaviours. The Balanced Scorecard comprises a mix of weightings to the Group Scorecard and Individual Objectives for each participant:		
		Group Scorecard Weighting	Personal Objectives Weighting
	CEO and CFO	100%	–
	Other Executive Management	60%	40%
Board Discretion	Board discretion is a key element of the design of the STIP. While the Scorecard is the primary basis for calculation of the STIP, the Board reserves the right to consider outcomes in the broader context of Qantas' overall performance, the operating environment and non-financial considerations.		
Delivery of STIP Awards	Half of the STIP award is paid as cash with the remaining half deferred into Qantas shares. During the deferral period, the Executive retains all ownership rights and benefits of the shares, including dividends and voting rights (subject to any exclusions), except the right to dispose of the shares.		
Cessation of Employment	Unless otherwise determined by the Board: – Executives who resign, are terminated for cause, or whose employment ends due to unacceptable performance or conduct will forfeit: – eligibility to participate in the current year's STIP – any deferred shares awarded under prior STIP Awards that remain within their deferral period. – In cases such as retirement, employer-initiated termination without performance concerns, death, or total and permanent disablement: – Executives who have served at least six months of the performance period will receive a pro-rated STIP Award, based on actual performance outcomes as assessed by the Board. – Deferred shares from prior STIP Awards remain subject to their original deferral period and any applicable trading restrictions and may still be subject to forfeiture.		

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

Disclosure	In addition to required statutory disclosures, Qantas chooses to disclose the full value of each year's STIP Award in the Remuneration Outcomes Table on page 55. This involves disclosing both: – the value of cash awards made – the full value of deferred shares that were awarded (notwithstanding that these shares are still subject to a two-year deferral period). Disclosure of STIP Awards in the Statutory Remuneration Table on page 56 is based on the requirements of the <i>Corporations Act 2001</i> (Cth) and applicable Australian Accounting Standards. The STIP Awards are disclosed as either: – a cash incentive for any cash award paid; and/or – a share-based payment for any component awarded in deferred shares. Where share-based STIP Awards involve deferral over multiple reporting periods, they are reported against each period in accordance with accounting standards.
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Long Term Incentive Plan (LTIP)

LTIP Overview	The LTIP is a four-year plan that involves an upfront award of a fixed number of Rights over Qantas shares. If the three-year performance conditions or service conditions are not met, the Rights lapse. If performance and service conditions are achieved over a three-year period, Rights vest and convert to Qantas shares. The vested shares are then subject to a further one-year trading restriction, during which the shares cannot be traded and are subject to forfeiture.
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Opportunity Level	The CEO and Executive Management have a Target Opportunity expressed as a percentage of Base Pay:		
	% of Base Pay	CEO	Executive Management

The number of Rights awarded is the maximum number of Rights that may vest and convert to Qantas shares.

The number of Rights awarded is determined by applying the following formula:

$$\text{Rights awarded} = \boxed{\text{Base Pay}} \times \boxed{\text{Target Opportunity}} \div \boxed{\text{Qantas Group Share price as at 30 June}}$$

Performance Conditions	Three performance conditions have been used in the LTIP: – Relative TSR against a global airline peer group; – Relative TSR against ASX 100 companies; and – Reputation, as measured by the RepTrak survey
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For the 2024–2026 LTIP (tested at 30 June 2026) and the 2025–2027 LTIP (tested at 30 June 2027), each measure is equally weighted. For the 2026–2028 LTIP (tested at 30 June 2028), the weighting of the Reputation (RepTrak) measure reduces from 33 per cent to 20 per cent, with the weighting of each TSR measure increasing to 40 per cent.

Qantas' Financial Framework targets top-quartile TSR performance relative to global airline peers and ASX 100 companies as these provide a comparison of relative shareholder returns relevant to most Qantas investors.

At the end of the performance period, the TSR performance of Qantas and each comparator company is measured based on the average closing share price over the final six months of the three-year performance period.

The vesting scale for both the ASX 100 and the global airline peer groups is as follows:

Qantas TSR Performance Relative to Each Peer Group	Vesting Scale
Below 50th percentile	Nil vesting
50th to 75th percentile	Linear Scale: 50 per cent to 100 per cent vesting
Above 75th percentile	100 per cent vesting

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

Performance Conditions (continued)

The ASX 100 peer group comprises those companies that make up the S&P/ASX 100 Index at the commencement date of the performance period.

The global airline peer group has been chosen for relevance to investors, including investors based outside Australia, with a primary interest in the aviation industry sector, and has regard to:

- Geography – Airlines in the comparison group represent Qantas' key competitor markets in Europe, North America and Asia as well as Australia and New Zealand.
- Limited government involvement – Substantial government involvement or limited free float can include both financial support and/or restrictions on the operations of competitors.
- Strategy – The airlines represent a combination of different strategies available to airlines. That is, international, domestic, full-service and value-based airlines.
- Continuing financial performance – Airlines at risk of bankruptcy or recently relisted following Chapter 11 protection are likely to be outliers in terms of performance and are therefore excluded.

For the 2024-2026 LTIP, the global airline peer group comprised AirAsia, Air Canada, Air France/KLM, Air New Zealand, All Nippon Airways, American Airlines, Cathay Pacific, Delta Airlines, Deutsche Lufthansa, easyJet, International Consolidated Airlines Group, Japan Airlines, LATAM Airlines Group, Ryanair, Singapore Airlines, Southwest Airlines, and United Continental.

Reputation was introduced in 2023/24 as an interim measure in response to the fall in the public's trust in the Group's brand. Reputational repair is a key driver of continuing sustainable financial performance for the future, and its inclusion from the 2024-2026 LTIP was intended to provide an appropriate focus to Executives, and signal the importance of reputational recovery in the long-term success of the Company.

Reputation is measured by an established external provider, RepTrak, based on proven methodologies that assess the public's trust in our brand. RepTrak classifies companies into five levels of assessed reputation (%):

- Excellent (80+)
- Strong (70-79)
- Average (60-69)
- Weak (40-59)
- Poor (0-39)

Historically, Qantas has maintained Strong to Excellent reputation scores, which are considered important for the ongoing success of the business. However, in 2023/24, this dropped into the Weak range. With this in mind, the target for the 2024-2026 LTIP was set at the time as the average of the previous 12 months' rolling 12 month reputation score that would be required to reach or exceed a quarterly score of 70 by 30 June 2026. The vesting maximum was set based on the average that would be required to reach or exceed a reputation score of 80 by 30 June 2026.

The vesting scale for the 2024-2026 LTIP Reputation measure was set as:

Qantas Reputation Performance (measured as the average of the previous 12 months' rolling 12 month score)	Vesting Scale
Below 65.7	Nil vesting
From 65.7 to 72	Linear Scale: 50 per cent to 100 per cent vesting
Above 72	100 per cent vesting

The vesting threshold for the RepTrak measure in the subsequent 2025-2027 and 2026-2028 LTIP grants reflects the need to sustain improved reputation scores. Vesting will only occur if the Group maintains reputation within the range of Strong to Excellent, achieving a score within this range for the last quarter of the performance period. The Board will assess the sustainability of the final quarter's result by also having regard to the rolling 12-month average performance.

The vesting scale for the 2025-2027 and the 2026-2028 LTIP Reputation measures were set as:

Qantas Reputation Performance (measured by score in final quarter)	Vesting Scale
Below Strong (Below 70)	Nil vesting
From Strong to Excellent (70-80)	Linear Scale: 50 per cent to 100 per cent vesting
Above Excellent (Above 80)	100 per cent vesting

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

Board Discretion	The Board's discretion under the LTIP includes the ability to take into account any other factor it determines is appropriate when assessing vesting outcomes.
Trading Restriction	Any shares awarded under the LTIP will be subject to a one-year trading restriction, unless the Board determines otherwise. On cessation of employment, shares subject to the trading restriction remain restricted and are subject to forfeiture. During the trading restriction period, the Executive retains all ownership rights and benefits of the shares, including dividends and voting rights (subject to any exclusions), except the right to dispose of the shares.
Cessation of Employment	Unless otherwise determined by the Board: - For Executives who resign, are terminated for cause, or depart under circumstances involving unacceptable performance or conduct, any unvested Rights under the LTIP will lapse. - In cases such as retirement, employer-initiated termination without performance concerns, death, or total and permanent disablement: - Rights will remain on foot on a pro-rata basis and may vest at the end of the performance period, subject to the satisfaction of relevant performance and service conditions. - Any shares allocated following vesting will be subject to a one-year trading restriction. For shares awarded under the LTIP that are subject to an additional trading restriction, the Executive will retain those shares post-employment; however, the trading restriction remains in effect and the shares remain subject to forfeiture.
Allocation Methodology	The number of Rights granted to the CEO and Executive Management under the LTIP is calculated on a face value basis, applying the Qantas Group 30 June closing share price at the start of the performance period, and is the maximum that may vest at the end of the performance period.
Change of Control	In the event of a change of control, the Board determines whether the LTIP Rights vest or otherwise.
Disclosure	In addition to the required statutory disclosures, Qantas chooses to disclose the full value of LTIP Awards that vest during the year in the Actual Remuneration Outcomes Table on page 55. The full value is equal to the number of Rights vested, multiplied by the Qantas share price at the end of the performance period, even where these shares are subject to an additional one-year trading restriction. The statutory remuneration disclosure on page 56 amortises the accounting value of LTIP Awards over the relevant performance and service period as per the accounting standards. The accounting value for the portion of the LTIP Award that relates to market conditions does not have regard to whether performance conditions were achieved, whereas the accounting value for the portion of the LTIP Award that relates to non-market conditions (i.e. Reputation measure and service-related conditions) may be reversed if conditions are not achieved.

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

Other Benefits

Non-Cash Benefits	Non-Cash Benefits, as disclosed in the remuneration tables, includes Travel, Housing, Superannuation and Other Long-Term Benefits as described below.
Travel	Travel concessions are provided to all permanent Qantas employees, consistent with prevailing practice in the airline industry. Travel at concessionary prices is on a sub-load basis; that is, it is subject to considerable restrictions and limits on availability. The policy includes specified direct family members or a nominated travel companion or beneficiary. In addition, and also consistent with prevailing practice in the airline industry, the CEO and Executive Management and their eligible beneficiaries are entitled to a number of trips for personal purposes at no cost to the individual. Post-employment travel concessions are also available to all permanent Qantas employees who qualify by achieving a service condition. The CEO and Executive Management and their eligible beneficiaries are also entitled to a number of trips for personal purposes at no cost to the individual after ceasing employment. An estimated present value of these entitlements accrues over the service period of the individual and is disclosed as a Post-Employment Benefit.
Housing	Housing allowance may be provided for appointments involving critical roles, talent acquisition, or skill shortages, where the employee's personal circumstances prevent relocation and it is in the company's best interest to do so. The value of this housing allowance is excluded from any incentive calculations.
Superannuation	Superannuation includes statutory and salary sacrifice superannuation contributions (or superannuation benefits provided through a defined benefit superannuation plan) and is disclosed as a Post-Employment Benefit. Compulsory superannuation guarantee (SG) contributions are subject to the concessional contribution cap.
Other Long-Term Benefits	The movement in annual leave and long service leave accruals is included in Other Long-Term Benefits. The accounting value of Other Long-Term Benefits may be negative, for example, where an Executive's annual leave balance decreases as a result of taking more annual leave than they accrued during the year, even though the Executive's annual leave balance remains positive.

Minimum Shareholding Guidelines

Minimum Shareholding Guidelines (MSG)	Summary of requirements under the shareholding guidelines:	
	Individual	Guideline
	Chair	1 times Chair Fee
	Non-Executive Directors	1 times Base Fee
	CEO	1.5 times Base Pay
	Executive Management	1 times Base Pay
Non-Executive Directors, the CEO and Executive Management have a maximum five-year period from the date of their appointment to the respective role to accumulate the value of their shareholding. Once an Executive has achieved the MSG applicable to their role, they will not be permitted to sell down their holdings below this level (other than, subject to approval, to meet any tax obligations or in the event of severe financial hardship). Commencing 1 October 2025, the MSG increased for Executive Management, who are now required to accumulate 1 times Base Pay and have a maximum five-year period from 1 October 2025 to accumulate the value of their shareholding.		

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

6 ACTUAL REMUNERATION OUTCOMES FOR 2025/26

The following table summarises the actual remuneration outcomes for the CEO and Executive Management for the year ended 30 June 2026. We believe information detailed in this table, which is different from the statutory information disclosures on page 56, is useful in understanding current year pay and its alignment with current year performance.

Actual Remuneration Outcomes Table – CEO and Executive Management¹

\$'000s		Base Pay (Cash) ²	STIP Cash Award ³	STIP Deferred Award ³	LTIP ^{4,5}	Other Benefits ⁶	Total
Current Executives							
Vanessa Hudson ^{7,8}	2026	1,535	672	672	3,169	355	6,403
CEO	2025	1,488	1,022	1,022	2,400	374	6,306
Andrew Glance	2026	820	269	269	284	172	1,814
CEO Qantas Loyalty and Customer	2025	745	381	380	435	111	2,052
Rob Marcolina	2026	950	310	310	662	215	2,447
Group Chief Financial Officer	2025	910	466	466	1,042	139	3,023
Markus Svensson	2026	950	310	310	572	159	2,301
CEO Qantas Domestic	2025	850	432	432	542	187	2,443
Stephanie Tully	2026	1,000	332	332	1,272	77	3,013
CEO Jetstar Group	2025	970	521	521	929	142	3,083
Cameron Wallace ⁹	2026	950	307	307	1,234	342	3,140
CEO Qantas International & Freight	2025	850	432	432	–	322	2,036
Total	2026	6,205	2,200	2,200	7,193	1,320	19,118
	2025	5,813	3,254	3,253	5,348	1,275	18,943

1 Details of the non-statutory remuneration methodology are explained on pages 49 to 54.

2 Base Pay (Cash) is Base Pay less superannuation contributions. Superannuation is reported in Other Benefits. Superannuation Contributions made were \$165,000 for Ms Hudson and \$30,000 for the other Executives. Further details regarding Ms Hudson's defined benefit superannuation arrangements are outlined in footnote 7 below.

3 The full value of STIP Awards made to each Executive during each of the 2025/26 and 2024/25 financial years is calculated by adding the STIP Cash Award and the STIP Deferred Award.

4 2024-2026 LTIP Awards vested in 2025/26 at 89.07 per cent. The shares to be awarded to Executive Management upon vesting of the LTIP remain subject to an additional one-year trading restriction.

5 The number of Rights vested multiplied by the Qantas share price of \$10.62 at 30 June 2026 (the end of the 2024-2026 LTIP performance period) (2025: \$10.74 at 30 June 2025 for the 2023-2025 LTIP).

6 Other Benefits includes Travel, Housing allowance, Superannuation and Other Long-Term Benefits. Travel Benefits included in Other Benefits relates to travel both during and post employment, and is reported in accordance with the Corporations Regulations and Accounting Standards for non-monetary short-term employee benefits in kind. Remuneration for non-cash travel benefits is measured at the expense to the Group and includes Fringe Benefits Tax (measured with reference to commercial fares), ticket taxes and other incremental costs. This does not include the commercial value of the flights. Details on Other Benefits are on page 54.

7 Superannuation benefits are provided to Ms Hudson through a defined benefit superannuation plan. Under the terms of the plan, \$165,000 (2025: \$160,000) Superannuation Contributions were deducted from Ms Hudson's Base Pay to result in the Base Pay (Cash) reported as Remuneration. The amount of Superannuation Contributions reported as Remuneration in Other Benefits measured in accordance with AASB 119 *Employee Benefits* is \$213,000 (2025: \$192,000). The difference between the Base Pay deduction and the amount included in Other Benefits results from the deduction being determined by the terms of the plan and the expense being impacted by the use of long-term actuarial assumptions and estimates, and the prescribed measurement requirements of AASB 119 *Employee Benefits*.

8 \$1,319,000 of the \$3,169,000 LTIP Award under the 2024-2026 LTIP for the CEO was a result of share price growth over the three-year performance period.

9 Mr Wallace commenced employment with the Group in June 2023 and was invited to participate in the 2024-2026 LTIP, which vested during 2025/26. Other Short-Term Benefits for Mr Wallace include the value of the housing allowance.

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

7 STATUTORY REMUNERATION DISCLOSURES FOR 2025/26

The statutory remuneration disclosures for the year ended 30 June 2026 are detailed below. These are prepared in accordance with *Corporations Act 2001* (Cth), Corporations Regulations and Australian Accounting Standards and differ from the 2025/26 Actual Remuneration Outcomes on page 55. The differences arise due to the accounting treatment of share-based payments for the STIP and LTIP.

Statutory Remuneration Table – CEO and Executive Management

		Incentive Plan – Accounting Accrual					Other Benefits					
		Equity-Settled Share-Based Payments					Sub- Total	Other Short- Term Benefits ^{1,3}	Post- Employ- ment Benefits ⁴	Other Long- Term Benefits ⁵	Sub- Total	Total
		Base Pay (Cash) ^{1,2}	STIP Cash Award ¹	STIP Deferred Shares ¹	LTIP Rights							
\$'000s												
Current Executives												
Vanessa Hudson ⁶	2026	1,535	672	706	1,575	4,488	114	312	(71)	355	4,843	
CEO	2025	1,488	1,022	542	1,515	4,567	113	281	(20)	374	4,941	
Andrew Gance	2026	820	269	243	399	1,731	88	76	8	172	1,903	
CEO Qantas Loyalty and Customer	2025	745	381	179	326	1,631	37	74	–	111	1,742	
Rob Marcolina	2026	950	310	317	511	2,088	107	76	32	215	2,303	
Group Chief Financial Officer	2025	910	466	252	503	2,131	102	74	(37)	139	2,270	
Markus Svensson	2026	950	310	309	476	2,045	94	76	(11)	159	2,204	
CEO Qantas Domestic	2025	850	432	236	405	1,923	132	74	(19)	187	2,110	
Stephanie Tully	2026	1,000	332	353	584	2,269	91	76	(90)	77	2,346	
CEO Jetstar Group	2025	970	521	281	569	2,341	80	74	(12)	142	2,483	
Cameron Wallace ⁷	2026	950	307	298	518	2,073	258	76	8	342	2,415	
CEO Qantas International & Freight	2025	850	432	201	397	1,880	242	74	6	322	2,202	
Total	2026	6,205	2,200	2,226	4,063	14,694	752	692	(124)	1,320	16,014	
	2025	5,813	3,254	1,691	3,715	14,473	706	651	(82)	1,275	15,748	

1 Short-term employee benefits include Base Pay (Cash), STIP cash award and Non-Cash Benefits.

2 Base Pay (Cash) is Base Pay less superannuation contributions. Superannuation is reported in Post-Employment Benefits.

3 Other Short-Term Benefits include the value of travel benefits while employed and other minor benefits. Non-Cash Benefits for travel benefits are reported in accordance with the Corporations Regulations and Accounting Standards for non-monetary short-term employee benefits in kind. Remuneration for non-cash travel benefits is measured at the expense to the Group and includes Fringe Benefits Tax (measured with reference to commercial fares), ticket taxes and other incremental costs. This does not include the commercial value of the flights.

4 Post-Employment Benefits includes superannuation and an accrual for post-employment travel of \$99,000 for Ms Hudson and \$46,000 for each other Executive (where applicable) (2025: \$89,000 for Ms Hudson and \$44,000 for each other Executive). Non-cash benefits for post-employment travel are reported in accordance with the Corporations Regulations and Accounting Standards for non-monetary employee benefits in kind, with the remuneration accrual measured as the present value of the expense to the Group of providing this future benefit, and includes Fringe Benefits Tax (measured with reference to commercial fares), ticket taxes and other incremental costs.

5 Other Long-Term Benefits include movement in annual leave and long service leave balances. The accounting value of Other Long-Term Benefits may be negative; for example, where an Executive's annual leave balance decreases as a result of taking more annual leave than they accrue during the current year even though the Executive's annual leave balance remains positive.

6 Superannuation benefits are provided to Ms Hudson through a defined benefit superannuation plan. The amount disclosed has been measured in accordance with AASB 119 *Employee Benefits*.

7 Other Short-Term Benefits for Mr Wallace includes the value of the housing allowance.

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

A reconciliation of the Statutory Remuneration Disclosures to the Actual Remuneration Outcome is detailed below.

Reconciliation of Statutory Remuneration Disclosure to Actual Remuneration Outcome

		Accounting value ¹			Current year awards		Actual Remuneration Outcomes
\$'000s		Statutory Remuneration Disclosure	STIP Awards	LTIP Share Awards	STIP Awards ²	LTIP Awards ³	
Current Executives							
Vanessa Hudson	2026	4,843	(706)	(1,575)	672	3,169	6,403
CEO	2025	4,941	(542)	(1,515)	1,022	2,400	6,306
Andrew Glance	2026	1,903	(243)	(399)	269	284	1,814
CEO Qantas Loyalty and Customer	2025	1,742	(179)	(326)	380	435	2,052
Rob Marcolina	2026	2,303	(317)	(511)	310	662	2,447
Group Chief Financial Officer	2025	2,270	(252)	(503)	466	1,042	3,023
Markus Svensson	2026	2,204	(309)	(476)	310	572	2,301
CEO Qantas Domestic	2025	2,110	(236)	(405)	432	542	2,443
Stephanie Tully	2026	2,346	(353)	(584)	332	1,272	3,013
CEO Jetstar Group	2025	2,483	(281)	(569)	521	929	3,083
Cameron Wallace	2026	2,415	(298)	(518)	307	1,234	3,140
CEO Qantas International & Freight	2025	2,202	(201)	(397)	432	–	2,036
Total	2026	16,014	(2,226)	(4,063)	2,200	7,193	19,118
	2025	15,748	(1,691)	(3,715)	3,253	5,348	18,943

1 The Statutory Remuneration Disclosure includes the accounting value of share-based payments. Accounting standards require share-based payments to be amortised over the relevant performance and service periods. The accounting value for the portion of the LTIP award that relates to market conditions does not have regards to whether performance conditions were achieved.

2 The full value of shares awarded under the 2025/26 STIP (even though these awards are still subject to a two-year deferral period).

3 The full value of the shares that vested under the 2024-2026 LTIP applying the 30 June 2026 Qantas share price of \$10.62 (2025: \$10.74 at 30 June 2025 for the 2023-2025 LTIP). The shares are subject to an additional one-year trading restriction.

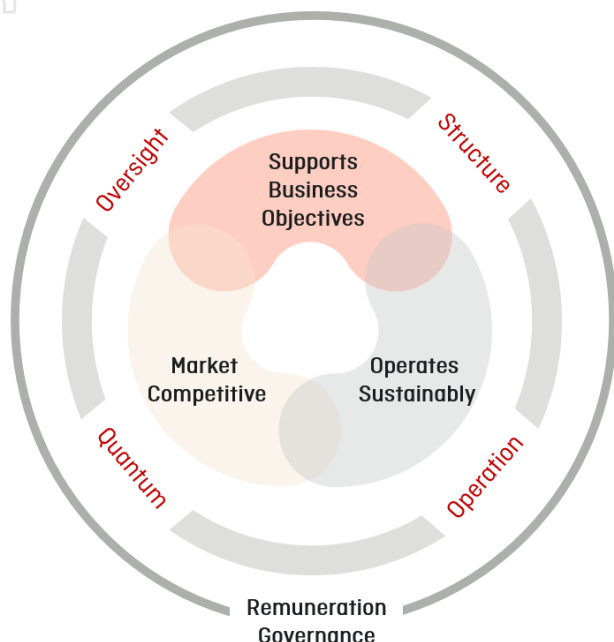
Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

8 REMUNERATION GOVERNANCE

The objectives of Qantas' Executive Remuneration Framework are to:



- **Support Business Objectives** by:
 - Encouraging the pursuit of growth and the success of Qantas
 - Aligning with Qantas' purpose, values, strategy and risk appetite
 - Aligning with shareholder requirements.
- **Operate Sustainably** by:
 - Encouraging the sound management of financial and non-financial risks
 - Balancing the interests of shareholders, customers and employees
 - Encouraging good conduct and discouraging misconduct
 - Considering cost and reputational factors and complying with relevant laws and regulations.
- **Be Market Competitive** to attract, motivate and appropriately reward a capable Management team.

These objectives can only be achieved by the Board applying a robust and rigorous approach to remuneration governance and effectiveness across the areas of oversight, structure, operation and quantum.

The People and Remuneration Committee's responsibilities include oversight of remuneration and broader people-related matters, including organisational culture and conduct, employee engagement, industrial relations, diversity and inclusion, and the recruitment and employment framework for Executive Management.

Remuneration Governance Roles

The Board	People and Remuneration Committee	Safety, Health, Environment and Security Committee	Audit Committee	The Board's independent remuneration consultant ¹
Approves the overall remuneration framework.	Establishes, reviews and makes recommendations on the overall Qantas Remuneration Framework, remuneration levels and incentive plans for the Group. It also provides oversight of Group strategies in relation to people, conduct and culture matters, including employee engagement, diversity and inclusion, and industrial relations strategy.	Provides reports to the People and Remuneration Committee regarding safety performance as it relates to Executive reward outcomes.	Provides reports to the People and Remuneration Committee regarding Executive behaviour, conduct, and execution of responsibilities in line with defined audit standards.	Provides market insights and benchmarking on remuneration practices.

¹ During 2025/26, the People and Remuneration Committee conducted a tender process for the role of remuneration consultant. Following the completion of this process, Guerdon Associates was appointed, replacing EY. The People and Remuneration Committee has established protocols in relation to the appointment and use of remuneration consultants to support compliance with the *Corporations Act 2001* (Cth), which are incorporated into the terms of engagement with Guerdon Associates. The People and Remuneration Committee did not seek, nor receive, a formal remuneration recommendation (as defined in the *Corporations Act 2001* (Cth)) during 2025/26.

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

9 SUMMARY OF KEY CONTRACT TERMS AS AT 30 JUNE 2026

Contract Details	Vanessa Hudson ¹	Andrew Glance ²	Rob Marcolina ²	Markus Svensson ²	Stephanie Tully ²	Cameron Wallace ²
Base Pay	\$1,700,000	\$850,000	\$980,000	\$980,000	\$1,030,000	\$980,000
Pay Mix per						
- STIP Target Opportunity ³	100%	80%	80%	80%	80%	80%
- LTIP Maximum Opportunity ^{3,4}	180%	110%	110%	110%	110%	110%
An annual benefit of trips for these Executives and eligible beneficiaries during employment, ⁵ at no cost to the individual, is as follows:						
	4 long-haul 12 short-haul	2 long-haul 6 short-haul	2 long-haul 6 short-haul	2 long-haul 6 short-haul	2 long-haul 6 short-haul	2 long-haul 6 short-haul
The same benefit is provided for use post-employment, based on the period of service in an Executive Management role within the Qantas Group.						
Notice	Employment may be terminated by either the Executive or Qantas by providing six months' written notice ⁶ . Each Executive's contract includes a provision that limits any termination payment to the statutory limit prescribed under the <i>Corporations Act 2001</i> (Cth).					
Severance	A severance payment of six months' Base Pay applies where termination is initiated by Qantas other than for cause ⁶ .					

- 1 Target Remuneration Mix for the CEO for 2025/26 was Base Pay 26 per cent, STIP 26 per cent, and LTIP (on a face value basis) 48 per cent.
2 Target Remuneration Mix for Executive Management for 2025/26 was Base Pay 34 per cent, STIP 28 per cent, and LTIP (on a face value basis) 38 per cent.
3 Opportunity expressed as a percentage of Base Pay.
4 Rights are awarded on a face value basis and are the maximum number of Rights that may vest and convert to Qantas shares.
5 These benefits are not cumulative and lapse if they are not used during the calendar year in which the entitlements arise.
6 Other than for misconduct or unsatisfactory performance.

10 EQUITY INSTRUMENTS

Shares Awarded Under the Short Term Incentive Plan

The following table details shares awarded under the Short Term Incentive Plan that are subject to a deferral period.

		Number of Shares				
Short Term Incentive Plan		1 July	Granted ^{1,2}	Vested and Transferred	Forfeited	30 June
Vanessa Hudson	2026	105,980	87,552	(29,711)	–	163,821
	2025	–	105,980	–	–	105,980
Andrew Glance	2026	16,557	32,609	–	–	49,166
	2025	–	16,557	–	–	16,557
Rob Marcolina	2026	51,409	39,951	(20,445)	–	70,915
	2025	–	51,409	–	–	51,409
Markus Svensson	2026	48,445	37,027	(15,638)	–	69,834
	2025	–	48,445	–	–	48,445
Stephanie Tully	2026	56,915	44,626	(20,592)	–	80,949
	2025	–	56,915	–	–	56,915
Cameron Wallace	2026	30,476	37,027	–	–	67,503
	2025	–	30,476	–	–	30,476

- 1 Shares awarded under the 2022/23 STIP Awards (granted on 8 August 2024, following Board consideration of the events which had a material impact on the business and reputation of Qantas in 2023) and 2023/24 STIP Awards (granted on 12 September 2024) were delivered to participants in deferred shares that are subject to a two year deferral period and one-year trading restriction until after the release of the 2025/26 full-year financial results and 2026/27 full-year financial results respectively. The deferral period on these shares applied throughout 2025/26.
2 Shares awarded under the 2024/25 STIP Awards (granted on 5 September 2025) were delivered to participants in deferred shares that are subject to a two year deferral period until after the release of the 2026/27 full-year financial results. The deferral period on these shares applied throughout 2025/26.

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

Rights Awarded Under the Long Term Incentive Plan

The following table details Rights awarded under the LTIP that are subject to performance hurdles that are yet to be tested, and tested Rights that have not yet converted into shares.

		Number of Rights					
		1 July	Commenced as KMP	Granted ^{1,2}	Vested and Transferred ³	Lapsed/ Forfeited	30 June ⁴
Long Term Incentive Plan							
Current Executives							
Vanessa Hudson	2026	1,008,500	–	284,000	(223,500)	–	1,069,000
	2025	766,500	–	450,000	(179,108)	(28,892)	1,008,500
Andrew Glance	2026	196,500	–	87,000	(40,500)	–	243,000
	2025	102,500	–	126,000	(27,555)	(4,445)	196,500
Rob Marcolina	2026	319,500	–	100,000	(97,000)	–	322,500
	2025	257,500	–	152,500	(77,929)	(12,571)	319,500
Markus Svensson	2026	254,000	–	100,000	(50,500)	–	303,500
	2025	158,000	–	143,000	(40,471)	(6,529)	254,000
Stephanie Tully	2026	383,500	–	105,000	(86,500)	–	402,000
	2025	301,500	–	162,500	(69,318)	(11,182)	383,500
Cameron Wallace	2026	273,500	–	100,000	–	–	373,500
	2025	130,500	–	143,000	–	–	273,500

1 Rights under the 2026-2028 LTIP were granted on 24 November 2025 to Ms Hudson (following approval by shareholders at the 2025 AGM in accordance with listing rule 10.14) and other Executives and will be tested against the performance hurdles as at 30 June 2028. The number of Rights granted was determined using the face value of a Right on 30 June 2025 of \$10.74, being the start of the performance period. The fair value of a Right on the grant date was \$4.80 per Right.

2 Rights under the 2025-2027 LTIP were granted on 11 November 2024 to Ms Hudson (following approval by shareholders at the 2024 AGM) and other Executives and will be tested against the performance hurdles as at 30 June 2027. The number of Rights granted was determined using the face value of a Right on 30 June 2024 of \$5.85, being the start of the performance period. The fair value of a Right on the grant date was \$5.93 per Right.

3 100 per cent of Rights under the 2023-2025 LTIP (granted on 21 November 2022) vested following the testing of performance hurdles as at 30 June 2025 and the Board's approval of the 2023-2025 LTIP vesting outcome on 27 August 2025. The shares awarded upon vesting of the LTIP were subject to an additional one-year trading restriction and are detailed in the Equity Holdings and Transactions table.

4 Rights under the 2024-2026 LTIP (granted on 3 November 2023) are included in the 30 June 2026 balance. The number of Rights granted was determined using the face value of a Right on 30 June 2023 of \$6.20, being the start of the performance period. The fair value of a Right on the grant date was \$3.13 per Right. 89.07 per cent of these Rights vested following the testing of performance hurdles as at 30 June 2026 and the Board's approval of the 2024-2026 LTIP vesting outcome on 26 August 2026. The shares to be awarded to Executive Management upon vesting of the LTIP remain subject to an additional one-year trading restriction.

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

Equity Holdings and Transactions

Executive Management or their related parties directly, indirectly or beneficially held shares in the Qantas Group as detailed in the table below. It also shows each individual's shareholding and corresponding progress against their Minimum Shareholding Guideline at 30 June 2026.

Key Management Personnel - Executives	Interest in Shares 1 July 2025	Awarded as Remuneration ¹	Rights Converted to Shares ²	Other Changes ³	Interest in Shares 30 June 2026	Value of Shares ⁴ \$'000	Progress Against Minimum Shareholding Guideline ⁵
Current Executives							
Vanessa Hudson	1,103,339	87,552	223,500	(125,000)	1,289,391	13,693	Meets
Andrew Glance	51,645	32,609	40,500	(35,088)	89,666	952	Meets
Rob Marcolina	237,868	39,951	97,000	–	374,819	3,981	Meets
Markus Svensson	88,916	37,027	50,500	(40,471)	135,972	1,444	Meets
Stephanie Tully	304,733	44,626	86,500	(247,818)	188,041	1,997	Meets
Cameron Wallace	30,476	37,027	–	–	67,503	717	On track

¹ Shares awarded under the 2024/25 STIP are subject to a deferral period until after the release of the 2026/27 full-year financial results.

² Shares awarded upon vesting of the 2023-2025 LTIP were allocated on 5 September 2025 and remained subject to an additional one-year trading restriction until 5 September 2026.

³ Other Changes include shares purchased, sold and forfeited.

⁴ The interest in shares at 30 June 2026 multiplied by the Qantas share price of \$10.62 at 30 June 2026.

⁵ The CEO has a maximum period of five years from appointment to the role to accumulate the required value of shareholding, while Executive Management have a maximum five-year period from the later of their appointment to role or 1 October 2025.

Other than share-based payment compensation, all equity instrument transactions between the CEO and Executive Management (including their related parties) and Qantas during the year have been on an arm's length basis and are subject to approval protocols.

Performance Remuneration Affecting Future Periods

The fair value of share-based payments granted is amortised over the service period. Therefore, remuneration in respect of these awards may be reported in future years. The following table summarises the maximum value of the awards that will be reported in the statutory remuneration tables in future years, assuming all performance conditions are met. The minimum value of these awards is nil should performance conditions not be satisfied.

Executives \$'000	Future Expense by Plan							Future Expense by Financial Year			
	STIP Awards			LTIP Awards			Total	2027	2028	2029	Total
	2023-2024	2024-2025	2025-2026	2024-2026	2025-2027	2026-2028					
Vanessa Hudson	27	376	459	51	983	933	2,829	1,885	837	107	2,829
Andrew Glance	6	140	184	5	275	286	896	584	276	36	896
Rob Marcolina	11	172	212	11	333	328	1,067	703	322	42	1,067
Markus Svensson	12	159	212	9	312	328	1,032	673	317	42	1,032
Stephanie Tully	13	192	227	20	355	345	1,152	766	342	44	1,152
Cameron Wallace	11	159	210	20	312	328	1,040	683	316	41	1,040

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

11 NON-EXECUTIVE DIRECTOR FEES

Non-Executive Director fees are determined within an aggregate Non-Executive Directors' fee pool limit. An annual total fee pool of \$3 million (excluding industry standard travel entitlements received) was approved by shareholders at the 2016 AGM. There has been no overall increase in Non-Executive Directors fees since 1 July 2018, notwithstanding that there was a remix of Base and Committee fees effective 1 July 2022, which did not increase overall Non-Executive Director payments. Total Non-Executive Directors' remuneration (excluding industry-standard travel entitlements received) for the year ended 30 June 2026 was \$2.38 million (2025: \$2.08 million), which is within the approved annual fee pool. For 2025/26, fees were unchanged and no increases are proposed for 2026/27.

As outlined in the 2025 Remuneration Report, in response to the customer and brand impacts of events during 2023, Non-Executive Directors who were on the Board at the time took a 33 per cent reduction to their base fees in 2024/25. Ms Hutchinson, Mr Sampson and Mr Tyler returned to full base fees from 1 July 2025.

	Board		Committees ¹	
	Chair ²	Member	Chair	Member
Board Fees	\$610,000	\$167,500	\$74,250	\$32,500

1 The committees are the Audit Committee, People and Remuneration Committee and the Safety, Health, Environment and Security Committee. The Board also has a Nominations Committee but no fees are received for serving on or chairing the Nominations Committee.

2 The Chair does not receive any additional fees for serving on or chairing any Board committee.

Non-Executive Directors do not receive any performance-related remuneration. Non-Executive Directors are paid a travel allowance when travelling on international journeys where \$7,000 is provided for trips greater than six hours, and \$12,000 for trips greater than 10 hours to attend Board and committee meetings or Board-related activities requiring the participation of all Directors.

The Non-Executive Director Fee Sacrifice Share Acquisition Plan allows Australian-resident Non-Executive Directors to exchange a portion of their Board or committee fees for Rights equivalent to Qantas ordinary shares. Each Right converts to one fully-paid share six months after the grant date, provided the Director remains in the role. The plan helps Directors build their shareholdings tax-effectively, aligning their interests with shareholders. Sacrificed fees are reported as Base Pay in Remuneration Disclosures.

All Non-Executive Directors and eligible beneficiaries receive travel entitlements. The Chair and eligible beneficiaries are each entitled to four long-haul trips and 12 short-haul trips each calendar year and all other Non-Executive Directors and eligible beneficiaries are each entitled to three long-haul trips and nine short-haul trips each calendar year. These flights are not cumulative and lapse if they are not used during the calendar year in which the entitlement arises. Post-employment, the Chair and eligible beneficiaries are each entitled to two long-haul trips and six short-haul trips for each year of service, and all other Non-Executive Directors and eligible beneficiaries are each entitled to one long-haul trip and three short-haul trips for each year of service. Benchmarking of airline industry practice conducted in 2023/24 found that these travel benefits are broadly consistent with those provided by competitor airlines.

The accounting value of the travel benefit is captured in the remuneration table (as a Non-Cash Benefit for travel during the year and as a Post-Employment Benefit).

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

Remuneration for 2025/26 – Non-Executive Directors

		Short-Term Employee Benefits		Sub-Total	Post-Employment Benefits			Total
		Base Pay (Cash) ¹	Non-Cash Benefits ²		Superannuation	Travel ³	Sub-Total	
\$'000								
Current Non-Executive Directors								
John Mullen	2026	622	34	656	–	21	21	677
Chair	2025	520	8	528	6	18	24	552
Belinda Hutchinson	2026	266	61	327	22	12	34	361
Non-Executive Director	2025	202	62	264	17	11	28	292
Doug Parker ⁴	2026	293	–	293	–	12	12	305
Non-Executive Director	2025	281	–	281	–	11	11	292
Dr Nora Scheinkestel	2026	286	10	296	–	12	12	308
Non-Executive Director	2025	274	16	290	–	11	11	301
Dr Heather Smith	2026	222	60	282	24	12	36	318
Non-Executive Director	2025	219	51	270	14	11	25	295
Antony Tyler ⁴	2026	285	–	285	–	12	12	297
Non-Executive Director	2025	237	–	237	–	11	11	248
Alison Watkins ⁵	2026	81	34	115	8	12	20	135
Non-Executive Director	2025	–	–	–	–	–	–	–
Dion Weisler ⁶	2026	228	19	247	18	12	30	277
Non-Executive Director	2025	40	1	41	5	11	16	57
Former Non-Executive Directors								
Todd Sampson ⁷	2026	19	21	40	2	–	2	42
Non-Executive Director	2025	161	101	262	16	11	27	289
Total	2026	2,302	239	2,541	74	105	179	2,720
	2025	1,934	239	2,173	58	95	153	2,326

1 Base Pay (Cash) includes any amounts that the Non-Executive Director elects to salary sacrifice in return for a grant of Rights under the Non-Executive Director Fee Sacrifice Share Acquisition Plan.

2 Non-Cash Benefits include the value of travel benefits while employed. Non-Cash Benefits for travel benefits are reported in accordance with the Corporations Regulations and Accounting Standards for non-monetary short-term benefits in kind. Remuneration for non-cash travel benefits is measured at the expense to the Group and includes Fringe Benefits Tax (measured with reference to commercial fares), ticket taxes and other incremental costs.

3 Non-cash benefits for post-employment travel are reported in accordance with the Corporations Regulations and Accounting Standards for non-monetary employee benefits in kind, with the remuneration accrual measured as the present value of the expense to the Group of providing this future benefit (irrespective of whether the benefit is ultimately utilised), and includes Fringe Benefits Tax (measured with reference to commercial fares), ticket taxes and other incremental costs.

4 Mr Parker and Mr Tyler received a travel allowance of \$60,000 and \$43,000 during 2025/26 (2024/25: \$48,000 and \$50,000), respectively. This amount is included in Base Pay (Cash). Other current Directors received a travel allowance of \$12,000 during 2025/26 (2024/25: \$nil) which is included in Base Pay (Cash).

5 2025/26 remuneration reflects the period served by Ms Watkins (from 2 March 2026 to 30 June 2026) as a Non-Executive Director.

6 2024/25 remuneration reflects the period served by Mr Weisler (from 31 March 2025 to 30 June 2025) as a Non-Executive Director.

7 Mr Sampson retired as a Non-Executive Director on 31 July 2025, and as a result, the remuneration disclosures in the table cover the period up to and including that date.

Directors' Report continued

For the year ended 30 June 2026

REMUNERATION REPORT (AUDITED) (CONTINUED)

Equity Holdings and Transactions

Non-Executive Directors or their related parties directly, indirectly or beneficially held shares in the Qantas Group as detailed in the table below. It also shows each individual's shareholding and corresponding progress against their Minimum Shareholding Guideline at 30 June 2026.

Key Management Personnel – Non-Executive Directors	Interest in Shares as at 30 June 2025	Commenced as Non-Executive Director	Conversion of Rights to Ordinary Shares ¹	Other Changes ²	Ceased as Non-Executive Director	Interest in Shares as at 30 June 2026	Value of Shares ³ \$'000	Progress Against Minimum Shareholding Guideline
John Mullen	82,859	–	17,106	–	–	99,965	1,062	Meets
Belinda Hutchinson	81,822	–	6,848	–	–	88,670	942	Meets
Doug Parker	100,000	–	–	–	–	100,000	1,062	Meets
Dr Nora Scheinkestel	59,817	–	–	7,123	–	66,940	711	Meets
Dr Heather Smith	18,629	–	5,886	–	–	24,515	260	Meets
Antony Tyler	52,000	–	–	–	–	52,000	552	Meets
Alison Watkins	–	24,000	–	–	–	24,000	255	Meets
Dion Weisler	20,000	–	–	10,750	–	30,750	327	Meets
Former Non-Executive Directors								
Todd Sampson	47,281	–	–	–	(47,281)	–	–	

1 Ordinary shares issued upon conversion of Rights acquired under the Non-Executive Director Fee Sacrifice Share Acquisition Plan.

2 Other Changes includes shares purchased.

3 The interest in shares at 30 June 2026 multiplied by the Qantas share price of \$10.62 at 30 June 2026.

Rights Acquired Under the Non-Executive Director Fee Sacrifice Share Acquisition Plan

The following table details Rights acquired under the Non-Executive Director Fee Sacrifice Share Acquisition Plan by Non-Executive Director or their related parties:

Key Management Personnel – Non-Executive Directors	Interest in Rights as at 30 June 2025	Acquired by Fee Sacrifice ¹	Converted to Ordinary Shares ²	Other (rights lapsed)	Interest in Rights as at 30 June 2026
John Mullen	9,266	17,671	(17,106)	–	9,831
Belinda Hutchinson	3,323	7,945	(6,848)	–	4,420
Dr Heather Smith	5,886	–	(5,886)	–	–
Dion Weisler	–	12,490	–	–	12,490
Former Non-Executive Directors					
Todd Sampson	1,134	–	–	(1,134)	–

1 Number of Rights acquired under the Non-Executive Director Fee Sacrifice Share Acquisition Plan. Rights were acquired on 5 September 2025 applying a fair value of \$11.6702 per Right and 6 March 2026 applying a fair value of \$9.307.

2 Rights acquired on 7 March 2025 (fair value of \$9.8738 per Right) converted to restricted ordinary shares on 29 August 2025 and Rights acquired on 5 September 2025 (fair value of \$11.6702 per Right) converted to restricted ordinary shares on 28 February 2026.

All equity instrument transactions between the Non-Executive Directors, including their related parties, and Qantas during the year have been on an arm's length basis.

Loans and Other Transactions with Key Management Personnel

No KMP or their related parties held any loans from the Qantas Group during or at the end of the year ended 30 June 2026 or prior year. A number of KMP and their related parties have transactions with the Qantas Group. All transactions are conducted on normal commercial arm's length terms.

Directors' Report continued

For the year ended 30 June 2026

ENVIRONMENTAL OBLIGATIONS

The Qantas Group's operations are subject to a range of Commonwealth, State, Territory and international environmental legislation. The Qantas Group is committed to environmental sustainability with high standards for environmental performance. The Board places particular focus on the environmental aspects of its operations through the Safety, Health, Environment and Security Committee, which assists the Board with fulfilling its strategy, policy, systems oversight, monitoring and corporate governance responsibilities with regard to environmental matters, including compliance with legal and regulatory obligations and risk management.

The Directors are satisfied that the Qantas Group Environmental Management Framework underpins the management of the Qantas Group's environmental exposures and environmental performance, including compliance obligations. The Directors are also satisfied that appropriate monitoring procedures are in place to ensure compliance with the Group Management System Standard. Any significant environmental incidents are reported to the Board through the Safety, Health, Environment and Security Committee.

INDEMNITIES AND INSURANCE

Under the Qantas Constitution, Qantas indemnifies, to the extent permitted by law, each Director and Company Secretary of Qantas against any liability incurred by that person as an officer of Qantas.

The Directors and the Company Secretaries listed on pages 35 to 36 and individuals who formerly held any of these positions have the benefit of the indemnity in the Qantas Constitution. Members of Qantas' Executive Management team and certain former Members of the Executive Management team have the benefit of an indemnity to the fullest extent permitted by law and as approved by the Board. No amount has been paid under any of these indemnities during 2025/26 or to the date of this Report.

During the year, Qantas paid a premium for Directors' and Officers' liability insurance policies, which cover all Directors and Officers of the Qantas Group. Details of the nature of the liabilities covered, and the amount of the premiums paid in respect of the Directors' and Officers' insurance policies, are not disclosed, as disclosure is prohibited under the terms of the contracts.

NON-AUDIT SERVICES

During the year, Qantas' auditor, KPMG, performed certain other services in addition to its statutory duties. The Directors are satisfied that:

- a. The non-audit services provided during 2025/26 by KPMG as the external auditor were compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth)
- b. Any non-audit services provided during 2025/26 by KPMG as the external auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* (Cth) for the following reasons:
 - KPMG non-audit services have not involved partners or staff acting in a managerial or decision-making capacity within the Qantas Group or being involved in the processing or originating of transactions
 - KPMG non-audit services have only been provided where Qantas is satisfied that the related function or process will not have a material bearing on audit procedures
 - KPMG partners and staff involved in the provision of non-audit services have not participated in associated approval or authorisation processes
 - A description of all non-audit services undertaken by KPMG and the related fees has been reported to the Board to ensure complete transparency in relation to the services provided
 - The declaration required by section 307C of the *Corporations Act 2001* (Cth) confirming independence has been received from KPMG.

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is included on page 66.

Details of the amounts paid to KPMG for audit and non-audit services provided during the year are set out in Note 28 to the Financial Statements.

Directors' Report continued

For the year ended 30 June 2026



LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 (CTH)

To: The Directors of Qantas Airways Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the Financial Report and the audit and review of specified sustainability disclosures in the Sustainability Report of Qantas Airways Limited for the financial year ended 30 June 2026, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* (Cth) in relation to the audits and review; and
- no contraventions of any applicable code of professional conduct in relation to the audits and review.

KPMG
Sydney
27 August 2026

David Richards
Partner

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Rounding

Qantas is a company of a kind referred to in *Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* and in accordance with that Instrument, amounts in this Directors' Report and the Financial Report have been rounded to the nearest million dollars unless otherwise stated.

Signed pursuant to a Resolution of the Directors:

John Mullen
Board Chair
27 August 2026

Vanessa Hudson
Chief Executive Officer
27 August 2026

Financial Report

For the year ended 30 June 2026

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Consolidated Income Statement

For the year ended 30 June 2026

	Notes	2026 \$M	2025 \$M
REVENUE AND OTHER INCOME			
Net passenger revenue		21,814	20,411
Net freight revenue		1,414	1,298
Other revenue and income	4(B)	2,288	2,114
Revenue and other income		25,516	23,823
EXPENDITURE			
Salaries, wages and other benefits		5,645	5,228
Aircraft operating variable ¹	5	6,115	5,655
Fuel		5,724	5,003
Depreciation and amortisation	6	2,278	2,012
Share of net loss/(profit) of investments accounted for under the equity method	15	12	(46)
Net gain on disposal of assets	7	(41)	(45)
Other ¹	8	3,671	3,509
Expenditure		23,404	21,316
Statutory profit before income tax expense and net finance costs		2,112	2,507
Finance income	9	106	109
Finance costs	9	(390)	(354)
Net finance costs	9	(284)	(245)
Statutory profit before income tax expense		1,828	2,262
Income tax expense	10	(539)	(657)
Statutory profit for the year		1,289	1,605
Attributable to:			
Members of Qantas		1,289	1,605
Non-controlling interests		–	–
Statutory profit for the year		1,289	1,605
EARNINGS PER SHARE ATTRIBUTABLE TO MEMBERS OF QANTAS			
Statutory Earnings Per Share (cents)	3	85.4	105.2
Diluted Earnings Per Share (cents)	3	84.5	104.0

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

¹ Comparatives for the year ended 30 June 2025 have been restated due to a reclassification of \$10 million between Aircraft operating variable and Other expenditure. The reclassification has no impact on total expenditure or statutory profit for financial year 2024/25. Refer to Note 1(B) Comparatives for details.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2026

	2026 \$M	2025 \$M
Statutory profit for the year	1,289	1,605
Items that were or may be subsequently reclassified to profit or loss		
Effective portion of changes in fair value of cash flow hedges, net of tax	424	(11)
Transfer of effective hedging gains from hedge reserve to the Consolidated Income Statement, net of tax ¹	(304)	(20)
Net changes in hedge reserve for time value of options, net of tax	31	(90)
Foreign currency translation of controlled entities	(3)	(29)
Foreign currency translation of investments accounted for under the equity method	24	(16)
Items that will not subsequently be reclassified to profit or loss		
Defined benefit actuarial gains/(losses), net of tax	6	(28)
Fair value losses on investments, net of tax	(65)	(8)
Other comprehensive income/(loss) for the year	113	(202)
Total comprehensive income for the year	1,402	1,403
Attributable to:		
Members of Qantas	1,402	1,403
Non-controlling interests	–	–
Total comprehensive income for the year	1,402	1,403

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

¹ These amounts were allocated to fuel expenditure of (\$434) million (June 2025: (\$33) million) and income tax expense of \$130 million (June 2025: \$9 million) in the Consolidated Income Statement. No amounts allocated to revenue for the year ended 30 June 2026 (June 2025: \$4 million).

Consolidated Balance Sheet

As at 30 June 2026

	Notes	2026 \$M	2025 \$M
CURRENT ASSETS			
Cash and cash equivalents	22(A)	3,274	2,213
Receivables	12	1,241	1,205
Lease receivables	17(B)	17	14
Other financial assets	27(B), (C)	312	150
Inventories	13	481	405
Assets classified as held for sale	14	–	39
Other ¹	20	386	435
Total current assets		5,711	4,461
NON-CURRENT ASSETS			
Lease receivables	17(B)	120	42
Other financial assets	27(B), (C)	200	181
Investments accounted for under the equity method	15	47	45
Property, plant and equipment	16	18,109	15,880
Right of use assets	17(A)	1,443	1,280
Intangible assets	18	563	598
Other ¹	20	841	683
Total non-current assets		21,323	18,709
Total assets		27,034	23,170
CURRENT LIABILITIES			
Payables		3,516	3,146
Revenue received in advance ¹	21	7,295	7,125
Interest-bearing liabilities	22(B)	504	247
Lease liabilities	17(C)	401	396
Other financial liabilities	27(B), (C)	98	101
Provisions	23	1,410	1,401
Income tax payable	10(D)	2	246
Total current liabilities		13,226	12,662
NON-CURRENT LIABILITIES			
Revenue received in advance ¹	21	1,790	1,618
Interest-bearing liabilities	22(B)	8,107	6,153
Lease liabilities	17(C)	1,340	1,160
Other financial liabilities	27(B), (C)	80	44
Provisions	23	541	516
Deferred tax liabilities	19	446	234
Total non-current liabilities		12,304	9,725
Total liabilities		25,530	22,387
Net assets		1,504	783
EQUITY			
Issued capital	24(A)	886	886
Treasury shares	24(B)	(169)	(144)
Reserves		269	117
Retained earnings/(Accumulated losses)		513	(81)
Equity attributable to members of Qantas		1,499	778
Non-controlling interests		5	5
Total equity		1,504	783

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

¹ Comparatives for the year ended 30 June 2025 have been restated due to a reclassification of \$186 million from Other assets to Unredeemed Frequent Flyer Revenue received in advance. Refer to Note 1(B) Comparatives for details.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

30 June 2026 \$M	Issued Capital	Treasury Shares	Employee Compensation Reserve	Hedge Reserve	Foreign Currency Translation Reserve	Other Reserves ¹	Retained Earnings	Non- controlling Interests	Total Equity
Balance as at 1 July 2025	886	(144)	93	(120)	(30)	174	(81)	5	783
TOTAL COMPREHENSIVE INCOME FOR THE YEAR									
Statutory profit for the year	-	-	-	-	-	-	1,289	-	1,289
Other comprehensive income									
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	424	-	-	-	-	424
Transfer of effective hedging gains from hedge reserve to the Consolidated Income Statement, net of tax	-	-	-	(304)	-	-	-	-	(304)
Net changes in hedge reserve for time value of options, net of tax	-	-	-	31	-	-	-	-	31
Foreign currency translation of controlled entities	-	-	-	-	(3)	-	-	-	(3)
Foreign currency translation of investments accounted for under the equity method	-	-	-	-	24	-	-	-	24
Defined benefit actuarial gains, net of tax	-	-	-	-	-	6	-	-	6
Fair value losses on investments, net of tax	-	-	-	-	-	(64)	(1)	-	(65)
Total other comprehensive income for the year	-	-	-	151	21	(58)	(1)	-	113
Total comprehensive income for the year	-	-	-	151	21	(58)	1,288	-	1,402
Recognition of effective cash flow hedges on capitalised assets, net of tax	-	-	-	4	-	-	-	-	4
Transactions with owners in their capacity as owners									
Dividends paid	-	-	-	-	-	-	(700)	-	(700)
Treasury shares acquired	-	(87)	-	-	-	-	-	-	(87)
Share-based payments expense	-	-	104	-	-	-	-	-	104
Shares vested and transferred to employees/ Rights unvested and lapsed	-	62	(70)	-	-	-	6	-	(2)
Total transactions with owners in their capacity as owners	-	(25)	34	-	-	-	(694)	-	(685)
Balance as at 30 June 2026	886	(169)	127	35	(9)	116	513	5	1,504

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

¹ Other Reserves as at 30 June 2026 includes the defined benefit reserve of \$195 million and the fair value reserve of (\$79) million.

Consolidated Statement of Changes in Equity continued

For the year ended 30 June 2026

30 June 2025 \$M	Issued Capital	Treasury Shares	Employee Compensation Reserve	Hedge Reserve	Foreign Currency Translation Reserve	Other Reserves ¹	Accumulated Losses	Non- controlling Interests	Total Equity
Balance as at 1 July 2024	1,317	(62)	90	9	15	210	(1,290)	5	294
TOTAL COMPREHENSIVE INCOME FOR THE YEAR									
Statutory profit for the year	-	-	-	-	-	-	1,605	-	1,605
Other comprehensive (loss)/income									
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	(11)	-	-	-	-	(11)
Transfer of effective hedging gains from hedge reserve to the Consolidated Income Statement, net of tax	-	-	-	(20)	-	-	-	-	(20)
Net changes in hedge reserve for time value of options, net of tax	-	-	-	(90)	-	-	-	-	(90)
Foreign currency translation of controlled entities	-	-	-	-	(29)	-	-	-	(29)
Foreign currency translation of investments accounted for under the equity method	-	-	-	-	(16)	-	-	-	(16)
Defined benefit actuarial losses, net of tax	-	-	-	-	-	(28)	-	-	(28)
Fair value losses on investments, net of tax	-	-	-	-	-	(8)	-	-	(8)
Total other comprehensive loss for the year	-	-	-	(121)	(45)	(36)	-	-	(202)
Total comprehensive income for the year	-	-	-	(121)	(45)	(36)	1,605	-	1,403
Recognition of effective cash flow hedges on capitalised assets, net of tax	-	-	-	(8)	-	-	-	-	(8)
Transactions with owners in their capacity as owners									
On-market share buy-back	(431)	-	-	-	-	-	-	-	(431)
Dividends paid	-	-	-	-	-	-	(400)	-	(400)
Treasury shares acquired	-	(133)	-	-	-	-	-	-	(133)
Share-based payments expense	-	-	56	-	-	-	-	-	56
Shares vested and transferred to employees/ Rights unvested and lapsed	-	51	(53)	-	-	-	4	-	2
Total transactions with owners in their capacity as owners	(431)	(82)	3	-	-	-	(396)	-	(906)
Balance as at 30 June 2025	886	(144)	93	(120)	(30)	174	(81)	5	783

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

¹ Other Reserves as at 30 June 2025 includes the defined benefit reserve of \$189 million and the fair value reserve of (\$15) million.

Consolidated Cash Flow Statement

For the year ended 30 June 2026

	Notes	2026 \$M	2025 \$M
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		27,077	25,215
Cash payments to suppliers and employees		(22,341)	(20,531)
Cash generated from operations		4,736	4,684
Interest received		96	106
Interest paid (interest-bearing liabilities)		(220)	(178)
Interest paid (lease liabilities)	17(C)	(88)	(92)
Dividends received from investments accounted for under the equity method	15	11	12
Australian income taxes paid		(638)	(275)
Foreign income taxes paid		(4)	(4)
Net cash inflow from operating activities	29	3,893	4,253
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment and intangible assets		(3,972)	(3,805)
Interest paid and capitalised on qualifying assets	9	(122)	(113)
Payments for investments held at fair value		(26)	(16)
Proceeds from disposal of property, plant and equipment, net of costs		152	119
Proceeds from repayment of loan receivable from investments accounted for under the equity method		–	2
Net cash outflow from investing activities		(3,968)	(3,813)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for share buy-back		–	(448)
Dividends paid to shareholders		(700)	(400)
Payments for treasury shares		(87)	(133)
Proceeds from interest-bearing liabilities, net of costs	22(D)	3,024	1,551
Repayments of interest-bearing liabilities	22(D)	(768)	(216)
Principal repayments of lease liabilities	17(C)	(319)	(321)
Principal proceeds from lease receivables		7	9
Receipts from aircraft security deposits		3	–
Net cash inflow from financing activities		1,160	42
Net increase in cash and cash equivalents held		1,085	482
Cash and cash equivalents at the beginning of the year		2,213	1,718
Effects of exchange rate changes on cash and cash equivalents		(24)	13
Cash and cash equivalents at the end of the year	22(A)	3,274	2,213

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2026

1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(A) REPORTING ENTITY

Qantas Airways Limited (Qantas) is a for-profit company limited by shares, incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX) and which is subject to the operation of the *Qantas Sale Act 1992* (Cth).

The Consolidated Financial Statements for the year ended 30 June 2026 comprise Qantas and its controlled entities (together referred to as the Qantas Group or the Group) and the Qantas Group's interest in investments accounted for under the equity method.

The Consolidated Financial Statements of the Qantas Group for the year ended 30 June 2026 were authorised for issue in accordance with a resolution of the Directors on 27 August 2026.

i. Statement of Compliance

The Consolidated Financial Statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* (Cth). The Consolidated Financial Statements also comply with International Financial Reporting Standards (IFRS) and the International Financial Reporting Interpretations Committee (IFRIC) Interpretations adopted by the International Accounting Standards Board (IASB).

ii. Basis of Preparation

The Consolidated Financial Statements have been prepared on a going concern basis, which assumes the Group will be able to meet its obligations as and when they fall due. The Consolidated Financial Statements are presented in Australian dollars, which is the functional and presentation currency of the Qantas Group, and have been prepared on the basis of historical cost except in accordance with relevant accounting policies where assets and liabilities are stated at their fair values in the following material items in the Consolidated Balance Sheet:

- Investments and derivatives measured at fair value through profit and loss, and investments and derivatives measured at fair value through other comprehensive income are measured at fair value
- Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell
- Net defined benefit asset is measured at the fair value of plan assets less the present value of the defined benefit obligation.

The Group is of a kind referred to in *Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*. In accordance with that Instrument, all financial information presented has been rounded to the nearest million dollars, unless otherwise stated.

(B) COMPARATIVES

Where applicable, comparative balances have been reclassified to align with current year presentation.

During the year ended 30 June 2026, the Group reassessed the classification of expenses related to write-downs of inventories to better reflect the nature of costs as aircraft maintenance expenditure, resulting in a \$10 million reclassification between Aircraft operating variable and Other expenditure in the comparatives for the year ended 30 June 2025. The restatement has no impact on total expenditure or statutory profit for June 2025 comparatives.

During the year ended 30 June 2026, the Group reviewed the presentation of Other assets and Unredeemed Frequent Flyer Revenue received in advance in relation to the Group's Loyalty programs and determined that these are better reflected net within Unredeemed Frequent Flyer Revenue received in advance. Comparatives for the year ended 30 June 2025 have been restated to present these transactions net, resulting in a decrease to Other assets of \$186 million and a decrease to Revenue received in advance of \$186 million. The restatement has no impact on the Group's Net Assets, Net Debt, Invested Capital or Consolidated Income Statement.

During the year ended 30 June 2026, the Group revised the presentation of revenue within the Qantas Loyalty operating segment for external transactions where Qantas Loyalty acts as an agent between customer and supplier. The revenue within the Qantas Loyalty operating segment is now presented net of direct costs when Qantas Loyalty acts as an agent, which is consistent with the treatment in the Consolidated Income Statement. Previously, Qantas Loyalty operating segment presented revenue/expenses as gross, with a presentation adjustment made in Unallocated/Eliminations to reflect the Group treatment. This change only impacts Note 2(A)ii. Analysis by Operating Segment and reflects an internal change in how information is presented to the Qantas Group's Chief Operating Decision-Making (CODM) bodies. Comparatives for the year ended 30 June 2025 have been restated, resulting in External segment revenue and other income decreasing by \$288 million in Qantas Loyalty and increasing by \$288 million in Unallocated/Eliminations. There is no change to Qantas Loyalty or Consolidated Underlying EBIT in the segment disclosures (refer to Note 2(A)ii.) and no impact to the Group's Consolidated Income Statement.

Notes to the Financial Statements continued

For the year ended 30 June 2026

1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(C) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Consolidated Financial Statements requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. It also requires the exercise of judgement in the process of applying the Group's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, as appropriate to the particular circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In preparing this Report, areas of judgements made by Management in the application of Australian Accounting Standards that have a significant effect on the Consolidated Financial Statements and estimates with a significant risk of material adjustment in future periods are included in the following notes:

- Note 23/Note 36(O) – Provisions/Summary of Material Accounting Policies (Provisions)
- Note 30/Note 36(P) – Superannuation/Summary of Material Accounting Policies (Other Employee Benefits)
- Note 34 – Contingent Liabilities and Legal Provisions
- Note 36(D) – Summary of Material Accounting Policies (Revenue Recognition).

Impact of climate change on financial reporting

The Qantas Group recognises that aviation is a hard-to-abate industry and is committed to taking steps, in the air and on the ground, to reduce its impact on the environment and to respond to climate-related risks and opportunities. In 2019, the Group announced its target of achieving net zero emissions by 2050 and, in 2022, set interim targets to:

- reduce net Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 25 per cent (from 2019 levels) by 2030
- procure Sustainable Aviation Fuel (SAF) equivalent to 10 per cent of jet fuel consumption by 2030¹.

The Group's long-term strategy acknowledges the potential impact of climate change and resource constraints on the business. Climate-related risks and opportunities are also addressed in the Qantas Group's Sustainability Report 2026.

Three key pillars support the achievement of the Group's 2030 targets:

- Fleet and operational improvements: Focused on reducing emissions by optimising fuel burn through operational procedures, airspace design and management, aircraft performance and flight planning. The Group is also actively advancing investments in new, more fuel-efficient aircraft (per seat on like-for-like sectors compared to the aircraft they replace) through its fleet renewal program.
- SAF: Pursuing a staged portfolio approach to its strategy to help scale SAF supply and demand. First, investments in SAF development projects and producers to help unlock domestic and global production capacity. Second, securing agreements for the procurement of SAF (including environmental attributes) globally where commercially viable that provide supply certainty for the Group's network. Third, developing customer and partner programs that share the cost of the SAF premium across the value chain, including corporate partnerships and voluntary contributions. Underpinning all three is sustained advocacy for demand and supply-side policies in Australia.
- Carbon markets: Addressing remaining unmitigated emissions using carbon credits that support emissions abatement in other sectors of the economy. This includes credits acquired for compliance obligations under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and the Safeguard Mechanism as well as the Group's 2030 emissions target. The Group has developed a Carbon Market Integrity Framework to help ensure the carbon credits it purchases meet the Group's internal standards for carbon integrity and project quality.

The Group's Financial Plan incorporates estimates of future impacts on the Group of meeting its 2030 emissions targets. These estimates include compliance obligations under CORSIA and the Safeguard Mechanism, the financial impact within cash flow projections of the increased cost of carbon credits and SAF (together with estimated recovery through revenue), capital expenditure to introduce new aircraft, and the deployment of capital through the Qantas Climate Fund into investment opportunities aligned with its mandate.

These have been considered in key estimates in preparing the Consolidated Financial Statements, including:

- the estimates of future cash flows used in impairment assessments of the Group's Cash Generating Units (CGUs)
- the assessment of the useful lives of aircraft identified in the Group fleet plan to be retired as part of the introduction of new aircraft.

¹ Comprises SAF physically delivered into shared fuelling infrastructure at airports used by the Qantas Group (where the physical fuel may be used by Qantas Group or other airlines), and may include SAF environmental attributes secured on a book-and-claim basis (where the physical fuel may be delivered to other airports).

Notes to the Financial Statements continued

For the year ended 30 June 2026

2 OPERATING SEGMENTS AND UNDERLYING PROFIT BEFORE TAX

(A) OPERATING SEGMENTS

The Group's reportable operating segments are:

- **Qantas Domestic:** Consists of Qantas Domestic and QantasLink. Qantas Domestic is a premium full-service airline, which serves all Australian capital cities, large metropolitan areas as well as many regional hubs under the Qantas brand. QantasLink primarily services metropolitan and regional transport destinations.
- **Qantas International:** Consists of Qantas International and Qantas Freight. Qantas International is a premium full-service international airline providing transportation between Australia and New Zealand, Asia, North and South America, Africa and Europe under the Qantas brand. Qantas Freight provides air freight services, markets the freight capacity on Qantas and Jetstar passenger aircraft and operates a freighter network to supplement capacity on key domestic and international routes.
- **Jetstar Group:** Jetstar is the Qantas Group's low-cost airline brand. It is a value-based, low-fares network of airlines operating primarily in leisure market segments. Jetstar consists of Jetstar Domestic, Jetstar International (including New Zealand-based domestic operations), Jetstar Asia and an investment in Jetstar Japan. In June 2025, the Group announced the closure of Jetstar Asia with the final day of operations on 31 July 2025 (refer to Note 2(A)iii.). On 4 August 2026, the Group announced that they had signed a binding agreement with Japan Airlines to facilitate a change in Jetstar Japan's shareholder structure through a share buy-back transaction. This follows the announcement in February 2026 that a non-binding Memorandum of Understanding had been entered into between the parties. Under the agreement, the Group will divest its 33.32 per cent minority shareholding in Jetstar Japan. The transaction remains subject to regulatory approvals with completion expected by June 2027.
- **Qantas Loyalty:** Consists of a portfolio of distinct brands and businesses, focusing on customer loyalty recognition programs to provide members and businesses with diversified earn, redemption and reward options. Qantas Loyalty's diverse revenue streams include Financial Services and Insurance, Hotels and Holidays (including TripADeal), Qantas Marketplace, Qantas Premier and Qantas Wine.
- **Corporate:** Consists of centralised management and governance functions, including various support functions and overhead costs.

i. Underlying EBIT

Underlying EBIT is the primary reporting measure used by the Qantas Group's Chief Operating Decision-Making (CODM) bodies, being the Chief Executive Officer, Group Leadership Team and the Board of Directors, for the purpose of assessing the performance of Qantas Domestic, Qantas International, Jetstar Group, and Qantas Loyalty operating segments. The primary reporting measure of the Corporate segment is Underlying PBT, as net finance costs are managed centrally and are not allocated to the Qantas Domestic, Qantas International, Jetstar Group or Qantas Loyalty operating segments. Underlying EBIT is calculated as Underlying PBT as outlined below (refer to Note 2(B)) but excluding the impact of net finance costs.

Notes to the Financial Statements continued

For the year ended 30 June 2026

2 OPERATING SEGMENTS AND UNDERLYING PROFIT BEFORE TAX (CONTINUED)

(A) OPERATING SEGMENTS (CONTINUED)

ii. Analysis by Operating Segment

2026

\$M	Qantas Domestic	Qantas International	Jetstar Group	Qantas Loyalty	Corporate	Unallocated/ Eliminations ¹	Consolidated
REVENUE AND OTHER INCOME							
External segment revenue and other income	7,489	9,326	5,825	2,857	9	10	25,516
Inter-segment revenue and other income	537	599	197	23	–	(1,356)	–
Total segment revenue and other income	8,026	9,925	6,022	2,880	9	(1,346)	25,516
Operating expenses (excluding fuel)	(5,035)	(5,826)	(3,166)	(2,236)	(282)	1,361	(15,184)
Fuel ²	(1,340)	(2,822)	(1,543)	(2)	(2)	(15)	(5,724)
Share of net profit/(loss) of investments accounted for under the equity method	8	9	(29)	–	–	–	(12)
Underlying EBITDA³	1,659	1,286	1,284	642	(275)	–	4,596
Depreciation and amortisation ⁴	(752)	(915)	(561)	(17)	(3)	–	(2,248)
Impairment ⁵	–	–	–	–	–	–	–
Underlying EBIT	907	371	723	625	(278)	–	2,348
Net finance costs					(284)		(284)
Underlying PBT					(562)		2,064

1 Unallocated/Eliminations represents unallocated businesses of the Qantas Group that are not considered to be reportable segments and consolidation elimination entries. It also includes the impact of discount rate changes on provisions (refer to Note 8), investment spend and fair value movements relating to sustainability investments, the net impact of foreign exchange movements on intercompany balances, and recognition of the Employee Ownership Plan (non-executive) award for financial year 2025/26 expensed in accordance with relevant Accounting Standards.

2 Fuel includes carbon costs. Fuel in Qantas Loyalty segment comprises an allocation of the Group Sustainability carbon costs. Fuel in Corporate segment comprises costs associated with Group carbon compliance schemes. Unallocated/Eliminations includes adjustments driven by increased CORSIA exposure following the International Civil Aviation Organisation's release of a higher-than-expected Sectoral Growth Factor for the 2024 calendar year.

3 Underlying EBITDA represents underlying earnings before income tax expense, depreciation, amortisation, net finance costs and impairment.

4 Depreciation and amortisation excludes \$30 million relating to Items not included in Underlying PBT.

5 Impairment excludes \$6 million relating to Items not included in Underlying PBT.

2025

\$M	Qantas Domestic	Qantas International	Jetstar Group	Qantas Loyalty Restated ⁴	Corporate	Unallocated/ Eliminations ¹ Restated ⁴	Consolidated
REVENUE AND OTHER INCOME							
External segment revenue and other income	7,212	8,591	5,523	2,557	7	(67)	23,823
Inter-segment revenue and other income	403	570	188	18	–	(1,179)	–
Total segment revenue and other income	7,615	9,161	5,711	2,575	7	(1,246)	23,823
Operating expenses (excluding fuel)	(4,721)	(5,395)	(3,022)	(2,000)	(290)	1,200	(14,228)
Fuel ²	(1,230)	(2,330)	(1,436)	(2)	(5)	–	(5,003)
Share of net profit of investments accounted for under the equity method	8	9	29	–	–	–	46
Underlying EBITDA³	1,672	1,445	1,282	573	(288)	(46)	4,638
Depreciation and amortisation	(626)	(852)	(513)	(17)	(4)	–	(2,012)
Reversal of impairment	10	3	–	–	–	–	13
Underlying EBIT	1,056	596	769	556	(292)	(46)	2,639
Net finance costs					(245)		(245)
Underlying PBT					(537)		2,394

1 Unallocated/Eliminations represents unallocated businesses of the Qantas Group that are not considered to be reportable segments and consolidation elimination entries. It also includes the impact of discount rate changes on provisions (refer to Note 8), investment spend and fair value movements relating to sustainability investments and the net impact of foreign exchange movements on intercompany balances. Unallocated/Eliminations also includes the recognition of the Thank You payment announced in October 2024 expensed in accordance with relevant Accounting Standards.

2 Fuel includes carbon costs. Fuel in Qantas Loyalty segment comprises an allocation of the Group Sustainability carbon costs. Fuel in Corporate segment comprises costs associated with Group carbon compliance schemes.

3 Underlying EBITDA represents underlying earnings before income tax expense, depreciation, amortisation, net finance costs and reversal of impairment.

4 Qantas Loyalty segment external segment revenue and expenses have been restated for the year ended 30 June 2025 with no impact to Qantas Loyalty segment or Group Underlying EBIT. Refer to Note 1(B) Comparatives for details.

Notes to the Financial Statements continued

For the year ended 30 June 2026

2 OPERATING SEGMENTS AND UNDERLYING PROFIT BEFORE TAX (CONTINUED)

(A) OPERATING SEGMENTS (CONTINUED)

ii. Analysis by Operating Segment (CONTINUED)

Passenger revenue primarily arises within the Qantas Domestic, Qantas International and Jetstar Group segments. Freight revenue primarily arises within Qantas International, except when belly space is utilised in Qantas Domestic and Jetstar Group.

Marketing revenue and redemption revenue in relation to the issuance and redemption of Qantas Points is recognised within the Qantas Loyalty segment. Marketing revenue on inter-segment Qantas Point issuances is eliminated on consolidation. Redemption revenue arising from Qantas Group flight redemptions is recognised within Net Passenger Revenue on consolidation. The inter-segment arrangements with Qantas Loyalty are designed not to derive a net profit from inter-segment Qantas Point issuances and reward flight redemptions.

iii. Closure of Jetstar Asia

In June 2025, the Group announced a strategic restructure to support the Group's fleet renewal program and strengthen core businesses in Australia and New Zealand. This restructure included the closure of intra-Asia airline Jetstar Asia's operations to progressively redeploy 13 Jetstar Asia Airbus A320 aircraft to Australia and New Zealand.

Jetstar Asia ceased operations during the 2025/26 financial year, with the final day of operations being 31 July 2025. The decision to close Jetstar Asia includes plans to wind down and liquidate Jetstar Asia Airways Pte. Ltd. in Singapore together with certain holding companies. Since ceasing operations in July 2025, these activities have progressed with all aircraft transferred to Australia and all remaining employees exiting Jetstar Asia Airways Pte. Ltd.

During the 2025/26 financial year, Jetstar Asia contributed an \$82 million loss to Statutory Profit before Tax in the Consolidated Income Statement of the Qantas Group. This included \$48 million of closure and restructuring costs as outlined in Note 2(B) (including consequential impacts on other fleet restructuring), \$31 million of trading losses (recognised in Underlying EBIT within the Jetstar Group operating segment) and \$3 million interest expense. The most significant balance sheet items of Jetstar Asia related to aircraft that have been transferred to Australia and remain within the Qantas Group.

As at 30 June 2026, the Group is carrying a Foreign Currency Translation Reserve loss of \$57 million, relating to the Jetstar Asia business, within Reserves on the Consolidated Balance Sheet. This amount will continue to change based on foreign exchange movements until the Jetstar Asia entities are wound up, liquidated and/or deconsolidated, at which point these losses will be recognised within the Consolidated Income Statement.

The impact to other individual line items of the Consolidated Income Statement, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity and Consolidated Cash Flow statement are not material to the Qantas Group.

(B) UNDERLYING PROFIT BEFORE TAX (UNDERLYING PBT) AND RECONCILIATION TO STATUTORY PROFIT BEFORE TAX

Underlying PBT is a non-statutory measure and is the primary reporting measure used by the CODM bodies for the purpose of assessing the performance of the Group. The objective of measuring and reporting Underlying PBT is to provide a meaningful and consistent representation of the underlying performance of each operating segment and the Qantas Group.

Items that are identified by Management and reported to the CODM bodies as not representing the underlying performance of the business are not included in Underlying PBT. The determination of these items is made after consideration of their nature and materiality and is applied consistently from period to period.

Items not included in Underlying PBT primarily result from revenues or expenses outside the ordinary course of business. These may relate to business activities in other reporting periods, major transformational/restructuring initiatives, transactions involving investments, gains/losses on sale and/or impairments of assets and other transactions.

Notes to the Financial Statements continued

For the year ended 30 June 2026

2 OPERATING SEGMENTS AND UNDERLYING PROFIT BEFORE TAX (CONTINUED)

(B) UNDERLYING PROFIT BEFORE TAX (UNDERLYING PBT) AND RECONCILIATION TO STATUTORY PROFIT BEFORE TAX (CONTINUED)

RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX	Note	2026 \$M	2025 \$M
Underlying PBT		2,064	2,394
<i>Items not included in Underlying PBT</i>			
- Closure of Jetstar Asia and related costs	2(A)iii.	(48)	(39)
- Employee Ownership Plan (non-executive) financial year 2024/25 award		(26)	-
- Cyber incident	34(A)	(15)	-
- Organisational restructure costs		(33)	-
- Legal provisions and related costs	34	(114)	(93)
Total items not included in Underlying PBT		(236)	(132)
Statutory Profit Before Income Tax Expense		1,828	2,262

In the 2025/26 financial year, items outside of Underlying PBT included:

Item outside of Underlying PBT	Description
Closure of Jetstar Asia and related costs	(\$48) million for the strategic restructure of Jetstar Asia and its related costs, including incremental accelerated depreciation of (\$30) million and impairment of (\$6) million due to Jetstar Asia fleet redeployment resulting in earlier retirement of F100 aircraft and the disposal of two Jetstar A320-200 aircraft, and (\$12) million relating to fleet transfer and other costs.
Employee Ownership Plan (non-executive) financial year 2024/25 award	(\$26) million for the financial year 2024/25 Employee Ownership Plan announced in August 2025 and awarded to non-executive employees in September 2025. The 2025/26 Employee Ownership Plan has been recognised in Underlying PBT in the 2025/26 financial year.
Cyber incident	(\$15) million for the costs of managing and responding to the recent cyber incident.
Organisational restructure costs	(\$33) million for redundancies arising from organisational restructure changes during the 2025/26 financial year.
Legal provisions and related costs	(\$114) million for the Qantas Flight Credits Class Action, comprising a (\$105) million legal provision and (\$9) million of related costs, recognised in Other Expenditure.

In the 2024/25 financial year, items outside of Underlying PBT included:

Item outside of Underlying PBT	Description
Closure of Jetstar Asia and related costs	(\$39) million for the announced strategic restructure of Jetstar Asia and its related costs, including Redundancy and related costs of (\$31) million and Other expenditure of (\$8) million.
Legal provisions and related costs	(\$93) million of legal provisions and related costs, comprising (\$85) million in additional legal provisions recognised in Other expenditure and (\$8) million of legal and related costs associated with ongoing legal matters. The Group reached a compensation agreement in December 2024 and a pecuniary penalties decision was handed down in August 2025 in relation to the ground handling outsourcing Federal Court case.

Notes to the Financial Statements continued

For the year ended 30 June 2026

3 EARNINGS PER SHARE

	2026 \$M	2025 \$M
Statutory profit attributable to members of Qantas	1,289	1,605
NUMBER OF SHARES		
	2026 Number M	2025 Number M
Issued shares as at 1 July	1,513	1,568
Shares bought back	–	(55)
Issued shares as at 30 June	1,513	1,513
Weighted average number of shares for the year	1,513	1,530
Effect of unallocated treasury shares	(3)	(4)
Weighted average number of shares used in statutory EPS	1,510	1,526
Effect of dilutive potential ordinary shares	16	18
Weighted average number of shares used in diluted EPS	1,526	1,544
Statutory Earnings Per Share		
	2026 cents	2025 cents
Statutory Earnings Per Share	85.4	105.2
Diluted Earnings Per Share	84.5	104.0

4 REVENUE AND OTHER INCOME

(A) REVENUE AND OTHER INCOME BY GEOGRAPHIC AREA

	2026 \$M	2025 \$M
Net passenger and freight revenue		
Australia	17,472	16,208
Overseas	5,756	5,501
Total net passenger and freight revenue	23,228	21,709
Other revenue and income	2,288	2,114
Total revenue and other income	25,516	23,823

Net passenger and freight revenue is attributed to a geographic region based on the point of sale, or where not directly available, on a pro-rata basis. Other revenue and income is not allocated to a geographic region as it is impractical to do so.

(B) OTHER REVENUE AND INCOME

	2026 \$M	2025 \$M
Frequent Flyer marketing revenue and other Qantas Loyalty businesses	1,524	1,293
Qantas Marketplace and other redemption revenue ¹	141	103
Third-party services revenue	296	304
Other revenue and income	327	414
Total other revenue and income	2,288	2,114

¹ Qantas Marketplace and other redemption revenue excludes redemptions on Qantas Group flights, which are reported as net passenger revenue in the Consolidated Income Statement.

Notes to the Financial Statements continued

For the year ended 30 June 2026

5 AIRCRAFT OPERATING VARIABLE

	2026 \$M	2025 Restated ¹ \$M
Aviation and landing charges	2,802	2,636
Passenger, handling and other aircraft operations	2,249	2,104
Maintenance	1,064	915
Total aircraft operating variable	6,115	5,655

¹ Comparatives for the year ended 30 June 2025 have been restated due to a reclassification of \$10 million between Aircraft operating variable and Other expenditure. Refer to Note 1(B) Comparatives for details.

6 DEPRECIATION AND AMORTISATION

	Notes	2026 \$M	2025 \$M
Property, plant and equipment	16	1,906	1,626
Right of use assets	17(A)	337	346
Intangible assets	18	35	40
Total depreciation and amortisation		2,278	2,012

7 NET GAIN ON DISPOSAL OF ASSETS

	2026 \$M	2025 \$M
Net (gain) on disposal of property, plant and equipment, including assets held for sale	(38)	(46)
Net (gain)/loss on disposal of inventory	(3)	1
Total net gain on disposal of assets	(41)	(45)

8 OTHER EXPENDITURE

	2026 \$M	2025 Restated ¹ \$M
Technology and digital	780	753
Commissions and other selling costs	715	622
Capacity hire (excluding lease components)	557	620
Hotel, holiday and tour-related costs	458	417
Marketing and advertising	217	220
Property occupancy and utility expenses	170	162
Legal settlement provisions and related costs	114	93
Redundancy and related costs	38	52
Discretionary bonuses to non-executive employees	39	29
Impact of discount rate changes on provisions (gains)/losses	(47)	28
Impairment of assets and related costs/(reversal of impairment)	6	(13)
Other	624	526
Total other expenditure	3,671	3,509

¹ Comparatives for the year ended 30 June 2025 have been restated due to a reclassification of \$10 million between Aircraft operating variable and Other expenditure. Refer to Note 1(B) Comparatives for details.

Notes to the Financial Statements continued

For the year ended 30 June 2026

9 NET FINANCE COSTS

	Notes	2026 \$M	2025 \$M
FINANCE INCOME			
Interest income on financial assets measured at amortised cost		104	107
Unwind of discount on other assets and receivables		2	2
Total finance income		106	109
FINANCE COSTS			
Interest expense on financial liabilities measured at amortised cost		(361)	(313)
Interest expense on lease liabilities	17(C)	(92)	(92)
Interest paid and capitalised on qualifying assets ¹	16	122	113
Total finance costs on financial liabilities		(331)	(292)
Unwind of discount on provisions and other liabilities			
Employee benefits provisions		(33)	(33)
Other liabilities and provisions		(26)	(29)
Total unwind of discount on provisions and other liabilities		(59)	(62)
Total finance costs		(390)	(354)
Net finance costs		(284)	(245)

1 The borrowing costs are capitalised using a 5.3 per cent interest rate (2025: 5.5 per cent).

10 INCOME TAX

(A) INCOME TAX RECOGNISED IN THE CONSOLIDATED INCOME STATEMENT

	2026 \$M	2025 \$M
Current income tax expense		
Current income tax – Australia	(392)	(562)
Current income tax – foreign	–	–
Adjustments for the prior year	3	3
Total current income tax expense	(389)	(559)
Deferred income tax expense		
Origination and reversal of temporary differences	(140)	(96)
Net utilisation of tax losses	–	(12)
Current year deferred income tax expense	(140)	(108)
Benefit of tax offsets	(4)	(4)
Adjustments for the prior year	(6)	14
Total deferred income tax expense	(150)	(98)
Total income tax expense in the Consolidated Income Statement	(539)	(657)

(B) RECONCILIATION BETWEEN INCOME TAX EXPENSE AND STATUTORY PROFIT BEFORE INCOME TAX

	2026 \$M	2025 \$M
Statutory profit before income tax expense	1,828	2,262
Income tax expense using the domestic corporate tax rate of 30 per cent	(548)	(679)
Adjusted for:		
Differences in income from investments accounted for under the equity method	(6)	12
Losses not recognised for controlled entities	(9)	(27)
Recognition of previously unrecognised tax losses for branches and controlled entities	–	9
Other net non-assessable/deductible items	21	25
Adjustments for the prior year	3	3
Income tax expense	(539)	(657)

Notes to the Financial Statements continued

For the year ended 30 June 2026

10 INCOME TAX (CONTINUED)

(C) INCOME TAX BENEFIT/(EXPENSE) RECOGNISED DIRECTLY IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2026 \$M	2025 \$M
Income tax on:		
Cash flow hedges	(67)	55
Defined benefit actuarial (gains)/losses	(3)	12
Fair value losses on investments	–	4
Income tax (expense)/benefit recognised directly in the Consolidated Statement of Comprehensive Income	(70)	71

(D) RECONCILIATION OF INCOME TAX EXPENSE TO INCOME TAX (PAYABLE)/RECEIVABLE

	2026 \$M	2025 \$M
Income tax expense	(539)	(657)
Adjusted for temporary differences:		
Receivables	21	11
Inventories	(59)	–
Property, plant and equipment and intangible assets	226	143
Right of use assets	32	(10)
Other assets	216	–
Payables	(26)	(2)
Revenue received in advance	(138)	(70)
Interest-bearing liabilities	6	(3)
Lease liabilities	(59)	(2)
Other financial assets/(liabilities)	(6)	8
Provisions	27	(25)
Other items	(100)	46
Temporary differences	140	96
Benefit of tax offsets	4	4
Adjustments for the prior year	6	(14)
Tax on taxable income before utilisation of tax losses	(389)	(571)
Tax losses utilised against current taxable income	–	21
Tax losses recognised through the Consolidated Income Statement	–	(9)
Tax on taxable income after utilisation of tax losses	(389)	(559)
Refund due for prior years	4	–
Tax instalments paid	383	313
Income tax payable	(2)	(246)

(E) PILLAR TWO MINIMUM EFFECTIVE TAX RATE REFORM

The Organisation for Economic Cooperation and Development (OECD) introduced Global Anti-Base Erosion (GloBE) Rules and released technical guidance for a new global minimum tax framework (Pillar Two). Pillar Two operates to ensure that multinational enterprises with a consolidated worldwide annual turnover exceeding €750 million are subject to a minimum 15 per cent effective tax rate. For the Qantas Group, the impact of Article 8 within Australia's Double Tax Treaties results in almost all of the Group's profits being taxed in Australia where the corporate tax rate is 30 per cent.

In several of the countries in which the Qantas Group operates, including Australia, legislation on Pillar Two has been enacted and the Qantas Group is subject to Pillar Two from 1 July 2024. Under the legislation, the Qantas Group would be required to pay an additional top-up tax payment for any difference between its GloBE effective tax rate in each jurisdiction and the minimum rate of 15 per cent. To provide transitional relief for Pillar Two tax compliance and the administrative burden, the OECD has also introduced a framework for transitional safe harbours applicable to financial years 2024/25 to 2026/27. This framework consists of simplified tests against Pillar Two rules, calculated by jurisdiction at the end of each financial year.

Notes to the Financial Statements continued

For the year ended 30 June 2026

10 INCOME TAX (CONTINUED)

(E) PILLAR TWO MINIMUM EFFECTIVE TAX RATE REFORM (CONTINUED)

The Qantas Group has assessed that the transitional safe harbour framework can apply in almost all the jurisdictions in which it operates, including Australia. Where the transitional safe harbour framework does not apply, the relevant GloBE calculation has been prepared in accordance with the law in force and the currently available OECD guidance (the OECD Inclusive Framework on Pillar Two has yet to provide guidance on how the Substance-Based Income Exclusion (SBIE) rules will apply to aircraft and flight crew). The Qantas Group has not identified any material top-up tax payment obligations in financial year 2025/26 and no additional tax expense has been recognised for the financial year ended 30 June 2026.

As it is difficult to assess whether Pillar Two will give rise to additional temporary differences, whether deferred tax assets and liabilities need to be remeasured and which tax rate should be applied when calculating deferred tax, the AASB issued an amendment AASB 2023-2 *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules* in June 2023. This mandatory amendment provides a temporary exemption from deferred tax accounting related to Pillar Two and has been applied for the year ended 30 June 2026.

11 DIVIDENDS AND OTHER SHAREHOLDER DISTRIBUTIONS

(A) DIVIDENDS DECLARED AND PAID

During the year ended 30 June 2026, the Group paid the 2025 final dividend comprising of a base dividend of \$250 million, distributed as a fully franked final dividend of 16.5 cents per share, and an additional distribution of \$150 million, distributed as a fully franked special dividend of 9.9 cents per share. The dividends were paid on 15 October 2025.

The Group also paid the 2026 interim dividend comprising of a base dividend of \$300 million, distributed as a fully franked interim dividend of 19.8 cents per share. The dividend was paid on 15 April 2026.

In August 2026, the Board has resolved to approve the 2026 final dividend comprising of a base dividend of \$300 million, distributed as a fully franked final dividend of 19.8 cents per share. The record date for determining entitlements to the dividends is 16 September 2026. The dividends will be paid on 14 October 2026.

(B) SHARE BUY-BACKS

In February 2026, the Group announced an on-market share buy-back of up to \$150 million. The buy-back did not commence during the year ended 30 June 2026. On 27 August 2026, the Group announced the decision not to proceed with the buy-back. Accordingly, there were no on-market share buy-backs completed by the Group during the year ended 30 June 2026.

(C) FRANKING ACCOUNT

	2026	2025
	\$M	\$M
Actual franking account balance as at 30 June	491	152
Australian income tax payable	2	246
Total franking account balance at 30 per cent	493	398

The distribution of franking credits is dependent upon the ability to announce and pay dividends.

Notes to the Financial Statements continued

For the year ended 30 June 2026

12 RECEIVABLES

	2026 \$M			2025 \$M		
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables	1,144	–	1,144	1,099	–	1,099
Less: provision for expected credit losses	(4)	–	(4)	(5)	–	(5)
Total trade receivables	1,140	–	1,140	1,094	–	1,094
Sundry receivables	101	–	101	111	–	111
Total receivables	1,241	–	1,241	1,205	–	1,205

	2026 \$M	2025 \$M
The ageing of trade receivables, net of provision for expected credit losses at 30 June was ¹ :		
Not past due	937	944
Past due 1-30 days	181	116
Past due 31-120 days	19	18
Past due 121 days or more	3	16
Total trade receivables	1,140	1,094

¹ The Group assesses at each reporting date whether the carrying value of financial assets is impaired. Where necessary, a provision for expected credit losses (ECL) is recognised, depending on whether there has been a significant increase in credit risk, including risk of default occurring since initial recognition. Refer to Note 36(G) for the Group's accounting policy.

13 INVENTORIES

	2026 \$M	2025 \$M
Engineering expendables	404	347
Consumables stores	51	49
Other inventories	26	9
Total inventories	481	405

14 ASSETS CLASSIFIED AS HELD FOR SALE

2026 \$M	Opening Net Book Value	Transferred from Property, Plant and Equipment	Disposals	Impairment	Closing Net Book Value
Aircraft and engines	39	39	(72)	(6)	–
Total assets classified as held for sale	39	39	(72)	(6)	–

2025 \$M	Opening Net Book Value	Transferred from Property, Plant and Equipment	Disposals	Reversal of Impairment	Closing Net Book Value
Aircraft and engines	45	41	(49)	2	39
Total assets classified as held for sale	45	41	(49)	2	39

The balance as at 30 June 2025 related to aircraft and related assets being retired as part of the fleet renewal program. The fair value measurement for property, plant and equipment classified as held for sale has been categorised under the fair value hierarchy as Level 2. Refer to Note 36(C) for a definition of the fair value hierarchy.

Notes to the Financial Statements continued

For the year ended 30 June 2026

15 INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

Ownership interest in investments accounted for under the equity method¹

	June 2026 %	June 2025 %
Capacity Optimisation Group Pty Ltd (formerly Airport Co-Ordination Australia Pty Ltd) ²	–	41
Fiji Resorts Pte Limited	21	21
Hallmark Aviation Services L.P.	49	49
HT&T Travel Philippines, Inc.	28	28
Holiday Tours and Travel (Thailand) Ltd.	37	37
Holiday Tours and Travel (GSA) Ltd.	37	37
Jetstar Japan Co. Ltd. ³	33	33
PT Holiday Tours & Travel	37	37

¹ Based on voting rights.² The Qantas Group's interest in Capacity Optimisation Group Pty Ltd was disposed of on 8 August 2025.³ On 4 August 2026, the Group announced a binding agreement with Japan Airlines to facilitate the divestment of the Qantas shareholding in Jetstar Japan to a new Japanese capital-led ownership structure with completion expected by June 2027 (refer to Note 35).

	Notes	2026 \$M	2025 \$M
Balance as at 1 July		45	39
Share of net (loss)/profit		(12)	46
Share of reserves		24	(16)
Other movements		(20)	13
Transfer from receivables		9	–
Dividends received		(11)	(12)
Loan repayments		–	(2)
Transfer to provisions	23	12	(23)
Balance as at 30 June		47	45

Notes to the Financial Statements continued

For the year ended 30 June 2026

16 PROPERTY, PLANT AND EQUIPMENT

	2026 \$M			2025 \$M		
	At Cost	Accumulated Depreciation and Impairment	Net Book Value	At Cost	Accumulated Depreciation and Impairment	Net Book Value
Freehold land	9	–	9	9	–	9
Buildings	230	(195)	35	230	(193)	37
Leasehold improvements	1,116	(718)	398	957	(719)	238
Plant and equipment	1,384	(748)	636	1,309	(754)	555
Aircraft and engines	29,587	(16,287)	13,300	26,802	(15,302)	11,500
Aircraft spare parts	1,473	(658)	815	1,363	(644)	719
Aircraft deposits	2,916	–	2,916	2,822	–	2,822
Total property, plant and equipment	36,715	(18,606)	18,109	33,492	(17,612)	15,880

2026 \$M	Opening Net Book Value	Cash Additions ¹	Disposals	Transfers ²	Transferred to Assets Classified as Held for Sale	Depreciation	Impairment	Other ³	Closing Net Book Value
Freehold land	9	–	–	–	–	–	–	–	9
Buildings	37	–	–	–	–	(2)	–	–	35
Leasehold improvements	238	187	–	7	–	(32)	–	(2)	398
Plant and equipment	555	162	(3)	(11)	–	(72)	–	5	636
Aircraft and engines	11,500	1,518	(13)	1,883	(39)	(1,686)	–	137	13,300
Aircraft spare parts	719	220	–	(10)	–	(114)	–	–	815
Aircraft deposits	2,822	2,007	–	(1,878)	–	–	–	(35)	2,916
Total property, plant and equipment	15,880	4,094	(16)	(9)	(39)	(1,906)	–	105	18,109

2025 \$M	Opening Net Book Value	Cash Additions ¹	Disposals	Transfers ²	Transferred to Assets Classified as Held for Sale	Depreciation	Impairment	Other ³	Closing Net Book Value
Freehold land	9	–	–	–	–	–	–	–	9
Buildings	39	–	–	2	–	(3)	–	(1)	37
Leasehold improvements	143	128	–	(2)	–	(28)	–	(3)	238
Plant and equipment	397	209	–	3	–	(60)	–	6	555
Aircraft and engines	9,874	1,333	(19)	1,700	(41)	(1,399)	–	52	11,500
Aircraft spare parts	659	209	–	(9)	–	(136)	–	(4)	719
Aircraft deposits	2,437	2,039	–	(1,646)	–	–	–	(8)	2,822
Total property, plant and equipment	13,558	3,918	(19)	48	(41)	(1,626)	–	42	15,880

1 Cash additions includes capitalised interest of \$122 million (2025: \$113 million).

2 Transfers includes transfers between categories of property, plant and equipment, and transfers from/(to) other balance sheet accounts, and transfers of leased aircraft from right of use assets following the completion of lease buyouts.

3 Other includes non-cash movements and movements in accrued payments for property, plant and equipment (2026: \$143 million, 2025: \$46 million).

(A) AIRCRAFT BY GEOGRAPHIC AREA

As at 30 June 2026, aircraft supporting the Group's global operations are primarily located in Australia, other than nine A320 New Zealand-based aircraft to support Jetstar New Zealand's domestic and trans-Tasman markets. In addition, there were two E190 aircraft in the United Kingdom and two Q400 in Canada, which the Group owns due to undergo pre-entry into service maintenance.

Notes to the Financial Statements continued

For the year ended 30 June 2026

16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(B) SECURED ASSETS

Certain aircraft and engines act as security against related financing facilities. Under the terms of certain financing facilities entered into by the Qantas Group, the underwriters of these agreements have a fixed charge over certain aircraft and engines to the extent that debt has been issued directly to those underwriters. The total carrying amount of assets under pledge is \$5,419 million (2025: \$4,548 million).

(C) CAPITAL EXPENDITURE COMMITMENTS

The Group's capital expenditure commitments as at 30 June 2026 are \$20,551 million (2025: \$21,712 million). The Group has certain rights within its aircraft purchase contracts that can defer the capital expenditure commitments.

The Group's capital expenditure commitments are predominantly denominated in US dollars. Commitments reported above are translated to the Group's Australian dollar presentational currency at the 30 June 2026 closing exchange rate of \$0.70 (2025: \$0.65).

17 LEASES

(A) RIGHT OF USE ASSETS

	2026 \$M			2025 \$M		
	At Cost	Accumulated Depreciation and Impairment	Net Book Value	At Cost	Accumulated Depreciation and Impairment	Net Book Value
Aircraft	1,304	(854)	450	1,267	(794)	473
Property	2,625	(1,706)	919	2,274	(1,539)	735
Other	357	(283)	74	348	(276)	72
Total right of use assets	4,286	(2,843)	1,443	3,889	(2,609)	1,280

2026 \$M	Opening Net Book Value	Additions/ Modifications/ Remeasurements	Transfers ¹	Depreciation	Other ²	Closing Net Book Value
Aircraft	473	127	(33)	(116)	(1)	450
Property	735	383	–	(196)	(3)	919
Other	72	29	(2)	(25)	–	74
Total right of use assets	1,280	539	(35)	(337)	(4)	1,443

2025 \$M	Opening Net Book Value	Additions/ Modifications/ Remeasurements	Transfers ¹	Depreciation	Other ²	Closing Net Book Value
Aircraft	439	143	(6)	(112)	9	473
Property	815	127	–	(210)	3	735
Other	61	38	(3)	(24)	–	72
Total right of use assets	1,315	308	(9)	(346)	12	1,280

1 Transfers includes transfers of leases to lease receivables where the Group is a sub-lessor (2026: (\$35) million, 2025: (\$9) million) and transfers of aircraft to property, plant and equipment relating to completed aircraft lease buyouts during the year (2026: nil, 2025: nil).

2 Other movements include foreign exchange movements and changes in the measurement of certain make-good provisions.

(B) LEASE RECEIVABLES

	2026 \$M			2025 \$M		
	Current	Non-current	Total	Current	Non-current	Total
Lease receivable ¹	17	120	137	14	42	56
Total	17	120	137	14	42	56

1 The Group has subleased property and aircraft and classified the subleases as finance leases. The subleased portion of the right of use asset was derecognised and the Group recognised a finance lease receivable (net investment in the finance lease). The interest income recognised on the net investment in the finance lease was \$2 million (2025: \$1 million).

Notes to the Financial Statements continued

For the year ended 30 June 2026

17 LEASES (CONTINUED)**(C) LEASE LIABILITIES**

	2026 \$M			2025 \$M		
	Current	Non-current	Total	Current	Non-current	Total
Aircraft	129	351	480	119	363	482
Property	246	935	1,181	246	744	990
Other	26	54	80	31	53	84
Total lease liabilities¹	401	1,340	1,741	396	1,160	1,556

1 In addition to the lease liabilities recognised above, committed undiscounted lease payments for non-cancellable lease contracts that have not commenced as at 30 June 2026 are \$26 million (2025: \$53 million). The discounted amounts will be recognised in lease liabilities and right of use assets when the lease commences.

2026 \$M	Opening Balance	Additions/ Modifications/ Remeasurements ¹	Principal Repayments	Interest Repayments	Interest	Foreign Exchange Movements	Other ²	Closing Balance
Aircraft	482	127	(104)	(25)	25	(25)	–	480
Property	990	383	(184)	(57)	61	(12)	–	1,181
Other	84	29	(31)	(6)	6	(2)	–	80
Total lease liabilities	1,556	539	(319)	(88)	92	(39)	–	1,741

2025 \$M	Opening Balance	Additions/ Modifications/ Remeasurements	Principal Repayments	Interest Repayments	Interest	Foreign Exchange Movements	Other ²	Closing Balance
Aircraft	435	143	(106)	(25)	25	10	–	482
Property	1,043	127	(184)	(62)	62	4	–	990
Other	78	38	(31)	(5)	5	2	(3)	84
Total lease liabilities	1,556	308	(321)	(92)	92	16	(3)	1,556

1 During the 2025/26 financial year, the Group recognised a lease modification relating to an agreement to buy out a leased aircraft. This resulted in a lease liability modification of \$24 million, with payment for the buyout to be made in December 2026. There were no such lease modifications relating to buyouts of leased aircraft during the 2024/25 financial year.

2 Other movements include modifications to subleases that had resulted in a decrease to both lease liabilities and finance lease receivables in 2024/25 financial year. There were no such movements during the 2025/26 financial year.

(D) RECOGNISED WITHIN OTHER EXPENSES IN THE CONSOLIDATED INCOME STATEMENT

	2026 \$M	2025 \$M
Lease expense for short-term or low-value leases ¹	47	31
Variable lease expenses not included in lease liabilities ²	17	32

1 Includes short-term engine leases, recognised in aircraft operating variable expense.

2 Recognised in other expenditure — capacity hire.

18 INTANGIBLE ASSETS

	2026 \$M			2025 \$M		
	At Cost	Accumulated Amortisation and Impairment	Net Book Value	At Cost	Accumulated Amortisation and Impairment	Net Book Value
Goodwill	270	–	270	270	–	270
Airport landing slots	35	–	35	35	–	35
Brand names and trademarks	32	–	32	32	–	32
Non-amortising intangible assets	337	–	337	337	–	337
Software ¹	689	(618)	71	1,212	(1,112)	100
Customer contracts/relationships	19	(10)	9	19	(9)	10
Contract intangible assets	171	(25)	146	171	(20)	151
Amortising intangible assets	879	(653)	226	1,402	(1,141)	261
Total intangible assets	1,216	(653)	563	1,739	(1,141)	598

1 Decrease in cost and accumulated amortisation is due to disposal of fully amortised intangible assets that are no longer in use, net of amortisation.

Notes to the Financial Statements continued

For the year ended 30 June 2026

18 INTANGIBLE ASSETS (CONTINUED)

2026

\$M	Opening Net Book Value	Cash Additions	Amortisation	Closing Net Book Value
Goodwill	270	–	–	270
Airport landing slots	35	–	–	35
Brand names and trademarks	32	–	–	32
Non-amortising intangible assets	337	–	–	337
Software	100	–	(29)	71
Customer contracts/relationships	10	–	(1)	9
Contract intangible assets	151	–	(5)	146
Amortising intangible assets	261	–	(35)	226
Total intangible assets	598	–	(35)	563

2025

\$M	Opening Net Book Value	Cash Additions	Amortisation	Closing Net Book Value
Goodwill	270	–	–	270
Airport landing slots	35	–	–	35
Brand names and trademarks	32	–	–	32
Non-amortising intangible assets	337	–	–	337
Software	134	–	(34)	100
Customer contracts/relationships	12	–	(2)	10
Contract intangible assets	155	–	(4)	151
Amortising intangible assets	301	–	(40)	261
Total intangible assets	638	–	(40)	598

19 DEFERRED TAX LIABILITIES

	2026 \$M	2025 \$M
Deferred tax liabilities	(446)	(234)

(A) RECONCILIATION OF DEFERRED TAX LIABILITIES

2026 \$M	Opening Balance	Recognised in the Consolidated Income Statement	Recognised in Other Comprehensive Income	Other	Closing Balance
Receivables	(13)	(21)	–	–	(34)
Inventories	(15)	59	–	–	44
Property, plant and equipment and intangible assets	(1,650)	(226)	–	–	(1,876)
Right of use assets	(400)	(32)	–	–	(432)
Other assets	–	(216)	(3)	–	(219)
Payables	12	26	–	–	38
Revenue received in advance	1,085	138	–	–	1,223
Interest-bearing liabilities	(137)	(6)	(2)	–	(145)
Lease liabilities	475	59	(11)	–	523
Other financial assets/(liabilities)	(60)	6	(54)	–	(108)
Provisions	536	(27)	–	–	509
Other items	(87)	100	–	(2) ¹	11
Tax value of recognised tax losses	20	–	–	–	20
Total deferred tax (liabilities)	(234)	(140)	(70)	(2)	(446)

¹ An increase in deferred tax liability of \$2 million relating to share-based payments recognised in retained earnings.

Notes to the Financial Statements continued

For the year ended 30 June 2026

19 DEFERRED TAX LIABILITIES (CONTINUED)

(A) RECONCILIATION OF DEFERRED TAX LIABILITIES (CONTINUED)

2025 \$M	Opening Balance	Recognised in the Consolidated Income Statement	Recognised in Other Comprehensive Income	Other	Closing Balance
Receivables	(2)	(11)	–	–	(13)
Inventories	(15)	–	–	–	(15)
Property, plant and equipment and intangible assets	(1,507)	(143)	–	–	(1,650)
Right of use assets	(410)	10	–	–	(400)
Payables	10	2	–	–	12
Revenue received in advance	1,015	70	–	–	1,085
Interest-bearing liabilities	(140)	3	–	–	(137)
Lease liabilities	473	2	–	–	475
Other financial assets/(liabilities)	(111)	(8)	59	–	(60)
Provisions	511	25	–	–	536
Other items	(55)	(46)	12	2 ¹	(87)
Tax value of recognised tax losses	32	(12)	–	–	20
Total deferred tax (liabilities)	(199)	(108)	71	2	(234)

1 A decrease in deferred tax liability of \$2 million relating to share-based payments recognised in retained earnings.

(B) QANTAS GROUP CARRIED FORWARD TAX LOSSES

	2026 \$M	2025 \$M
Total tax losses brought forward as at 1 July	(20)	(32)
Tax losses utilised against current taxable income ¹	–	21
Tax losses recognised through the Consolidated Income Statement ²	–	(9)
Tax losses carried forward to be utilised in future periods³	(20)	(20)

1 Less than \$1 million of New Zealand tax losses were utilised against current taxable income (30 June 2025: \$10 million Australian tax losses and \$11 million New Zealand tax losses).

2 All New Zealand tax losses were recognised in financial year 2024/25 such that no further tax losses were recognised in financial year 2025/26 (30 June 2025: \$9 million).

3 The deferred tax asset of \$20 million as at 30 June 2026 comprises New Zealand tax losses only (30 June 2025: \$20 million). There are no Australian tax losses remaining.

(C) UNRECOGNISED DEFERRED TAX ASSETS

Deferred tax assets have not been recognised with respect to the following items:

	2026 \$M	2025 \$M
Tax losses – Singapore ¹	30	62
Tax losses – Hong Kong	19	22
Tax losses – Capital losses ¹	75	–
Total unrecognised deferred tax assets	124	84

1 The closure of Jetstar Asia Airways Pte. Ltd. resulted in the forgiveness of intercompany payables and debts owed to the Qantas Group utilising unbooked Singaporean carried-forward income tax losses. In addition, the forgiveness gave rise to Australian capital gains tax losses. These carried-forward capital gains tax losses have not been booked due to uncertainty over the recoverability of these losses.

20 OTHER ASSETS

		2026 \$M			2025 Restated ¹ \$M		
	Note	Current	Non-current	Total	Current	Non-current	Total
Prepayments		317	207	524	370	103	473
Net defined benefit asset	30(B)	–	322	322	–	302	302
Other assets		69	312	381	65	278	343
Total		386	841	1,227	435	683	1,118

1 Comparatives for the year ended 30 June 2025 have been restated due to a reclassification of \$186 million from Other assets to Unredeemed Frequent Flyer Revenue received in advance. Refer to Note 1(B) Comparatives for details.

Notes to the Financial Statements continued

For the year ended 30 June 2026

21 REVENUE RECEIVED IN ADVANCE

	2026 \$M			2025 Restated ¹ \$M		
	Current	Non-current	Total	Current	Non-current	Total
Unavailed passenger revenue	4,886	–	4,886	4,729	–	4,729
Unredeemed Frequent Flyer revenue	1,875	1,690	3,565	1,881	1,489	3,370
Other revenue received in advance	534	100	634	515	129	644
Total revenue received in advance	7,295	1,790	9,085	7,125	1,618	8,743

¹ Comparatives for the year ended 30 June 2025 have been restated due to a reclassification of \$186 million from Other assets to Unredeemed Frequent Flyer Revenue received in advance. Refer to Note 1(B) Comparatives for details.

22 NET ON BALANCE SHEET DEBT

(A) CASH AND CASH EQUIVALENTS

	2026 \$M	2025 \$M
Cash and cash at call balances	1,010	1,061
Short-term money market securities and term deposits	2,264	1,152
Total cash and cash equivalents	3,274	2,213

Cash and cash equivalents comprise cash balances, cash at call, short-term money market securities and term deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Short-term money market securities of \$295 million (2025: \$393 million) held by the Qantas Group are pledged as collateral under the terms of certain operational financing facilities when underlying unsecured limits are exceeded. The collateral cannot be sold or repledged in the absence of default by the Qantas Group.

(B) INTEREST-BEARING LIABILITIES

	2026 \$M			2025 \$M		
	Current	Non-current	Total	Current	Non-current	Total
Bank loans – secured	178	2,266	2,444	218	1,267	1,485
Bank loans – unsecured	–	1,594	1,594	–	760	760
Other loans – secured	32	1,907	1,939	29	1,959	1,988
Other loans – unsecured	294	2,340	2,634	–	2,167	2,167
Total interest-bearing liabilities	504	8,107	8,611	247	6,153	6,400

Certain current and non-current interest-bearing liabilities relate to specific financing of aircraft and engines and are secured by the aircraft to which they relate (refer to Note 16(B)).

(C) UNDRAWN FACILITIES

As at 30 June 2026, the Group has committed undrawn facilities of \$2,074 million (2025: \$1,360 million), including a \$1,200 million undrawn revolving credit facility and an \$874 million committed unsecured term loan available for drawdown until March 2027.

(D) ANALYSIS OF CHANGES IN NET ON BALANCE SHEET DEBT

2026 \$M	Opening Balance	Debt Repayment	Debt Drawdown	Foreign Exchange, Mark-to-Market and Non-Cash Movements	Share Buy- Backs	Dividends Paid	Treasury Share Purchases	Other Net Cash Movement	Closing Balance
Interest-bearing liabilities	6,400	(768)	3,024	(45)	–	–	–	–	8,611
Fair value of hedges related to debt	(22)	–	–	47	–	–	–	–	25
Cash	(2,213)	768	(3,024)	24	–	700	87	384	(3,274)
Net on balance sheet debt	4,165	–	–	26	–	700	87	384	5,362

Notes to the Financial Statements continued

For the year ended 30 June 2026

22 NET ON BALANCE SHEET DEBT (CONTINUED)

(D) ANALYSIS OF CHANGES IN NET ON BALANCE SHEET DEBT (CONTINUED)

2025 \$M	Opening Balance	Debt Repayment	Debt Drawdown	Foreign Exchange, Mark-to-Market and Non-Cash Movements	Share Buy- Backs	Dividends Paid	Treasury Share Purchases	Other Net Cash Movement	Closing Balance
Interest-bearing liabilities	5,035	(216)	1,551	30	-	-	-	-	6,400
Fair value of hedges related to debt	(6)	-	-	(16)	-	-	-	-	(22)
Cash	(1,718)	216	(1,551)	(13)	448	400	133	(128)	(2,213)
Net on balance sheet debt	3,311	-	-	1	448	400	133	(128)	4,165

23 PROVISIONS

	2026 \$M			2025 \$M		
	Current	Non-current	Total	Current	Non-current	Total
Annual leave	480	-	480	480	-	480
Long service leave	389	72	461	387	64	451
Other employee provisions (including redundancy provisions)	154	-	154	245	-	245
Total employee benefits	1,023	72	1,095	1,112	64	1,176
Make good on leased assets	135	230	365	82	282	364
Insurance, legal and other ^{1,2}	252	239	491	207	170	377
Total other provisions	387	469	856	289	452	741
Total provisions	1,410	541	1,951	1,401	516	1,917

1 For the financial year 2024/25, Insurance, legal and other provisions includes provisions recognised for the decision of the Federal Court of Australia that determined Qantas had contravened the adverse action provisions of the Fair Work Act in outsourcing the remainder of Qantas' ground handling function in 2020. During financial year 2024/25, the Group and the Transport Workers' Union (TWU) reached an agreement on the payment of compensation to a total value of \$120 million, which was paid to a compensation fund administered by Maurice Blackburn in December 2024. A hearing on pecuniary penalties was held in May 2025 with the decision handed down on 18 August 2025 with the Group to pay a \$90 million penalty. While the decision was handed down after 30 June 2025, it was an adjusting post-balance sheet date event in accordance with AASB 110 *Events after the Reporting Period*. As a result, the provision held at 30 June 2025 was equal to the penalty decision. The penalty was paid during the financial year 2025/26. Refer to Note 34(B).

2 For the financial year 2025/26, Insurance, legal and other provisions includes provisions recognised for the class action proceeding filed in the Federal Court of Australia in relation to allegations that Qantas breached its contractual obligations to customers with regard to refunds for cancelled flights. During the 2025/26 financial year, the Group reached an agreement of \$105 million to settle the class action, which is subject to approval by the Federal Court of Australia. The agreed settlement was held as a provision as at 30 June 2026 and will be paid once approved by the Federal Court of Australia.

Reconciliations of the movements of each class of provision, other than employee benefits, are set out below:

2026 \$M	Opening Balance	Provisions Made	Provisions Utilised/ Reversed	Unwind of Discount Rate	Discount Rate Changes	Transfers from Investments in Associates	Other/FX	Closing Balance
Make good on leased assets	364	28	(28)	18	(2)	-	(15)	365
Insurance, legal and other	377	252	(179)	7	(3)	12	25	491
Total other provisions	741	280	(207)	25	(5)	12	10	856

24 CAPITAL

(A) ISSUED CAPITAL

	2026 \$M	2025 \$M
Opening balance: 1,513,199,279 (1 July 2024: 1,568,260,396) ordinary shares, fully paid	886	1,317
Shares bought back during the year: nil (June 2025: 55,061,117) ordinary shares	-	(431)
Closing balance: 1,513,199,279 (2025: 1,513,199,279) ordinary shares	886	886

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of wind-up, Qantas ordinary shareholders rank after all creditors and are fully entitled to any residual proceeds on liquidation.

Notes to the Financial Statements continued

For the year ended 30 June 2026

24 CAPITAL (CONTINUED)

(B) TREASURY SHARES

Treasury shares consist of shares held in trust for Qantas employees in relation to equity compensation plans. As at 30 June 2026, 16,983,221 (2025: 18,763,124) shares were held in trust and classified as treasury shares.

(C) CAPITAL MANAGEMENT

The Qantas Group's Financial Framework is designed to achieve top quartile Total Shareholder Return relative to the ASX 100 and global airline peers. The Framework's key elements are to:

- maintain an optimal capital structure that minimises the cost of capital by holding an appropriate level of Net Debt. The appropriate level of Net Debt reflects the Qantas Group's size, measured by Invested Capital. This is consistent with investment grade credit metrics
- deliver ROIC that exceeds the weighted average cost of capital through the cycle
- make disciplined capital allocation decisions between reinvestment, debt reduction and distribution of surplus capital to shareholders while maintaining an optimal capital structure.

Surplus capital is determined on a forward-looking basis, which is the difference between the projected Net Debt position and the target Net Debt position.

The Qantas Group maintains access to a broad range of debt markets, both secured and unsecured. The Qantas Group maintains a liquidity policy that ensures adequate coverage of liquidity requirements while considering a range of adverse scenarios.

	Metrics	2026	2025
Net Debt ¹	\$5.5B to \$6.9B ²	\$6.2B	\$5.0B
Return on Invested Capital (%) ³	ROIC > WACC	32.2 per cent	50.8 per cent
Net capital expenditure ⁴		\$3,968M	\$3,853M
Base dividend paid ⁵	16.5/19.8 (2025: 16.5) cents per share	\$550M	\$250M
Special dividend paid ⁶	9.9 (2025: 9.9) cents per share	\$150M	\$150M
On-market share buy-backs ⁷		–	\$431M

1 Net Debt is a non-statutory measure. It includes net on balance sheet debt and capitalised aircraft lease liabilities under the Group's Financial Framework. Capitalised aircraft lease liabilities are measured at fair value at the lease commencement date and remeasured over the lease term on a principal and interest basis. The residual value of the capitalised aircraft lease liability denominated in a foreign currency is translated at the long-term exchange rate.

2 Target Net Debt range of \$5.5 billion to \$6.9 billion is based on the 12-month average Invested Capital of \$7.2 billion as at 30 June 2026. The Target Net Debt range for the 2024/25 financial year was \$4.6 billion to \$5.7 billion, which is based on the 12 months average Invested Capital of \$5.1 billion as at 30 June 2025.

3 Return on Invested Capital (ROIC %) is a non-statutory measure and is the primary financial return measure of the Group. ROIC % is calculated as Return on Invested Capital EBIT (ROIC EBIT) for the 12 months ended for the reporting period, divided by 12 months average Invested Capital. Invested Capital is net assets (excluding cash, debt, other financial assets and liabilities and tax balances), including capitalised aircraft lease assets (adjusted to exclude aircraft lease return provisions from Invested Capital and include owned aircraft accounted for as finance lease receivables).

4 Net capital expenditure is a non-statutory measure, which is equal to net investing cash outflows included in the Consolidated Cash Flow Statement of \$3,968 million (2025: \$3,813 million) and the impact to Invested Capital from the acquisitions/disposals of leased aircraft of \$nil (2025: \$40 million).

5 During the year ended 30 June 2026, the Group paid the 2025 final base dividend of \$250 million on 15 October 2025, announced in August 2025 and distributed as a fully franked final dividend of 16.5 cents per share, and the 2026 interim base dividend of \$300 million on 15 April 2026, announced in February 2026 and distributed as a fully franked interim dividend of 19.8 cents per share (2025: 2025 interim base dividend of \$250 million on 16 April 2025, announced in February 2025 and distributed as a fully franked interim dividend of 16.5 cents per share).

6 During the year ended 30 June 2026, the Group paid the 2025 final special dividend of \$150 million on 15 October 2025, announced in August 2025 and distributed as a fully franked special dividend of 9.9 cents per share (2025: 2025 interim special dividend of \$150 million on 16 April 2025, announced in February 2025 and distributed as a fully franked special dividend of 9.9 cents per share).

7 In February 2026, the Group announced an on-market share buy-back of up to \$150 million. On 27 August 2026, the Group made the decision not to proceed with the buy-back. As a result, there were no on-market share buy-backs completed by the Group during the year ended 30 June 2026. During the year ended 30 June 2025, the Group completed on-market buy-backs totalling \$431 million. Of the total \$431 million, \$31 million related to the completion of the buy-back announced in February 2024 and \$400 million related to the buy-back announced in August 2024. The Group purchased 55 million ordinary shares on issue at the average price of \$7.82.

Notes to the Financial Statements continued

For the year ended 30 June 2026

25 IMPAIRMENT OF ASSETS AND RELATED COSTS

(A) IMPAIRMENT TESTING OF CASH GENERATING UNITS

i. Identification of CGUs

The identification of an asset's CGU is a key judgement in performing an impairment test. CGUs are the lowest identifiable group of assets that generate largely independent cash inflows and are determined based on how performance is monitored and how decisions to acquire and dispose of the Group's assets and operations are made.

The identified CGUs by operating segment for the 2025/26 financial year are outlined in the table below:

Operating Segment	CGUs Identified
Qantas Domestic	Qantas Domestic CGU
Qantas International	Qantas International CGU Qantas Freight CGU
Jetstar Group	Jetstar Australia/New Zealand CGU Jetstar Japan CGU
Qantas Loyalty	Qantas Loyalty CGU TripADeal CGU

ii. Impairment Assessment

An assessment is made at the end of each reporting period as to whether there is any indication that an asset may be impaired. If any such indication exists, the Group shall estimate the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use.

The recoverable amount is determined for an individual asset where possible, otherwise, the recoverable amount of the CGU to which the asset belongs shall be determined. The recoverable amount of an individual asset cannot be determined if the asset's value in use cannot be estimated to be close to its fair value less costs of disposal and the asset does not generate cash inflows that are largely independent of those from other assets.

Value in use is the present value of the future net cash inflows expected to be derived from an asset or CGU.

Fair value less costs of disposal is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date, less the incremental costs directly attributed to disposal.

Where the carrying value of the asset exceeds its recoverable amount, the carrying amount of the asset is reduced to its recoverable amount through the recognition of an impairment loss.

Impairment assessment of CGUs

The impairment test for CGUs includes the allocation of assets to identified CGUs and the determination of the recoverable amount of the CGU based on its value in use. Outlined below are the significant assumptions applied in the determination of the recoverable amount.

Notes to the Financial Statements continued

For the year ended 30 June 2026

25 IMPAIRMENT OF ASSETS AND RELATED COSTS (CONTINUED)

(A) IMPAIRMENT TESTING OF CASH GENERATING UNITS (CONTINUED)

ii. Impairment Assessment (continued)

Significant Assumption	How It Was Determined
Calculation of recoverable amount	The recoverable amounts of CGUs were determined based on their value in use. The value in use was determined by discounting the future cash flows forecast in the Financial Plan.
Net assets	Net assets, excluding cash and cash equivalents, interest-bearing liabilities and deferred tax assets/liabilities within CGUs and any items that have been tested for impairment individually.
Cash flows – Group Financial Plan	Cash flows were projected based on the Board-approved Financial Plan. Cash outflows include capital and maintenance expenditure for the purchase of aircraft and other property, plant and equipment. These cash outflows do not include capital expenditure that enhances the current performance of assets or capital expenditure relating to assets that commence operation beyond the terminal year. The Group's Financial Plan incorporates estimates of the future impact on the Group of meeting its interim emissions targets, including the financial impact within cash flow projections of the cost of carbon credits and SAF (together with mitigations through revenue). For the purposes of undertaking an impairment test, a terminal value has been estimated. Cash flows to determine the terminal value were extrapolated using a constant growth rate of 2.5 per cent per annum, which does not exceed the long-term average growth rate for the industry.
Discount rate	A pre-tax discount rate of 10 per cent per annum has been used in discounting the projected cash flows of the CGUs, reflecting the long-term average pre-tax Weighted Average Cost of Capital (WACC) of the Qantas Group (2025: 10 per cent per annum).
Sensitivity to significant changes in assumptions	<i>Sensitivity to changes in assumptions</i> The terminal year in the impairment test has the most material impact on the determination of the recoverable amount and the surplus between the recoverable amount and carrying value of CGUs. The earlier years in the Financial Plan, while impacting the measurement of the recoverable amount, do not materially impact the surplus identified. The Group has tested the sensitivity of the recoverable amount of each CGU to changes in the significant assumptions and reasonably possible changes in the assumptions do not result in impairment.

iii. Results of the Impairment Test

No impairment or impairment reversal was recognised in relation to the Group's CGUs during the year ended 30 June 2026 (2025: nil).

(B) CARRYING VALUE OF GOODWILL AND INDEFINITE LIVED INTANGIBLE ASSETS

The following CGUs have goodwill and other intangible assets with indefinite useful lives as follows:

	2026 \$M	2025 \$M
Goodwill		
Qantas Domestic CGU	14	14
Qantas Loyalty CGU	68	68
TripADeal CGU	48	48
Qantas Freight CGU	49	49
Jetstar Australia/New Zealand CGU	91	91
Total goodwill	270	270
Other intangible assets with indefinite useful lives¹		
TripADeal CGU	32	32
Qantas International CGU	35	35
Total other intangible assets with indefinite useful lives	67	67

¹ The balance comprises the brand name for TripADeal and airport landing slots for Qantas International.

Notes to the Financial Statements continued

For the year ended 30 June 2026

26 SHARE-BASED PAYMENTS

The Group provides benefits to Executives of the Group in the form of share-based payments, whereby Executives render services in exchange for Rights over shares. In addition, during the 2025/26 financial year, the Group introduced the Employee Ownership Plan (EOP) for non-executive employees.

(A) LONG TERM INCENTIVE PLAN (LTIP)

Generally, participation in the LTIP is limited to Senior Executives of the Qantas Group in key roles, or other participants who have been identified as high potential Executives. All Rights are redeemable on a one-for-one basis for Qantas shares, subject to the achievement of performance hurdles. Dividends are not payable on Rights. For more information on the operation of the LTIP, see pages 51 to 53.

Performance Rights Reconciliation	2026	2025
	Number of Rights	Number of Rights
Rights outstanding as at 1 July	8,132,584	8,814,267
Rights granted during the year ¹	2,139,500	3,313,000
Rights forfeited during the year	(292,614)	(601,784)
Rights vested and converted to shares during the year	(2,917,274)	(2,890,585)
Rights lapsed during the year	–	(502,314)
Rights outstanding as at 30 June	7,062,196	8,132,584
Rights exercisable as at 30 June	–	–

¹ 2,139,500 Rights in relation to 2026-2028 LTIP (2025: 3,244,500 Rights in relation to 2025-2027 LTIP and 68,500 Rights in relation to 2024-2026 LTIP).

The Rights outstanding as at 30 June 2026 included 2,029,858 Rights under the 2024-2026 LTIP. Subsequent to 30 June 2026, 1,793,169 Rights will vest and convert to shares and 236,689 Rights will be forfeited following the testing of performance hurdles as at 30 June 2026 and after applying service conditions and the Board's approval of the 2024-2026 LTIP vesting outcome on 26 August 2026. The shares awarded to Executive Management upon vesting of the LTIP will remain subject to an additional one-year trading restriction.

The Rights outstanding as at 30 June 2025 included 2,917,441 Rights under the 2023-2025 LTIP. Subsequent to 30 June 2025, 2,917,274 Rights vested and converted to shares and 167 Rights forfeited following the testing of performance hurdles as at 30 June 2025 and after applying service conditions and the Board's approval of the 2023-2025 LTIP vesting outcome on 27 August 2025. The shares awarded to Executive Management upon vesting of the LTIP were subject to an additional one-year trading restriction.

i. Fair Value Calculation

The estimated value of Rights granted was determined at grant date using a Monte Carlo model. The weighted average fair value of Rights granted during the year was \$4.80 (2025: \$5.93).

Inputs into the Models	2026	2025
	7 November 2025 2026-2028 LTIP	25 October 2024 2025-2027 LTIP
Rights granted ¹	2,139,500	3,244,500
Closing share price	\$9.51	\$8.03
Expected volatility	27.5%	30.0%
Dividend yield	4.4%	3.4%
Risk-free interest rate	3.8%	3.9%

¹ 2,139,500 Rights in relation to 2026-2028 LTIP were granted in 2025/26 financial year (2024/25: 3,244,500 Rights granted in relation to 2025-2027 LTIP and 68,500 Rights granted in relation to 2024-2026 LTIP).

The expected volatility was determined having regard to the historical volatility of Qantas shares and the implied volatility on exchange-traded options. The risk-free rate was the yield on an Australian Government Bond at the grant date matching the remaining useful lives of the plans. The yield is converted into a continuously compounded rate in the model. The expected life assumes immediate exercise after vesting.

Notes to the Financial Statements continued

For the year ended 30 June 2026

26 SHARE-BASED PAYMENTS (CONTINUED)

(B) SHORT TERM INCENTIVE PLAN (STIP)

For details on the operation of the STIP, see pages 49 to 51.

During the 2025/26 financial year, 460,896 shares were awarded and allocated in relation to the 2024/25 STIP (2025: 261,619 shares awarded under the 2022/23 STIP and 422,052 shares awarded under the 2023/24 STIP).

Shares awarded under the 2024/25 STIP were delivered to participants as deferred shares subject to a two-year deferral period until August 2027 (2025: deferred shares awarded under the 2022/23 STIP subject to a two-year deferral period from August 2023 and a further one-year trading restriction until August 2026, deferred shares awarded under the 2023/24 STIP subject to a two year deferral period from August 2024 and a further one-year trading restriction until August 2027).

Deferred shares in relation to the 2025/26 STIP will be awarded in the 2026/27 financial year.

(C) MANAGER INCENTIVE PLAN (MIP)

The MIP is the annual incentive plan for the broader Management group. Each year, to the extent that the plan's performance conditions are achieved, this group may receive an award that is a combination of cash and restricted shares. The Scorecard performance outcomes are the same as those for STIP, other than where Board adjustments have been applied exclusively to the STIP outcome. For the Scorecard performance outcomes, refer to the details of the operation of the STIP on pages 49 to 51. The CEO retains discretion over any awards made under the MIP.

During the 2025/26 financial year, 5,222,200 shares were awarded and allocated in relation to the 2024/25 MIP (2025: 5,502,675 shares awarded and allocated in relation to the 2023/24 MIP).

Shares awarded under the 2024/25 MIP were delivered to participants as deferred shares with 50 per cent subject to a one-year deferral period and 50 per cent subject to a two-year deferral period (2025: deferred shares awarded under the 2023/24 MIP with 50 per cent subject to a one-year deferral period and 50 per cent subject to a two-year deferral period).

Deferred shares in relation to the 2025/26 MIP will be awarded in the 2026/27 financial year.

(D) EMPLOYEE OWNERSHIP PLAN

The Employee Ownership Plan (EOP) enables eligible non-executive employees to receive an annual grant of \$1,000 in shares, subject to the Group's financial performance and relevant service conditions. The commencement of the 2024/25 EOP and 2025/26 EOP was announced on 28 August 2025.

During the 2025/26 financial year, 2,019,685 shares were awarded and vested in relation to the 2024/25 EOP.

Shares in relation to the 2025/26 EOP will be awarded and vest in the 2026/27 financial year.

(E) SHARE-BASED PAYMENTS EXPENSE

The total equity-settled share-based payment expense for the year was \$104 million (2025: \$56 million). This includes \$57 million for LTIP/MIP/STIP (2025: \$56 million), \$25 million for FY25 Employee Ownership Plan (announced during the 2025/26 financial year) and \$22 million for FY26 Employee Ownership Plan related to the 2025/26 financial year (with the remaining expense up to the vesting date of 28 August 2026 to be recognised in 2026/27).

Notes to the Financial Statements continued

For the year ended 30 June 2026

27 FINANCIAL RISK MANAGEMENT

(A) RISKS

The Qantas Group is subject to financial risks, which are an inherent part of the operations of an airline. The Qantas Group manages these risk exposures using various financial instruments and governed by a set of policies approved by the Board. The Qantas Group's policy is not to enter into, issue or hold derivative financial instruments for speculative trading purposes.

The Qantas Group uses different methods to assess and manage different types of financial risk to which it is exposed. These methods include correlations between risk types, sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ageing analysis and sensitivity analysis for liquidity and credit risk. A summary of these risks is presented below:

Risk	Nature of Risk	Management of Risk
Liquidity risk	Difficulty in meeting financial liability obligations.	Remaining within optimal capital structure, targeting a minimum liquidity level, ensuring long-term commitments are managed, maintaining access to a variety of additional funding sources and managing maturity profiles.
Interest rate risk	Fluctuations in the fair value or future cash flows of a financial instrument because of changes in market interest rates.	Floating versus fixed rate debt framework, interest rate swaps, forward rate agreements and options.
Foreign exchange risk	Fluctuations in the fair value of future cash flows or assets/liabilities denominated in a currency other than AUD because of changes in foreign exchange rates.	Forward foreign exchange contracts, currency options, cross-currency swaps and designation of non-derivative foreign currency liabilities in a cash flow hedge relationship.
Fuel price risk	Exposure of future AUD fuel price to unfavourable USD-denominated price movements and foreign exchange movements.	USD price – options and swaps on jet kerosene, gas oil and crude oil. Foreign exchange risk – foreign exchange contracts and currency options.
Credit risk	Potential loss from a transaction in the event of a default by a counterparty during the term or on settlement of a transaction.	Trade debtor counterparties – application of stringent credit policies and accreditation of travel agents through industry programs. Other financial asset counterparties – transact only with counterparties that have acceptable credit ratings and counterparty limits.

i. Liquidity Risk

Nature of the risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities.

Liquidity risk management

The Qantas Group manages liquidity risk by targeting a minimum liquidity level, ensuring long-term commitments are managed with respect to forecast available cash inflows, maintaining access to a variety of additional funding sources, including commercial paper and standby facilities, managing maturity profiles and maintaining an unencumbered pool of assets. The Group may from time to time seek to purchase and retire outstanding debt through cash purchases in open market transactions, privately negotiated transactions or otherwise. Any such repurchases would depend on prevailing market conditions, liquidity requirements and possibly other factors.

The Qantas Group has maintained a disciplined liquidity policy during the 2025/26 financial year, ensuring adequate coverage of liquidity requirements while considering a range of adverse scenarios. As at 30 June 2026, the Group's total sources of liquidity were greater than \$13.3 billion, including \$3.3 billion of cash and cash equivalents, \$2.1 billion in committed undrawn facilities and an unencumbered asset base of \$8.0 billion (including 59 per cent of the Group's fleet, spare engines and other assets). The unencumbered asset base includes aircraft valuations based on the Aircraft Value Analysis Company (AVAC) and USD to AUD exchange rate as at 30 June 2026.

Notes to the Financial Statements continued

For the year ended 30 June 2026

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(A) RISKS (CONTINUED)

i. Liquidity Risk (continued)

The following table summarises the contractual timing of cash flows, including estimated interest payments of financial liabilities and derivative instruments. The contractual amount assumes current interest rates and foreign exchange rates. The amounts disclosed in the table are undiscounted.

2026 \$M	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years	Total
Financial liabilities					
Payables	3,516	–	–	–	3,516
Lease liabilities ¹	401	628	466	346	1,841
Bank loans – secured ²	324	619	527	2,073	3,543
Bank loans – unsecured ²	96	191	566	1,280	2,133
Other loans – secured ²	138	274	648	1,701	2,761
Other loans – unsecured ²	422	722	1,043	1,270	3,457
Net other financial assets/liabilities – outflows/ (inflows) ³	67	9	–	(2)	74
Total financial liabilities	4,964	2,443	3,250	6,668	17,325

2025 \$M	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years	Total
Financial liabilities					
Payables	3,146	–	–	–	3,146
Lease liabilities ¹	396	573	391	451	1,811
Bank loans – secured ²	304	524	450	680	1,958
Bank loans – unsecured ²	41	83	483	398	1,005
Other loans – secured ²	131	456	237	1,959	2,783
Other loans – unsecured ²	96	470	1,052	1,101	2,719
Net other financial assets/liabilities – outflows/ (inflows) ³	5	1	(1)	–	5
Total financial liabilities	4,119	2,107	2,612	4,589	13,427

1 This represents the Group's contractual undiscounted cash flows relating to leases.

2 Recognised financial liability maturity values are shown pre-hedging.

3 Excluding equity, convertible notes, investments in managed funds and term deposits.

ii. Interest Rate Risk

Nature of the risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Qantas Group has exposure to movements in interest rates arising from its portfolio of interest rate-sensitive assets and liabilities, which are predominantly in AUD and USD currencies. These principally include bank loans, other loans, leases and cash.

Management of interest rate risk

The Qantas Group manages interest rate risk by using a floating versus fixed rate debt framework. The relative mix of fixed and floating interest rate funding is managed by using interest rate swaps, forward rate agreements and options. As at 30 June 2026, interest-bearing liabilities amounted to \$8,611 million (2025: \$6,400 million).

The Group manages its exposure to interest rate risk with reference to the Group's Financial Framework where the fixed/floating ratio is measured against Net Debt. The Group's Net Debt is a non-statutory measure and includes on balance sheet debt, cash and capitalised aircraft lease liabilities. The ratio of fixed/floating on Net Debt is 45 per cent and 55 per cent respectively, which assumes cash is treated as floating (2025: 55 per cent and 45 per cent). As at 30 June 2026, other financial assets and liabilities, including derivative financial instruments relating to debt obligations and future interest payments, were \$25 million liability (2025: \$22 million (asset)). These are recognised at fair value.

Notes to the Financial Statements continued

For the year ended 30 June 2026

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(A) RISKS (CONTINUED)

ii. Interest Rate Risk (continued)

Sensitivity to interest rate risk

\$M	Profit Before Tax		Equity (Before Tax) ¹	
	2026	2025	2026	2025
100bps increase in interest rates^{2,3}				
Variable rate interest-bearing instruments (net of cash)	(37)	(26)	–	–
100bps decrease in interest rates^{2,3}				
Variable rate interest-bearing instruments (net of cash)	37	26	–	–

1 Equity (Before Tax) does not include sensitivity recognised in Profit Before Tax.

2 Sensitivity analysis of financial instruments assumes hedge designations as at 30 June 2026 and 30 June 2025 remain unchanged.

3 Sensitivity analysis excludes impact of discount rate movements on provisions.

Under AASB 16, interest rate movements on lease liabilities are treated as modifications against the corresponding right of use asset and lease liability. As such, there is no immediate impact to the Consolidated Income Statement or Other Comprehensive Income and as a result, interest rate movements on lease liabilities are not included as an interest rate sensitivity.

iii. Foreign Exchange Risk

Nature of the risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the Qantas Group. The Group operates internationally and is exposed to foreign exchange risk, primarily the USD currency. The source and nature of this risk arises from operations, capital expenditure and revaluation risk. The revaluation risk primarily exists in interest-bearing liabilities, lease liabilities and other financial assets and liabilities. The Group hedges foreign exchange risk with the objective of minimising volatility of the AUD currency cost of highly probable forecast purchases and disposals of property, plant and equipment and other revenue and operating expenditures.

Management of foreign exchange risk

Forward foreign exchange contracts and currency options are used to hedge a portion of net foreign currency exposures in accordance with Qantas Group policy. Net foreign currency exposures, including foreign currency purchases and disposals of property, plant and equipment, may be hedged out to two years within specific parameters. Any hedging outside these parameters requires approval by the Board. For the year ended 30 June 2026, other financial assets and liabilities, including derivative financial instruments relating to the hedging of future capital expenditure, totalled \$60 million (net asset) (2025: \$15 million (net asset)) and those relating to the hedging of future operating expenditure payments were nil (2025: nil). These are recognised at fair value.

Non-derivative financial liabilities, including interest-bearing and lease liabilities, designated in a cash flow hedge relationship to hedge a portion of forecast foreign currency revenue have a maturity between one and 10 years. To the extent a foreign exchange gain or loss is incurred, and the cash flow hedge is deemed effective, this is deferred until the revenue is realised. As at 30 June 2026, total unrealised foreign exchange gain on hedges of revenue designated to non-derivative financial liabilities was \$30 million (2025: \$14 million losses).

Sensitivity to foreign exchange risk

\$M	Profit Before Tax		Equity (Before Tax) ¹	
	2026	2025	2026	2025
20% movement in foreign exchange risk^{2,3}				
20% (2025: 20%) USD depreciation	(27)	(21)	(416)	(240)
20% (2025: 20%) USD appreciation	40	31	530	358
20% (2025: 20%) JPY depreciation	–	–	(9)	(9)
20% (2025: 20%) JPY appreciation	–	–	9	9

1 Equity (Before Tax) does not include sensitivity recognised in Profit Before Tax.

2 Sensitivity analysis assumes hedge designations as at 30 June 2026 and 30 June 2025 remain unchanged. Movements disclosed in the sensitivity analysis are impacted by the Group's hedge strategy and the hedge instruments used. Sensitivity analysis on foreign currency pairs of 20 per cent represent reasonable volatility in market conditions.

3 Sensitivity analysis includes foreign currency interest-bearing liabilities, lease liabilities and derivatives designated in a hedge relationship, and excludes foreign currency receivables and non-fuel payables.

Notes to the Financial Statements continued

For the year ended 30 June 2026

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(A) RISKS (CONTINUED)

iv. Fuel Price Risk

Nature of the risk

Exposure of future AUD fuel costs to unfavourable USD-denominated price and foreign exchange movements.

Management of future AUD fuel costs risk

The Qantas Group uses options and swaps to hedge exposure to movements in the USD price of aviation fuel or components of that cost. The Group considers the crude component to be a separately identifiable and measurable component of aviation fuel, based on long-term correlation levels between crude hedging products and underlying jet fuel exposure and the depth and liquidity of crude hedging markets. As such, hedging is predominantly undertaken on the crude component. Other products are used from time to time to hedge components of the cost of aviation fuel, including the refining margin. The foreign exchange risk in the total fuel cost is separately hedged using foreign exchange contracts and currency options. Hedging is conducted in accordance with Qantas Group policy. Fuel consumption out to two years may be hedged within specific parameters, with any hedging outside these parameters requiring approval by the Board. For the year ended 30 June 2026, other financial assets and liabilities included fuel and foreign exchange derivatives totalling \$232 million (net asset) (2025: \$40 million (net asset)). These are recognised at fair value.

The following sensitivity analysis is performed on financial instruments used to hedge AUD fuel costs at reporting date. It does not include sensitivity on underlying fuel price movements in forecast fuel expense.

Sensitivity to foreign exchange and fuel price risk

\$M	Profit Before Tax		Equity (Before Tax) ¹	
	2026	2025	2026	2025
20% movement in AUD fuel costs²				
20% (2025: 20%) USD depreciation, 20% (2025: 20%) increase per barrel in fuel indices	-	-	(205)	-
20% (2025: 20%) USD appreciation, 20% (2025: 20%) decrease per barrel in fuel indices	-	-	508	272

1 Equity (Before Tax) does not include sensitivity recognised in Profit Before Tax. For financial year 2024/25, the sensitivity calculated for a 20% USD depreciation combined with a 20% increase per barrel in fuel indices is nil because hedge gains from a 20% increase in fuel is offset by hedge losses from a 20% depreciation in USD.

2 Sensitivity analysis of financial instruments assumes hedge designations as at 30 June 2026 and 30 June 2025 remain unchanged. Movements disclosed in the sensitivity analysis are impacted by the Group's hedge strategy and the hedge instruments used. Sensitivity analysis on foreign currency pairs and fuel indices that match the hedging instrument of 20 per cent represents reasonable volatility in market conditions. Sensitivity analysis assumes an offset between USD and fuel price indices based on observed market movements.

v. Credit Risk

Nature of the risk

Credit risk is the potential loss from a transaction in the event of default by the counterparty during the term of the transaction or on settlement of the transaction. The Qantas Group has credit exposure in respect of trade receivables and other financial instruments in the ordinary course of business. The maximum exposure to credit risk is represented by the carrying value of financial assets.

Management of credit risk

The Qantas Group conducts transactions with the following major types of counterparties:

- **Trade debtor counterparties:** The credit risk is the recognised amount, net of any impairment losses. As at 30 June 2026, trade debtors amounted to \$1,140 million (2025: \$1,094 million). The Qantas Group has credit risk associated with travel agents, codeshare partners, industry settlement organisations, and credit provided to direct customers, such as large airline, loyalty and freight corporate customers. A significant proportion of receivables is settled through the IATA clearing mechanism, which undertakes its own credit review of members. The Qantas Group minimises this credit risk through the application of stringent credit policies and accreditation of travel agents through industry programs.
- **Cash and cash equivalents and Other financial asset counterparties:** The Qantas Group restricts its dealings to counterparties that have acceptable credit ratings. Should the rating of a counterparty fall below certain levels, internal policy dictates that approval by the Board is required to maintain the level of the counterparty exposure. Alternatively, Management may consider closing out positions with the counterparty or novate open positions to another counterparty with acceptable credit ratings.

The Qantas Group minimises the concentration of credit risk by undertaking transactions with a large number of customers and counterparties in various countries in accordance with Board-approved policy. As at 30 June 2026, the credit risk of the Qantas Group to counterparties in relation to cash, cash equivalents and other financial assets amounted to \$3,560 million (2025: \$2,301 million). Refer to Note 27(C) for offsetting disclosures of contractual arrangements. The Qantas Group's credit exposure in relation to these assets is with counterparties that have a minimum credit rating of A-/A3, unless individually approved by the Board.

Notes to the Financial Statements continued

For the year ended 30 June 2026

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(B) FAIR VALUE

The fair value of cash, cash equivalents and non-interest-bearing financial assets and liabilities approximates their carrying value due to their short maturity. The fair value of financial assets and liabilities is determined by valuing them at the present value of future contracted cash flows. The fair value of forward foreign exchange and fuel contracts is determined as the unrealised gain/loss at balance date by reference to market exchange rates and fuel prices. The fair value of interest rate swaps is determined as the present value of future contracted cash flows. Cash flows are discounted using standard valuation techniques at the applicable market yield, having regard to the timing of the cash flows. The fair value of options is determined using standard valuation techniques. Other financial assets and liabilities represent the fair value of investments and derivative financial instruments recognised on the Consolidated Balance Sheet. Refer to Note 36(C) for a definition of the fair value hierarchy.

	June 2026				June 2025			
	Carrying Amount Held at				Carrying Amount Held at			
\$M	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income ³	Amortised Cost	Fair Value	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income ³	Amortised Cost	Fair Value
Cash and cash equivalents	–	–	3,274	3,287	–	–	2,213	2,220
Receivables	–	–	1,241	1,241	–	–	1,205	1,205
Other financial assets ¹	483	26	3	512	234	93	4	331
Financial assets	483	26	4,518	5,040	234	93	3,422	3,756
Payables	–	–	3,516	3,516	–	–	3,146	3,146
Interest-bearing liabilities ²	–	–	8,611	9,198	–	–	6,400	6,719
Other financial liabilities ¹	178	–	–	178	145	–	–	145
Financial liabilities	178	–	12,127	12,892	145	–	9,546	10,010

1 Other financial assets and liabilities represents the fair value of equity investments, derivative financial instruments and unlisted managed funds recognised on the Consolidated Balance Sheet. Derivative financial instruments have been measured at fair value using Level 2 inputs in estimating their fair values. Equity instruments have been measured at fair value using Level 1 or Level 2 inputs in estimating their fair value. The investment in the unlisted managed fund is classified as a Level 3 fair value instrument as it is an unlisted entity, valued using unobservable inputs. The fair value of the unlisted managed funds has been determined based on the net asset value of the fund or price of recent investments into the fund.

2 The fair value of interest-bearing liabilities uses Level 2 inputs to calculate the present value of outstanding contractual cash flows discounted using market curves.

3 As at 30 June 2026, \$18 million of the \$26 million (2025: \$83 million of the \$93 million) of other financial assets relate to the Group's investment in Alliance Airlines Limited (ASX: AQZ): \$0.57 per share at 30 June 2026: \$2.63 per share at 30 June 2025), which has been accounted for as an investment held at fair value through other comprehensive income.

During the year, the Group recognised fair value changes in relation to listed and unlisted equity investments, net of tax, in other comprehensive income of (\$65) million loss (2025: (\$8) million loss) and in fair value through profit and loss of nil (2025: (\$6) million loss). The Group recognised fair value changes, net of tax of (\$65) million loss (2025: (\$8) million loss) in respect of listed equity investment using Level 1 inputs. The Group recognised fair value changes, net of tax of nil (2025: nil) in respect of unlisted equity investments using Level 2 inputs. The Group recognised fair value changes, net of tax of nil (2025: (\$6) million loss) and new acquisitions of \$26 million (2025: \$16 million) in respect of unlisted equity investments using Level 3 inputs.

(C) DERIVATIVES AND HEDGING INSTRUMENTS

The following section summarises derivative and other hedging instruments in the Consolidated Financial Statements:

Type of Hedge	Description	Hedging Instrument
Cash flow hedges	A derivative or financial instrument to hedge the exposure to variability in cash flows attributable to a particular risk associated with an asset, liability or forecast transaction.	Exchange derivative contracts to hedge future AUD fuel costs or components of fuel costs and foreign currency operational payments (forwards, swaps or options). Interest rate derivative contracts to hedge future interest payments (forwards, swaps or options). Foreign exchange derivative contracts to hedge future capital expenditure payments (forwards or options). Foreign currency interest-bearing and lease liabilities to hedge forecast foreign currency revenue.
Fair value hedges	A derivative or financial instrument designated as hedging the change in fair value of an asset or liability.	Contracts to hedge the fair value movement of a designated asset or liability.

Notes to the Financial Statements continued

For the year ended 30 June 2026

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(C) DERIVATIVES AND HEDGING INSTRUMENTS (CONTINUED)

The Group's derivative assets and liabilities as at 30 June 2026 are detailed below:

\$M	2026			2025		
	Current	Non-current	Total	Current	Non-current	Total
Derivative assets						
Designated as cash flow hedges	309	134	443	146	54	200
Designated as fair value hedges	–	2	2	–	22	22
Total derivative assets	309	136	445	146	76	222
Derivative liabilities						
Designated as cash flow hedges	(98)	(54)	(152)	(101)	(44)	(145)
Designated as fair value hedges	–	(26)	(26)	–	–	–
Total derivative liabilities	(98)	(80)	(178)	(101)	(44)	(145)
Net derivative assets	211	56	267	45	32	77

i. Offsetting

The Group enters into contractual arrangements such as the International Swaps and Derivatives Association (ISDA) Master Agreement where, upon the occurrence of a credit event (such as default), a termination value is calculated and only a single net amount is payable in settlement of all transactions that are capable of offset under the terms of the contract. The ISDA agreements do not meet the criteria for offsetting in the Consolidated Balance Sheet and consequently, financial assets and liabilities are recognised as gross. This is because the Group does not have any current legally enforceable right to offset recognised amounts, as the right to offset is enforceable only on the occurrence of future events. The amounts shown as financial assets and financial liabilities would each have been \$175 million lower (2025: \$143 million lower) in the event of the right to offset being currently enforceable.

ii. Hedge Reserve

The effective portion of the cumulative net change in the fair value of derivative financial instruments designated as a cash flow hedge and the cumulative change in fair value arising from the time value of options are included in the hedge reserve. These options relate entirely to transaction-related hedged items. For further information on accounting for derivative financial instruments as cash flow hedges, refer to Note 36(C). Based on the hedge reserve balance as at 30 June 2026, \$20 million gain net of tax (2025: (\$83) million loss net of tax) is expected to be released to the Consolidated Income Statement within one year and \$18 million gain net of tax (2025: (\$27) million loss net of tax) after one year. A (\$11) million loss net of tax (2025: (\$6) million loss net of tax) is expected to be capitalised to assets within one year and \$8 million gain (2025: (\$4) million loss) after one year. Other financial assets and liabilities represent the fair value of derivative financial instruments recognised on the Consolidated Balance Sheet. Refer to Note 36(C) for a definition of the fair value hierarchy.

iii. Hedge Accounting

As at 30 June 2026	Nominal Amount of Hedging Instrument and Hedged Item		Hedge Rates	Carrying Amount of the Hedging Instrument ^{1,2}		Change in Value of the Hedging Instrument Used for Calculating Hedge Ineffectiveness	Change in Value of the Hedged Item used for Calculating Hedge Ineffectiveness	Change in Value of the Hedging Instrument Recognised in Other Comprehensive Income	Amount Reclassified from the Cash Flow Hedge Reserve to Profit or Loss
				Assets	Liabilities				
			\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash flow hedges									
AUD fuel costs (up to 2 years)	29	Barrels	AUD / Barrel 91-175	349	(118)	557	(557)	557	(434)
Revenue (up to 10 years)	400	USD	AUD / USD 0.63 - 0.72	–	(400)	36	(36)	36	–
Revenue (up to 8 years)	40	JPY	AUD / JPY 90	–	(40)	8	(8)	8	–
Capital expenditure (up to 2 years)	2,717	USD	AUD / USD 0.63 - 0.70	94	(34)	5	(5)	5	–
Fair value hedges									
Interest rate (up to 10 years)	1,375	AUD	Floating n/a	2	(26)	(46)	49	–	–

1 Derivative cash flow hedging instruments are reported in other financial assets and other financial liabilities on the Consolidated Balance Sheet and include costs of hedging. The carrying amount of the hedging instrument is presented in AUD where the hedged item equals the nominal amount of the hedging instrument. As at 30 June 2026, all fuel hedging instruments designated against AUD fuel costs are referenced to the crude oil component of aviation fuel.

2 The revenue hedging instrument is a non-derivative financial liability with the carrying amount presented in AUD, and is reported within interest-bearing liabilities and lease liabilities.

Notes to the Financial Statements continued

For the year ended 30 June 2026

28 AUDITOR'S REMUNERATION

	2026 \$'000	2025 \$'000
STATUTORY ASSURANCE SERVICES		
Audit and review of Financial Reports	4,616	4,520
Total statutory assurance services	4,616	4,520
OTHER ASSURANCE SERVICES		
Regulatory assurance services	16	15
Other assurance services	797	467
Total other assurance services	813	482
NON-ASSURANCE SERVICES		
Audit-related non-assurance services	105	23
Taxation services	301	347
Other non-assurance services	253	287
Total non-assurance services	659	657
Total auditor's remuneration	6,088	5,659

29 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

RECONCILIATION OF STATUTORY PROFIT FOR THE YEAR TO NET CASH FROM OPERATING ACTIVITIES

	Notes	2026 \$M	2025 \$M
Statutory profit for the year		1,289	1,605
Adjusted for:			
Depreciation and amortisation	6	2,278	2,012
Impairment of assets/(reversal of impairment)	8	6	(13)
Hedging and other financial assets/liabilities		(33)	47
Share of net loss/(profit) of investments accounted for under the equity method	15	12	(46)
Share-based payments expense	26(E)	104	56
Net gain on disposal of assets	7	(41)	(45)
Impact of discount rate changes on provisions	8	(47)	28
Dividends received from investments accounted for under the equity method	15	11	12
Other items		48	(23)
Changes in:			
Receivables		(17)	(78)
Inventories		(121)	(103)
Other assets		(105)	(118)
Payables		221	198
Revenue received in advance		315	331
Provisions		77	12
Deferred tax assets/liabilities and tax receivables/payables		(104)	378
Net cash inflow from operating activities		3,893	4,253

Notes to the Financial Statements continued

For the year ended 30 June 2026

30 SUPERANNUATION

The Qantas Group Super Plan (QGSP), administered within the Australian Retirement Trust (ART) is a hybrid superannuation arrangement comprising defined benefit, defined contribution and accumulation superannuation divisions. The trustee of the QGSP is ART. In addition to the QGSP, the Qantas Group (Group) has one small overseas defined benefit plan. The Group contributes to defined benefit plans that provide retirement benefits based on a formula incorporating accrual rates, years of service and salary levels. The measurement of these obligations involves estimates in determining key assumptions, including discount rates and future salary growth.

The defined benefit plans are legally separated from the Group. Governance responsibilities, including investment decisions, rest with the Trustee.

The QGSP's defined benefit plan exposes the Group to several risks, the most significant of which are detailed below:

- **Investment risk:** The investment strategy for assets backing defined benefit liabilities is to progressively reduce risk as the funding position improves. If investment returns fall below expectations, the Group may be required to make additional contributions.
- **Interest rate risk:** A decrease in corporate bond yields results in a lower discount rate, thereby increasing the previous value of the defined benefit liabilities.
- **Inflation risk:** Defined benefit liabilities are linked to salary growth. Higher than expected salary inflation will lead to higher liabilities.

(A) FUNDING

Employer contributions to the defined benefit divisions of the QGSP are determined based on recommendations by the Plan's actuary. The Group expects to contribute approximately \$37 million in normal employer contributions in financial year 2026/27.

In addition, the Trustee of the QGSP and the Group maintain an Additional Funding Plan (AFP). The AFP was most recently agreed in March 2026 between the Group and ART as part of the Defined Benefit Contribution Strategy following the 2025 triennial actuarial valuation. The AFP operates as an evergreen restoration plan and complies with Australian Prudential Regulation Authority (APRA) Prudential Standard SPS 160.

Under the AFP, additional contributions are triggered where:

- the Defined Benefit Vested Benefits Index (DB VBI) falls below 100 per cent for two consecutive quarters; or
- the DB VBI declines from above 100% in the previous quarter to below 96%.

The DB VBI is the ratio of the QGSP's assets attributable to the defined benefit liabilities to the total defined benefit amount that the Group would be required to pay if all members were to voluntarily leave the plan on the funding valuation date.

Additional top-up contributions may also be required where:

- the DB Retrenchment Benefit Index (DB RBI) is below 100 per cent for two consecutive quarters; and
- retrenchments occur that create funding strain above the VBI level.

The DB RBI measures the ratio of the QGSP's assets attributable to the defined benefit liabilities to the total defined benefit component of retrenchment benefits. The most recent additional contribution under the AFP was made in December 2016. The funding position of the QGSP is actively monitored by ART and the Group.

Notes to the Financial Statements continued

For the year ended 30 June 2026

30 SUPERANNUATION (CONTINUED)

(B) MOVEMENT IN NET DEFINED BENEFIT (ASSET)

	Present Value of Obligation		Fair Value of Plan (Assets)		Net Defined Benefit (Asset) ¹	
	\$M		\$M		\$M	
	2026	2025	2026	2025	2026	2025
Balance as at 1 July	1,733	1,706	(2,035)	(2,038)	(302)	(332)
Included in the Consolidated Income Statement						
Current service cost	83	84	–	–	83	84
Interest expense/(income)	95	97	(106)	(111)	(11)	(14)
Contributions by plan participants	–	–	(21)	(20)	(21)	(20)
Total amount included in salaries, wages and other benefits	178	181	(127)	(131)	51	50
Included in the Consolidated Statement of Comprehensive Income						
Return on plan assets, excluding interest income	–	–	(15)	(49)	(15)	(49)
Losses/(gains) from change in demographic assumptions	3	(1)	–	–	3	(1)
(Gains)/losses from change in financial assumptions	(14)	55	–	–	(14)	55
Experience losses	17	35	–	–	17	35
Exchange differences on foreign plans	(1)	4	1	(4)	–	–
Total amount recognised in other comprehensive income	5	93	(14)	(53)	(9)	40
Contributions by employer	–	–	(61)	(62)	(61)	(62)
Benefit payments	(138)	(168)	138	168	–	–
Assets distributed/liabilities extinguished on settlements ²	–	(79)	–	79	–	–
Other movements	–	–	(1)	2	(1)	2
Balance as at 30 June	1,778	1,733	(2,100)	(2,035)	(322)	(302)

1 The net defined benefit asset is included in non-current other assets (refer to Note 20).

2 This settlement relates to the wind-up of the UK Scheme. No gains or losses were recognised on settlement.

(C) PLAN ASSETS

The major categories of plan assets as a percentage of total plan assets of the Group's defined benefit plans are as follows:

	2026	2025
	%	%
Australian shares ^{1,2}	14	14
International shares ¹	11	12
Private equity	7	8
Infrastructure ¹	9	10
Unlisted real estate	6	4
Private credit	11	4
Corporate bonds ¹	8	21
Government bonds ¹	20	16
Other	3	1
Cash	11	10
Total	100	100

1 The majority of these plan assets have a quoted market price in an active market.

2 As at 30 June 2026, the QGSP assets invested within the overall Australian shares portfolio included shares in Qantas Airways Limited (ASX:QAN) of \$1,489,306 (2025: \$1,977,900).

The Trustee of the QGSP is responsible for setting the investment strategy and objectives for the QGSP's assets to support the defined benefit liabilities. The QGSP does not use any asset-liability matching strategies. It utilises traditional investment management techniques to manage the defined benefit assets.

Notes to the Financial Statements continued

For the year ended 30 June 2026

30 SUPERANNUATION (CONTINUED)

(D) ACTUARIAL ASSUMPTIONS AND SENSITIVITY

The significant actuarial assumptions (expressed as weighted averages per annum) were as follows:

	2026 %	2025 %
Discount rate	5.8	5.3
Long-term future salary increase ¹	3.0	3.0

¹ Short-term salary increase assumptions are based on the latest employment agreements with the long-term salary increase assumptions applying thereafter.

The weighted average duration of the QGSP's defined benefit obligation as at 30 June 2026 was seven years (2025: eight years). The sensitivity of the defined benefit obligation to changes in the significant assumption is as follows:

	Change in Assumption	Impact on Defined Benefit Obligation			
		30 June 2026		30 June 2025	
		Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	1%	Decrease by 8.0%	Increase by 9.0%	Decrease by 8.6%	Increase by 9.8%
Future salary increase	1%	Increase by 6.1%	Decrease by 5.6%	Increase by 7.9%	Decrease by 7.2%

Defined Contribution Fund

A defined contribution expense of \$331 million has been recognised for the year ended 30 June 2026 (2025: \$299 million).

31 DEED OF CROSS GUARANTEE

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (Instrument), the wholly-owned entities identified below are relieved from the Corporations Act 2001 (Cth) requirements for preparation, audit, distribution and lodgement of Financial Statements and Directors' Reports:

AAL Aviation Limited	Network Turbine Solutions Pty Ltd	Qantas Information Technology Ltd
Airlink Pty Limited	Osnet Jets Pty Ltd	Qantas Road Express Pty Limited
Australian Air Express Pty Ltd	Phone A Flight Pty Ltd	Qantas SAFFA Pty Limited
Australian Airlines Limited	Q H Tours Ltd	Qantas Singapore Holdings Pty Ltd (formerly Jetstar Asia Holdings Pty Limited)
Australian Regional Airlines Pty. Ltd.	Qantas Asia Investment Company Pty Ltd	Qantas Ventures Pty Limited
Eastern Australia Airlines Pty. Limited	Qantas Climate Fund Investment 1 Pty Ltd	Qantas Wheatbelt Connect Pty Limited
Express Freighters Australia (Operations) Pty Limited	Qantas Climate Fund Investment 2 Pty Ltd	QantasLink Pty Ltd
Express Freighters Australia Pty Limited	Qantas Courier Limited	QF Cabin Crew Australia Pty Limited
Impulse Airlines Holdings Proprietary Limited	Qantas Domestic Pty Limited	QGHC 1 Pty Limited
Jetstar Airways Pty Limited	Qantas Freight Enterprises Limited	Regional Airlines Charter Pty Limited
Jetstar Group Pty Limited	Qantas Freight Terminals Pty Limited	Sunstate Airlines (Qld) Pty. Limited
Jetstar Services Pty Limited	Qantas Frequent Flyer Limited	TAD Holdco Pty Ltd
National Jet Operations Services Pty Ltd	Qantas Frequent Flyer Operations Pty Limited	The Network Holding Trust
National Jet Systems Pty Ltd	Qantas Ground Services Pty Limited	The Network Trust
Network Aviation Holdings Pty Ltd	Qantas Group Accommodation Pty Ltd	Trip A Deal Holdings Pty Ltd
Network Aviation Pty Ltd	Qantas Group Flight Training (Australia) Pty Limited	Trip A Deal Pty Ltd
Network Holding Investments Pty Ltd	Qantas Group Flight Training Pty Limited	Vii Pty Limited

It is a condition of the Instrument that Qantas and each of the controlled entities eligible to obtain relief under the Instrument enter into a Deed of Cross Guarantee (Deed). Under the Deed, Qantas guarantees to each creditor payment in full of any debt upon the winding up of any of the controlled entities that are party to the Deed under certain provisions of the Corporations Act 2001 (Cth). If the winding up occurs under other provisions of the Corporations Act 2001 (Cth), Qantas will only be liable if, six months after a resolution or order for the winding up of the controlled entity, any debt of a creditor of that controlled entity has not been paid in full. Each controlled entity that is party to the Deed has given similar guarantees in the event that Qantas is wound up.

Notes to the Financial Statements continued

For the year ended 30 June 2026

31 DEED OF CROSS GUARANTEE (CONTINUED)

Qantas and its eligible controlled entities first entered into a Deed on 4 June 2001. Subsequently, additional controlled entities became party to the Deed by way of Assumption Deeds dated 17 June 2002, 26 June 2006, 29 June 2007, 30 June 2008, 29 June 2009, 16 June 2010, 25 November 2010, 4 April 2011, 13 October 2011, 20 November 2012, 26 November 2015, 26 June 2017, 2 November 2017, 31 July 2020, 14 March 2023, 12 January 2024, 18 April 2024, 28 June 2024, 5 July 2024, 16 April 2025, 27 May 2025 and 23 December 2025.

The Consolidated Condensed Income Statement, Consolidated Condensed Statement of Comprehensive Income and Consolidated Condensed Balance Sheet for Qantas and each of its controlled entities that are party to the Deed are set out below. The principles of consolidation are:

- Transactions (including dividends), balances and unrealised gains and losses on transactions between entities that are party to the Deed are eliminated
- Investments in controlled entities that are not party to the Deed are carried at cost less any accumulated impairment
- Dividends received from controlled entities that are not party to the Deed are recognised as income.

(A) CONSOLIDATED CONDENSED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

	2026 \$M	2025 \$M
Revenue and other income	25,395	23,447
Expenditure	(23,233)	(20,983)
Impairment of assets and related costs	(96)	(90)
Statutory profit before income tax expense and net finance costs	2,066	2,374
Finance income	105	108
Finance costs	(388)	(342)
Net finance costs	(283)	(234)
Statutory profit before income tax expense	1,783	2,140
Income tax expense	(537)	(655)
Statutory profit for the year	1,246	1,485
Accumulated losses as at 1 July	(31)	(1,120)
Dividends paid	(700)	(400)
Shares vested and transferred to employees/Rights unvested and lapsed	6	4
Retained earnings/(Accumulated losses) as at 30 June	521	(31)

(B) CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2026

	2026 \$M	2025 \$M
Statutory profit for the year	1,246	1,485
Items that were or may be subsequently reclassified to profit or loss		
Effective portion of changes in fair value of cash flow hedges, net of tax	424	(11)
Transfer of effective hedging gains from hedge reserve to the Consolidated Condensed Income Statement, net of tax	(304)	(20)
Net changes in hedge reserve for time value of options, net of tax	31	(90)
Foreign currency translation of investments accounted for under the equity method	(3)	1
Items that will not subsequently be reclassified to profit or loss		
Defined benefit actuarial gains/(losses), net of tax	6	(28)
Fair value loss on investments, net of tax	(65)	(8)
Total other comprehensive income/(loss) for the year	89	(156)
Total comprehensive income for the year	1,335	1,329

Notes to the Financial Statements continued

For the year ended 30 June 2026

31 DEED OF CROSS GUARANTEE (CONTINUED)**(C) CONSOLIDATED CONDENSED BALANCE SHEET AS AT 30 JUNE 2026**

	2026 \$M	2025 \$M
CURRENT ASSETS		
Cash and cash equivalents	3,225	2,129
Receivables	1,287	1,242
Lease receivables	17	14
Other financial assets	312	150
Inventories	481	405
Assets classified as held for sale	–	39
Other ¹	383	427
Total current assets	5,705	4,406
NON-CURRENT ASSETS		
Lease receivables	120	42
Other financial assets	200	181
Investments in subsidiaries	10	10
Investments accounted for under the equity method	43	41
Property, plant and equipment	18,107	15,879
Right of use assets	1,441	1,276
Intangible assets	573	608
Other ¹	841	683
Total non-current assets	21,335	18,720
Total assets	27,040	23,126
CURRENT LIABILITIES		
Payables	3,601	3,146
Revenue received in advance ¹	7,286	7,100
Interest-bearing liabilities	507	255
Lease liabilities	400	394
Other financial liabilities	98	101
Provisions	1,333	1,301
Income tax payable	1	246
Total current liabilities	13,226	12,543
NON-CURRENT LIABILITIES		
Revenue received in advance ¹	1,790	1,618
Interest-bearing liabilities	8,107	6,155
Lease liabilities	1,339	1,159
Other financial liabilities	80	44
Provisions	539	515
Deferred tax liabilities	445	233
Total non-current liabilities	12,300	9,724
Total liabilities	25,526	22,267
Net assets	1,514	859
EQUITY		
Issued capital	886	886
Treasury shares	(169)	(144)
Reserves	276	148
Retained earnings/(Accumulated losses)	521	(31)
Total equity	1,514	859

¹ Comparatives for the year ended 30 June 2025 have been restated due to a reclassification of \$186 million from Other Assets to Unredeemed Frequent Flyer Revenue Received in Advance. Refer to Note 1(B) Comparatives for details.

Notes to the Financial Statements continued

For the year ended 30 June 2026

32 RELATED PARTIES

(A) REMUNERATION OF KEY MANAGEMENT PERSONNEL

The aggregate remuneration of the KMP of the Qantas Group is set out below:

	2026 \$'000	2025 \$'000
Short-term employee benefits	11,698	12,038
Post-employment benefits ¹	871	810
Other long-term benefits ²	(124)	(82)
Share-based payments	6,289	5,406
	18,734	18,172

¹ Post-employment benefits include superannuation and post-employment travel benefits.

² Other long-term benefits include movements in annual leave and long service leave balances. The accounting value of other long-term benefits may be negative, for example, where an Executive's annual leave balance decreases as a result of taking more annual leave than accrued during the current year.

Further details in relation to the remuneration of KMP are included in the Remuneration Report.

(B) NON-EXECUTIVE DIRECTOR FEE SACRIFICE SHARE ACQUISITION PLAN

Under the Non-Executive Director Fee Sacrifice Share Acquisition Plan, Non-Executive Directors can elect to sacrifice a percentage of their Board or Board and Committee fees in return for a grant of Rights to the equivalent value of the same number of Qantas ordinary shares.

Each Right granted will convert automatically to one fully paid Qantas ordinary share at the conversion date, which is six months from the grant date subject to the individual remaining as a Non-Executive Director on the conversion date. The plan is designed to provide Non-Executive Directors the opportunity to build their shareholding in a tax-effective manner and to further align their interests with the interests of shareholders.

	2026 Number of Rights	2025 Number of Rights
Non-Executive Director Fee Sacrifice Share Acquisition Plan — Rights Reconciliation		
Rights outstanding as at 1 July	19,609	–
Rights acquired during the year by fee sacrifice	38,106	47,630
Rights lapsed during the year	(1,134)	–
Rights converted to ordinary shares during the year	(29,840)	(28,021)
Rights outstanding as at 30 June	26,741	19,609

(C) OTHER RELATED PARTY TRANSACTIONS

No KMP or their related parties held any loans from the Qantas Group during or at the end of the year ended 30 June 2026 or prior year. A number of KMP and their related parties have transactions with the Qantas Group. All transactions are conducted on normal commercial arm's length terms.

Transactions with associates are conducted on normal terms and conditions. Transactions between the Qantas Group and associates include:

- The Qantas Group co-guaranteed the lease obligations, on a limited liability basis, in respect of one A320 aircraft on behalf of the Jetstar-branded airline in Japan (Jetstar Japan) to the external lessors in exchange for guarantee fees to the Qantas Group. This arrangement ceased on 28 July 2026.
- The Qantas Group has established a business service agreement with Jetstar Japan. As part of the business service agreement, among other services, Qantas allows Jetstar Japan's credit card transactions to be acquired through the Qantas Group's contractual arrangements.
- The Qantas Group has subleased one A320 aircraft from Jetstar Japan (2025: six).

Notes to the Financial Statements continued

For the year ended 30 June 2026

33 PARENT ENTITY DISCLOSURES – QANTAS AIRWAYS LIMITED

(A) CONDENSED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2026

	2026 \$M	2025 \$M
Revenue and other income ¹	15,572	14,141
Expenditure	(14,011)	(12,565)
Net impairment of assets and related costs ²	(76)	(88)
Statutory profit before income tax expense and net finance costs	1,485	1,488
Finance income	94	98
Finance costs	(332)	(291)
Net finance costs	(238)	(193)
Statutory profit before income tax expense	1,247	1,295
Income tax expense	(57)	(213)
Statutory profit for the year	1,190	1,082

1 Revenue and other income included \$1,051 million of dividend income from wholly-owned subsidiaries of the Qantas Group (2025: \$651 million). This impacts Statutory Profit of the parent entity but is eliminated on consolidation with no net impact to the Group.

2 Impairment of assets and related costs includes the impairment of investments in subsidiaries and intercompany loans of \$70 million (2025: \$101 million). This impacts Statutory Profit of the parent entity but is eliminated on consolidation with no net impact to the Group.

(B) CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2026

	2026 \$M	2025 \$M
Statutory profit for the year	1,190	1,082
Items that were or may be subsequently reclassified to profit or loss		
Effective portion of changes in fair value of cash flow hedges, net of tax	424	(11)
Transfer of effective hedging gains from hedge reserve to the Condensed Income Statement, net of tax	(304)	(20)
Net changes in hedge reserve for time value of options, net of tax	31	(90)
Foreign currency translation of investments accounted for under the equity method	(2)	–
Items that will not subsequently be reclassified to profit or loss		
Defined benefit actuarial gains/(losses), net of tax	6	(28)
Fair value loss on investments, net of tax	(65)	(8)
Total other comprehensive income/(loss) for the year	90	(157)
Total comprehensive income for the year	1,280	925

Notes to the Financial Statements continued

For the year ended 30 June 2026

33 PARENT ENTITY DISCLOSURES – QANTAS AIRWAYS LIMITED (CONTINUED)

(C) CONDENSED BALANCE SHEET AS AT 30 JUNE 2026

	2026 \$M	2025 \$M
CURRENT ASSETS		
Cash and cash equivalents	2,894	1,767
Receivables	802	791
Lease receivables	4	10
Intercompany receivables	8,387	7,714
Other financial assets	310	146
Inventories	346	267
Assets classified as held for sale	–	32
Other ¹	216	261
Total current assets	12,959	10,988
NON-CURRENT ASSETS		
Lease receivables	39	41
Investments in subsidiaries	670	643
Other financial assets	162	168
Investments accounted for under the equity method	43	41
Property, plant and equipment	16,517	14,505
Right of use assets	1,334	1,210
Intangible assets	222	253
Other ¹	812	667
Total non-current assets	19,799	17,528
Total assets	32,758	28,516
CURRENT LIABILITIES		
Payables	2,370	2,033
Intercompany payables	9,356	8,653
Revenue received in advance ¹	5,616	5,494
Interest-bearing liabilities	493	213
Intercompany interest-bearing liabilities	10	39
Lease liabilities	366	355
Other financial liabilities	98	101
Provisions	1,023	1,041
Income tax payable	1	246
Total current liabilities	19,333	18,175
NON-CURRENT LIABILITIES		
Revenue received in advance ¹	1,764	1,589
Interest-bearing liabilities	8,080	6,116
Intercompany interest-bearing liabilities	–	10
Lease liabilities	1,239	1,123
Other financial liabilities	80	44
Provisions	296	275
Deferred tax liabilities	523	341
Total non-current liabilities	11,982	9,498
Total liabilities	31,315	27,673
Net assets	1,443	843
EQUITY		
Issued capital	886	886
Treasury shares	(169)	(144)
Other reserves	33(D) 276	147
Profit reserves	33(E) 4,622	4,132
Accumulated losses	(4,172)	(4,178)
Total equity	1,443	843

¹ Comparatives for the year ended 30 June 2025 have been restated due to a reclassification of \$186 million from Other Assets to Unredeemed Frequent Flyer Revenue Received in Advance. Refer to Note 1(B) Comparatives for details.

Notes to the Financial Statements continued

For the year ended 30 June 2026

33 PARENT ENTITY DISCLOSURES – QANTAS AIRWAYS LIMITED (CONTINUED)

(D) OTHER RESERVES

	2026	2025
	\$M	\$M
Employee compensation reserve	127	93
Hedge reserve	35	(120)
Defined benefit reserve	195	189
Foreign currency translation of investments accounted for under the equity method	(2)	—
Fair value reserve	(79)	(15)
Total other reserves	276	147

(E) DIVIDENDS AND OTHER SHAREHOLDER DISTRIBUTIONS

During the year ended 30 June 2026, the Group paid the 2025 final dividend comprising of a base dividend of \$250 million, distributed as a fully franked final dividend of 16.5 cents per share, and an additional distribution of \$150 million, distributed as a fully franked special dividend of 9.9 cents per share. The dividends were paid on 15 October 2025.

The Group also paid the 2026 interim dividend comprising of a base dividend of \$300 million, distributed as a fully franked interim dividend of 19.8 cents per share. The dividend was paid on 15 April 2026.

In August 2026, the Board has resolved to approve the 2026 final dividend comprising of a base dividend of \$300 million, distributed as a fully franked final dividend of 19.8 cents per share. The record date for determining entitlements to the dividends is 16 September 2026. The dividends will be paid on 14 October 2026.

In February 2026, the Group announced an on-market share buy-back of up to \$150 million. The buy-back did not commence during the year ended 30 June 2026. On 27 August 2026, the Group announced the decision not to proceed with the buy-back. Accordingly, there were no on-market share buy-backs completed by the Group during the year ended 30 June 2026.

During the year, Qantas Airways Limited reported a Statutory Profit After Tax of \$1,190 million, which was set aside in a separate profit reserve.

(F) CAPITAL EXPENDITURE COMMITMENTS

The capital expenditure commitments held by the parent entity are the same as those held by the Group as disclosed in Note 16(C).

(G) CONTINGENT LIABILITIES

The contingent liabilities held by the parent entity are primarily the same as those held by the Group as disclosed in Note 34.

(H) PARENT ENTITY'S RELATIONSHIPS WITH SUBSIDIARIES AND ASSOCIATES

During the reporting period and previous reporting periods, Qantas Airways Limited was the primary purchaser and owner of aircraft, the primary source of issuance of external debt and equity, advanced loans to, received and repaid loans from, and provided treasury, accounting, legal, taxation and administrative services to other controlled entities within the Group. Entities within the Group also exchanged goods and services in sale and purchase transactions.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this Note.

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of its subsidiaries. Further details of the Deed of Cross Guarantee and the subsidiaries subject to the Deed are disclosed in Note 31. The parent entity is also the head entity of the tax consolidated group (wholly-owned Australian resident entities) and has assumed the current tax liabilities of the members of the tax consolidated group.

The parent entity's related party transactions with associates and jointly controlled entities, including in respect to the provision of guarantees, are primarily the same as those held by the Group, which are disclosed in Note 32(C) and Note 34(C).

(I) INTEREST-BEARING LIABILITIES

The parent entity has total interest-bearing liabilities of \$8,583 million (2025: \$6,378 million), of which \$10 million (2025: \$49 million) represents secured loans payable to controlled entities. Of the \$8,573 million (2025: \$6,329 million) payable to other parties, \$4,345 million (2025: \$3,405 million) represents secured bank loans and other secured loans, with the remaining balance representing unsecured loans.

Notes to the Financial Statements continued

For the year ended 30 June 2026

34 CONTINGENT LIABILITIES AND LEGAL PROVISIONS

Where a legal claim has been made against the Group, it is necessary to determine whether each claim either meets the recognition requirement of a provision, represents a contingent liability requiring disclosure or does not require recognition or disclosure in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* (AASB 137). Contingent liabilities are disclosed in the Consolidated Financial Statements unless the outflow is considered 'remote'.

AASB 137 distinguishes between:

- a. provisions – which are recognised as liabilities (unless a reliable estimate cannot be made) because they are present obligations and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations; and
- b. contingent liabilities – which are not recognised as liabilities because they are either:
 - i. possible obligations, as it has yet to be confirmed whether the entity has a present obligation that could lead to an outflow of resources embodying economic benefits; or
 - ii. present obligations that do not meet the recognition criteria (because either it is not probable that an outflow of resources will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made).

Contingent liabilities may develop over time and in a way different from initial expectations and are therefore assessed continuously to determine whether a present obligation has been confirmed, any outflow of economic benefits has become probable or a sufficiently reliable estimate of the amount of the obligation can now be made. If it becomes probable that an outflow of economic benefits will be required or a sufficiently reliable estimate can be made for an item previously determined to be a contingent liability, a provision is recognised in the Consolidated Financial Statements in the period in which the change occurs.

Under AASB 137, disclosure of certain information is not required where it may significantly prejudice the subject matter of a provision or a contingent liability.

(A) CONTINGENT LIABILITIES

From time to time, Qantas is subject to claims and litigation during the normal course of business. The Directors have given consideration to such matters, which are or may be subject to litigation at 30 June 2026, and, subject to specific provisions raised, are of the opinion that no material contingent liabilities exist other than the matters listed below.

In line with AASB 137, other than described below, further information is not disclosed on the grounds that it may significantly prejudice the outcome of the proceedings.

Jetstar Travel Vouchers Class Action proceedings

In August 2024, a class action proceeding was filed in the Federal Court of Australia against Jetstar Airways Pty Limited. The claim relates to flights scheduled to depart between 1 January 2020 and 1 November 2022 that were cancelled by Jetstar, and includes allegations that Jetstar breached its contractual obligations to customers with regard to refunds for cancelled flights, misled customers as to their rights following flights cancelled by Jetstar and that Jetstar was unjustly enriched by holding customer funds.

Jetstar's defence was filed in October 2024, denying the allegations.

The potential outcome and any possible financial impacts are currently unknown, and no provision has been recognised.

Qantas cyber incident

On 2 July 2025, the Group announced that a cyber incident had occurred where a cyber criminal targeted a call centre and gained access to a third-party customer servicing platform. There was no impact to Qantas' flight operations or the safety of the airline.

The Group notified the Office of the Australian Information Commissioner (OAIC) on 8 July 2025. On 17 July 2025, Maurice Blackburn made a representative complaint to the OAIC against Qantas, claiming that Qantas failed to adequately protect the personal information of its customers.

On 16 July 2026, the Australian Privacy Commissioner published a report concluding that the OAIC's preliminary enquiries did not reveal any omissions or failings in the steps taken by Qantas to protect the personal information it held or to ensure the third-party contact centre provider it uses complied with the Privacy Act.

The potential outcome and any possible financial impacts are currently unknown, and no provision has been recognised.

Notes to the Financial Statements continued

For the year ended 30 June 2026

34 CONTINGENT LIABILITIES AND LEGAL PROVISIONS (CONTINUED)

(B) CONCLUDED LEGAL MATTERS OR LEGAL PROVISIONS

Qantas Flight Credits Class Action proceedings

In August 2023, a Class Action proceeding was filed in the Federal Court of Australia. The claim related to flights scheduled to depart between 1 January 2020 and 1 November 2022 that were cancelled by Qantas, and included allegations that Qantas breached its contractual obligations regarding refunds.

On 13 March 2026, Qantas announced that an agreement had been reached to settle the Class Action. The settlement is subject to approval by the Federal Court of Australia with a hearing scheduled to occur in October 2026. Under the terms of the settlement agreement, Qantas has agreed to pay \$105 million, with no admission of liability.

As the settlement is subject to court approval, which is not scheduled to occur until after 30 June 2026, the cash outflow has not yet occurred and a current provision of \$105 million for the settlement amount is reported in the Consolidated Balance Sheet as at 30 June 2026. The settlement amount will be paid to a Court-approved settlement administrator and is expected to occur in the first half of the 2026/27 financial year.

Ground handling outsourcing

On 18 August 2025, the decision on pecuniary penalties was handed down in relation to the outsourcing of the remainder of Qantas' ground handling function in 2020 with the Group to pay a \$90 million penalty.

While the decision was handed down after 30 June 2025, it was an adjusting post-balance sheet date event in accordance with AASB 110 *Events after the Reporting Period* for the financial year 2024/25. As a result, the Group adjusted the provision held within the Consolidated Balance Sheet at 30 June 2025 to equal the penalty decision with the impact recognised in the Consolidated Income Statement for financial year 2024/25.

This penalty was paid during the financial year 2025/26 and recognised as an operating cash outflow in the Consolidated Cash Flow Statement.

(C) GUARANTEES

The Qantas Group co-guaranteed the lease obligations, on a limited liability basis, in respect of one A320 aircraft on behalf of the Jetstar-branded airline in Japan (Jetstar Japan) to the external lessors in exchange for guarantee fees to the Qantas Group. This arrangement ceased on 28 July 2026.

As part of the business service agreements, the Qantas Group has extended support to Jetstar Japan by allowing its credit card transactions to be acquired through the Qantas Group's contractual arrangements.

Qantas has also entered into guarantees to secure a Workers' Compensation self-insurance licence under the *Safety, Rehabilitation and Compensation Act 1988* (Cth), the *New South Wales Workers' Compensation Act 1987*, the *Victorian Workplace Injury Rehabilitation and Compensation Act 2013* and the *Queensland Workers' Compensation and Rehabilitation Act 2003*. Due to specific self-insurance provisions raised, the Directors are of the opinion that the probability of having to make a payment under these guarantees is remote. Qantas has also entered into guarantees in the normal course of business to support non-aircraft lease commitments, and other arrangements entered into with third parties.

35 POST-BALANCE SHEET DATE EVENTS

On 4 August 2026, the Group announced a binding agreement with Japan Airlines to facilitate a change in Jetstar Japan's shareholder structure through a share buy-back transaction. This follows the February 2026 announcement of a non-binding Memorandum of Understanding. Under the agreement, the Group will divest its 33.32 per cent minority shareholding in Jetstar Japan. The transaction remains subject to regulatory approvals with completion expected by June 2027.

Other than as disclosed above and as noted in Note 11 – Dividends and Other Shareholder Distributions, there has not arisen, in the interval between 30 June 2026 and the date of this report, any other event that would have a material impact on the Consolidated Financial Statements as at 30 June 2026.

Notes to the Financial Statements continued

For the year ended 30 June 2026

36 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(A) PRINCIPLES OF CONSOLIDATION

i. Controlled Entities

Controlled entities are entities controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of controlled entities are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

The Group has controlled entities (subsidiaries) that are assessed as material to the Group. Materiality has been assessed based on the expected long-term contribution of statutory profit to the Group. The parent has majority voting rights in respect of each of the material subsidiaries. The material subsidiaries are wholly-owned Australian entities and are listed as parties to the Deed of Cross Guarantee in Note 31.

ii. Non-Controlling Interests

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Non-controlling interests are shown separately in the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with equity owners of the Group.

iii. Investments Accounted for Under the Equity Method

Jointly controlled entities are those entities in which the Group has contractually agreed sharing of control, but not control over an entity. Joint control exists when decisions about the relevant activities of the entity require unanimous consent of the Group and the party or parties sharing control. Interests in jointly controlled entities are accounted for under the equity accounting method when the Group has rights to the net assets of the jointly controlled entity (joint venture), rather than rights to its assets and obligations for its liabilities (joint operation).

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of an entity. Significant influence is evidenced through, but not limited to, the voting power of the Group, representation on the Board of Directors and participation in policy-making processes. Interests in associates are accounted for under the equity accounting method.

Investments accounted for under the equity accounting method are initially recognised at cost. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases. Dividends received or receivable reduce the carrying amount of the equity accounted investment. When the Group's share of total comprehensive losses exceeds the equity accounted carrying value of an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations to fund an associate's operations or has made payments on behalf of an associate or jointly controlled entity, in which case further losses continue to be recognised within provisions.

When an associate or jointly controlled entity is disposed of in its entirety or partially such that significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that associate or jointly controlled entity is reclassified to the Consolidated Income Statement as part of the gain or loss on disposal. When the Group disposes of only part of an associate while retaining significant influence, or only part of a jointly controlled entity while retaining joint control, the relevant proportion of the cumulative amount in the foreign currency translation reserve related to that associate or jointly controlled entity is reclassified to the Consolidated Income Statement.

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy described in Note 36(G).

iv. Transactions Eliminated on Consolidation

Intra-group transactions, balances and unrealised gains and losses on transactions (except for foreign currency transaction gains or losses) between controlled entities are eliminated in the Consolidated Financial Statements. Unrealised gains and losses arising from transactions with investments accounted for under the equity method are eliminated to the extent of the Group's interest in the associate.

Notes to the Financial Statements continued

For the year ended 30 June 2026

36 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(A) PRINCIPLES OF CONSOLIDATION (CONTINUED)

v. Business Combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business combination and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set of assets and activities has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

(B) FOREIGN CURRENCY

i. Foreign Currency Transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group's controlled entities at average exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting date exchange rates are generally recognised in the Consolidated Income Statement.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transactions.

ii. Foreign Operations

The assets and liabilities and the income and expenditure of foreign operations that have a functional currency other than AUD are translated into AUD as follows:

- Assets and liabilities for each balance sheet presented are translated at the exchange rate at the reporting date.
- Income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates.
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to the Consolidated Income Statement as part of the gain or loss on disposal. If the Group disposes of part of its interests in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or jointly controlled entity while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the Consolidated Income Statement.

iii. Exchange Rates

References to exchange rates are based on International Air Transport Association (IATA) Five Day Rates.

(C) FINANCIAL INSTRUMENTS

Non-Derivative Financial Instruments

i. Recognition, Measurement and Derecognition of Non-Derivative Financial Assets

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs related to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed.

The Group subsequently classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through the Consolidated Income Statement or the Consolidated Statement of Comprehensive Income)
- Those to be measured at amortised cost.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, are settled or the Group transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership are transferred.

Notes to the Financial Statements continued

For the year ended 30 June 2026

36 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(C) FINANCIAL INSTRUMENTS (CONTINUED)

Non-Derivative Financial Instruments (continued)

ii. Recognition, Measurement and Derecognition of Non-Derivative Financial Liabilities

At initial recognition, the Group measures a non-derivative financial liability at its fair value, less transaction costs.

The Group subsequently measures non-derivative financial liabilities at amortised cost, with any difference between cost and redemption value being recognised in the Consolidated Income Statement over the period of the non-derivative financial liability using the effective interest method.

The Group derecognises a non-derivative financial liability when its contractual obligations are discharged, cancelled or expired. The Group also derecognises a non-derivative financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a non-derivative financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the Consolidated Income Statement.

Derivative Financial Instruments

Derivative financial instruments are recognised at fair value both initially and on an ongoing basis. The accounting for subsequent changes in fair value depends on whether the derivative is a designated hedging instrument and, if so, the nature of the item being hedged and the type of hedge relationship designated. The Group designates derivatives as either hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges), or as hedges of a particular risk associated with the cash flows of recognised assets and liabilities or of highly probable forecast transactions (cash flow hedges). At the inception of the transactions, the Group documents the economic relationship between hedging instruments and hedged items, including the risk management objective and strategy for undertaking each transaction.

The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments that are used in hedge transactions have been and will continue to be highly effective.

From time to time, certain derivative financial instruments do not qualify for hedge accounting, notwithstanding that the derivatives are held to hedge identified exposures. Any changes in the fair value of a derivative instrument or part of a derivative instrument that do not qualify for hedge accounting are classified as ineffective and recognised immediately in the Consolidated Income Statement.

i. Fair Value Hedges

Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges are recognised in the Consolidated Income Statement, together with any changes in the fair value of the hedged asset or liability or firm commitment attributable to the hedged risk.

ii. Cash Flow Hedges

Where a derivative financial instrument is designated and qualifies as a cash flow hedge, the effective portion of changes in the fair value of the derivative is recognised in the Consolidated Statement of Comprehensive Income and accumulated within the hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Consolidated Income Statement.

The amount accumulated in equity is retained in the hedge reserve and reclassified to the Consolidated Income Statement in the same period or periods during which the hedged forecast cash flows affect profit or loss or the hedged item affects profit or loss. Where the hedged item is capital in nature, the cumulative gain or loss recognised in the hedge reserve is transferred to the carrying amount of the asset when the asset is recognised.

If the forecast transaction is no longer highly probable, the hedging instrument expires, is sold, terminated or exercised, or the designation is revoked, then hedge accounting is de-designated prospectively. If the forecast transaction is no longer highly probable, but still probable, hedge accounting is discontinued and the amounts accumulated in the hedge reserve are recognised in the Consolidated Income Statement in the period in which the original hedged item transaction ultimately occurs. If the forecast transaction is no longer probable (or subsequently considered no longer probable), hedge accounting is de-designated and the amounts accumulated in the hedge reserve are reclassified to the Consolidated Income Statement immediately.

iii. Cost of Hedging

The time value of an option, the forward element of a forward contract and any foreign currency basis spread is excluded from the designation of a financial instrument and accounted for as a cost of hedging. The fair value changes of these elements are recognised in other comprehensive income and accumulated within the hedge reserve and, depending on the nature of the hedged item, will either be transferred to the Consolidated Income Statement in the same period that the underlying transaction affects the Consolidated Income Statement or capitalised into the initial carrying value of the asset.

Notes to the Financial Statements continued

For the year ended 30 June 2026

36 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(C) FINANCIAL INSTRUMENTS (CONTINUED)

Derivative Financial Instruments (continued)

iv. Measurement of Fair Values

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market is estimated using valuation techniques consistent with accepted market practice. The Group uses a variety of valuation techniques and input assumptions that are based on market conditions existing at the balance sheet date. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

v. Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under AASB 9 *Financial Instruments*, and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of AASB 15 *Revenue from Contracts with Customers*.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(D) REVENUE RECOGNITION

i. Net Passenger and Net Freight Revenue

Net passenger revenue primarily arises within the Qantas Domestic, Qantas International and Jetstar Group segments.

Net freight revenue primarily arises within the Qantas International segment except where belly space is utilised in Qantas Domestic and the Jetstar Group, in which case an allocation of the net freight revenue is recognised in these segments.

Passenger, freight, capacity hire and air charter revenue are recognised when the travel or service is provided. Revenue recognised on travel is net of sales discounts, passenger and freight interline/IATA commission and the Goods and Services Tax. Net freight revenue includes amounts the Group receives as operating lease income in relation to freighters leased to customers.

At the time of expected travel, revenue is also recognised in respect of tickets that are not expected to be used. Unused tickets and unredeemed travel credits are recognised as revenue using estimates based on the terms and conditions of the ticket, experience, historical and expected future trends.

Passenger travel is generally paid for in advance of travel and is deferred on the balance sheet as revenue received in advance. Travel credits are classified as revenue received in advance where they are available for future flights or in certain circumstances for refund, if requested. Where customers have made refund claims, these are classified as payables.

Where the passenger is also a Qantas Frequent Flyer member and earns Qantas Points on travel, the allocation of revenue is on a proportional basis using relative stand-alone selling prices. The consideration allocated to Qantas Points is deferred as unrecognised redemption revenue.

Consideration received in relation to certain ancillary services regarding passenger travel such as credit card fees and change fees are not considered to be distinct from the passenger flight. Revenue relating to these ancillary services is deferred until uplift to align with the related passenger travel. These amounts are included within net passenger revenue.

Passenger recoveries are included in net passenger revenue.

Freight services are generally billed in arrears and revenue is recognised on uplift. Where the services have been paid in advance, it is deferred on the balance sheet as revenue received in advance until uplift. Freight fuel surcharge is included in net freight revenue.

Notes to the Financial Statements continued

For the year ended 30 June 2026

36 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(D) REVENUE RECOGNITION (CONTINUED)

ii. Frequent Flyer Marketing Revenue and Other Qantas Loyalty Businesses

Marketing revenue associated with the issuance of Qantas Points is recognised within the Qantas Loyalty segment as the service is performed over time (typically, this approximates to the timing of the issuance of Qantas Points). Marketing revenue is measured as the difference between the stand-alone selling price of a Qantas Point and the consideration received, using the residual approach. The stand-alone selling price of a Qantas Point is determined using estimation techniques based on the value of redemption options for which Qantas Points could be redeemed and considers the proportion of Qantas Points not expected to be redeemed. The consideration for Qantas Points is typically received within normal credit terms following the issuance of points.

Marketing revenue on inter-segment Qantas Point issuances is eliminated on consolidation.

Revenue from other Qantas Loyalty businesses includes both commission revenue where Qantas Loyalty is acting as agent, and revenue arising from provision of goods and services where Qantas Loyalty is acting as a principal (e.g., holiday packages and wine sales). Determining whether Qantas Loyalty acts as principal or agent involves judgement based on whether it controls the underlying goods or services prior to transfer to the customer. These revenues are measured based on its relative stand-alone selling price and recognised on satisfaction of the performance obligation (typically, the transfer of the underlying good or service to the customer). Revenue is recognised on a net basis where Qantas Loyalty acts as an agent and a gross basis where Qantas Loyalty acts as principal. Deposits received from customers to secure bookings are paid in advance and are deferred on the balance sheet as revenue received in advance.

iii. Frequent Flyer Redemption Revenue

The consideration for issuance of Qantas Points is typically received in advance of redemption and is recognised as deferred redemption revenue at its relative stand-alone selling price. Redemption revenue is measured based on the weighted average value of the points redeemed. Redemption revenue is recognised within the Qantas Loyalty segment when Qantas Points are redeemed.

Redemption revenue in relation to products provided by suppliers outside the Group, such as Qantas Marketplace redemptions and other carrier redemptions, is recognised in the Consolidated Income Statement net of related costs where the Group acts as an agent. Obligations for returns or refunds in relation to redemptions from Qantas Marketplace are recognised where material.

For the purposes of segment reporting, the Qantas Loyalty segment reports Qantas Group flight redemptions when Qantas Points are redeemed. Adjustments are made within the consolidation eliminations to present these redemptions on uplift within net passenger revenue.

Significant changes in the estimate of issued Qantas Points expected to expire unredeemed are recognised within other revenue and income. The Group uses estimates based on terms and conditions of the Frequent Flyer program, experience, and historical and expected future trends to determine any amount recognised.

iv. Other Carrier Commissions and Commissions from Third Parties (within Third-party services revenue)

The Group applies judgement in assessing whether it is a principal or agent in relation to services by considering whether it has a performance obligation to provide services to the customer or whether the obligation is to arrange for services to be provided by another party, such as another carrier or a third party. Other carrier commission revenue is generally recognised on uplift by the other carrier and consideration is received within normal credit terms through IATA. Commissions from third parties are generally recognised when the underlying good or service has been transferred to the end customer.

v. Freight Terminal Fees (within Third-party services revenue)

Revenue from freight terminal fees is measured based on its stand-alone selling price and recognised on satisfaction of the performance obligation, which is typically the transfer of the underlying service to the customer. Consideration is received according to contractual terms.

vi. Incremental Costs of Obtaining a Contract

The incremental cost of obtaining a contract is capitalised and amortised over the expected period of benefit to the Group and in line with the pattern of those benefits. The Group recognises the incremental costs of obtaining a contract as an expense when incurred where the amortisation period of the asset that would have been recognised is one year or less.

(E) GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group expects to comply with the conditions. Depending on the grant conditions, grants received may be deferred and recognised over time on a straight-line basis. Grants received to support capital expenditure are deferred and recognised in the Consolidated Income Statement over the useful life of the related asset. Grants that compensate the Group for expenses incurred are recognised in the Consolidated Income Statement in the periods in which the expenses are recognised.

Notes to the Financial Statements continued

For the year ended 30 June 2026

36 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(F) TAXES

i. Income Tax

Tax compliance

The Group is committed to embedding risk management practices to support the achievement of compliance objectives and fulfil corporate governance obligations. Tax risk management is governed by both the Qantas Group Risk Management Policy and the Qantas Group Tax Risk Management Policy, ensuring corporate governance obligations with respect to tax risks are met. The Group has paid all taxes that it owes and all tax compliance obligations are up to date. The Australian Taxation Office (ATO) also acknowledged Qantas' continued commitment to engage cooperatively and transparently to mitigate tax risks, including obtaining tax certainty on key transactions.

Tax treaties

Due to the operation of income tax treaties and specific rules dealing with airlines, the Group appropriately reports the majority of its income in Australia, with only a small component being reported in foreign jurisdictions (for the purpose of determining liability to company tax).

Tax consolidation

The Group and its Australian wholly-owned controlled entities, trusts and partnerships are part of a tax consolidated group. As a consequence, all members of the tax consolidated group are taxed as a single entity.

International Tax Reform - Pillar Two Model Rules

The Group has adopted *International Tax Reform - Pillar Two Model Rules* (Amendments to AASB 112). Refer to Note 10 Income Tax.

Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Consolidated Income Statement except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable with respect to previous years. It is measured using tax rates enacted or substantially enacted at the balance sheet date where the Group and its subsidiaries operate and generate taxable income or loss.

Current tax assets and liabilities are offset only if the Group has legally enforceable rights to set off the assets and liabilities.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss
- temporary differences arising from the initial recognition of assets or liabilities that do not give rise to equal taxable and deductible temporary differences
- temporary differences relating to investments in controlled entities, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable they will not reverse in the foreseeable future.
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The Group provides for income tax in both Australia and overseas jurisdictions where a liability exists.

ii. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the Consolidated Balance Sheet. The GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Notes to the Financial Statements continued

For the year ended 30 June 2026

36 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(G) IMPAIRMENT

i. Non-Financial Assets

The carrying amounts of non-financial assets such as equity accounted investments, property, plant and equipment, right of use assets, intangible assets and other assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. Where such an indication exists, the relevant non-financial asset is tested for impairment.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. For the purpose of assessing impairment, goodwill and indefinite lived intangible assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units (CGUs)). Goodwill arising from a business combination is allocated to CGUs or a group of CGUs that are expected to benefit from the synergies of the combination.

Assets that primarily generate cash flows as a group, such as aircraft, are typically assessed on a CGU basis, inclusive of related infrastructure and intangible assets and compared to net cash inflows for the CGU. Where assets are no longer expected to contribute to the cash flows of a CGU, they are tested for impairment separately.

Identification of an asset's CGUs requires judgement, as it involves identification of the lowest aggregation of assets that generate largely independent cash inflows from other assets or CGUs. Management has identified the lowest aggregation of assets which give rise to CGUs as defined by AASB 136 *Impairment of Assets* in Note 25(A)i.

Estimated net cash flows used in determining recoverable amounts are discounted to their net present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets or CGU.

An impairment loss is recognised for the amount by which the asset's or CGU's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and value in use. Impairment loss is recognised in the Consolidated Income Statement. If any goodwill is allocated to a CGU, impairment losses are allocated first to reduce the carrying amount of any goodwill, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis. Carrying amounts of assets are reduced to the higher of its fair value less costs of disposal, its value in use and zero.

Non-financial assets, other than goodwill, that have been previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. The maximum amount of any impairment reversal is the lower of:

- the amount necessary to bring the carrying amount of the asset to its recoverable amount (if it is determinable), and
- the amount necessary to restore the assets of the CGU to their pre-impairment carrying amounts less subsequent depreciation or amortisation that would have been recognised.

Impairment losses in respect of goodwill are not reversed.

ii. Non-Derivative Financial Assets

The carrying value of financial assets is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Where necessary, the Group recognises provisions for Expected Credit Loss (ECL) at amortised cost, based on 12-month or lifetime losses depending on whether there has been a significant increase in credit risk, including risk of default occurring, since initial recognition. Loss allowances are recognised against the carrying amount of the respective financial assets.

For significant customers, the Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts, cash flow projections and available press information about customers) and applying experienced credit judgement. For other customers, ECL is assessed based on credit risk characteristics and the days past due. It is then measured based on actual historical credit loss experienced over the past years, along with other factors, to reflect differences between the economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of macroeconomic conditions over the expected lives of the receivables. The Group considers a financial asset to be in default when the counterparty is unlikely to pay its credit obligations in full.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, including forward-looking information. A financial asset is written off when there is no reasonable expectation of recovery, such as the debtor failing to engage in a repayment plan with the Group.

Notes to the Financial Statements continued

For the year ended 30 June 2026

36 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(H) PROPERTY, PLANT AND EQUIPMENT

i. Recognition and Measurement

Items of property, plant and equipment are recognised at cost less accumulated depreciation and impairment losses. Significant components of property, plant and equipment with different useful lives are accounted for separately. Items of property, plant and equipment including the significant components are initially recorded at cost, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Costs to dismantle and remove assets

The cost of property, plant and equipment includes the initial estimate of costs of dismantling and removing the items and restoring the site on which they are located.

Changes in the measurement of existing liabilities resulting from changes in foreign exchange rates, timing or expected outflow of resources required to settle the obligation or from changes in the discount rate are recognised as an adjustment to the asset. The unwinding of the discount is treated as a finance expense in the Consolidated Income Statement.

Gains or losses on cash flow hedges of the purchase of assets

The cost also may include transfers from the hedge reserve of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment in accordance with Note 36(C).

Capitalisation of interest

Interest attributed to progress payments made on account of aircraft and other qualifying assets under construction are capitalised and added to the cost of the asset. All other borrowing costs are recognised in the Consolidated Income Statement in the year in which they are incurred.

Gains or losses on disposal

Any gain or loss on disposal of property, plant and equipment is recognised in the Consolidated Income Statement.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is provided on a straight-line basis on all items of property, plant and equipment (including significant components) except for freehold land, which is not depreciated. The depreciation rates of owned assets are calculated to allocate the cost or valuation of an asset, less any estimated residual value, over the asset's estimated useful life to the Group. Assets are depreciated from the date of acquisition or, with respect to internally constructed assets, from the time an asset is available for use. The costs of improvements to assets are depreciated over the shorter of the remaining useful life of the asset or the estimated useful life of the improvement.

The general asset depreciation periods and estimated residual value percentages applied where material are:

	Years	Residual Value (%)
Buildings and leasehold improvements	5 – 40	0
Plant and equipment	2 – 20	0
Passenger aircraft and engines	2 – 24	0 – 10
Regional aircraft and engines	2 – 30	0 – 10
Freighter aircraft and engines	2 – 30	0 – 10
Aircraft spare parts	2 – 20	0 – 10

Useful lives and residual values are reviewed annually and adjusted where appropriate, having regard to commercial and technological developments, the estimated useful life of assets to the Group and the long-term fleet plan.

iv. Maintenance and Overhaul Costs

Embedded maintenance

An element of the cost of an acquired aircraft is attributed to its service potential, reflecting the maintenance condition of its engines and airframe. This cost is depreciated over the shorter of the period to the next major inspection event, the remaining life of the asset or the remaining lease term.

Subsequent maintenance expenditure

The costs of subsequent major cyclical maintenance checks for owned and leased aircraft are recognised as an asset and depreciated over the shorter of the scheduled usage periods to the next major inspection event, the remaining life of the aircraft or lease term (as appropriate to their estimated residual value). Maintenance checks which are covered by third-party maintenance agreements where there is a transfer of risk and legal obligation to the third party, are expensed on the basis of hours flown. All other maintenance costs are expensed as incurred.

Notes to the Financial Statements continued

For the year ended 30 June 2026

36 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(H) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

iv. Maintenance and Overhaul Costs (continued)

Modifications

Modifications that enhance the operating performance or extend the useful lives of aircraft are capitalised and depreciated over the remaining estimated useful life of the asset or remaining lease term (as appropriate to their estimated residual value).

v. Manufacturers' Credits

The Group receives credits from manufacturers in connection with the acquisition of certain aircraft and engines. These credits are recorded as a reduction to the cost of the related aircraft and engines, when the credits are utilised by the Group.

(I) LEASES

The Group leases passenger aircraft and engines, freighter aircraft, domestic and international properties, and equipment. Lease contracts are typically entered into for fixed periods but may have extension options.

Leases are contracts which convey the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the Group has both the right to direct the use of the identified asset and to obtain substantially all the economic benefits from the use of the asset throughout the period of use.

i. Initial Recognition

Leases (other than the exemptions described below) are recognised as a lease liability with a corresponding right of use asset at the date at which the leased asset is available for use by the Group.

The Group has elected not to recognise right of use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises lease payments associated with these leases as an expense in the Consolidated Income Statement as incurred.

For material contracts that include lease components and non-lease components, these components are separated based on their relative stand-alone selling prices. The lease component is recognised as a lease and the non-lease component is recognised as an expense in the Consolidated Income Statement as incurred. This includes, for example, certain capacity hire arrangements where a third party provides aircraft (lease component) to the Group, together with other services such as crew and maintenance (non-lease components), which are recognised within capacity hire expense.

Lease liability

At the lease commencement date, lease liabilities are initially measured at the present value of lease payments over the lease term.

Lease payments include fixed payments (less any lease incentives receivable), variable payments that are based on an index or a rate (initially measured using the index or rate as at the commencement date), amounts expected to be payable under a residual value guarantee and, where relevant, the exercise price of a purchase option (where it is reasonably certain that option will be exercised).

The lease term includes the non-cancellable period for which the Group has contracted to lease the asset, together with any option terms to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. When determining the lease term for cancellable leases or renewable leases, the Group considers both the broader economics of the contract (and not only contractual termination payments) and whether each of the parties has the right to terminate the lease without permission from the other party with no more than an insignificant penalty. Such leases include, for example, leases which have expired and are legally cancellable by both the lessor and lessee and/or leases which contain holdover arrangements which allow the lessee to continue to occupy the property beyond the lease end date until the arrangement is cancelled by either the lessee or the lessor.

Lease payments are discounted using the Group's incremental borrowing rate where the implicit interest rate in the lease is not readily determined. The Group's incremental borrowing rate is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value or the right to use an asset in an economic environment with similar terms and conditions.

Right of use asset

At the lease commencement date, right of use assets are initially measured at cost at an amount equal to the initial measurement of the lease liability (adjusted for any lease payments made at or before the commencement date), and an initial estimate of the present value of restoration or return costs that arise at lease commencement (with the corresponding amount recognised as a provision) less any lease incentives received.

Notes to the Financial Statements continued

For the year ended 30 June 2026

36 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(I) LEASES (CONTINUED)

ii. Subsequent Measurement

Lease liability

Lease payments are allocated between principal and interest payments. The interest expense is recognised in the Consolidated Income Statement over the lease term to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities denominated in currencies other than the Group's functional currency are translated to AUD at each reporting date. However, the right of use asset is recognised at the foreign exchange rate at initial recognition.

In accordance with the Group's Treasury Risk Management Policy, certain foreign currency lease liabilities (for example, aircraft leases denominated in USD) have been designated as a hedging instrument of future corresponding foreign currency revenues (for example, US revenues) in a cash flow hedge relationship. The effective portion of the foreign exchange revaluation of the lease liability is recognised in other comprehensive income and is recycled to the Consolidated Income Statement within net passenger revenue when the hedged item is realised.

The lease liability is remeasured where there is a change in future lease payments arising from a change in index or rate, if there is a change in the Group's estimate of amounts expected to be payable under a residual value guarantee, or if there is a change in the lease term, including the Group's assessment of whether it will exercise a purchase, extension or termination option within the lease contract (reassessed where there is a significant event or change in circumstances that is within the Group's control and affects the ability to exercise, or not to exercise, an option). Where the lease liability is remeasured in this way, a corresponding adjustment is recognised to the right of use asset or is recorded in the Consolidated Income Statement if the carrying amount of the right of use asset has been reduced to zero.

Right of use asset

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The right of use asset is adjusted for certain changes in the lease liability, impairment losses (in accordance with Note 36(G)i.) and for changes in the measurement of the restoration provision recognised for return costs that arise at lease commencement.

iii. Lease Revenue

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease. If not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Where the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right of use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to the components based on their relative stand-alone selling prices.

The Group applies the derecognition and impairment requirements to finance lease receivables (in accordance with Note 36(G)ii.).

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term within net freight revenue and other revenue and income.

iv. Sale and Leaseback

A sale and leaseback transaction is one where the Group sells an asset in accordance with AASB 15 *Revenue from Contracts with Customers*, and simultaneously reacquires the use of the asset by entering into a lease with the buyer.

The Group measures the right of use asset arising from the leaseback at the portion of the previous carrying amount that is retained by the Group, with any difference between the right of use asset and the lease liability reflected in the gain on sale. Accordingly, any residual gain from the disposal of assets is representative of the rights transferred to the buyer and is recognised in the Consolidated Income Statement.

Notes to the Financial Statements continued

For the year ended 30 June 2026

36 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(J) INTANGIBLE ASSETS

i. Recognition and Measurement

Goodwill	Goodwill has an indefinite useful life and is recognised at cost less any accumulated impairment losses. With respect to investments accounted for under the equity method, the carrying amount of goodwill is included in the carrying amount of the investment.
Airport landing slots	Airport landing slots, which are recognised as intangible assets, have an indefinite useful life. Airport landing slots are not amortised and are recognised at cost less any accumulated impairment losses.
Brand names and trademarks	Brand names and trademarks have an indefinite useful life and are therefore not amortised and are recognised at cost less any accumulated impairment losses.
Software	Software is recognised at cost less accumulated amortisation and impairment losses. Software development expenditure, including the cost of materials, direct labour and other direct costs, is only recognised as an asset when the Group controls the future economic benefits as a result of the costs incurred, it is probable that those future economic benefits will eventuate and the costs can be measured reliably. Where software projects do not meet this criteria to be recognised as an asset, they are expensed as incurred within Technology and digital expense in the Consolidated Income Statement. Cloud computing arrangements involve service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Fees for use of the underlying software are recognised as an expense as the service is provided over the contract period. Where the Group does not receive a software intangible asset at the contract commencement date, costs incurred for the customisation and configuration are generally recognised as an expense when the work is performed.
Customer contracts/relationships	Customer contracts/relationships are recognised at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation commences when the asset is ready for use.
Contract intangible assets	Contract intangible assets are recognised at cost less accumulated amortisation and impairment losses. Amortisation commences when the asset is ready for use.

The Group considers that there are no individual intangible assets that are material for additional disclosure within the financial statements.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the Consolidated Income Statement as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in the Consolidated Income Statement. Goodwill, brand names and trademarks, and airport landing slots are indefinite lived intangible assets and not amortised but tested annually for impairment as part of the relevant CGUs the assets are allocated to.

The general amortisation periods and estimated residual value percentages applied where material are:

	Years	Residual Value %
Software	2 – 10	0
Customer contracts/relationships	10	0
Contract intangible assets	40	0

(K) INVENTORIES

Inventories are valued at the lower of cost and net realisable value. The cost is determined by the weighted average cost method. Inventories mainly include engineering expendables, consumable stores, carbon credits and work in progress.

(L) ASSETS HELD FOR SALE

Non-current assets, or disposal groups comprising asset and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continued use and the asset is available for immediate sale in its present condition.

Notes to the Financial Statements continued

For the year ended 30 June 2026

36 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(L) ASSETS HELD FOR SALE (CONTINUED)

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, net defined benefit assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment loss on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in the Consolidated Income Statement.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated and any equity accounted investees are no longer equity accounted.

(M) PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30-60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, if the effect of discounting is material.

Payables also include customer refund liabilities, including Qantas COVID-19 credits.

(N) REVENUE RECEIVED IN ADVANCE

i. Unavailed Passenger Revenue

Passenger travel and freight services are generally paid for in advance of travel and are deferred on the balance sheet as revenue received in advance. Travel credits are classified as revenue received in advance where they are available for future flights or in certain circumstances for refund, if requested. Where customers have made refund claims, these are classified as payables.

Tickets generally expire either within 12 months after the planned travel date if they are not used within that time period, or on the date of planned travel, depending on the terms and conditions.

Notwithstanding that travel credits may not be utilised in the next 12 months, unavailed passenger revenue is classified as current on the basis that the Group does not have a right to defer usage for at least 12 months from the reporting date.

ii. Unredeemed Frequent Flyer Revenue

Unredeemed Frequent Flyer revenue relates to performance obligations associated with Qantas Points which have been issued but not redeemed. Qantas Points are issued by the Group as part of the Qantas Frequent Flyer program or are sold to third parties such as credit card providers, who issue them as part of their loyalty programs. Unredeemed Frequent Flyer revenue is classified as either current or non-current based on the Group's expectation of redemption patterns by members within 12 months from the reporting date. The non-current amount of Unredeemed Frequent Flyer revenue will be materially recognised as revenue over three years. Significant changes in Qantas Points expected to expire unredeemed are recognised within other revenue and income using estimates based on the terms and conditions of the Frequent Flyer program, experience, historical and expected future trends.

iii. Other Revenue Received in Advance

Other revenue received in advance primarily relates to prepaid Qantas Club and Club Jetstar membership fees, revenue received in advance for travel packages, points redemptions on other airlines, unavailed cargo revenue and grants or supplier incentives the Group has received but which are recognised over time. Other revenue received in advance is classified as current where it is expected to be recognised or transferred to another carrier within 12 months from the reporting date.

(O) PROVISIONS

A provision is recognised if, as a result of a past event, there is a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognised for future operating losses.

The recognition and measurement of provisions involve judgement in determining whether a present obligation exists and whether an outflow of economic benefits is probable, as well as estimation uncertainty in assessing the timing and amount of expected future cash flows.

If the effect is material, a provision is determined by discounting the best estimate of the expected future cash flows required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance expense in the Consolidated Income Statement.

Provisions are presented as current liabilities in the balance sheet if the Group does not have a right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Notes to the Financial Statements continued

For the year ended 30 June 2026

36 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(O) PROVISIONS (CONTINUED)

Wages, salaries and annual leave	Liabilities for wages, salaries and annual leave vesting to employees are recognised in respect of employees' services up to the end of the reporting period. These liabilities are measured at the amounts expected to be paid when they are settled and include related on-costs, such as workers' compensation insurance, superannuation and payroll tax. The annual leave provision is discounted using corporate bond rates which most closely match the expected settlement dates of the provision. The unwind of the discount is treated as a finance expense in the Consolidated Income Statement. Remeasurements as a result of experience adjustments and changes in assumptions are recognised in the Consolidated Income Statement.
Long service leave	The liability for long service leave is recognised as a provision for employee benefits and measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. The provision is calculated using expected future increases in wage and salary rates, including related on-costs and expected settlement dates based on expected employee usage. The provision is discounted using corporate bond rates which most closely match the expected settlement dates of the provision. The unwind of the discount is treated as a finance expense in the Consolidated Income Statement. Remeasurements as a result of experience adjustments and changes in assumptions are recognised in the Consolidated Income Statement.
Redundancies and other employee benefits	Redundancy provisions are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. These benefits are expected to be settled wholly within 12 months of the end of the reporting period. Other employee benefits such as discretionary bonus amounts to Non-Executive employees are recognised as a provision where the Group has a legal or constructive obligation to make the payment to Non-Executive employees and the amount can be reliably measured.
Onerous contracts	An onerous contract is a contract in which the unavoidable cost of meeting the obligations under the contract exceeds the economic benefit expected to be received. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.
Make good on leased assets	Aircraft: An initial estimate of the present value of restoration or return costs that arise at lease commencement are recognised as a provision, with a corresponding amount recognised as part of the initial recognition of the right of use asset and depreciated over the lease term. Changes in this provision (other than discount unwind, which is recognised as a finance expense in the Consolidated Income Statement) are recognised as an adjustment to the right of use asset. Provisions for the cost of return obligations within the lease that occur over the lease term through usage or the passage of time are recognised as an expense when they occur. The determination of these costs requires significant judgement and is estimated in USD based on the forecast costs expected to be incurred in relation to lease obligations when the aircraft is returned to or purchased from the lessor, calculated using expected future increases in costs and discounted to present value using the Group's incremental borrowing rate. The expense is recognised pro-rata over the period to an expected lease return date. Movements in the provision due to changes in foreign exchange rates and discount rates as well as changes in estimates of forecast return costs expected to be incurred or expected lease return dates are recognised in the Consolidated Income Statement. Property: An initial estimate of the present value of restoration costs that arise at lease commencement are recognised as a provision with a corresponding amount recognised as part of the initial recognition of the right of use asset and depreciated over the lease term. Changes in this provision (other than discount unwind, which is recognised as a finance expense in the Consolidated Income Statement) are recognised as an adjustment to the right of use asset. Environment: Where the usage of property or land gives rise to an obligation for rehabilitation, the Group recognises a provision for the costs associated with restoration with a corresponding amount recognised in the Consolidated Income Statement. Changes in this provision are recognised in the Consolidated Income Statement.

Notes to the Financial Statements continued

For the year ended 30 June 2026

36 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(O) PROVISIONS (CONTINUED)

Insurance, legal and other	Insurance: The Group self-insures for risks associated with workers' compensation in certain jurisdictions. Qantas has made a provision for all notified and assessed workers' compensation liabilities, together with an estimate of liabilities incurred but not reported, based on an independent actuarial assessment. The provision is discounted using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the liabilities, and which have maturity dates approximating the terms of Qantas' obligations. Workers' compensation for all remaining employees is commercially insured. Legal and other provisions: Provisions are recognised where they are incurred as a result of a past event, there is a legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.
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(P) OTHER EMPLOYEE BENEFITS

i. Employee Share Plans

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with market performance conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Where forfeiture occurs after the vesting date, for example during a period of holding lock or trading restriction, this is a non-vesting condition and the expense for services received is not reversed.

ii. Defined Contribution Superannuation Plans

The Group contributes to employee defined contribution superannuation plans. Contributions to these plans are recognised as an expense in the Consolidated Income Statement as incurred.

iii. Defined Benefit Superannuation Plans

The Group's net obligation with respect to defined benefit superannuation plans is calculated separately for each plan.

The Qantas Group Super Plan administered within Australian Retirement Trust has been split based on the divisions which relate to accumulation members and defined benefit members. Only defined benefit members are included in the Qantas Group's net obligation calculations. The calculation estimates the amount of future benefit that employees have earned in return for their service in the current and prior periods, which is discounted to determine its present value, and the fair value of any plan assets is then deducted.

The calculation of defined benefit obligations is performed biannually by a qualified actuary using the projected unit credit method. The calculation requires the use of actuarial assumptions, including discount rates, salary increases, and member demographics, which involve judgement in determining the most appropriate estimates based on market conditions and historical experience. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability or asset, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognised immediately in other comprehensive income. The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Consolidated Income Statement.

The discount rate used is the corporate bond rate which has a maturity date that approximates the expected terms of Qantas' obligations. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Consolidated Income Statement as past service costs. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Notes to the Financial Statements continued

For the year ended 30 June 2026

36 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(Q) NET FINANCE COSTS

Net finance costs comprise interest payable on borrowings calculated using the effective interest method, unwinding of the discount rate on lease liabilities, provisions and receivables, interest receivable on funds invested and prepaid, and gains and losses on mark-to-market movements in fair value hedges, reduced by capitalised interest on aircraft predelivery payments.

Interest income or expense is recognised in the Consolidated Income Statement using the effective interest method.

Finance costs are recognised in the Consolidated Income Statement as incurred, except where interest costs relate to qualifying assets, in which case they are capitalised to the cost of the assets. Qualifying assets are assets that necessarily take a substantial period of time to be made ready for intended use. Where funds are borrowed generally, borrowing costs are capitalised using the average interest rate applicable to the Group's debt facilities.

(R) CAPITAL AND RESERVES

i. Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity, net of tax.

ii. Repurchase of Share Capital (Share Buy-Backs)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from issued capital.

iii. Treasury Shares

Shares purchased and held by the Qantas-sponsored Employee Share Plan Trust are recognised as treasury shares at their purchase price and deducted from equity on the purchase date.

iv. Employee Compensation Reserve

The fair value of equity plans granted is recognised in the employee compensation reserve over the vesting period. This reserve will be reversed against treasury shares when the underlying shares vest and transfer to the employee at the fair value. The difference between the fair value at grant date and the cost of treasury shares used is recognised in retained earnings (net of tax).

v. Hedge Reserve

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments and the cumulative change in fair value arising from the time value of options related to future forecast transactions. Gains or losses relating to ineffective portions are recognised immediately in the Consolidated Income Statement. The hedge reserve also includes the cost of hedging (hedging premiums), which reflects gains or losses on the portion excluded from the designated hedging instrument that relates to the time value of an option, the forward element of a forward contract and any foreign currency basis spread. It is initially recognised in other comprehensive income and accounted for in the same manner as other gains and losses in the hedge reserve. Cash flow hedges and cost of hedging are further described in Note 36(C).

vi. Foreign Currency Translation Reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the Financial Statements of foreign controlled entities and investments accounted for under the equity method.

vii. Other Reserves

Other reserves includes the following:

- The defined benefit reserve, comprising the remeasurements of the net defined benefit asset/(liability), which is recognised in other comprehensive income
- The fair value reserve, comprising the fair value gains/(losses) on investments measured at fair value through other comprehensive income.

viii. Dividends

A provision is made for the amount of any dividend authorised for payment by the Directors and no longer at the discretion of the Group on or before the end of the reporting period but not distributed at the end of the reporting period. Where the Directors have revoked a decision to pay a dividend, before payment date, it is no longer recognised as a provision.

(S) COMPARATIVES

Where applicable, comparative balances have been reclassified to align with current year presentation.

Notes to the Financial Statements continued

For the year ended 30 June 2026

36 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(T) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Making (CODM) bodies, being the Chief Executive Officer, Group Leadership Team and the Board of Directors.

Underlying EBIT is the primary reporting measure used by the CODM bodies for the purpose of assessing the performance of the operating segments, with the exception of the Corporate segment, which is assessed using Underlying PBT. Underlying EBIT of the Group's operating segments is prepared and presented on the basis that it reflects the revenue earned and the expenses incurred by each operating segment. The significant accounting policies applied in implementing this basis of preparation are set out below. These accounting policies have been consistently applied to all periods presented in the Consolidated Financial Statements.

Segment Performance

Measure	Basis of Preparation
External segment revenue	External segment revenue is reported by operating segments as follows: - net passenger revenue is reported by the operating segment that operated the relevant flight or provided the relevant service. For Qantas Airlines, where a multi-sector ticket covering international and domestic travel is sold, the revenue is reported by Qantas International and Qantas Domestic on a pro-rata basis using an industry standard allocation process - other revenue is reported by the operating segment that earned the revenue.
Inter-segment revenue	Inter-segment revenue for Qantas Domestic, Qantas International and Jetstar Group operating segments primarily represents: - Net passenger revenue arising from the redemption of Frequent Flyer points for Qantas Group flights by Qantas Loyalty - Net freight revenue from the utilisation of Qantas Group's aircraft belly space. Inter-segment revenue for Qantas Loyalty primarily represents services provided to Qantas Domestic and Qantas International from other loyalty businesses. Inter-segment revenue transactions, which are eliminated on consolidation, occur in the ordinary course of business at prices that approximate market prices. The inter-segment arrangements with Qantas Loyalty are not designed to derive a net profit from inter-segment Frequent Flyer point issuances and reward flight redemptions.
Share of net profit/(loss) of investments accounted for under the equity method	Share of net profit/(loss) of investments accounted for under the equity method is reported by the operating segment that is accountable for the management of the investment. The share of net profit/(loss) of investments accounted for under the equity method for Qantas Airlines' investments has been equally shared between Qantas Domestic and Qantas International.
Underlying EBITDA	The significant expenses impacting Underlying EBITDA are as follows: - Salaries, wages and other benefits are reported by the operating segment that utilises the salaries, wages and other benefits. Where personnel support both Qantas Domestic and Qantas International, costs are reported by using an appropriate allocation methodology. - Fuel expenditure is reported by the segment that consumes the fuel in its operations. - Aircraft operating variable costs are reported by the segment that incurs these costs. - All other expenditure is reported by the operating segment to which it is directly attributable or, in the case of Qantas Airlines, between Qantas Domestic and Qantas International using an appropriate allocation methodology. To apply this accounting policy, where necessary, expenditure is recharged between operating segments as a cost recovery. Investment spend and fair value movements relating to sustainability investments, the net impact of foreign exchange movements on intercompany, Employee Ownership Plan (non-executive) award for financial year 2025/26, and the impact of discount rate changes on provisions are not allocated to operating segments.
Depreciation and amortisation	Qantas Domestic, Qantas International and Jetstar Group report depreciation expense for passenger and freight aircraft owned or leased by the Qantas Group and flown by the segment. Other depreciation and amortisation is reported by the segment that uses the related asset.

Notes to the Financial Statements continued

For the year ended 30 June 2026

37 NEW STANDARDS AND INTERPRETATIONS ADOPTED BY THE GROUP

ACCOUNTING AMENDMENTS EFFECTIVE DURING THE YEAR

The Group has adopted the following accounting amendment that became effective during the year ended 30 June 2026:

- Amendments to AASB 121 *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*

The above amendment has not led to any changes to the Group's accounting policies and has no material impact on the Group's Consolidated Financial Statements.

38 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED BY THE GROUP

A number of new accounting amendments and interpretations have been issued that are not yet effective and not yet adopted by the Group for the financial year ended 30 June 2026. If applicable, the Group intends to adopt the new or amended standards and interpretations when they become effective.

AASB 18 *Presentation and Disclosure in Financial Statements* (AASB 18) was issued in June 2024 and will be applicable to the Group for the financial year ending 30 June 2028 (including the half-year ending 31 December 2027). AASB 18 will replace AASB 101 *Presentation of Financial Statements* and changes key presentation and disclosure requirements, particularly in relation to the information about financial performance in the income statement. AASB 18 also makes consequential amendments to other AASB pronouncements.

Required changes under AASB 18 include:

- a standardised income statement structure, including defined subtotals and requirement to classify all income and expenses within the income statement into one of five categories: operating, investing, financing, income taxes and discontinued operations;
- required disclosure for certain alternative or non-AASB profit or loss performance measures that are used to monitor the financial performance of the Group, referred to as management-defined performance measures (MPMs), in a single note to the financial statements;
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and the notes in general;
- removing presentation alternatives for interest and dividend cash flows in the cash flow statement. As a result, interest received and interest paid, currently presented within cash flows from operating activities, will be reclassified to cash flows from investing activities and cash flows from financing activities respectively. Dividends received from investments, currently presented with cash flows from operating activities, will be reclassified to cash flows from investing activities.

There is no change to the existing recognition and measurement criteria within AASB, and, accordingly, there will be no change to profit after tax or impact on how financial performance is measured. The Group is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

The following other new accounting amendments are not expected to have a significant impact on the Consolidated Financial Statements of the Group:

- Amendments to AASB 9 *Financial Instruments* and AASB 7 *Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments* (effective for the financial year ending 30 June 2027);
- Amendments to Australian Accounting Standards - Annual Improvements Volume 11, including amendments to AASB 1 *First-time Adoption of Australian Accounting Standards*, AASB 7 *Financial Instruments: Disclosures*, AASB 9 *Financial Instruments*, AASB 10 *Consolidated Financial Statements*, and AASB 107 *Statement of Cash Flows* (effective for the financial year ending 30 June 2027); and
- Amendments to AASB 10 and 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective for the financial year ending 30 June 2029).

Consolidated Entity Disclosure Statement

For the year ended 30 June 2026

The following consolidated entities are 100 per cent owned body corporates that have been incorporated and have tax residency in Australia as at 30 June 2026:

AAL Aviation Limited	Qantas Asia Investment Company Pty Ltd	QF BOC 2008-2 Pty Limited
Airlink Pty Limited	Qantas Climate Fund Investment 1 Pty Ltd	QF Cabin Crew Australia Pty Limited
Australian Air Express Pty Ltd	Qantas Climate Fund Investment 2 Pty Ltd	QF Dash 8 Leasing No. 4 Pty Limited
Australian Airlines Limited	Qantas Courier Limited	QF Dash 8 Leasing No. 5 Pty Limited
Australian Regional Airlines Pty. Ltd.	Qantas Domestic Pty Limited	QF Dash 8 Leasing No. 6 Pty Limited
Eastern Australia Airlines Pty. Limited	Qantas Freight Enterprises Limited	QF ECA 2008-1 Pty Limited
Express Freighters Australia (Operations) Pty Limited	Qantas Freight Terminals Pty Limited	QF ECA 2008-2 Pty Limited
Express Freighters Australia Pty Limited	Qantas Frequent Flyer Limited	QF ECA A380 2010 No.1 Pty Limited
Impulse Airlines Holdings Proprietary Limited	Qantas Frequent Flyer Operations Pty Limited	QF ECA A380 2010 No.2 Pty Limited
Jetstar Airways Pty Limited	Qantas Ground Services Pty Limited	QF ECA A380 2010 No.3 Pty Limited
Jetstar Group Pty Limited	Qantas Group Accommodation Pty Ltd	QF ECA A380 2010 No.4 Pty Limited
Jetstar International Group Australia Pty. Limited	Qantas Group Flight Training (Australia) Pty Limited	QF ECA A380 2011 No.1 Pty Limited
Jetstar Services Pty Limited	Qantas Group Flight Training Pty Limited	QF ECA A380 2011 No.2 Pty Limited
National Jet Operations Services Pty Ltd	Qantas Information Technology Ltd	QF EXIM B787 No. 1 Pty Limited
National Jet Systems Pty Ltd	Qantas Road Express Pty Limited	QF EXIM B787 No. 2 Pty Limited
Network Aviation Holdings Pty Ltd	Qantas SAFFA Pty Limited	QGHC 1 Pty Limited
Network Aviation Pty Ltd	Qantas Singapore Holdings Pty Ltd (formerly Jetstar Asia Holdings Pty Limited)	Regional Airlines Charter Pty Limited
Network Holding Investments Pty Ltd	Qantas Superannuation Limited	Sunstate Airlines (Qld) Pty. Limited
Network Turbine Solutions Pty Ltd	Qantas Ventures Pty Limited	TAD Holdco Pty Ltd
Osnet Jets Pty Ltd	Qantas Wheatbelt Connect Pty Limited	Trip A Deal Holdings Pty Ltd
Phone A Flight Pty Ltd	QantasLink Pty Ltd	Trip A Deal Pty Ltd
Q H Tours Ltd	QF A332 Leasing 1 Pty Limited	Vii Pty Limited
Qantas Airways Domestic Pty Limited	QF A332 Leasing 2 Pty Limited	
Qantas Airways Limited	QF BOC 2008-1 Pty Limited	

Other consolidated entities within the Group are:

Consolidated Entities	Country of Incorporation	Entity Type	Tax Residency	Qantas Group Ownership Interest
				30 June 2026 %
Taylor Fry Holdings Pty Limited	Australia	Body corporate	Australia	51
Taylor Fry Pty Limited	Australia	Body corporate	Australia	51
Hangda Ticket Agent (Shanghai) Co. Ltd	China	Body corporate	China	75
Jetstar Holidays Co. Ltd.	Japan	Body corporate	Japan	100
Jetstar International Group Japan Co., Ltd	Japan	Body corporate	Japan	100
QH International Co., Ltd.	Japan	Body corporate	Japan	100
Holiday Tours & Travel (Korea) Limited	Korea	Body corporate	Korea	56.25
H Travel Sdn Bhd	Malaysia	Body corporate	Malaysia	52.50
Jetconnect Limited	New Zealand	Body corporate	New Zealand	100
Jetstar Airways Limited	New Zealand	Body corporate	New Zealand	100
Jetstar NZ Regional Limited	New Zealand	Body corporate	New Zealand	100
Trip A Deal (NZ) Ltd	New Zealand	Body corporate	Australia & New Zealand	100
Holiday Tours & Travel (Singapore) Pte. Ltd.	Singapore	Body corporate	Singapore	75
Holiday Tours & Travel Pte. Ltd.	Singapore	Body corporate	Singapore	75

Consolidated Entity Disclosure Statement continued

For the year ended 30 June 2026

Consolidated Entities	Country of Incorporation	Entity Type	Tax Residency	Qantas Group Ownership Interest
				30 June 2026 %
Jetstar Asia Airways Pte. Ltd. ¹	Singapore	Body corporate	Singapore	49
Jetstar Regional Services Pte. Ltd.	Singapore	Body corporate	Singapore	100
Newstar Investment Holdings Pte. Ltd. ¹	Singapore	Body corporate	Singapore	49
Orangestar Investment Holdings Pte. Ltd. ¹	Singapore	Body corporate	Singapore	49
Qantas Cabin Crew Singapore Pte. Ltd. (formerly Valuair Pte. Ltd.)	Singapore	Body corporate	Singapore	100
Southern Cross Insurances Pte Limited	Singapore	Body corporate	Singapore	100
Holiday Tours & Travel Ltd	Taiwan	Body corporate	Taiwan	75
Qantas Cabin Crew (UK) Limited	United Kingdom	Body corporate	United Kingdom	100
HTT Travel Vietnam Limited Liability Company	Vietnam	Body corporate	Vietnam	75
The Network Holding Trust	n/a	Trust	Australia	100
The Network Trust	n/a	Trust	Australia	100

¹ In accordance with the *Air Navigation Act* (Singapore 2009), Newstar Investment Holdings Pte. Ltd. and its Singapore-based airline subsidiaries are substantially owned and effectively controlled by Singapore nationals. Notwithstanding this, the Qantas Group is required to consolidate Newstar Investment Holdings Pte. Ltd. and its controlled entities into the Qantas Group Financial Statements.

Notes to Consolidated Entity Disclosure Statement

For the year ended 30 June 2026

1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(A) KEY ASSUMPTIONS AND JUDGEMENTS

i. Determination of Tax Residency

Section 295 (3A) of the *Corporations Act 2001* (Cth) requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, 'Australian resident' has the meaning provided in the *Income Tax Assessment Act 1997* (Cth). The determination of tax residency involves judgement as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

(a) Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR 2018/5*.

(b) Foreign tax residency

The consolidated entity has applied current legislation and, where available, judicial precedent in the determination of foreign tax residency. In addition, the foreign tax authorities have accepted the tax residency status disclosed above.

(c) Partnership and trusts

Australian tax law does not contain specific residency tests for partnership and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

ii. Branches (Permanent Establishments)

Foreign branches of Australian companies are not separate legal entities and therefore do not have a separate residency for Australian tax purposes. Generally, the Australian company that the branch is a part of will be the relevant tax resident, rather than the branch operations.

In addition, any foreign branches of a consolidated entity that carries on airline activities (that fly international routes to foreign countries) are subject to corporate income tax in the legal entity's country of tax residency, due to the operation of the various international Double Tax Treaties that exist around the world. The exception to this is any foreign branch undertaking domestic airline operations in a foreign jurisdiction, which is subject to tax in that foreign jurisdiction.

2 APPLICATION TO THE QANTAS GROUP

(A) AIRLINE BRANCHES (PERMANENT ESTABLISHMENTS)

Qantas Airways Limited and its subsidiary airlines may operate international flights between their country of incorporation and other countries, which results in a foreign branch arising in those jurisdictions, but not a separate legal entity. Such foreign branches have been excluded from this CEDS as they are not separate body corporates. Had such foreign branches been included in this CEDS, they would be tax resident of the same jurisdiction as the legal entity, as they do not have a separate Board of Directors and do not make separate management decisions from the legal entity.

(B) DUAL TAX RESIDENT ENTITY

Trip A Deal (NZ) Ltd is tax resident of both New Zealand and Australia, i.e. dual tax resident, due to being incorporated in New Zealand and having its central management and control located in Australia. Trip A Deal (NZ) Ltd is currently dormant and it is intended to be wound up in the near future.

(C) JOINT VENTURE PARTICIPANTS

Qantas Wheatbelt Connect Pty Limited is a participant in a joint venture within the consolidated entity for tax purposes. As a joint venture participant, Qantas Wheatbelt Connect Pty Limited has an obligation to pay its share of any tax relating to its involvement in the joint venture.

Directors' Declaration

For the year ended 30 June 2026

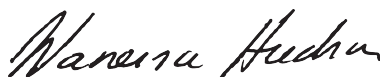
1. In the opinion of the Directors of Qantas Airways Limited (Qantas):
 - a. The Consolidated Financial Statements and Notes are in accordance with the *Corporations Act 2001* (Cth), including:
 - i. Giving a true and fair view of the financial position of the Qantas Group as at 30 June 2026 and of its performance for the financial year ended on that date
 - ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*
 - b. The Consolidated Entity Disclosure Statement as at 30 June 2026 set out on pages 134 to 136 is true and correct and;
 - c. There are reasonable grounds to believe that Qantas will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that Qantas and the controlled entities will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between Qantas and those controlled entities pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* (Instrument).
3. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* (Cth) from the Chief Executive Officer and the Chief Financial Officer for the year ended 30 June 2026.
4. The Directors draw attention to Note 1(A), which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a Resolution of the Directors:



John Mullen
Board Chair

27 August 2026



Vanessa Hudson
Chief Executive Officer

27 August 2026

Independent Auditor's Report

For the year ended 30 June 2026



To the Shareholders of Qantas Airways Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the **Financial Report** of Qantas Airways Limited (the Company).

- In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001* (Cth), in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises the:

- Consolidated Balance Sheet as at 30 June 2026
- Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Cash Flow Statement for the year then ended
- Consolidated Entity Disclosure Statement and accompanying basis of preparation as at 30 June 2026
- Notes, including material accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* (Cth) and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The **Key Audit Matters** we identified are:

- Passenger revenue recognition
- Frequent Flyer revenue recognition

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report continued

For the year ended 30 June 2026



Passenger revenue recognition

Refer to Note 4(A) and Note 36(D)i. to the Financial Report

THE KEY AUDIT MATTER

Recognition of passenger revenue is a key audit matter due to:

- its financial significance to the Group;
- the high volume of relatively low value passenger tickets;
- judgement within the estimate for the proportion of unused tickets and travel credits which are expected to expire (breakage); and
- audit effort arising from a variety of ticket and travel credit conditions and points of sale.

Historical trend information and conditions of carriage are used to determine breakage at 30 June 2026. Estimations, particularly as they relate to predicting customer behaviours are prone to a range of possible outcomes for us to consider.

Passenger revenue and ticketing is dependent on IT systems and controls, therefore we involved our IT specialists in addressing this key audit matter.

HOW THE MATTER WAS ADDRESSED IN OUR AUDIT

Our procedures included:

- for key passenger revenue streams, we assessed the Group's identification of performance obligations and revenue recognised by comparing to the relevant features of the underlying contracts.
- with the assistance of our IT specialists, we analysed the end to end flow of ticket information through multiple passenger revenue IT systems and interfaces to evaluate the recognition of revenue against accounting standards.
- with the assistance of our IT specialists, we tested the key controls restricting access to authorised users and preventing unauthorised changes to the relevant IT systems for financial reporting. We evaluated key controls within the systems relating to ticket validation and the recognition of revenue at flight date.
- evaluating key controls related to the Group's review and approval of manual changes to revenue accounting records, where tickets have been identified as exceptions to automated validation.
- using data analytics and sampling techniques, checking passenger revenue transactions to underlying records including evidence of payment and flight records, to assess the accuracy and existence of the revenue recognised.
- using data analytics and sampling techniques, checking passenger revenue received in advance to underlying records, to assess the completeness of revenue recognised.
- evaluating the Group's accounting policy for estimations of passenger revenue from unused tickets and unredeemed travel credits, assessing the methodology applied, checking the calculation and IT system reports used and challenging the key assumptions. We evaluated the Group's related key assumptions against historical trends, and assessed for indicators of bias, using our industry knowledge and assessed the Group's ability to reliably estimate amounts by comparing previous estimates to actual outcomes.
- we inquired specifically regarding the Group's actions with respect to unredeemed travel credit holders impacted from the COVID-19 pandemic.

Independent Auditor's Report continued

For the year ended 30 June 2026



Frequent Flyer revenue recognition

Refer to Note 4(B), Note 36(D)ii. and Note 36(D)iii. to the Financial Report

THE KEY AUDIT MATTER

Recognition of Frequent Flyer revenue is a key audit matter due to the high level of audit effort and judgement required by us in assessing the Group's assumptions underpinning the amount deferred as Unredeemed Frequent Flyer revenue.

We focused on the Group's assumptions used in their estimation of the:

- stand-alone selling price of the Qantas Points: the Group bases this on their estimated price of available rewards at the time of redemption weighted in proportion to the expected redemptions, based on historical experience and assumptions of future behaviour; and
- proportion of Qantas Points not expected to be redeemed by members in the future (breakage): the Group uses actuarial experts to estimate the proportion of Qantas Points not expected to be redeemed by members in the future.

Given the complex judgements and dependence on IT systems, we involved our actuarial and IT specialists to supplement our senior team members in addressing this key audit matter.

HOW THE MATTER WAS ADDRESSED IN OUR AUDIT

Our procedures included:

- we assessed the Group's methodology used to estimate the stand-alone selling price of the Qantas Points against the requirements of AASB 15 *Revenue from Contracts with Customers* and the Group's accounting policy.
- we tested the integrity of the calculation used to estimate the stand-alone selling price of Qantas Points, including the accuracy of the underlying calculation.
- with the assistance of our IT specialists, we assessed the key inputs of the various redemption channels used to estimate the stand-alone selling price of expected future redemptions. We did this by comparing a sample of available redemption options to observable market values, such as comparable market air fares.
- we compared the weighting used in the calculation to historic redemption patterns, taking into consideration changes in the Frequent Flyer program.
- involving our actuarial specialists, we assessed key breakage assumptions against historical experience, recent trends and the estimated future volume of Qantas Points redeemed based on the Board approved forecast and our understanding of changes in the Frequent Flyer program.
- involving our actuarial specialists, we assessed the appropriateness of the Group's breakage methodology used against accounting standard requirements and the Frequent Flyer program. We independently recalculated the breakage using the Group's inputs and compared to the Group's recorded breakage at year end.
- we checked the accuracy of points activity data used in the calculation of the breakage assumption to source data in Qantas' Points system.

Independent Auditor's Report continued

For the year ended 30 June 2026



Other Information

Other Information is financial and non-financial information in Qantas Airways Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon with the exception of the Remuneration Report and specified sustainability disclosures within the Sustainability Report and our respective assurance opinions and conclusions.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001* (Cth), including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001* (Cth), including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the Audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our Auditor's Report.

Independent Auditor's Report continued

For the year ended 30 June 2026



REPORT ON THE REMUNERATION REPORT

Opinion

In our opinion, the Remuneration Report of Qantas Airways Limited for the year ended 30 June 2026, complies with Section 300A of the *Corporations Act 2001* (Cth).

DIRECTORS' RESPONSIBILITIES

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001* (Cth).

OUR RESPONSIBILITIES

We have audited the Remuneration Report included in pages 42 to 64 of the Directors' report for the year ended 30 June 2026.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with Section 300A of the *Corporations Act 2001* (Cth), based on our audit conducted in accordance with *Australian Auditing Standards*.

A stylized, handwritten-style signature of the KPMG firm.

KPMG

A handwritten signature of David Richards.

David Richards
Partner
Sydney
27 August 2026

Shareholder Information

For the year ended 30 June 2026

The shareholder information set out below was applicable as at 13 August 2026.

TWENTY LARGEST SHAREHOLDERS

Shareholders	Ordinary Shares Held	% of Issued Shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	500,979,604	33.11
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	355,419,799	23.49
CITICORP NOMINEES PTY LIMITED	204,421,909	13.51
BNP PARIBAS NOMS PTY LTD	44,786,305	2.96
BNP PARIBAS NOMINEES PTY LTD	22,421,307	1.48
PACIFIC CUSTODIANS PTY LIMITED	20,261,199	1.34
PACIFIC CUSTODIANS PTY LIMITED	19,194,550	1.27
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,138,722	0.74
CITICORP NOMINEES PTY LIMITED	10,645,098	0.70
BNP PARIBAS NOMINEES PTY LTD	5,127,312	0.34
BNP PARIBAS NOMS (NZ) LTD	4,760,691	0.31
UBS NOMINEES PTY LTD	3,846,243	0.25
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	3,383,231	0.22
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,229,146	0.21
NETWEALTH INVESTMENTS LIMITED	2,792,581	0.18
BNP PARIBAS NOMINEES PTY LTD	2,473,819	0.16
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	2,397,783	0.16
MAXFILL AUSTRALIA PTY LTD	2,000,000	0.13
MRS PAMELA HONORA DITCHFIELD	1,700,000	0.11
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,542,457	0.10
Total	1,222,521,756	80.77

DISTRIBUTION OF ORDINARY SHARES

Analysis of ordinary shareholders by size of shareholding:

Number of Shares	Ordinary Shares Held	Number of Shareholders	% of Issued Shares
1 to 1,000 ¹	36,955,836	98,970	2.44
1,001 to 5,000	110,693,070	46,930	7.32
5,001 to 10,000	44,314,512	6,304	2.93
10,001 to 100,000	70,430,867	3,464	4.65
100,001 and Over	1,250,804,994	121	82.66
Total	1,513,199,279	155,789	100.00

1 2,373 shareholders hold less than a marketable parcel of shares in Qantas, as at 13 August 2026.

SUBSTANTIAL SHAREHOLDERS

The following organisations have disclosed a substantial shareholding notice to ASX as at 13 August 2026:

Shareholders	Ordinary Shares Held	% of Issued Shares
State Street Corporation and subsidiaries ¹	111,482,532	7.37
AustralianSuper Pty Ltd ²	110,712,219	7.32

1 Substantial shareholding as at 28 January 2025, as per notice dated 30 January 2025.

2 Substantial shareholding as at 11 August 2026, as per notice dated 13 August 2026.

Financial Calendar and Additional Information

For the year ended 30 June 2026

2026		2027*	
26 February	Half-year results announcement	25 February	Half-year results announcement
11 March	Record Date for interim dividend	10 March	Record date for interim dividend**
15 April	Interim dividend payable	14 April	Interim dividend payable**
30 June	Year end	30 June	Year end
27 August	Full-year results announcement	26 August	Full-year results announcement
16 September	Record date for final dividend	15 September	Record date for final dividend**
14 October	Final dividend payable	13 October	Final dividend payable**
6 November	Annual General Meeting	29 October	Annual General Meeting

*Dates may change if circumstances require.

**Subject to a dividend being authorised by the Board.

2026 ANNUAL GENERAL MEETING

The 2026 AGM of Qantas Airways Limited will be held in a hybrid format at 11:00am AEDT on Friday 6 November 2026. Further details are available in the Annual General Meeting section on the Qantas Investor website at: investor.qantas.com/home/

COMPANY PUBLICATIONS

Qantas' annual reports (including sustainability reports and corporate governance statements) and Modern Slavery Statement can be accessed from: investor.qantas.com/investors/?page=annual-reports

The following publications can be accessed from www.qantas.com/au/en/qantas-group/acting-responsibly/our-reporting-approach.html

- Qantas Group Code of Conduct and Ethics
- Qantas Group Inclusion and Belonging Policy
- Qantas Group Human Rights Policy Statement
- Workplace Gender Equality Reports
- Qantas Shareholder Communications Policy.

REGISTERED OFFICE

Qantas Airways Limited ABN 16 009 661 901
10 Bourke Road, Mascot NSW 2020 Australia
Telephone +61 2 9691 3636 www.qantas.com

QANTAS SHARE REGISTRY

MUFG Corporate Markets (AU) Limited
Liberty Place, Level 41, 161 Castlereagh St
Sydney NSW 2000
Telephone 1800 177 747 (toll free within Australia)
International +61 2 8280 7390
Facsimile +61 2 9287 0309
Email registry@qantas.com

SECURITIES EXCHANGE

Australian Securities Exchange
ASX Limited
Level 27, 39 Martin Place
Sydney NSW 2000

ADDITIONAL SHAREHOLDER INFORMATION

Using your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode of your registered address, you are able to view your holding online through Qantas' share registry, MUFG Corporate Markets (AU) Limited.

Log on at: <https://au.investorcentre.mpms.mufg.com/Login/Login> to:

- View your holding balance
- Retrieve holding statements
- Review your dividend payment history
- Access shareholder forms.

The Investor Centre also allows you to update or add details to your shareholding, including the following:

- Change or amend your address if you are registered with an SRN
- Nominate or amend your direct credit payment instructions
- Set up or amend your DRP instructions
- Sign up for electronic communications
- Add/change TFN/ABN details.

COMPANY SECRETARIES

Kate Towey
Benjamin Elliott
Benjamin Jones

An electronic copy of this Annual Report is available in the Annual Report section on the Qantas Investor website at: investor.qantas.com/home/

Further information about the Qantas Group can be found on our corporate site at: www.qantas.com/qantas-group