QANTAS

Annual Report 2025

Cocos (Keeling) Islands

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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 2025, 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 and Operational Highlights

Underlying Profit Before Tax

$2.39 billion

Up 15%

Statutory Profit After Tax

$1.61 billion

Up 28%[1]

Total shareholder dividends

$800 million[2]

Fully franked

New aircraft delivered

17 aircraft[3]

Qantas **+2pts**

Jetstar **+3pts**

On-time performance[4]

Qantas **+10pts**

Jetstar **+6pts**

Customer Net Promoter Score[5]

1 Statutory Profit After Tax includes impact of the closure of Jetstar Asia and legal provisions.
2 Total Interim and Final dividends for FY25.
3 Excludes mid-life aircraft deliveries.
4 Percentage of Qantas Domestic/QantasLink and Jetstar domestic flights that departed on time in FY25 compared to FY24. Source: BITRE
5 Domestic and International Net Promoter Scores FY25 compared to FY24.

Five-Year History

FINANCIAL PERFORMANCE

		2025	2024	2023	2022	2021[1]
Revenue and other income	$M	23,823	21,939	19,815	9,108	5,934
Statutory Profit/(Loss) Before Tax	$M	2,262	1,884	2,472	(1,191)	(2,299)
Statutory Profit/(Loss) After Tax	$M	1,605	1,251	1,744	(860)	(1,692)
Underlying Profit/(Loss) Before Tax[2]	$M	2,394	2,078	2,465	(1,859)	(1,774)
Underlying Earnings/(Loss) Before Interest and Tax (EBIT)[1]	$M	2,639	2,279	2,682	(1,558)	(1,473)
Operating Margin[2]	%	11.1	10.4	13.5	(17.1)	(24.8)
Statutory Earnings Per Share	cents	105.2	75.9	96.0	(45.6)	(89.9)
Return on Invested Capital (ROIC)[2]	%	50.8	57.9	103.6	(31.6)	(21.4)
Share price at 30 June	$	10.74	5.85	6.20	4.47	4.66
Base Dividend per Share[3]	cents	33.0	–	–	–	–
Special Dividend per Share[3]	cents	19.8	–	–	–	–
Cash flow from operations	$M	4,253	3,441	5,085	2,670	(386)
Net Free Cash Flow[2]	$M	440	554	2,460	2,430	(1,108)
Net on balance sheet debt	$M	4,165	3,311	1,998	2,617	4,609
Net Debt[2]	$M	5,029	4,106	2,885	3,937	5,890
Net capital expenditure[2]	$M	3,853	3,148	2,666	398	693
On-market share buy-backs[4]	$M	431	869	1,000	–	–
Dividends[5]	$M	800	–	–	–	–
Unit Revenue (RASK)[2]	c/ASK	11.05	11.20	12.29	9.48	9.72
Total unit cost[2]	c/ASK	(9.49)	(9.73)	(10.19)	(13.16)	(15.76)
Unit Cost (ex-fuel)[2]	c/ASK	(6.22)	(5.97)	(6.30)	(9.64)	(12.67)

STATISTICS

		2025	2024	2023	2022	2021
Available Seat Kilometres (ASK)[2]	M	152,804	141,357	117,258	50,633	29,374
Revenue Passenger Kilometres (RPK)[2]	M	129,382	116,895	97,693	34,363	18,557
Passengers carried	’000	55,901	51,798	45,725	21,257	15,866
Seat Factor[2]	%	84.7	82.7	83.3	67.9	63.2
Aircraft at end of year		363	347	336	322	315

1 2021 has been restated for the impact of the adoption of the IFRIC agenda decision in relation to cloud computing.
2 Refer to the Review of Operations on pages 15 to 28 for definitions and explanations of non-statutory measures.
3 Includes Interim and Final Dividends in each respective financial year.
4 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.
5 Includes Interim and Final Dividends in each respective financial year (2025: $400m Interim Dividend paid on 16 April 2025 and $400m Final Dividend to be paid on 15 October 2025).

Chair's Message

It is a privilege to write to you as Chair of Qantas, following a year of strong operational and financial performance that demonstrates the strength of our business and the dedication of our people.

The Group delivered a $2.39 billion Underlying Profit Before Tax, driven by our dual brand strategy with ongoing demand across all market segments and the continued growth of the Loyalty business. This strong financial performance has enabled us to make significant investments in new aircraft, customer initiatives and our employees, while resuming dividends for shareholders.

Driving cultural change and governance improvements

Management have continued to reset the company culture this year and there is an unrelenting focus on our customers and our people.

This has delivered tangible results. Both employee engagement and customer satisfaction has improved significantly, two metrics that are strongly correlated.

More broadly, we continue to embed the changes from the Board Governance review, which we released in August 2024 following the events that led to a loss in trust amongst stakeholders.

All of our responses to the recommendations have now been implemented, including changes to executive remuneration, and ensuring the Board receives more detailed reporting on customer metrics and employee engagement. To ensure we have followed through on our commitments and implemented the required changes we also had the implementation of the actions assessed externally.

These changes are already driving enhanced decision making from the Board and Management down, ensuring we continue to get the balance right between customers, employees and shareholders.

Importantly, this has been achieved while maintaining an unwavering focus on safety, which remains the number one priority across the Group.

Ground handling and cyber incident

One of the events that led to the breakdown of trust amongst stakeholders was the unlawful outsourcing of ground handling during the pandemic.

In August 2025, the Federal Court imposed a $90 million fine on the Group, which is in addition to the $120 million compensation we agreed to pay to former employees. On behalf of the Board, I want to apologise to the 1,800 employees for the hurt and suffering they experienced as a result.

Qantas has accepted the Court's decision and has paid the fine and compensation, bringing closure on the matter. The Board comprehensively dealt with the remuneration consequences for management from this matter in 2023/24.

I also want to acknowledge the impact the recent cyber incident had on customers. While management took immediate action to contain the breach, support customers and put additional protections in place, in recognition of the seriousness of the incident, we decided to reduce 2024/25 short term

Chair's Message continued

bonuses by 15 percentage points for the CEO and Executive Management.

This decision demonstrates our commitment to creating a culture of accountability and ownership.

Board renewal

We are continuing to renew the Qantas Group Board. After more than a decade of service, I would like to express my thanks to Todd Sampson who completed his tenure in July 2025.

The Board welcomed Dion Weisler as an independent non-Executive Director in March. Dion has extensive global experience in information technology, a skill set that is of growing importance for almost all boards. His appointment is subject to a shareholder vote at the 2025 Annual General Meeting and, if approved, would mean five of our eight Directors have joined the Board since 2023.

Our Board renewal process is continuing and we look forward to updating you on more appointments during the course of the year ahead.

Looking ahead

The Board is pleased with the progress that the company has made over the past 12 months, which puts us in a strong position to make the most of the opportunities in front of us.

With a highly skilled and passionate workforce, compelling dual brand proposition, our largest ever fleet order and one of the world's best airline loyalty programs, we are well placed to achieve our long-term goals.

I would like to thank shareholders for their continued support and look forward to keeping you updated as we continue to grow the airline and fully regain the trust of all of our stakeholders.

John Mullen

CEO's Message

This year has been a year of delivery across the Group, driven by our continued investment in our fleet, customers, and people.

The growth in the Group's profitability reflects the strength of our integrated portfolio, with Qantas, Jetstar and Loyalty all delivering improved earnings. This was primarily driven by continued strong travel demand and the benefits of our new aircraft.

Delivering for customers

During the year we saw an increase in customer satisfaction for both brands as we continued to invest in the travel experience from our fleet, to lounges, and technology.

We carried 56 million customers on Qantas and Jetstar, four million more than last year. Our dual brand strategy helped deliver value for both premium and low-cost travellers, with corporate travel almost back to pre-COVID levels domestically and very strong demand for premium cabins internationally.

On-time performance for both airlines improved this year. Qantas achieved its best on-time performance since 2019, with 82 per cent of domestic flights departing on schedule in the second half. Jetstar's on-time performance improved again, up another 3 percentage points.

This improvement in reliability also helped drive improvements in customer satisfaction, with the Net Promoter Score for Qantas jumping 10 points, and Jetstar up six points. Pleasingly we also saw an improvement in customer satisfaction across every customer touchpoint of the journey.

Our fleet renewal continued to accelerate with 17 new aircraft arriving across Qantas, QantasLink and Jetstar, delivering improved on-board experience, lower fuel burn per seat, and improved economics. Our first two A321XLRs are expected to start flying commercial services in September, making Qantas the first airline in Asia Pacific to operate this next generation aircraft.

We have also announced an order for a further 20 A321XLRs for Qantas. Sixteen of these will be fitted with lie-flat seats in Business, a first for any narrowbody Qantas jet, making them well suited for longer domestic sectors like Sydney and Melbourne to Perth and creating new possibilities for our international network on routes like Perth to India or Adelaide to Singapore.

On the ground we opened our new lounge precinct in Adelaide and our new regional lounge in Broome. We have also started work on our Sydney International Business lounge and our Auckland International Lounge, continuing our commitment to improving all aspects of the travel experience.

Supporting our employees

A key focus for us is creating a great place to work and a place where our people can do their best work. Employee engagement jumped seven per cent during the year, which is something we are very proud of.

I want to sincerely thank all of our employees, who are central to our improved performance. In recognition of this, we have introduced an annual non-executive employee share plan that will provide around 25,000 employees with $1,000 worth of shares every year, linked to our financial performance. This means that as Qantas grows and our business improves, our employees will also directly benefit.

I would also like to acknowledge the employees of Jetstar Asia who were impacted by the decision to close the airline. The airline played a pioneering role in growing low-cost air travel across Southeast Asia for more than two decades. All of its employees over that time can be extremely proud of their efforts creating and growing an airline that made such a difference to its customers.

CEO's Message continued

This strategic restructure, while difficult, enabled us to redeploy aircraft to our core businesses in Australia and recycle up to $500 million in capital to support our fleet renewal program.

Continual improvement

Looking forward we're incredibly excited about what is in front of us.

Qantas' strong financial performance and robust balance sheet gives us confidence to invest across the business.

Our fleet investment takes another step forward with 36 new aircraft expected to join the Qantas fleet over the next two years, and Jetstar adding another 10. Customers will also benefit from the first of our refurbished Qantas Airbus A330s and Jetstar Boeing 787s.

With more new aircraft arriving we'll continue to be able to grow our network, connect more customers, and create more exciting opportunities for our people to progress their careers.

In the next few months, Project Sunrise will become a step closer to reality with the first of our Airbus A350-1000 aircraft set to enter the final assembly line and the first of our pilots set to begin training on a new flight simulator in Sydney.

These are just some of the opportunities on the horizon as we continue to focus on creating a stronger Qantas that all Australians can be proud of. While we're pleased with the progress we've made, we remain focused on continuing to improve our performance and delivering for our customers, employees and shareholders.

Vanessa Hudson

Board of Directors

John Mullen

BSc

Board Chair and Independent Non-Executive Director

Age: 70

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.

Mr Mullen is currently Chair of Brambles Ltd. and Treasury Wine Estates.

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

Mr Mullen 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, he was Chief Executive Officer of Asciano, Australia's largest ports and rail operator and prior to this, Mr Mullen spent 15 years with DHL Express, serving as the global Chief Executive Officer from 2005 to 2009.

Prior to DHL, Mr Mullen 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, CA

Qantas Group Chief Executive Officer and Managing Director

Age: 55

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. Ms Hudson is also a Director of a number of controlled entities of the Qantas Group.

Ms Hudson 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.

Ms Hudson has a Bachelor of Business and was admitted as a Member of the Institute of Chartered Accountants in 1994.

Belinda Hutchinson AC

BEc, FCA, FAICD

Independent Non-Executive Director

Age: 72

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.

Ms Hutchinson is currently a Non-Executive Director of Thales Australia and Goodstart Early Learning.

Ms Hutchinson was also Chancellor of the University of Sydney from February 2013 until June 2024 and Chair of the Future Generation Global Investment Company between May 2015 and June 2021.

She has over 30 years' experience in the financial services sector, working in senior roles at Citibank and Macquarie Group. Ms Hutchinson also has extensive board experience. She was formerly Chair of QBE Insurance Limited, 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.

Ms Hutchinson 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

Doug Parker

BEc, MBA

Independent Non-Executive Director

Age: 63

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

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

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

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

Mr Parker 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 Vanderbilt University Board of Trust and the Medal of Honour Museum Foundation Board of Directors.

Mr Parker 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: 65

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.

Dr Scheinkestel 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 (2021–2024), Telstra (2010–2022), the Atlas Arteria group (2014–2020), which she chaired, Ausnet Services (2016–2022) and Orica.

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

She 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

BEc (Hons), PhD, FAIIA

Independent Non-Executive Director

Age: 60

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.

Dr Smith is a Non-Executive Director of ASX Limited and Challenger Limited. Dr Smith 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 from 2017 to 2020. She has also previously served as Secretary of the Department of Communications and the Arts. Dr Smith has also 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. Dr Smith began her career at the Reserve Bank of Australia.

Dr Smith has a PhD in Economics from the Australian National University (ANU). She is currently a Distinguished Advisor at the ANU's National Security College and National President of the Australian Institute of International Affairs. She also co-led the 2024 Independent Review of Australia's National Intelligence Community. She is also an independent director of the Reef Restoration and Adaptation Program.

Board of Directors continued

Antony Tyler

BA (Jurisprudence)

Independent Non-Executive Director

Age: 70

Antony 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.

Mr Tyler was Director General and Chief Executive of the International Air Transport Association from 2011 to 2016. Prior to this, Mr Tyler 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.

Dion Weisler

BASc (Computing), Hon. LLD

Independent Non-Executive Director

Age: 58

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.

Mr. Weisler currently serves as a Non-executive Director of BHP (since June 2020), Intel Corporation (since June 2020), and Thermo Fisher Scientific Inc. (since March 2017).

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

He joined Qantas in October 2012 as Executive Manager Strategy, leading a number of group functions, including strategy, transformation, technology and HR, before his appointment as Group CFO.

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

Andrew Glance was appointed Chief Executive Officer of Qantas Loyalty in March 2024.

Andrew was previously 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, majoring in Accounting, from the University of Western Sydney and is a Certified Practising Accountant.

Markus Svensson

Chief Executive Officer, Qantas Domestic

Markus commenced in the role of Qantas Domestic Chief Executive Officer 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 in 2011, Markus held senior roles at Bain & Company and in telecommunications in Australia, Sweden and Korea.

Markus holds an MBA 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 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, Jetstar Japan and Jetstar Asia.

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 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.

He has more than two decades' experience in the airline industry, including various senior leadership roles at Air New Zealand. He joined the airline in 2002 and held a number of roles across sales and distribution before being appointed Chief Customer and Commercial Officer in 2016. 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.

Cam was previously 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 Corporate Affairs and Communications Officer

Danielle Keighery was appointed Chief Corporate Affairs and Communications Officer in March 2024.

She 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 degree 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

Catriona Larritt

Group Chief Customer and Digital Officer

As Group Chief Customer and Digital Officer, Catriona is responsible for the end-to-end customer experience, both digitally and physically, as well as brand, marketing and technology.

She commenced in the role in September 2023 having previously served as the Executive Manager of Qantas Freight for three years and before that as Jetstar's Chief Customer Officer.

Catriona joined the Group in 2015, and prior to this held senior roles at The Boston Consulting Group, Australia Post and Spotless. Catriona is a member of the Athletics Australia Board and was recently appointed to Essendon Football Club's Board of Directors.

Catriona holds a Master of Business Administration from Harvard Business School and a Bachelor of Arts (Honours) degree from the University of Melbourne.

Fiona Messent

Group Chief Sustainability Officer

Fiona 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 appointment 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, as well as advising corporates, government and non-government organisations on strategy, policies and climate financing.

She holds a Bachelor of Commerce and Bachelor of Economics with Honors in Climate Economics 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, and assurance functions.

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

He has gained deep operational experience 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 CASA.

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

Group Leadership Team continued

Kate Towey

Group General Counsel

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 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 a Director of OzHarvest Limited.

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.

Catherine Walsh

Group Chief People Officer

Catherine 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 company enters a period of growth.

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 Bachelor of Commerce from the University of Melbourne.

Rachel Yangoyan

Chief Executive Officer, QantasLink

Rachel Yangoyan was appointed Chief Executive Officer of QantasLink in November 2023, bringing more than 20 years of leadership experience across aviation operations, customer experience, and business transformation.

Prior to her current role, Rachel served as Executive Manager of Qantas Aircraft Programs, overseeing the entry into service of new aircraft across the Qantas Group, including QantasLink's Airbus A220 fleet.

Between 2019 and 2022, Rachel was Executive Manager of Customer Experience and Operations, leading operations across cabin crew, international airports and lounges.

Since joining the Qantas Group in 2003, Rachel has held senior leadership positions across multiple disciplines including customer, commercial, operations and strategy for QantasLink and Qantas Loyalty.

Rachel served as a Director of the Qantas Superannuation Plan for over 8 years and is a Graduate of the Australian Institute of Company Directors. She holds a Bachelor of Business from the University of Technology Sydney and is a qualified Chartered Accountant.

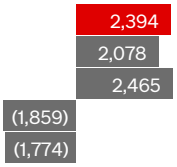
Review of Operations

For the year ended 30 June 2025

RESULTS HIGHLIGHTS

Underlying Profit/(Loss) Before Tax

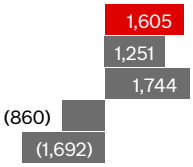
2,394 $M



FY25	2,394
FY24	2,078
FY23	2,465
FY22	(1,859)
FY21	(1,774)

Statutory Profit/(Loss) After Tax

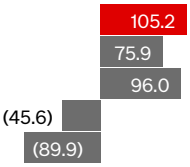
1,605 $M



FY25	1,605
FY24	1,251
FY23	1,744
FY22	(860)
FY21	(1,692)

Statutory Earnings/(Loss) Per Share

105.2 cents



FY25	105.2
FY24	75.9
FY23	96.0
FY22	(45.6)
FY21	(89.9)

The Qantas Group (referred to as the Qantas Group or the Group) reported Underlying Profit Before Tax[1] (Underlying PBT) of $2,394 million for financial year 2024/25, a $316 million increase compared to financial year 2023/24. The Group's Statutory Profit Before Tax was $2,262 million, an increase of $378 million compared to financial year 2023/24, and Statutory Profit After Tax was $1,605 million. Statutory profit includes the increase in legal provision and other legal-related matters, and costs related to Jetstar Asia that were not included in Underlying PBT.

Other key financial metrics:

- Statutory Earnings Per Share of 105 cents per share
- Group operating margin[2] of 11 per cent
- Operating cash flow of $4,253 million
- Net capital expenditure[3] of $3,853 million

The Group's integrated portfolio continued to drive value beyond the businesses. The result included higher Group ASKs[4] by 8 per cent than financial year 2023/24 predominantly driven by international flying as Jetstar deployed new fleet and Qantas progressively returned its A380-800 fleet.

Ongoing strength in travel demand supported performance with Group Domestic Underlying EBIT of $1,518 million and Group International Underlying EBIT of $903 million. Qantas Loyalty maintained its positive business momentum, achieving $556 million Underlying EBIT, which included the impact of the investment in Classic Plus Flight Rewards (Classic Plus). Freight performance improved in financial year 2024/25, driven by freighter fleet simplification and transformation activity, network changes as well as growth in belly space capacity in line with international flying.

Group Unit Revenue[5] fell 1 per cent from continuing moderation in yields as market capacity returned, predominantly driven by Group International. Total Unit Cost[6] decreased 2 per cent with a favourable fuel price environment, transformation activity offsetting CPI[7] and the benefit of additional capacity. Unit cost excluding fuel[8] increased 4 per cent, which included the impact of industry pressures, fleet EIS[9] and transition costs, Same Job Same Pay legislation and Thank You payments to approximately 27,000 non-executive employees in first half of financial year 2024/25.

The Group's fleet renewal program continued with the delivery of the first A321XLR, seven new A321LRs, four new A320neos and five new A220-300s. In addition, the Group took delivery of five mid-life A319-100s, seven mid-life Q400s and four E190s through wet lease arrangements with Alliance Airlines. With 20 A321LRs now in the fleet, Jetstar is seeing significant incremental fuel and scale efficiencies, reduced emissions per ASK compared to its A320-200s and improved customer and employee sentiment from this new technology.

Alongside investment in new fleet, the Group continues to enhance the customer experience on the ground and in the air. This includes investment in lounges, redesigned food and beverage offerings on Qantas, bolstered disruption management capabilities, and improved baggage solutions, including enhanced tracking. Significant investments are also being made in cabin enhancement programs across Qantas' 737-800 and A330 fleets and Jetstar's 787-8 aircraft. This includes features like new seating, Wi-Fi connectivity, larger overhead bins and updated inflight entertainment screens. With the first A321XLR delivered for the Group, additional fleet orders for 20 Qantas A321XLR aircraft were confirmed, including 16 aircraft with lie-flat Business seating.

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 25.
2 Group Operating Margin is Group Underlying EBIT divided by Group Total Revenue.
3 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.
4 Available Seat Kilometres (ASKs) – total number of seats available for passengers, multiplied by the number of kilometres flown.
5 Unit Revenue (RASK) is calculated as ticketed passenger revenue divided by Available Seat Kilometres (ASK).
6 Total Unit Cost is net expenditure (Underlying PBT excluding ticketed passenger revenue) per ASK.
7 Consumer Price Index.
8 Unit cost excluding fuel is calculated as Underlying PBT less ticketed passenger revenue, fuel, impact of discount rate changes on provisions and share of net profit of investments accounted under the equity method divided by ASK.
9 Entry into service.

Review of Operations continued

For the year ended 30 June 2025

RESULTS HIGHLIGHTS (CONTINUED)

For Group Domestic operations, the dual brand strategy continued to be core to the Group's strategic proposition, with leading offerings maintained across all key segments of the market. The Group Domestic Underlying EBIT margin[10] for financial year 2024/25 was 14 per cent.

Qantas Domestic delivered an Underlying EBIT of $1,056 million, achieving an EBIT margin of 14 per cent. Performance was driven by the continued return of corporate and small and medium-sized enterprise (SME) passengers offset by cost escalations across engineering, airport charges and cabin crew. Continuing investments in customer and operations have significantly improved both on-time performance and NPS[11]. Jetstar's domestic network delivered an Underlying EBIT of $462 million and an EBIT margin of 16 per cent. Performance was supported by strong leisure demand, continued strength in ancillary revenue and yield growing in line with inflation.

The Group's international airline operations performed well with the restoration of capacity continuing across international markets in a strong demand environment. Qantas International (including Freight) reported an Underlying EBIT of $596 million. The network continued to evolve with the commencement of six new routes during the year, including Perth-Paris, and ultra long-haul point-to-point services continued to perform well. Jetstar's international network[12] reported an Underlying EBIT of $307 million driven by ongoing leisure demand strength and the launch of 11 new routes. Unit Revenue in Group International decreased by 3 per cent driven by restoration of market capacity in financial year 2024/25. The Group International (including Freight) operating margin for financial year 2024/25 was 8 per cent.

Jetstar Asia ceased operations from 31 July 2025, following the announcement on 11 June 2025, recording an Underlying EBIT loss of $33 million with an additional $39 million of costs recognised outside of Underlying PBT in financial year 2024/25. The costs recognised outside of Underlying PBT relate to a redundancy provision and other closure costs in financial year 2024/25. The closure of Jetstar Asia supports the Qantas Group's strategy of recycling capital to improve long-term returns, support fleet renewal and strengthen core markets.

Qantas Loyalty continued its strong performance, delivering an Underlying EBIT of $556 million with 222 billion points earned and 185 billion points redeemed[13]. The result demonstrates the program's growing importance in the Group's integrated portfolio, with the strength of the program reflected in an 8 per cent growth in active members and a 10 per cent increase in points earned during financial year 2024/25. Cash performance was maintained at strong levels, with a 10 per cent increase in cash billings[14] in financial year 2024/25. Drivers include strong growth across financial services products and diversified portfolio earnings, with the expansion of Classic Plus into the Domestic business to further accelerate the Qantas Loyalty earn and burn Flywheel[15].

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 2025, Net Debt[16] under the Financial Framework was $5.0 billion, within the Group's target range of $4.6 billion to $5.7 billion for financial year 2024/25.

During financial year 2024/25, the Group completed $431 million in on-market share buy-backs announced in August 2024[17]. In addition, the Group reinstated dividends and paid $400 million of fully franked interim dividends[18] announced in February 2025 and paid in April 2025. In August 2025, the Board resolved to announce 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.

During financial year 2024/25, the Group paid the ACCC[19] a $100 million civil penalty in line with the agreed settlement reached in May 2024 and commenced the $20 million remediation program for impacted passengers. A provision was recognised in relation to these obligations in financial year 2023/24.

In December 2024, the Group announced that Qantas and the Transport Workers' Union (TWU) had reached an agreement on the payment of compensation to the former ground handlers in relation to the Federal Court decision regarding the outsourcing of Qantas' ground handling function in 2020. The agreed compensation of $120 million was paid in the second half of financial year 2024/25. In August 2025, a decision was handed down on pecuniary penalties of $90 million in relation to the ground handling outsourcing Federal Court case.

A $65 million increase in legal provisions was recognised outside of Underlying PBT in the first half of 2024/25. In the second half of 2024/25, a $20 million increase in legal provisions and $8 million relating to costs attributed to ongoing legal matters were recognised outside of Underlying PBT.

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, trans-Tasman, NZ Domestic, Jetstar Asia and share of profits from Jetstar Japan.
13 Net points redeemed.
14 Sales to all external parties.
15 Qantas Loyalty performance is a function of points volume earned and redeemed, and member growth.
16 Under the Group's Financial Framework, includes net on balance sheet debt and capitalised aircraft lease liabilities.
17 This 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.
18 Fully franked base dividend of $250 million and fully franked special dividend of $150 million.
19 Australian Competition and Consumer Commission (ACCC).

Review of Operations continued

For the year ended 30 June 2025

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[20] is 10 per cent

Deliver against climate targets

2. ROIC > WACC[21] through the cycle

Deliver ROIC > 10 per cent[22]

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

MAINTAINABLE EPS GROWTH OVER THE CYCLE

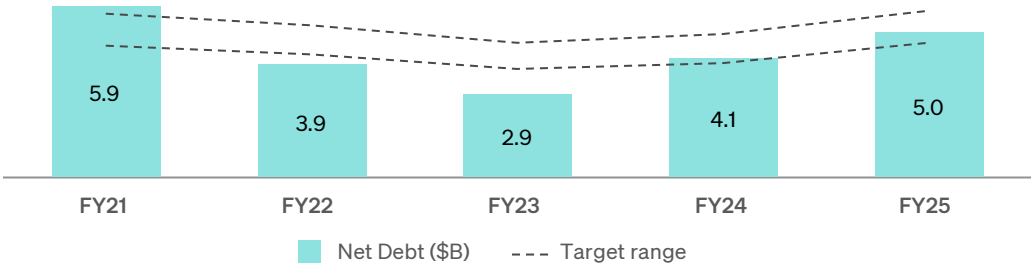
TOTAL SHAREHOLDER RETURNS IN THE TOP QUARTILE

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 2025, Net Debt was $5.0 billion, which is within the lower half 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 $5.1 billion[23], the optimal Net Debt range is $4.6 billion to $5.7 billion for the financial year 2024/25. The Net Debt target range is expected to increase with growth in Invested Capital and cash earnings from continued investment in fleet.

Net Debt Profile FY21 to FY25 ($ billion)



Debt Analysis	June 2025 $M	June 2024 $M	Change $M	Change %
Net on balance sheet debt[24]	4,165	3,311	854	26
Capitalised aircraft lease liabilities[25]	864	795	69	9
Net Debt	**5,029**	**4,106**	**923**	**22**

[20] 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).

[21] Weighted Average Cost of Capital, calculated on a pre-tax basis.

[22] 10 per cent ROIC allows ROIC to be greater than pre-tax WACC through the cycle.

[23] Average Invested Capital for 30 June 2025.

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

[25] Capitalised aircraft lease liabilities are measured at fair value at the lease commencement date and remeasured over 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 2025

FINANCIAL FRAMEWORK ALIGNED WITH SHAREHOLDER OBJECTIVES (CONTINUED)

ROIC > WACC Through the Cycle

ROIC for the 12 months to 30 June 2025 was 50.8 per cent. This ROIC was based on an average Invested Capital of $5.1 billion which remains significantly lower than pre-COVID levels.

Calculated on a 12-month rolling basis, ROIC has declined 7.1 percentage points from 57.9 per cent as at 30 June 2024 to 50.8 per cent as at 30 June 2025. 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 is unusually low and the reported ROIC unsustainably high. 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 $3,853 million during financial year 2024/25. The Group also distributed $831 million to shareholders during the financial year 2024/25. This included the completion of $431 million[26] in on-market share buy-backs and $400 million of fully franked dividends.

Upon considering the forward outlook for the business under its Financial Framework, in August 2025 the Board resolved to announce 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 record date for determining entitlements to the dividends is 17 September 2025. The dividends will be paid on 15 October 2025.

Maintainable EPS Growth Over the Cycle

Statutory Earnings Per Share was 105 cents per share for financial year 2024/25. The increase from financial year 2023/24 was driven by an increase in Statutory Profit After Tax and EPS accretion from on-market share buy-backs.

GROUP PERFORMANCE

The Qantas Group reported an Underlying Profit Before Tax of $2,394 million for the financial year of 2024/25, an increase of $316 million from the Underlying Profit Before Tax of $2,078 million reported in the financial year of 2023/24.

Net passenger revenue increased by 8 per cent, driven by growth in Group International operations and strong demand for Group Domestic business and leisure travel. Net freight revenue increased primarily due to the continued restoration of belly space. Other revenue increased with the continued business momentum of Qantas Loyalty and the acceleration of the Loyalty Flywheel.

Operating expenses grew primarily due to increased flying activity and price increases driven by CPI. A favourable fuel price environment in financial year 2024/25 was a key driver in the decrease in fuel costs compared to financial year 2023/24. Share of net profit of investments was favourable compared to financial year 2023/24, driven by improved share of profitability of Jetstar Japan, which materially benefited from foreign exchange gains on lease liabilities.

Group Underlying Income Statement Summary[27]	June 2025 $M	June 2024 $M
Net passenger revenue	20,411	18,903
Net freight revenue	1,298	1,211
Other	2,114	1,825
Revenue	**23,823**	**21,939**
Operating expenses (excluding fuel)	(14,228)	(12,575)
Fuel	(5,003)	(5,316)
Reversal of impairment of assets and related costs	13	–
Depreciation and amortisation	(2,012)	(1,773)
Share of net profit of investments accounted for under the equity method	46	4
Total underlying expenditure	**(21,184)**	**(19,660)**
Underlying EBIT	**2,639**	**2,279**
Net finance costs	(245)	(201)
Underlying PBT	**2,394**	**2,078**

[26] This 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.

[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 25.

Review of Operations continued

For the year ended 30 June 2025

GROUP PERFORMANCE (CONTINUED)

Operating Statistics		June 2025	June 2024
Available Seat Kilometres (ASK)[28]	M	152,804	141,357
Revenue Passenger Kilometres (RPK)[29]	M	129,382	116,895
Passengers carried	'000	55,901	51,798
Seat Factor[30]	%	84.7	82.7
Operating Margin[31]	%	11.1	10.4
Unit Revenue (RASK)[32]	c/ASK	11.05	11.20
Total Unit Cost[33]	c/ASK	(9.49)	(9.73)
Unit Cost (ex-fuel)[33]	c/ASK	(6.22)	(5.97)

Group capacity for the year (ASK) increased 8 per cent driven by strong growth across Qantas' and Jetstar's international operations. Revenue Passenger Kilometres increased 11 per cent and the Group's Seat Factor increased to 85 per cent. Group Unit Revenue decreased 1 per cent to 11.05 c/ASK as capacity increased and fares moderated.

Total Unit Cost decreased 2 per cent with a favourable fuel price environment, transformation activity offsetting CPI and the benefit of additional capacity.

CASH GENERATION

Cash Flow Summary	June 2025 $M	June 2024 $M	Change $M	Change %
Operating cash flows	4,253	3,441	812	24
Investing cash flows	(3,813)	(2,887)	(926)	(32)
Net Free Cash Flow	**440**	**554**	**(114)**	**(21)**
Financing cash flows	42	(2,010)	2,052	>100
Cash at beginning of year	1,718	3,171	(1,453)	(46)
Effect of foreign exchange on cash	13	3	10	>100
Cash at end of the period	**2,213**	**1,718**	**495**	**29**

Operating cash inflows for financial year 2024/25 were $4,253 million. These were higher than the prior corresponding period primarily due to an increase in earnings and working capital, despite the impact of ACCC penalties, compensation to date and legal fees as well as ground handling compensation in financial year 2024/25. This was partially offset by an increase of company tax instalments.

Investing cash outflows for financial year 2024/25 were $3,813 million. Net capital expenditure was $3,853 million, which included 33 aircraft deliveries, capitalised maintenance expenditure and investments in customer experience.

Net financing cash inflows for financial year 2024/25 were $42 million. This includes $1,551 million drawdown of debt, offset by $216 million debt repayments, $312 million in net aircraft and non-aircraft lease repayments, $133 million in treasury share acquisitions, on-market share buy-backs of $448 million[34] and dividends paid of $400 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.

28 ASK – total number of seats available for passengers, multiplied by the number of kilometres flown.
29 RPK – total number of passengers carried, multiplied by the number of kilometres flown.
30 Seat Factor – RPKs divided by ASKs. Also known as load factor or load.
31 Operating Margin is Group Underlying EBIT divided by Group Total Revenue.
32 Unit Revenue (RASK) is calculated as ticketed passenger revenue divided by Available Seat Kilometres (ASK).
33 Total Unit Cost is net expenditure (Underlying PBT excluding ticketed passenger revenue) per ASK. Ex-fuel unit cost is net expenditure excluding fuel, share of profit/(loss) of investments accounted for under the equity method and discount rate changes on provisions, per ASK.
34 This includes the $17 million executed in June 2024 and paid in July 2024 due to T+2 settlement.

Review of Operations continued

For the year ended 30 June 2025

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 markets, the competitive landscape and whether the investment is earnings accretive.

Consistent with the Financial Framework, the Group retains significant 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 retirement.

At 30 June 2025, the Qantas Group fleet[35] totalled 363 aircraft.

Fleet Summary (Number of Aircraft)	June 2024	Additions: New Deliveries	Additions: Mid-life Deliveries	Additions: Wet Leases	Exits	June 2025
737-800	75	–	–	–	–	75
787-9	14	–	–	–	–	14
A380-800[36]	10	–	–	–	–	10
A330-200	16	–	–	–	–	16
A330-300[37]	12	–	–	–	–	12
A321XLR	–	1	–	–	–	1
Total Qantas	**127**	**1**	**–**	**–**	**–**	**128**
A220-300	2	5	–	–	–	7
717-200	9	–	–	–	(9)	–
E190[38]	26	–	–	4	–	30
Q200/Q300[39]	19	–	–	–	(5)	14
Q400	31	–	7	–	–	38
F100	17	–	–	–	(1)	16
A319-100	3	–	5	–	–	8
A320-200	15	–	–	–	–	15
Total QantasLink	**122**	**5**	**12**	**4**	**(15)**	**128**
A320-200	56	–	–	–	–	56
A321-200	6	–	–	–	–	6
A321LR	13	7	–	–	–	20
A320neo	–	4	–	–	–	4
787-8	11	–	–	–	–	11
Total Jetstar[40]	**86**	**11**	**–**	**–**	**–**	**97**
737-400F	1	–	–	–	(1)	–
767-300F	1	–	–	–	(1)	–
A321-200F	6	–	–	–	–	6
A330-200F	2	–	–	–	–	2
747-400F[41]	2	–	–	–	–	2
Total Qantas Freight	**12**	**–**	**–**	**–**	**(2)**	**10**
Total Group	**347**	**17**	**12**	**4**	**(17)**	**363**

35 Includes Qantas Airways, Jetstar Australia and New Zealand, Jetstar Asia (Singapore), Qantas Freight and QantasLink and excludes aircraft operated by Jetstar Japan and capacity hire aircraft to Jetstar Australia, from Jetstar Japan.
36 Nine A380-800 aircraft in operation as at 30 June 2025.
37 Includes two A330-300 wet leased from Finnair.
38 30 E190 wet leased from Alliance Airlines.
39 Exit of three Q200 aircraft and two Q300 aircraft during financial year 2024/25 in accordance with the fleet renewal program. The remaining 14 aircraft include 11 Q300 aircraft classified as Assets Held for Sale as at 30 June 2025.
40 Includes 13 Jetstar Asia (Singapore) aircraft to be transferred to Jetstar Australia and New Zealand, and QantasLink post business closure on 31 July 2025.
41 Two 747-400F wet leased from Atlas.

Review of Operations continued

For the year ended 30 June 2025

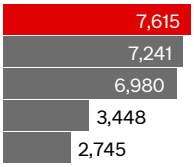
SEGMENT PERFORMANCE

Segment Performance Summary	June 2025 $M	June 2024 $M
Qantas Domestic	1,056	1,063
Qantas International	596	556
Jetstar Group	769	497
Qantas Loyalty	556	511
Corporate	(292)	(263)
Unallocated/Eliminations	(46)	(85)
Underlying EBIT	**2,639**	**2,279**
Net Finance Costs	(245)	(201)
Underlying PBT	**2,394**	**2,078**

QANTAS DOMESTIC

Revenue

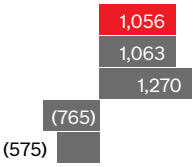
7,615 $M



FY25	7,615
FY24	7,241
FY23	6,980
FY22	3,448
FY21	2,745

Underlying EBIT

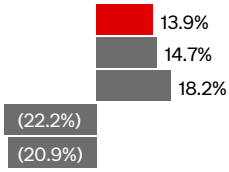
1,056 $M



FY25	1,056
FY24	1,063
FY23	1,270
FY22	(765)
FY21	(575)

Operating Margin

13.9 %



FY25	13.9%
FY24	14.7%
FY23	18.2%
FY22	(22.2%)
FY21	(20.9%)

Metrics		June 2025	June 2024
ASKs	M	32,479	32,950
Seat Factor	%	78.1	76.0

Qantas Domestic reported an Underlying EBIT of $1,056 million, in line with financial year 2023/24.

Revenue performance remained strong with stable leisure travel demand and the continued return of business-purpose travel, demonstrated by a 2 percentage point growth in Seat Factor. Qantas Domestic traffic share positions in corporate and SME segments are approximately 80 per cent and 54 per cent respectively. The expansion of the A319 fleet has also supported 9 per cent growth in charter revenue in financial year 2024/25.

Strong revenue performance was offset by supply chain constraints on aircraft parts and industry cost pressures, including airport charges and Same Job Same Pay legislation, resulting in a lower operating margin for financial year 2024/25.

The Qantas Domestic fleet transition is underway, with the delivery of the first Qantas A321XLR and five QantasLink A220s, the retirement of nine 717s and exit of one F100 in financial year 2024/25. Five mid-life A319s were introduced to support intra-WA resource growth and seven mid-life Q400s were deployed to renew the Turboprop fleet as five Q200/Q300s were phased out. Additional E190 aircraft have been sourced to provide bridging capacity as the fleet renewal progresses.

During financial year 2024/25, the Qantas Domestic renewal program scaled up, impacting the Underlying EBIT, with $64 million invested in workforce training and other EIS-related activity. An additional $37 million was incurred due to transitional fleet inefficiencies from delays in A220 deliveries. The retirement and exit of fleet also resulted in $26 million in non-recurring costs, including the restructure of engineering operations and non-cash asset write downs.

On-time performance improved by two percentage points, reaching the highest result since the second half of financial year 2018/19, while NPS increased by 11 points in financial year 2024/25. These results reflect the impact of investments in digital experience, launch of Classic Plus, lounges, and fully deployed Group Boarding.

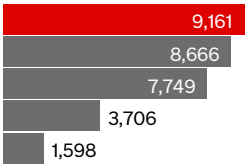
Review of Operations continued

For the year ended 30 June 2025

QANTAS INTERNATIONAL (INCLUDING FREIGHT)

Revenue

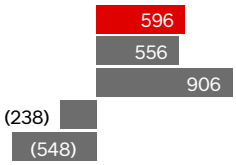
9,161 $M



FY25	9,161
FY24	8,666
FY23	7,749
FY22	3,706
FY21	1,598

Underlying EBIT

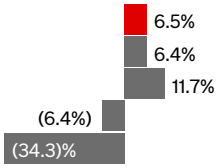
596 $M



FY25	596
FY24	556
FY23	906
FY22	(238)
FY21	(548)

Operating Margin

6.5 %



FY25	6.5%
FY24	6.4%
FY23	11.7%
FY22	(6.4%)
FY21	(34.3%)

Metrics		June 2025	June 2024
ASKs	M	62,571	58,878
Seat Factor	%	84.7	83.0

Qantas International (including Freight) reported an Underlying EBIT of $596 million, a 7 per cent increase from financial year 2023/24, reflecting the ongoing restoration of capacity and scale across international markets as demand remains strong. The result delivered an operating margin of 7 per cent, with revenue growth offset by increased labour costs (driven by Same Job Same Pay legislation impacts), previously announced customer investments, and engineering cost pressures.

Qantas International flying continued to grow in financial year 2024/25, with capacity 6 per cent higher relative to financial year 2023/24. In financial year 2024/25, Qantas International launched Perth-Paris, Brisbane-Port Vila, Brisbane-Palau, Brisbane-Manila, Singapore-Darwin and Melbourne-Honolulu with announcements for network expansion into Japan, New Zealand and South Africa.

Premium cabin demand remained strong in financial year 2024/25, with a two percentage point increase in overall Seat Factor relative to financial year 2023/24. Long-haul point-to-point markets continue to provide portfolio-leading earnings outcomes, reinforcing confidence in Project Sunrise.

NPS improvement was driven by investments in customer experience, resulting in a 10 point uplift in financial year 2024/25. Operational performance has improved with on-time arrival lifting four percentage points in financial year 2024/25, despite network disruptions from weather events and flight diversions due to Middle Eastern flight corridor restrictions.

Net freight revenue increased by 7 per cent compared to financial year 2023/24 despite tariff uncertainties, reflecting resilience and network changes. Earnings were further supported by the simplification of freighter fleet to a dedicated freighter fleet of six A321Fs and two A330Fs, delivering unit cost efficiencies, reduced carbon emissions and an enhanced customer proposition.

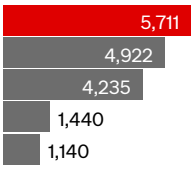
Review of Operations continued

For the year ended 30 June 2025

JETSTAR GROUP

Revenue

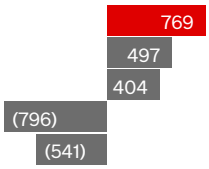
5,711 $M



FY25	5,711
FY24	4,922
FY23	4,235
FY22	1,440
FY21	1,140

Underlying EBIT

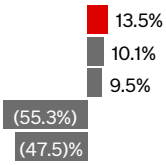
769 $M



FY25	769
FY24	497
FY23	404
FY22	(796)
FY21	(541)

Operating Margin

13.5 %



FY25	13.5%
FY24	10.1%
FY23	9.5%
FY22	(55.3%)
FY21	(47.5%)

Metrics		June 2025	June 2024
ASKs	M	57,754	49,529
Seat Factor	%	88.3	86.8

The Jetstar Group reported a record Underlying EBIT of $769 million, reflecting a significant uplift in earnings compared to financial year 2023/24. This was driven by strong demand, capacity growth from the entry of efficient new fleet, transformation activity offsetting CPI, operational improvements, and lower fuel costs. Jetstar grew capacity by 17 per cent, introducing new routes into key international markets to capture strong leisure demand, with Seat Factor increasing by 1.5 percentage points to 88 per cent.

Jetstar's Australian domestic network delivered an Underlying EBIT of $462 million, with capacity growth of 5 per cent relative to the financial year 2023/24 in a strong leisure demand environment. The operating margin of the domestic business was 16 per cent, supported by higher loads, ancillary revenue growth and yield increases in line with CPI.

Jetstar New Zealand Domestic and trans-Tasman operations exhibited strength in capacity growth and brand positioning, supported by the launch of new routes between Queensland and New Zealand, and between Sydney and Hamilton.

Jetstar's international network reported an Underlying EBIT of $307 million, with robust performance in key markets. Capacity grew by 25 per cent[42] relative to financial year 2023/24 enabled by additional fleet deliveries. This allowed for the redeployment of 787-8 fleet from Bali to other international sectors to unlock growth in new routes and increase utilisation on existing routes. Jetstar's Australian international network delivered a 13 per cent margin, with ongoing leisure demand strength supporting the launch of 11 new routes. including new trans-Tasman operations. Jetstar Japan's share of profits to Jetstar Group included $22 million of foreign exchange gains on lease liabilities in financial year 2024/25.

Continuing operational improvements strengthened on-time performance and stabilised cancellation rates, reducing disruption costs in financial year 2024/25.

Jetstar Asia ceased operations from 31 July 2025, recording an Underlying EBIT loss of $33 million in financial year 2024/25, with an additional $39 million loss outside Underlying PBT related to redundancy provision and other closure costs. 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.

Jetstar Australia received seven A321LR and four A320neo aircraft in financial year 2024/25 increasing the total new fleet to 20 A321LRs and four A320neos. Jetstar Australia's new fleet technology represented 40 per cent of narrowbody capacity[43], which delivered improved customer satisfaction and reduction in emissions in financial year 2024/25.

Affordable travel remained a key focus for the Jetstar Group, with one in three Jetstar customers travelling for under $100 in financial year 2024/25[44].

[42] Jetstar International capacity based on consolidated entities including Jetstar Asia.
[43] Includes Jetstar Australia Domestic and International narrowbody capacity (excluding Jetstar Asia and Jetstar Japan).
[44] Approximate ratio of passengers travelling with a base fare under $100 in financial year 2024/25 domestically in Australia and New Zealand.

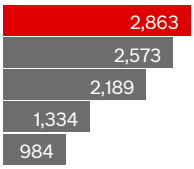
Review of Operations continued

For the year ended 30 June 2025

QANTAS LOYALTY

Revenue

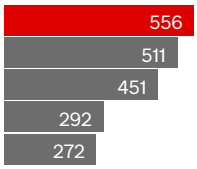
2,863 $M



FY25	2,863
FY24	2,573
FY23	2,189
FY22	1,334
FY21	984

Underlying EBIT

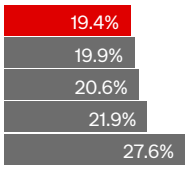
556 $M



FY25	556
FY24	511
FY23	451
FY22	292
FY21	272

Operating Margin

19.4 %



FY25	19.4%
FY24	19.9%
FY23	20.6%
FY22	21.9%
FY21	27.6%

Metrics		June 2025	June 2024
QFF members	M	17.6	16.4
Points earned	B	222	202
Points redeemed	B	185	171

Qantas Loyalty reported an Underlying EBIT of $556 million reflecting a 9 per cent growth for financial year 2024/25. This was driven by increased member engagement delivering strong portfolio growth, offset by the impact of investment in Classic Plus. This investment includes the non-cash impact to fair value assumptions applied to future sale of points in the Loyalty Segment.

The launch of Classic Plus for the domestic network in financial year 2024/25, along with International Classic Plus rewards, has driven positive member engagement, where customers have redeemed over one million Classic Plus seats. Demand for flight rewards remained strong, with reward seat bookings using points increasing by 8 per cent in financial year 2024/25.

The positive momentum of the Qantas Loyalty Flywheel was reflected in a 10 per cent uplift in points earned in financial year 2024/25. Active membership grew by 8 per cent in financial year 2024/25. Demand for Qantas Points-earning credit cards remains resilient, with Qantas Points-earning credit cards maintaining over 35 per cent share of all consumer credit card spend. Investment in Classic Plus strengthened the earn and burn flywheel where one in four members using Classic Plus had redeemed for the first time in five years.

Membership continued to grow by more than one million new members in the last 12 months, up 7 per cent from financial year 2023/24. Qantas Business Rewards (QBR) members increased approximately 20 per cent, with total membership now at 635,000. The growth in QBR has supported expansion in business credit cards and payment partners resulting in 26 per cent growth in total points earned.

Qantas Loyalty continued to enhance member engagement through broader and deeper program offerings, including a new retail partnership with Australia's premium department store David Jones and a renewed commercial deal with Woolworths. Qantas Pay also launched in financial year 2024/25 with a transaction made every three seconds within Australia and abroad. Diversified portfolio earnings continue to accelerate the flywheel with members earning across two or more categories growing to 47 per cent of total membership base.

Hotels, Holidays and Tours TTV bookings were up 11 per cent from financial year 2023/24 and the business realised the expected synergy benefits derived from the TripADeal acquisition in the prior financial year. Other highlights include strong growth across white-label products with Qantas Insurance customers increasing by 20 per cent relative to financial year 2023/24 and a 50 per cent increase in the value of new Qantas Home Loans settled from financial year 2023/24.

Review of Operations continued

For the year ended 30 June 2025

RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX

The Statutory Profit Before Tax was $2,262 million for the financial year ended 30 June 2025.

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.

RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX	Note	2025 $M	2024 $M
Underlying PBT		**2,394**	**2,078**
Items not included in Underlying PBT			
– Closure of Jetstar Asia and related costs	34	(39)	–
– Legal provisions and related costs	33(B)	(93)	(198)
– Net gain on disposal of assets		–	4
Total items not included in Underlying PBT		**(132)**	**(194)**
Statutory Profit Before Income Tax Expense		**2,262**	**1,884**

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	($65) million for an increase in legal provisions, recognised in Other expenditure in the first half of financial year 2024/25. In December 2024, the Group reached an agreement on the payment of compensation in relation to the ground handling outsourcing Federal Court case. ($20) million for increase in legal provisions, recognised in Other expenditure in the second half of financial year 2024/25. In August 2025, a decision was handed down on pecuniary penalties in relation to the ground handling outsourcing Federal Court case. ($8) million relating to legal and other related costs for ongoing legal matters.

In the 2023/24 financial year, items outside of Underlying PBT included:

Item outside of Underlying PBT	Description
Legal provisions and related costs	($128) million for the announced ACCC settlement (compensation and penalties) and related costs and ($70) million for an increase in provisions in relation to the ground handling outsourcing Federal Court case, recognised in Other expenditure.
Net gain on disposal of assets	The net gain on disposal of assets of $4 million arose from the disposal of Perth Airport assets.

Review of Operations continued

For the year ended 30 June 2025

MATERIAL BUSINESS RISKS

The aviation industry is subject to inherent risks that can impact operations if not managed effectively. These include, but are not limited to, competitive landscape, shifts in customer behaviour and market demand, exposure to economic uncertainty, geopolitical instability, cyber security, changes in government/industrial regulations, volatility in fuel prices and foreign exchange rates, and other external events such as aviation incidents, natural disasters, climate change, international conflicts or epidemics. In rare circumstances, unforeseen 'black swan' events may occur, resulting in unexpected outcomes similar to those experienced by the aviation industry during the COVID-19 pandemic. The Qantas Group (Group) continues to prepare for a broad range of scenarios to uphold its strong position, support financial targets, achieve operational outcomes, meet travel demand and customer expectations.

The Group is exposed to a range of material business risks which may impact the achievement of its strategic and financial objectives. The Group remains committed to the continuous and proactive monitoring of these risks, and to enhancing its control environment to effectively manage or mitigate these risks. Through the systematic analysis of incidents and their underlying causes, the Group continuously refines and evolves its risk management framework.

Operational and people safety: While there are inherent safety risks in aviation, the Group's 'safety first' approach prioritises ongoing focus and improvement to the systems and processes designed to identify and address current and emerging safety risks to its people and customers, both in the air and on the ground.

All Group airlines maintain regulatory approved systems, including aircraft airworthiness and maintenance as well as operational activities, procedures and training programs utilising qualified (licensed) personnel and approved manuals. A strong safety and comprehensive reporting system, supplemented by detailed operational and workplace assurance programs, facilitates regulatory compliance and the effective functioning of critical processes and controls.

Physical security of people and assets: The Group is committed to protecting its people, customers, aircraft and other assets from physical security threats and interference. A comprehensive threat and operational risk assessment program is in place which is supported by extensive collaboration with key Australian and international government agencies and security partners. Security measures are implemented for passengers, baggage, cargo, catering and stores throughout the network, in compliance with regulatory requirements. Extensive controls are in place to protect the security of flight systems, including access controls to aircraft flight decks and physical security of aircraft at ports.

Liquidity and fuel price volatility (including foreign exchange): The Group's ability to maintain sufficient liquidity is inherent in providing for its operating needs. Maintaining access to a variety of funding sources, setting minimum liquidity levels, and through continuous monitoring of costs and ongoing transformation initiatives, the Group aims to meet its liquidity requirements under a range of adverse scenarios. The flexibility in capacity settings enables swift adjustments to fluctuations in demand and customer preferences. The Group remains committed to its strategic priorities while safeguarding its liquidity position through the ongoing application of its Financial Framework.

The Group is subject to fuel price and foreign exchange risks, which are prevalent in the aviation industry. These risks fluctuate based on operational capacity, routes the Group operates as well as the size of fleet investments (capital expenditure). Fuel prices remain volatile and have been influenced by several global themes including the recent global tensions and unrest, especially in the Middle East, which is expected to persist into financial year 2025/26. The volatility and depreciation of the Australian dollar, along with global political instability, has impacted foreign exchange rates, thereby affecting the Group's foreign currency-denominated cash outflows. To manage its fuel and foreign exchange risks, the Group maintains a comprehensive hedging program aligned with its Treasury Risk Management Policy. This provides time and flexibility to adjust capacity to reflect the evolving operating environment. The Group will continue to hedge its fuel and foreign exchange risks in line with this program, employing a mix of fuel derivative collars and outright options to mitigate fuel price risk and actively adjusts these instruments as market conditions warrant.

Cyber security and data loss: The cyber threat landscape continues to evolve, with malicious actors employing advanced techniques to target Australian companies and critical infrastructure for ransom. The Group is also observing increasing social engineering threats. The intensifying geopolitical climate worldwide has exacerbated cyber espionage and warfare attacks on Australian organisations. Considering these developments, it is imperative for the Group to prioritise its governance, defence, and response strategies.The Group is factoring learnings and observations from the incident it experienced in June 2025 into its risk management framework. It remains committed to safeguarding its customers, employees, and business operations by prioritising the protection of data and assets. This commitment includes enhancing secure-by-design capabilities to support new technological initiatives, fortifying the human firewall through education and awareness initiatives, and advancing cyber defences with advanced technology and expertise to remain ahead in the attack-defence dynamic.

The Group's Cyber Risk & Control Framework, along with its Data Governance Framework, are designed to manage and mitigate commercial, data security, and privacy and ethics risks. The Group's Risk and Control Framework is aligned with industry standards, to maintain data confidentiality, integrity, and availability. The Group also collaborates with government agencies and industry peers to proactively identify and respond to the continually evolving landscape of cyber and privacy risks.

Review of Operations continued

For the year ended 30 June 2025

MATERIAL BUSINESS RISKS (CONTINUED)

Competition: The Group operates in highly competitive markets, contending with both domestic airlines and major foreign airlines (including government-owned or controlled airlines), some of which possess greater financial resources and/or lower cost structures. Competition may intensify due to airline expansions, mergers, alliances, or new market entrants. The entry of international airlines into the domestic aviation market, coupled with the voluntary administration of an existing airline, could lead to heightened political, regulatory and media scrutiny of the Group's operational performance, airfares, profitability and consumer rights. Additionally, the Loyalty business also experiences heightened competition from consolidations and expanded programs by existing commercial partners/airline alliances.

Australia's aviation policies, which favour competition, attract international competitors (predominantly state-sponsored airlines), further increasing competition on international routes. Aggressive pricing strategies by competitors seeking to gain market share can adversely affect the Group's revenues and yield performance, exacerbated by the high fixed costs inherent in the aviation industry and Australia.

These factors may have a materially adverse effect on the Group's revenue and financial position.

The Group continues to leverage its dual brand strategy and established governance processes to optimise network and fleet plans to enhance the Group's competitive position, and reacts appropriately to emerging issues on pricing, network and capacity. The Group also continues to focus on enhancing operational performance and execution of clear strategies to maintain leadership in key customer segments, enabled by strong relationship management, investment in customer and loyalty programs, and technology-enabled solutions. Additionally, in alignment with the Group's commitment to modernising its fleet, reducing maintenance demands, enhancing customer experience, and supporting sustainable travel, the Group is actively advancing investments in new, fuel-efficient aircraft through its established fleet renewal program.

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 dual brand strategy and fleet renewal program (next generation aircraft) enables flexibility in adjusting capacity settings based on changes in demand. Active monitoring of early warning indicators of changes to markets is performed to mitigate exposures and pursue opportunities across the dual brands.

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. The Group continues to have oversight of the internal and external industrial landscape and monitors the emerging risks associated with the legislative reforms, including the potential implications.

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. Such disruptions may adversely affect day-to-day operations, financial performance, and the Group's reputation. In alignment with its commitment to early and ongoing engagement with unions, the Group continues to foster collaborative partnerships and encourage constructive dialogue. The Group has also developed business continuity plans, including testing and rehearsal (to the extent possible), to provide continuity of operations in the event of industrial action.

Customer risk: Customer satisfaction and loyalty are essential for the Group's success, particularly in a competitive market. Operational challenges such as frequent cancellations, poor on-time performance (OTP), and mishandled baggage could negatively impact customer satisfaction and harm the Group's reputation. Continued focus on these issues is crucial for maintaining our brand's strength and attracting future customers as we continue to build and enhance our reputation.

The Group continues to focus on improving its OTP and are making significant investments to enhance the overall customer experience. Measures include maturing the Group boarding process, focusing on technological enablement in airport operations and improving fleet health. Additionally, the Group is prioritising mechanisms to cover customer journey disruptions, including efficient and compassionate complaint resolution, managing delays and cancellations, offering proactive reimbursement, and addressing product and service quality issues.

The Group has also announced investments in key customer-focused initiatives, including aircraft refurbishment programs, introducing Wi-Fi capabilities on international routes, a refresh of its lounge network, comprehensive customer recovery across Qantas and Jetstar, and advancements in cyber security to safeguard customer personal data.

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 is focused on embedding a continuous improvement culture in core business units to ensure an integrated and consistent Group approach in managing customer concerns and complaints and is transforming the customer experience through a multi-year program to better meet evolving customer needs and maintain its strong market position.

Review of Operations continued

For the year ended 30 June 2025

MATERIAL BUSINESS RISKS (CONTINUED)

Climate change: The Group recognises that aviation is a hard to abate industry. We are committed to taking steps, in the air and on the ground, to reduce our impact on the environment and to respond to climate-related risks. Climate-related risks include both physical risks (such as increased extreme weather events) and transition risks (including development of alternative fuel and changes to government policies, laws and regulations).

The Group manages these risks through mechanisms including, but not limited to, emission reduction targets; scenario analysis to inform the Group's strategy; robust governance; carbon market program; fleet transformation activities; investing in modern aircraft technology; supporting a competitive sustainable aviation fuel industry in Australia; and monitoring government policy. The Group's emissions targets, include: a 25 per cent reduction in net Scope 1 and Scope 2 emissions from 2019 levels by 2030; 10 per cent sustainable aviation fuel (SAF) in fuel mix by 2030; and net zero emissions by 2050. The Group is working actively in order to respond to the increased demand for transparency on identification and management of climate-related risks by aligning its corporate disclosures with the Taskforce on Climate-related Financial Disclosures (TCFD) and the Australian Accounting Standards Board's Australian Sustainability Reporting Standards - Climate-related Disclosure Standard.

Supply chain: The Group depends on third-party providers for critical operations such as fleet expansion and replacement, aircraft maintenance slots, supply of aircraft parts, and other critical business processes. The Group remains exposed to reputational and brand damage from risks associated with modern slavery, cyber incidents, amongst others originating within its supply chain, which may erode stakeholder trust. Any failure or disruption from these providers, may significantly affect the Group's operations and adversely impact financial performance. To mitigate these risks, the Group continuously builds resilience in flight schedules across the network; proactively analyses and monitors the global and local supply market for early insights (prioritising essential spare parts and maintenance activities to manage operational resilience); proactively manages and invests in high risk items; implements business continuity plans; and has contingency measures in place to respond to key supplier interruptions.

Policy or regulatory change: Given the highly regulated business environment the Group operates in, any major policy or regulatory changes, such as those in relation to competition and consumer legislation, rights of entry, climate change policy, industrial relations reforms, and airport infrastructure, can significantly impact the Group's operations, demand or competition. The Group proactively engages with regulators and policy makers to inform and enhance policy outcomes, and also participates in industry bodies in Australia and internationally to proactively address common challenges and influence policy direction.

New business models: As more brands aim for a seamless customer journey, the threat of further airline disintermediation, the rapid rise of digitisation and new technologies mean that business models continue to evolve. The Group continues to enhance its distribution strategy and digital capability, expand its coalition business through innovative new business models, new partners and member experience, and invest in technological platforms and processes to enable a significantly improved end-to-end customer journey.

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 2025

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 2024/25.

Accordingly, Qantas has disclosed its 2025 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.

QANTAS GOVERNANCE REVIEW

On 8 August 2024, the Qantas Board released a report following a review of key governance matters (Governance Review). The review, which commenced in October 2023 and considered matters over the preceding 12 months, scrutinised the decision-making and governance processes of the Board that led to the loss of trust amongst stakeholders.

The Board committed to tracking and embedding the actions arising in response to the Governance Review and, throughout financial year 2024/25, the Qantas Board and Management have implemented all of the remaining actions that were committed to in the report. The Board and Management acknowledge that the work is not done, and are committed to continuous improvement to rebuild the trust of our stakeholders and restore pride in Qantas as the national carrier.

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 2025, 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 2025.

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 2024/25 Board and Committee Meetings are detailed on page 33 of the Qantas Annual Report 2025.

THE BOARD INSTILS 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.

Condensed Corporate Governance Statement continued

For the year ended 30 June 2025

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. The next rotation of lead external audit partner for KPMG will take place following the finalisation of the audit for the 2025/26 financial year.

Notwithstanding there are no service, quality or independence issues with the current auditor, KPMG, in consideration of best practice and as outlined in Qantas' previous three Corporate Governance Statements, the Audit Committee undertook a competitive external audit tender process during 2024/25 for appointment in relation to 2026/27. 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 audit partner.

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 2025 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.

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.

Condensed Corporate Governance Statement continued

For the year ended 30 June 2025

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 2024/25, 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 38 to 62 of the Qantas Annual Report 2025.

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 38 to 62 of the Qantas Annual Report 2025.

Non-Executive Directors do not receive any performance-based remuneration. Further information has been disclosed in the Remuneration Report from pages 60 to 62 of the Qantas Annual Report 2025.

Directors' Report

For the year ended 30 June 2025

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 2025. 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 (appointed March 2025)

Richard Goyder AO (retired September 2024)

Todd Sampson (retired 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 declared a fully franked final dividend of $250 million (16.5 cents per ordinary share) and a fully franked special dividend of $150 million (9.9 cents per ordinary share) for the year ended 30 June 2025. The final dividend will be franked and follows a fully franked interim base dividend of $250 million (16.5 cents per ordinary share) and a fully franked special dividend of $150 million (9.9 cents per ordinary share) paid during the year.

During the year ended 30 June 2025, the Group completed on-market share 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.

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 28.

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 34 of the Financial Report for events which occurred subsequent to the balance sheet date. Other than the matters disclosed in Note 34, 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 2025

DIRECTORS' MEETINGS

The number of Directors' meetings held (including meetings of Committees of Directors) and attendance of Directors during 2024/25 is as follows:

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

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 Richard Goyder retired as a Non-Executive Director on 16 September 2024.
7 John Mullen was appointed as Board Chair, and ceased being a Member of the Safety, Health, Environment and Security Committee on 16 September 2024.
8 Dion Weisler was appointed as a Non-Executive Director on 31 March 2025.
9 Dion Weisler was appointed as a Member of the People and Remuneration Committee and a Member of the Safety, Health, Environment and Security Committee on 20 June 2025.
10 Todd Sampson retired as a Non-Executive Director on 31 July 2025.

Directors' Report continued

For the year ended 30 June 2025

DIRECTORSHIPS OF LISTED COMPANIES HELD BY MEMBERS OF THE BOARD AS AT 30 JUNE 2025 – FOR THE PERIOD 1 JULY 2022 TO 30 JUNE 2025

John Mullen	Qantas Airways Limited Brambles Limited Treasury Wine Estates Telstra Corporation Limited	Current, appointed 22 April 2024 Current, appointed 1 November 2019 Current, appointed 1 May 2023 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
Todd Sampson	Qantas Airways Limited	Ceased, appointed 25 February 2015 and ceased 31 July 2025
Dr Nora Scheinkestel	Qantas Airways Limited Brambles Limited Origin Energy Limited Westpac Banking Corporation	Current, appointed 1 March 2024 Current, appointed 1 June 2020 Current, appointed 4 March 2022 Ceased, appointed 1 March 2021 and ceased 13 December 2024
Dr Heather Smith	Qantas Airways Limited ASX Limited Challenger Limited	Current, appointed 24 August 2023 Current, appointed 29 June 2022 Current, appointed 20 January 2020
Antony Tyler	Qantas Airways Limited	Current, appointed 26 October 2018
Dion Weisler	Qantas Airways Limited BHP Group Ltd Intel Corporation Thermo Fisher Scientific Inc	Current, appointed 31 March 2025 Current, appointed 1 June 2020 Current, appointed 17 June 2020 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 2025

DIRECTORS' INTERESTS AND BENEFITS

Particulars of Directors' interests in the issued capital of Qantas at the date of this Report are as follows:

	Number of Shares	
Directors	2025[1]	2024[2]
John Mullen	92,125[3]	–
Vanessa Hudson	1,289,391[5,6]	1,103,339[4]
Belinda Hutchinson	85,145[3]	76,951[3]
Doug Parker	100,000	100,000
Todd Sampson	–[7]	45,619[3]
Dr Nora Scheinkestel	61,925	56,058
Dr Heather Smith	24,515[3]	10,000
Antony Tyler	52,000	52,000
Dion Weisler	20,000	n/a

1 Shares held as at date of 2025 Annual Report (5 September 2025).
2 Shares held as at date of 2024 Annual Report (12 September 2024).
3 Includes restricted ordinary shares held by the Employee Share Plan Trust.
4 Includes restricted ordinary shares awarded in relation to the 2022-2024 Long Term Incentive Plan (LTIP) held in Employee Share Plan Trust that remain subject to an additional one-year trading restriction.
5 Includes restricted ordinary shares awarded in relation to the 2023-2025 Long Term Incentive Plan (LTIP) held in Employee Share Plan Trust that remain subject to an additional one-year trading restriction.
6 Shares awarded under the 2022/23 STIP 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. Shares awarded under the 2023/24 STIP are subject to a two-year deferral period and one-year trading restriction until after the release of the 2026/27 full-year financial results. Shares awarded under the 2024/25 STIP are subject to a two-year deferral period until after the release of the 2026/27 financial results.
7 Mr Sampson retired as a Non-Executive Director on 31 July 2025. Mr Sampson held 47,281 ordinary shares at cessation on 31 July 2025.

Rights held in trust under the Non-Executive Director Fee Sacrifice Share Acquisition Plan[1]:

	Number of Rights	
Directors	2025[2]	2024[3]
John Mullen	7,840	12,859
Belinda Hutchinson	3,525	4,871
Todd Sampson	–[4]	1,662
Dr Heather Smith	–	8,629

1 Refer to page 62 for information regarding the operation of the Non-Executive Director Fee Sacrifice Share Acquisition Plan.
2 Rights held as at date of 2025 Annual Report (5 September 2025).
3 Rights held as at date of 2024 Annual Report (12 September 2024).
4 Mr Sampson retired as a Non-Executive Director on 31 July 2025. 1,134 Rights lapsed at cessation on 31 July 2025.

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

	Number of Rights	
Rights granted under:	2025[1]	2024[2]
2023-2025 Long Term Incentive Plan	–[3]	223,500[3]
2024-2026 Long Term Incentive Plan	335,000[4]	335,000[4]
2025-2027 Long Term Incentive Plan	450,000[5]	–
Total Rights	**785,000**	**558,500**

1 Rights held as at date of 2025 Annual Report (5 September 2025).
2 Rights held as at date of 2024 Annual Report (12 September 2024).
3 Following the testing of performance hurdles as at 30 June 2025 and the Board's approval of the 2023-2025 Long Term Incentive Plan (LTIP) vesting outcome, 100 per cent of the 2023-2025 LTIP awarded to Ms Hudson vested and converted to shares on 5 September 2025. The shares awarded remain subject to an additional one-year trading restriction.
4 Performance hurdles will be tested as at 30 June 2026 to determine whether any Rights vest to Ms Hudson.
5 Performance hurdles will be tested as at 30 June 2027 to determine whether any Rights vest to Ms Hudson.

Directors' Report continued

For the year ended 30 June 2025

PERFORMANCE RIGHTS

Performance Rights are awarded to select Qantas Group Executives under the Qantas Long Term Incentive Plan (LTIP). Refer to pages 49 to 50 for further details.

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

	Number of Rights	
Performance Rights Reconciliation	**2025**	**2024**
Rights outstanding as at 1 July	8,814,267	62,038,284
Rights granted during the year	3,313,000	2,631,000
Rights forfeited during the year	(601,784)	(2,609,210)
Rights vested and converted to shares during the year	(2,890,585)	(52,205,307)
Rights lapsed during the year	(502,314)	(1,040,500)
Rights outstanding as at 30 June	**8,132,584**[1]	**8,814,267**

1 The movement of Rights outstanding as at 30 June 2025 to the date of this Report is explained in the footnotes of the table below.

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 2025:

				Number of Rights	
Name	**Testing Period**	**Grant Date**	**Value at Grant Date**	**2025**	**2024**
2022–2024 Long Term Incentive Plan[1]	30 Jun 24	17 Sep 21	$3.90	–	2,766,789
2022–2024 Long Term Incentive Plan[1]	30 Jun 24	5 Nov 21	$3.85	–	626,110
2023–2025 Long Term Incentive Plan[2]	30 Jun 25	4 Nov 22	$4.24	2,917,441	3,113,337
2024–2026 Long Term Incentive Plan	30 Jun 26	3 Nov 23	$3.13	2,078,416	2,308,031
2025–2027 Long Term Incentive Plan	30 Jun 27	25 Oct 24	$5.93	3,136,727	–
Total				**8,132,584**	**8,814,267**

1 Following the testing of performance hurdles as at 30 June 2024 and the Board's approval of the 2022-2024 vesting outcome on 28 August 2024, 86.11 per cent of Rights vested and converted to shares on 6 September 2024. The shares awarded were subject to a one-year trading restriction to 29 August 2025.

2 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 for Executives. The shares awarded remain subject to an additional one-year trading restriction.

Directors' Report continued

For the year ended 30 June 2025

REMUNERATION REPORT

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Directors' Report continued

For the year ended 30 June 2025

REMUNERATION REPORT

COVER LETTER TO THE REMUNERATION REPORT

Dear Shareholder

2024/25 was a year of strong performance for the Qantas Group and continued the positive momentum for customers, employees and shareholders.

2024/25 performance summary

Qantas Group achieved an Underlying PBT of $2.394 billion and delivered a Total Shareholder Return (TSR) of 89 per cent.

This financial performance reflects the underlying strength of our dual-brand strategy, strong travel demand across all customer segments and passenger growth for both Qantas and Jetstar. Growth, to a record 56 million passengers, was helped by the Group's historic fleet renewal program, which has already started to deliver benefits including enhanced fuel efficiency and enabled network expansion. Significantly improved on-time performance also helped both Qantas and Jetstar deliver increased customer satisfaction. While customer experience is improving, the job is not yet done. We continue to work on improving on-time performance, in flight service, frequent flyer rewards and the overall travel experience.

We have further restored employee engagement which was a key priority this year. We're delighted with the increase in employee engagement to 71 per cent, a five percentage point increase, which is above the industry average, but we recognise there is more to do. This coming year will see continuing initiatives to develop our leaders, increase engagement and build an even higher performing culture.

Safety remains paramount. While we performed well on operational workplace safety, we did experience several serious safety incidents during the year which underscores the ongoing importance of vigilance and continuous improvement in our safety practices. New baseline metrics were set this year for workplace safety following the post-COVID-19 disruptions. We performed well against both operational and workplace safety targets.

Demonstrable progress was made in sustainability, including reducing our CO_2 emissions below our targets. This was achieved through the increased use of Sustainable Aviation Fuel (SAF) and operational efficiency initiatives underpinned by four key pillars: procedures, flight planning, airspace management and aircraft performance. More details are provided in our Sustainability Report.

The year also brought many external challenges ranging from the disruption caused by Cyclone Alfred, volcanic eruptions in Indonesia, and the impacts of continuing geopolitical conflicts around the globe, to mention a few. All of these impacted our customers and employees and had adverse operational and financial effects. The results detailed above were delivered while the management team also managed through these challenges.

In recognition of the contribution of all our people to these results, 25,000 non-executive employees received a $1,000 thank-you payment in December 2024. We are pleased to introduce a new share ownership plan for all our non-executive employees, which will grant $1,000 worth of Qantas shares for 2024/25 and then annually, subject to Group performance. The plan will provide further recognition for the work of our people and build a greater sense of ownership in the Group. The first grant will occur in September 2025 and this year will also be accompanied by a $500 staff travel credit.

Variable remuneration outcomes in 2024/25

Short Term Incentive Plan

Reflecting the performance above, the 2024/25 Group Scorecard result was an above-target outcome of 139 per cent out of a maximum possible outcome of 163.75 per cent.

However, a cyber incident occurred at the close of the financial year involving a significant number of our customers. We sincerely apologise for this incident and recognise the uncertainty it caused. Management took immediate steps to contain the incident, strengthen security measures and support customers. An injunction was also obtained from the NSW Supreme Court to further protect our customers.

Qantas immediately commenced forensic investigations and work continues to learn from the incident and further increase our resilience. While this work is ongoing, the Board has determined that, in recognition of the large number of customers involved and the importance of the security of our systems and customer data, the 2024/25 Group Scorecard outcome, for the purposes of the CEO and Executive Management Short Term Incentive Plan (STIP), should be reduced by 15 percentage points. This adjustment reflects their shared accountability and our commitment to a culture of responsibility and transparency while also acknowledging the work that has been done since the incident. This includes notifying and supporting customers, and engaging extensively with relevant stakeholders such as the Australian Cyber Security Centre. While we recognise that the investigations into this incident may not be finalised for some time and there may be other outworkings, we believe it is important for both our executives and shareholders that the remuneration consequences of this incident be dealt with this year. As a result, the Group Scorecard outcome was reduced to 124 per cent for the CEO and Executive Management. This had the effect of reducing the CEO's 2024/25 STIP outcome by $250,000, and the total reduction for Executive Management (excluding the CEO) was $550,000.

As detailed in section 3, the Individual Performance Factor, which previously modified the STIP outcomes, was removed this year, as it was considered opaque and inconsistently applied. The CEO and CFO's STIP outcomes are now fully determined by the Group Scorecard. Other Executive Management are now assessed on a Balanced Scorecard approach which combines a component relating to the Group Scorecard and a component for individual objectives, weighted, in the case of

Directors' Report continued

For the year ended 30 June 2025

REMUNERATION REPORT (CONTINUED)

Executive Management, 60/40. The Balanced Scorecard is scored out of 100 i.e. no overdrive, though the CEO may exercise some minimal discretion to recognise outperformance, and the total is multiplied by the Group Scorecard Result, to further emphasise the importance of all executives working together to deliver the group result. Executive Management STIP outcomes are detailed on pages 42 to 45 and ranged from 123 per cent to 130 per cent of Base Pay.

Long Term Incentive Plan

The 2023-2025 LTIP vested in full after achieving the two relative TSR performance measures. The Group achieved a TSR of 119 per cent over the three-year performance period, which led to a relative TSR ranking of 3rd out of the 17 airlines in the global airline peer group and a ranking of 8th against the ASX 100 peer group.

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

Ground Handling Penalty Decision

On 18 August 2025, the Federal Court determined that Qantas should pay a $90 million penalty for the unlawful outsourcing of ground handling in 2020. This marks the conclusion of earlier proceedings which were determined against Qantas and resulted in us reaching a settlement to pay $120 million compensation to affected former employees.

We deeply regret the impact on our former employees of losing their jobs and acknowledge the broader effects on Qantas and other stakeholders of the legal process that followed. The Board was very cognisant of this when it undertook a detailed review last year of executive accountability. As previously reported, this led to a reduction of 33 per cent in 2022/23 STIP outcomes for the former CEO and accountable Executive Management totalling $4.1 million and the total forfeiture of the 2021-2023 LTIP for the former CEO totalling $8.36 million. These adjustments were made factoring in possible penalties and compensation that were still to be determined at the time. We considered it important for both our executives and other stakeholders to finalise these matters which had been deferred from the previous year. As a result and given the penalty was within the known range, no further adjustment has been made this year in relation to this matter.

Changes to the Remuneration Framework for 2025/26

We continue to benchmark and review our framework and practices to ensure they remain fit for purpose, align with our strategy and stakeholder interests, and ensure we remain attractive to talented executives.

As a result of this year's review, the following changes will apply in 2025/26:

- The Group Scorecard overdrive will be reduced from 175 per cent to 160 per cent, removing the need for a cap at 160 per cent.
- The maximum STIP opportunity for Executive Management will be reduced from 160 per cent to 140 per cent of Base Pay, reflecting the practical operation of the new STIP approach.
- For the 2026-2028 LTIP
  - the LTIP opportunity will be increased to 180 per cent of Base Pay for the CEO and to 110 per cent of Base Pay for Executive Management. These adjustments reflect market benchmarking and increase the weighting of the variable remuneration to the long term, improving alignment to shareholders.
  - the weighting of the Reputation (RepTrak) measure will reduce from 33 per cent to 20 per cent. While the RepTrak measure will not be formally tested until 30 June 2026 in the context of the 2024-2026 LTIP, we have seen good progress with our score improving from 61.8 per cent as at 30 June 2024 to 67.4 per cent as at 30 June 2025. We therefore believe it is appropriate to reduce the weighting of this metric to reflect our ongoing progress while recognising that there is still work to be done.
  - Virgin Australia will be added to the Global Airline Peer Group.
- The Minimum Shareholding Guidelines (MSG) for Executive Management will increase from 75 per cent to 100 per cent of Base Pay from 1 October 2025, further increasing alignment with shareholders.

We believe the reduction in STIP opportunity and leverage together with the increase in LTIP opportunity reflects a better remuneration mix and, combined with the other changes, strengthens the link between performance and reward. Our remuneration structure will continue to be focused on driving sustainable, long-term value creation and share price growth for investors.

We encourage you to read the 2025 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 2025

REMUNERATION REPORT (AUDITED) (CONTINUED)

1 KEY MANAGEMENT PERSONNEL

The remuneration of Key Management Personnel (KMP) – the CEO, direct reports to the CEO (Executive Management) and Non-Executive Directors – is disclosed in this Report, including former KMP that ceased employment in 2024/25. 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	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
Todd Sampson[1]	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
Dion Weisler	Non-Executive Director	Commenced 31 March 2025
Former Non-Executive Directors		
Richard Goyder	Chair	Ceased on 16 September 2024

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

Directors' Report continued

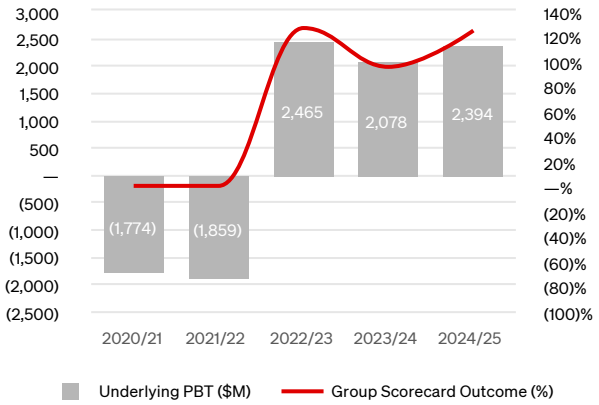
For the year ended 30 June 2025

REMUNERATION REPORT (AUDITED) (CONTINUED)

2 OVERVIEW OF THE EXECUTIVE REMUNERATION FRAMEWORK OUTCOMES FOR 2024/25

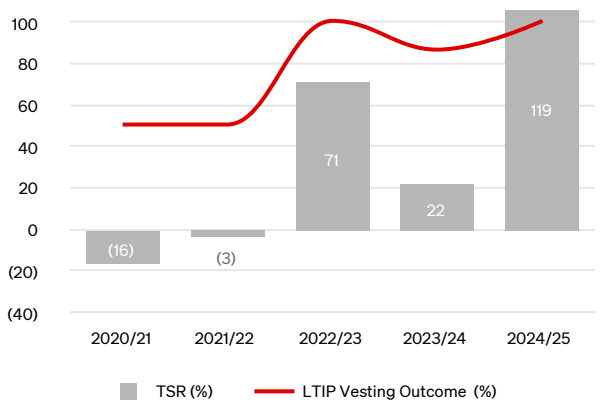
CEO's 2024/25 STIP outcome	Executive Management STIP outcomes	Vesting of the 2023-2025 LTIP
124% as a % of target or 78% of maximum	**123% to 130%** Range of STIP outcomes as a percentage of target, or 61% to 65% of maximum	**100%**

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



1 The Board applied its discretion and determined that the 2020/21 Group Scorecard Outcome was zero.
2 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.
3 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 2024/25 was $1,605 million (2024: $1,251 million; 2023: $1,744 million; 2022: ($860) million; and 2021: ($1,692) million).

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

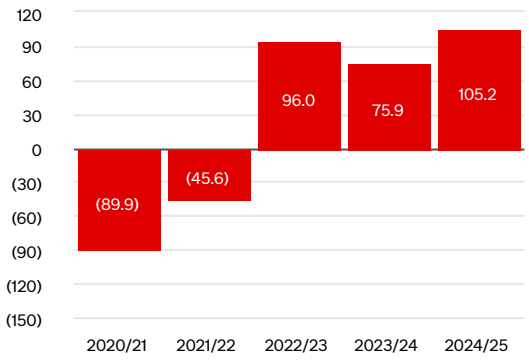


1 TSR Performance applying the LTIP performance test methodology (which uses the average closing share price over the six months preceding the test date of 30 June).

QANTAS' FINANCIAL PERFORMANCE HISTORY

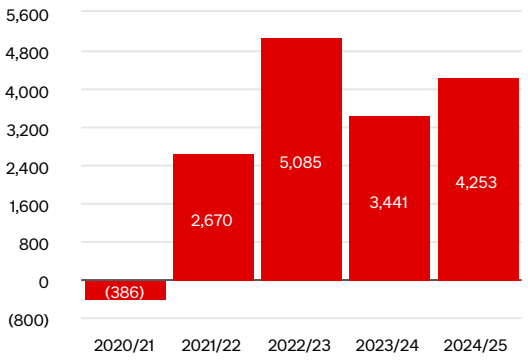
In addition to the Underlying PBT graph above, the following graphs outline a five-year history of key financial metrics:

Statutory Earnings Per Share[1]



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

Operating Cash Flow ($M)



Directors' Report continued

For the year ended 30 June 2025

REMUNERATION REPORT (AUDITED) (CONTINUED)

3 GROUP SCORECARD OUTCOME 2024/25

The 2024/25 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	Target	Overdrive	Actual Outcome
Group Financial Measure (0-87.5%)	50%	Underlying PBT ($ billion)	1.8	2.125	2.45	81.0%
					2.39	
Customer and People (0-52.5%)	30%	Net Promoter Score (NPS):				35.0%
		Qantas Airline	26	29	32	
					30	
		Jetstar Airline	16	19	22	
					19	
		On-Time Performance	75	78	81	
			77			
		People	65	67	69	
					71	
Operational and Workplace Safety (0-15%)	15%	Board's assessment of Operational Safety				15.0%
		Workplace Safety measures percentage improvement (Events per million hours worked):				
		Total Recordable Injury Frequency Rate (TRIFR)	27.1	23.6	NA	
					21.5	
		Lost Workcase Frequency Rate (LWCFR)	14.4	12.5	NA	
					11.2	
Climate (0-8.75%)	5%	CO_2 emissions reductions (tonnes)	83,430	92,700	101,970	8.0%
					106,000	
		Waste diversion ground operations	42	43	44	
					46	
		Reduction of single-use plastic	19.7	21.9	24.1	
			21.7			
2024/25 Group Scorecard Outcome (0-163.75%)	100%	Scorecard result before Board exercised discretion				139%
		Scorecard result after Board exercised discretion				124%
		Scorecard result out of a maximum possible Scorecard outcome				76%

STIP Awards are capped at 160 per cent of Base Pay.

Directors' Report continued

For the year ended 30 June 2025

REMUNERATION REPORT (AUDITED) (CONTINUED)

Performance Assessment of 2024/25 Group Scorecard Measures

Group Financial Measure	The 2024/25 Underlying PBT was $2,394 million, above the $2,125 million target and exceeding the $2,078 million result in 2023/24. Increased profitability for the year was driven by growth in capacity and demand from customers as well as benefits from new aircraft. Fuel benefits were partially offset by other cost increases and headwinds.
Customer and People	Qantas Airline and Jetstar both achieved or exceeded their NPS targets in 2024/25, driven by investment in customer recovery efforts and operational improvements, especially in the second half with better on-time performance (OTP). Jetstar also improved its operational performance through targeted investment while ensuring it remained true to its low-cost DNA. The Group prioritised minimising delays, enhancing service consistency, and empowering frontline employees to resolve issues efficiently. The updated 2024/25 Group People Strategy focused on delivering targeted programs to restore pride in the Spirit of Australia and build a more inclusive workplace culture. Our emphasis on frontline engagement and visible leadership has generated encouraging improvements in both employee experience and customer outcomes. Employee engagement increased to 71 per cent, up 5 per cent, which exceeded our overdrive target by 2 per cent. The rate of increase outperformed industry norms and reflected positive cultural progress.
Operational and Workplace Safety	Operational Safety performance is evaluated using outcome-based measures, such as operational occurrences that present significant risks to employee and customer safety, as well as risk-based lead indicators typically linked to aviation industry incidents. This year, the Qantas Group achieved strong results, meeting overall performance standards and exceeding benchmarks in both hard alert rate and technical dispatch reliability. Overall, this was determined by the Board to equate to target performance. No overdrive targets were set for Workplace Safety in 2024/25 to reflect a reset in the measurement approach to re-baseline for the post-COVID-19 period. As a result, the Board determined that incentive outcomes would be capped at target for this component.
Climate	For the 2024/25 Group Scorecard, targets were set for Scope 1 CO_2 emissions reduction through SAF use and operating efficiencies, and another target to reduce the total volume of waste, generated onshore, to landfill as well as removing single-use plastics. Reductions in Scope 1 CO_2-e emissions exceeded the target due to effective operating efficiency initiatives and the strategic procurement of SAF contributing to higher-than-contracted SAF emission reductions (approximately 90 per cent versus 80 per cent). Ground waste diversion outperformed targets across all locations, driven by strong leadership, effective communication, and employee ownership. Sydney Terminal 3 increased its monthly average from 35 per cent during the first half of the financial year to more than 57 per cent in the second half. Single-use plastics removal did not meet target, however, threshold targets were achieved by eliminating plastic cups on domestic flights and plastic wrapping in amenity kits.
Board Discretion	The Board reduced the Group Scorecard outcome by 15 percentage points for the CEO and Executive Management in relation to the cyber security incident. This reflects the number of customers involved and the importance of the security of our systems and processes, while recognising the work done by management to support affected customers, engage with key stakeholders and attend to necessary system and process improvements. While the Board recognises that the investigations into this incident may not be finalised for some time and there may be other outworkings, the Board believes it is important for both our executives and shareholders that the remuneration consequences of this incident be dealt with this year.

Directors' Report continued

For the year ended 30 June 2025

REMUNERATION REPORT (AUDITED) (CONTINUED)

Why did Qantas select the performance measures in the 2024/25 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 our customers would promote us – to gauge how we perform. 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 our people safe at work and reduce employee injuries. Targets were set in relation to: – Total Recordable Injury Frequency Rate (TRIFR), and; – 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 is committed to reducing our net emissions through climate targets and strategy. The Scorecard's climate targets are aligned with our 2030 target to reduce net Scope 1 and 2 emissions by 25 per cent compared with 2019 levels while managing the climate transition in a financially sustainable manner. Mandatory emissions abatement has been excluded from our Scorecard climate targets as it is considered a standard outcome of business operations. Qantas Group waste targets reflect a continued focus on reducing the total volume of onshore generated waste to landfill and removing single-use plastics from the operation. These targets are set with consideration of operational and commercial requirements whilst maximising opportunities appropriate to the Group. The business 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: – Emissions reduction from the use of SAF and operational efficiency initiatives to reduce fuel burn; and – Waste to landfill and single use plastic reduction initiatives.

Directors' Report continued

For the year ended 30 June 2025

REMUNERATION REPORT (AUDITED) (CONTINUED)

Annual Incentive Outcomes for 2024/25

In 2024/25, the Individual Performance Factor, which previously modified CEO and Executive Management STIP outcomes, was removed and a Balanced Scorecard approach was adopted.

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. The combined outcome is then multiplied by the Group Scorecard outcome.

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 2024/25 STIP maximum opportunity and outcome for the CEO and Executive Management.

$'000s	Total STIP Award	STIP Cash Bonus[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	2,044	1,022	1,022	124%	78%	22%
Andrew Glance	761	381	380	123%	61%	39%
Rob Marcolina	932	466	466	124%	62%	38%
Markus Svensson	864	432	432	123%	61%	39%
Stephanie Tully	1,042	521	521	130%	65%	35%
Cameron Wallace	864	432	432	123%	61%	39%

1 To be paid in September 2025.
2 Restricted shares allocated on 5 September 2025. Shares awarded under the 2024/25 STIP are subject to a two-year deferral period.

Directors' Report continued

For the year ended 30 June 2025

REMUNERATION REPORT (AUDITED) (CONTINUED)

4 LONG TERM INCENTIVE PLAN OUTCOME 2023-2025

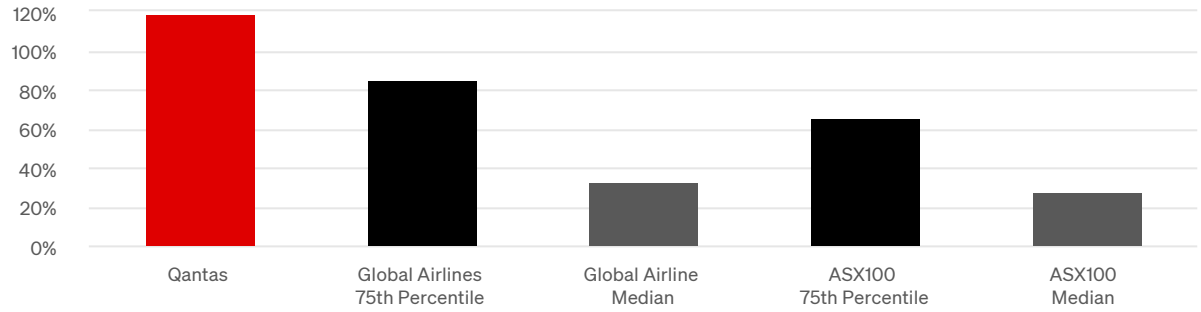
Qantas TSR Performance	Qantas TSR Rank vs 17 Global Airlines	Qantas TSR Rank vs ASX 100	Vesting of 2023-2025 LTIP
119%	**3rd**	**8th**	**100%**

The three-year performance measures under the 2023-2025 LTIP are Qantas' relative TSR compared to:

- A global airline peer group, and
- ASX 100 companies.

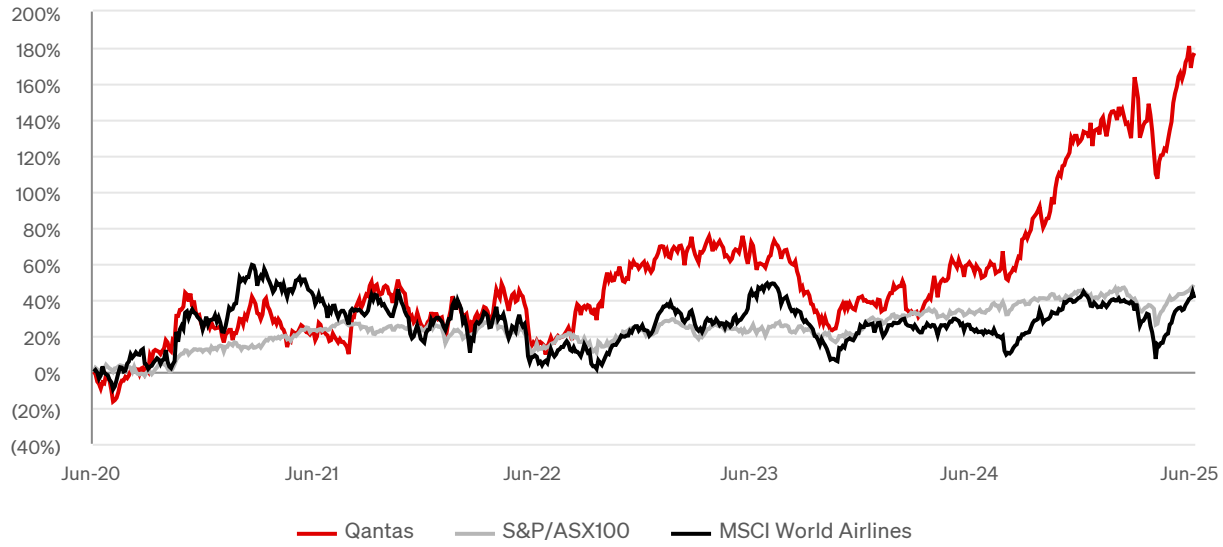
Qantas' TSR performance over the past three years ranked 3rd of companies in the global airline peer group and 8th of companies in the ASX 100, resulting in top-quartile performance against both the global airline peer group and the ASX 100. Based on this performance, 100 per cent of Rights awarded under the 2023-2025 LTIP vested and converted to shares which are subject to a further one-year trading restriction. Further detail is provided in section 5.

Qantas' Three-Year TSR Performance[1] 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 2025).

Qantas' Five-Year TSR Performance



Directors' Report continued

For the year ended 30 June 2025

REMUNERATION REPORT (AUDITED) (CONTINUED)

5 EXECUTIVE REMUNERATION STRUCTURE FOR 2024/25

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 objectives[1]	50% Cash				
		50% Shares	Deferral Period			Forfeiture applies
		Performance	Restriction			
Long Term Incentive Also referred to as the Long Term Incentive Plan (LTIP)	Award of Rights Three equally weighted 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**	

[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.

The Base Pay for Ms Hudson and other Executive Management increased by 3 per cent from 1 July 2024 with the exception of Ms Tully. Ms Tully's Base Pay was set at a level below her predecessor and below market median for comparable roles in peer group companies. Following more than 2 years of strong performance in her role, Ms Tully's Base Pay was realigned.

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.

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.

Directors' Report continued

For the year ended 30 June 2025

REMUNERATION REPORT (AUDITED) (CONTINUED)

Opportunity Level

Each STIP participant has a Target and Maximum Opportunity expressed as a percentage of Base Pay:

% of Base Pay	CEO	Executive Management
Target	100%	80%
Maximum	160%	160%

The minimum outcome is nil, which would occur if the threshold level of performance is missed on each STIP measure, if an individual's performance does not warrant an award, or if the Board determines that no award be made. For 2024/25, the Scorecard measures are assessed to a potential maximum of 163.75 per cent (reduced from the usual maximum of 175 per cent as no overdrive was allowed for the Workplace Safety Measures). The STIP participant awards are capped at 160 per cent as set out in the table above.

Performance Conditions – Group Scorecard

The Group Scorecard contains a mix of Group financial and non-financial measures.

A detailed description of the 2024/25 Group Scorecard measures and outcomes is provided on pages 42 to 44.

Performance Conditions – Balanced Scorecard

In 2024/25 the Individual Performance Factor, which previously modified CEO and Executive Management STIP outcomes, was removed and a Balanced Scorecard approach was adopted.

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

From 2024/25 the proportion of STIP delivered in shares has been increased from one-third to half with the vesting of the shares deferred for two years. The additional one-year trading restriction, which applied both during employment and post-cessation of employment, has been discontinued.

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, and
  - 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 2025

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 53. 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 54 is based on the requirements of the *Corporations Act 2001* (Cth) and applicable Australian Accounting Standards. The STIP Awards are disclosed as either:

- A cash incentive for any cash bonus 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.

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.

Opportunity Level

The CEO and Executive Management have a Target Opportunity expressed as a percentage of Base Pay:

% of Base Pay	CEO	Executive Management
Target	160%	95%

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:

Rights awarded = [Base Pay] X [Target Opportunity] ÷ [Qantas Group Share price as at 30 June]

Performance Conditions (2023-2025 LTIP)

The performance conditions and weightings for the 2023-2025 LTIP (tested at 30 June 2025) are Qantas' TSR relative to:

- A global airline peer group (50 per cent); and
- ASX 100 companies (50 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 determined based on their 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

REMUNERATION REPORT (AUDITED) (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 2023-2025 LTIP, the global airline peer group comprised AirAsia, 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.

Performance Conditions (Commencing with 2024-2026 LTIP)

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 against the RepTrak survey (see below)

The vesting scale for both the ASX 100 and the global airline peer groups remains the same as above.

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 enjoyed Strong to Excellent reputation scores. However, in 2023/24, this dropped into the Weak range. Qantas will need to return to ratings of Strong or above for the future success of the business. With this in mind, targets have been set such that vesting will only occur if the Group returns into a reputation range assessed as Strong to Excellent by the end of the performance period. The assessment will seek to ensure that performance improvement is sustained and not achieved as a one-off by considering both monthly and rolling annual performance.

The vesting scale for the Reputation measure is as follows:

Qantas Reputation Performance	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

Board Discretion

Board discretion was increased in the LTIP from the 2024-2026 LTIP onwards to allow consideration of any other factor that the Board determines is appropriate to take into account.

Directors' Report continued

For the year ended 30 June 2025

REMUNERATION REPORT (AUDITED) (CONTINUED)

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 53. 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 54 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 2025

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)

The following shareholding guidelines were introduced with effect from 1 July 2019:

Individual	Guideline
Chair	1 times Chair Fee
Non-Executive Directors	1 times Base Fee
CEO	1.5 times Base Pay
Executive Management	0.75 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 or commencement of this guideline 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 from 1 October 2025 the MSG will be increased for Executive Management, who will be required to accumulate 1 times Base Pay and will have a maximum five-year period from the commencement of this guideline to accumulate the value of their shareholding.

Directors' Report continued

For the year ended 30 June 2025

REMUNERATION REPORT (AUDITED) (CONTINUED)

6 ACTUAL REMUNERATION OUTCOMES FOR 2024/25

The following table summarises the actual remuneration outcomes for the CEO and Executive Management for the year ended 30 June 2025. We believe information detailed in this table, which is different from the statutory information disclosures on page 54, is useful in understanding current year pay and its alignment with current year performance.

Actual Remuneration Outcomes Table – CEO and Executive Management[1]

$'000s		Base Pay (Cash)[2]	STIP Cash Bonus[3]	STIP Deferred Award[3]	LTIP[4,5]	Other Benefits[6]	Total
Current Executives							
Vanessa Hudson[7,8]	**2025**	**1,488**	**1,022**	**1,022**	**2,400**	**374**	**6,306**
CEO	2024	1,397	1,027	514	1,048	393	4,379
Andrew Glance[9]	**2025**	**745**	**381**	**380**	**435**	**111**	**2,052**
CEO Qantas Loyalty from 1 March 2024	2024	533	223	112	161	112	1,141
Rob Marcolina[9]	**2025**	**910**	**466**	**466**	**1,042**	**139**	**3,023**
Group Chief Financial Officer from 6 September 2023	2024	888	417	209	456	150	2,120
Markus Svensson[9,10]	**2025**	**850**	**432**	**432**	**542**	**187**	**2,443**
CEO Qantas Domestic from 1 October 2023	2024	1,030	442	221	237	129	2,059
Stephanie Tully	**2025**	**970**	**521**	**521**	**929**	**142**	**3,083**
CEO Jetstar Group	2024	851	489	245	406	142	2,133
Cameron Wallace	**2025**	**850**	**432**	**432**	**–**	**322**	**2,036**
CEO Qantas International & Freight	2024	836	411	205	–	197	1,649
Total	**2025**	**5,813**	**3,254**	**3,253**	**5,348**	**1,275**	**18,943**
	2024	5,535	3,009	1,506	2,308	1,123	13,481

1 Details of the non-statutory remuneration methodology are explained on pages 47 to 52.
2 Base Pay (Cash) is Base Pay less superannuation contributions. Superannuation is reported in Other Benefits. Superannuation Contributions made were $160,000 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 2024/25 and 2023/24 financial years is calculated by adding the STIP Cash Bonus and the STIP Deferred Award.
4 2023-2025 LTIP Awards vested in 2024/25 at 100 per cent.The shares 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 $10.74 at 30 June 2025 (the end of the 2023-2025 LTIP performance period) (2024: $5.85 at 30 June 2024 for the 2022-2024 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 52.
7 Superannuation benefits are provided to Ms Hudson through a defined benefit superannuation plan. Under the terms of the plan, $160,000 (2024: $150,000) 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* $192,000 (2024: $160,000). 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 $1,400,000 of the $2,400,000 LTIP Award under the 2023-2025 LTIP was a result of share price growth over the three year performance period.
9 The 2023/24 remuneration reflects the full year remuneration for Mr Glance, Mr Marcolina and Mr Svensson. This differs to the Statutory Remuneration disclosure which includes only the remuneration for the period of time in a KMP role for Mr Glance (1 March 2024 to 30 June 2024), Mr Marcolina (6 September 2023 to 30 June 2024) and Mr Svensson (1 October 2023 to 30 June 2024).
10 The 2023/24 Base Pay (Cash) for Mr Svensson includes a one-off retention payment of $226,000, which was put in place prior to his appointment as KMP and was paid in September 2023.

Directors' Report continued

For the year ended 30 June 2025

REMUNERATION REPORT (AUDITED) (CONTINUED)

7 STATUTORY REMUNERATION DISCLOSURES FOR 2024/25

The statutory remuneration disclosures for the year ended 30 June 2025 are detailed below. These are prepared in accordance with *Corporations Act 2001* (Cth), Corporations Regulations and Australian Accounting Standards and differ from the 2024/25 Actual Remuneration Outcomes on page 53. 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								
$'000s		Base Pay (Cash)[1,2]	STIP Cash Bonus[1]	STIP Deferred Shares[1]	RRP Rights	LTIP Rights	Sub-Total	Other Short-Term Benefits[1,3]	Post-Employment Benefits[4]	Other Long-Term Benefits[5]	Sub-Total	Total
Current Executives												
Vanessa Hudson[6]	**2025**	**1,488**	**1,022**	**542**	**–**	**1,515**	**4,567**	**113**	**281**	**(20)**	**374**	**4,941**
CEO	2024	1,397	1,022	168	145	929	3,661	55	238	100	393	4,054
Andrew Glance[7]	**2025**	**745**	**381**	**179**	**–**	**326**	**1,631**	**37**	**74**	**–**	**111**	**1,742**
CEO Qantas Loyalty from 1 March 2024	2024	241	74	35	–	41	391	–	49	7	56	447
Rob Marcolina[7]	**2025**	**910**	**466**	**252**	**–**	**503**	**2,131**	**102**	**74**	**(37)**	**139**	**2,270**
Group Chief Financial Officer from 6 September 2023	2024	737	337	44	–	253	1,371	70	62	10	142	1,513
Markus Svensson[7]	**2025**	**850**	**432**	**236**	**–**	**405**	**1,923**	**132**	**74**	**(19)**	**187**	**2,110**
CEO Qantas Domestic from 1 October 2023	2024	617	328	41	–	139	1,125	28	60	(13)	75	1,200
Stephanie Tully	**2025**	**970**	**521**	**281**	**–**	**569**	**2,341**	**80**	**74**	**(12)**	**142**	**2,483**
CEO Jetstar Group	2024	851	486	81	107	369	1,894	97	67	(22)	142	2,036
Cameron Wallace[8]	**2025**	**850**	**432**	**201**	**–**	**397**	**1,880**	**242**	**74**	**6**	**322**	**2,202**
CEO Qantas International & Freight	2024	836	411	65	–	129	1,441	149	67	36	252	1,693
Total	**2025**	**5,813**	**3,254**	**1,691**	**–**	**3,715**	**14,473**	**706**	**651**	**(82)**	**1,275**	**15,748**
	2024	4,679	2,658	434	252	1,860	9,883	399	543	118	1,060	10,943

1 Short-term employee benefits include Base Pay (cash), STIP cash bonus and Non-Cash Benefits. For the 2022/23 financial year, the Board deferred its decision on the 2022/23 STIP and, on 8 August 2024, confirmed a 33% reduction for the former CEO and Executive Management (inclusive of a prior 20% reduction). This adjustment is reflected in the 2023/24 statutory remuneration, specifically in relation to the deferred share component.
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.
4 Post-Employment Benefits includes superannuation and an accrual for post-employment travel of $89,000 for Ms Hudson and $44,000 for each other Executive (where applicable) (2024: $78,000 for Ms Hudson and $40,000 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 2023/24 remuneration reflects the period of time in a KMP role for Mr Glance (1 March 2024 to 30 June 2024), Mr Marcolina (6 September 2023 to 30 June 2024) and Mr Svensson (1 October 2023 to 30 June 2024).
8 Other Short-Term Benefits for Mr Wallace includes the value of the housing allowance provided from 4 November 2024 to 30 June 2025.

Directors' Report continued

For the year ended 30 June 2025

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				
$'000s		Statutory Remuneration Disclosure	STIP Awards	LTIP Share Awards	RRP Share Awards	STIP Awards[2]	LTIP Awards[3]	Pre-KMP Remuneration[4]	Other[5]	Actual Remuneration Outcomes
Current Executives										
Vanessa Hudson	**2025**	**4,941**	**(542)**	**(1,515)**	**–**	**1,022**	**2,400**	**–**	**–**	**6,306**
Chief Executive Officer	2024	4,054	(168)	(929)	(145)	514	1,048	–	5	4,379
Andrew Glance	**2025**	**1,742**	**(179)**	**(326)**	**–**	**380**	**435**	**–**	**–**	**2,052**
CEO Qantas Loyalty	2024	447	(35)	(41)	–	112	161	497	–	1,141
Rob Marcolina	**2025**	**2,270**	**(252)**	**(503)**	**–**	**466**	**1,042**	**–**	**–**	**3,023**
Group Chief Financial Officer	2024	1,513	(44)	(253)	–	209	456	235	4	2,120
Markus Svensson	**2025**	**2,110**	**(236)**	**(405)**	**–**	**432**	**542**	**–**	**–**	**2,443**
CEO Qantas Domestic	2024	1,200	(41)	(139)	–	221	237	578	3	2,059
Stephanie Tully	**2025**	**2,483**	**(281)**	**(569)**	**–**	**521**	**929**	**–**	**–**	**3,083**
CEO Jetstar Group	2024	2,036	(81)	(369)	(107)	245	406	–	3	2,133
Cameron Wallace	**2025**	**2,202**	**(201)**	**(397)**	**–**	**432**	**–**	**–**	**–**	**2,036**
CEO Qantas International & Freight	2024	1,693	(65)	(129)	–	205	–	–	(55)	1,649
Total	**2025**	**15,748**	**(1,691)**	**(3,715)**	**–**	**3,253**	**5,348**	**–**	**–**	**18,943**
	2024	10,943	(434)	(1,860)	(252)	1,506	2,308	1,310	(40)	13,481

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 awards under the LTIP do not have regard to whether performance conditions were achieved.
2 The full value of shares awarded under the 2024/25 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 2023-2025 LTIP applying the 30 June 2025 Qantas share price of $10.74 (2024: $5.85 at 30 June 2024 for the 2022-2024 LTIP).The shares are subject to an additional one-year trading restriction.
4 Actual Remuneration Outcome includes the full year remuneration for Mr Glance, Mr Marcolina and Mr Svensson. This is different to the Statutory Remuneration disclosure, which includes only the remuneration for the period of time in a KMP role. This includes all forms of Statutory Remuneration, including Base Pay, Cash and Share bonuses, and other benefits.
5 Accounting adjustment for cash bonus for 2022/23 STIP Award recognised in 2024 for Ms Hudson, Mr Marcolina, Mr Svensson, and Ms Tully. One-off equity grant for Mr Wallace (as an equity-settled share-based payment) to replace forfeited incentives as a result of joining Qantas that were subject to a vesting event occurring. A change to this arrangement effectively resulted in no equity settlement being required and the award being cancelled. Notwithstanding the cancellation of the award, the accounting standards require the full expense to be recognised as statutory remuneration.

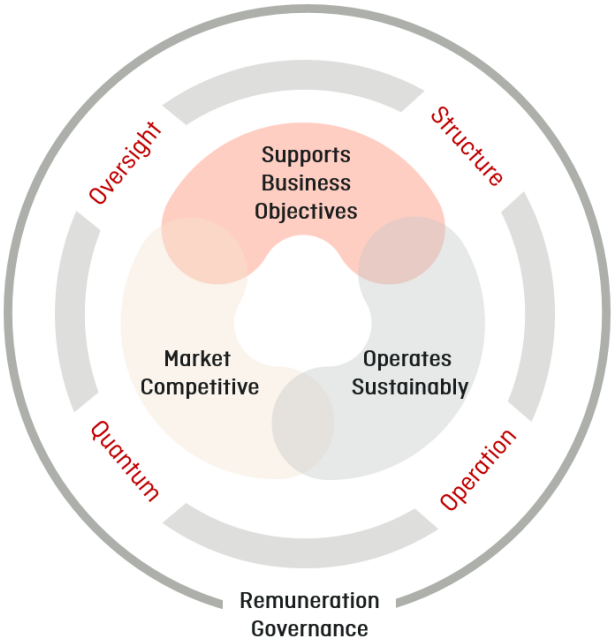
Directors' Report continued

For the year ended 30 June 2025

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 Remuneration Committee remit was expanded, effective 28 August 2024, to become the People and Remuneration Committee, with its objectives and responsibilities amended to include oversight of additional 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 EY[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 2024/25, EY continued as the People and Remuneration Committee's remuneration consultant. 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 EY. The People and Remuneration Committee did not seek, nor receive, a formal remuneration recommendation (as defined in the *Corporations Act 2001* (Cth)) during 2024/25.

Directors' Report continued

For the year ended 30 June 2025

REMUNERATION REPORT (AUDITED) (CONTINUED)

9 SUMMARY OF KEY CONTRACT TERMS AS AT 30 JUNE 2025

Contract Details	Vanessa Hudson[1]	Andrew Glance[2]	Rob Marcolina[2]	Markus Svensson[2]	Stephanie Tully[2]	Cameron Wallace[2]
Base Pay	$1,648,000	$775,000	$940,000	$880,000	$1,000,000	$880,000
Pay Mix per						
– STIP Target[3]	100%	80%	80%	80%	80%	80%
– LTIP Target[3,4]	160%	95%	95%	95%	95%	95%
	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 *Corporations Act 2001* (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 2024/25 was Base Pay 28 per cent, STIP 28 per cent, and LTIP (on a face value basis) 44 per cent.
2 Target Remuneration Mix for Executive Management for 2024/25 was Base Pay 36 per cent, STIP 29 per cent, and LTIP (on a face value basis) 35 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	**2025**	**–**	**105,980**	**–**	**–**	**105,980**
	2024	–	–	–	–	–
Andrew Glance	**2025**	**–**	**16,557**	**–**	**–**	**16,557**
	2024	n/a	–	–	–	–
Rob Marcolina	**2025**	**–**	**51,409**	**–**	**–**	**51,409**
	2024	n/a	–	–	–	–
Markus Svensson	**2025**	**–**	**48,445**	**–**	**–**	**48,445**
	2024	n/a	–	–	–	–
Stephanie Tully	**2025**	**–**	**56,915**	**–**	**–**	**56,915**
	2024	–	–	–	–	–
Cameron Wallace	**2025**	**–**	**30,476**	**–**	**–**	**30,476**
	2024	–	–	–	–	–

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) 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. The deferral period on these shares applied throughout 2024/25.
2 Shares awarded under the 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 2026/27 full-year financial results. The deferral period on these shares applied throughout 2024/25.

Directors' Report continued

For the year ended 30 June 2025

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					
Long Term Incentive Plan		1 July	Commenced as KMP	Granted[1,2]	Vested and Transferred[3]	Lapsed/ Forfeited	30 June[4]
Current Executives							
Vanessa Hudson	**2025**	**766,500**	**–**	**450,000**	**(179,108)**	**(28,892)**	**1,008,500**
	2024	796,000	–	335,000	(364,500)	–	766,500
Andrew Glance commenced as KMP 1 March 2024	**2025**	**102,500**	**–**	**126,000**	**(27,555)**	**(4,445)**	**196,500**
	2024	n/a	102,500	–	–	–	102,500
Rob Marcolina commenced as KMP 6 September 2023	**2025**	**257,500**	**–**	**152,500**	**(77,929)**	**(12,571)**	**319,500**
	2024	n/a	388,000	70,000	(200,500)	–	257,500
Markus Svensson commenced as KMP 1 October 2023	**2025**	**158,000**	**–**	**143,000**	**(40,471)**	**(6,529)**	**254,000**
	2024	n/a	97,500	60,500	–	–	158,000
Stephanie Tully	**2025**	**301,500**	**–**	**162,500**	**(69,318)**	**(11,182)**	**383,500**
	2024	345,500	–	134,500	(178,500)	–	301,500
Cameron Wallace	**2025**	**130,500**	**–**	**143,000**	**–**	**–**	**273,500**
	2024	–	–	130,500	–	–	130,500

1 Rights under the 2025-2027 LTIP were granted on 11 November 2024 to Ms Hudson (following approval by shareholders at the 2024 AGM in accordance with listing rule 10.14) 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.

2 Rights under the 2024-2026 LTIP were granted on 3 November 2023 to Ms Hudson (following approval by shareholders at the 2023 AGM) and other Executives and will be tested against the performance hurdles as at 30 June 2026. 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.

3 86.11 per cent of Rights under the 2022-2024 LTIP (granted on 17 September 2021) vested following the testing of performance hurdles as at 30 June 2024 and the Board's approval of the 2022-2024 LTIP vesting outcome on 28 August 2024.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 2023-2025 LTIP (granted on 21 November 2022) are included in the 30 June 2025 balance. The number of Rights granted was determined using the face value of a Right on 30 June 2022 of $4.47, being the start of the performance period. The fair value of a Right on the grant date was $4.24 per Right. 100 per cent of these Rights 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 to Executive Management upon vesting of the LTIP remain subject to an additional one-year trading restriction.

Rights Awarded Under the Recovery Retention Plan

100 per cent of the Rights under the 2022-2023 Recovery Retention Plan (RRP) (granted on 9 June 2022 to Ms Hudson and Ms Tully) vested following the testing of performance hurdles as at 30 June 2023 and the Board's approval of the vesting outcome on 23 August 2023. The total number of Rights that vested and converted to shares during the 2023/24 financial year for Ms Hudson was 262,500 and to Ms Tully was 193,000. No Rights under the 2022-2023 RRP were held at 30 June 2024 or 30 June 2025. Mr Glance, Mr Marcolina and Mr Svensson held nil Rights under the RRP on commencement in a KMP role. Mr Wallace did not participate in the RRP.

Directors' Report continued

For the year ended 30 June 2025

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 2025.

Key Management Personnel - Executives	Interest in Shares 1 July 2024	Awarded as Remuneration	Rights Converted to Shares[1]	Other Changes[2]	Interest in Shares 30 June 2025	Value of Shares[3] $'000	Progress Against Minimum Shareholding Guideline[4]
Current Executives							
Vanessa Hudson	**818,251**	105,980	179,108	–	**1,103,339**	**11,850**	Meets
Andrew Glance[5] commenced as KMP 1 March 2024	**111,725**	16,557	27,555	(104,192)	**51,645**	**555**	On track
Rob Marcolina commenced as KMP 6 September 2023	**565,030**	51,409	77,929	(456,500)	**237,868**	**2,555**	Meets
Markus Svensson commenced as KMP 1 October 2023	**90,000**	48,445	40,471	(90,000)	**88,916**	**955**	Meets
Stephanie Tully	**281,250**	56,915	69,318	(102,750)	**304,733**	**3,273**	Meets
Cameron Wallace	**23,750**	30,476	–	(23,750)	**30,476**	**327**	On track

1 Shares awarded upon vesting of the 2022-2024 LTIP were allocated on 6 September 2024 and remained subject to an additional one-year trading restriction until 29 August 2025.
2 Other Changes include shares purchased, sold and forfeited.
3 The interest in shares at 30 June 2025 multiplied by the Qantas share price of $10.74 at 30 June 2025.
4 The CEO and Executive Management have a maximum five-year period from the date of their appointment to their respective role to accumulate the value of their shareholding.
5 The indirect holding includes deferred shares awarded to Mr Glance prior to commencing as a KMP and are subject to a restriction period until after the release of the 2024/25 full-year financial results.

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.

	Future Expense by Plan							Future Expense by Financial Year			
Executives	STIP Awards			LTIP Awards							
$'000	2022-2023	2023-2024	2024-2025	2023-2025	2024-2026	2025-2027	Total	2026	2027	2028	Total
Vanessa Hudson	9	189	699	50	386	1,826	**3,159**	1,718	1,248	193	**3,159**
Andrew Glance[1]	2	41	260	9	35	511	**858**	432	367	59	**858**
Rob Marcolina	6	77	319	22	81	619	**1,124**	596	455	73	**1,124**
Markus Svensson	5	81	296	11	70	580	**1,043**	550	426	67	**1,043**
Stephanie Tully	7	90	356	19	155	659	**1,286**	705	504	77	**1,286**
Cam Wallace	–	76	296	–	150	580	**1,102**	598	437	67	**1,102**

1 The future expense includes deferred shares awarded to Mr Glance under the Manager Incentive Plan, the annual incentive plan for the broader Management group, prior to commencing as a KMP. The deferred shares are subject to a restriction period until after the release of the 2024/25 full-year financial results.

Directors' Report continued

For the year ended 30 June 2025

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 2025 was $2.08 million (2024: $2.42 million), which is within the approved annual fee pool. For 2024/25, fees were unchanged and no increases are proposed for 2025/26.

As detailed in the 2024 Remuneration Report, in response to the customer and brand impacts of the events during 2023, current ongoing Non-Executive Directors who were on the Board at the time of these events (Mr Goyder, Ms Hutchinson, Mr Sampson and Mr Tyler) took a 33 per cent reduction to their Directors' base fees in 2024/25.

	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, 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 6 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. The plan was suspended from 1 March to 31 August 2024 for Qantas' Share Trading Policy compliance related to the 'Classic Plus Flight Rewards' product, and resumed on 1 September 2024.

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 was conducted in 2023/24 which 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 2025

REMUNERATION REPORT (AUDITED) (CONTINUED)

Remuneration for 2024/25 – Non-Executive Directors

		Short-Term Employee Benefits			Post-Employment Benefits			
$'000		Base Pay (Cash)[1]	Non-Cash Benefits[2]	Sub-Total	Superannuation	Travel[3]	Sub-Total	Total
Current Non-Executive Directors								
John Mullen[5]	**2025**	**520**	**8**	**528**	**6**	**18**	**24**	**552**
Chair	2024	35	–	35	4	10	14	49
Belinda Hutchinson	**2025**	**202**	**62**	**264**	**17**	**11**	**28**	**292**
Non-Executive Director	2024	253	76	329	22	10	32	361
Doug Parker[6]	**2025**	**281**	**–**	**281**	**–**	**11**	**11**	**292**
Non-Executive Director	2024	295	–	295	–	10	10	305
Todd Sampson	**2025**	**161**	**101**	**262**	**16**	**11**	**27**	**289**
Non-Executive Director	2024	212	68	280	21	10	31	311
Dr Nora Scheinkestel[5]	**2025**	**274**	**16**	**290**	**–**	**11**	**11**	**301**
Non-Executive Director	2024	82	2	84	9	10	19	103
Dr Heather Smith[5]	**2025**	**219**	**51**	**270**	**14**	**11**	**25**	**295**
Non-Executive Director	2024	150	13	163	16	10	26	189
Antony Tyler[6]	**2025**	**237**	**–**	**237**	**–**	**11**	**11**	**248**
Non-Executive Director	2024	299	–	299	–	10	10	309
Dion Weisler[4]	**2025**	**40**	**1**	**41**	**5**	**11**	**16**	**57**
Non-Executive Director	2024	–	–	–	–	–	–	–
Former Non-Executive Directors								
Richard Goyder[7]	**2025**	**80**	**12**	**92**	**6**	**–**	**6**	**98**
Chair	2024	603	106	709	7	34	41	750
Total	**2025**	**2,014**	**251**	**2,265**	**64**	**95**	**159**	**2,424**
	2024	1,929	265	2,194	79	104	183	2,377

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 2024/25 remuneration reflects the period served by Mr Weisler (from 31 March 2025 to 30 June 2025).
5 2023/24 remuneration reflects the period served by Mr Mullen (from 22 April 2024 to 30 June 2024), Dr Scheinkestel (from 1 March 2024 to 30 June 2024) and Dr Smith (from 22 August 2023 to 30 June 2024) as Non-Executive Directors.
6 Mr Parker and Mr Tyler received a travel allowance of $48,000 and $50,000 during 2024/25 (2023/24: $72,000 and $57,000), respectively. This amount is included in Base Pay (Cash).
7 Mr Goyder retired as a Chair and Non-Executive Director on 16 September 2024, 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 2025

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 2025.

Key Management Personnel – Non-Executive Directors	Interest in Shares as at 30 June 2024	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 2025	Value of Shares[3] $'000	Progress Against Minimum Shareholding Guideline
John Mullen	–	–	12,859	70,000	–	**82,859**	890	Meets
Belinda Hutchinson	**76,951**	–	4,871	–	–	**81,822**	879	Meets
Doug Parker	**100,000**	–	–	–	–	**100,000**	1,074	Meets
Todd Sampson	**45,619**	–	1,662	–	–	**47,281**	508	Meets
Dr Nora Scheinkestel	**9,058**	–	–	50,759	–	**59,817**	642	Meets
Dr Heather Smith	**10,000**	–	8,629	–	–	**18,629**	200	Meets
Antony Tyler	**52,000**	–	–	–	–	**52,000**	558	Meets
Dion Weisler	–	20,000	–	–	–	**20,000**	215	Meets
Former Non-Executive Directors								
Richard Goyder	**240,746**	–	–	–	(240,746)	–	–	

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 and sold.
3 The interest in shares at 30 June 2025 multiplied by the Qantas share price of $10.74 at 30 June 2025.

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 2024	Acquired by Fee Sacrifice[1]	Converted to Ordinary Shares[2]	Interest in Rights as at 30 June 2025
John Mullen	–	22,125	(12,859)	**9,266**
Belinda Hutchinson	–	8,194	(4,871)	**3,323**
Todd Sampson	–	2,796	(1,662)	**1,134**
Dr Heather Smith	–	14,515	(8,629)	**5,886**

1 Number of Rights acquired under the Non-Executive Director Fee Sacrifice Share Acquisition Plan. Rights were acquired on 6 September 2024 applying a fair value of $6.7358 per Right and 7 March 2025 applying a fair value of $9.8738.
2 Rights acquired on 6 September 2024 (fair value of $6.7358 per Right) converted to restricted ordinary shares on 28 February 2025.

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 2025 or prior year. A number of KMPs 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 2025

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 Management System Standard 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 33 to 34 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 2024/25 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 2024/25 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 2024/25 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 64.

Details of the amounts paid to KPMG for audit and non-audit services provided during the year are set out in Note 27 to the Financial Statements.

Directors' Report continued

For the year ended 30 June 2025

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 Qantas Airways Limited for the financial year ended 30 June 2025, there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* (Cth) in relation to the audit, and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Sydney

5 September 2025

Julian McPherson

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 2016/191 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

5 September 2025

Vanessa Hudson

Chief Executive Officer

5 September 2025

Financial Report

For the year ended 30 June 2025

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Consolidated Income Statement

For the year ended 30 June 2025

	Notes	2025 $M	2024 $M
REVENUE AND OTHER INCOME			
Net passenger revenue		20,411	18,903
Net freight revenue		1,298	1,211
Other revenue and income	4(B)	2,114	1,825
Revenue and other income		**23,823**	**21,939**
EXPENDITURE			
Salaries, wages and other benefits		5,228	4,777
Aircraft operating variable		5,645	4,839
Fuel		5,003	5,316
Depreciation and amortisation	5	2,012	1,773
Share of net profit of investments accounted for under the equity method	14	(46)	(4)
Net gain on disposal of assets	6	(45)	(18)
Other	7	3,519	3,171
Expenditure		**21,316**	**19,854**
Statutory profit before income tax expense and net finance costs		**2,507**	**2,085**
Finance income	8	109	117
Finance costs	8	(354)	(318)
Net finance costs	8	**(245)**	**(201)**
Statutory profit before income tax expense		**2,262**	**1,884**
Income tax expense	9	(657)	(633)
Statutory profit for the year		**1,605**	**1,251**
Attributable to:			
Members of Qantas		1,605	1,255
Non-controlling interests		–	(4)
Statutory profit for the year		**1,605**	**1,251**
EARNINGS PER SHARE ATTRIBUTABLE TO MEMBERS OF QANTAS			
Statutory Earnings Per Share (cents)	3	**105.2**	**75.9**
Diluted Earnings Per Share (cents)	3	**104.0**	**75.1**

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

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2025

	2025 $M	2024 $M
Statutory profit for the year	**1,605**	**1,251**
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	(11)	84
Transfer of effective hedging gains from hedge reserve to the Consolidated Income Statement, net of tax[1]	(20)	(76)
Net changes in hedge reserve for time value of options, net of tax	(90)	60
Foreign currency translation of controlled entities	(29)	(3)
Foreign currency translation of investments accounted for under the equity method	(16)	15
Items that will not subsequently be reclassified to profit or loss		
Defined benefit actuarial losses, net of tax	(28)	(61)
Fair value (losses)/gains on investments, net of tax	(8)	3
Other comprehensive (loss)/income for the year	**(202)**	**22**
Total comprehensive income for the year	**1,403**	**1,273**
Attributable to:		
Members of Qantas	1,403	1,277
Non-controlling interests	–	(4)
Total comprehensive income for the year	**1,403**	**1,273**

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

[1] These amounts were allocated to revenue of $4 million (June 2024: $24 million), fuel expenditure of ($33) million (June 2024: ($133) million) and income tax expense of $9 million (June 2024: $33 million) in the Consolidated Income Statement.

Consolidated Balance Sheet

As at 30 June 2025

	Notes	2025 $M	2024 $M
CURRENT ASSETS			
Cash and cash equivalents	21(A)	2,213	1,718
Receivables	11	1,205	1,124
Lease receivables	16(B)	14	10
Other financial assets	26(B), (C)	150	261
Inventories	12	405	343
Assets classified as held for sale	13	39	45
Income tax receivable	9(D)	–	21
Other	19	489	457
Total current assets		**4,515**	**3,979**
NON-CURRENT ASSETS			
Receivables	11	–	11
Lease receivables	16(B)	42	48
Other financial assets	26(B), (C)	181	192
Investments accounted for under the equity method	14	45	39
Property, plant and equipment	15	15,880	13,558
Right of use assets	16(A)	1,280	1,315
Intangible assets	17	598	638
Other	19	815	784
Total non-current assets		**18,841**	**16,585**
Total assets		**23,356**	**20,564**
CURRENT LIABILITIES			
Payables		3,146	2,908
Revenue received in advance	20	7,179	6,722
Interest-bearing liabilities	21(B)	247	208
Lease liabilities	16(C)	396	392
Other financial liabilities	26(B), (C)	101	41
Provisions	22	1,401	1,473
Income tax payable	9(D)	246	–
Total current liabilities		**12,716**	**11,744**
NON-CURRENT LIABILITIES			
Revenue received in advance	20	1,750	1,879
Interest-bearing liabilities	21(B)	6,153	4,827
Lease liabilities	16(C)	1,160	1,164
Other financial liabilities	26(B), (C)	44	33
Provisions	22	516	424
Deferred tax liabilities	18	234	199
Total non-current liabilities		**9,857**	**8,526**
Total liabilities		**22,573**	**20,270**
Net assets		**783**	**294**
EQUITY			
Issued capital	23(A)	886	1,317
Treasury shares	23(B)	(144)	(62)
Reserves		117	324
Accumulated losses		(81)	(1,290)
Equity attributable to members of Qantas		**778**	**289**
Non-controlling interests		5	5
Total equity		**783**	**294**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

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 Statement of Changes in Equity continued

For the year ended 30 June 2025

30 June 2024 $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 2023	**2,186**	**(106)**	**259**	**(50)**	**3**	**(12)**	**(2,275)**	**5**	**10**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR									
Statutory profit for the year	–	–	–	–	–	–	1,255	(4)	1,251
Other comprehensive income/(loss)									
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	84	–	–	–	–	84
Transfer of effective hedging gains from hedge reserve to the Consolidated Income Statement, net of tax	–	–	–	(76)	–	–	–	–	(76)
Net changes in hedge reserve for time value of options, net of tax	–	–	–	60	–	–	–	–	60
Foreign currency translation of controlled entities	–	–	–	–	(3)	–	–	–	(3)
Foreign currency translation of investments accounted for under the equity method	–	–	–	–	15	–	–	–	15
Defined benefit actuarial losses, net of tax	–	–	–	–	–	(61)	–	–	(61)
Fair value gains on investments, net of tax	–	–	–	–	–	3	–	–	3
Total other comprehensive income for the year	**–**	**–**	**–**	**68**	**12**	**(58)**	**–**	**–**	**22**
Total comprehensive income for the year	**–**	**–**	**–**	**68**	**12**	**(58)**	**1,255**	**(4)**	**1,273**
Recognition of effective cash flow hedges on capitalised assets, net of tax	–	–	–	(9)	–	–	–	–	(9)
Transactions with owners in their capacity as owners									
On-market share buy-back	(869)	–	–	–	–	–	–	–	(869)
Revaluation of put option over non-controlling interest	–	–	–	–	–	69	–	–	69
Purchase of non-controlling interest in controlled entity	–	–	–	–	–	211	(205)	4	10
Treasury shares acquired	–	(288)	–	–	–	–	–	–	(288)
Share-based payments expense	–	–	69	–	–	–	–	–	69
Shares vested and transferred to employees/ Rights unvested and lapsed	–	332	(238)	–	–	–	(65)	–	29
Total transactions with owners in their capacity as owners	**(869)**	**44**	**(169)**	**–**	**–**	**280**	**(270)**	**4**	**(980)**
Balance as at 30 June 2024	**1,317**	**(62)**	**90**	**9**	**15**	**210**	**(1,290)**	**5**	**294**

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

[1] Other Reserves as at 30 June 2024 includes the defined benefit reserve of $217 million and the fair value reserve of ($7) million.

Consolidated Cash Flow Statement

For the year ended 30 June 2025

	Notes	2025 $M	2024 $M
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		25,215	23,153
Cash payments to suppliers and employees		(20,531)	(19,549)
Interest received		106	116
Interest paid (interest-bearing liabilities)		(178)	(158)
Interest paid (lease liabilities)	16(C)	(92)	(77)
Dividends received from investments accounted for under the equity method	14	12	5
Australian income taxes paid		(275)	(45)
Foreign income taxes paid		(4)	(4)
Net cash inflow from operating activities	**28**	**4,253**	**3,441**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment and intangible assets		(3,805)	(2,673)
Interest paid and capitalised on qualifying assets	8	(113)	(88)
Payments for investments held at fair value		(16)	(5)
Proceeds from disposal of property, plant and equipment, net of costs		119	90
Proceeds from repayment of loan receivable from investments accounted for under the equity method		2	–
Payments for acquisition of non-controlling interest in subsidiary		–	(211)
Net cash outflow from investing activities		**(3,813)**	**(2,887)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for share buy-back		(448)	(852)
Dividends paid to shareholders		(400)	–
Payments for treasury shares		(133)	(292)
Proceeds from interest-bearing liabilities, net of costs	21(D)	1,551	1,011
Repayments of interest-bearing liabilities	21(D)	(216)	(1,176)
Repayments of lease liabilities	16(C)	(321)	(708)
Proceeds from lease receivables		9	10
Payments for aircraft security deposits		–	(3)
Net cash inflow/(outflow) from financing activities		**42**	**(2,010)**
Net increase/(decrease) in cash and cash equivalents held		**482**	**(1,456)**
Cash and cash equivalents at the beginning of the year		1,718	3,171
Effects of exchange rate changes on cash and cash equivalents		13	3
Cash and cash equivalents at the end of the year	**21(A)**	**2,213**	**1,718**

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 2025

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 2025 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 2025 were authorised for issue in accordance with a resolution of the Directors on 5 September 2025.

i. Statement of Compliance

The Consolidated Financial Statements are general purpose financial statements which have been prepared in accordance with the Australian Accounting Standards (AASB) adopted by the Australian Accounting Standards Board and the *Corporations Act 2001* (Cth). The Consolidated Financial Statements also complies 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 2016/191. In accordance with that Instrument, all financial information presented has been rounded to the nearest million dollars, unless otherwise stated.

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

(B) 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 29/Note 35(P) – Superannuation/Summary of Material Accounting Policies (Other Employee Benefits)
- Note 33 – Contingent Liabilities and Legal Provisions
- Note 35(D) – Summary of Material Accounting Policies (Revenue Recognition)
- Note 22/Note 35(O) – Provisions/Summary of Material Accounting Policies (Provisions).

Notes to the Financial Statements continued

For the year ended 30 June 2025

1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(B) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Impact of climate change on financial reporting

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 impact on the environment and to respond to climate-related risks and opportunities. In 2019, the Group announced its commitment to achieving net zero greenhouse gas (GHG) emissions by 2050, and in 2022, set interim targets for:

- 25 per cent reduction in net Scope 1 and Scope 2 GHG emissions (from 2019 levels) by 2030
- 10 per cent Sustainable Aviation Fuel (SAF) in fuel mix by 2030.

The Qantas 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 2025.

Three pillars support the achievement of the Group's 2030 emissions 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.
- SAF: Working with governments, industry and businesses to develop a commercial-scale, competitive SAF industry in Australia. This includes supporting the establishment of new supply chains and relies on creating SAF from various biomass sources such as used cooking oil, energy crops, agricultural residues or waste materials that can reduce emissions on a lifecycle basis, typically by up to around 80 per cent. It also includes advancing non-biogenic, synthetic SAF produced with carbon dioxide, green hydrogen and significant amounts of renewable electricity using power-to-liquid technology pathways.
- Carbon markets: Addressing remaining unmitigated emissions using carbon credits (which meet our internal standards of quality and integrity) that support emissions reductions and removals in other sectors of the economy. The Group has developed a comprehensive Carbon Market Integrity Framework (introduced in 2023) 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 the 2030 emissions targets, including 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 more fuel-efficient aircraft, and the deployment of capital through the Qantas Climate Fund into investment opportunities aligned with its mandate.

This has 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 more fuel-efficient aircraft.

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 34 – Post-Balance Sheet Date Events.
- **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 and Qantas Premier.
- **Corporate:** Consists of centralised management and governance functions, including various support functions and overhead costs.

Notes to the Financial Statements continued

For the year ended 30 June 2025

2 OPERATING SEGMENTS AND UNDERLYING PROFIT BEFORE TAX (CONTINUED)

(A) OPERATING SEGMENTS (CONTINUED)

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.

ii. Analysis by Operating Segment

2025 $M	Qantas Domestic	Qantas International	Jetstar Group	Qantas Loyalty	Corporate	Unallocated/ Eliminations[1]	Consolidated
REVENUE AND OTHER INCOME							
External segment revenue and other income	7,212	8,591	5,523	2,845	7	(355)	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**	**2,863**	**7**	**(1,534)**	**23,823**
Share of net profit of investments accounted for under the equity method	8	9	29	–	–	–	46
Underlying EBITDA[2]	**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 7), changes in presentation of income/expenses where the determination of whether the Group is acting as principal or agent is made on consolidation, 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 Underlying EBITDA represents underlying earnings before income tax expense, depreciation, amortisation, net finance costs and reversal of impairment.

2024 $M	Qantas Domestic	Qantas International	Jetstar Group	Qantas Loyalty	Corporate	Unallocated/ Eliminations[1]	Consolidated
REVENUE AND OTHER INCOME							
External segment revenue and other income	6,831	8,205	4,776	2,455	12	(340)	21,939
Inter-segment revenue and other income	410	461	146	118	–	(1,135)	–
Total segment revenue and other income	**7,241**	**8,666**	**4,922**	**2,573**	**12**	**(1,475)**	**21,939**
Share of net profit/(loss) of investments accounted for under the equity method	10	10	(16)	–	–	–	4
Underlying EBITDA[2]	**1,636**	**1,315**	**910**	**532**	**(256)**	**(85)**	**4,052**
Depreciation and amortisation	(575)	(757)	(413)	(21)	(7)	–	(1,773)
Reversal of impairment/(impairment)	2	(2)	–	–	–	–	–
Underlying EBIT	**1,063**	**556**	**497**	**511**	**(263)**	**(85)**	**2,279**
Net finance costs					(201)		(201)
Underlying PBT					**(464)**		**2,078**

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 7), and changes in presentation of income/expenses where the determination of whether the Group is acting as principal or agent is made on consolidation. Unallocated/Eliminations also includes the recognition of the Recovery Boost bonus for EBA-covered employees announced in June 2022 and the Recovery Retention bonuses announced in February 2022 expensed in accordance with relevant Accounting Standards.
2 Underlying EBITDA represents underlying earnings before income tax expense, depreciation, amortisation, net finance costs and impairment/reversal of impairment.

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.

Notes to the Financial Statements continued

For the year ended 30 June 2025

2 OPERATING SEGMENTS AND UNDERLYING PROFIT BEFORE TAX (CONTINUED)

(A) OPERATING SEGMENTS (CONTINUED)

ii. Analysis by Operating Segment (Continued)

Redemption revenue in relation to products provided by suppliers outside the Group, such as Qantas Marketplace redemptions and other carrier redemptions, is recognised within Other revenue and income in the Consolidated Income Statement net of related costs, as the Group is an agent. For the purposes of segment reporting, the Qantas Loyalty segment reports these redemptions on a gross basis. Adjustments are made within Unallocated/Eliminations to present these redemptions on a net basis at a Group level within Other revenue and income.

(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.

RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX	Note	2025 $M	2024 $M
Underlying PBT		**2,394**	**2,078**
Items not included in Underlying PBT			
– Closure of Jetstar Asia and related costs	34	(39)	–
– Legal provisions and related costs	33(B)	(93)	(198)
– Net gain on disposal of assets		–	4
Total items not included in Underlying PBT		**(132)**	**(194)**
Statutory Profit Before Income Tax Expense		**2,262**	**1,884**

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	($65) million for an increase in legal provisions, recognised in Other expenditure in the first half of financial year 2024/25. In December 2024, the Group reached an agreement on the payment of compensation in relation to the ground handling outsourcing Federal Court case. ($20) million for an increase in legal provisions, recognised in Other expenditure in the second half of financial year 2024/25. In August 2025, a decision was handed down on pecuniary penalties in relation to the ground handling outsourcing Federal Court case. ($8) million relating to legal and other related costs for ongoing legal matters.

In the 2023/24 financial year, items outside of Underlying PBT included:

Item outside of Underlying PBT	Description
Legal provisions and related costs	($128) million for the announced ACCC settlement (compensation and penalties) and related costs and ($70) million for an increase in provisions in relation to the ground handling outsourcing Federal Court case, recognised in Other expenditure.
Net gain on disposal of assets	The net gain on disposal of assets of $4 million arose from the disposal of Perth Airport assets.

Notes to the Financial Statements continued

For the year ended 30 June 2025

3 EARNINGS PER SHARE

	2025 cents	2024 cents
Statutory Earnings Per Share[1]	**105.2**	**75.9**
Diluted Earnings Per Share[2]	**104.0**	**75.1**

1 Weighted average number of shares used in statutory Earnings Per Share calculation of 1,526 million (June 2024: 1,653 million) excludes unallocated treasury shares.
2 Weighted average number of shares used in diluted Earnings Per Share calculation of 1,544 million (June 2024: 1,670 million) excludes unallocated treasury shares and is adjusted for the effects of all dilutive potential ordinary shares.

	2025 $M	2024 $M
Statutory profit attributable to members of Qantas	**1,605**	**1,255**

NUMBER OF SHARES	2025 Number M	2024 Number M
Issued shares as at 1 July	1,568	1,724
Shares bought back[1]	(55)	(156)
Issued shares as at 30 June	**1,513**	**1,568**
Weighted average number of shares for the year	**1,530**	**1,659**

1 The shares bought back in 2024 include 2.9 million shares ($17 million) that were purchased during the 2023/24 financial year but not settled until July 2024.

4 REVENUE AND OTHER INCOME

(A) REVENUE AND OTHER INCOME BY GEOGRAPHIC AREA

	2025 $M	2024 $M
Net passenger and freight revenue		
Australia	16,208	14,924
Overseas	5,501	5,190
Total net passenger and freight revenue	**21,709**	**20,114**
Other revenue and income	2,114	1,825
Total revenue and other income	**23,823**	**21,939**

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

	2025 $M	2024 $M
Frequent Flyer marketing revenue and other Qantas Loyalty businesses[1]	1,293	1,122
Qantas Marketplace and other redemption revenue[1,2]	103	94
Third-party services revenue	304	286
Other revenue and income	414	323
Total other revenue and income	**2,114**	**1,825**

1 Where the Group acts as an agent for Qantas Loyalty revenue, an adjustment is made within consolidation eliminations to present the revenue on a net basis.
2 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 2025

5 DEPRECIATION AND AMORTISATION

	Notes	2025 $M	2024 $M
Property, plant and equipment	15	1,626	1,429
Right of use assets	16(A)	346	295
Intangible assets	17	40	49
Total depreciation and amortisation		**2,012**	**1,773**

6 NET GAIN ON DISPOSAL OF ASSETS

	2025 $M	2024 $M
Net gain on disposal of property, plant and equipment	(46)	(20)
Net loss on disposal of inventory	1	2
Total net gain on disposal of assets	**(45)**	**(18)**

The net gain on disposal of property, plant and equipment in the 2023/24 financial year includes a net gain of ($4) million arising from the disposal of Perth Airport assets.

7 OTHER EXPENDITURE

	2025 $M	2024 $M
Technology and digital	753	672
Commissions and other selling costs	622	608
Capacity hire (excluding lease components)	620	508
Hotel, holiday and tour related costs	417	277
Marketing and advertising	220	195
Property occupancy and utility expenses	162	140
Redundancy and related costs	52	7
Discretionary bonuses to non-executive employees	29	11
Impact of discount rate changes on provisions	28	3
Reversal of impairment	(13)	–
ACCC settlement and related costs	–	128
Other	629	622
Total other expenditure	**3,519**	**3,171**

Notes to the Financial Statements continued

For the year ended 30 June 2025

8 NET FINANCE COSTS

	Notes	2025 $M	2024 $M
FINANCE INCOME			
Interest income on financial assets measured at amortised cost		107	115
Unwind of discount on other assets and receivables		2	2
Total finance income		**109**	**117**
FINANCE COSTS			
Interest expense on financial liabilities measured at amortised cost		(313)	(276)
Interest expense on lease liabilities	16(C)	(92)	(77)
Interest paid and capitalised on qualifying assets[1]	15	113	88
Total finance costs on financial liabilities		**(292)**	**(265)**
Unwind of discount on provisions and other liabilities			
Employee benefits provisions		(33)	(32)
Other liabilities and provisions		(29)	(21)
Total unwind of discount on provisions and other liabilities		**(62)**	**(53)**
Total finance costs		**(354)**	**(318)**
Net finance costs		**(245)**	**(201)**

1 The borrowing costs are capitalised using a 5.5 per cent interest rate (2024: 4.9 per cent).

9 INCOME TAX

(A) INCOME TAX RECOGNISED IN THE CONSOLIDATED INCOME STATEMENT

	2025 $M	2024 $M
Current income tax expense		
Current income tax – Australia	(562)	(24)
Current income tax – foreign	–	–
Adjustments for the prior year	3	–
Total current income tax expense	**(559)**	**(24)**
Deferred income tax expense		
Origination and reversal of temporary differences	(96)	(132)
Net utilisation of tax losses	(12)	(472)
Current year deferred income tax expense	**(108)**	**(604)**
Benefit of tax offsets	(4)	(5)
Adjustments for the prior year	14	–
Total deferred income tax expense	**(98)**	**(609)**
Total income tax expense in the Consolidated Income Statement	**(657)**	**(633)**

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

	2025 $M	2024 $M
Statutory profit before income tax expense	**2,262**	**1,884**
Income tax expense using the domestic corporate tax rate of 30 per cent	(679)	(565)
Adjusted for:		
Differences in income from investments accounted for under the equity method	12	–
Losses not recognised for controlled entities	(27)	(4)
Non-deductible ACCC penalty	–	(30)
Recognition of previously unrecognised losses for branches and controlled entities	9	8
Other net non-assessable/deductible / (assessable/non-deductible) items	25	(42)
Adjustments for the prior year	3	–
Income tax expense	**(657)**	**(633)**

Notes to the Financial Statements continued

For the year ended 30 June 2025

9 INCOME TAX (CONTINUED)

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

	2025 $M	2024 $M
Income tax on:		
Cash flow hedges	55	(26)
Defined benefit actuarial losses	12	26
Fair value losses/(gains) on investments	4	(1)
Income tax benefit/(expense) recognised directly in the Consolidated Statement of Comprehensive Income	**71**	**(1)**

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

	2025 $M	2024 $M
Income tax expense	**(657)**	**(633)**
Adjusted for temporary differences:		
Receivables	11	(5)
Property, plant and equipment and intangible assets	143	99
Right of use assets	(10)	–
Payables	(2)	3
Revenue received in advance	(70)	(42)
Interest-bearing liabilities	(3)	(43)
Lease liabilities	(2)	(6)
Other financial assets/(liabilities)	8	2
Provisions	(25)	48
Other items	46	76
Temporary differences	**96**	**132**
Benefit of tax offsets	4	5
Adjustments for the prior year	(14)	–
Tax on taxable income before utilisation of tax losses	**(571)**	**(496)**
Tax losses utilised against current taxable income	21	480
Tax losses recognised through the Consolidated Income Statement	(9)	(8)
Tax on taxable income after utilisation of tax losses	**(559)**	**(24)**
Tax instalments paid	313	45
Income tax (payable)/receivable	**(246)**	**21**

Notes to the Financial Statements continued

For the year ended 30 June 2025

9 INCOME TAX (CONTINUED)

(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.

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 2024/25 and no additional tax expense has been recognised for the financial year ended 30 June 2025.

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 2025.

10 DIVIDENDS AND OTHER SHAREHOLDER DISTRIBUTIONS

(A) DIVIDENDS DECLARED AND PAID

During the year ended 30 June 2025, the Group paid a base dividend of $250 million, distributed as a fully franked interim 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 16 April 2025.

In August 2025, the Board resolved to announce a base dividend of $250 million, distributed as a fully franked final dividend of 16.5 cents per share. The Board also resolved to announce an additional distribution of $150 million, distributed as a fully franked special dividend of 9.9 cents per share. The record date for determining entitlements to the dividends is 17 September 2025. The dividends will be paid on 15 October 2025.

(B) SHARE BUY-BACKS

During the year ended 30 June 2025, the Group completed on-market share 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.

(C) FRANKING ACCOUNT

	2025	2024
	$M	$M
Actual franking account balance as at 30 June	152	48
Australian income tax payable/(receivable)	246	(21)
Total franking account balance at 30 per cent	**398**	**27**

The ability to utilise the franking credits is dependent upon there being sufficient available profits and net assets to declare dividends.

Notes to the Financial Statements continued

For the year ended 30 June 2025

11 RECEIVABLES

	2025 $M			2024 $M		
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables	1,099	–	1,099	1,056	–	1,056
Less: provision for expected credit losses	(5)	–	(5)	(5)	–	(5)
Total trade receivables	**1,094**	**–**	**1,094**	**1,051**	**–**	**1,051**
Sundry receivables	111	–	111	73	11	84
Total receivables	**1,205**	**–**	**1,205**	**1,124**	**11**	**1,135**

	2025 $M	2024 $M
The ageing of trade receivables, net of provision for expected credit losses at 30 June was[1]:		
Not past due	944	907
Past due 1-30 days	116	111
Past due 31-120 days	18	24
Past due 121 days or more	16	9
Total trade receivables	**1,094**	**1,051**

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 35(G) for the Group's accounting policy.

12 INVENTORIES

	2025 $M	2024 $M
Engineering expendables	347	291
Consumables stores	49	49
Other inventories	9	3
Total inventories	**405**	**343**

13 ASSETS CLASSIFIED AS HELD FOR SALE

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**

2024 $M	Opening Net Book Value	Transferred from Property, Plant and Equipment	Disposals	Reversal of Impairment	Closing Net Book Value
Aircraft and engines	38	31	(26)	2	45
Total assets classified as held for sale	**38**	**31**	**(26)**	**2**	**45**

The balance as at 30 June 2025 and 30 June 2024 relates 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 35(C) for a definition of the fair value hierarchy.

Notes to the Financial Statements continued

For the year ended 30 June 2025

14 INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

Ownership interest in investments accounted for under the equity method[1]

	June 2025 %	June 2024 %
Capacity Optimisation Group Pty Ltd (formerly Airport Co-Ordination Australia Pty Ltd)[2]	41	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.	33	33
PT Holidays Tours & Travel	37	37

1 Based on voting rights.
2 The Qantas Group's interest in Capacity Optimisation Group Pty Ltd was disposed on 8 August 2025.

	Notes	2025 $M	2024 $M
Balance as at 1 July		**39**	**25**
Share of net profit		46	4
Share of reserves and other movements		(3)	5
Dividends received		(12)	(5)
Loan repayments		(2)	–
Transfer to provisions	22	(23)	10
Balance as at 30 June		**45**	**39**

15 PROPERTY, PLANT AND EQUIPMENT

	2025 $M			2024 $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	(193)	37	229	(190)	39
Leasehold improvements	957	(719)	238	984	(841)	143
Plant and equipment	1,309	(754)	555	1,313	(916)	397
Aircraft and engines	26,802	(15,302)	11,500	24,493	(14,619)	9,874
Aircraft spare parts	1,363	(644)	719	1,264	(605)	659
Aircraft deposits	2,822	–	2,822	2,437	–	2,437
Total property, plant and equipment	**33,492**	**(17,612)**	**15,880**	**30,729**	**(17,171)**	**13,558**

Notes to the Financial Statements continued

For the year ended 30 June 2025

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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**

2024 $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	41	–	–	–	–	(2)	–	–	39
Leasehold improvements	141	29	–	–	–	(27)	–	–	143
Plant and equipment	329	125	–	4	(2)	(54)	–	(5)	397
Aircraft and engines	8,865	1,001	(7)	1,347	(29)	(1,260)	–	(43)	9,874
Aircraft spare parts	527	214	–	9	–	(86)	(2)	(3)	659
Aircraft deposits	1,937	1,392	–	(869)	–	–	–	(23)	2,437
Total property, plant and equipment	**11,849**	**2,761**	**(7)**	**491**	**(31)**	**(1,429)**	**(2)**	**(74)**	**13,558**

1 Cash additions includes capitalised interest of $113 million (2024: $88 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 (2025: $46 million, 2024: ($51) million).

(A) AIRCRAFT BY GEOGRAPHIC AREA

As at 30 June 2025, aircraft supporting the Group's global operations are primarily located in Australia, with the exception of one A380 aircraft, which is currently in storage overseas awaiting maintenance ahead of return to service. In addition, there are eight A320 New Zealand-based aircraft to support Jetstar New Zealand's domestic and trans-Tasman markets and two Q400s that the Group owns, which were in Canada undergoing pre-entry into service maintenance. There are also 13 A320 aircraft which are based in Singapore to support Jetstar Asia's operations, but these will be transferred progressively to Australia and New Zealand following the closure of Jetstar Asia on 31 July 2025.

(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 $4,548 million (2024: $3,945 million).

(C) CAPITAL EXPENDITURE COMMITMENTS

The Group's capital expenditure commitments as at 30 June 2025 are $21,712 million (2024: $21,494 million). The Group has certain rights within its aircraft purchase contracts which 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 2025 closing exchange rate of $0.65 (2024: $0.67).

Notes to the Financial Statements continued

For the year ended 30 June 2025

16 LEASES

(A) RIGHT OF USE ASSETS

	2025 $M			2024 $M		
	At Cost	Accumulated Depreciation and Impairment	Net Book Value	At Cost	Accumulated Depreciation and Impairment	Net Book Value
Aircraft	1,267	(794)	473	1,130	(691)	439
Property	2,274	(1,539)	735	2,168	(1,353)	815
Other	348	(276)	72	317	(256)	61
Total right of use assets	**3,889**	**(2,609)**	**1,280**	**3,615**	**(2,300)**	**1,315**

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**

2024 $M	Opening Net Book Value	Additions/ Modifications/ Remeasurements	Transfers[1]	Depreciation	Other[2]	Closing Net Book Value
Aircraft	521	423	(418)	(100)	13	439
Property	699	272	–	(171)	15	815
Other	83	3	(1)	(24)	–	61
Total right of use assets	**1,303**	**698**	**(419)**	**(295)**	**28**	**1,315**

1 Transfers includes transfers of new leases to lease receivables where the Group is a sub-lessor (2025: ($9) million, 2024: ($1) million) and transfers of aircraft to property, plant and equipment relating to completed aircraft lease buyouts during the year (2025: nil, 2024: ($418) million).
2 Other movements include foreign exchange movements and changes in the measurement of make good assets.

(B) LEASE RECEIVABLES

	2025 $M			2024 $M		
	Current	Non-current	Total	Current	Non-current	Total
Lease receivable[1]	14	42	56	10	48	58
Total	**14**	**42**	**56**	**10**	**48**	**58**

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 $1 million (2024: $2 million).

(C) LEASE LIABILITIES

	2025 $M			2024 $M		
	Current	Non-current	Total	Current	Non-current	Total
Aircraft	119	363	482	120	315	435
Property	246	744	990	240	803	1,043
Other	31	53	84	32	46	78
Total lease liabilities[1]	**396**	**1,160**	**1,556**	**392**	**1,164**	**1,556**

1 In addition to the lease liabilities recognised above, committed undiscounted lease payments for non-cancellable lease contracts which have not commenced as at 30 June 2025 are $53 million (2024: $65 million). The amounts will be recognised in lease liabilities and right of use assets when the lease commences.

Notes to the Financial Statements continued

For the year ended 30 June 2025

16 LEASES (CONTINUED)

(C) LEASE LIABILITIES (CONTINUED)

2025 $M	Opening Balance	Additions/ Modifications/ Remeasurements	Lease Repayments[2]	Interest	Foreign Exchange Movements	Other[3]	Closing Balance
Aircraft	435	143	(131)	25	10	–	482
Property	1,043	127	(246)	62	4	–	990
Other	78	38	(36)	5	2	(3)	84
Total lease liabilities	**1,556**	**308**	**(413)**	**92**	**16**	**(3)**	**1,556**

2024 $M	Opening Balance	Additions/ Modifications/ Remeasurements[1]	Lease Repayments[2]	Interest	Foreign Exchange Movements	Other[3]	Closing Balance
Aircraft	527	423	(530)	16	(1)	–	435
Property	928	272	(219)	57	4	1	1,043
Other	102	3	(36)	4	4	1	78
Total lease liabilities	**1,557**	**698**	**(785)**	**77**	**7**	**2**	**1,556**

1 During the 2023/24 financial year, the Group recognised lease modifications relating to agreements to buyout leased aircraft. This resulted in a lease liability modification and repayment of $409 million recognised in financing cash flows.There were no such lease modifications relating to buyouts of leased aircraft during the 2024/25 financial year.
2 Lease repayments of $413 million (2024: $785 million) includes $321 million (2024: $708 million) principal repayments and $92 million (2024: $77 million) interest repayments.
3 Other movements include modifications to subleases which has resulted in a decrease to both lease liabilities and finance lease receivables in 2024/25 financial year (2023/24 financial year: increase to both lease liabilities and finance lease receivables).

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

	2025 $M	2024 $M
Lease expense for short-term or low-value leases	31	36
Variable lease expenses not included in lease liabilities[1]	32	40

1 Recognised in other expenditure — capacity hire.

17 INTANGIBLE ASSETS

	2025 $M			2024 $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
Software[1]	1,212	(1,112)	100	1,283	(1,149)	134
Brand names and trademarks	32	–	32	32	–	32
Customer contracts/relationships	19	(9)	10	19	(7)	12
Contract intangible assets	171	(20)	151	171	(16)	155
Total intangible assets	**1,739**	**(1,141)**	**598**	**1,810**	**(1,172)**	**638**

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.

2025 $M	Opening Net Book Value	Cash Additions	Amortisation	Closing Net Book Value
Goodwill	270	–	–	270
Airport landing slots	35	–	–	35
Software	134	–	(34)	100
Brand names and trademarks	32	–	–	32
Customer contracts/relationships	12	–	(2)	10
Contract intangible assets	155	–	(4)	151
Total intangible assets	**638**	**–**	**(40)**	**598**

Notes to the Financial Statements continued

For the year ended 30 June 2025

17 INTANGIBLE ASSETS (CONTINUED)

2024 $M	Opening Net Book Value	Cash Additions	Amortisation	Closing Net Book Value
Goodwill	270	–	–	270
Airport landing slots	35	–	–	35
Software	178	–	(44)	134
Brand names and trademarks	32	–	–	32
Customer contracts/relationships	13	–	(1)	12
Contract intangible assets	159	–	(4)	155
Total intangible assets	**687**	**–**	**(49)**	**638**

18 DEFERRED TAX LIABILITIES

	2025 $M	2024 $M
Deferred tax liabilities	**(234)**	**(199)**

(A) RECONCILIATION OF DEFERRED TAX LIABILITIES

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.

2024 $M	Opening Balance	Recognised in the Consolidated Income Statement	Recognised in Other Comprehensive Income	Other	Closing Balance
Receivables	(7)	5	–	–	(2)
Inventories	(15)	–	–	–	(15)
Property, plant and equipment and intangible assets	(1,408)	(99)	–	–	(1,507)
Right of use assets	(410)	–	–	–	(410)
Payables	13	(3)		–	10
Revenue received in advance	973	42	–	–	1,015
Interest-bearing liabilities	(183)	43	–	–	(140)
Lease liabilities	467	6	–	–	473
Other financial assets/(liabilities)	(82)	(2)	(27)	–	(111)
Provisions	559	(48)	–	–	511
Other items	(34)	(76)	26	29[1]	(55)
Tax value of recognised tax losses	494	(472)	–	10[2]	32
Total deferred tax assets/(liabilities)	**367**	**(604)**	**(1)**	**39**	**(199)**

1 A decrease in deferred tax liability of $29 million relating to share-based payments recognised in retained earnings.
2 A net deferred tax asset of $10 million referable to tax losses transferred from the acquisition of the non-controlling interest of TAD Holdco Pty Limited and its subsidiaries (TripADeal).

Notes to the Financial Statements continued

For the year ended 30 June 2025

18 DEFERRED TAX LIABILITIES (CONTINUED)

(B) QANTAS GROUP CARRIED FORWARD TAX LOSSES

	2025 $M	2024 $M
Total tax losses brought forward as at 1 July	**(32)**	**(494)**
Tax losses utilised against current taxable income[1]	21	480
Tax losses recognised through Equity[2]	–	(10)
Tax losses recognised through the Consolidated Income Statement[3]	(9)	(8)
Tax losses carried forward to be utilised in future periods[4]	**(20)**	**(32)**

1 Tax losses utilised against current taxable income comprises $10 million Australian tax losses, referable to the acquisition of the non-controlling interest of TAD Holdco Pty Limited and its subsidiaries (TripADeal) and $11 million New Zealand tax losses (30 June 2024: $472 million Australian tax losses and $8 million New Zealand tax losses).
2 A deferred tax asset of $10 million was recognised for income tax losses not available to be used in the 2023/24 financial year, which were expected to be recovered in future periods, referable to the acquisition of the non-controlling interest of TAD Holdco Pty Limited and its subsidiaries (TripADeal). These income tax losses were utilised in the 2024/25 financial year.
3 A deferred tax asset of $9 million was recognised in financial year 2024/25, which is expected to be recovered in future periods, referable to New Zealand (30 June 2024: $8 million deferred tax asset).
4 The deferred tax asset of $20 million as at 30 June 2025 comprises New Zealand tax losses only. 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:

	2025 $M	2024 $M
Tax losses – New Zealand	–	9
Tax losses – Singapore	62	54
Tax losses – Hong Kong	22	22
Total unrecognised deferred tax assets	**84**	**85**

19 OTHER ASSETS

		2025 $M			2024 $M		
	Note	Current	Non-current	Total	Current	Non-current	Total
Prepayments		370	103	473	357	128	485
Net defined benefit asset	29(B)	–	302	302	–	332	332
Other assets[1]		119	410	529	100	324	424
Total		**489**	**815**	**1,304**	**457**	**784**	**1,241**

1 Other assets include incremental costs of obtaining a contract. Refer to Note 35(D)vii. for the Group's accounting policy.

20 REVENUE RECEIVED IN ADVANCE

	2025 $M			2024 $M		
	Current	Non-current	Total	Current	Non-current	Total
Unavailed passenger revenue	4,729	–	4,729	4,637	–	4,637
Unredeemed Frequent Flyer revenue	1,935	1,621	3,556	1,599	1,729	3,328
Other revenue received in advance	515	129	644	486	150	636
Total revenue received in advance	**7,179**	**1,750**	**8,929**	**6,722**	**1,879**	**8,601**

Notes to the Financial Statements continued

For the year ended 30 June 2025

21 NET ON BALANCE SHEET DEBT

(A) CASH AND CASH EQUIVALENTS

	2025 $M	2024 $M
Cash and cash at call balances	1,061	898
Short-term money market securities and term deposits	1,152	820
Total cash and cash equivalents	**2,213**	**1,718**

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 $393 million (2024: $220 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

	2025 $M			2024 $M		
	Current	Non-current	Total	Current	Non-current	Total
Bank loans – secured	218	1,267	1,485	179	792	971
Bank loans – unsecured	–	760	760	–	402	402
Other loans – secured	29	1,959	1,988	29	1,965	1,994
Other loans – unsecured	–	2,167	2,167	–	1,668	1,668
Total interest-bearing liabilities	**247**	**6,153**	**6,400**	**208**	**4,827**	**5,035**

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 15(B)).

(C) UNDRAWN FACILITIES

As at 30 June 2025, the Group has committed undrawn facilities of $1,360 million (2024: $1,000 million), including a $1,000 million undrawn revolving credit facility and a $360 million committed unsecured term loan projected to be drawn in September 2025.

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

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**

2024 $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	5,169	(1,176)	1,011	31	–	–	–	–	5,035
Fair value of hedges related to debt	–	–	–	(6)	–	–	–	–	(6)
Cash	(3,171)	1,176	(1,011)	(3)	852	–	292	147	(1,718)
Net on balance sheet debt	**1,998**	**–**	**–**	**22**	**852**	**–**	**292**	**147**	**3,311**

Notes to the Financial Statements continued

For the year ended 30 June 2025

22 PROVISIONS

	2025 $M			2024 $M		
	Current	Non-current	Total	Current	Non-current	Total
Annual leave	480	–	480	461	–	461
Long service leave	387	64	451	364	53	417
Other employee provisions (including redundancies)	245	–	245	161	–	161
Total employee benefits	**1,112**	**64**	**1,176**	**986**	**53**	**1,039**
Onerous contracts	–	–	–	5	–	5
Make good on leased assets	82	282	364	99	229	328
Insurance, legal and other[1,2]	207	170	377	383	142	525
Total other provisions	**289**	**452**	**741**	**487**	**371**	**858**
Total provisions	**1,401**	**516**	**1,917**	**1,473**	**424**	**1,897**

1 For the financial year 2023/24, Insurance, legal and other includes an ACCC provision for compensation, penalties and related costs. During the financial year 2024/25, the Group paid the $100 million civil penalty and commenced the $20 million remediation program.

2 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. 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 is 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 equals the penalty decision. Refer to Note 33(B).

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

2025 $M	Opening Balance	Provisions Made	Provisions Utilised/ Reversed	Unwind of Discount Rate	Discount Rate Changes	Transfers from Investments in Associates	Other/FX	Closing Balance
Onerous contracts	5	–	(5)	–	–	–	–	–
Make good on leased assets	328	37	(34)	21	7	–	5	364
Insurance, legal and other	525	155	(292)	6	5	(23)	1	377
Total other provisions	**858**	**192**	**(331)**	**27**	**12**	**(23)**	**6**	**741**

23 CAPITAL

(A) ISSUED CAPITAL

	2025 $M	2024 $M
Opening balance: 1,568,260,396 (1 July 2023: 1,724,454,680) ordinary shares, fully paid	1,317	2,186
Shares bought back during the year: 55,061,117 (June 2024: 156,194,284) ordinary shares[1]	(431)	(869)
Closing balance: 1,513,199,279 (2024: 1,568,260,396) ordinary shares	**886**	**1,317**

1 The shares bought back in 2024 include 2.9 million shares ($17 million) that were purchased during the 2023/24 financial year but not settled until July 2024.

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.

(B) TREASURY SHARES

Treasury shares consist of shares held in trust for Qantas employees in relation to equity compensation plans. As at 30 June 2025, 18,763,124 (2024: 9,923,157) 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.

Notes to the Financial Statements continued

For the year ended 30 June 2025

23 CAPITAL (CONTINUED)

(C) CAPITAL MANAGEMENT (CONTINUED)

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

	Metrics	2025	2024
Net Debt[1]	$4.6B to $5.7B[2]	$5.0B	$4.11B
Return on Invested Capital (%)[3]	ROIC > WACC	50.8 per cent	57.9 per cent
Net capital expenditure[4]		$3,853M	$3,148M
Base dividend paid	16.5 cents per share	$250M	–
Special dividend paid	9.9 cents per share	$150M	–
On-market share buy-backs[5]		$431M	$869M

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 $4.6 billion to $5.7 billion is based on the 12-month average Invested Capital of $5.1 billion as at 30 June 2025. The Target Net Debt range for the 2023/24 financial year was $3.9 billion to $4.9 billion, which is based on the 12 months average Invested Capital of $3.9 billion as at 30 June 2024.
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).
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 $3,813 million (2024: $2,887 million) and the impact to Invested Capital from the acquisitions/disposals of leased aircraft of $40 million (2024: $261 million).
5 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. During the year ended 30 June 2024, the Group completed on-market buy-backs totalling $869 million of the $500 million share buy-back that was announced in August 2023 and an additional $400 million announced in February 2024. The Group purchased 156 million ordinary shares on issue at the average price of $5.57. The shares purchased in financial year 2023/24 includes $17 million executed in June 2024 and paid in July 2024 due to T+2 settlement.

24 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 2024/25 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 Asia 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 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.

Notes to the Financial Statements continued

For the year ended 30 June 2025

24 IMPAIRMENT OF ASSETS AND RELATED COSTS (CONTINUED)

(A) IMPAIRMENT TESTING OF CASH GENERATING UNITS (CONTINUED)

ii. Impairment Assessment (continued)

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.

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 (2024: 10 per cent per annum).
Sensitivity to significant changes in assumptions	*Sensitivity to changes in assumptions (CGUs other than Jetstar Asia)* 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. Reasonably possible changes in the Financial Plan and discount rates are unlikely to result in impairment of the CGUs. The terminal value cash flow is in excess of the break-even cash flow and reasonably possible changes in this assumption do not result in impairment. *Sensitivity to changes in assumptions (Jetstar CGUs in Asia)* In June 2025, the Group announced the closure of Jetstar Asia and its final day of operations was on 31 July 2025. As part of the strategic restructure, Jetstar Asia's aircraft will be redeployed to other Group CGUs. Asset-level impairment assessments have been undertaken for Jetstar Asia's other stand-alone assets with appropriate impairment and provisions recognised, where relevant. Therefore, there is no further risk of impairment for this CGU.

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 2025 (2024: nil).

Notes to the Financial Statements continued

For the year ended 30 June 2025

24 IMPAIRMENT OF ASSETS AND RELATED COSTS (CONTINUED)

(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:

	2025 $M	2024 $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 lives		
TripADeal CGU	32	32
Qantas International CGU	35	35
Total other intangible assets with indefinite useful lives	**67**	**67**

25 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. Additionally, the Recovery Retention Plan was announced in the second half of the 2021/22 financial year and included share-based payments to eligible employees (both Non-Executive and Executive). The total equity-settled share-based payment expense for the year was $56 million (2024: $69 million). Further details regarding the operation of equity plans are outlined in the Remuneration Report from pages 38 to 62.

(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 49 to 51.

Performance Rights Reconciliation	2025 Number of Rights	2024 Number of Rights
Rights outstanding as at 1 July	8,814,267	19,862,880
Rights granted during the year[1]	3,313,000	2,631,000
Rights forfeited during the year	(601,784)	(2,198,664)
Rights vested and converted to shares during the year	(2,890,585)	(10,440,449)
Rights lapsed during the year	(502,314)	(1,040,500)
Rights outstanding as at 30 June	**8,132,584**	**8,814,267**
Rights exercisable as at 30 June	**–**	**–**

1 3,244,500 Rights in relation to 2025-2027 LTIP and 68,500 Rights in relation to 2024-2026 LTIP (2024: 2,606,500 Rights in relation to 2024-2026 LTIP and 24,500 Rights in relation to 2023-2025 LTIP).

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 28 August 2025. The shares awarded to Executive Management upon vesting of the LTIP remain subject to an additional one-year trading restriction.

The Rights outstanding as at 30 June 2024 included 3,392,899 Rights under the 2022-2024 LTIP. Subsequent to 30 June 2024, 2,917,279 Rights vested and converted to shares and 475,620 Rights forfeited following the testing of performance hurdles as at 30 June 2024 and after applying service conditions and the Board's approval of the 2022-2024 LTIP vesting outcome on 28 August 2024. The shares awarded to Executive Management upon vesting of the LTIP were subject to an additional one-year trading restriction.

Notes to the Financial Statements continued

For the year ended 30 June 2025

25 SHARE-BASED PAYMENTS (CONTINUED)

(A) LONG TERM INCENTIVE PLAN (LTIP) (CONTINUED)

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 $5.93 (2024: $3.13).

Inputs into the Models	2025 25 October 2024 2025-2027 LTIP	2024 3 November 2023 2024-2026 LTIP
Rights granted[1]	3,244,500	2,675,000
Closing share price	$8.03	$5.18
Expected volatility	30.0%	30.0%
Dividend yield	3.4%	3.8%
Risk-free interest rate	3.9%	4.3%

1 3,244,500 Rights in relation to 2025-2027 LTIP and 68,500 Rights in relation to 2024-2026 LTIP were granted in 2024/25 financial year.

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.

(B) SHORT TERM INCENTIVE PLAN (STIP)

For details on the operation of the STIP, see pages 47 to 49. During the 2024/25 financial year, 261,619 shares were awarded and allocated in relation to the 2022/23 STIP and 422,052 shares were awarded and allocated in relation to the 2023/24 STIP.

Shares awarded under the 2022/23 STIP (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) were delivered to participants in deferred shares subject to a two-year deferral period (from August 2023) and one-year trading restriction until after the release of the 2025/26 full-year financial results.

Shares awarded under the 2023/24 STIP were also delivered to participants as deferred shares subject to a two-year deferral period and a further one-year trading restriction until August 2027. Deferred shares in relation to the 2024/25 STIP will be awarded in the 2025/26 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 47 to 49. The CEO retains discretion over any awards made under the MIP. There were 5,502,675 awards of Qantas shares made during the 2024/25 financial year (2024: 9,453,520). Deferred shares in relation to the 2024/25 MIP will be awarded in the 2025/26 financial year.

(D) RECOVERY RETENTION PLAN (RRP)

The Recovery and Retention Plan was announced in the second half of the 2021/22 financial year and included a grant of Rights to eligible employees (both Non-Executive and Executive) subject to both performance and service conditions. All Rights were redeemable on a one-for-one basis for Qantas shares, subject to the achievement of performance hurdles. Dividends were not payable on Rights.

During the 2023/24 financial year, 41,764,858 Rights vested and converted to shares and 410,546 were forfeited. As at 30 June 2025 and 30 June 2024, there are no remaining rights outstanding relating to this plan.

Notes to the Financial Statements continued

For the year ended 30 June 2025

26 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 are 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** – use of International Air Transport Association (IATA) clearing mechanism, which undertakes its own credit review of members, and stringent credit policies where the Group provides credit to customers directly. **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 prudent liquidity policy during the 2024/25 financial year, ensuring adequate coverage of liquidity requirements while considering a range of adverse scenarios. As at 30 June 2025, the Group's total sources of liquidity were greater than $12.2 billion, including $2.2 billion of cash and cash equivalents, $1.4 billion in committed undrawn facilities and an unencumbered asset base of $8.6 billion (including 62 per cent of the Group's fleet, spare engines and other assets). The unencumbered asset base includes aircraft valuations based on AVAC and exchange rate as at 30 June 2025.

Notes to the Financial Statements continued

For the year ended 30 June 2025

26 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.

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**

2024 $M	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years	Total
Financial liabilities					
Payables	2,908	–	–	–	2,908
Lease liabilities[1]	392	556	357	496	1,801
Bank loans – secured[2]	244	441	342	152	1,179
Bank loans – unsecured[2]	24	49	49	424	546
Other loans – secured[2]	137	273	453	2,092	2,955
Other loans – unsecured[2]	66	425	596	917	2,004
Net other financial assets/liabilities – outflows/ (inflows)[3]	(39)	(2)	(2)	(6)	(49)
Total financial liabilities	**3,732**	**1,742**	**1,795**	**4,075**	**11,344**

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 2025, interest-bearing liabilities amounted to $6,400 million (2024: $5,035 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 55 per cent and 45 per cent respectively, which assumes cash is treated as floating (2024: 63 per cent and 37 per cent). As at 30 June 2025, other financial assets and liabilities, including derivative financial instruments relating to debt obligations and future interest payments, were $22 million (asset) (2024: $6 million (asset)). These are recognised at fair value.

Notes to the Financial Statements continued

For the year ended 30 June 2025

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

(A) RISKS (CONTINUED)

ii. Interest Rate Risk (continued)

Sensitivity to interest rate risk

	Profit Before Tax		Equity (Before Tax)[1]	
$M	2025	2024	2025	2024
100bps increase in interest rates[2,3]				
Variable rate interest-bearing instruments (net of cash)	(26)	(16)	–	–
100bps decrease in interest rates[2,3]				
Variable rate interest-bearing instruments (net of cash)	26	16	–	–

1 Equity (Before Tax) does not include sensitivity recognised in Profit Before Tax.
2 Sensitivity analysis of financial instruments assume hedge designations as at 30 June 2025 and 30 June 2024 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 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 2025, other financial assets and liabilities, including derivative financial instruments relating to the hedging of future capital expenditure, totalled $15 million (net asset) (2024: $12 million (net asset)) and those relating to the hedging of future operating expenditure payments were nil (2024: nil). These are recognised at fair value.

Non-derivative financial liabilities, including interest-bearing liabilities, designated in a cash flow hedge relationship to hedge forecast foreign currency revenue have a maturity between one and 11 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 2025, total unrealised foreign exchange losses on hedges of revenue designated to non-derivative financial liabilities was $14 million (2024: $2 million gains).

Sensitivity to foreign exchange risk

	Profit Before Tax		Equity (Before Tax)[1]	
$M	2025	2024	2025	2024
20% movement in foreign exchange risk[2,3]				
20% (2024: 20%) USD depreciation	(21)	(44)	(240)	(133)
20% (2024: 20%) USD appreciation	31	44	358	198
20% (2024: 20%) JPY depreciation	–	–	(9)	(9)
20% (2024: 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 2025 and 30 June 2024 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 2025

26 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 on jet kerosene, gas oil and crude oil to hedge exposure to movements in the USD price of aviation fuel. The Group considers the crude component to be a separately identifiable and measurable component of aviation fuel. In identifying this component, the Group considers long-term correlation levels between crude hedging products and underlying jet fuel exposure. 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 2025, other financial assets and liabilities included fuel and foreign exchange derivatives totalling $40 million (net asset) (2024: $202 million (net asset)). These are recognised at fair value.

Sensitivity to foreign exchange and fuel price risk

	Profit Before Tax		Equity (Before Tax)[1]	
$M	2025	2024	2025	2024
20% movement in AUD fuel costs[2]				
20% (2024: 20%) USD depreciation, 20% (2024: 20%) increase per barrel in fuel indices	–	–	–	212
20% (2024: 20%) USD appreciation, 20% (2024: 20%) decrease per barrel in fuel indices	–	–	272	253

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 2025 and 30 June 2024 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 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 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 2025, trade debtors amounted to $1,094 million (2024: $1,051 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 2025, the credit risk of the Qantas Group to counterparties in relation to cash, cash equivalents and other financial assets amounted to $2,301 million (2024: $1,989 million). Refer to Note 26(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 2025

26 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 35(C) for a definition of the fair value hierarchy.

	June 2025				June 2024			
	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	–	–	2,213	2,220	–	–	1,718	1,723
Receivables	–	–	1,205	1,205	–	–	1,135	1,135
Other financial assets[1]	234	93	4	331	299	105	49	453
Financial assets	**234**	**93**	**3,422**	**3,756**	**299**	**105**	**2,902**	**3,311**
Payables	–	–	3,146	3,146	–	–	2,908	2,908
Interest-bearing liabilities[2]	–	–	6,400	6,719	–	–	5,035	5,302
Other financial liabilities[1]	145	–	–	145	74	–	–	74
Financial liabilities	**145**	**–**	**9,546**	**10,010**	**74**	**–**	**7,943**	**8,284**

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 2025, $83 million of the $93 million (2024: $96 million of the $105 million) of other financial assets relate to the Group's investment in Alliance Airlines Limited (ASX: AQZ), 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 ($8) million loss (2024: $3 million gain) and in fair value through profit and loss of ($6) million loss (2024: nil). The Group recognised fair value changes, net of tax of ($8) million loss (2024: $3 million gain) in respect of listed equity investment using Level 1 inputs. The Group recognised fair value changes, net of tax of nil (2024: nil) in respect of unlisted equity investments using Level 2 inputs. The Group recognised fair value changes, net of tax of ($6) million loss (2024: nil) and new acquisitions of $16 million (2024: $5 million) in respect of unlisted equity investments using Level 3 inputs.

(C) DERIVATIVES AND HEDGING INSTRUMENTS

The following section summarises derivative financial instruments in the Consolidated Financial Statements:

Type of Hedge	Description	Derivative
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 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).
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 2025

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

(C) DERIVATIVES AND HEDGING INSTRUMENTS (CONTINUED)

The Group's derivative assets and liabilities as at 30 June 2025 are detailed below:

	2025			2024		
$M	Current	Non-current	Total	Current	Non-current	Total
Derivative assets						
Designated as cash flow hedges	146	54	200	212	76	288
Designated as fair value hedges	–	22	22	–	6	6
Total derivative assets	**146**	**76**	**222**	**212**	**82**	**294**
Derivative liabilities						
Designated as cash flow hedges	(101)	(44)	(145)	(41)	(33)	(74)
Total derivative liabilities	**(101)**	**(44)**	**(145)**	**(41)**	**(33)**	**(74)**
Net derivative assets	**45**	**32**	**77**	**171**	**49**	**220**

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 $143 million lower (2024: $74 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 35(C). Based on the hedge reserve balance as at 30 June 2025, ($83) million loss net of tax (2024: $14 million gain net of tax) is expected to be released to the Consolidated Income Statement within one year and ($27) million loss net of tax (2024: $4 million gain net of tax) after one year. A ($6) million loss net of tax (2024: ($8) million loss net of tax) is expected to be capitalised to assets within one year and ($4) million loss (2024: ($1) 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 35(C) for a definition of the fair value hierarchy.

iii. Hedge Accounting

As at 30 June 2025	Nominal Amount of Hedging Instrument and Hedged Item		Hedge Rates	Carrying Amount of the Hedging Instrument[1,2] Assets	Carrying Amount of the Hedging Instrument[1,2] Liabilities	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
	M		$M	$M	$M	$M	$M	$M	$M
Cash flow hedges									
AUD fuel costs (up to 2 years)	26	Barrels	AUD / Barrel 98-140	168	(128)	(8)	8	(8)	(33)
Revenue (up to 11 years)	402	USD	AUD / USD 0.64 - 0.72	–	(402)	(15)	15	(15)	4
Revenue (up to 9 years)	47	JPY	AUD / JPY 90	–	(47)	(5)	5	(5)	–
Capital expenditure (up to 2 years)	1,741	USD	AUD / USD 0.61 - 0.67	32	(17)	12	(12)	12	–
Fair value hedges									
Interest rate (up to 10 years)	875	AUD	Floating n/a	22	–	16	(17)	–	–

1 Derivative cash flow hedging instruments are located within 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.

2 The revenue hedging instrument is a non-derivative financial liability with the carrying amount presented in AUD, and is located within interest-bearing liabilities and lease liabilities.

Notes to the Financial Statements continued

For the year ended 30 June 2025

27 AUDITOR'S REMUNERATION

	2025 $'000	2024 $'000
STATUTORY ASSURANCE SERVICES		
Audit and review of Financial Reports	4,520	4,382
Total statutory assurance services	**4,520**	**4,382**
OTHER ASSURANCE SERVICES		
Regulatory assurance services	15	12
Other assurance services	467	572
Total other assurance services	**482**	**584**
NON-ASSURANCE SERVICES		
Audit-related non-assurance services	23	7
Taxation services	347	338
Other non-assurance services	287	238
Total non-assurance services	**657**	**583**
Total auditor's remuneration	**5,659**	**5,549**

28 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

RECONCILIATION OF STATUTORY PROFIT FOR THE YEAR TO NET CASH FROM OPERATING ACTIVITIES

	Notes	2025 $M	2024 $M
Statutory profit for the year		**1,605**	**1,251**
Adjusted for:			
Depreciation and amortisation	5	2,012	1,773
Reversal of impairment	7	(13)	–
Hedging and other financial assets/liabilities		47	47
Share of net profit of investments accounted for under the equity method	14	(46)	(4)
Share-based payments expense	25	56	69
Net gain on disposal of assets	6	(45)	(18)
Impact of discount rate changes on provisions	7	28	3
Dividends received from investments accounted for under the equity method	14	12	5
Other items		(23)	59
Changes in:			
Receivables		(78)	(166)
Inventories		(103)	(106)
Other assets		(118)	(176)
Payables		198	(89)
Revenue received in advance		331	206
Provisions		12	3
Deferred tax assets/liabilities and tax receivables/payables		378	584
Net cash inflow from operating activities		**4,253**	**3,441**

Notes to the Financial Statements continued

For the year ended 30 June 2025

29 SUPERANNUATION

On 29 March 2025, the Qantas Group Superannuation Plan (QGSP) completed its merger with Australian Retirement Trust (ART), one of Australia's largest superannuation funds. The Trustee of QGSP transferred from Qantas Superannuation Limited ("Qantas Super") to Australian Retirement Trust Pty Ltd (the "Trustee") via a Successor Fund Transfer. The merger involved transferring over 25,000 members to be under ART, with current balances and future contributions automatically invested into the most similar options to previous investments under QGSP. The merger provides greater financial benefits to its members, with lower fees, the ability to access global investment capabilities, financial advice services and dedicated member support.

The QGSP in ART is a hybrid defined benefit/defined contribution plan with multiple divisions. In addition to the QGSP, there is one other small overseas defined benefit plan. The Qantas Group (Group) makes contributions to defined benefit plans that provide defined benefit amounts for employees upon retirement. Under these plans, employees are entitled to retirement benefits determined, at least in part, by reference to a formula based on years of membership and salary.

The defined benefit plans are legally separated from the Qantas Group. Responsibility for governance of the plans, including investment decisions and plan rules, rests solely with the Trustee of the plan.

The QGSP's defined benefit plan exposes the Group to a number of risks, the most significant of which are detailed below:

- **Investment risk:** The investment strategy for the assets attributable to the QGSP's defined benefit liabilities is to progressively de-risk the defined benefit investment portfolio as the funding position improves over time. If investment returns underperform expectations, the Group may be required to provide additional funding to the QGSP
- **Interest rate risk:** Changes in bond yields, such as a decrease in corporate bond yields, will increase defined benefit liabilities through the discount rate assumed
- **Inflation risk:** The defined benefit liabilities are linked to salary inflation, and higher salary inflation will lead to higher liabilities.

(A) FUNDING

Employer contributions to the defined benefit divisions of the QGSP are based on recommendations by the QGSP's plan actuary. It is estimated that $64 million of normal employer contributions will be paid by the Group to its defined benefit plans in financial year 2025/26.

In addition, the Trustee of the QGSP and the Group have in place an Additional Funding Plan (AFP). The AFP was last agreed in 2023 between the Group and Qantas Super (as part of the agreed Defined Benefit Contribution Strategy following the 2022 triennial actuarial valuation of the QGSP), which is an evergreen restoration plan and addresses the requirements of Australian Prudential Regulation Authority (APRA) Prudential Standard SPS 160. The Defined Benefit Contribution Strategy and the AFP arrangements have been carried across from Qantas Super to ART.

The determination of Qantas' additional employer contributions under the AFP is triggered if the quarterly estimation of the Defined Benefit Vested Benefits Index (DB VBI) indicates that the DB VBI has been below 100 per cent for two consecutive quarters, or the value of the DB VBI has fallen from a value in excess of 100 per cent at the previous quarter to a value that is less than 96 per cent. 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 benefit payment top-up contributions may also be payable if after two consecutive quarters, the DB Retrenchment Benefits Index (DB RBI) is less than 100 per cent and retrenchments occur that place a greater than VBI level of funding strain on the QGSP assets. The DB RBI is the ratio of the QGSP's assets attributable to the defined benefit liabilities to the total defined benefit component of retrenchment benefits in respect of DB members. The last additional contribution required under the AFP was paid into the QGSP by the Group in December 2016. The QGSP's financial position is monitored by ART and the Group each quarter.

Notes to the Financial Statements continued

For the year ended 30 June 2025

29 SUPERANNUATION (CONTINUED)

(B) MOVEMENT IN NET DEFINED BENEFIT (ASSET)

	Present Value of Obligation $M		Fair Value of Plan (Assets) $M		Net Defined Benefit (Asset)[1] $M	
	2025	2024	2025	2024	2025	2024
Balance as at 1 July	**1,706**	**1,565**	**(2,038)**	**(1,964)**	**(332)**	**(399)**
Included in the Consolidated Income Statement						
Current service cost	84	82	–	–	84	82
Interest expense/(income)	97	92	(111)	(109)	(14)	(17)
Contributions by plan participants	–	–	(20)	(20)	(20)	(20)
Total amount included in salaries, wages and other benefits	**181**	**174**	**(131)**	**(129)**	**50**	**45**
Included in the Consolidated Statement of Comprehensive Income						
Return on plan assets, excluding interest income	–	–	(49)	(20)	(49)	(20)
Gains from change in demographic assumptions	(1)	(1)	–	–	(1)	(1)
Losses from change in financial assumptions	55	15	–	–	55	15
Experience losses	35	93	–	–	35	93
Exchange differences on foreign plans	4	2	(4)	(2)	–	–
Total amount recognised in other comprehensive income	**93**	**109**	**(53)**	**(22)**	**40**	**87**
Contributions by employer	–	–	(62)	(65)	(62)	(65)
Benefit payments	(168)	(142)	168	142	–	–
Assets distributed/liabilities extinguished on settlements[2]	(79)	–	79	–	–	–
Other movements	–	–	2	–	2	–
Balance as at 30 June	**1,733**	**1,706**	**(2,035)**	**(2,038)**	**(302)**	**(332)**

1 The net defined benefit asset is included in non-current other assets (refer to Note 19).
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:

	2025 %	2024 %
Australian shares[1,2]	14	11
International shares[1]	12	14
Private equity	8	6
Infrastructure[1]	10	8
Unlisted real estate	4	–
Private credit	4	–
Corporate bonds[1]	21	29
Government bonds[1]	16	13
Other	1	7
Cash	10	12
Total	**100**	**100**

1 The majority of these plan assets have a quoted market price in an active market.
2 As at 30 June 2025, the QGSP assets invested within the overall Australian shares portfolio included shares in Qantas Airways Limited (ASX:QAN) of $1,977,900 (2024: $857,024).

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 2025

29 SUPERANNUATION (CONTINUED)

(D) ACTUARIAL ASSUMPTIONS AND SENSITIVITY

The significant actuarial assumptions (expressed as weighted averages per annum) were as follows:

	2025 %	2024 %
Discount rate	5.3	5.6
Long-term future salary increase[1]	3.0	3.0

1 For the 30 June 2025 actuarial calculation, salary increase rates were assumed at 2.1% for the year to 30 June 2026 and 3.0% thereafter (30 June 2024: specific increase rates for next 5 years ranging from 1.9% to 3.0%).

The weighted average duration of the QGSP's defined benefit obligation as at 30 June 2025 was eight years (2024: nine years). The sensitivity of the defined benefit obligation to changes in the significant assumption is as follows:

		Impact on Defined Benefit Obligation			
		30 June 2025		30 June 2024	
	Change in Assumption	Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	1%	Decrease by 8.6%	Increase by 9.8%	Decrease by 9.4%	Increase by 10.8%
Future salary increase	1%	Increase by 7.9%	Decrease by 7.2%	Increase by 4.4%	Decrease by 4.0%

Defined Contribution Fund

A defined contribution expense of $299 million has been recognised for the year ended 30 June 2025 (2024: $250 million).

30 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 Holding Investments Pty Ltd	Qantas Group Flight Training Pty Limited
Airlink Pty Limited	Network Turbine Solutions Pty Ltd	Qantas Information Technology Ltd
Australian Air Express Pty Ltd	Osnet Jets Pty Ltd	Qantas Road Express Pty Limited
Australian Airlines Limited	Phone A Flight Pty Ltd	Qantas SAFFA Pty Limited
Australian Regional Airlines Pty. Ltd.	Q H Tours Ltd	Qantas Ventures Pty Limited
Eastern Australia Airlines Pty. Limited	Qantas Asia Investment Company Pty Ltd	Qantas Wheatbelt Connect Pty Limited
Express Freighters Australia (Operations) Pty Limited	Qantas Climate Fund Investment 1 Pty Ltd	QF Cabin Crew Australia Pty Limited
Express Freighters Australia Pty Limited	Qantas Climate Fund Investment 2 Pty Ltd	QGHC 1 Pty Limited
Impulse Airlines Holdings Proprietary Limited	Qantas Courier Limited	Regional Airlines Charter Pty Limited
Jetstar Airways Pty Limited	Qantas Domestic Pty Limited	Sunstate Airlines (Qld) Pty. Limited
Jetstar Asia Holdings Pty Limited	Qantas Freight Enterprises Limited	TAD Holdco Pty Ltd
Jetstar Group Pty Limited	Qantas Freight Terminals Pty Limited	The Network Holding Trust
Jetstar Services Pty Limited	Qantas Frequent Flyer Limited	The Network Trust
National Jet Operations Services Pty Ltd	Qantas Frequent Flyer Operations Pty Limited	Trip A Deal Holdings Pty Ltd
National Jet Systems Pty Ltd	Qantas Ground Services Pty Limited	Trip A Deal Pty Ltd
Network Aviation Holdings Pty Ltd	Qantas Group Accommodation Pty Ltd	Vii Pty Limited
Network Aviation Pty Ltd	Qantas Group Flight Training (Australia) 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 2025

30 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 and 27 May 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 2025

	2025 $M	2024 $M
Revenue and other income	23,447	21,303
Expenditure	(20,983)	(18,922)
Impairment of assets and related costs	(90)	(109)
Statutory profit before income tax expense and net finance costs	**2,374**	**2,272**
Finance income	108	107
Finance costs	(342)	(304)
Net finance costs	**(234)**	**(197)**
Statutory profit before income tax expense	**2,140**	**2,075**
Income tax expense	(655)	(632)
Statutory profit for the year	**1,485**	**1,443**
Accumulated losses as at 1 July	(1,120)	(2,297)
Dividends paid	(400)	–
Assumption of subsidiary into the Deed and transfer of put option reserve	–	(201)
Shares vested and transferred to employees/Rights unvested and lapsed	4	(65)
Accumulated losses as at 30 June	**(31)**	**(1,120)**

(B) CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	2025 $M	2024 $M
Statutory profit for the year	**1,485**	**1,443**
Effective portion of changes in fair value of cash flow hedges, net of tax	(11)	84
Transfer of effective hedging gains from hedge reserve to the Consolidated Condensed Income Statement, net of tax	(20)	(76)
Net changes in hedge reserve for time value of options, net of tax	(90)	60
Defined benefit actuarial losses, net of tax	(28)	(61)
Foreign currency translation of investments accounted for under the equity method	1	1
Fair value (losses)/gains on investments, net of tax	(8)	3
Total other comprehensive (loss)/income for the year	**(156)**	**11**
Total comprehensive income for the year	**1,329**	**1,454**

Notes to the Financial Statements continued

For the year ended 30 June 2025

30 DEED OF CROSS GUARANTEE (CONTINUED)

(C) CONSOLIDATED CONDENSED BALANCE SHEET AS AT 30 JUNE 2025

	2025 $M	2024 $M
CURRENT ASSETS		
Cash and cash equivalents	2,129	1,634
Receivables	1,242	1,366
Finance lease receivables	14	10
Other financial assets	150	260
Inventories	405	343
Assets classified as held for sale	39	45
Income tax receivable	–	21
Other	481	451
Total current assets	**4,460**	**4,130**
NON-CURRENT ASSETS		
Receivables	–	22
Finance lease receivables	42	48
Other financial assets	181	192
Investments in subsidiaries	10	7
Investments accounted for under the equity method	41	35
Property, plant and equipment	15,879	13,536
Right of use assets	1,276	1,285
Intangible assets	608	648
Other	815	784
Total non-current assets	**18,852**	**16,557**
Total assets	**23,312**	**20,687**
CURRENT LIABILITIES		
Payables	3,146	3,017
Revenue received in advance	7,154	6,670
Interest-bearing liabilities	255	228
Lease liabilities	394	389
Other financial liabilities	101	41
Provisions	1,301	1,383
Income tax payable	246	–
Total current liabilities	**12,597**	**11,728**
NON-CURRENT LIABILITIES		
Revenue received in advance	1,750	1,879
Interest-bearing liabilities	6,155	4,837
Lease liabilities	1,159	1,162
Other financial liabilities	44	33
Provisions	515	406
Deferred tax liabilities	233	198
Total non-current liabilities	**9,856**	**8,515**
Total liabilities	**22,453**	**20,243**
Net assets	**859**	**444**
EQUITY		
Issued capital	886	1,317
Treasury shares	(144)	(62)
Reserves	148	309
Accumulated losses	(31)	(1,120)
Total equity	**859**	**444**

Notes to the Financial Statements continued

For the year ended 30 June 2025

31 RELATED PARTIES

(A) REMUNERATION OF KEY MANAGEMENT PERSONNEL

The aggregate remuneration of the KMP of the Qantas Group is set out below:

	2025 $'000	2024 $'000
Short-term employee benefits	12,038	12,438
Post-employment benefits[1]	810	894
Termination benefits	–	479
Other long-term benefits[2]	(82)	(84)
Share-based payments	5,406	4,968
	18,172	**18,695**

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.

Non-Executive Director Fee Sacrifice Share Acquisition Plan — Rights Reconciliation	2025 Number of Rights	2024 Number of Rights
Rights outstanding as at 1 July	–	23,659
Rights acquired during the year by fee sacrifice	47,630	25,051
Rights converted to ordinary shares during the year	(28,021)	(48,710)
Rights outstanding as at 30 June	**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 2025 or prior year. A number of KMPs 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-guarantees the lease obligations, on a limited liability basis, in respect of two 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.
- The Qantas Group has established a business service agreement with Jetstar Japan. As part of the business service agreement, amongst 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 six A320 aircraft from Jetstar Japan.

Notes to the Financial Statements continued

For the year ended 30 June 2025

32 PARENT ENTITY DISCLOSURES – QANTAS AIRWAYS LIMITED

(A) CONDENSED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	2025 $M	2024 $M
Revenue and other income[1]	14,141	13,395
Expenditure	(12,565)	(11,733)
Net impairment of assets and related costs[2]	(88)	(118)
Statutory profit before income tax expense and net finance costs	**1,488**	**1,544**
Net finance costs	(193)	(162)
Statutory profit before income tax expense	**1,295**	**1,382**
Income tax expense	(213)	(310)
Statutory profit for the year	**1,082**	**1,072**

1 Revenue and other income included $651 million of dividend income from wholly-owned subsidiaries of the Qantas Group (2024: $440 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 $101 million (2024: $119 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 2025

	2025 $M	2024 $M
Statutory profit for the year	**1,082**	**1,072**
Effective portion of changes in fair value of cash flow hedges, net of tax	(11)	84
Transfer of effective hedging gains from hedge reserve to the Condensed Income Statement, net of tax	(20)	(76)
Net changes in hedge reserve for time value of options, net of tax	(90)	60
Defined benefit actuarial losses, net of tax	(28)	(61)
Foreign currency translation of investments accounted for under the equity method	–	1
Fair value (losses)/gains on investments, net of tax	(8)	3
Total other comprehensive (loss)/income for the year	**(157)**	**11**
Total comprehensive income for the year	**925**	**1,083**

Notes to the Financial Statements continued

For the year ended 30 June 2025

32 PARENT ENTITY DISCLOSURES – QANTAS AIRWAYS LIMITED (CONTINUED)

(C) CONDENSED BALANCE SHEET AS AT 30 JUNE 2025

		2025 $M	2024 $M
CURRENT ASSETS			
Cash and cash equivalents		1,767	1,414
Receivables		791	775
Finance lease receivables		10	4
Intercompany receivables		7,714	7,142
Other financial assets		146	212
Inventories		267	198
Assets classified as held for sale		32	17
Income tax receivables		–	21
Other		315	281
Total current assets		**11,042**	**10,064**
NON-CURRENT ASSETS			
Receivables		–	2
Finance lease receivables		41	43
Intercompany receivables		–	11
Investments in subsidiaries		643	636
Other financial assets		168	187
Investments accounted for under the equity method		41	35
Property, plant and equipment		14,505	12,003
Right of use assets		1,210	1,213
Intangible assets		253	288
Other		799	784
Total non-current assets		**17,660**	**15,202**
Total assets		**28,702**	**25,266**
CURRENT LIABILITIES			
Payables		2,033	1,968
Intercompany payables		8,653	7,303
Revenue received in advance		5,548	5,200
Interest-bearing liabilities		213	175
Intercompany interest-bearing liabilities		39	49
Lease liabilities		355	342
Other financial liabilities		101	41
Provisions		1,041	1,089
Income tax payable		246	–
Total current liabilities		**18,229**	**16,167**
NON-CURRENT LIABILITIES			
Revenue received in advance		1,721	1,836
Interest-bearing liabilities		6,116	4,758
Intercompany interest-bearing liabilities		10	49
Lease liabilities		1,123	1,123
Other financial liabilities		44	33
Provisions		275	199
Deferred tax liabilities		341	271
Total non-current liabilities		**9,630**	**8,269**
Total liabilities		**27,859**	**24,436**
Net assets		**843**	**830**
EQUITY			
Issued capital		886	1,317
Treasury shares		(144)	(62)
Other reserves	32(D)	147	309
Profit reserves	32(E)	4,132	3,449
Accumulated losses		(4,178)	(4,183)
Total equity		**843**	**830**

Notes to the Financial Statements continued

For the year ended 30 June 2025

32 PARENT ENTITY DISCLOSURES – QANTAS AIRWAYS LIMITED (CONTINUED)

(D) OTHER RESERVES

	2025 $M	2024 $M
Employee compensation reserve	93	90
Hedge reserve	(120)	9
Defined benefit reserve	189	217
Fair value reserve	(15)	(7)
Total other reserves	**147**	**309**

(E) DIVIDENDS AND OTHER SHAREHOLDER DISTRIBUTIONS

During the year ended 30 June 2025, the Group paid a base dividend of $250 million, distributed as a fully franked interim 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 16 April 2025.

In August 2025, the Board resolved to announce a base dividend of $250 million, distributed as a fully franked final dividend of 16.5 cents per share. The Board also resolved to announce an additional distribution of $150 million, distributed as a fully franked special dividend of 9.9 cents per share. The record date for determining entitlements to the dividends is 17 September 2025. The dividends will be paid on 15 October 2025.

During the year ended 30 June 2025, Qantas Airways Limited completed on-market share 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.

During the year, Qantas Airways Limited reported a Statutory Profit After Tax of $1,082 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 15(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 33.

(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 30. 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 31(C) and Note 33(C).

(I) INTEREST-BEARING LIABILITIES

The parent entity has total interest-bearing liabilities of $6,378 million (2024: $5,031 million), of which $49 million (2024: $98 million) represents secured loans payable to controlled entities. Of the $6,329 million (2024: $4,933 million) payable to other parties, $3,405 million (2024: $2,864 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 2025

33 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 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 2025, 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.

Qantas class action proceedings

In August 2023, a class action proceeding was filed in the Federal Court of Australia. The claim relates to flights scheduled to depart between 1 January 2020 and 1 November 2022 that were cancelled by Qantas, and includes allegations that Qantas breached its contractual obligations to customers with regard to refunds for cancelled flights, misled customers as to their rights following flight cancellations and that Qantas was unjustly enriched by holding customer funds.

A further amended statement of claim was filed by the applicant on 14 February 2024. On 27 February 2024, Qantas filed its further amended defence, denying the allegations.

Jetstar 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.

Qantas cyber incident

Refer to Note 34 - Post-Balance Sheet Date Events, for details of an announcement on 2 July 2025.

Notes to the Financial Statements continued

For the year ended 30 June 2025

33 CONTINGENT LIABILITIES AND LEGAL PROVISIONS (CONTINUED)

(B) LEGAL PROVISIONS

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.

Australian Competition and Consumer Commission proceedings

In August 2023, the Australian Competition and Consumer Commission (ACCC) commenced proceedings in the Federal Court of Australia alleging breaches of the Australian Consumer Law in respect of cancelled flights scheduled to depart between May 2022 and July 2022.

In May 2024, Qantas announced an agreement with the ACCC to resolve the Federal Court proceedings, including a $20 million remediation program for impacted passengers and a $100 million civil penalty (as approved by the Court on 8 October 2024). These amounts were recognised as a provision in the year ended 30 June 2024. In the first half of the 2024/25 financial year, the Group paid the $100 million civil penalty and commenced the $20 million remediation program.

Ground handling outsourcing

In September 2023, the High Court dismissed an appeal by Qantas against a decision of the Full Federal Court of Australia in May 2022 that determined that Qantas had contravened the adverse action provisions of the *Fair Work Act 2009* (Cth) in outsourcing the remainder of Qantas' ground handling function in 2020.

On 21 October 2024, Justice Lee of the Federal Court handed down the decision in relation to the compensation hearing for three 'test case' employees.

On 17 December 2024, the Group announced that Qantas and the Transport Workers' Union (TWU) had reached an agreement on the payment of compensation to the former ground handlers to a total value of $120 million. In early 2025, the Group paid $120 million to establish a compensation fund, administered by Maurice Blackburn on behalf of the TWU, to pay the compensation to the 1,820 impacted former employees covering both economic and non-economic loss, compensation to the TWU, as well as the cost incurred managing the distribution of funds to individuals.

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. This penalty will be paid in financial year 2025/26

While the decision was handed down after 30 June 2025, it is an adjusting post-balance sheet date event in accordance with AASB 110 *Events after the Reporting Period*. As a result, the Group has 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.

(C) GUARANTEES

The Qantas Group co-guarantees the lease obligations, on a limited liability basis, in respect of two 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.

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 Accident Compensation Act 1985* 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.

Notes to the Financial Statements continued

For the year ended 30 June 2025

34 POST-BALANCE SHEET DATE EVENTS

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, to progressively redeploy 13 Jetstar Asia Airbus A320 aircraft to Australia and New Zealand.

Jetstar Asia's final day of operations was on 31 July 2025. As the decision to close the business was made and communicated to affected stakeholders prior to 30 June 2025, provisions were raised for certain associated closure costs (including Redundancy and related costs) and have been recognised in the Consolidated Financial Statements as at 30 June 2025.

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), and has been communicating about the incident with the Australian Cyber Security Centre and the Australian Federal Police.

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.

Ground handling outsourcing penalty decision

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. This was a post-balance sheet date adjusting event and the increase to legal provisions has been recognised in the Consolidated Financial Statements as at 30 June 2025. Refer to Note 33(B) - Legal Provisions for further details.

Other than as disclosed above and as noted in Note 10 – Dividends and Other Shareholder Distributions, there has not arisen, in the interval between 30 June 2025 and the date of this report, any other event that would have a material impact on the Consolidated Financial Statements as at 30 June 2025.

Notes to the Financial Statements continued

For the year ended 30 June 2025

35 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 30.

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. 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. 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.

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, which are 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 or classified as an asset held for sale, 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 35(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 2025

35 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 companies 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 or classified as an asset held for sale, 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 2025

35 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 rate 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.

At initial recognition, the Group measures a non-controlling interest put option financial liability at the present value of the estimated redemption amount, through equity via the put option reserve. The subsequent remeasurement includes all changes in the carrying amount of the liability, including the accretion of interest, and is recognised in the put option reserve. On derecognition of the put option financial liability (when the put option is exercised and/or the remaining interest is acquired), the cumulative amount in the put option reserve and non-controlling interest is reclassified to Retained Earnings.

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.

Notes to the Financial Statements continued

For the year ended 30 June 2025

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(C) FINANCIAL INSTRUMENTS (CONTINUED)

Derivative Financial Instruments (continued)

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.

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.

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 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.

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.

Notes to the Financial Statements continued

For the year ended 30 June 2025

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(D) REVENUE RECOGNITION (CONTINUED)

i. Net Passenger and Net Freight Revenue (continued)

Passenger recoveries are included in net passenger revenue. Freight fuel surcharge is included in net freight revenue.

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 holiday package revenue from the provision of travel services where Qantas Loyalty is acting as a principal. Commission and holiday package revenue is 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 for commission revenue and a gross basis for holiday package revenue. Deposits received from customers to secure bookings are paid in advance and are deferred on the balance sheet as revenue received in advance.

For the purposes of segment reporting, the Qantas Loyalty segment reports transactions in which it acts as an agent on a gross basis. Adjustments are made within consolidation eliminations to present these on a net basis at a Group level within Frequent Flyer marketing revenue and other Qantas Loyalty businesses.

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 these redemptions on a gross basis. Adjustments are made within consolidation eliminations to present these redemptions on a net basis at a Group level within Qantas Marketplace and other redemption revenue.

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 considers 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. Qantas Club Membership

Qantas Club Membership revenue is measured based on its stand-alone selling price and is recognised within other revenue and income on satisfaction of the performance obligation, which is typically recognised on a straight-line basis over the membership period. Consideration is received in advance and deferred on the balance sheet as other revenue received in advance.

Notes to the Financial Statements continued

For the year ended 30 June 2025

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(D) REVENUE RECOGNITION (CONTINUED)

vii. 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.

(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 36(B) Pillar Two Minimum Effective Tax Rate Reform and Note 9 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.

Notes to the Financial Statements continued

For the year ended 30 June 2025

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(F) TAXES (CONTINUED)

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 which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(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, goodwill, intangible assets and other assets are reviewed at each balance sheet date to determine whether there is any indication of 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)). Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 which 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 significant judgement, as it requires 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 24(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 fair 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.

Notes to the Financial Statements continued

For the year ended 30 June 2025

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(G) IMPAIRMENT (CONTINUED)

ii. Non-Derivative Financial Assets (continued)

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.

(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. Items of property, plant and equipment 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 35(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 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 – 25	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.

Notes to the Financial Statements continued

For the year ended 30 June 2025

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(H) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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.

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.

Notes to the Financial Statements continued

For the year ended 30 June 2025

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(I) LEASES (CONTINUED)

i. Initial Recognition (continued)

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.

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 35(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 35(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 2025

35 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. 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 years	0%
Customer contracts/relationships	10 years	0%
Contract intangible assets	40 years	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 offsets 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 2025

35 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, employee 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 which 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 of the ticket for at least 12 months.

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 the next 12 months. 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 the next 12 months.

(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.

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 2025

35 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 unwinding 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 unwinding 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 2025

35 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.

(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 Superannuation Plan 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. 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 2025

35 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 35(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
- The put option reserve, comprising the recognition and remeasurements of a put option liability over relevant non-controlling interests, which is recognised in equity.

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 2025

35 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, Thank You payment, and the impact of discount rate changes on provisions are not allocated to operating segments. Changes in presentation of income/expenses where the determination of whether the Group is acting as principal or agent is made on consolidation.
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 2025

36 NEW STANDARDS AND INTERPRETATIONS ADOPTED BY THE GROUP

(A) ACCOUNTING AMENDMENTS EFFECTIVE DURING THE YEAR

The Group has adopted the following accounting amendments that have become effective during the year ended 30 June 2025:

- Amendments to AASB 101 *Classification of Liabilities as Current or Non-current*
- Amendments to AASB 16 *Lease Liability in a Sale and Leaseback*

The above amendments have not led to any changes to the Group's accounting policies and have no material impact on the Group's Consolidated Financial Statements.

(B) PILLAR TWO MINIMUM EFFECTIVE TAX RATE REFORM

The Group has adopted *International Tax Reform - Pillar Two Model Rules* (Amendments to AASB 112). The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure.

The Group has applied the relief from deferred tax accounting for Pillar Two top-up taxes and provided new disclosures about its exposure to these taxes in Note 9 Income Tax.

37 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 2025. 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 statement of profit or loss. AASB 18 also makes consequential amendments to other AASB pronouncements.

Amendments to AASB 7 *Financial Instruments: Disclosures* (AASB 7) and AASB 9 *Financial Instruments* (AASB 9) were issued in July 2024 and will be applicable to the Group for the financial year ending 30 June 2027 (including the half-year ending 31 December 2026). The amendments will introduce an option to derecognise financial liabilities settled through electronic transfer before the settlement date, clarifies how contractual cash flows should be assessed for financial assets with environmental, social and governance (ESG) and similar features, includes additional guidance in respect of non-recourse features and contractually linked instruments and amends specific disclosure requirements. The Group is currently evaluating the expected impact of these amendments on the 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 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)
- Amendments to AASB 121 *Lack of Exchangeability* (effective for the financial year ending 30 June 2026)
- 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 2026)

Consolidated Entity Disclosure Statement

For the year ended 30 June 2025

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 2025:

AAL Aviation Limited	Qantas Airways Domestic Pty Limited	QF A332 Leasing 2 Pty Limited
Airlink Pty Limited	Qantas Airways Limited	QF BOC 2008-1 Pty Limited
Australian Air Express Pty Ltd	Qantas Asia Investment Company Pty Ltd	QF BOC 2008-2 Pty Limited
Australian Airlines Limited	Qantas Climate Fund Investment 1 Pty Ltd	QF Cabin Crew Australia Pty Limited
Australian Regional Airlines Pty. Ltd.	Qantas Climate Fund Investment 2 Pty Ltd	QF Dash 8 Leasing No. 4 Pty Limited
Eastern Australia Airlines Pty. Limited	Qantas Courier Limited	QF Dash 8 Leasing No. 5 Pty Limited
Express Freighters Australia (Operations) Pty Limited	Qantas Domestic Pty Limited	QF Dash 8 Leasing No. 6 Pty Limited
Express Freighters Australia Pty Limited	Qantas Freight Enterprises Limited	QF ECA 2008-1 Pty Limited
Impulse Airlines Holdings Proprietary Limited	Qantas Freight Terminals Pty Limited	QF ECA 2008-2 Pty Limited
Jetstar Airways Pty Limited	Qantas Frequent Flyer Limited	QF ECA A380 2010 No.1 Pty Limited
Jetstar Asia Holdings Pty Limited	Qantas Frequent Flyer Operations Pty Limited	QF ECA A380 2010 No.2 Pty Limited
Jetstar Group Pty Limited	QGHC 1 Pty Limited	QF ECA A380 2010 No.3 Pty Limited
Jetstar International Group Australia Pty. Limited	Qantas Ground Services Pty Limited	QF ECA A380 2010 No.4 Pty Limited
Jetstar Services Pty Limited	Qantas Group Accommodation Pty Ltd	QF ECA A380 2011 No.1 Pty Limited
National Jet Operations Services Pty Ltd	Qantas Group Flight Training (Australia) Pty Limited	QF ECA A380 2011 No.2 Pty Limited
National Jet Systems Pty Ltd	Qantas Group Flight Training Pty Limited	QF EXIM B787 No. 1 Pty Limited
Network Aviation Holdings Pty Ltd	Qantas Information Technology Ltd	QF EXIM B787 No. 2 Pty Limited
Network Aviation Pty Ltd	Qantas Road Express Pty Limited	Regional Airlines Charter Pty Limited
Network Holding Investments Pty Ltd	Qantas SAFFA Pty Limited	Sunstate Airlines (Qld) Pty. Limited
Network Turbine Solutions Pty Ltd	Qantas Superannuation Limited	TAD Holdco Pty Ltd
Osnet Jets Pty Ltd	Qantas Ventures Pty Limited	Trip A Deal Holdings Pty Ltd
Phone A Flight Pty Ltd	Qantas Wheatbelt Connect Pty Limited	Trip A Deal Pty Ltd
Q H Tours Ltd	QF A332 Leasing 1 Pty Limited	VII Pty Limited

Other consolidated entities within the Group are:

Consolidated Entities	Country of Incorporation	Entity Type	Tax Residency	Qantas Group Ownership Interest 30 June 2025 %
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. Limited.	Japan	Body corporate	Japan	100
Holiday Tours & Travel (Korea) Limited	Korea	Body corporate	Korea	56.25
H Travel Sdn Bhd	Malaysia	Body corporate	Malaysia	75
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 2025

Consolidated Entities	Country of Incorporation	Entity Type	Tax Residency	Qantas Group Ownership Interest 30 June 2025 %
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
Southern Cross Insurances Pte Limited	Singapore	Body corporate	Singapore	100
Valuair Limited[1]	Singapore	Body corporate	Singapore	49
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 2025

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

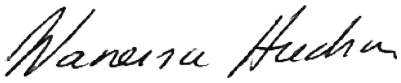
Qantas Wheatbelt Connect Pty Limited is a participant in a joint venture within the consolidated entity. As a joint venture participant, Qantas Wheatbelt Connect Pty Limited has an obligation to pay its share of any tax relating to its involvement in the joint venture.

Directors' Declaration

For the year ended 30 June 2025

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 2025 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 2025 set out on pages 130 and 132 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 2025.
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	Vanessa Hudson
Board Chair	Chief Executive Officer
5 September 2025	5 September 2025

Independent Auditor's Report

For the year ended 30 June 2025

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 2025 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 2025
- 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 2025
- Notes including a summary of 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 *Corporations Act 2001* (Cth) and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report 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.

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Independent Auditor's Report continued

For the year ended 30 June 2025

Passenger revenue recognition

Refer to Note 4(A) and Note 35(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 is used to estimate breakage and has been supplemented by forward-looking estimation with regard to current conditions and conditions of carriage to determine breakage at 30 June 2025. 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, adjusting for the forecast customer behaviour, 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 2025

Frequent Flyer revenue recognition

Refer to Note 4(B), Note 35(D)ii. and Note 35(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 proportion of Qantas Points not expected to be redeemed by members in the future.

Given the complex judgements, we involved our actuarial specialists to supplement our senior team members in addressing this key audit matter.

HOW THE MATTER WAS ADDRESSED IN OUR AUDIT

Our procedures included:

- assessing 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.
- 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 2025

Other Information

Other Information is financial and non-financial information in Qantas Airways Limited's annual reporting 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 related assurance opinions.

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 2025

REPORT ON THE REMUNERATION REPORT

Opinion

In our opinion, the Remuneration Report of Qantas Airways Limited for the year ended 30 June 2025, 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 40 to 62 of the Directors' report for the year ended 30 June 2025.

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*.

KPMG

Julian McPherson
Partner
Sydney
5 September 2025

Shareholder Information

For the year ended 30 June 2025

The shareholder information set out below was applicable as at 06 August 2025.

TWENTY LARGEST SHAREHOLDERS

Shareholders	Ordinary Shares Held	% of Issued Shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	581,921,482	38.46
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	241,644,032	15.97
CITICORP NOMINEES PTY LIMITED	227,925,446	15.06
NATIONAL NOMINEES LIMITED	25,645,642	1.69
BNP PARIBAS NOMS PTY LTD	23,595,732	1.56
PACIFIC CUSTODIANS PTY LIMITED	21,731,386	1.44
PACIFIC CUSTODIANS PTY LIMITED	16,666,211	1.10
MAXFILL AUSTRALIA PTY LTD	15,050,000	0.99
BNP PARIBAS NOMINEES PTY LTD	14,706,750	0.97
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	10,888,739	0.72
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	9,114,712	0.60
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,209,459	0.41
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	5,856,245	0.39
BNP PARIBAS NOMINEES PTY LTD	4,096,761	0.27
UBS NOMINEES PTY LTD	4,027,263	0.27
UBS NOMINEES PTY LTD	3,200,000	0.21
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	2,699,174	0.18
NETWEALTH INVESTMENTS LIMITED	2,377,958	0.16
BUTTONWOOD NOMINEES PTY LTD	2,158,710	0.14
MRS PAMELA HONORA DITCHFIELD	1,700,000	0.11
Total	**1,221,215,702**	**80.70**

DISTRIBUTION OF ORDINARY SHARES

Analysis of ordinary shareholders by size of shareholding:

Number of Shares	Ordinary Shares Held	Number of Shareholders	% of Issued Shares
1-1,000[1]	36,262,874	93,992	2.40
1,001-5,000	111,063,837	46,981	7.34
5,001-10,000	43,908,739	6,246	2.90
10,001-100,000	67,011,325	3,361	4.43
100,001 and over	1,254,952,504	119	82.93
Total	**1,513,199,279**	**150,699**	**100.00**

1 1,790 shareholders hold less than a marketable parcel of shares in Qantas, as at 06 August 2025.

SUBSTANTIAL SHAREHOLDERS

The following organisation(s) have disclosed a substantial shareholding notice to ASX as at 06 August 2025:

Shareholders	Ordinary Shares Held	% of Issued Shares
State Street Corporation and subsidiaries[1]	111,482,532	7.37

1 Substantial shareholding as at 28 January 2025, as per notice dated 30 January 2025.

Financial Calendar and Additional Information

For the year ended 30 June 2025

2025		2026*	
27 February	Half-year results announcement	26 February	Half-year results announcement
12 March	Record Date for interim dividend	11 March	Record date for interim dividend**
16 April	Interim dividend payable	15 April	Interim dividend payable**
30 June	Year end	30 June	Year end
28 August	Preliminary final results announcement	27 August	Preliminary final results announcement
17 September	Record date for final dividend	16 September	Record date for final dividend**
15 October	Final dividend payable	14 October	Final dividend payable**
7 November	Annual General Meeting	6 November	Annual General Meeting

*Dates may change if circumstances require.
**Subject to a dividend being authorised by the Board.

2025 ANNUAL GENERAL MEETING

The 2025 AGM of Qantas Airways Limited will be held in a hybrid format at 11:00am Brisbane time, AEST (12:00 noon AEDT) on Friday 7 November 2025. Further details are available in the Annual General Meeting section on the Qantas Investor website at: investor.qantas.com/home/

COMPANY PUBLICATIONS

In addition to the Annual Report, the following publications can be accessed from www.qantas.com/au/en/qantas-group/acting-responsibly/our-reporting-approach.html

- Qantas Sustainability Report
- Qantas Corporate Governance Statement
- Qantas Group Code of Conduct and Ethics
- Qantas Group Inclusion and Diversity Policy
- Qantas Group Modern Slavery and Human Trafficking Statement
- 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
Exchange Centre, 20 Bridge Street Sydney NSW 2000
Australia

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

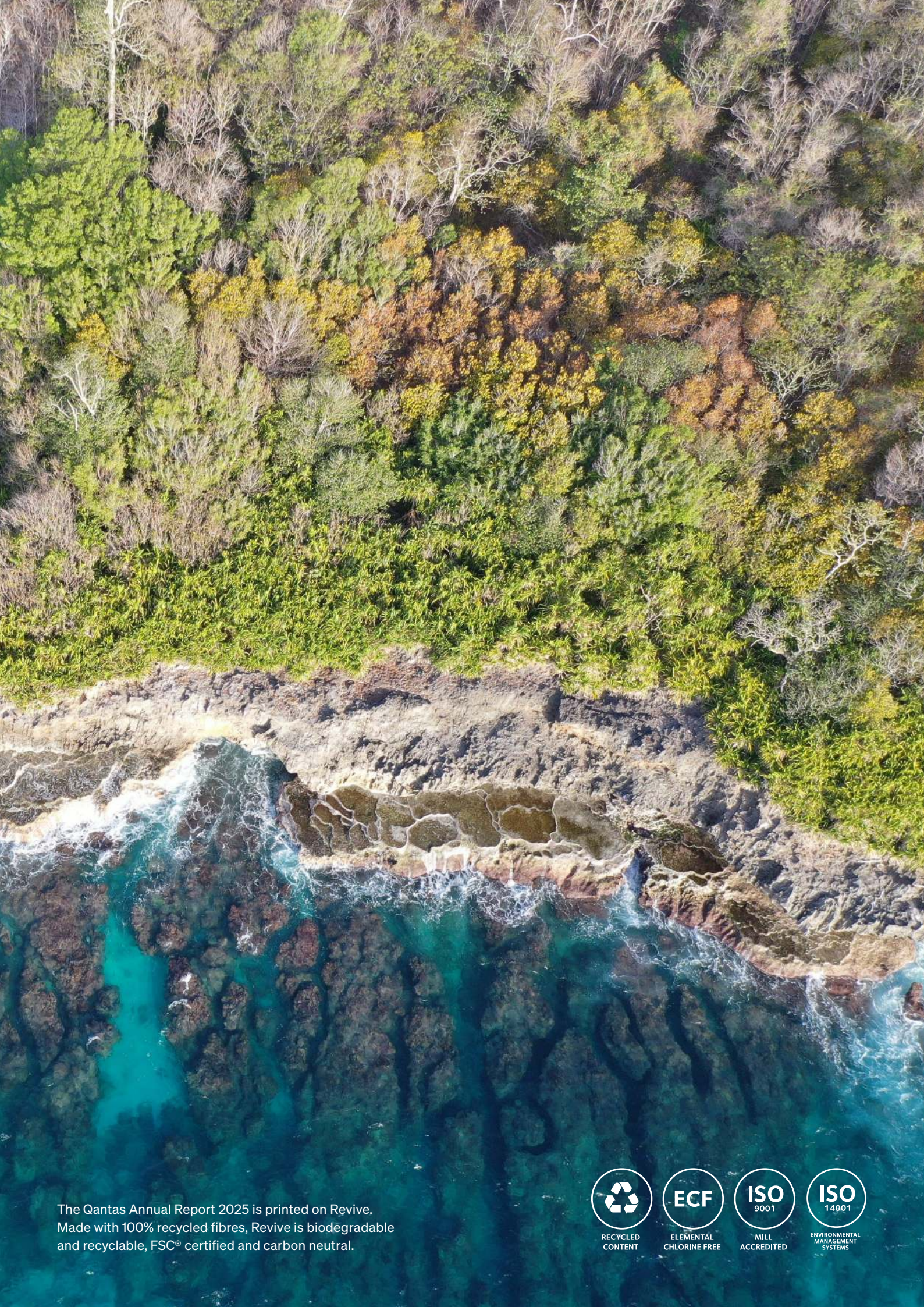
Kate Towey

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



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ABN 16 009 661 901